

Press Release

Better Together - Direxion releases Connected Consumer ETF tracking Solactive Index

25 August 2020

The only constant in society and culture is change. Humanity's infinite urge to innovate transforms our everyday life to an unimaginable extent, and innovative technologies open doors for more interconnection and efficiency. From top artists performing live concerts through online video games, to prestigious universities offering some of their degrees completely online, our social lives are becoming more and more dependent on technology by the day. This trend spans a considerable number of opportunities to take part in the growth of innovators across a vast array of fields, making investments in them a potentially attractive choice. Solactive pooled the potential of this megatrend in a dedicated index, the Solactive Connected Consumer Index, which underlies Direxion's new Connected Consumer ETF.

The **Direxion Connected Consumer ETF** provides exposure to companies offering innovative services and technologies in the fields of **Home Entertainment, Virtual and Digital Interaction, Online Education, and Remote Health and Well-Being**. This set of companies could be among the beneficiaries of the secular trend of digitization – thus, potentially further benefitting their investors in the process.

Companies active in the field of **Home Entertainment** are revolutionizing our means of entertainment by delivering content with a great degree of flexibility regarding timing and distribution channels, thereby greatly undercutting traditional media players. This field includes, for example, digital-native broadcasting platforms and video gaming companies.

Virtual and Digital Interaction includes companies that facilitate interpersonal communication, even when far apart. Interconnectivity is a vital element of an individual's well-being. Hence, investing in companies active in the field of virtual and digital communications could be a reasonable choice since they enable multiple activities that require human interaction in a convenient manner.

One particular sector that has benefitted disproportionately from our shift towards digitization is the **Online Education** one. As the Coronavirus pandemic forces educational systems worldwide to offer classes online, their administrators may notice the efficiency gains that could be realized by adopting aspects of online teaching permanently. This outcome may particularly be the case regarding the scalability of online classes

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when it comes to reducing wage-related expenditures – which may be especially relevant given the labor-intensive nature of education.

According to estimates by McKinsey, the telehealth industry could obtain USD 250 billion of the current US healthcare expenditure, up from the industry's pre-pandemic USD 3 billion annual revenues. This development, captured by the **Remote Health and Well-Being** sector, has arisen from the greater degree of connectivity infrastructure and technological advances that have been achieved over the last decade.

The index's security selection is based on Solactive's proprietary Natural Language Processing algorithm, **ARTIS®**, which uses advanced algorithms to parse a large number of public documents in order to evaluate companies' relevance to various themes or topics, by considering both a company's exposure and importance to the themes in question.

*"The release of the **Connected Consumer ETF** consolidates Direxion's reputation as an innovator in the field of thematic ETFs," comments Timo Pfeiffer, Chief Markets Officer at Solactive. "Our everyday lives circle around mobile devices and connectivity, and I cannot think of many other contemporary inventions that have shaped our lives more drastically. Since individuals are no longer bound to local presence, mobile and virtual interconnection will contribute crucially to people's freedom. Our Solactive Connected Consumer Index reflects this current trend."*

Dave Mazza, Managing Director and Head of Product at Direxion comments: *"Building off of the early success of the **Direxion Work From Home ETF (NYSE: WFH)**, Direxion is excited to partner with Solactive on the **Direxion Connected Consumer ETF (NYSE: CCON)**. The **Solactive Connected Consumer Index** provides investors comprehensive exposure to firms at the forefront of an evolving world, where lifestyles are increasingly accessed through digital and virtual means including how free time is spent and health is managed, to how new skills and education are obtained."*

The Direxion Connected Consumer ETF was listed on NYSE on the 25th of August.

For further information, please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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