

The Direxion Nanotechnology ETF

Methodology Summary

Fund Summary

The [Direxion Nanotechnology ETF](#) (TYNE) provides exposure to companies believed to be at the forefront of nanotechnology, spanning the traditional sectors of consumer discretionary, health care, industrials, information technology and materials.

TYNE may be considered a thematic, technology focused satellite holding to complete other broader positions within a portfolio.

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: Securities must have a minimum float-adjusted market capitalization of at least \$100 million.
- Liquidity: Securities must have a three-month average daily turnover greater than, or equal to, \$1 million.
- Security weights are optimized for a portfolio size of \$1 billion.

Benchmark Index

S&P Kensho Extended Nanotechnology Index (KNANOXN)

The index offers exposure to companies involved in the creation and/or manipulation of matter at the molecular (or smaller) level, by providing one or more of the following four types of products or services:

1. **Fabrication and Manufacturing Processes:** Devices, systems and/or processes allowing for construction and/or manipulation of matter at the molecular level as a part of the production process, which includes, but is not limited to, nano-bots and molecular self-assembly.
2. **Measurement and Simulation:** Services simulating design of nanomaterials and products/services that contribute to measurement at the molecular level, which includes, but is not limited to, nanoelectromechanical systems.
3. **Materials:** Outputs created from nanofabrication and manufacturing processes, which includes, but is not limited to, nano-textiles and nanoparticles.
4. **Delivery Systems:** Systems enabling the delivery of nanomaterials to targeted locations, which includes, but is not limited to, engineered nanoparticles and nano-capsules.

Component Weighting

Core constituents are over-weighted as compared to non-core constituents. The index also applies a diversification screen to ensure the sum of the weights of all constituents with individual weights over 4.5% does not exceed 45% of the total index weight.

Rebalancing

- Annual reconstitution: last trading day in May
- Semiannual rebalancing: last trading day in November
- Quarterly reweighting: last trading day in February and August

Definitions:

Average Daily Trading Volume: Average daily trading volume (ADTV) is the average number of shares traded, within a day, in a given stock.

FOR INFORMATION: 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 866-476-7523 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 the(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(a) Fund at NAV.

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Direxion Shares ETF Risks - Investing involves risk including possible loss of principal. There is no guarantee the investment strategy will be successful. Nanotechnology companies are engaged in emerging industries and new technologies that may be unproven. Further, such industries and technologies may be adversely affected by technological advances, competition, rapid product or service obsolescence, and new and evolving regulation.

Additional risks of the Fund include, but are not limited to, Index Correlation Risk, Index Strategy Risk, and risks associated with the market capitalizations and sectors 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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