**Forward and Reverse Split Q&A**

**Q: Who participates in a reverse or forward split?**

A: Anyone that owns shares of the ETFs of undergoing splits as of the close of trading on the record date that purchased those shares on or before the record date, will participate in the splits.

**Q: Will a reverse or forward split affect the total value of my investment?**

A: No. A split simply means there will be a reduction (reverse split) or addition (forward split) in the number of the ETF’s shares outstanding and a proportionate increase (reverse split) or decrease (forward split) in the ETF’s price per share. This means you will own less or more shares, however, the price per share will be proportionately higher or lower and as a result and your investment value will not change. The exception to this is the case when, as a result of the reverse or forward split, a shareholder of a fund receives fractional shares. Fractional shares cannot trade on the NYSE Arca. Thus, a Fund will redeem for cash a shareholder’s fractional shares at the Fund’s split-adjusted NAV as of the respective Effective/Record Date.

**Q: How many shares will I receive and how will my price per share be adjusted after a reverse or forward split?**

A: It depends on the split ratio for each fund. Here are a couple of examples.

The table below illustrates the effect of a hypothetical 1-for-5 Reverse Split

<table>
<thead>
<tr>
<th>Period</th>
<th># of Shares Owned</th>
<th>Hypothetical Market Price</th>
<th>Total Share Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Split</td>
<td>100</td>
<td>$10</td>
<td>$1,000</td>
</tr>
<tr>
<td>Post-Split</td>
<td>20</td>
<td>$50</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

The table below illustrates the effect of a hypothetical 5-for-1 Forward Split

<table>
<thead>
<tr>
<th>Period</th>
<th># of Shares Owned</th>
<th>Hypothetical Market Price</th>
<th>Total Share Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-Split</td>
<td>10</td>
<td>$100</td>
<td>$1,000</td>
</tr>
<tr>
<td>Post-Split</td>
<td>50</td>
<td>$20</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

**Q: Will forward or reverse splits create taxable events for me?**

A: As a result of the reverse and forward splits, a shareholder of each ETF could potentially hold a fractional share. However, fractional shares cannot trade on NYSE Arca. Thus, each ETF will redeem for cash a shareholder’s fractional shares at the Fund’s split-adjusted NAV. Such redemptions could cause a shareholder to realize a gain or loss. Otherwise, the reverse and forward splits will not result in a taxable transaction for holders of ETF shares. No transaction fee will be imposed on shareholders for such redemptions.

**Q: Will splits affect trading availability or liquidity?**

A: Shares after splits are expected to trade with normal availability and liquidity. We do not expect splits to affect availability or liquidity.

**Q: Why has Direxion decided to split ETFs?**

A: Direxion believes it is in our shareholders’ best interest to forward or reverse split in order to keep the ETF’s price in a convenient trading price range. In the instance of a reverse split, Direxion expects the costs associated with trading these ETFs to decrease due to the split. The bid-ask spread is expected to decline as a percentage of the price paid per share. For instance, a penny spread on a $5 stock is 20 basis points (.2%), while a penny spread on a $50 stock is 2 basis points (.02%). Further, commissions charged by brokers who assess their clients on a per share basis will be smaller as investors will need to buy or sell fewer shares to meet their investment goals. In short, Direxion believes that the reverse splits will adjust the share prices to a more costefficient level for the Funds’ shareholders.

**Q: Will a split affect limit and GTC orders?**

A: Yes. Splits will cancel limit and GTC orders. Investors should replace these orders and adjust them to the post split price. Please note, splits may also affect orders for options as well.

1 A basis point can be summarized as follows: 1% change = 100 basis points. 0.01% = 1 basis point

*Please note: Direxion has attempted to notify all trading platforms with details of the impending reverse split. We encourage you to contact your broker or trading platform with any questions associated with the reverse splits.*
Disclosures:

An investor should consider the investment objectives, risks, charges, and expenses of Direxion Shares carefully before investing. The prospectus and summary prospectus contains this and other information about Direxion Shares. Download a prospectus and summary prospectus at www.direxioninvestments.com. The prospectus and summary prospectus should be read carefully before investing.

There is no guarantee that the funds will achieve their objectives. The ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged investment results and intend to actively monitor and manage their investments. Due to the daily nature of the leverage employed, there is no guarantee of amplified long-term returns. Past performance is not indicative of future results.

Risks: Investing in the funds may be more volatile than investing in broadly diversified funds. The use of leverage by a fund increases the risk to the fund. The more a fund invests in leveraged instruments the more the leverage will magnify gains or losses on those investments. There is no assurance that the Funds will achieve their objectives and an investment in a Fund could lose money. No single Fund is a complete investment program. The Funds are not designed to, and will not necessarily, track the underlying index or benchmark over a longer period of time. One cannot invest directly in an index.

An investment in the Funds involves risk, including the possible loss of principal. The Funds are nondiversified and include concentration risk that results from the Funds’ investments in a particular industry or sector which can increase volatility. The use of derivatives such as futures contracts, forward contracts, options and swaps are subject to market risks that may cause their price to fluctuate over time. The Fund does not attempt to, and should not be expected to, provide returns which are a multiple of the return of the Index for periods other than a single day. For other risks including correlation, leverage, compounding, market volatility and specific risks regarding each sector, please read the prospectus.

Distributor: Foreside Fund Services, LLC.