



Direxionshares
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Direxion Shares Daily Financial Bull (FAS) ETF and the Direxion Shares Daily Financial Bear (FAZ) ETF will each be undergoing a Reverse Split after market close on Wednesday, July 8th, 2009 (the “Record Date”), which will be effective on Thursday, July 9th, 2009 (the “Effective Date”).

Exchange Traded Fund	Ticker	Old CUSIP	New CUSIP	Share Ratio
Direxion Daily Financial Bull 3X Shares	FAS	25459W 508	25459W 516	1:5
Direxion Daily Financial Bear 3X Shares	FAZ	25459W 607	25459W 490	1:10

Q: Will this affect the total value of my investment in FAS or FAZ?

A: No. A reverse split simply means there will be a reduction in the number of the ETF’s shares outstanding and a proportionate increase in the ETF’s price per share. This means you will own less shares, however, the price per share will be proportionately higher and as a result; your investment value will not change.

Q: How many shares will I receive after the reverse split?

A: The Direxion Daily Financial Bull 3X Shares (FAS) will effect a 1 for 5 reverse split and the Direxion Daily Financial Bear 3x Shares (FAZ) will effect a 1 for 10 reverse split. This means, for every 5 shares of FAS an investor owns, they will now receive 1 share and for every 10 shares an investor owns of FAZ, they will receive 1 share. **Please note:** As a result, the share price will be adjusted proportionately higher.

A shareholder’s total investment value, will not be affected by the reverse splits. The tables below illustrate the affect of a hypothetical 1 for 5 reverse split and a 1 for 10 reverse split:

Hypothetical Example of 1-for-5 reverse split:

Period	# of Shares Owned	Hypothetical NAV	Hypothetical Market Price	Total Market Value
Pre-Split	100	\$9.00	\$8.96	\$896.00
Post-Split	20	\$45.00	\$44.80	\$896.00

Hypothetical Example of 1-for-10 reverse split:

Period	# of Shares Owned	Hypothetical NAV	Hypothetical Market Price	Total Market Value
Pre-Split	100	\$5.00	\$5.01	\$501.00
Post-Split	10	\$50.00	\$50.10	\$501.00

Q: Will the reverse split create a taxable event for me?

A: For shareholders that hold a number of shares that is not an exact multiple of 5 or 10, the reverse splits will result in the creation of fractional shares. However, fractional shares cannot trade on the New York Stock Exchange (NYSE) Arca (or any other exchange on which Direxionshares trade). Thus, each Fund will redeem for cash a shareholder’s fractional shares at that Fund’s split-adjusted NAV on the Record Date (7/8/09) of the reverse split. This transaction may cause shareholders to recognize gains or losses, which would generate a taxable event.. Otherwise, neither reverse split will result in a taxable transaction for holders of Funds’ shares. No transaction fee will be imposed on shareholders for such redemption.



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Q: Will the reverse split affect trading availability or liquidity?

A: Shares of FAS and FAZ are expected to trade with normal availability and liquidity on July 8th and 9th. We do not expect the reverse split to affect availability or liquidity.

Q: Why has Direxion Shares decided to reverse split FAS and FAZ?

A: Direxion believes it is in our shareholders' best interest to do so. Direxion expects the costs associated with trading FAS or FAZ to decrease due to the reverse split. The bid-ask spread is expected to decline as a percentage of the price paid per share. For instance, a penny spread on a \$5 stock is 20 basis points (.2%), while a penny spread on a \$50 stock is 2 basis points (.02%). Further, commissions charged by brokers who assess their clients on a per share basis will be smaller as investors will need to buy or sell fewer shares to meet their investment goals. In short, Direxion believes that the reverse splits will adjust the share prices to a more cost efficient level for the Funds' shareholders.

Please note: Direxion Shares has attempted to notify all trading platforms with details of the impending reverse split. We encourage you to contact your broker or trading platform with any questions associated with the reverse splits of FAS and FAZ.

About Direxion

Direxion Shares and Direxion Funds, managed by Rafferty Asset Management, LLC, offer leveraged index funds, ETFs and alternative class fund products for investment advisors and sophisticated investors who seek to effectively manage risk and return in both bull and bear markets. Founded in 1997, the company has approximately \$6.5 billion in assets under management as of May 31, 2009. The company's business model is built on continuous product innovation, exceptional customer service and a commitment to building strategic relationships with distribution partners. *For more information, please visit www.direxionshares.com.*

Disclosure:

Shares of DirexionShares are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Brokerage commissions will reduce returns. Market Price returns are based upon the midpoint of the bid/ask spread at 4:00 PM Eastern time (when NAV is normally determined), and do not represent the returns you would receive if you traded shares at other times.

An investor should consider the investment objectives, risks, charges, and expenses of Direxion Shares carefully before investing. The prospectus contains this and other information about Direxion Shares. To obtain a prospectus, please visit www.direxionshares.com. The prospectus should be read carefully before investing.

Investing in index funds may be more volatile than investing in broadly diversified funds. The use of leverage by a fund increases the risk to the fund. The more a fund invests in leveraged instruments the more the leverage will magnify gains or losses on those investments. There is no



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assurance that the Funds will achieve their objectives and an investment in a Fund could lose money. No single Fund is a complete investment program.

The Funds are not suitable for all investors. The Funds should be utilized only by sophisticated investors who (a) understand the risks associated with the use of leverage, (b) understand the consequences of seeking daily leveraged investment results, (c) understand the risk of shorting and (d) intend to actively monitor and manage their investments on a daily basis. Investors who do not understand the Funds or do not intend to manage the Funds on a daily basis should not buy the Funds.

The risks associated with the funds are detailed in the prospectus which include: adverse market condition risk, adviser's investment strategy risk, aggressive investment techniques risk, concentration risk, counterparty risk, credit and lowerquality debt securities risk, equity securities risk, currency exchange risk, daily correlation risk, daily rebalancing and market volatility risk, depository receipt risk, foreign and emerging markets securities risk, sector securities risk, interest rate risk, inverse correlation risk, leverage risk, market risk, non diversification risk, shorting risk, small and mid cap company risk, tracking error risk, and special risks of exchange traded funds.

Foreside Fund Services, LLC. distributor for Direxion Shares