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Shareholder Action Request

FINRA Proposes Limiting Access to Leveraged and Inverse ETFs

Direxion Encourages Investors to Advocate for Continued Access to Current Products

FINRA's Regulatory Notice 22-08 includes a solicitation of comments on investors' ability to trade "complex products" - including leveraged and inverse funds ("L&I Funds").

In its notice, FINRA articulates the "concern" that investors may be confused by "complex products" and solicits comment as to whether limiting access to such products might be appropriate given the growth in self-directed investment platforms.

FINRA is not currently proposing new rules, but suggests “enhancements” to current rules that may require onerous processes for brokerage firms in order to qualify legally entitled investors to use L&I Funds and other “complex products”.

At Direxion and throughout the investment industry, we understand that educated investors are our best customers. Rather than limiting investor choice, we believe that investor education, transparency and risk disclosure should be the primary focus of FINRA and the industry.

FINRA seeks public comment, and [Direxion](#) encourages you to do so prior to the deadline on May 9. Please be thoughtful, comprehensive and detailed in your comments. You may want to consider addressing the following:

- Your opinion on FINRA’s proposed limits that may restrict your access to L&I Funds or to disqualify you from trading L&I Funds or other "complex products".
- If you have a strong understanding of the characteristics and risks of L&I Funds, and that their purpose is for short-term active trading, and that they should be monitored regularly, consider including a statement to that effect.
- A description of the warnings your brokerage firm already provides in connection with your investments in L&I Funds, and their rationale.

You may submit your comments [here](#). Your comments will be routed directly to FINRA. The deadline for comments is May 9. You can also call us with any questions at 877-437-9363.

Thank you for your attention to this important matter, and your continued trust in Direxion.

All Direxion leveraged and inverse ETFs are intended only for investors with an in-depth understanding of the risks associated with seeking leveraged investment results, and who plan to actively monitor and manage their positions. There is no guarantee that these L&I Funds will meet their objective. Please visit the [Direxion Leveraged and Inverse ETF Education Center](#), where you

will find educational brochures, videos, and a self-paced online course to help you understand if leveraged ETFs are right for you.

You may submit your comments here. The deadline for comments is May 9.

[Submit Comment](#)

About Direxion:

Direxion equips investors who are driven by conviction with ETF solutions built for purpose and fine-tuned for precision. These solutions are available for a broad spectrum of investors, whether executing short-term tactical trades, or investing in thematic strategies. Direxion's reputation is founded on developing products that precisely express market perspectives and allow investors to manage their risk exposure. Founded in 1997, the company has approximately \$28.6 billion in assets under management as of March 31, 2022. For more information, please visit www.direxion.com.

There is no guarantee that the Funds will achieve their investment objectives.

For more information on all Direxion Shares daily leveraged ETFs, go to www.direxion.com, or call us at 866.301.9214.

Leveraged ETFs are not suitable for all investors and should be utilized only by investors who understand the risks associated with seeking daily leveraged and inverse investment results, and intend to actively monitor and manage their investments. Due to the daily nature of the leveraged and inverse investment strategies employed, there is no guarantee of long-term inverse returns. Past performance is not indicative of future results.

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 866-716-0735 or visit our website at direxion.com. A Fund's prospectus and summary prospectus should be read carefully before investing.

Direxion Shares Risks - An investment in the ETFs involves risk, including the possible loss of principal. The ETFs are non-diversified and include risks associated with concentration that results from an ETF's investments in a particular industry or sector which can increase volatility. The use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. The ETFs do not attempt to, and should not be expected to, provide returns which are a multiple of the return of their respective index for periods other than a single day. For other risks including leverage, correlation, daily compounding, market volatility and risks specific to an industry or sector, please read the prospectus.

Distributor: Foreside Fund Services, LLC.



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.

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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.

iShares is a registered trademark of BlackRock, Inc. or its subsidiaries ("BlackRock"). Neither BlackRock nor the iShares Funds make any representations regarding the advisability of investing in the Fund. The value of inflation protected securities, including TIPS, generally will fluctuate in

response to changes in “real” interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation indexed securities will generally vary up or down along with the rate of inflation.

Direxion Shares Risks – An investment in the Fund involves risk, including the possible loss of principal. The Fund is non-diversified and includes risks associated with the Fund concentrating its investments in a particular industry, sector, or geographic region which can result in increased volatility. The use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. Risks of the Fund include Effects of Compounding and Market Volatility Risk, Leverage Risk, Market Risk, Counterparty Risk, Rebalancing Risk, Intra-Day Investment Risk, Daily Index Correlation Risk, and Other Investment Companies (including ETFs) Risk, and risks specific to inflation-protected U.S. Government securities, including interest rate risk, credit risk, and deflation risk. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.

Distributor: Foreside Fund Services, LLC.