

# Strategic Beta ETFs

Direxion  
ETFs | Funds



Out of 369 Mid-Cap Blend funds as of 06/30/2018. An investments overall Morningstar Rating, based on its risk adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings.



Out of 1,265 Large Growth funds as of 06/30/2018. An investments overall Morningstar Rating, based on its risk adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings.

Ticker	ETF Name	Summary
<b>KNOW</b>	Direxion All Cap Insider Sentiment Shares	Provides the ability to gain exposure to stocks, based on corporate insider transactions and favorable analyst ratings, to seek excess returns relative to the S&P 500® Index.
<b>QQQE</b>	Direxion NASDAQ- 100® Equal Weighted Index Shares	Offers low cost access to equal-weighted exposure to the NASDAQ-100®, to allow for greater diversification across market caps, and market segments.
<b>COM</b>	Direxion Auspice Broad Commodity Strategy ETF	The Direxion Auspice Broad Commodity Strategy ETF seeks to provide total return that exceeds that of the Auspice Broad Commodity Index over a complete market cycle
<b>ZMLP</b>	Direxion Zacks MLP High Income Index Shares	Offers equal-weighted exposure to MLPs in a C corp structure to provide potential for diversified higher income, while avoiding K-1s.

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† The Morningstar Rating™ is provided for those exchange-traded funds (“ETFs”) with at least a three-year history. Ratings are based on the ETF’s Morningstar Risk-Adjusted Return measure which accounts for variation in monthly performance, placing more emphasis on downward variations and rewarding consistent performance. An ETF’s risk-adjusted return includes a brokerage commission estimate. This estimate is intended to reflect what an average investor would pay when buying or selling an ETF. PLEASE NOTE, this estimate is subject to change and the actual brokerage commission an investor pays may be higher or lower than this estimate. Morningstar compares each ETF’s risk-adjusted return to the open-end mutual fund rating breakpoints for that category. Consistent with the open-end mutual fund ratings, the top 10% of ETFs in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The overall rating for an ETF is based on a weighted average of the time-period ratings (e.g., the ETF’s 3, 5, and 10 year rating).

The Direxion All Cap Insider Sentiment Shares (KNOW) was rated against the following numbers of Mid-Cap Blend funds over the following time periods: 369 funds in the last three years and 324 funds in the last five years. As of 06/30/2018, the fund received a 5-Star rating for the 3-year period, 5-year period, and overall. Past performance is no guarantee of future results.

The Direxion NASDAQ-100® Equal Weighted Index Shares (QQQE) was rated against the following numbers of U.S. domiciled Large Growth funds over the following time periods: 1,265 funds in the last three years and 1,099 funds in the last five years. As of 06/30/2018, the fund received a 4-Star rating overall and for the 5-year period, and a 3-Star rating for the 3-year period. Past performance is no guarantee of future results.

***There is no guarantee the funds will meet their stated investment objectives.***

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## Disclosures

*An investor should consider the investment objectives, risks, charges, and expenses of Direxion Shares carefully before investing. The prospectus and summary prospectus contain this and other information about Direxion Shares. To obtain a prospectus contact Direxion Investments at (866) 476-7523 or visit the website [direxioninvestments.com/regulatory-documents](http://direxioninvestments.com/regulatory-documents). The prospectus or summary prospectus should be read carefully before investing.*

**Principal Risks of the Funds:** An investment in the ETFs involve risk, including the possible loss of principal. The ETFs are non-diversified and include risks associated with concentration risk that results from the Funds' investments in a particular industry or sector which can increase volatility. The use of derivatives such as futures contracts, forward contracts, options and swaps are subject to market risks that may cause their price to fluctuate over time. The Fund does not attempt to, and should not be expected to, provide returns which are a multiple of the return of the Index for periods other than a single day. For other risks including leverage, correlation, compounding, market volatility and specific risks regarding each sector, please read the prospectus.

**Risks of ZMLP:** The value of commodity-linked investments such as the MLPs in which the Fund invests are subject to risks specific to the industry they serve, such as fluctuations in commodity prices, reduced volumes of available natural gas or other energy commodities, slowdowns in new construction and acquisitions, a sustained reduced demand for crude oil, natural gas and refined petroleum products, depletion of the natural gas reserves or other commodities, changes in the macroeconomic or regulatory environment, environmental hazards, rising interest rates and threats of attack by terrorists on energy assets, each of which could affect the Fund's profitability.

MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment including the risk that an MLP could lose its tax status as a partnership.

If an MLP were to be obligated to pay federal income tax on its income at the corporate tax rate, the amount of cash available for distribution would be reduced and such distributions received by the Fund would be taxed under federal income tax laws applicable to corporate dividends received (as dividend income, return of capital, or capital gain). The Fund is organized as a Subchapter "C" Corporation and is subject to U.S. federal income tax on taxable income at the corporate tax rate (currently as high as 35%) as well as state and local income taxes. This deferred tax liability is reflected in the daily NAV and as a result a MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

In addition, investing in MLPs involves additional risks as compared to the risks of investing in common stock, including risks related to cash flow, dilution and voting rights. Such companies may trade less frequently than larger companies due to their smaller capitalizations which may result in erratic price movement or difficulty in buying or selling. Additional management fees and other expenses are associated with investing in MLP funds. The Fund is subject to certain MLP tax risks and risks associated with accounting for its deferred tax liability which could materially reduce the net asset value. An investment in the Fund does not offer the tax benefits of a direct investment in an MLP.

Distributor: Foreside Fund Services, LLC. 074 Rev 06/30/2018