

# Direxion mRNA ETF (MSGR)

## Methodology Summary

### Fund Summary

The [Direxion mRNA ETF \(MSGR\)](#) provides exposure to companies believed to be at the forefront of the development and application of messenger RNA technology.

[MSGR](#) may be considered a satellite holding to complement other broader positions within a portfolio.

### Constituent Universe

Common equity securities, including depository receipts, listed in the U.S., Canada and Europe.

- Size: Securities must have a market capitalization of at least \$100 million.
- Liquidity: Securities must have a three-month average daily turnover greater than, or equal to, \$1 million.
- Benchmark Index: BITA Messenger RNA Technology Index (BMRNAIN)

### Benchmark Index

BITA Messenger RNA Technology Index (BMRNAIN)

**Initial Universe Criteria:** Companies must satisfy at least one of the below conditions:

- Be involved in the commercialization of products and therapies based on Messenger RNA technology, or sister RNA technologies (Small Interfering RNA, Micro RNA)
- Be classified as a clinical stage biotechnology company, with focus in the development of products and therapies that leverage the messenger RNA technology
- Have a portfolio of active, approved, mRNA technology-focused clinical trials
- Have any granted, active patents, with demonstrated involvement of the messenger RNA technology

**Final Universe Criteria:** Companies must then satisfy a minimum thematic exposure of 50% based on revenue exposure: For this index, in order to calculate the thematic exposure score, the following criteria is applied (if a company satisfies more than one criteria, the largest exposure score applies):

- Companies deriving at least 50% of their revenue from the commercialization of products and therapies based on Messenger RNA technology, or sister RNA technologies (Small Interfering RNA, Micro RNA), are attributed a thematic exposure score of 100%
- Companies with a declared (evidenced on company headline communication) focus on the development and commercialization of mRNA technology based products and therapies are attributed a thematic exposure score of 80%
- Companies with a portfolio of active, approved, mRNA technology-focused clinical trials, representing at least 50% of the total number of active clinical trials launched by the company, are attributed a thematic exposure score of 80%
- Clinical-stage companies, with at least one active, approved, mRNA technology-focused clinical trial, are attributed a thematic exposure score of 50%.

## Component Weighting

Free-float, market cap-weighted.

## Rebalancing

Quarterly; third Friday in January, April, July and October

## Definitions

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

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***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.***

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.

*BITA is not a sponsor of, or in any way affiliated with, the Direxion mRNA ETF.*

**Direxion Shares ETF Risks** – Investing involves risk including possible loss of principal. There is no guarantee the investment strategy will be successful. mRNA technology is a novel technology and the development of products or therapies based on mRNA technology has substantial clinical development and regulatory risks. mRNA technologies may also provide ineffective or may produce adverse effects. Negative perception of the efficacy, safety, or tolerability of such mRNA-based products or therapies could adversely affect a company and the general acceptance of mRNA technologies. Certain mRNA-based vaccines only have received Emergency Use Authorization from the U.S. Food and Drug Administration and other provisional, interim or conditional authorizations from regulatory authorities outside the United States, and there is no guarantee that such vaccines will receive full approval in the future.

Additional risks of the Fund include, but are not limited to, Non-Diversification Risk, Index Correlation/Tracking Risk, Index Strategy Risk, Biotechnology Industry Risk, Healthcare Sector Risk, Natural Disaster/Epidemic and Market Disruption Risk, Foreign Securities 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.