



Date: March 12, 2021

Subject: FAZ2 Options - Expiration Pricing Consideration

FAZ2 (adjusted Direxion Daily Financial Bear 3X Shares options) will be subject to special pricing consideration in expiration processing on March 12, 2021. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of FAZ2 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

FAZ2

FAZ2 options are adjusted Direxion Daily Financial Bear 3X Shares options, adjusted March 2, 2021 (see OCC Information Memo #48243). The deliverable of FAZ2 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 12 Direxion Daily Financial Bear 3X Shares (FAZ)
- 2) Cash in lieu of 0.5 fractional FAZ Shares

As of March 12, 2021, the FAZ Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a FAZ2 price for use in expiration processing, OCC will use the following formula:

$$\text{FAZ2} = 0.125 (\text{FAZ})$$

For example, if FAZ closes at 34.53, the FAZ2 price would be:

$$\text{FAZ2} = 0.125 (34.53) = 4.32$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the reverse split.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.