

Wire: PR Newswire (PRN) Date: Feb 19 2016 20:12:00  
Direxion Announces Reverse and Forward Share Splits of Ten Leveraged ETFs

## Direxion Announces Reverse and Forward Share Splits of Ten Leveraged ETFs

PR Newswire

NEW YORK, Feb. 19, 2016

NEW YORK, Feb. 19, 2016 /PRNewswire/ -- Direxion has announced it will execute reverse share splits for eight of its leveraged exchange-traded funds ("ETFs"), as well as forward share splits for another two leveraged ETFs. The total market value of the shares outstanding will not be affected as a result of these splits, except with respect to the redemption of fractional shares, as outlined below.

### Direxion ETFs | Funds

#### Eight Reverse Splits

Direxion will execute a 1-for-10 reverse split of the shares of the Direxion Daily S&P Oil & Gas Exp. & Prod. Bull 3X Shares and Direxion Daily Natural Gas Related Bull 3X Shares, effective at the open of the market on March 24, 2016. The firm will also execute a 1-for-4 reverse split of the Direxion Daily India Bull 3X Shares, Direxion Daily S&P Biotech Bull 3X Shares, Direxion Daily Brazil Bull 3X Shares, Direxion Daily Latin America Bull 3X Shares, Direxion Daily Emerging Markets Bull 3X Shares, and Direxion Daily Russia Bull 3X Shares, effective at the open of the market on March 24, 2016.

A summary of the eight ETFs undergoing reverse splits is as follows (please note the CUSIP changes, effective March 24, 2016):

ETF	Current CUSIP	New CUSIP	Ratio	Approximate decrease in total number of outstanding shares
Direxion Daily S&P Oil & Gas Exp. & Prod. Bull 3X Shares (GUSH)	25490K737	25490K356	1:10	90%
Direxion Daily Natural Gas Related Bull 3X Shares (GASL)	25490K562	25490K349	1:10	90%
Direxion Daily India Bull 3X Shares (INDL)	25459Y330	25490K331	1:4	75%
Direxion Daily S&P Biotech Bull 3X Shares (LABU)	25490K752	25490K323	1:4	75%
Direxion Daily Brazil Bull 3X Shares (BRZU)	25490K844	25490K315	1:4	75%
Direxion Daily Latin America Bull 3X Shares (LBJ)	25490K794	25490K299	1:4	75%
Direxion Daily Emerging Markets Bull 3X Shares (EDC)	25459Y686	25490K281	1:4	75%
Direxion Daily Russia Bull 3X Shares (RUSL)	25459Y140	25490K273	1:4	75%

As a result of this reverse split, every 10 or four shares of a Fund will be exchanged for one share as indicated in the table above. Accordingly, the total number of the issued and outstanding shares for the Funds will decrease by the approximate percentage indicated above. In addition, the per-share net asset value ("NAV") and next day's opening market price will be approximately 10 or four times higher for the Funds. Shares of the Funds will begin trading on NYSE Arca, Inc. ("NYSE Arca") on a split-adjusted basis on March 24, 2016 (the "Effective Date").

The next day's opening market value of the Funds' issued and outstanding shares, and thus a shareholder's investment value, will not be affected by the reverse split. The tables below illustrate the effect of a hypothetical 1-for-10 and 1-for-4 reverse split anticipated for the Funds, as applicable and described above:

Hypothetical example of 1-for-10 Reverse Split

Period	# of Shares Owned	Hypothetical NAV	Total Market Value
Pre-Split	120	\$10	\$1,200
Post-Split	12	\$100	\$1,200

#### Hypothetical example of 1-for-4 Reverse Split

Period	# of Shares Owned	Hypothetical NAV	Total Market Value
Pre-Split	120	\$10	\$1,200
Post-Split	30	\$40	\$1,200

#### Two Forward Splits

Additionally, Direxion will execute forward splits of the shares of the Direxion Daily FTSE China Bear 3X Shares and Direxion Daily S&P Oil & Gas Exp. & Prod. Bear 3X Shares.

After the close of the markets on March 23, 2016 (the "Payable Date"), each Fund will affect a split of each Fund's issued and outstanding shares as follows:

ETF	Forward Split Ratio	Approximate increase in total number of outstanding shares
Direxion Daily FTSE China Bear 3X Shares (YANG)	4 for 1	400%
Direxion Daily S&P Oil & Gas Exp. & Prod. Bear 3X Shares (DRIP)	4 for 1	400%

As a result of these share splits, shareholders of each Fund will receive an additional four shares for each share held of the applicable Fund as indicated in the table above. Accordingly, the number of each Fund's issued and outstanding shares will increase by approximately 400% as indicated above.

All forward share splits will apply to shareholders of record as of the close of the NYSE Arca on March 22, 2016 (the "Record Date"), payable after the close of the NYSE Arca on March 23, 2016 (the "Payable Date"). Shares of the Funds will begin trading on the NYSE Arca on a split-adjusted basis on March 24, 2016 (the "Ex-Date"). On the Ex-Date, the opening market value of each Fund's issued and outstanding shares, and thus a shareholder's investment value, will not be affected by the share split. However, the per-share NAV and opening market price on the Ex-Date will be approximately one-fourth and one-half for the Funds. The tables below illustrate the effect of a hypothetical four-for-one share split on a shareholder's investment.

#### Hypothetical Example of 4-for-1 Forward Share Split

Period	# of Shares Owned	Hypothetical NAV	Total Market Value
Pre-Split	100	\$40	\$4,000
Post-Split	400	\$10	\$4,000

The Trust's transfer agent will notify the Depository Trust Company ("DTC") of the reverse and forward splits and instruct the DTC to adjust each shareholder's investment(s) accordingly. DTC is the registered owner of the Funds' shares and maintains a record of the Funds' record owners.

#### Redemption of Fractional Shares and Tax Consequences for Each Reverse and Forward Split

As a result of the reverse or forward split, a shareholder of a Fund's shares could potentially hold a fractional share. However, fractional shares cannot trade on the NYSE Arca. Thus, a Fund will redeem for cash a shareholder's fractional shares at the Fund's split-adjusted NAV as of the Record Date. Such redemption may have tax implications for those shareholders and a shareholder could recognize a gain or loss in connection with the redemption of the shareholder's fractional shares. Otherwise, the reverse or forward split will

not result in a taxable transaction for holders of Fund shares. No transaction fee will be imposed on shareholders for such redemption.

#### "Odd Lot" Unit

Also as a result of the reverse or forward split, the Funds will have outstanding one aggregation of less than 50,000 shares to make a creation unit, or an "odd lot unit." Thus, the Funds will provide one authorized participant with a one-time opportunity to redeem the odd lot unit at the split-adjusted NAV or the NAV on such date the authorized participant seeks to redeem the odd lot unit.

#### About Direxion Investments:

Direxion builds bold products for investors who want more than the status quo. Our index-based products deliver directional options, magnified exposure, and long-term, rules-based strategies. Founded in 1997, the company has approximately \$9.2 billion in assets under management as of December 31, 2015. Direxion's diverse suite of products helps investors navigate today's ever-changing markets. For more information, please visit [www.direxioninvestments.com](http://www.direxioninvestments.com).

There is no guarantee that the funds will achieve their objectives.

For more information on all Direxion Shares daily leveraged ETFs, go to [direxioninvestments.com](http://direxioninvestments.com), or call us at 866-476-7523.

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

An investor should consider the investment objectives, risks, charges, and expenses of Direxion ETFs carefully before investing. The prospectus and summary prospectus contains this and other information about Direxion ETFs. Download a prospectus and summary prospectus at [direxioninvestments.com](http://direxioninvestments.com). The prospectus and summary prospectus should be read carefully before investing.

#### 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 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.

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