



FOR IMMEDIATE RELEASE

Contact: Katrine Winther-Olesen  
JCPR  
(973) 400-1341  
[Katrine@jcprinc.com](mailto:Katrine@jcprinc.com)

## DIREXION SHARES ANNOUNCES REVERSE SHARE SPLIT OF FOUR ETFS

**BOSTON, MA – June 17, 2010** - Direxion, a pioneer in providing alternative investment strategies to sophisticated investors, announced today it will execute a 1-for-5 reverse split of the shares of the [Direxion Daily Energy Bear 3x Shares \(ERY\)](#), [Direxion Daily Real Estate Bear 3x Shares \(DRV\)](#), [Direxion Daily Small Cap Bear 3x Shares \(TZA\)](#) and [Direxion Daily Technology Bear 3x Shares \(TYP\)](#) for shareholders of record after the close of the markets on Wednesday, July 7, 2010.

The CUSIPs for the four ETFs will change as follows:

<b>ETF</b>	<b>Old CUSIP</b>	<b>New CUSIP</b>
<a href="#">Direxion Daily Energy Bear 3x Shares (ERY)</a>	25459W870	25459W 342
<a href="#">Direxion Daily Real Estate Bear 3x Shares (DRV)</a>	25459W748	25459W 334
<a href="#">Direxion Daily Small Cap Bear 3x Shares (TZA)</a>	25459W839	25459W 326
<a href="#">Direxion Daily Technology Bear 3x Shares (TYP)</a>	25459W201	25459W 318

Shareholders of record of the above ETFs on July 7, 2010 will participate in the reverse splits. The Depository Trust Company (“DTC”), the registered owner of all ETF shares, has been notified of the reverse splits and has been instructed to adjust each shareholder’s investment accordingly.

As a result of the reverse splits, every five shares of each ETF will be exchanged for one share of the applicable ETF. The number of each ETF’s issued and outstanding shares will decrease by approximately 80%, and the ETF’s per share NAV will increase 5-fold at the opening of the markets on July 8, 2010.

The shares of each ETF will be offered on a split-adjusted basis on July 8, 2010. The total market value of the shares outstanding will not be affected as a result of this reverse split, except with respect to the redemption of fractional shares, as discussed below.

Hypothetical Example of 1-for-5 reverse split:

### 1-for-5 Reverse Split

<b>Period</b>	<b># of Shares Owned</b>	<b>Hypothetical Market Price</b>	<b>Total Share Value</b>
Pre-Split	100	\$5	\$500
Post-Split	20	\$25	\$500

### Redemption of Fractional Shares and Tax Consequences for each Reverse Split

As a result of the reverse splits, a shareholder of each ETF could potentially hold a fractional share. However, fractional shares cannot trade on NYSE Arca. Thus, each ETF will redeem for cash a shareholder’s fractional



shares at the Fund's split-adjusted NAV as of July 7, 2010. Such redemptions could cause a shareholder to realize a gain or loss. Otherwise, the reverse split will not result in a taxable transaction for holders of ETF shares. No transaction fee will be imposed on shareholders for such redemption.

### **“Odd Lot” Unit**

As a result of the reverse split, the ETFs will have outstanding one aggregation of less than 50,000 shares to make a creation unit, or an “odd lot unit.” Thus, each ETF will provide one authorized participant with a one-time opportunity to redeem the respective odd lot unit at its split-adjusted NAV, or at the NAV on such date the authorized participant seeks to redeem the odd lot unit.

To speak to a member of the Direxion team, or request more information, please contact Katrine Winther-Olesen at (973) 400-1341 or [katrine@jcprinc.com](mailto:katrine@jcprinc.com).

### **About Direxion**

[Direxion Funds](#) and [Direxion Shares](#), managed by Rafferty Asset Management, LLC, offer leveraged 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 \$6.4 billion in assets under management as of 3/31/2010. 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](http://www.direxionshares.com).*

Shares of DirexionShares ETFs 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.

### **Disclosure:**

*An investor should consider the investment objectives, risks, charges, and expenses of DirexionShares carefully before investing. The prospectus and summary prospectus contains this and other information about Direxion Shares. To obtain a prospectus and summary prospectus, please visit [www.direxionshares.com](http://www.direxionshares.com). The prospectus and summary prospectus should be read carefully before investing.*

Investing in the 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.

The Leveraged ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged investment results and intend to actively monitor and manage their investments. Leverage ETFs are not designed to track the underlying index over a longer period of time.

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 lower-quality 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 (Inverse Fund or Inverse ETF), leverage risk,



market risk, non-diversification risk, shorting risk, small and mid cap company risk, tracking error risk, market timing activity and high portfolio turnover risk, investing in other investment companies and ETFs risk, commodities securities risk, geographic concentration risk, valuation time risk, derivatives risk, commodity-linked derivatives risk, wholly-owned subsidiary risk, tax risk, options and futures contracts risks, security selection risk, Debt Instrument Risk, Gain Limitation Risk, Real Estate Investment Risk, U.S. Government Securities Risk, and Special Risks of Exchange-Traded Funds. Shorting securities occurs when investors sell securities they don't own and are committed to repurchasing eventually.

**Direxion Shares distributed by: Foreside Fund Services, LLC.**

-###-