

Direxion Fallen Knives ETF

Methodology Summary

Fund Summary

The Direxion Fallen Knives ETF (NIFE) offers rules-based exposure to a concentrated basket of stocks that have declined substantially over the past 12 months, and may be candidates for likely revival in the future on account of their sound financial health.

The Direxion Fallen Knives ETF (NIFE) tracks the Indxx US Fallen Knives Index performance consisting of companies listed in the United States having generated negative returns in the recent past, but maintain certain positive financial health metrics, such as high levels of cash flow, and low leverage ratios.

Constituent Universe

Companies in the United States with:

- Minimum total market capitalization of \$500 million
- 6-month average daily turnover greater than, or equal to, \$5 million
- 90% of the eligible trading days in the last 6 months. In case a company does not have a trading history of 6 months (IPOs), such a company must have started trading at least 3 months before the start of the reconstitution/rebalancing process, and should have traded on 90% of the eligible trading days for the past 3 months.

Benchmark Index

Indxx US Fallen Knives Index

- **Negative Momentum:** Capture companies exhibiting negative momentum over the past 12 months of at least -15% (excluding the most recent month, or 12-1)
- **Financial Health:** Identify companies with healthy balance sheets and business fundamentals in order to sustain and succeed through a period of drawdown by screening for current ratio, cash flow coverage ratio and debt to equity.

The top 50 securities, by highest composite score, are selected. In case of equal composite scores, the security with the higher total market capitalization is given preference.

Component Weighting

- Based on free float adjusted, security-level market capitalization
- Maximum single security cap of 4.9% is applied
- Excess weight is redistributed proportionately over the remaining uncapped securities, with the higher-weighted securities receiving a higher share of the redistribution.

Rebalancing

- Semi-annually; annual reconstitution

For Information: 866-476-7523 | info@direxion.com | direxion.com

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.

Direxion Shares ETF Risks -Investing involves risk including possible loss of principal. There is no guarantee that the investment strategy will be successful or that U.S equity securities that have experienced considerable share price declines may continue to decline and there is no guarantee they will provide positive returns. Risks of the Fund include, but are not limited to, Index Correlation/Tracking Risk, Index Strategy Risk, Market Disruption Risk, risks associated with the market capitalizations of the securities in which the Fund may invest, and risks related to investment in a specific industry or sector. 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.

173 SWEMD