

## Direxion S&P 500<sup>®</sup> High minus Low Quality ETF

### Overview

The Direxion S&P 500<sup>®</sup> High minus Low Quality ETF aims to deliver a more complete solution to gaining exposure to the quality factor. By extending the scope of quality scores across the U.S. large cap universe to both high and low quality companies, the ETF seeks to deliver a robust profile of quality exposure.

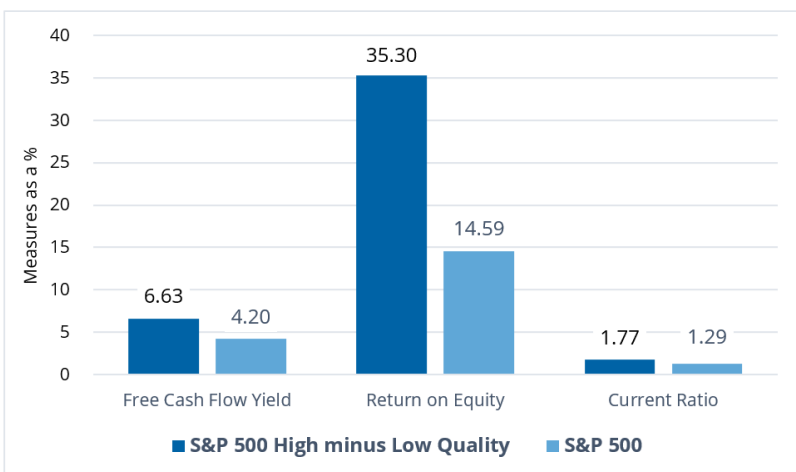
- Capital-efficient 150/50 structure captures both high and low quality scores based on three core metrics: return on equity, accruals, and financial leverage
- Provides a differentiated approach to quality; one rooted in the idea that higher quality companies outperform lower quality ones over the long-term
- An ETF that aims to deliver access to highly profitable, operationally efficient, and stable companies in a more robust way

### Investment Objective

The Direxion S&P 500<sup>®</sup> High minus Low Quality ETF seeks investment result, before fees and expenses, that track the S&P 500<sup>®</sup> 150/50 Quality 0.30% Decrement Index. **There is no guarantee that the fund will achieve its stated investment objective.**

### Key Quality Metrics

#### High Minus Low Quality Extension Delivers Robust Exposure to Quality Metrics



Source: Bloomberg.

**Free cash flow yield** is a financial solvency ratio that compares the free cash flow per share a company is expected to earn against its market value per share.

**Return on equity** is a measure of financial performance calculated by dividing net income by shareholders' equity.

**Current ratio** is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year.

### Fund Facts

Fund Symbol	QMJ
Intra-day Indicative Value	QMJ.IV
Bloomberg Index Symbol	SPXQ5DUT
CUSIP	25460G401
Gross Expense Ratio	0.37%
Net Expense Ratio*	0.37%
Inception Date	February 5, 2020

\* The Net Expense Ratio includes management fees, other operating expenses and Acquired Fund Fees and Expenses. If Acquired Fund Fees and Expenses were excluded, the Net Expense Ratio would be 0.35%. Rafferty Asset Management, LLC ("Rafferty") has entered into an Operating Services Agreement with the Fund. Under this Operating Services Agreement, Rafferty has contractually agreed to pay all expenses of the Fund through September 1, 2021 other than the following: management fees, Rule 12b-1 distribution and/or service fees, taxes, swap financing and related costs, dividends or interest on short positions, other interest expenses, brokerage commissions, expenses incurred in connection with any merger or reorganization, acquired fund fees and expenses, and extraordinary expenses. If these expenses were included, the expense ratio would be higher.

### Index Description

The S&P 500<sup>®</sup> 150/50 Quality 0.30% Decrement Index (the "Index") seeks to measure the performance of a portfolio of long positions in high quality stocks and short positions in low quality stocks, as determined by S&P Dow Jones Indices, LLC, the "Index Provider." To this end, the Index consists of a portfolio that has 150% long exposure to the S&P 500<sup>®</sup> Quality Index (the "Long Component") and 50% short (or inverse) exposure to the S&P 500<sup>®</sup> Quality - Lowest Quintile Index (the "Short Component"). The Long Component is comprised of stocks selected from the S&P 500<sup>®</sup> based on their quality score as defined by the Index Provider. The Short Component is comprised of stocks selected from the S&P 500<sup>®</sup> with the lowest quality scores. **One cannot directly invest in an index.**

### Index Construction

The S&P 500<sup>®</sup> 150/50 Quality 0.30% Decrement Index combines long positions (150%) of 100 securities with the highest quality scores with short positions (-50%) of 100 securities with the lowest quality scores.

- Securities are selected from the S&P 500
- Quality metrics are focused on return on equity, accruals, and financial leverage
- Security weights are based on Market Cap weighted Quality scores

## Index Holdings and Weightings

### Top 5 Long Holdings %

Apple	8.37
Johnson & Johnson	8.29
Visa	7.89
MasterCard	7.42
Procter & Gamble	7.36

### Top 5 Short Holdings %

Home Depot	-2.84
McDonald's	-2.26
JPMorgan Chase & Co	-2.16
Walt Disney	-1.96
Philip Morris International	-1.91

### Index Sector Weightings %

Information Technology	45.92
Health Care	32.75
Consumer Staples	12.95
Industrials	10.80
Energy	4.66
Consumer Discretionary	2.61
Financials	0.89
Real Estate	-0.50
Utilities	-1.18
Materials	-1.42
Communication Services	-7.49

Source: Bloomberg. Index holdings and sector weightings are net and as of 3/31/2020 and subject to change.

## Performance (as of 3/31/2020)

		1M %	3M %	YTD %	1Y %	S/I of the Fund %	Inception Date
QMJ	NAV	-5.42				-15.96	2/5/2020
	Market Close	-4.10				-15.40	
SPXQ5DUT		-7.00				-18.59	

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Returns for performance under one year are cumulative, not annualized. For the most recent month-end performance please visit the fund's website at [direxion.com](http://direxion.com).

Short-term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes. For additional information, see the fund's prospectus.

**For Information: 866-476-7523 | [info@direxion.com](mailto:info@direxion.com) | [direxion.com](http://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](http://direxion.com). A Fund's prospectus and summary prospectus should be read carefully before investing.**

**Market Disruptions Resulting from COVID-19.** The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

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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 Risks** - Investing involves risk including possible loss of principal. The Fund's investment in derivatives may pose risks in addition to, and greater than, those associated with directly investing in or shorting securities or other investments. There is no guarantee that the investment strategy will be successful in identifying high and low quality stocks. Many factors can affect a stock's quality and performance, and the impact of these factors on a stock or its price can be difficult to predict. Quality stocks may underperform while non-quality stocks may perform well. There is no guarantee that the returns on the Fund's long or short positions will produce positive returns, and the Fund could lose money on either or both Fund's long and short positions. The Fund is also subject to Market Disruption Risk. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.