

Direxion Funds

This form provides information on any applicable 2016 distributions and proceeds from redemptions. In addition to the tax information provided on your 1099-DIV statement, below is supplemental information to assist you with the preparation of your 2016 income tax returns. Please consult your tax advisor for the specific application of any items below relating to the preparation of your tax returns.

Income from U.S. Government Obligations

Some states do not tax their residents on income from a mutual fund that is earned from U.S. Government Obligations. The following table shows the percentage of total ordinary income dividends shown in Box 1 of your 2016 Tax Form that were attributable to interest earned from direct U.S. Government Obligations:

Fund Name	Obligation (see Box 1)	% of Ordinary Income Attributable to Direct U.S. Govt.
Direxion All Cap Insider Sentiment Shares		0.00%
Direxion Daily 7-10 Year Treasury Bull 3X Shares		0.00%
Direxion Daily Cyber Security & IT Bear 2X Shares		0.00%
Direxion Daily European Financials Bull 2X Shares		0.00%
Direxion Daily Gold Miners Index Bear 1X Shares		0.00%
Direxion Daily Mid Cap Bull 3X Shares		0.00%
Direxion Daily Retail Bull 3X Shares		0.00%
Direxion Daily S&P 500 Bull 1.25X Shares		0.00%
Direxion Daily S&P 500 Bull 2X Shares		0.00%
Direxion Daily S&P Biotech Bear 1X Shares		0.00%
Direxion Daily S&P Oil & Gas Exp. & Prod. Bull 3X Shares		0.00%
Direxion Daily Semiconductor Bull 3X Shares		0.00%
Direxion Daily Silver Miners Index Bear 2X Shares		0.00%
Direxion Daily Small Cap Bull 1.25X Shares		0.00%
Direxion Daily Small Cap Bull 2X Shares		0.00%
Direxion iBillionaire Index ETF		0.00%
Direxion NASDAQ-100 Equal Weighted Index Shares		0.00%
Direxion Daily FTSE Developed Markets Bull 1.25X Shares		0.00%
Direxion S&P 500 Volatility Response Shares		0.00%
Direxion Value Line Conservative Equity ETF		0.00%
Direxion Value Line Mid- and Large-Cap High Dividend ETF		0.00%
Direxion Value Line Small- and Mid-Cap High Dividend ETF		0.00%

Depending on your state's personal income tax laws, you may be entitled to declare the above portion of your 2016 ordinary income dividends (Box 1) as tax-exempt income on your state personal income tax return. However, some states do not allow the "pass through" of this exempt-interest income unless the percentage earned from U.S. Government Obligations exceeds certain thresholds or unless other requirements are met. Please consult your tax adviser or state authorities if you have any questions regarding the percentage of income you can exclude when calculating your state income tax.