

## Direxion Work From Home ETF (WFH)

### Ride the Remote Productivity Trend

As society evolves and technologies advance, perceptions of what is considered a productive workplace are changing as well. Because technology has allowed for greater remote access, trends toward more flexible and remote work locations have steadily increased over recent decades. Society has embraced the idea that many job functions no longer require daily presence in a specific location. At the same time, firms have realized the potential cost-efficiency of remote work. The need for lower density office spaces due to the COVID-19 pandemic served to accelerate these trends.

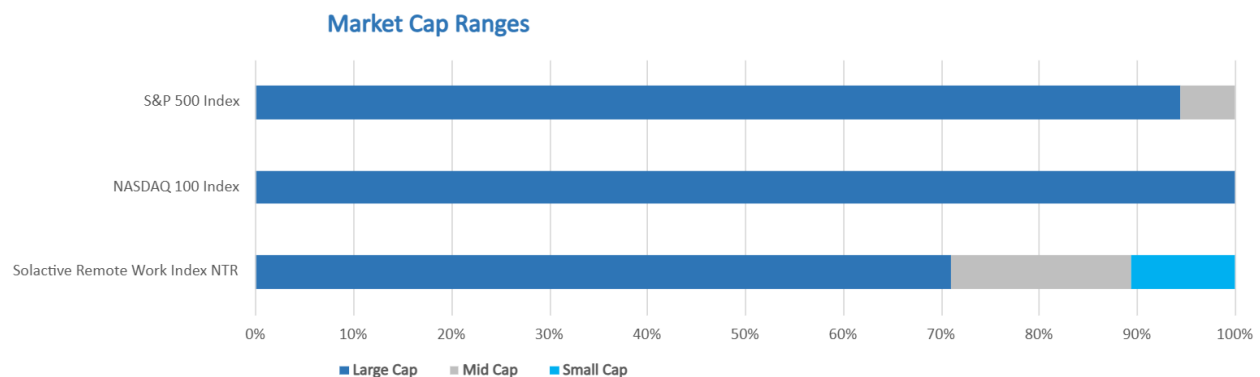
As businesses and employees have adapted to the post-COVID work landscape, one thing remains evident: working from home is now a permanent fixture, and long-term remote work trends have surfaced. The realm of remote work technology has evolved into a sub-industry, spurring companies to sustain their support for remote work and intensifying competition in this field.<sup>1</sup>

There are four established and emerging technology pillars comprising the remote work theme:

- **Cloud Technologies:** Due to the need for data to be securely stored, accessed, and shared remotely, companies offering cloud technology services and on-demand availability to computer systems may benefit.
- **Cybersecurity:** More flexible workspaces open the potential for increased cyber threats that likely increases the demand for companies offering cybersecurity systems.
- **Online Project and Document Management:** Remote work requires applications that enable the management of projects and collaboration across individuals and teams boosting the need for tools that enable this to occur efficiently and securely.
- **Remote Communications:** With workers in varying locations, the need for videoconferencing, instant messaging and email applications has increased, so that coworkers can be connected even when not together physically.

As the work-from-home model evolves, companies providing these technologies and services must also stay ahead and innovate. While much of the ongoing discussion surrounding remote work focuses on employee preference, it is crucial to recognize that behind the scenes, a diverse array of companies are working to enable this option by providing the necessary technology infrastructure.

These thematic industries span eight GICS industries, with an emphasis on software, which is considerably greater than the Nasdaq-100® Index. Additionally, companies powering remote work technologies span the market cap spectrum. By traditional lenses, 73% are considered large, 14% mid, and 13% small.



Source: Bloomberg, L.P. and Solactive, as of March 31, 2025. Weighting are subject to change. You cannot invest directly in an index.

The benchmark index, the **Solactive Remote Work Index**, for [Direxion Work From Home ETF](#) is comprised of 40 U.S. listed securities and American Depositary Receipts that have significant exposure to companies specializing in providing products focused on the ability to work remotely. are accelerating greater adoption of remote work. Companies are selected for inclusion in the index by ARTIS, a proprietary natural language processing algorithm, which uses key words to evaluate large volumes of publicly available information, such as annual reports, business descriptions and financial news.

Relative to the Nasdaq-100®, WFH's index has a lower-weighted average market cap, with stronger earnings growth potential and a lower P/E, highlighting that the 40 stocks in WFH may offer an attractive combination of growth and valuation relative to the tech-dominated Nasdaq-100®.

	Solactive Connected Consumer Index	NASDAQ 100 Index	S&P 500 Index
Price to Sales Ratio (x)	1.40	5.15	2.86
Price to Earnings Ratio (x)	42.96	30.77	24.00
Estimated EPS Growth (%)	10.65	11.52	9.30

*Source: Bloomberg and Solactive, as of 03/31/2025. Index metrics do not represent future performance potential. There is no guarantee that favorable metrics will translate to favorable fund performance.*

WFH may be considered a satellite holding to complement other broader positions within a portfolio. Combining companies across four technology pillars allows investors to capture those growing companies that stand to benefit the most from an increasingly flexible work environment, as opposed to splicing together individual stocks or ETFs offering some, but not all exposures.

## Trends in Motion

- Of all the U.S. workers, nearly 60% of job holders say they can work remotely at least part of the time, which is over 92 million individuals and counting.<sup>2</sup>
- 71% of workers say working from home helps with work-life balance, and 56% of workers say it increases their ability to get work done and meet deadlines.<sup>3</sup>

## Continued Acceleration

- Over 60% of tech companies require employees be physically present in the office 2 to 3 days per week <sup>4</sup>
- 65% of workers report the desire to work remotely full-time .<sup>3</sup>
- 57% of workers would look for a new job if their current company did not allow remote work. In fact, 32% of hybrid workers would take a pay cut to work remotely full-time.<sup>3</sup>
- Managers and leaders report that reduced burnout or fatigue, improved retention, and greater productivity are the top three benefits of remote work for organizations.<sup>5</sup>

**Implementation:** May be considered a satellite holding with exposure to companies at the forefront of the worldwide societal shift towards greater remote work.

## References:

<sup>1</sup> Mann, and Adkins (2017): "America's Coming Workplace: Home Alone"

<sup>2</sup> Kopf (2019): "Slowly but surely, working at home is becoming more common"

<sup>3</sup> (Forbes, <https://www.forbes.com/advisor/business/remote-work-statistics/>), Pew Research, FlexJobs

<sup>4</sup> Statista, Cionet; Nash Squared

<sup>5</sup> Gallup, <https://www.gallup.com/workplace/511994/future-office-arrived-hybrid.aspx>

## Index Descriptions and Definitions

- **Nasdaq-100® Index:** The Index includes 100 of the largest domestic and international non-financial companies listed on the NASDAQ Stock Market® based on market capitalization. All companies listed on the index have an average daily trading volume of at least 200,000 shares. One cannot directly invest in an index.
- **Solactive Remote Work Index:** The Index is comprised of U.S. listed securities and American Depositary Receipts (“ADRs”) of companies that provide products and services in at least one of the following business segments that facilitate the ability of people to work from home: remote communications, cyber security, online project and document management, and cloud computing technologies (“WFH Industries”). The Index consists of 40 companies, namely, the top 10 ranked companies in each of the four WFH Industries. The Index is equal weighted at each semi-annual reconstitution and rebalance date. One cannot directly invest in an index.
- **GICS:** The Global Industry Classification Standard (GICS) is an industry taxonomy developed in 1999 by MSCI and Standard & Poor’s (S&P) for use by the global financial community.
- **Price to Sales Ratio:** The price-to-sales (P/S) ratio is a valuation ratio that compares a company’s stock price to its revenues.
- **Price to Earnings Ratio:** The price-to-earnings (P/E) ratio measures the current share price relative to earnings-per-share.
- **Estimated EPS Growth:** Estimated earnings per share growth measures the estimated growth rate of earnings-per-share using consensus estimates of three to five-year earnings.

**FOR INFORMATION: 866-476-7523 | [INFO@DIREXION.COM](mailto:INFO@DIREXION.COM) | [DIREXION.COM](http://DIREXION.COM)**

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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. The value of stocks of information technology companies and companies that rely heavily on technology is 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. ADRs are issued by non-U.S. companies and are subject to various foreign investment risks including but not limited to the risk that the currency in the issuing company’s country will drop relative to the U.S. dollar, that politics or regime changes in the issuing company’s country will undermine exchange rates or destabilize the company and its earnings. Additional risks of the Fund include, but are not limited to, Index Correlation Risk, Passive Investment and Index Performance Risk, Natural Language Processing Risk, Cash Transaction 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.

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