## (December 2017 Department of the Treasury

## **Report of Organizational Actions Affecting Basis of Securities**

▶ See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Reporting Issuer Part 2 Issuer's employer identification number (EIN) Issuer's name Direxion Daily S&P Biotech Bear 3X Shares 47-3880106 3 Name of contact for additional information Telephone No. of contact 5 Email address of contact Pat Rudnick rudnickp@direxioninvestments.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 1301 Avenue of the Americas, 28th Floor New York, NY 10019 8 Date of action 9 Classification and description 10/31/20 Nontaxable Return of Capital Distribution 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) 25460G716 LABD Part II Organizational Action Attach additional statements if needed. See back of form for additional questions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action During the fiscal year ending 10/31/20, Direxion Daily S&P Biotech Bear 3X Shares declared quarterly dividends that included a non-taxable return of capital. Please reference the attached sheet for details relating to the date of action. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► For each dividend noted above, 98.847% of each such dividend was a return of capital in accordance with IRS section 301(c)(2). Accordingly, the shareholder would reduce each share of their tax cost basis in the LABD stock by the portion of each distribution determined to be nontaxable return of capital. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The cost basis of the shareholders of record for each dividend noted above is lowered by the per share return of capital amount disclosed in the attachment. The rate was determined in accordance with IRC Section 301 and Section 316.

Part		Organizational Action (continued)	)					
17 I			n(s) and subsection(s) upon which the tax to	reatment is based ►	IRC 301, 302, and 316.			
18 (	Can an	v resultina loss be recoanized? ► No los	ss can be recognized by the shareholders	s of each dividend	noted above			
		axable return of capital distribution rece						
		e any other information necessary to imple ded on the shareholder's 2020 1099-DIV	ment the adjustment, such as the reportab	le tax year ▶ <u>The in</u>	formation provided above			
WIII DE	provi	ded off the shareholder's 2020 1077-DIV	statement, box 3.					
	Unde	er penalties of perjury, I declare that I have exa	mined this return, including accompanying sche	dules and statements,	and to the best of my knowledge and			
Sign	Dono	elief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.						
Here	۵.			5.5				
	Sign	ature ►		Date ►				
	Print	your name ▶		Title ►				
Do:d	_	Print/Type preparer's name	Preparer's signature	Date	Check   PTIN			
Paid					self-employed			
Prep Use		Firm's name ▶			Firm's EIN ▶			
	<u> </u>	Firm's address ▶			Phone no.			
Send F	orm 8	937 (including accompanying statements)	to: Department of the Treasury, Internal Re	venue Service, Ogd	en, UT 84201-0054			

Direxion Daily S&P Biotech Bear 3X Shares 47-3880106

				98.847%
Record Date	Ex Date	Payable Date	<b>Total Dividend</b>	Return of Capital
3/25/2020	3/24/2020	3/31/2020	0.0498	0.0492