

Direxion Moonshot Innovators ETF

Methodology Summary

Fund Summary

The Direxion Moonshot Innovators ETF (MOON) may be considered a satellite holding to complement other broader positions within a portfolio.

MOON provides exposure to early-stage innovative companies driven by company allocation of resources to research and development, along with the degree to which firms stress an innovative culture and mission.

Constituent Universe

Common equity securities, including depository receipts, listed in the U.S. on the NYSE, Nasdaq, or Cboe exchanges, subject to size and liquidity constraints

- **Size:** Stocks must have a minimum float-adjusted market capitalization ("FMC") of \$100M, and a maximum security level unadjusted market capitalization of the 90th percentile value of stocks meeting the Security Type and Exchange Listing criteria. A 20% buffer applies to the maximum size cutoff, whereby a company's market cap must rise above 120% of the maximum market cap value before it becomes ineligible for the index.
- **Liquidity:** Stocks must have a minimum three-month average daily value traded ("3M ADVT"), as of the rebalancing reference date, of \$1M. The 3M ADVT is calculated as the average of the number of shares traded each day, multiplied by that day's closing price, over the three months prior to the relevant rebalancing reference date.

Benchmark Index

S&P Kensho Moonshots Index

Captures the 50 most innovative US companies at the forefront of changing our lives today, and tomorrow, by identifying the companies both pursuing innovation and having the potential to disrupt existing technologies and/or industries. These 50 companies, grouped by GICS Industry Group classification, are then deemed to have the highest **Early-Stage Composite Innovation Score**. The Early-Stage Composite Innovation Score is based on a company's **Allocation to Innovation** and **Innovation Sentiment Score**.

- **Allocation to Innovation Score:** ranking based on the ratio of its research and development expenses to revenue, as compared to other companies in the same industry
- **Innovation Sentiment Score:** conduct a review of a company's regulatory filings for the previous 12 months for the use of words related to innovation.

Component Weighting

- Each constituent is equally weighted. Weightings are adjusted to ensure each constituent is able to meet a target notional trade size, without exceeding 25% of its 3M ADVT. Individual weights will be reduced until the ADVT threshold has been met, and excess weight is then distributed proportionally across the remaining constituents.

Rebalancing

- Semi-annually; third Friday in June and December.

Definitions:

Float-Adjusted Market Capitalization: method of calculating the market capitalization of an index's underlying companies by excluding locked-in shares, such as those held by insiders, promoters, and governments

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Disclosures

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.

Shares of the Direxion Shares are bought and sold at market price (not NAV) and are not individually redeemed from a Fund. Market Price returns are based upon the midpoint of the bid/ask spread at 4:00 pm EST (when NAV is normally calculated) and do not represent the returns you would receive if you traded shares at other times. Brokerage commissions will reduce returns. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Some performance results reflect expense reimbursements or recoupments and fee waivers in effect during certain periods shown. Absent these reimbursements or recoupments and fee waivers, results would have been less favorable.

S&P Dow Jones is not a sponsor of, or in any way affiliated with, the Direxion Moonshot Innovators ETF.

Direxion Shares ETF Risks - Investing involves risk including possible loss of principal. There is no guarantee the investment

strategy will be successful. The value of stocks of information technology companies and companies that rely heavily on innovation and technology are particularly vulnerable to rapid changes in technology product cycles, rapid product obsolescence, government regulation and competition, both domestically and internationally, including competition from competitors with lower production costs. Innovative technology companies may struggle to capitalize on new technology or may face competition and obsolescence. Additional risks of the Fund include, but are not limited to, Index Correlation/Tracking Risk, Index Strategy Risk, Market Disruption Risk, and risks associated with the market capitalizations of the securities in which the Fund may invest. 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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