

**Report of Organizational Actions  
 Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  Direxion Daily Financial Bear 3X Shares		<b>2</b> Issuer's employer identification number (EIN)  26-2958367	
<b>3</b> Name of contact for additional information  Pat Rudnick	<b>4</b> Telephone No. of contact  646-572-3631	<b>5</b> Email address of contact  rudnickp@direxioninvestments.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  1301 Avenue of the Americas, 28th Floor		<b>7</b> City, town, or post office, state, and ZIP code of contact  New York, NY 10019	
<b>8</b> Date of action  10/31/20		<b>9</b> Classification and description  Nontaxable Return of Capital Distribution	
<b>10</b> CUSIP number  25460E133	<b>11</b> Serial number(s)  N/A	<b>12</b> Ticker symbol  FAZ	<b>13</b> Account number(s)  N/A

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ During the fiscal year ending 10/31/20, Direxion Daily Financial Bear 3X Shares declared quarterly dividends that included a non-taxable return of capital. Please reference the attached sheet for details relating to the date of action.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ For each dividend noted above, 93.244% of each such dividend was a return of capital in accordance with IRS section 301(c)(2). Accordingly, the shareholder would reduce each share of their tax cost basis in the FAZ stock by the portion of each distribution determined to be nontaxable return of capital.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The cost basis of the shareholders of record for each dividend noted above is lowered by the per share return of capital amount disclosed in the attachment. The rate was determined in accordance with IRC Section 301 and Section 316.

**Part II** Organizational Action (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [IRC 301, 302, and 316.](#)

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**18** Can any resulting loss be recognized? ▶ [No loss can be recognized by the shareholders of each dividend noted above for the nontaxable return of capital distribution received.](#)

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**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [The information provided above will be provided on the shareholder's 2020 1099-DIV statement, box 3.](#)

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**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_  
Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Direxion Daily Financial Bear 3X Shares  
26-2958367

<b>Record Date</b>	<b>Ex Date</b>	<b>Payable Date</b>	<b>Total Dividend</b>	<b>93.244%</b> <b>Return of Capital</b>
3/25/2020	3/24/2020	3/31/2020	0.0446	0.0416