Teucrium ETF Model Portfolios:

TEUCRIUM

COMMODITIES 1

Selective By Design:
Targeted Commodity Exposure for Long-Term Allocators

The Commodities 1 model is designed with one core objective: to outperform broad-based commodity indexes over time. Built with the strategic allocator in mind—the investor who seeks the potential benefits of long-term diversification—the model offers a thoughtful, data-driven approach to commodity exposure.

Commodities are a distinct asset class, historically demonstrating low correlations to traditional assets like stocks and bonds.[1] That low correlation can be especially valuable during market stress. For example, in 2022, both stock and bond markets posted negative returns, while broad-based commodity indexes delivered gains—precisely when diversification mattered most.

However, broad-based commodity indexes often include a wide range of sectors—energy, metals, and agriculture—which means strong performance in one area can be offset by weakness in another. That's where our model aims to be different.

At Teucrium, we bring deep experience in commodity markets and quantitative research. Drawing on that pedigree, we developed the Commodities 1 model to concentrate exposure in specific commodities we believe are best positioned to help outperform a broad commodities index. **While the model may include allocations to Teucrium's agricultural ETFs, back tests confirm there are periods when Teucrium funds are not included**—emphasizing that the strategy is driven by data and not by our desire to direct money into our funds.

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[1] See our Blog: How Agriculture Fits Into a Diversified Portfolio

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Importantly, **Commodities 1 is built for allocators who maintain a continuous, long-term allocation to commodities.** This is not a tactical model that moves in and out of cash; it remains fully invested. There will be periods of underperformance, as with any investment strategy—but for long-term investors, enduring short-term losses in one area can be offset by gains in other portfolio components. Sometimes, losing less relative to a benchmark is a win in itself.

For those familiar with Teucrium's market commentary, it's worth noting that the model may at times allocate to a commodity even when our outlook is neutral or slightly bearish. This is not a contradiction. **Commodities 1 is a relative performance model—it compares opportunities across the commodity landscape and selects what is expected to perform best relative to peers, not in absolute terms.**

As seasoned investment professionals know, managing a strategy in real-time is humbling. Even the most informed views can be wrong. That's why Commodities 1 is rules-based with a disciplined quantitative framework.

While the model does allow for an active overlay by the investment committee, back tested results—run without discretionary inputs—have been strong. As such, active overrides are expected to be rare. Again, it's important to note that **individual holdings in the model may at times differ from, or even run counter to, Teucrium's outlook for any one market.**

In sum, the Commodities 1 model is a forward-looking, data-driven tool built for allocators who understand the long-term potential benefits of diversifying with commodities and are seeking to do better than just track the broad market.

Important Disclosures and Risks

Investors should carefully consider their investment objectives, risks, charges, and expenses before investing. This and other important information can be found in the prospectus for each underlying fund, which should be obtained from the fund issuer and read thoroughly before making any investment decisions.

Not Financial Advice

This model does not account for an individual investor's specific objectives, financial situation, or risk tolerance. It may not be suitable for all investors. The information presented should be one of many factors considered when making an investment decision, and additional fundamental and technical analysis may be required to assess the suitability of any individual security or strategy.

Commodity Market Risk

Commodities include securities that track bulk goods and raw materials such as grains, metals, livestock, oil, cotton, coffee, sugar, and cocoa. These assets are influenced by global supply and demand factors and may serve as a diversification tool for sophisticated investors who seek to add commodity exposure to their portfolios. Investing in commodities entails significant risk, including price volatility, liquidity constraints, and geopolitical influences. Commodities do not generate income and are highly speculative. As such, they should not represent a significant portion of an investor's portfolio unless the investor has a deep understanding of the associated risks and objectives.

Advisor Disclosure

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