

# Direxion Flight to Safety Strategy ETF (FLYT)

## A potential core, multi-asset solution to seek portfolio stability through up and down markets.

Although the stock market has proven to appreciate over time, volatility and drawdowns are a natural part of investing. This can make investing stressful, especially as you try to navigate through periods of uncertainty, while keeping your long-term goals in mind.

The [Direxion Flight to Safety Strategy ETF](#) is a potential core, multi-asset solution for navigating the ups and downs of the markets, providing defensive exposures in order to seek portfolio risk mitigation through periods of market stress.

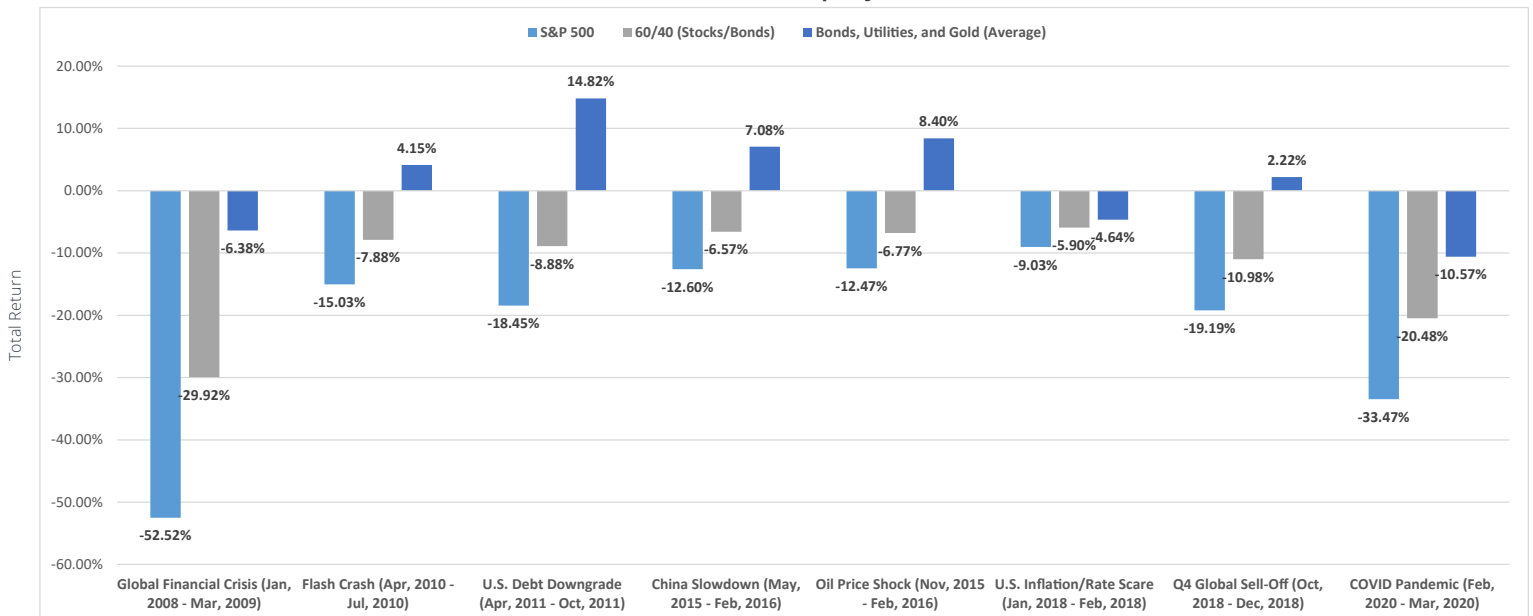
The fund's investment objective seeks investment results, before fees and expenses, that track the Solactive Flight to Safety Index. There is no guarantee that the fund will achieve its stated investment objective.

By combining long-term U.S. Treasury bonds, utility stocks, and gold bullion into a single portfolio, FLYT may act as a diversified ballast to portfolios. Just as important, FLYT is also designed to deliver a source of returns uncorrelated to the equity markets, with the ability to provide meaningful appreciation and yield potential over the long term.

## PERIODS OF EQUITY MARKET STRESS AND PORTFOLIO BEHAVIOR

It's well known that various types of securities and asset classes behave differently during event-driven drawdowns. The chart below illustrates the behavior of different types of securities for the 10-year period from 2008 through 2018. U.S. treasuries, utility stocks, and gold offer less correlation to the performance of portfolios with exposure to traditional stock and bond portfolios.

Asset Class Performance in Historical Equity Market Drawdown Scenarios



Source: Bloomberg Finance, L.P. Data represents the return of the 1) S&P 500 Index, 2) a portfolio containing a 60% allocation to the S&P 500 Index and a 40% allocation to bonds, and 3) the average of bonds, utilities, and gold bullion over different periods since 2008. Bonds are represented by the ICE U.S. Treasury 20+ Year Bond Index. Utilities is represented by the Utilities Select Sector Index, and Gold is represented by the LBMA Gold Price PM USD. Past performance is not indicative of future results. You cannot invest directly in an index.

## FUND FACTS

Symbol	FLYT
CUSIP	25460G203
Inception Date	2/5/2020
Rebalance*	Quarterly
Benchmark Index	Solactive Flight to Safety Index (SOLFTS)

\* The Fund is actively managed, therefore does not necessarily rebalance on a quarterly basis.

## THE PROBLEM: PERIODS OF VOLATILITY CAN BE STRESSFUL, AND CAN SEVERELY ERODE LONG-TERM RETURNS.

Whatever the asset allocation mix, staying invested over the long-term is an important driver of success. Periods of uncertainty, volatility, and portfolio drawdowns can differ in timing and magnitude, but they can all be difficult to manage. Today, investors have several options to help navigate through periods of equity market stress.

- **Sell equities and increase cash:** Selling equities to increase cash may trigger tax events, and requires market timing skills very few investors possess.
- **Hedging:** While hedging can be effective, it can be expensive, rely too much on timing, and is a better choice for very short periods.
- **Increase allocation to low correlated alternatives:** The introduction of alternatives and/or defensive exposures can help produce a more complete portfolio with more balanced results.
- **Increase allocation to defensive stocks:** Investors who are considering the impact of equity market drawdowns to their portfolios may want to consider the options available to them.

## A POTENTIAL SOLUTION: FLYT CAN HELP YOU STAY CALM IN A TURBULENT WORLD

The Direxion Flight to Safety Strategy ETF seeks to deliver low-correlated, defensive exposures to reduce portfolio risks driven by equity exposures. FLYT allows investors the potential to:

- Seek portfolio risk mitigation during periods of equity market stress
- Add diversification
- Collect yield
- Reduce portfolio volatility
- Improve risk-adjusted returns

For long-term investors who need a solution to help seek stability for their portfolios, through up and down markets, Direxion's Flight to Safety Strategy ETF may be a simple way to help quell uncertainty.

	Bonds	Utilities	Gold	S&P 500 (TR)
Bonds	1.000	(0.151)	0.078	(0.376)
Utilities		1.000	0.063	0.709
Gold			1.000	0.019
S&P 500 (TR)				1.000

*Low to negative correlation between asset classes.*

*Source: Bloomberg, L.P. as of 12/31/2004 - 2/31/2019*

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***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 866-476-7523 or visit our website at direxion.com. A Fund's prospectus and summary prospectus should be read carefully before investing.***

Solactive AG is not a sponsor of, or in any way affiliated with, the Direxion Flight to Safety Strategy ETF.

**Direxion Shares ETF Risks** - An investment in the Fund involves risk, including the possible loss of principal. There are risks associated with the Fund's investment in gold, U.S. treasury bonds, and utility stocks. The value of gold has historically experienced extended periods of flat or declining prices in addition to sharp fluctuations, which may result in significant volatility and potential losses to the Fund. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. The market prices for such securities are not guaranteed and will fluctuate. Utility companies are affected by supply and demand, operating costs, government regulation, environmental factors, liabilities for environmental damage and general liabilities, and rate caps or rate changes. Additional risks of the Fund include, but are not limited to Commodity-Linked Derivatives Risk, Counterparty Risk, Cash Transaction Risk, Other Investment Companies (including ETFs) 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.

**Distributor for Direxion Shares:** Foreside Fund Services, LLC.

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