SummerHaven Dynamic Commodity Index℠ ("SDCI")

**SDCI INDEX METHODOLOGY**

SDCI – INDEX PHILOSOPHY

The SummerHaven Dynamic Commodity Index ("SDCI") was developed by SummerHaven Index Management to provide an active commodity index benchmark for investors. The SDCI is based on the notion that commodities with low inventories will tend to outperform commodities with high inventories, and that priced-based measures, such as futures basis, can be used to help assess the current state of commodity inventories[1].

SDCI – INDEX CONSTRUCTION

The SDCI selects 14 commodity contracts with equal weighting from a universe of 27 eligible commodities each month through three steps:

STEP 1: COMMODITY SELECTION – BACKWARDATION

Choose 14 commodities with the greatest backwardation (or least contango). Backwardation is measured as the annualized % price difference between the futures price for the closest-to-expiration contract and the next closest-to-expiration contract for each commodity.

27 COMMODITIES

SUMMERHAVEN DYNAMIC COMMODITY INDEX

14 COMMODITIES WITH THE GREATEST BACKWARDATION
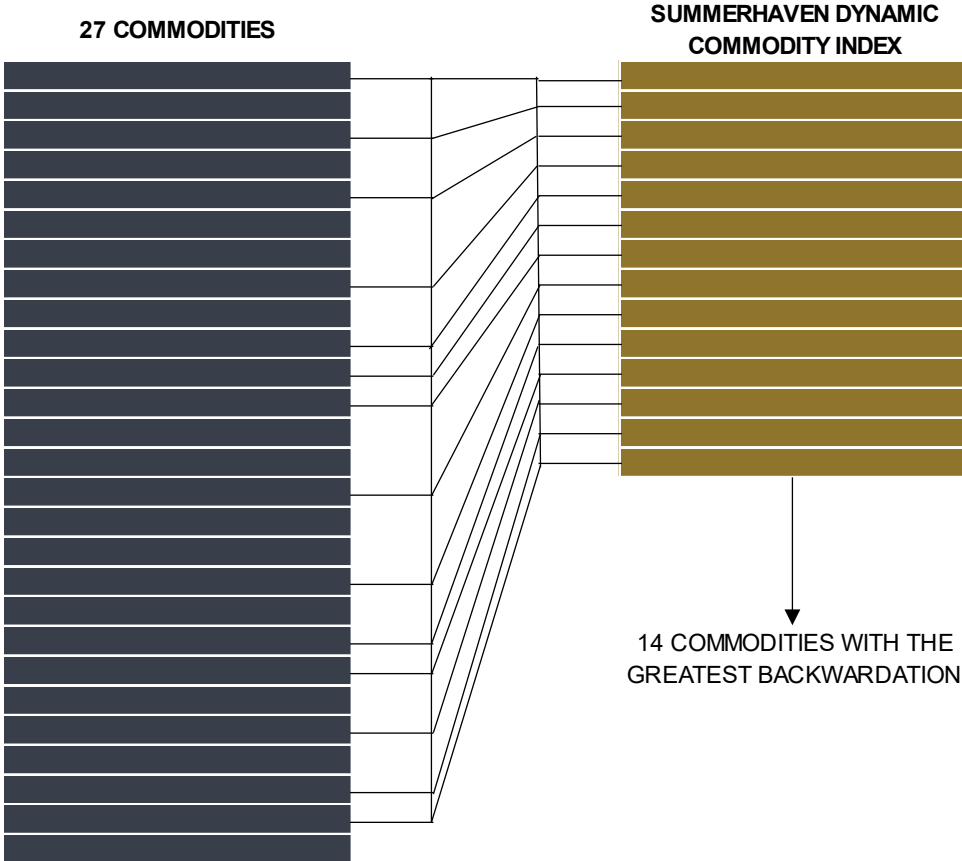
STEP 2: COMMODITY SELECTION – DIVERSIFICATION

SDCI requires at least one component from each of four primary commodity sectors: Precious Metals, Industrial Metals, Petroleum, and Grains. If a primary sector is not represented after selecting the 14 commodities, the commodity with the highest backwardation among the commodities of the omitted primary sector is substituted for the commodity with the lowest backwardation among the 14 selected commodities.

STEP 3: CONTRACT MONTH SELECTION

For each of the 14 index commodities, SDCI selects the contract month with the greatest backwardation (or least contango), taking into account the allowed contracts and maximum tenor for each commodity market.

The maximum eligible tenor is measured as the number of months starting from the maturity of the closest-to-expiration contract. The previous notwithstanding, the contract expiration is not changed for that month if a commodity remains in the index, as long as the contract does not enter expiry or enter its notice period in the subsequent month.

COMMODITY SYMBOL	COMMODITY NAME	SECTOR	ALLOWED CONTRACTS	MAX. TENOR
CL	Crude Oil	Petroleum	All 12 Calendar Months	9
XB	RBOB	Petroleum	All 12 Calendar Months	4
HO	Heating Oil	Petroleum	All 12 Calendar Months	4
CO	Brent Crude	Petroleum	All 12 Calendar Months	9
QS	Gas Oil	Petroleum	All 12 Calendar Months	4
W	Wheat	Grains	Mar, May, Jul, Sep, Dec	4
C	Corn	Grains	Mar, May, Jul, Sep, Dec	4
S	Soybeans	Grains	Jan, Mar, May, Jul, Aug, Nov	4
SM	Soymeal	Grains	Jan, Mar, May, Jul, Aug, Sep, Oct, Dec	3
BO	Bean Oil	Grains	Jan, Mar, May, Jul, Aug, Sep, Oct, Dec	7
LA	Aluminum	Industrial Metals	All 12 Calendar Months	4
HG	Copper	Industrial Metals	Mar, May, Jul, Sep, Dec	1
LX	Zinc	Industrial Metals	All 12 Calendar Months	4
LN	Nickel	Industrial Metals	All 12 Calendar Months	4
LL	Lead	Industrial Metals	All 12 Calendar Months	4
LT	Tin	Industrial Metals	All 12 Calendar Months	1
GC	Gold	Precious Metals	Feb, Apr, Jun, Aug, Oct, Dec	1
SI	Silver	Precious Metals	Mar, May, Jul, Sep, Dec	1
PL	Platinum	Precious Metals	Jan, Apr, Jul, Oct	1
SB	Sugar	Non-Primary Sector	Mar, May, Jul, Oct	3
CT	Cotton	Non-Primary Sector	Mar, May, Jul, Dec	1
KC	Coffee	Non-Primary Sector	Mar, May, Jul, Sep, Dec	1

CC	Cocoa	Non-Primary Sector	Mar, May, Jul, Sep, Dec	1
NG	Natural Gas	Non-Primary Sector	All 12 Calendar Months	6
LC	Live Cattle	Non-Primary Sector	Feb, Apr, Jun, Aug, Oct, Dec	3
LH	Lean Hogs	Non-Primary Sector	Feb, Apr, Jun, Jul, Aug, Oct, Dec	1
FC	Feeder Cattle	Non-Primary Sector	Jan, Mar, Apr, May, Aug, Sep, Oct, Nov	1

SDCI REBALANCING:

Price observations for the steps described above are taken on the fifth-to-last business day of each month. SDCI rebalancing takes place during the last four business days of the month. At the end of each of these days one fourth of the prior month portfolio positions are replaced by an equally-weighted position in the commodity contracts determined on the selection date. At the end of the rebalancing period, the SDCI targets an equal-weight position of approximately 7.14% in each of the selected commodity contracts.

REBALANCING START	REBALANCING END
Tuesday, January 26, 2021	Friday, January 29, 2021
Tuesday, February 23, 2021	Friday, February 26, 2021
Friday, March 26, 2021	Wednesday, March 31, 2021
Tuesday, April 27, 2021	Friday, April 30, 2021
Tuesday, May 25, 2021	Friday, May 28, 2021
Friday, June 25, 2021	Wednesday, June 30, 2021
Tuesday, July 27, 2021	Friday, July 30, 2021
Thursday, August 26, 2021	Tuesday, August 31, 2021
Monday, September 27, 2021	Thursday, September 30, 2021
Tuesday, October 26, 2021	Friday, October 29, 2021
Wednesday, November 24, 2021	Tuesday, November 30, 2021
Tuesday, December 28, 2021	Friday, December 31, 2021

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[1] Geert Rouwenhorst, SummerHaven partner and Yale professor, is a recognized leader for his academic research linking commodity futures returns to inventories:
See "The Fundamentals of Commodity Futures Returns" *Review of Finance* (2013), pp. 35-105.