Direxion
ETFs | Funds

Direxion Breakfast Commodity Strategy ETF

The Direxion Breakfast Commodity Strategy ETF allows traders and investors to gain access to six common household commodities through a single fund

Due to the advent of persistent rising inflation and interest rates, traders and investors are seeking alternatives to traditional stock and bond investments.

Why Commodities?

A commodity is a raw material, or primary agriculture product, which can be bought or sold, such as wheat or coffee. Commodities are attractive to both traders and investors because:

- They offer the potential to provide additional risk-adjusted returns to a diversified portfolio.
- Their performance is has historically been correlated to traditional asset classes.
- They may be used as a potential inflation hedge.

Commodities and Diversification

Individual commodities are not homogeneous and investors should not expect them to behave similarly to one another. Weather patterns, natural disasters, geopolitical events, and other unforeseen circumstances affect the price and supply of these physical assets differently. Hence, the ability to invest in a basket of goods is appealing to gain exposure to a variety of commodities in order to diversify your allocation.

Commodities can act as a particularly good diversifier within a broader portfolio due to their historically low correlation to other investment classes, which is illustrated in the table below.

CORRELATION* COMPARISON (1/1/2004 – 3/31/2022)

	Equities	Fixed Income	U.S. Dollar	Emerging	Managed Futures	REITs	Hedge Funds
Commodities	0.47	-0.13	-0.54	0.55	0.12	0.25	0.65

Source: Bloomberg Finance L.P., as of March 31, 2022. Definitions for the above indexes in the comparison chart are on page 6.

Commodities and futures are generally volatile and are not suitable for all investors.

Commodity-Based ETFs

Owning commodities via an ETF allows investors, to get exposure to commodity returns without having to own the physical asset. In contrast to other types of funds, such as exchange-traded notes (ETNs), Direxion's commodity ETFs have less credit risk because they are not a debt obligation that rely on the credit worthiness of an issuer. For tax reporting purposes, ETFs generate a Form 1099, as opposed to a less convenient Form K-1.

Direxion Breakfast Commodities Strategy ETF (BRKY)

FUND FACTS

Fund Name	Symbol	Inception Date	Contract Roll	Benchmark Index
Direxion Breakfast Commodities Strategy ETF	BRKY	June 1, 2022	Monthly	S&P GSCI Dynamic Roll Breakfast (OJ 5% Capped) Index

Direxion's Breakfast Commodity Strategy ETF (BRKY) trades futures of six commodities that are part of a typical balanced breakfast: corn, coffee, lean hogs, orange juice frozen concentrate (OJ), sugar, and wheat. These commodities are food staples with steady demand, even during periods of inflation. According to the April 2022 Consumer Price Index (CPI), food prices were up 9.4% year over year. Although increasing food prices may be alarming to the consumer, it means returns on commodities are growing accordingly.

BRKY is designed to take advantage of rising food prices and generate returns outside of stocks and bonds. It is the first ETF to offer this combination of commodities, and we believe the persistent inflationary environment has created significant tailwinds for the fund. BRKY can be used tactically by investors and traders as a way to express a bullish view on commodity prices.

Through its exposure to high-demand breakfast staples, BRKY offers diversification between commodities packaged into one ETF. In fact, the average correlation among this group is only 0.12.

CORRELATION OF BREAKFAST COMMODITIES TO EACH OTHER

	Corn	Coffee	Lean Hogs	OJ	Sugar	Wheat
Corn	1.00					
Coffee	0.11	1.00				
Lean Hogs	0.06	0.06	1.00			
OJ	-0.07	0.19	-0.22	1.00		
Sugar	0.22	0.29	0.07	0.00	1.00	
Wheat	0.62	0.24	0.07	0.05	0.13	1.00

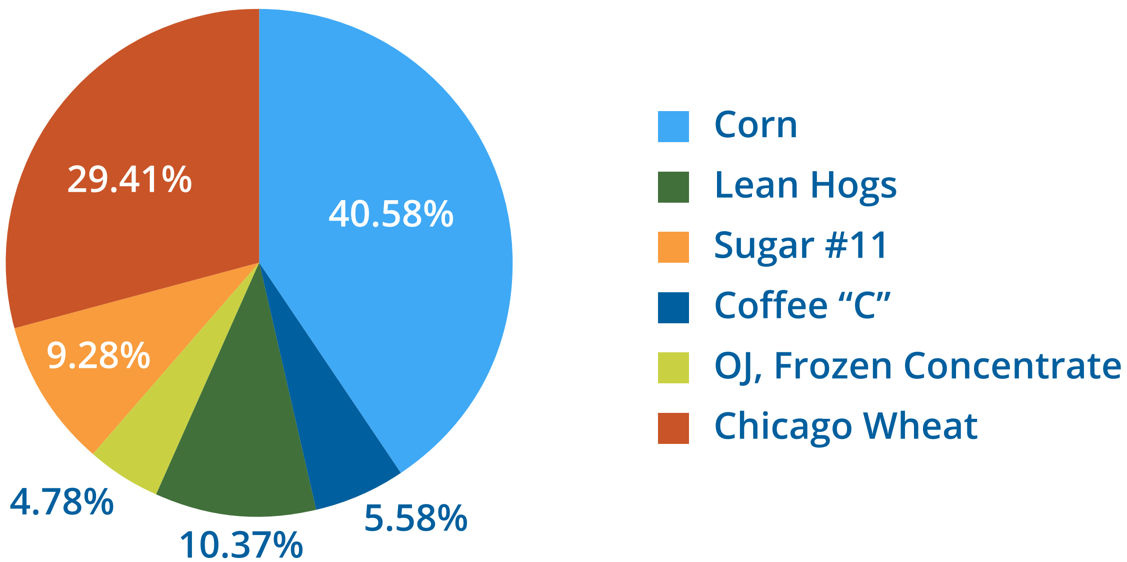
Source: Bloomberg, 3/31/2012 – 3/31/2022, from generic 1st futures on a monthly basis

Target Index: S&P GSCI Dynamic Roll Breakfast (OJ 5% Capped) Index

BRKY tracks a unique index, created specifically for the fund, which takes advantage of the same roll methodology used within the S&P GSCI Dynamic Roll Index. This index is designed to alleviate some of the challenges typically associated with trading futures, lessening the impact of near-term price volatility.

The Index contains the six aforementioned commodities and is weighted based on world production, aside from OJ (capped at 5% due to liquidity constraints).

HOLDINGS BASED ON WORLD PRODUCTION (AS OF 5/16/22)



Source: S&P Global

***Correlation:** In the finance and investment industries, is a statistic that measures the degree to which two securities move in relation to each other. A positive correlation indicates the securities move in line with each other while a negative correlation indicate the opposite.

For information on BRKY | 866.476.7523 | INFO@DIREXION.COM | DIREXION.COM

An investor should carefully consider a Fund's investment objective, risks, charges, and expenses before investing. A Fund's prospectus and summary prospectus contain this and other information about the Direxion Shares. To obtain a Fund's prospectus and summary prospectus call 866-301-9214 or visit our website at www.direxion.com. A Fund's prospectus and summary prospectus should be read carefully before investing.

Shares of the Direxion Shares are bought and sold at market price (not NAV) and are not individually redeemed from a Fund.

Futures may be affected by Backwardation: a market condition in which a futures price is lower in the distant delivery months than in the near delivery months and Contango: A condition in which distant delivery prices for futures exceeds spot prices, often due to costs of storing and inuring the underlying commodity. Opposite of backwardation, the Fund's total return may be lower than might otherwise be the case because it would be selling less expensive contracts and buying more expensive one.

Direxion Shares Risks - An investment in the Fund involves risk, including the possible loss of principal. The Fund is non-diversified and includes risks associated with concentration that results from the Fund's investments in a particular industry, sector, or geographic region which can result in increased volatility. The Fund's use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. Risks of the Fund include risks related to investments in commodity-linked derivatives and commodities, Futures Strategy Risk, Index Correlation Risk, Index Strategy Risk, Leverage Risk, Market Risk, Counterparty Risk, Cash Transaction Risk, Subsidiary Investment Risk, Interest Rate Risk, and Tax Risk. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.

Exchange-traded commodity futures contracts generally are volatile and are not suitable for all investors. The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and may be affected by changes in overall market movements, volatility of the index, changes in interest rates, or factors affecting a particular industry or commodity, such as global pandemics, weather and other natural disasters, changes in supply and production, embargoes, tariffs and international economic, political and regulatory developments and changes in speculators' and/or investors' demand. Commodity-linked derivatives also may be subject to credit and interest rate risks that in general affect the value of debt securities. The Fund's investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other investments.

Risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Index's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a time when it may be disadvantageous to do so .Auspice Capital Advisors Ltd. is a registered Portfolio Manager/Investment Fund Manager in Canada and a registered Commodity Trading Advisor (CTA/CPO) and National Futures Association (NFA) member in the US.

Past performance does not guarantee future results. S&P GSCI Excess Return Index (S&P GSCI), a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities; Bloomberg Commodity Excess Return Index (BCOM), a broadly diversified index that allows investors to track 19 commodity futures through a single, simple measure, and Deutsche Banc Liquid Commodity Optimum Yield Index (DBC CI), an index composed of futures contracts on 14 of the most heavily-traded and important physical commodities in the world. Commodities represented by the Morningstar Long-Only Commodity Index (MSDILTR), a fully collateralized commodity futures index that is long all eligible commodities. Stocks represented by the S&P 500 Index, designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Bonds represented by the Barclay's Capital U.S. Aggregate Index, used by bond funds as a benchmark to measure their relative performance. Emerging Markets represented by the MSCI Emerging Markets Index which was created by Morgan Stanley Capital International (MSCI) and is designed to measure equity market performance in global emerging markets. Managed Futures represented by the The Barclay CTA Index which seeks to replicate the overall composition of the managed futures industry with regard to trading style and overall market exposure. REITs represented by the FTSE NAREIT All Equity REITs Index which is a free float adjusted market capitalization weighted index that includes all tax qualified REITs listed on the NYSE, AMEX, and NASDAQ National Market. Hedge Funds represented by the HFRI Weighted Composite Index which is an equal weighted index of more than 1,600 hedge funds. The U.S. Dollar Index is a measure of the general international value of the U.S. Dollar relative to the British Pound, Euro, Japanese Yen, Swiss Franc, Canadian Dollar, and the Swedish Krone. The S&P MLP Index provides investors with exposure to the leading partnerships that trade on the NYSE and NASDAQ.

Distributor: Foreside Fund Services, LLC

866.476.7523

INFO@DIREXION.COM

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