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Subject to completion, dated March 5, 2026



DIREXION SHARES ETF TRUST

PROSPECTUS

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2X BULL FUND

Direxion Daily Anthropic Bull 2X ETF

2X BEAR FUND

Direxion Daily Anthropic Bear 2X ETF

[]

The shares offered in this prospectus (the "Funds"), upon commencement of operations, will be listed and traded on the [].

The Funds seek *daily leveraged* investment results and are intended to be used as short-term trading vehicles. The Fund with "Bull" in its name attempts to provide daily investment results that correspond to two times the performance of an underlying security and is referred to as the "Bull Fund." The Fund with "Bear" in its name attempts to provide daily investment results that correspond to two times the inverse (or opposite) of the performance of an underlying security and is referred to as the "Bear Fund."

The Funds are not intended to be used by, and are not appropriate for, investors who do not intend to actively monitor and manage their portfolios. The Funds are very different from most mutual funds and exchange-traded funds. Investors should note that:

- (1) The Funds pursue *daily leveraged* investment objectives, which means that the Funds are riskier than alternatives that do not use leverage because the Funds magnify the performance of their underlying security.
- (2) The Bear Fund pursues a *daily leveraged* investment objective that is *inverse* to the performance of its underlying security, a result opposite of most mutual funds and exchange-traded funds.
- (3) The pursuit of daily investment objectives means that the return of a Fund for a period longer than a full trading day will be the product of a series of daily leveraged returns for each trading day during the relevant period. As a consequence, especially in periods of market volatility, the volatility of the underlying security may affect a Fund's return as much as, or more than, the return of the underlying security. Further, the return for investors that invest for periods less than a full trading day will not be the product of the return of a Fund's stated daily leveraged investment objective and the performance of the underlying security for the full trading day. During periods of high volatility, the Funds may not perform as expected and the Funds may have losses when an investor may have expected gains if the Funds are held for a period that is different than one trading day.

The Funds are not suitable for all investors. The Funds are designed to be utilized only by sophisticated investors, such as traders and active investors employing dynamic strategies. Investors in the Funds should:

- (a) understand the risks associated with the use of leverage;
- (b) understand the consequences of seeking daily leveraged investment results;
- (c) for the Bear Fund, understand the risk of shorting; and
- (d) intend to actively monitor and manage their investments.

Investors who do not understand the Funds, or do not intend to actively manage their funds and monitor their investments, should not buy the Funds.

There is no assurance that any Fund will achieve its investment objective and an investment in a Fund could lose money. No single Fund is a complete investment program.

If a Fund's underlying security moves more than 50% on a given trading day in a direction adverse to the Fund, the Fund's investors would lose all of their money.

These securities have not been approved or disapproved by the U.S. Securities and Exchange Commission ("SEC") or the U.S. Commodity Futures Trading Commission ("CFTC"), nor have the SEC or CFTC passed upon the adequacy of this Prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

SUMMARY SECTION	1
Direxion Daily Anthropoc Bull 2X ETF	1
Direxion Daily Anthropoc Bear 2X ETF	9
OVERVIEW OF THE FUNDS	17
ADDITIONAL INFORMATION REGARDING INVESTMENT TECHNIQUES AND POLICIES	17
ADDITIONAL INFORMATION REGARDING PRINCIPAL RISKS	24
Other Risks of the Funds	33
ABOUT YOUR INVESTMENT	36
Share Price of the Funds	36
HOW TO BUY AND SELL SHARES	37
MANAGEMENT OF THE FUNDS	37
PORTFOLIO HOLDINGS	38
OTHER SERVICE PROVIDERS	38
DISTRIBUTIONS	39
TAXES	39
ADDITIONAL INFORMATION ABOUT THE TRUST	41
ADDITIONAL INFORMATION REGARDING THE UNDERLYING SECURITIES	42
FINANCIAL HIGHLIGHTS	42
MORE INFORMATION ON THE DIREXION SHARES ETF TRUST	BACK COVER

SUMMARY SECTION

Direxion Daily Anthropic Bull 2X ETF

Important Information Regarding the Fund

The Direxion Daily Anthropic Bull 2X ETF (the "Fund") seeks **daily leveraged (2X)** investment results and is very different from most other exchange-traded funds. As a result, the Fund may be riskier than alternatives that do not use leverage because the Fund's objective is to magnify the daily performance of the common shares of Anthropic PBC ([Exchange]: [Ticker]) ("Anthropic"). The return for investors that invest for periods longer or shorter than a trading day should not be expected to be 200% of the performance of Anthropic for the period. The return of the Fund for a period longer than a trading day will be the result of each trading day's compounded return over the period, which will very likely differ from 200% of the return of Anthropic for that period. Longer holding periods, higher volatility of Anthropic and leverage increase the impact of compounding on an investor's returns. During periods of higher Anthropic volatility, the volatility of Anthropic may affect the Fund's return as much as, or more than, the return of Anthropic.

The Fund is not suitable for all investors. The Fund is designed to be utilized only by knowledgeable investors who understand the potential consequences of seeking daily leveraged (2X) investment results, understand the risks associated with the use of leverage and are willing to monitor their portfolios frequently. The Fund is not intended to be used by, and is not appropriate for, investors who do not intend to actively monitor and manage their portfolios. For periods longer than a single day, the Fund will lose money if Anthropic's performance is flat, and it is possible that the Fund will lose money even if Anthropic's performance increases over a period longer than a single day. An investor could lose the full principal value of his/her investment within a single day if Anthropic loses more than 50% in one day.

Investment Objective

The Fund seeks daily investment results, before fees and expenses, of 200% of the daily performance of Anthropic. **The Fund does not seek to achieve its stated investment objective for a period of time different than a trading day.**

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund ("Shares"). **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table and example below.**

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	[]%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses of the Fund ⁽¹⁾	[]%
Acquired Fund Fees and Expenses ⁽¹⁾	[]%
Total Annual Fund Operating Expenses	[]%
Expense Cap/Reimbursement ⁽²⁾	[]%
Total Annual Fund Operating Expenses After Expense Cap/Reimbursement	[]%

⁽¹⁾ Estimated for the Fund's current fiscal year.

⁽²⁾ Rafferty Asset Management, LLC ("Rafferty" or the "Adviser") has entered into an Operating Expense Limitation Agreement with the Fund. Under the Operating Expense Limitation Agreement, Rafferty has contractually agreed to waive all or a portion of its management fee and/or reimburse the Fund for Other Expenses through September 1, 2027, to the extent that the Fund's Total Annual Fund Operating Expenses exceed []% of the Fund's average daily net assets (excluding, as applicable, among other expenses, taxes, swap financing and related costs, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions and extraordinary expenses).

Any expense waiver or reimbursement is subject to recoupment by the Adviser within the three years after the expense was waived/reimbursed only if Total Annual Fund Operating Expenses fall below the lesser of this percentage limitation and any percentage limitation in place at the time the expense was waived/reimbursed. This agreement may be terminated or revised at any time with the consent of the Board of Trustees.

Example - This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years
[]	[]

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the example, affect the Fund's performance.

Principal Investment Strategy

The Fund, under normal circumstances, invests at least 80% of its net assets (plus any borrowings for investment purposes) in the securities of Anthropic and financial instruments, such as swap agreements and options, that, in combination, provide 2X daily leveraged exposure to Anthropic, consistent with the Fund's investment objective. The financial instrument

in which the Fund most commonly invests is swap agreements, which are intended to produce economically leveraged investment results.

Anthropic ("Anthropic") is an artificial intelligence ("AI") safety and research company, which builds reliable, interpretable, and steerable AI systems. The company develops the Claude series of large language models. [] is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Information provided to or filed with the Securities and Exchange Commission by Anthropic [] pursuant to the Exchange Act can be located by reference to the Securities and Exchange Commission file number [] through the Securities and Exchange Commission's website at www.sec.gov. Anthropic commenced its initial public offering on []. Consequently, public information about the company's operating history is limited. In addition, information regarding [] may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. As of [], Anthropic is assigned to the [].

The Fund will enter into one or more swap agreements with major global financial institutions whereby the Fund and the global financial institution will agree to exchange the return earned on an investment by the Fund in Anthropic that is equal, on a daily basis, to 200% of the value of the Fund's net assets. The Adviser attempts to consistently apply leverage to obtain Anthropic exposure for the Fund equal to 200% of the value of its net assets and expects to rebalance the Fund's holdings daily to maintain such exposure. As a result of its investment strategies, the Fund will be concentrated in the [] (i.e., hold 25% or more of its total assets in investments that provide leveraged exposure in the []).

The Fund will attempt to achieve its investment objective without regard to overall market movement or the increase or decrease of the value of Anthropic. At the close of the markets each trading day, the Adviser rebalances the Fund's portfolio so that its exposure to Anthropic is consistent with the Fund's investment objective. The impact of Anthropic's price movements during the day will affect whether the Fund's portfolio needs to be rebalanced. For example, if the price of Anthropic has risen on a given day, net assets of the Fund should rise, meaning that the Fund's exposure will need to be increased. Conversely, if the price of Anthropic has fallen on a given day, net assets of the Fund should fall, meaning the Fund's exposure will need to be reduced. This daily rebalancing typically results in high portfolio turnover. In addition, on a day-to-day basis, the Fund is expected to hold money market funds, deposit accounts with institutions with high quality (investment grade) credit ratings, and/or short-term debt instruments that have terms-to-maturity of less than 397 days and exhibit high quality (investment grade) credit profiles, including U.S. government securities and repurchase agreements. The Fund may lend securities representing up to one-third of the value of the Fund's total assets (excluding the value of the collateral received).

The terms "daily," "day," and "trading day," refer to the period from the close of the markets on one trading day

to the close of the markets on the next trading day. The Fund is "non-diversified," under the Investment Company Act of 1940, as amended. Additionally, the Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Trustees without shareholder approval.

The Fund has derived all disclosures contained in this document regarding Anthropic from the publicly available documents described above. Neither the Fund, the Trust, the Adviser nor any affiliate has participated in the preparation of such documents. Neither the Fund, the Trust, the Adviser nor any affiliate makes any representation that such publicly available documents or any other publicly available information regarding Anthropic is accurate or complete. Furthermore, the Fund cannot give any assurance that all events occurring prior to the date of the prospectus (including events that would affect the accuracy or completeness of the publicly available documents described above) that would affect the trading price of Anthropic have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning Anthropic could affect the value of the Fund's investments with respect to Anthropic and therefore the value of the Fund.

Because of daily rebalancing and the compounding of each day's return over time, the return of the Fund for periods longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from 200% of the return of the underlying security over the same period. The Fund will lose money if the underlying security performance is flat over time, and as a result of daily rebalancing, the underlying security's volatility and the effects of compounding, it is even possible that the Fund will lose money over time while the underlying security's performance increases over a period longer than a single day.

Principal Investment Risks

An investment in the Fund entails risk. The Fund may not achieve its leveraged investment objective and there is a risk that you could lose all of your money invested in the Fund. The Fund is not a complete investment program. In addition, the Fund presents risks not traditionally associated with other mutual funds and ETFs. It is important that investors closely review all of the risks listed below and understand them before making an investment in the Fund.

Effects of Compounding and Market Volatility Risk —

The Fund's performance for periods greater than a trading day will be the result of each day's returns compounded over the period, which is likely to differ from 200% of Anthropic's performance, before fees and expenses. Compounding has a significant impact on funds that are leveraged and that rebalance daily. The impact of compounding becomes more pronounced as volatility and holding periods increase and will impact each shareholder differently depending on the period of time an investment in the Fund is held and the volatility of Anthropic during the shareholder's holding period.

Fund performance for periods greater than one single day can be estimated given any set of assumptions for the

following factors: a) volatility; b) performance; c) period of time; d) financing rates associated with leveraged exposure; e) other Fund expenses; and f) dividends or interest paid with respect to securities of Anthropic. The chart below provides examples of how volatility and its return could affect the Fund's performance. The chart shows estimated Fund returns for a number of combinations of volatility and performance over a one-year period. Actual Fund returns are expected to vary from these estimates. Performance shown in the chart assumes that: (i) no dividends were paid with respect to the securities; (ii) there were no Fund expenses; and (iii) borrowing/lending rates (to obtain leveraged exposure) of 0%. If Fund expenses and/or actual borrowing/lending rates were reflected, the estimated returns would be different than those shown. Particularly during periods of higher volatility, compounding will cause results for periods longer than a trading day to vary from 200% of the performance of Anthropic.

As shown in the chart below, the Fund would be expected to lose 6.1% if Anthropic provided no return over a one year period during which Anthropic experienced annualized volatility of 25%. At higher ranges of volatility, there is a chance of a significant loss of value in the Fund, even if Anthropic's return is flat. **For instance, if Anthropic's annualized volatility is 100%, the Fund would be expected to lose 63.2% of its value, even if the cumulative return for the year was 0%.** Areas shaded red (or dark gray) represent those scenarios where the Fund can be expected to return less than 200% of the performance of Anthropic and those shaded green (or light gray) represent those scenarios where the Fund can be expected to return more than 200% of the performance of Anthropic. The table below is not a representation of the Fund's actual returns, which may be significantly better or worse than the returns shown below as a result of any of the factors discussed above or in "Daily Correlation Risk" below.

One Year	200% One Year	Volatility Rate				
		10%	25%	50%	75%	100%
Return	Return					
-60%	-120%	-84.2%	-85.0%	-87.5%	-90.9%	-94.1%
-50%	-100%	-75.2%	-76.5%	-80.5%	-85.8%	-90.8%
-40%	-80%	-64.4%	-66.2%	-72.0%	-79.5%	-86.8%
-30%	-60%	-51.5%	-54.0%	-61.8%	-72.1%	-82.0%
-20%	-40%	-36.6%	-39.9%	-50.2%	-63.5%	-76.5%
-10%	-20%	-19.8%	-23.9%	-36.9%	-53.8%	-70.2%
0%	0%	-1.0%	-6.1%	-22.1%	-43.0%	-63.2%
10%	20%	19.8%	13.7%	-5.8%	-31.1%	-55.5%
20%	40%	42.6%	35.3%	12.1%	-18.0%	-47.0%
30%	60%	67.3%	58.8%	31.6%	-3.7%	-37.8%
40%	80%	94.0%	84.1%	52.6%	11.7%	-27.9%
50%	100%	122.8%	111.4%	75.2%	28.2%	-17.2%
60%	120%	153.5%	140.5%	99.4%	45.9%	-5.8%

Anthropic had not commenced operations or only recently commenced operations as of the date of this Prospectus and therefore historical volatility and performance are not yet available. In the future, historical volatility and performance will be presented in this section. Historical volatility and performance are not indications of what the volatility and performance will be in the future. The volatility

of ETFs or financial instruments utilized by the Fund, such as swaps, may differ from the volatility of Anthropic.

For information regarding the effects of volatility and performance on the long-term performance of the Fund, see "Additional Information Regarding Investment Techniques and Policies" in the Fund's statutory prospectus, and "Leverage - Special Note Regarding the Correlation Risks of the Funds" in the Fund's Statement of Additional Information under "Investment Policies and Techniques."

Leverage Risk — The Fund obtains investment exposure in excess of its net assets by utilizing leverage and may lose more money in market conditions that are adverse to its investment objective than a fund that does not utilize leverage. An investment in the Fund typically results in the magnification of a decline in the daily performance of Anthropic resulting in a larger loss being incurred than if there was no leverage utilized. This means that an investment in the Fund will be reduced by an amount equal to 2% for every 1% daily decline in Anthropic, not including the costs of financing leverage and other operating expenses, which would further reduce its value. The Fund could lose an amount greater than its net assets in the event of a decline of more than 50% of Anthropic. This would result in a total loss of a shareholder's investment in one day even if Anthropic subsequently reverses all or a portion of its previous movement prior to the end of the day. A total loss of a shareholder's investment in the Fund may occur in a single day even if Anthropic's value does not move fully opposite from the Fund's investment objective. Leverage will also have the effect of magnifying any differences in the Fund's correlation with Anthropic and may increase the volatility of the Fund.

Under market circumstances that cause leverage to be expensive or unavailable, the Fund may not meet its investment objective for a period of time, may increase its transaction fee on creation unit transactions, change its investment objective, reduce its leverage or close.

Derivatives Risk — Derivatives are financial instruments that derive value from the underlying reference asset or assets, such as stocks, bonds, or funds (including ETFs), interest rates or indexes. Investing in derivatives may be considered aggressive and may expose the Fund to greater risks, and may result in larger losses or smaller gains, than investing directly in the reference assets underlying those derivatives, which may prevent the Fund from achieving its investment objective.

The Fund's investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other investments, including risk related to the market, leverage, imperfect correlations with underlying investments or the Fund's other portfolio holdings, higher price volatility, lack of availability, counterparty, liquidity, valuation and legal restrictions. The performance of a derivative may not track the performance of its reference asset for various reasons, including due to fees and other costs associated with it.

Because derivatives often require only a limited initial investment, the use of derivatives may expose the Fund to losses in excess of the amount initially invested. As a result, the value of an investment in the Fund may change quickly

and without warning. If Anthropic has a dramatic intraday increase or decrease that causes a material change in the Fund's performance and/or net assets, the terms of a swap agreement between the Fund and its counterparty may permit the counterparty to immediately close the swap agreement with the Fund. In that event, the Fund may not be able to enter into another swap agreement or invest in other derivatives to achieve its investment objective. This may occur even if Anthropic reverses all or a portion of its intraday movement by the end of the day.

Upon entering into certain derivatives contracts, such as swap agreements, and to maintain open positions in such agreements, the Fund may be required to post collateral, the amount of which may vary. As such, the Fund may maintain cash balances, which may be significant, with service providers such as the Fund's custodian or its affiliates in segregated accounts. Maintaining larger cash and cash equivalent positions may also subject the Fund to additional risks, such as increased credit risk with respect to the custodian bank holding the assets.

Counterparty Risk — If a counterparty is unwilling or unable to make timely payments to meet its contractual obligations or fails to return holdings that are subject to the agreement with the counterparty, the Fund will lose money and/or not be able to meet its daily leveraged investment objective.

Because the Fund may enter into swap agreements with a limited number of counterparties, this increases the Fund's exposure to counterparty credit risk. Further, there is a risk that no suitable counterparties will be willing to enter into, or continue to enter into, transactions with the Fund and, as a result, the Fund may not be able to achieve its leveraged investment objective or rebalance properly, which may result in significant losses to the Fund. The risk that no suitable counterparties will enter into or continue to provide swap exposure to the Fund may be heightened when there is significant volatility in the overall market or the reference asset.

Rebalancing Risk — If for any reason the Fund is unable to rebalance all or a part of its portfolio, or if all or a portion of the portfolio is rebalanced incorrectly, the Fund's investment exposure may not be consistent with its investment objective which may lead to greater losses or reduced gains. In these instances, the Fund may have investment exposure to Anthropic that is significantly greater or significantly less than its stated investment objective. Additionally, the Fund may close to purchases and sales of Shares prior to the close of trading on the [] or other national securities listing exchanges where Shares are listed and incur significant losses.

Intra-Day Investment Risk — The intra-day performance of Fund shares traded in the secondary market will be different from the performance of the Fund when measured from the close of the market on a given trading day until the close of the market on the subsequent trading day. An investor that purchases shares intra-day may experience performance that is greater than, or less than, the Fund's stated investment objective.

If there is a significant intra-day market event and/or the securities experience a significant change in value, the Fund may not meet its investment objective or may be unable

to rebalance its portfolio appropriately, resulting in significant losses or reduced gains. In response to significant intraday market volatility, among other actions, the Adviser may determine to trade a portion or all of the rebalance trade for the Fund prior to market close, which may result in the Fund not achieving its investment objective. Additionally, the Fund's Shares traded on the secondary market may experience significant premiums or discounts, or widened bid-ask spreads.

Daily Correlation Risk - There is no guarantee that the Fund will achieve a high degree of correlation to Anthropic and therefore achieve its daily leveraged investment objective. The Fund's exposure to Anthropic is impacted by Anthropic's movement. Because of this, it is unlikely that the Fund will be perfectly exposed to Anthropic at the end of each day. The possibility of the Fund being materially over- or under-exposed to Anthropic increases on days when Anthropic is volatile near the close of the trading day. Market disruptions, regulatory restrictions and high volatility will also adversely affect the Fund's ability to adjust exposure to the required levels.

The Fund may have difficulty achieving its daily leveraged investment objective for many reasons, including fees, expenses, transaction costs, financing costs related to the use of derivatives, accounting standards and their application to income items, disruptions, illiquid or high volatility in the markets for the securities or financial instruments in which the Fund invests, early and unanticipated closings of the markets on which the holdings of the Fund trade, resulting in the inability of the Fund to execute intended portfolio transactions, regulatory and tax considerations, which may cause the Fund to hold (or not to hold) Anthropic. The Fund may be required to trade more frequently or may refrain from taking certain positions to ensure compliance with regulatory restrictions or to ensure qualification as a registered investment company or to improve tax efficiency, or for other reasons, each of which may negatively impact the Fund's desired correlation with Anthropic or increase its required distributions.

The derivative instruments or other investments the Fund utilizes to obtain exposure may not provide the expected correlation to Anthropic, resulting in the Fund not performing as expected. The Fund may be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being over- or under-exposed to Anthropic. Any of these factors could decrease the correlation between the performance of the Fund and Anthropic and may hinder the Fund's ability to meet its daily leveraged investment objective on or around that day.

Market Risk — The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, general market liquidity, exchange trading suspensions and closures, geopolitical events, tariffs, trade wars, natural disasters, and public health risks. Interest

rates and inflation rates may change frequently and drastically due to various factors and the Fund's investments may be adversely impacted.

The economic, fiscal, monetary and foreign policies of the U.S. government, including the imposition of tariffs, changes to its federal agencies and changes to regulatory policies, will impact the U.S. economy and could lead to increased market volatility and may adversely impact the overall market and individual securities.

Non-Affiliation Risk — Anthropic is not affiliated with the Trust, the Adviser or any affiliates thereof and is not involved with this offering in any way, and has no obligation to consider the Fund in taking any corporate actions that might affect the value of the Fund. The Trust, the Fund and any affiliate are not responsible for the performance of Anthropic and make no representation as to the performance of Anthropic. Investing in the Fund is not equivalent to investing in Anthropic. Fund shareholders will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to Anthropic.

Anthropic Investing Risk — The Fund's performance depends on the performance of Anthropic. The price of Anthropic can be affected by a number of factors. Investing in Anthropic involves a high degree of risk. For example, Anthropic operates in a rapidly changing and highly competitive industry. Returns depend in part on Anthropic's ability to develop, train, and commercialize advanced artificial intelligence models and related products and services while managing substantial research, development, and computing infrastructure costs. Anthropic faces intense competition from large, well-capitalized technology companies, emerging artificial intelligence firms, and open-source initiatives. Anthropic relies on third-party cloud infrastructure and specialized hardware, and disruptions, capacity constraints, or cost increases could adversely affect its operations. Anthropic is subject to evolving regulatory scrutiny related to artificial intelligence, data protection, privacy, intellectual property, and content governance, and adverse regulatory developments could impose significant costs or restrict its business model. Real or perceived defects, bias, misuse, or harmful outputs from Anthropic's models could result in reputational harm, legal liability, or loss of customers. Anthropic may not be able to sustain revenue growth or achieve profitability due to continued investment requirements and market uncertainty. Any of these factors may materially and adversely impact the price of Anthropic shares, increase volatility, and negatively impact the performance of the Fund.

Anthropic PBC commenced its initial public offering ("IPO") on []. The market value of shares issued in an IPO may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about a company's business model, quality of management, earnings growth potential, and other criteria used to evaluate its investment prospects. Accordingly, investments in shares of a company that recently commenced an IPO involve greater risks than investments in shares of companies that have traded publicly on an exchange for

extended periods of time. The shares of such companies may experience abnormal returns and volatility in the period immediately following its IPO. Investments in shares of a company that recently commenced an IPO may also involve high transaction costs and are subject to market risk and liquidity risk. The price of Anthropic shares could continue to be volatile and could decline in value significantly in the future. Any of these factors may materially and adversely impact the price of Anthropic, increase the volatility of an investment in Anthropic and have a negative impact on the performance of the Fund.

Security Volatility Risk — The performance of the Fund is designed to correlate to the leveraged performance of Anthropic. Significant short-term price movements in Anthropic could adversely impact the performance of both Anthropic and the Fund, increase the Fund's bid-ask spread and adversely impact the Fund's ability to achieve its investment objective. In addition, the net asset value of the Fund over short-term periods may be more volatile than other investment options due to the volatility of Anthropic.

Concentration Risk — The Fund will be concentrated in a particular security, Anthropic, and therefore, a particular industry and will have more than 25% of its total assets in investments that provide leveraged exposure to the [] (the risks of which are described below), the same industry and/or sector to which Anthropic is assigned. Since the Fund is concentrated in a particular security and therefore industry and/or sector, it presents more risks than a portfolio broadly diversified over several industries. A portfolio invested in multiple securities and industries typically presents less risk than a portfolio concentrated in one security or industry because market changes that adversely impact one security or industry may benefit others. Because the Fund only invests in one security and industry, it should be expected to decrease from any market movements that adversely impact Anthropic and/or [].

Artificial Intelligence (AI) and Big Data Company Risk — Companies engaged in artificial intelligence ("AI") and big data typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. There can be no assurance these companies will be able to successfully protect their intellectual property to prevent the misappropriation of their technology, or that competitors will not develop technology that is substantially similar or superior to such companies' technology. AI and big data companies typically engage in significant amounts of spending on research and development, as well as mergers and acquisitions, and there is no guarantee that the products or services produced by these companies will be successful. The products and services of AI and big data companies may face obsolescence due to rapid technological developments and frequent new product or service introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. AI and big data companies are potential targets for cyberattacks, which can have a materially adverse impact on the performance of these companies. In addition, AI technology could face increasing regulatory scrutiny in the future, which

may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. Similarly, the collection of data from consumers and other sources could face increased scrutiny as regulators consider how the data is collected, stored, safeguarded and used. AI and big data companies may face regulatory fines and penalties, including forced break-ups, that could hinder the ability of the companies to operate on an ongoing basis. The customers and/or suppliers of AI and big data companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on AI and big data companies. Country, government, and/or region-specific regulations or restrictions could have an impact on AI and big data companies.

Technology Sector Risk — The market prices of technology-related securities tend to exhibit a greater degree of market risk and sharp price fluctuations than other types of securities. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology securities may be affected by intense competition, obsolescence of existing technology, general economic conditions and government regulation and may have limited product lines, markets, financial resources or personnel. Technology companies may experience dramatic and often unpredictable changes in growth rates and competition for qualified personnel. These companies are also heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely impact a company's profitability. A small number of companies represent a large portion of the technology industry. In addition, a rising interest rate environment tends to negatively affect technology companies, because those technology companies seeking to finance expansion would have increased borrowing costs, which may negatively impact earnings. Technology companies having high market valuations may appear less attractive to investors, which may cause sharp decreases in their market prices. Companies in the application software industry, in particular, may also be negatively affected by the risk that subscription renewal rates for their products and services decline or fluctuate, leading to declining revenues. Companies in the systems software industry may be adversely affected by, among other things, actual or perceived security vulnerabilities in their products and services, which may result in individual or class action lawsuits, state or federal enforcement actions and other remediation costs. Companies in the computer software industry may also be affected by the availability and price of computer software technology components.

Internet Company Industry Risk — The market prices of internet securities tend to exhibit a greater degree of market risk and sharp price fluctuations than the market prices of other types of securities. Internet company securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. These companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Internet securities also may be affected adversely by changes in consumer and

business purchasing patterns and government regulations. These companies may have high market valuations and may appear less attractive to investors, which may cause sharp decreases in their market prices.

Money Market Instrument Risk — The Fund may use a variety of money market instruments for cash management purposes, including money market funds, depository accounts and repurchase agreements. Money market funds may be subject to credit risk with respect to the debt instruments in which they invest. Depository accounts may be subject to credit risk with respect to the financial institution in which the depository account is held. Money market instruments may lose money.

Large-Capitalization Company Risk — Large-capitalization companies typically have significant financial resources, extensive product lines and broad markets for their goods and/or services. However, they may be less able to adapt to changing market conditions or to respond quickly to competitive challenges or to changes in business, product, financial, or market conditions and may not be able to maintain growth at rates that may be achieved by well-managed smaller and mid-size companies, which may affect the companies' returns.

Liquidity Risk — Holdings of the Fund may be difficult to buy or sell or may be illiquid, particularly during times of market turmoil. There is no assurance that a security or derivative instrument that is deemed liquid when purchased will continue to be liquid. Illiquid securities may be difficult to value, especially in changing or volatile markets. If the Fund is forced to buy or sell an illiquid security or derivative instrument at an unfavorable time or price, the Fund may be adversely impacted. Certain market conditions or restrictions may prevent the Fund from limiting losses, realizing gains or achieving its investment objective. In certain market conditions the Fund may be one of many market participants that is attempting to transact in the underlying security. Under such circumstances, the market for the underlying security may lack sufficient liquidity for all market participants' trades. Therefore, the Fund may have more difficulty transacting in the securities or financial instruments and the Fund's transactions could exacerbate illiquidity and price volatility.

To the extent that the instruments utilized by the Fund are thinly traded or have a limited market, the Fund may be unable to meet its investment objective due to a lack of available investments or counterparties. During such periods, the Fund's ability to issue additional Creation Units may be adversely affected. As a result, the Fund's shares could trade at a premium or discount to their net asset value and/or the bid-ask spread of the Fund's shares could widen. Under such circumstances, the Fund may be unable to rebalance its exposure properly which may result in significantly more or less exposure and losses to the Fund. In such an instance, the Fund may increase its transaction fee, utilize derivatives instruments that are less correlated to the Anthropic, change its investment objective, reduce its exposure for a period of time or close.

Early Close/Trading Halt Risk — An exchange or market may close early and unexpectedly or issue trading halts on

specific securities or financial instruments. Under such circumstances, the Fund may be unable to execute intended portfolio transactions, rebalance its portfolio, or accurately price its investments, and may disrupt the Fund's creation/redemption process which means the Fund may be unable to achieve its investment objective and it may incur substantial losses or reduced gains.

Equity Securities Risk — Publicly issued equity securities, including common stocks, are subject to market risks that may cause their prices to fluctuate over time. Fluctuations in the value of equity securities in which the Fund invests, and/or has exposure to, will cause the net asset value of the Fund to fluctuate.

Cash Transaction Risk — At certain times, the Fund may effect creations and redemptions for cash rather than for in-kind securities. As a result, the Fund may not be tax efficient and may incur brokerage and financing costs related to buying and selling securities or obtaining derivative exposure to achieve its investment objective thus incurring additional expenses than if it had effected creations and redemptions in kind. To the extent that such costs are not offset by transaction fees paid by an authorized participant, the Fund may bear such costs, which will decrease the Fund's net asset value.

High Portfolio Turnover Risk — Daily rebalancing of the Fund's holdings pursuant to its daily investment objective causes a much greater number of portfolio transactions when compared to most ETFs. Additionally, active secondary market trading of the Shares could cause more frequent creation and redemption activities, which would increase the number of portfolio transactions. High levels of portfolio transactions may cause higher transaction costs because of increased broker commissions resulting from such transactions and increased taxable capital gains. The Fund calculates portfolio turnover without including the short-term cash instruments or derivative transactions that comprise most of the Fund's trading. As such, if the Fund's extensive use of derivative instruments were reflected, the calculated portfolio turnover rate would be significantly higher.

Tax Risk — In order to qualify for the special tax treatment accorded a regulated investment company ("RIC") and its shareholders, the Fund must derive at least 90% of its gross income for each taxable year from "qualifying income," meet certain asset diversification tests at the end of each taxable quarter, and meet annual distribution requirements. The Fund's pursuit of its investment strategy will potentially be limited by the Fund's intention to qualify for such treatment and could adversely affect the Fund's ability to so qualify. The Fund may make certain investments, the treatment of which for these purposes is unclear. If, in any year, the Fund were to fail to qualify for the special tax treatment accorded a RIC and its shareholders, and were ineligible to or were not able to cure such failure, the Fund would be taxed in the same manner as an ordinary corporation subject to U.S. federal income tax on all its income at the fund level. The resulting taxes could substantially reduce the Fund's net assets and the amount of income available for distribution. In addition, in order to requalify for taxation as a RIC, the Fund could be required to recognize unrealized gains, pay

substantial taxes and interest, and make certain distributions. Please see the section entitled "Dividends, Other Distributions and Taxes" in the Statement of Additional Information for more information.

Non-Diversification Risk — The Fund has the ability to invest a relatively high percentage of its assets in the securities of a small number of issuers or in financial instruments with a single counterparty or a few counterparties. This may increase the Fund's volatility and increase the risk that the Fund's performance will decline based on the performance of a single issuer, the credit of a single counterparty, and/or a single economic, political or regulatory event.

Securities Lending Risk — Securities lending involves the risk that the Fund may lose money because the borrower of the loaned securities fails to return the securities in a timely manner or at all. The Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities, a decline in the value of any investments made with cash collateral, or a "gap" between the return on cash collateral reinvestments and any fees the Fund has agreed to pay a borrower. These events could also trigger adverse tax consequences for the Fund.

Special Risks of Exchange-Traded Funds

Authorized Participants Concentration Risk. The Fund may have a limited number of financial institutions that may act as Authorized Participants. To the extent that those Authorized Participants exit the business or are unable to process creation and/or redemption orders, Shares may trade at larger bid-ask spreads and/or premiums or discounts to net asset value. Authorized Participant concentration risk may be heightened for a fund that invests in non-U.S. securities or other securities or instruments that have lower trading volumes.

Absence of Active Market Risk. Although Shares are listed for trading on a stock exchange, there is no assurance that an active trading market for them will develop or be maintained. In the absence of an active trading market for Shares, they will likely trade with a wider bid/ask spread and at a greater premium or discount to net asset value.

Market Price Variance Risk. Fund Shares can be bought and sold in the secondary market at market prices, which may be higher or lower than the net asset value of the Fund. When Shares trade at a price greater than net asset value, they are said to trade at a "premium." When they trade at a price less than net asset value, they are said to trade at a "discount." The market price of Shares fluctuates based on changes in the value of the Fund's holdings, the supply and demand for Shares and other market factors. The market price of Shares may vary significantly from the Fund's net asset value especially during times of market volatility or stress. Further, to the extent that exchange specialists, market makers, Authorized Participants, or other market participants are unavailable or unable to trade the Fund's Shares and/or create or redeem Creation Units premiums or discounts may increase.

Trading Cost Risk. When buying or selling Shares in the secondary market, a buyer may incur brokerage commission or other charges. In addition, a buyer may incur the cost

of the “spread” also known as the bid-ask spread, which is the difference between what investors are willing to pay for Fund shares (the “bid” price) and the price at which they are willing to sell Fund shares (the “ask” price). The bid-ask spread varies over time based on, among other things, trading volume, market liquidity and market volatility. Because of the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment results.

Exchange Trading Risk. Shares are listed for trading on the []. They also may be listed or traded on other U.S. and non-U.S. stock exchanges and may trade on electronic communication networks. Trading in Shares on their listing exchange may be halted due to market conditions or for reasons that, in the view of the exchange, make trading in Shares inadvisable, including if they fail to meet the listing requirements of the exchange. Under certain circumstances, Shares may even be delisted. Trading halts of Shares should be expected to disrupt the Fund’s creation/redemption process and may temporarily prevent investors from buying and selling Shares. Like other listed securities, Shares of the Fund may be sold short, and short positions in Shares may place downward pressure on their market price.

Fund Performance

No prior investment performance is provided for the Fund because it had not commenced operations prior to the date of this Prospectus. Upon commencement of operations, updated performance will be available on the Fund’s website at www.direxion.com/etfs?producttab=performance or by calling the Fund toll-free at (866) 476-7523.

Management

Investment Adviser. Rafferty Asset Management, LLC is the Fund’s investment adviser.

Portfolio Managers. The following members of Rafferty’s investment team are jointly and primarily responsible for the day-to-day management of the Fund:

Portfolio Managers	Years of Service with the Fund	Primary Title
Paul Brigandi	Since Inception	Portfolio Manager
Tony Ng	Since Inception	Portfolio Manager

Purchase and Sale of Fund Shares

The Fund’s individual shares may only be purchased or sold in the secondary market through a broker-dealer or other financial intermediaries at market price rather than at net

asset value. The market price of Shares will fluctuate in response to changes in the value of the Fund’s holdings and supply and demand for the Shares, which may result in shareholders purchasing or selling the Shares on the secondary market at a market price that is greater than net asset value (a premium) or less than net asset value (a discount). A shareholder may incur costs attributable to the difference between the highest price a buyer is willing to pay for the Fund’s Shares (bid) and the lowest price a seller is willing to accept for the Fund’s Shares (ask) when buying or selling Shares on the secondary market (the “bid-ask spread”) in addition to brokerage commissions. The bid-ask spread may vary over time for Shares based on trading volume and market liquidity. Recent information regarding the Fund Shares such as net asset value, market price, premiums and discounts and bid-ask spreads and related other information is available on the Fund’s website, www.direxion.com/etfs?producttab=performance.

The Fund’s shares are not individually redeemable by the Fund. The Fund will issue and redeem Shares only to Authorized Participants in exchange for cash or a deposit or delivery of a basket of assets (securities and/or cash) in large blocks, known as creation units, each of which is comprised of 25,000 Shares.

Tax Information

The Fund intends to make distributions that may be taxed as ordinary income or long-term capital gains. Those distributions will be subject to federal income tax and may also be subject to state and local taxes, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Distributions or investments made through tax-deferred arrangements may be taxed later upon withdrawal. Distributions by the Fund may be significantly higher than those of most other ETFs.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank or financial adviser), the Fund and/or its Adviser may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

Important Information Regarding the Fund

The Direxion Daily Anthropic Bear 2X ETF (the “Fund”) seeks **daily inverse leveraged (-2X)** investment results and is very different from most other exchange-traded funds. As a result, the Fund may be riskier than alternatives that do not use leverage because the Fund’s objective is to magnify the daily inverse performance of the common shares of Anthropic PBC ([Exchange]: [Ticker]) (“Anthropic”). The return for investors that invest for periods longer or shorter than a trading day should not be expected to be -200% of the performance of Anthropic for the period. The return of the Fund for a period longer than a trading day will be the result of each trading day’s compounded return over the period, which will very likely differ from -200% of the return of Anthropic for that period. Longer holding periods, higher volatility of Anthropic and leverage increase the impact of compounding on an investor’s returns. During periods of higher Anthropic volatility, the volatility of Anthropic may affect the Fund’s return as much as, or more than, the return of Anthropic.

The Fund is not suitable for all investors. The Fund is designed to be utilized only by knowledgeable investors who understand the potential consequences of seeking daily inverse leveraged (-2X) investment results, understand the risks associated with the use of leverage and shorting and are willing to monitor their portfolios frequently. The Fund is not intended to be used by, and is not appropriate for, investors who do not intend to actively monitor and manage their portfolios. For periods longer than a single day, the Fund will lose money if Anthropic’s performance is flat, and it is possible that the Fund will lose money even if Anthropic’s performance decreases over a period longer than a single day. An investor could lose the full principal value of his/her investment within a single day if Anthropic gains more than 50% in one day.

Investment Objective

The Fund seeks daily investment results, before fees and expenses, of -200% of the daily performance of Anthropic. **The Fund does not seek to achieve its stated investment objective for a period of time different than a trading day.**

Fees and Expenses of the Fund

This table describes the fees and expenses that you may pay if you buy, hold, and sell shares of the Fund (“Shares”). **You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table and example below.**

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management Fees	[]%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses of the Fund ⁽¹⁾	[]%
Acquired Fund Fees and Expenses ⁽¹⁾	[]%
Total Annual Fund Operating Expenses	[]%
Expense Cap/Reimbursement ⁽²⁾	[]%
Total Annual Fund Operating Expenses After Expense Cap/Reimbursement	[]%

⁽¹⁾ Estimated for the Fund’s current fiscal year.

⁽²⁾ Rafferty Asset Management, LLC (“Rafferty” or the “Adviser”) has entered into an Operating Expense Limitation Agreement with the Fund. Under the Operating Expense Limitation Agreement, Rafferty has contractually agreed to waive all or a portion of its management fee and/or reimburse the Fund for Other Expenses through September 1, 2027, to the extent that the Fund’s Total Annual Fund Operating Expenses exceed []% of the Fund’s average daily net assets (excluding, as applicable, among other expenses, taxes, swap financing and related costs, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions and extraordinary expenses).

Any expense waiver or reimbursement is subject to recoupment by the Adviser within the three years after the expense was waived/reimbursed only if Total Annual Fund Operating Expenses fall below the lesser of this percentage limitation and any percentage limitation in place at the time the expense was waived/reimbursed. This agreement may be terminated or revised at any time with the consent of the Board of Trustees.

Example - This example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The example also assumes that your investment has a 5% return each year and that the Fund’s operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years
[]	[]

Portfolio Turnover

The Fund pays transaction costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the example, affect the Fund’s performance.

Principal Investment Strategy

The Fund, under normal circumstances, invests at least 80% of the Fund’s net assets (plus borrowings for investment purposes) in financial instruments, including swap agreements and options, that, in combination, provide (-2X) daily inverse (opposite) or short exposure to Anthropic, consistent with the Fund’s investment objective.

Anthropic (“Anthropic”) is an artificial intelligence (“AI”) safety and research company, which builds reliable, interpretable, and steerable AI systems. The company develops

the Claude series of large language models. [] is registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Information provided to or filed with the Securities and Exchange Commission by Anthropic [] pursuant to the Exchange Act can be located by reference to the Securities and Exchange Commission file number [] through the Securities and Exchange Commission's website at www.sec.gov. Anthropic commenced its initial public offering on []. Consequently, public information about the company's operating history is limited. In addition, information regarding [] may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. As of [], Anthropic is assigned to the [].

The Fund will enter into one or more swap agreements with major global financial institutions whereby the Fund and the global financial institution will agree to exchange the return earned on an investment by the Fund in Anthropic that is equal, on a daily basis, to -200% of the value of the Fund's net assets. The Adviser attempts to consistently apply leverage to obtain Anthropic exposure for the Fund equal to -200% of the value of its net assets and expects to rebalance the Fund's holdings daily to maintain such exposure. As a result of its investment strategies, the Fund will be concentrated in the [] (i.e., hold 25% or more of its total assets in investments that provide inverse leveraged exposure in the []).

The Fund will attempt to achieve its investment objective without regard to overall market movement or the increase or decrease of the value of Anthropic. At the close of the markets each trading day, the Adviser rebalances the Fund's portfolio so that its exposure to Anthropic is consistent with the Fund's investment objective. The impact of Anthropic's price movements during the day will affect whether the Fund's portfolio needs to be rebalanced. For example, if the price of Anthropic has risen on a given day, net assets of the Fund should rise, meaning that the Fund's exposure will need to be increased. Conversely, if the price of Anthropic has fallen on a given day, net assets of the Fund should fall, meaning the Fund's exposure will need to be reduced. This daily rebalancing typically results in high portfolio turnover. In addition, on a day-to-day basis, the Fund is expected to hold money market funds, deposit accounts with institutions with high quality (investment grade) credit ratings, and/or short-term debt instruments that have terms-to-maturity of less than 397 days and exhibit high quality (investment grade) credit profiles, including U.S. government securities and repurchase agreements. The Fund may lend securities representing up to one-third of the value of the Fund's total assets (excluding the value of the collateral received).

The terms "daily," "day," and "trading day," refer to the period from the close of the markets on one trading day to the close of the markets on the next trading day. The Fund is "non-diversified," under the Investment Company Act of 1940, as amended. Additionally, the Fund's investment objective is not a fundamental policy and may be changed by the Fund's Board of Trustees without shareholder approval.

The Fund has derived all disclosures contained in this document regarding Anthropic from the publicly available documents described above. Neither the Fund, the Trust, the Adviser nor any affiliate has participated in the preparation of such documents. Neither the Fund, the Trust, the Adviser nor any affiliate makes any representation that such publicly available documents or any other publicly available information regarding Anthropic is accurate or complete. Furthermore, the Fund cannot give any assurance that all events occurring prior to the date of the prospectus (including events that would affect the accuracy or completeness of the publicly available documents described above) that would affect the trading price of Anthropic have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning Anthropic could affect the value of the Fund's investments with respect to Anthropic and therefore the value of the Fund.

Because of daily rebalancing and the compounding of each day's return over time, the return of the Fund for periods longer than a single day will be the result of each day's returns compounded over the period, which will very likely differ from -200% of the return of the underlying security over the same period. The Fund will lose money if the underlying security performance is flat over time, and as a result of daily rebalancing, the underlying security's volatility and the effects of compounding, it is even possible that the Fund will lose money over time while the underlying security's performance decreases over a period longer than a single day.

Principal Investment Risks

An investment in the Fund entails risk. The Fund may not achieve its inverse leveraged investment objective and there is a risk that you could lose all of your money invested in the Fund. The Fund is not a complete investment program. In addition, the Fund presents risks not traditionally associated with other mutual funds and ETFs. It is important that investors closely review all of the risks listed below and understand them before making an investment in the Fund. **The realization of certain of the risks described below may result in adverse market movements that may actually benefit the Bear Fund due to its inverse investment objective.**

Shorting or Inverse Risk – The Fund will lose money when the value of Anthropic rises because of the Fund's inverse or short exposure – this result is the opposite from a traditional index fund. The Fund's assets will increase in value when Anthropic's daily return decreases. The Fund's assets will decrease in value when Anthropic's daily return increases. Because historically most assets have risen in value over the long term, short exposure or positions and therefore, the value of the Fund is expected to depreciate in value over time, notwithstanding any separate effects of compounding and the Fund's daily repositioning of inverse exposure. Additionally, if the level of Anthropic approaches a 50% increase at any point in the day, an investor could lose their entire investment. Accordingly, short positions and exposure may be riskier and more speculative than traditional investments. The costs of obtaining short exposure or maintaining short positions will lower the Fund's returns.

To the extent that the Fund obtains short exposure from derivatives, the Fund may be exposed to heightened volatility, reduced correlation to Anthropic or limited liquidity related to the reference asset of the underlying short position, which will adversely impact the Fund's ability to meet its investment objective or adversely impact its performance. If the Fund were to experience this volatility or decreased liquidity, the Fund may be required to obtain short exposure through alternative investment strategies that may have less correlation to Anthropic, less liquidity or are more costly to implement. If the reference asset underlying the short position is thinly traded or has a limited market, there may be a lack of available securities or counterparties for the Fund to enter into a short position or obtain short exposure from a derivative instrument.

Effects of Compounding and Market Volatility Risk —

The Fund's performance for periods greater than a trading day will be the result of each day's returns compounded over the period, which is likely to differ from -200% of Anthropic's performance, before fees and expenses. Compounding has a significant impact on funds that are leveraged and that rebalance daily. The impact of compounding becomes more pronounced as volatility and holding periods increase and will impact each shareholder differently depending on the period of time an investment in the Fund is held and the volatility of Anthropic during the shareholder's holding period.

Fund performance for periods greater than one single day can be estimated given any set of assumptions for the following factors: a) volatility; b) performance; c) period of time; d) financing rates associated with inverse leveraged exposure; e) other Fund expenses; and f) dividends or interest paid with respect to securities of Anthropic. The chart below provides examples of how volatility and its return could affect the Fund's performance. The chart shows estimated Fund returns for a number of combinations of volatility and performance over a one-year period. Actual Fund returns are expected to vary from these estimates. Performance shown in the chart assumes that: (i) no dividends were paid with respect to the securities; (ii) there were no Fund expenses; and (iii) borrowing/lending rates (to obtain leveraged inverse exposure) of 0%. If Fund expenses and/or actual borrowing/lending rates were reflected, the estimated returns would be different than those shown. Particularly during periods of higher volatility, compounding will cause results for periods longer than a trading day to vary from -200% of the performance of Anthropic.

As shown in the chart below, the Fund would be expected to lose 17.1% if Anthropic provided no return over a one year period during which Anthropic experienced annualized volatility of 25%. At higher ranges of volatility, there is a chance of a significant loss of value in the Fund, even if Anthropic's return is flat. **For instance, if Anthropic's annualized volatility is 100%, the Fund would be expected to lose 95% of its value, even if the cumulative return for the year was 0%.** Areas shaded red (or dark gray) represent those scenarios where the Fund can be expected to return less than -200% of the performance of Anthropic and those shaded green (or light gray) represent those scenarios where the Fund can be expected to return more than -200% of

the performance of Anthropic. The table below is not a representation of the Fund's actual returns, which may be significantly better or worse than the returns shown below as a result of any of the factors discussed above or in "Daily Inverse Correlation Risk" below.

One Year	-200% One Year	Volatility Rate				
Return	Return	10%	25%	50%	75%	100%
-60%	120%	506.5%	418.1%	195.2%	15.6%	-68.9%
-50%	100%	288.2%	231.6%	88.9%	-26.0%	-80.1%
-40%	80%	169.6%	130.3%	31.2%	-48.6%	-86.2%
-30%	60%	98.1%	69.2%	-3.6%	-62.2%	-89.8%
-20%	40%	51.6%	29.5%	-26.2%	-71.1%	-92.2%
-10%	20%	19.8%	2.3%	-41.7%	-77.2%	-93.9%
0%	0%	-3.0%	-17.1%	-52.8%	-81.5%	-95.0%
10%	-20%	-19.8%	-31.5%	-61.0%	-84.7%	-95.9%
20%	-40%	-32.6%	-42.4%	-67.2%	-87.2%	-96.5%
30%	-60%	-42.6%	-50.9%	-72.0%	-89.1%	-97.1%
40%	-80%	-50.5%	-57.7%	-75.9%	-90.6%	-97.5%
50%	-100%	-56.9%	-63.2%	-79.0%	-91.8%	-97.8%
60%	-120%	-62.1%	-67.6%	-81.5%	-92.8%	-98.1%

[] had not commenced operations or only recently commenced operations as of the date of this Prospectus and therefore historical volatility and performance are not yet available. In the future, historical volatility and performance will be presented in this section. Historical volatility and performance are not indications of what the volatility and performance will be in the future. The volatility of ETFs or financial instruments utilized by the Fund, such as swaps, may differ from the volatility of Anthropic.

For information regarding the effects of volatility and performance on the long-term performance of the Fund, see "Additional Information Regarding Investment Techniques and Policies" in the Fund's statutory prospectus, and "Leverage - Special Note Regarding the Correlation Risks of the Funds" in the Fund's Statement of Additional Information under "Investment Policies and Techniques."

Leverage Risk — The Fund obtains investment exposure in excess of its net assets by utilizing leverage and may lose more money in market conditions that are adverse to its investment objective than a fund that does not utilize leverage. An investment in the Fund typically results in the magnification of a rise in the daily performance of Anthropic resulting in a larger loss being incurred than if there was no leverage utilized. This means that an investment in the Fund will be reduced by an amount equal to 2% for every 1% daily rise in Anthropic, not including the costs of financing leverage and other operating expenses, which would further reduce its value. The Fund could lose an amount greater than its net assets in the event of a rise of more than 50% of Anthropic. This would result in a total loss of a shareholder's investment in one day even if Anthropic subsequently reverses all or a portion of its previous movement prior to the end of the day. A total loss of a shareholder's investment in the Fund may occur in a single day even if Anthropic's value does not move fully opposite from the Fund's investment objective. Leverage will also have the effect of magnifying any differences in the Fund's inverse correlation with Anthropic and may increase the volatility of the Fund.

Under market circumstances that cause leverage to be expensive or unavailable, the Fund may not meet its investment objective for a period of time, may increase its transaction fee on creation unit transactions, change its investment objective, reduce its leverage or close.

Derivatives Risk — Derivatives are financial instruments that derive value from the underlying reference asset or assets, such as stocks, bonds, or funds (including ETFs), interest rates or indexes. Investing in derivatives may be considered aggressive and may expose the Fund to greater risks, and may result in larger losses or smaller gains, than investing directly in the reference assets underlying those derivatives, which may prevent the Fund from achieving its investment objective.

The Fund's investments in derivatives may pose risks in addition to, and greater than, those associated with directly investing in securities or other investments, including risk related to the market, leverage, imperfect correlations with underlying investments or the Fund's other portfolio holdings, higher price volatility, lack of availability, counterparty, liquidity, valuation and legal restrictions. The performance of a derivative may not track the performance of its reference asset for various reasons, including due to fees and other costs associated with it.

Because derivatives often require only a limited initial investment, the use of derivatives may expose the Fund to losses in excess of the amount initially invested. As a result, the value of an investment in the Fund may change quickly and without warning. If Anthropic has a dramatic intraday increase or decrease that causes a material change in the Fund's performance and/or net assets, the terms of a swap agreement between the Fund and its counterparty may permit the counterparty to immediately close the swap agreement with the Fund. In that event, the Fund may not be able to enter into another swap agreement or invest in other derivatives to achieve its investment objective. This may occur even if Anthropic reverses all or a portion of its intraday movement by the end of the day.

Upon entering into certain derivatives contracts, such as swap agreements, and to maintain open positions in such agreements, the Fund may be required to post collateral, the amount of which may vary. As such, the Fund may maintain cash balances, which may be significant, with service providers such as the Fund's custodian or its affiliates in segregated accounts. Maintaining larger cash and cash equivalent positions may also subject the Fund to additional risks, such as increased credit risk with respect to the custodian bank holding the assets.

Counterparty Risk — If a counterparty is unwilling or unable to make timely payments to meet its contractual obligations or fails to return holdings that are subject to the agreement with the counterparty, the Fund will lose money and/or not be able to meet its daily inverse leveraged investment objective.

Because the Fund may enter into swap agreements with a limited number of counterparties, this increases the Fund's exposure to counterparty credit risk. Further, there is a risk that no suitable counterparties will be willing to enter into, or continue to enter into, transactions with the Fund and,

as a result, the Fund may not be able to achieve its inverse leveraged investment objective or rebalance properly, which may result in significant losses to the Fund. The risk that no suitable counterparties will enter into or continue to provide swap exposure to the Fund may be heightened when there is significant volatility in the overall market or the reference asset.

Rebalancing Risk — If for any reason the Fund is unable to rebalance all or a part of its portfolio, or if all or a portion of the portfolio is rebalanced incorrectly, the Fund's investment exposure may not be consistent with its investment objective which may lead to greater losses or reduced gains. In these instances, the Fund may have investment exposure to Anthropic that is significantly greater or significantly less than its stated investment objective. Additionally, the Fund may close to purchases and sales of Shares prior to the close of trading on the [] or other national securities listing exchanges where Shares are listed and incur significant losses.

Intra-Day Investment Risk — The intra-day performance of Fund shares traded in the secondary market will be different from the performance of the Fund when measured from the close of the market on a given trading day until the close of the market on the subsequent trading day. An investor that purchases shares intra-day may experience performance that is greater than, or less than, the Fund's stated investment objective.

If there is a significant intra-day market event and/or the securities experience a significant change in value, the Fund may not meet its investment objective or may be unable to rebalance its portfolio appropriately, resulting in significant losses or reduced gains. In response to significant intraday market volatility, among other actions, the Adviser may determine to trade a portion or all of the rebalance trade for the Fund prior to market close, which may result in the Fund not achieving its investment objective. Additionally, the Fund's Shares traded on the secondary market may experience significant premiums or discounts, or widened bid-ask spreads.

Daily Inverse Correlation Risk - There is no guarantee that the Fund will achieve a high degree of inverse correlation to Anthropic and therefore achieve its daily inverse leveraged investment objective. The Fund's exposure to Anthropic is impacted by Anthropic's movement. Because of this, it is unlikely that the Fund will be perfectly exposed to Anthropic at the end of each day. The possibility of the Fund being materially over- or under-exposed to Anthropic increases on days when Anthropic is volatile near the close of the trading day. Market disruptions, regulatory restrictions and high volatility will also adversely affect the Fund's ability to adjust exposure to the required levels.

The Fund may have difficulty achieving its daily inverse leveraged investment objective for many reasons, including fees, expenses, transaction costs, financing costs related to the use of derivatives, accounting standards and their application to income items, disruptions, illiquid or high volatility in the markets for the securities or financial instruments in which the Fund invests, early and unanticipated closings of the markets on which the holdings of the Fund trade, resulting in the inability of the Fund to execute intended

portfolio transactions, regulatory and tax considerations, which may cause the Fund to hold (or not to hold) Anthropic. The Fund may be required to trade more frequently or may refrain from taking certain positions to ensure compliance with regulatory restrictions or to ensure qualification as a registered investment company or to improve tax efficiency, or for other reasons, each of which may negatively impact the Fund's desired inverse correlation with Anthropic or increase its required distributions.

The derivative instruments or other investments the Fund utilizes to obtain exposure may not provide the expected correlation to Anthropic, resulting in the Fund not performing as expected. The Fund may be subject to large movements of assets into and out of the Fund, potentially resulting in the Fund being over- or under-exposed to Anthropic. Any of these factors could decrease the inverse correlation between the performance of the Fund and Anthropic and may hinder the Fund's ability to meet its daily inverse leveraged investment objective on or around that day.

Market Risk — The Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, general market liquidity, exchange trading suspensions and closures, geopolitical events, tariffs, trade wars, natural disasters, and public health risks. Interest rates and inflation rates may change frequently and drastically due to various factors and the Fund's investments may be adversely impacted.

The economic, fiscal, monetary and foreign policies of the U.S. government, including the imposition of tariffs, changes to its federal agencies and changes to regulatory policies, will impact the U.S. economy and could lead to increased market volatility and may adversely impact the overall market and individual securities.

Non-Affiliation Risk — Anthropic is not affiliated with the Trust, the Adviser or any affiliates thereof and is not involved with this offering in any way, and has no obligation to consider the Fund in taking any corporate actions that might affect the value of the Fund. The Trust, the Fund and any affiliate are not responsible for the performance of Anthropic and make no representation as to the performance of Anthropic. Investing in the Fund is not equivalent to investing in Anthropic. Fund shareholders will not have voting rights or rights to receive dividends or other distributions or any other rights with respect to Anthropic.

Anthropic Investing Risk — The Fund's performance depends on the performance of Anthropic. The price of Anthropic can be affected by a number of factors. Investing in Anthropic involves a high degree of risk. For example, Anthropic operates in a rapidly changing and highly competitive industry. Returns depend in part on Anthropic's ability to develop, train, and commercialize advanced artificial intelligence models and related products and services while managing substantial research, development, and computing infrastructure costs. Anthropic faces intense competition from large, well-

capitalized technology companies, emerging artificial intelligence firms, and open-source initiatives. Anthropic relies on third-party cloud infrastructure and specialized hardware, and disruptions, capacity constraints, or cost increases could adversely affect its operations. Anthropic is subject to evolving regulatory scrutiny related to artificial intelligence, data protection, privacy, intellectual property, and content governance, and adverse regulatory developments could impose significant costs or restrict its business model. Real or perceived defects, bias, misuse, or harmful outputs from Anthropic's models could result in reputational harm, legal liability, or loss of customers. Anthropic may not be able to sustain revenue growth or achieve profitability due to continued investment requirements and market uncertainty. Any of these factors may materially and adversely impact the price of Anthropic shares, increase volatility, and negatively impact the performance of the Fund.

Anthropic PBC commenced its initial public offering ("IPO") on []. The market value of shares issued in an IPO may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about a company's business model, quality of management, earnings growth potential, and other criteria used to evaluate its investment prospects. Accordingly, investments in shares of a company that recently commenced an IPO involve greater risks than investments in shares of companies that have traded publicly on an exchange for extended periods of time. The shares of such companies may experience abnormal returns and volatility in the period immediately following its IPO. Investments in shares of a company that recently commenced an IPO may also involve high transaction costs and are subject to market risk and liquidity risk. The price of Anthropic shares could continue to be volatile and could decline in value significantly in the future. Any of these factors may materially and adversely impact the price of Anthropic, increase the volatility of an investment in Anthropic and have a negative impact on the performance of the Fund.

Security Volatility Risk — The performance of the Fund is designed to correlate to the inverse leveraged performance of Anthropic. Significant short-term price movements in Anthropic could adversely impact the performance of both Anthropic and the Fund, increase the Fund's bid-ask spread and adversely impact the Fund's ability to achieve its investment objective. In addition, the net asset value of the Fund over short-term periods may be more volatile than other investment options due to the volatility of Anthropic.

Concentration Risk — The Fund will be concentrated in a particular security, Anthropic, and therefore, a particular industry and will have more than 25% of its total assets in investments that provide inverseleveraged exposure to the [] (the risks of which are described below), the same industry and/or sector to which Anthropic is assigned. Since the Fund is concentrated in a particular security and therefore industry and/or sector, it presents more risks than a portfolio broadly diversified over several industries. A portfolio invested in multiple securities and industries typically presents less risk than a portfolio concentrated in one security or industry

because market changes that adversely impact one security or industry may benefit others. Because the Fund only invests in one security and industry, it should be expected to decrease from any market movements that adversely impact Anthropic and/or [].

Artificial Intelligence (AI) and Big Data Company Risk —

Companies engaged in artificial intelligence (“AI”) and big data typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. There can be no assurance these companies will be able to successfully protect their intellectual property to prevent the misappropriation of their technology, or that competitors will not develop technology that is substantially similar or superior to such companies’ technology. AI and big data companies typically engage in significant amounts of spending on research and development, as well as mergers and acquisitions, and there is no guarantee that the products or services produced by these companies will be successful. The products and services of AI and big data companies may face obsolescence due to rapid technological developments and frequent new product or service introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. AI and big data companies are potential targets for cyberattacks, which can have a materially adverse impact on the performance of these companies. In addition, AI technology could face increasing regulatory scrutiny in the future, which may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. Similarly, the collection of data from consumers and other sources could face increased scrutiny as regulators consider how the data is collected, stored, safeguarded and used. AI and big data companies may face regulatory fines and penalties, including forced break-ups, that could hinder the ability of the companies to operate on an ongoing basis. The customers and/or suppliers of AI and big data companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on AI and big data companies. Country, government, and/or region-specific regulations or restrictions could have an impact on AI and big data companies.

Technology Sector Risk — The market prices of technology-related securities tend to exhibit a greater degree of market risk and sharp price fluctuations than other types of securities. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology securities may be affected by intense competition, obsolescence of existing technology, general economic conditions and government regulation and may have limited product lines, markets, financial resources or personnel. Technology companies may experience dramatic and often unpredictable changes in growth rates and competition for qualified personnel. These companies are also heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely impact a company’s profitability. A small number of companies represent a large portion of the technology industry. In

addition, a rising interest rate environment tends to negatively affect technology companies, because those technology companies seeking to finance expansion would have increased borrowing costs, which may negatively impact earnings. Technology companies having high market valuations may appear less attractive to investors, which may cause sharp decreases in their market prices. Companies in the application software industry, in particular, may also be negatively affected by the risk that subscription renewal rates for their products and services decline or fluctuate, leading to declining revenues. Companies in the systems software industry may be adversely affected by, among other things, actual or perceived security vulnerabilities in their products and services, which may result in individual or class action lawsuits, state or federal enforcement actions and other remediation costs. Companies in the computer software industry may also be affected by the availability and price of computer software technology components.

Internet Company Industry Risk — The market prices of internet securities tend to exhibit a greater degree of market risk and sharp price fluctuations than the market prices of other types of securities. Internet company securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. These companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Internet securities also may be affected adversely by changes in consumer and business purchasing patterns and government regulations. These companies may have high market valuations and may appear less attractive to investors, which may cause sharp decreases in their market prices.

Money Market Instrument Risk — The Fund may use a variety of money market instruments for cash management purposes, including money market funds, depository accounts and repurchase agreements. Money market funds may be subject to credit risk with respect to the debt instruments in which they invest. Depository accounts may be subject to credit risk with respect to the financial institution in which the depository account is held. Money market instruments may lose money.

Large-Capitalization Company Risk — Large-capitalization companies typically have significant financial resources, extensive product lines and broad markets for their goods and/or services. However, they may be less able to adapt to changing market conditions or to respond quickly to competitive challenges or to changes in business, product, financial, or market conditions and may not be able to maintain growth at rates that may be achieved by well-managed smaller and mid-size companies, which may affect the companies’ returns.

Liquidity Risk — Holdings of the Fund may be difficult to buy or sell or may be illiquid, particularly during times of market turmoil. There is no assurance that a security or derivative instrument that is deemed liquid when purchased will continue to be liquid. Illiquid securities may be difficult to value, especially in changing or volatile markets. If the Fund is forced to buy or sell an illiquid security or derivative

instrument at an unfavorable time or price, the Fund may be adversely impacted. Certain market conditions or restrictions may prevent the Fund from limiting losses, realizing gains or achieving its investment objective. In certain market conditions the Fund may be one of many market participants that is attempting to transact in the underlying security. Under such circumstances, the market for the underlying security may lack sufficient liquidity for all market participants' trades. Therefore, the Fund may have more difficulty transacting in the securities or financial instruments and the Fund's transactions could exacerbate illiquidity and price volatility.

To the extent that the instruments utilized by the Fund are thinly traded or have a limited market, the Fund may be unable to meet its investment objective due to a lack of available investments or counterparties. During such periods, the Fund's ability to issue additional Creation Units may be adversely affected. As a result, the Fund's shares could trade at a premium or discount to their net asset value and/or the bid-ask spread of the Fund's shares could widen. Under such circumstances, the Fund may be unable to rebalance its exposure properly which may result in significantly more or less exposure and losses to the Fund. In such an instance, the Fund may increase its transaction fee, utilize derivatives instruments that are less correlated to the Anthropic, change its investment objective, reduce its exposure for a period of time or close.

Early Close/Trading Halt Risk — An exchange or market may close early and unexpectedly or issue trading halts on specific securities or financial instruments. Under such circumstances, the Fund may be unable to execute intended portfolio transactions, rebalance its portfolio, or accurately price its investments, and may disrupt the Fund's creation/redemption process which means the Fund may be unable to achieve its investment objective and it may incur substantial losses or reduced gains.

Equity Securities Risk — Publicly issued equity securities, including common stocks, are subject to market risks that may cause their prices to fluctuate over time. Fluctuations in the value of equity securities in which the Fund invests, and/or has exposure to, will cause the net asset value of the Fund to fluctuate.

Cash Transaction Risk — At certain times, the Fund may effect creations and redemptions for cash rather than for in-kind securities. As a result, the Fund may not be tax efficient and may incur brokerage and financing costs related to buying and selling securities or obtaining derivative exposure to achieve its investment objective thus incurring additional expenses than if it had effected creations and redemptions in kind. To the extent that such costs are not offset by transaction fees paid by an authorized participant, the Fund may bear such costs, which will decrease the Fund's net asset value.

High Portfolio Turnover Risk — Daily rebalancing of the Fund's holdings pursuant to its daily investment objective causes a much greater number of portfolio transactions when compared to most ETFs. Additionally, active secondary market trading of the Shares could cause more frequent creation and redemption activities, which would increase the number

of portfolio transactions. High levels of portfolio transactions may cause higher transaction costs because of increased broker commissions resulting from such transactions and increased taxable capital gains. The Fund calculates portfolio turnover without including the short-term cash instruments or derivative transactions that comprise most of the Fund's trading. As such, if the Fund's extensive use of derivative instruments were reflected, the calculated portfolio turnover rate would be significantly higher.

Tax Risk — In order to qualify for the special tax treatment accorded a regulated investment company ("RIC") and its shareholders, the Fund must derive at least 90% of its gross income for each taxable year from "qualifying income," meet certain asset diversification tests at the end of each taxable quarter, and meet annual distribution requirements. The Fund's pursuit of its investment strategy will potentially be limited by the Fund's intention to qualify for such treatment and could adversely affect the Fund's ability to so qualify. The Fund may make certain investments, the treatment of which for these purposes is unclear. If, in any year, the Fund were to fail to qualify for the special tax treatment accorded a RIC and its shareholders, and were ineligible to or were not able to cure such failure, the Fund would be taxed in the same manner as an ordinary corporation subject to U.S. federal income tax on all its income at the fund level. The resulting taxes could substantially reduce the Fund's net assets and the amount of income available for distribution. In addition, in order to requalify for taxation as a RIC, the Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make certain distributions. Please see the section entitled "Dividends, Other Distributions and Taxes" in the Statement of Additional Information for more information.

Non-Diversification Risk — The Fund has the ability to invest a relatively high percentage of its assets in the securities of a small number of issuers or in financial instruments with a single counterparty or a few counterparties. This may increase the Fund's volatility and increase the risk that the Fund's performance will decline based on the performance of a single issuer, the credit of a single counterparty, and/or a single economic, political or regulatory event.

Special Risks of Exchange-Traded Funds

Authorized Participants Concentration Risk. The Fund may have a limited number of financial institutions that may act as Authorized Participants. To the extent that those Authorized Participants exit the business or are unable to process creation and/or redemption orders, Shares may trade at larger bid-ask spreads and/or premiums or discounts to net asset value. Authorized Participant concentration risk may be heightened for a fund that invests in non-U.S. securities or other securities or instruments that have lower trading volumes.

Absence of Active Market Risk. Although Shares are listed for trading on a stock exchange, there is no assurance that an active trading market for them will develop or be maintained. In the absence of an active trading market for Shares, they will likely trade with a wider bid/ask spread and at a greater premium or discount to net asset value.

Market Price Variance Risk. Fund Shares can be bought and sold in the secondary market at market prices, which may be higher or lower than the net asset value of the Fund. When Shares trade at a price greater than net asset value, they are said to trade at a “premium.” When they trade at a price less than net asset value, they are said to trade at a “discount.” The market price of Shares fluctuates based on changes in the value of the Fund’s holdings, the supply and demand for Shares and other market factors. The market price of Shares may vary significantly from the Fund’s net asset value especially during times of market volatility or stress. Further, to the extent that exchange specialists, market makers, Authorized Participants, or other market participants are unavailable or unable to trade the Fund’s Shares and/or create or redeem Creation Units premiums or discounts may increase.

Trading Cost Risk. When buying or selling Shares in the secondary market, a buyer may incur brokerage commission or other charges. In addition, a buyer may incur the cost of the “spread” also known as the bid-ask spread, which is the difference between what investors are willing to pay for Fund shares (the “bid” price) and the price at which they are willing to sell Fund shares (the “ask” price). The bid-ask spread varies over time based on, among other things, trading volume, market liquidity and market volatility. Because of the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment results.

Exchange Trading Risk. Shares are listed for trading on the []. They also may be listed or traded on other U.S. and non-U.S. stock exchanges and may trade on electronic communication networks. Trading in Shares on their listing exchange may be halted due to market conditions or for reasons that, in the view of the exchange, make trading in Shares inadvisable, including if they fail to meet the listing requirements of the exchange. Under certain circumstances, Shares may even be delisted. Trading halts of Shares should be expected to disrupt the Fund’s creation/redemption process and may temporarily prevent investors from buying and selling Shares. Like other listed securities, Shares of the Fund may be sold short, and short positions in Shares may place downward pressure on their market price.

Fund Performance

No prior investment performance is provided for the Fund because it had not commenced operations prior to the date of this Prospectus. Upon commencement of operations, updated performance will be available on the Fund’s website at www.direxion.com/etfs?producttab=performance or by calling the Fund toll-free at (866) 476-7523.

Management

Investment Adviser. Rafferty Asset Management, LLC is the Fund’s investment adviser.

Portfolio Managers. The following members of Rafferty’s investment team are jointly and primarily responsible for the day-to-day management of the Fund:

Portfolio Managers	Years of Service with the Fund	Primary Title
Paul Brigandi	Since Inception	Portfolio Manager
Tony Ng	Since Inception	Portfolio Manager

Purchase and Sale of Fund Shares

The Fund’s individual shares may only be purchased or sold in the secondary market through a broker-dealer or other financial intermediaries at market price rather than at net asset value. The market price of Shares will fluctuate in response to changes in the value of the Fund’s holdings and supply and demand for the Shares, which may result in shareholders purchasing or selling the Shares on the secondary market at a market price that is greater than net asset value (a premium) or less than net asset value (a discount). A shareholder may incur costs attributable to the difference between the highest price a buyer is willing to pay for the Fund’s Shares (bid) and the lowest price a seller is willing to accept for the Fund’s Shares (ask) when buying or selling Shares on the secondary market (the “bid-ask spread”) in addition to brokerage commissions. The bid-ask spread may vary over time for Shares based on trading volume and market liquidity. Recent information regarding the Fund Shares such as net asset value, market price, premiums and discounts and bid-ask spreads and related other information is available on the Fund’s website, www.direxion.com/etfs?producttab=performance.

The Fund’s shares are not individually redeemable by the Fund. The Fund will issue and redeem Shares only to Authorized Participants in exchange for cash or a deposit or delivery of a basket of assets (securities and/or cash) in large blocks, known as creation units, each of which is comprised of 25,000 Shares.

Tax Information

The Fund intends to make distributions that may be taxed as ordinary income or long-term capital gains. Those distributions will be subject to federal income tax and may also be subject to state and local taxes, unless you are investing through a tax-deferred arrangement, such as a 401(k) plan or an individual retirement account. Distributions or investments made through tax-deferred arrangements may be taxed later upon withdrawal. Distributions by the Fund may be significantly higher than those of most other ETFs.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase shares of the Fund through a broker-dealer or other financial intermediary (such as a bank or financial adviser), the Fund and/or its Adviser may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other financial intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary’s website for more information.

OVERVIEW OF THE FUNDS

The Direxion Shares ETF Trust (the "Trust") is a registered investment company offering a number of separate exchange-traded funds ("ETFs"). This Prospectus describes the ETFs noted below (each a "Fund" and collectively the "Funds"). Rafferty Asset Management, LLC serves as the investment adviser to the Funds ("Rafferty" or the "Adviser").

The Direxion Daily Anthropic Bull 2X ETF (the "Bull Fund") attempts to provide daily leveraged investment results, before fees and expenses, that correspond to 200% of the performance of Anthropic PBC ("Anthropic"). The Direxion Daily Anthropic Bear 2X ETF (the "Bear Fund") attempts to provide daily investment results, before fees and expenses, that correspond to 200% of the inverse, or opposite, of the performance of Anthropic.

Each Fund seeks to provide a return which is a multiple of the daily performance of the underlying security. No Fund attempts to provide returns which are a multiple of the return of the underlying security for periods other than a single day. Each Fund rebalances its portfolio on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses.

Also, the exposure to the underlying security received by an investor who purchases a Fund intra-day will differ from the Fund's stated daily leveraged or inverse leveraged investment objective by an amount determined by the movement of the underlying security from its value at the end of the prior day. If the underlying security move in a direction favorable to the Fund between the close of the market on one trading day through the time on the next trading day when the investor purchases Fund shares, the investor will receive less exposure to the underlying security than the stated fund daily leveraged investment objective. Conversely, if the underlying security move in a direction adverse to the Fund, the investor will receive more exposure to the underlying security than the stated fund daily leveraged investment objective.

Shares of the Funds ("Shares"), upon commencement of operations, will be, listed and traded on [] (the "Exchange"), where the market prices for the Shares may be different from the intra-day value of the Shares disseminated by the Exchange and from their net asset value ("NAV"). Unlike conventional mutual funds, Shares are not individually redeemable directly with a Fund. Rather, each Fund issues and redeems Shares on a continuous basis at NAV only in large blocks of Shares called "Creation Units." A Creation Unit consists of 25,000 Shares. As a result, retail investors generally will not be able to purchase or redeem Shares directly from, or with, each Fund. Most retail investors will purchase or sell Shares in the secondary market through a broker.

The Funds are not suitable for all investors. The Funds are designed to be utilized only by sophisticated investors, such as traders and active investors employing dynamic strategies. Such investors are expected to monitor and manage their portfolios frequently. Investors in the Funds should: (a) understand the risks associated with the use of leverage; (b) understand the consequences of seeking daily leveraged investment results; (c) for the Bear Fund, understand the risk of shorting; and (d) intend to actively monitor and manage their investments. Investors who do not understand the Funds or do not intend to actively manage their funds and monitor their investments should not buy the Funds.

There is no assurance that the Funds will achieve their investment objective and an investment in a Fund could lose money. No single Fund is a complete investment program.

Changes in Investment Objective. Each Fund's investment objective is not a fundamental policy and may be changed by the Funds' Board of Trustees without shareholder approval.

Defensive Policy. Each Fund pursues its investment objective regardless of the market conditions and does not generally take defensive positions. If each Fund takes a temporary defensive position, it may not meet its investment objective during such periods.

ADDITIONAL INFORMATION REGARDING INVESTMENT TECHNIQUES AND POLICIES

Rafferty uses statistical and quantitative analysis to determine the investments each Fund makes and the techniques it employs. Rafferty relies upon a pre-determined model to generate orders that result in repositioning each Fund's investments in accordance with its daily leveraged investment objective. Using this approach, Rafferty determines the type, quantity and mix of investment positions that it believes in combination should produce daily returns consistent with a Fund's investment objective. In general, if a Fund is performing as designed, the return of the underlying security will dictate the return for that Fund. Rafferty does not invest the assets of a Fund in securities, derivatives or other investments based on Rafferty's view of the investment merit of a particular security, instrument or company, nor does it conduct conventional investment research or analysis or forecast market movements or trends.

For the Bull Fund, Rafferty attempts to provide two times the returns of [] for a one-day period. The Bear Fund is managed to provide two times the inverse (or opposite) of the return of [] for a one-day period. To do this, Rafferty creates net "long" positions for the Bull Fund and net "short" positions for the Bear Fund. (Rafferty may create short positions in the Bull Fund and long positions in the Bear Fund even though the net exposure in the Bull Fund will be long and the net exposure in the Bear Fund will be short.) Long positions move in the same direction as [], advancing when the underlying

security advances and declining when the underlying security declines. Short positions move in the opposite direction of the underlying security, advancing when the underlying security declines and declining when the underlying security advances. Additionally, none of the Funds seek income that is exempt from federal, state or local income taxes.

At the close of the markets each trading day, each Fund will position its portfolio to ensure that the Fund's exposure to [] is consistent with the Fund's stated investment objective. The impact of market movements during the day determines whether a portfolio needs to be repositioned. If the underlying security has risen on a given day, the Bull Fund's net assets should rise, meaning its exposure will typically need to be increased. Conversely, if the underlying security has fallen on a given day, the Bull Fund's net assets should fall, meaning its exposure will typically need to be reduced. If the underlying security has risen on a given day, the Bear Fund's net assets should fall, meaning its exposure will typically need to be reduced. If the underlying security has fallen on a given day, the Bear Fund's net assets should rise, meaning its exposure will typically need to be increased. Any of the Funds' portfolios may also need to be changed to reflect changes in the composition of [].

Each Fund has a clearly articulated daily leveraged investment objective which requires the Fund to seek economic exposure in excess of its net assets (*i.e.*, economic leverage). To meet its objectives, each Fund invests in some combination of financial instruments so that it generates economic exposure consistent with the Fund's investment objective.

The Bull Fund generally may hold a representative sample of the securities in the underlying security. The sampling of securities that is held by the Bull Fund is intended to maintain high correlation with, and similar aggregate characteristics (*e.g.*, market capitalization and industry weightings) to, the underlying security. The Bull Fund also may invest in securities that are not included in [] or may overweight or underweight certain components of the underlying security. Certain Funds' assets may be concentrated in an industry or group of industries to the extent that a Fund's underlying security concentrates in a particular industry or group of industries. In addition, each Fund offered in this Prospectus is non-diversified, which means that it may invest in the securities of a limited number of issuers.

The Effects of Fees and Expenses on the Return of the Bull Fund for a Single Trading Day. To create the necessary exposure, the Bull Fund uses leveraged investment techniques, which necessarily incur brokerage and financing charges. In light of these charges and the Bull Fund's operating expenses, the expected return of the Bull Fund over one trading day is equal to the gross expected return, which is the daily underlying security return multiplied by the Bull Fund's daily leveraged investment objective, minus (i) financing charges incurred by the portfolio and (ii) daily operating expenses. For instance, if the [] gains 2% on a given day, the gross expected return of the Direxion Daily Anthropoc Bull 2X ETF would be 4%, but the net expected return, which factors in the cost of financing the portfolio and the impact of operating expenses, would be lower. The Bull Fund will reposition its portfolio at the end of every trading day. Therefore, if an investor purchases Fund shares at close of the markets on a given trading day, the investor's exposure to the underlying security of the Bull Fund would reflect 200% of the performance of the underlying security during the following trading day, subject to the charges and expenses noted above.

The Effects of Fees and Expenses on the Return of the Bear Fund for a Single Trading Day. To create the necessary exposure, the Bear Fund engages in short selling — borrowing and selling securities it does not own. The money that the Bear Fund receives from short sales — the short sale proceeds — is an asset of the Bear Fund that can generate income to help offset the Bear Fund's operating expenses. However, the costs of creating short exposure, which may require the Bear Fund's counterparties to borrow and sell certain securities, may offset or outweigh such income. As the holder of a short position, the Bear Fund also is responsible for paying the dividends and interest accruing on the short position, which is an expense to the Bear Fund that could cause the Fund to lose money on the short sale and may adversely affect its performance. Each Bear Fund will reposition its portfolio at the end of every trading day. Therefore, if an investor purchases Bear Fund shares at close of the markets on a given trading day, the investor's exposure to the underlying security of the Bear Fund would reflect 200% of the inverse performance of the underlying security during the following trading day, subject to the charges and expenses noted above.

A Fund may have difficulty in achieving its daily leveraged investment objective due to fees, expenses, transaction costs, income items, accounting standards, significant purchase and redemption activity by Fund shareholders and/or disruptions or a temporary lack of liquidity in the markets for the securities held by the Fund. Additionally, if a Fund's underlying security includes foreign securities or a Fund tracks a foreign market index where the foreign market closes before or after the New York Stock Exchange ("NYSE") closes (generally at 4 p.m. Eastern Time), the performance of the underlying security may differ from the expected daily leveraged performance.

An exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may result in a Fund being unable to buy or sell certain securities or financial instruments. In such circumstances, a Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses.

If a Fund is unable to obtain leveraged or leveraged inverse exposure to [] consistent with its investment objective, such as situations in which the instruments utilized by a Fund are thinly traded or have a limited market, a Fund could, among

other things, fail to meet its daily investment objective, increase its transaction fee, or reject one or more orders for Creation Units. Under such circumstances, a Fund could trade at a premium or discount to its NAV and the bid-ask spread in its shares could widen.

A Cautionary Note to Investors Regarding Dramatic Movement. A Fund could lose an amount greater than its net assets in the event of a movement of [] in excess of 50% in a direction adverse to the Fund (meaning a decline in the value of the underlying security of the Bull Fund and a gain in the value of the underlying security for the Bear Fund).

If the underlying security of a Fund has a dramatic adverse move that causes a material decline in the Fund's net assets, the terms of a Fund's swap agreements may permit the counterparty to immediately close out the swap transaction. In that event, a Fund may be unable to enter into another swap agreement or invest in other derivatives to achieve exposure consistent with a Fund's investment objective. This may prevent a Fund from achieving its leveraged or inverse leveraged investment objective, even if the underlying security later reverses all or a portion the move, and result in significant losses.

Examples of the Impact of Daily Leverage and Compounding. Because each Fund's exposure to [] is repositioned on a daily basis, for a holding period longer than one day, the pursuit of a daily investment objective will result in daily leveraged compounding for the Funds. This means that the return of [] over a period of time greater than one day multiplied by a Fund's daily leveraged investment objective (e.g., 200% or -200%) generally will not equal a Fund's performance over that same period. As a consequence, investors should not plan to hold the Funds unmonitored for periods longer than a single trading day. This deviation increases with higher volatility in [] and longer holding periods. Further, the return for investors that invest for periods less than a full trading day or for a period different than a trading day will not be the product of the return of a Fund's stated daily leveraged investment objective and the performance of [] for the full trading day. The actual exposure will largely be a function of the performance of the [] from the end of the prior trading day.

Consider the following examples:

Mary is considering investments in two funds, Funds A and B. Fund A is a traditional stock ETF which seeks (before fees and expenses) to match the performance of the XYZ stock. Fund B is a leveraged ETF and seeks daily leveraged investment results (before fees and expenses) that correspond to 200% of the daily performance of the XYZ stock.

On Day 1, the XYZ stock increases in value from \$100 to \$105, a gain of 5%. On Day 2, the XYZ stock declines from \$105 back to \$100, a loss of 4.76%. In the aggregate, the XYZ stock has not moved.

An investment in Fund A would be expected to gain 5% on Day 1 and lose 4.76% on Day 2, returning the investment to its original value. The following example assumes a \$100 investment in Fund A when the stock is also valued at \$100:

Day	Stock Value	Stock Performance	Value of Fund A Investment
	\$100.00		\$100.00
1	\$105.00	5.00%	\$105.00
2	\$100.00	-4.76%	\$100.00

The same \$100 investment in Fund B would be expected to gain 10% on Day 1 (200% of 5%) but decline 9.52% on Day 2.

Day	Stock Performance	200% of Stock Performance	Value of Fund B Investment
			\$100.00
1	5.00%	10.0%	\$110.00
2	-4.76%	-9.52%	\$99.52

Although the percentage decline in Fund B is smaller on Day 2 than the percentage gain on Day 1, the loss is applied to a higher principal amount, so the investment in Fund B experiences a loss even when the aggregate stock value for the two-day period has not declined. (These calculations do not include the charges for fund fees and expenses.)

As you can see, an investment in Fund B has additional risks due to the effects of leverage and compounding.

An investor who purchases shares of a Fund intra-day will generally receive more, or less, than 200% exposure to the underlying security from that point until the end of the trading day. The actual exposure will be largely a function of the performance of the underlying security from the end of the prior trading day. If a Fund's shares are held for a period longer than a single trading day, the Fund's performance is likely to deviate from 200% or -200% of the return of the underlying security's performance for the longer period. This deviation will increase with higher underlying security volatility and longer holding periods.

Examples of the Impact of Stock Volatility. Each Fund rebalances its portfolio on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses. Daily rebalancing will typically cause a Fund to lose money if the underlying security experiences volatility. The volatility rate of an underlying security is a statistical measure of the magnitude of fluctuations in the stock's returns over a defined period. For periods longer than a trading day, volatility in the performance of the underlying security from day to day is the primary cause of any disparity between a Fund's actual returns and the returns of the underlying security for such period. Volatility causes such disparity because it exacerbates

the effects of compounding on a Fund's returns. In addition, the effects of volatility are magnified in the Funds due to leverage. Consider the following three examples that demonstrate the effect of volatility on a hypothetical fund:

Example 1 – Underlying Stock Experiences Low Volatility

Mary invests \$10.00 in a hypothetical Bull Fund at the close of trading on Day 1. During Day 2, the Fund's underlying stock rises from 100 to 102, a 2% gain. Mary's investment rises 4% to \$10.40. Mary holds her investment through the close of trading on Day 3, during which the Fund's underlying stock rises from 102 to 104, a gain of 1.96%. Mary's investment rises to \$10.81, a gain during Day 3 of 3.92%. For the two day period since Mary invested in the Fund, the underlying stock gained 4% although Mary's investment increased by 8.1%. Because the underlying stock continued to trend upwards with low volatility, Mary's return closely correlates to 200% of the underlying stock for the period.

John invests \$10.00 in a hypothetical Bear Fund at the close of trading on Day 1. During Day 2, the Fund's underlying stock gains 2%, and John's investment falls by 4% to \$9.60. On Day 3, the underlying stock rises by 1.96%, and John's Fund falls by 3.92% to \$9.22. For the two day period the underlying stock returned 4% while the Fund lost 7.8%. John's return still correlates to -200% return of the underlying stock, but not as closely as Mary's investment in the Bull Fund.

Example 2 – Underlying Stock Experiences High Volatility

Mary invests \$10.00 in a hypothetical Bull Fund after the close of trading on Day 1. During Day 2, the Fund's underlying stock rises from 100 to 102, a 2% gain, and Mary's investment rises 4% to \$10.40. Mary continues to hold her investment through the end of Day 3, during which the Fund's underlying stock declines from 102 to 98, a loss of 3.92%. Mary's investment declines by 7.84%, from \$10.40 to \$9.58. For the two day period since Mary invested in the Fund, the Fund's underlying stock lost 2% while Mary's investment decreased from \$10 to \$9.58, a 4.2% loss. The volatility of the underlying stock affected the correlation between the underlying stock's return for the two day period and Mary's return. In this situation, Mary lost more than two times the return of the underlying stock.

Conversely, John invests \$10.00 in a hypothetical Bear Fund after the close of trading on Day 1. During Day 2, the Fund's underlying stock rises from 100 to 102, a 2% gain, and John's investment falls 4% to \$9.60. John continues to hold his investment through the end of Day 3, during which the Fund's underlying stock declines from 102 to 98, a loss of 3.92%. John's investment rises by 7.84%, from \$9.60 to \$10.35. For the two day period since John invested in the Fund, the Fund's underlying stock lost 2% while John's investment increased from \$10 to \$10.35, a 3.5% gain. The volatility of the underlying stock affected the correlation between the underlying stock's return for the two day period and John's return. In this situation, John gained less than two times the return of the underlying stock.

Example 3 – Intra-day Investment with Volatility

The examples above assumed that Mary purchased the hypothetical Bull Fund at the close of trading on Day 1 and sold her investment at the close of trading on a subsequent day. However, if she made an investment intra-day, she would have received a beta determined by the performance of the underlying stock from the end of the prior trading day until her time of purchase on the next trading day. Consider the following example.

Mary invests \$10.00 in a hypothetical Bull Fund at 11 a.m. on Day 2. From the close of trading on Day 1 until 11 a.m. on Day 2, the underlying stock moved from 100 to 102, a 2% gain. In light of that gain, the Fund beta at the point at which Mary invests is 196%. During the remainder of Day 2, the Fund's underlying stock rises from 102 to 110, a gain of 7.84%, and Mary's investment rises 15.4% (which is the underlying stock gain of 7.84% multiplied by the 196% beta that she received) to \$11.54.

Market Volatility. Each Fund seeks to provide a return which is a multiple of the daily performance of []. No Fund attempts to, and no Fund should be expected to, provide returns which are a multiple of the return of the underlying security for periods other than a single day. Each Fund rebalances its portfolio on a daily basis, increasing exposure in response to that day's gains or reducing exposure in response to that day's losses.

Daily rebalancing will impair a Fund's performance if the underlying security experiences volatility. For instance, the Bull Fund would be expected to lose 4% (as shown in Table 1 below) if [] provided no return over a one year period and experienced annualized volatility of 20%. The Bear Fund would be expected to lose 12% (as shown in Table 1 below) if [] provided no return over a one year period and had annualized volatility of 20%. If the underlying security's annualized volatility were to rise to 40%, the hypothetical loss for a one year period for the Bull Fund widens to approximately 15% while the loss for the Bear Fund rises to 45%.

Table 1 - Impact of Hypothetical Volatility Levels on Returns

Volatility Range	2X Bull Fund Loss	2X Bear Fund Loss
10%	-1%	-3%
20%	-4%	-12%
30%	-9%	-26%
40%	-15%	-45%
50%	-23%	-65%
60%	-33%	-92%
70%	-47%	-99%
80%	-55%	-99%
90%	-76%	-99%
100%	-84%	-99%

Note that at higher volatility levels, there is a chance of a complete loss of Fund assets even if the underlying security is flat. For instance, if annualized volatility of [] were 90%, a Bull Fund based on that underlying security would be expected to lose 76% and a Bear Fund based on that underlying security would be expected to lose 99% of its value, even if the underlying security returned 0% for the year.

The underlying security of each Fund has only recently commenced operations as of the date of this Prospectus and therefore 5-year historical volatility is not yet available. In the future, historical underlying security volatility will be presented in this section. Historical underlying security volatility and performance are not indications of what the underlying security's volatility and performance will be in the future. The volatility of instruments that reflect the value of an underlying security such as swaps, may differ from the volatility of each Fund's respective underlying security.

The Projected Returns of Funds for Intra-Day Purchases. Because the Funds rebalance their portfolios once daily, an investor who purchases shares during a day will likely have more, or less, than 200% leveraged investment exposure to the underlying security. The exposure to the underlying security received by an investor who purchases a Fund intra-day will differ from the Fund's stated daily leveraged investment objective (e.g., 200% or -200%) by an amount determined by the movement of the underlying security from its value at the end of the prior day. If the underlying security moves in a direction favorable to the Fund between the close of the market on one trading day through the time on the next trading day when the investor purchases Fund shares, the investor will receive less exposure to the underlying security than the stated fund daily leveraged investment objective (e.g., 200% or -200%). Conversely, if the underlying security moves in a direction adverse to the Fund, the investor will receive more exposure to the underlying security than the stated fund daily leveraged investment objective (e.g., 200% or -200%).

Table 2 below indicates the exposure to the underlying security that an intra-day purchase of the Bull Fund would be expected to provide based upon the movement in the value of the Bull Fund's underlying security from the close of the market on the prior trading day. Such exposure holds until a subsequent sale on that same trading day or until the close of the market on that trading day. For instance, if the underlying security of the Bull Fund has moved 5% in a direction favorable to the Bull Fund, the investor would receive exposure to the performance of the underlying security from that point until the investor sells later that day or the end of the day equal to approximately 191% of the investor's investment.

Conversely, if the underlying security has moved 5% in a direction unfavorable to the Bull Fund, an investor at that point would receive exposure to the performance of the underlying security from that point until the investor sells later that day or the end of the day equal to approximately 211% of the investor's investment.

The table includes a range of underlying security moves from 20% to -20% for the Bull Fund. Movement of the underlying security beyond the range noted below will result in exposure further from the Bull Fund's daily leveraged investment objective.

Table 2 - Intra-Day Leverage of the Bull Fund Given Market Movements

Stock Move	Resulting Exposure for Bull Fund
-20%	267%
-15%	243%
-10%	225%
-5%	211%
0%	200%
5%	191%
10%	183%
15%	177%
20%	171%

Table 3 below indicates the exposure to the underlying security that an intra-day purchase of the Bear Fund would be expected to provide based upon the movement in the value of a Bear Fund's underlying security from the close of the market on the prior trading day. Such exposure holds until a subsequent sale on that same trading day or until the close of the market on that trading day. Table 3 indicates that, if a Bear Fund's underlying security has moved 5% in a direction favorable to the Bear Fund, the investor would receive exposure to the performance of the underlying security from that point until the investor sells later that day or the end of the day equal to approximately -173% of the investor's investment. Conversely, if the underlying security has moved 5% in a direction unfavorable to the Bear Fund, an investor would receive exposure to the performance of the Bear Fund's underlying security from that point until the investor sells later that day or the end of the day equal to approximately 233% of the investor's investment.

The table includes a range of underlying security moves from 20% to -20% for the Bear Fund. Movement of the underlying security beyond the range noted below will result in exposure further from the Bear Fund's daily inverse leveraged investment objective.

Table 3 - Intra-Day Leverage of the Bear Fund Given Market Movements

Stock Move	Resulting Exposure for Bear Fund
-20%	-114%
-15%	-131%
-10%	-150%
-5%	-173%
0%	-200%
5%	-233%
10%	-275%
15%	-329%
20%	-400%

The Projected Returns of the Funds for Periods Other Than a Single Trading Day. The Funds seek leveraged investment results on a daily basis — from the close of regular trading on one trading day to the close on the next trading day — which should not be equated with seeking a leveraged investment objective for any other period. For instance, if the [] gains 10% for a week, the Direxion Daily Anthropic Bull 2X ETF should not be expected to provide a return of 20% for the week even if it meets its daily leveraged investment objective throughout the week. This is true because of the financing charges noted above but also because the pursuit of daily goals may result in daily leveraged compounding, which means that the return of [] over a period of time greater than one day multiplied by a Fund's daily leveraged investment objective or inverse daily leveraged investment objective (e.g., 200% or -200%) will not generally equal a Fund's performance over that same period. In addition, the effects of compounding become greater the longer Shares are held beyond a single trading day.

The following tables set out a range of hypothetical daily performances during a given 10 trading days of a hypothetical underlying stock and demonstrate how changes in the hypothetical underlying stock impact the hypothetical Funds' performance for a trading day and cumulatively up to, and including, the entire 10 trading day period. The charts are based on a hypothetical \$100 investment in hypothetical Funds over a 10 trading day period and do not reflect fees or expenses of any kind.

Table 4 – The Stock Lacks a Clear Trend

Stock				Bull Fund			Bear Fund		
	Value	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance
	100			\$100.00			\$100.00		
Day 1	105	5.00%	5.00%	\$110.00	10.00%	10.00%	\$ 90.00	-10.00%	-10.00%
Day 2	110	4.76%	10.00%	\$120.48	9.52%	20.47%	\$ 81.43	-9.52%	-18.57%
Day 3	100	-9.09%	0.00%	\$ 98.57	-18.18%	-1.43%	\$ 96.23	18.18%	-3.76%
Day 4	90	-10.00%	-10.00%	\$ 78.86	-20.00%	-21.14%	\$115.48	20.00%	15.48%
Day 5	85	-5.56%	-15.00%	\$ 70.10	-11.12%	-29.91%	\$128.31	11.12%	28.33%
Day 6	100	17.65%	0.00%	\$ 94.83	35.30%	-5.17%	\$ 83.03	-35.30%	-16.97%
Day 7	95	-5.00%	-5.00%	\$ 85.35	-10.00%	-14.65%	\$ 91.33	10.00%	-8.67%
Day 8	100	5.26%	0.00%	\$ 94.34	10.52%	-5.68%	\$ 81.71	-10.52%	-18.28%
Day 9	105	5.00%	5.00%	\$103.77	10.00%	3.76%	\$ 73.54	-10.00%	-26.45%
Day 10	100	-4.76%	0.00%	\$ 93.89	-9.52%	-6.12%	\$ 80.55	9.52%	-19.45%

The cumulative performance of the hypothetical underlying stock in Table 4 is 0% for 10 trading days. The return of the hypothetical Bull Fund for the 10 trading day period is -6.12%, while the return of the hypothetical Bear Fund is -19.45%. The volatility of the hypothetical underlying stock's performance and lack of a clear trend results in performance for each

hypothetical Fund for the period which bears little relationship to the performance of the hypothetical underlying stock for the 10 trading day period.

Table 5 – The Stock Rises in a Clear Trend

Stock				Bull Fund			Bear Fund		
	Value	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance
	100			\$100.00			\$100.00		
Day 1	102	2.00%	2.00%	\$104.00	4.00%	4.00%	\$ 96.00	-4.00%	-4.00%
Day 2	104	1.96%	4.00%	\$108.08	3.92%	8.08%	\$ 92.24	-3.92%	-7.76%
Day 3	106	1.92%	6.00%	\$112.24	3.84%	12.23%	\$ 88.69	-3.84%	-11.31%
Day 4	108	1.89%	8.00%	\$116.47	3.78%	16.47%	\$ 85.34	-3.78%	-14.66%
Day 5	110	1.85%	10.00%	\$120.78	3.70%	20.78%	\$ 82.18	-3.70%	-17.82%
Day 6	112	1.82%	12.00%	\$125.18	3.64%	25.17%	\$ 79.19	-3.64%	-20.81%
Day 7	114	1.79%	14.00%	\$129.65	3.58%	29.66%	\$ 76.36	-3.58%	-23.64%
Day 8	116	1.75%	16.00%	\$134.20	3.50%	34.19%	\$ 73.68	-3.50%	-26.31%
Day 9	118	1.72%	18.00%	\$138.82	3.44%	38.81%	\$ 71.14	-3.44%	-28.85%
Day 10	120	1.69%	20.00%	\$143.53	3.38%	43.50%	\$ 68.73	-3.38%	-31.25%

The cumulative performance of the hypothetical underlying stock in Table 5 is 20% for 10 trading days. The return of the hypothetical Bull Fund for the 10 trading day period is 43.50%, while the return of the hypothetical Bear Fund is -31.25%. In this case, because of the positive hypothetical underlying stock trend, the hypothetical Bull Fund's gain is greater than 200% of the hypothetical underlying stock gain and the hypothetical Bear Fund's decline is less than -200% of the hypothetical underlying stock gain for the 10 trading day period.

Table 6 – The Stock Declines in a Clear Trend

Stock				Bull Fund			Bear Fund		
	Value	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance	NAV	Daily Performance	Cumulative Performance
	100			\$100.00			\$100.00		
Day 1	98	-2.00%	-2.00%	\$ 96.00	-4.00%	-4.00%	\$104.00	4.00%	4.00%
Day 2	96	-2.04%	-4.00%	\$ 92.08	-4.08%	-7.92%	\$108.24	4.08%	8.24%
Day 3	94	-2.08%	-6.00%	\$ 88.24	-4.16%	-11.75%	\$112.76	4.16%	12.75%
Day 4	92	-2.13%	-8.00%	\$ 84.49	-4.26%	-15.51%	\$117.55	4.26%	17.55%
Day 5	90	-2.17%	-10.00%	\$ 80.82	-4.34%	-19.17%	\$122.66	4.34%	22.65%
Day 6	88	-2.22%	-12.00%	\$ 77.22	-4.44%	-22.76%	\$128.12	4.44%	28.10%
Day 7	86	-2.27%	-14.00%	\$ 73.71	-4.54%	-26.27%	\$133.94	4.54%	33.91%
Day 8	84	-2.33%	-16.00%	\$ 70.29	-4.66%	-29.71%	\$140.17	4.66%	40.15%
Day 9	82	-2.38%	-18.00%	\$ 66.94	-4.76%	-33.05%	\$146.84	4.76%	46.82%
Day 10	80	-2.44%	-20.00%	\$ 63.67	-4.88%	-36.32%	\$154.01	4.88%	53.99%

The cumulative performance of the hypothetical underlying security in Table 6 is -20% for 10 trading days. The return of the hypothetical Bull Fund for the 10 trading day period is -36.32%, while the return of the hypothetical Bear Fund is 53.99%. In this case, because of the negative hypothetical underlying security trend, the hypothetical Bull Fund's decline is less than 200% of the hypothetical underlying security decline and the hypothetical Bear Fund's gain is greater than 200% of the hypothetical underlying security decline for the 10 trading day period.

ADDITIONAL INFORMATION REGARDING PRINCIPAL RISKS

An investment in a Fund entails risks. A Fund may not achieve its investment objective and may decline in value. The Funds present risks not traditionally associated with other mutual funds and ETFs. For example, due to the Funds' daily leveraged or inverse leveraged investment objectives, a small adverse move in a Fund's underlying security will result in larger and potentially substantial declines in that Fund. It is important that investors closely review and understand all of a Fund's risks before making an investment. A Fund is not a complete investment program. The realization of certain of the risks described below may result in adverse market movements that may actually benefit the Bear Fund due to its inverse investment objective. The table below provides the risks of investing in the Funds. Following the table, each risk is explained.

	Direxion Daily Anthropoc Bull 2X ETF	Direxion Daily Anthropoc Bear 2X ETF
Effects of Compounding and Market Volatility Risk	X	X
Shorting or Inverse Risk		X
Leverage Risk	X	X
Derivatives Risk	X	X
Counterparty Risk	X	X
Rebalancing Risk	X	X
Intra-Day Investment Risk	X	X
Cash Transaction Risk	X	X
Daily Correlation Risk	X	
Daily Inverse Correlation Risk		X
Anthropic Investing Risk	X	X
Security Volatility Risk	X	X
Industry Concentration Risk	X	X
Non-Affiliation Risk	X	X
Market Risk	X	X
Artificial Intelligence (AI) and Big Data Company Risk	X	X
Technology Sector Risk	X	X
Internet Company Industry Risk	X	X
Liquidity Risk	X	X
Early Close/Trading Halt Risk	X	X
Equity Securities Risk	X	X
High Portfolio Turnover Risk	X	X
Tax Risk	X	X
Non-Diversification Risk	X	X
Securities Lending Risk	X	
Special Risks of Exchange-Traded Funds	X	X

Effects of Compounding and Market Volatility Risk

Each Fund's performance for periods greater than a trading day will be the result of each day's returns compounded over the period, which is likely to differ from an underlying security's performance times the stated multiple in a Fund's investment objective, before fees and expenses. Compounding has a significant impact on leveraged funds and funds that rebalance daily.

Over time, the cumulative percentage increase or decrease in the value of a Fund's portfolio may diverge significantly from the cumulative percentage increase or decrease in 200% or -200% of the return of a Fund's underlying security due

to the compounding effect of losses and gains on the returns of a Fund. It also is expected that a Fund's use of leverage will cause the Fund to underperform the return of 200% or -200% of [] in a trendless or flat market.

The chart below provides examples of how underlying security volatility could affect a Fund's performance. A security's volatility rate is a statistical measure of the magnitude of fluctuations in the returns of the security. Fund performance for periods greater than one single day can be estimated given any set of assumptions for the following factors: a) underlying security volatility; b) underlying security performance; c) period of time; d) financing rates associated

with leveraged exposure; e) other Fund expenses; and f) dividends or interest paid with respect to securities in []. The chart below illustrates the impact of two principal factors – underlying security volatility and underlying security performance – on Fund performance. The chart shows estimated Fund returns for a number of combinations of underlying security volatility and underlying security performance over a one-year period. Performance shown in the chart assumes that: (i) no dividends were paid with respect to the securities included in []; (ii) there were no Fund expenses; and (iii) borrowing/lending rates (to obtain leveraged or inverse leveraged exposure) of 0%. If Fund expenses and/or actual borrowing/lending rates were reflected, the estimated returns would be different than those shown. Particularly during periods of higher underlying security volatility, compounding will cause results for periods longer than a trading day to vary from 200% or -200% of the performance of the underlying security.

As shown below, the Bull Fund would be expected to lose 6.1% and the Bear Fund would be expected to lose 17.1% if the underlying security provided no return over a one year period during which the underlying security experienced annualized volatility of 25%. If the underlying security's annualized volatility were to rise to 75%, the hypothetical loss for a one year period widens to approximately 43% for the Bull Fund and 81.5% for the Bear Fund. At higher ranges of volatility, there is a chance of a significant loss of value even if the underlying security is flat. For instance, if the underlying security's annualized volatility is 100%, it is likely that the Bull Fund would lose 63.2% of its value, and the Bear Fund would lose approximately 95% of its value, even if the underlying security's cumulative return for the year was only 0%. The volatility of exchange traded securities or instruments that reflect the value of an underlying security may differ from the volatility of the security.

Bull Fund

One Year	200% One Year	Volatility Rate				
Return	Return	10%	25%	50%	75%	100%
-60%	-120%	-84.2%	-85.0%	-87.5%	-90.9%	-94.1%
-50%	-100%	-75.2%	-76.5%	-80.5%	-85.8%	-90.8%
-40%	-80%	-64.4%	-66.2%	-72.0%	-79.5%	-86.8%
-30%	-60%	-51.5%	-54.0%	-61.8%	-72.1%	-82.0%
-20%	-40%	-36.6%	-39.9%	-50.2%	-63.5%	-76.5%
-10%	-20%	-19.8%	-23.9%	-36.9%	-53.8%	-70.2%
0%	0%	-1.0%	-6.1%	-22.1%	-43.0%	-63.2%
10%	20%	19.8%	13.7%	-5.8%	-31.1%	-55.5%
20%	40%	42.6%	35.3%	12.1%	-18.0%	-47.0%
30%	60%	67.3%	58.8%	31.6%	-3.7%	-37.8%
40%	80%	94.0%	84.1%	52.6%	11.7%	-27.9%
50%	100%	122.8%	111.4%	75.2%	28.2%	-17.2%
60%	120%	153.5%	140.5%	99.4%	45.9%	-5.8%

Bear Fund

One Year	-200% One Year	Volatility Rate				
Return	Return	10%	25%	50%	75%	100%
-60%	120%	506.5%	418.1%	195.2%	15.6%	-68.9%
-50%	100%	288.2%	231.6%	88.9%	-26.0%	-80.1%
-40%	80%	169.6%	130.3%	31.2%	-48.6%	-86.2%
-30%	60%	98.1%	69.2%	-3.6%	-62.2%	-89.8%
-20%	40%	51.6%	29.5%	-26.2%	-71.1%	-92.2%
-10%	20%	19.8%	2.3%	-41.7%	-77.2%	-93.9%
0%	0%	-3.0%	-17.1%	-52.8%	-81.5%	-95.0%
10%	-20%	-19.8%	-31.5%	-61.0%	-84.7%	-95.9%
20%	-40%	-32.6%	-42.4%	-67.2%	-87.2%	-96.5%
30%	-60%	-42.6%	-50.9%	-72.0%	-89.1%	-97.1%
40%	-80%	-50.5%	-57.7%	-75.9%	-90.6%	-97.5%
50%	-100%	-56.9%	-63.2%	-79.0%	-91.8%	-97.8%
60%	-120%	-62.1%	-67.6%	-81.5%	-92.8%	-98.1%

Holding an unmanaged position opens the investor to the risk of market volatility adversely affecting the performance of the investment. A Fund is not appropriate for investors who do not intend to actively monitor and manage their portfolios. Each table is intended to underscore the fact that a Fund is designed as a short-term trading vehicle for investors who intend to actively monitor and manage their portfolios.

For additional information and examples demonstrating the effects of volatility and underlying security performance on the long-term performance of the Funds, see the "Additional Information Regarding Investment Techniques and Policies" section, and "Special Note Regarding the Correlation Risks of the Funds" in the Funds' Statement of Additional Information ("SAI").

Shorting or Inverse Risk

For the Bear Fund, shareholders should lose money when [] rises, which is a result that is the opposite from traditional funds. The Bear Fund may engage in short sales or obtain short exposure that is designed to earn the Bear Fund a profit from the decline in the price of particular securities, baskets of securities or indices. If the market price of the underlying security or underlying security goes down between the time the Bear Fund sells the security or underlying security and buys it back, the Bear Fund will realize a gain on the transaction. Conversely, if the underlying security or underlying security goes up in price during the period, the Bear Fund will realize a loss on the transaction. Any such loss is increased by the cost the Bear Fund must pay to short the underlying security or underlying security or obtain short exposure. Likewise, any gain will be decreased by the costs the Bear Fund must pay to short a position or obtain short exposure. The Bear Fund's investment performance may also suffer if the Bear Fund is required to close out a short position earlier than it had intended. In addition, the Bear

Fund may be subject to expenses related to short sales that are not typically associated with investing in securities directly, such as costs of borrowing and margin account maintenance costs associated with the Bear Fund's open short positions. As the holder of a short position, the Bear Fund also is responsible for paying the dividends and interest accruing on the short position, which is an expense to the Bear Fund that could cause the Bear Fund to lose money on the short sale and may adversely affect its performance.

The Bear Fund will typically obtain inverse or "short" exposure through the use of derivatives such as swap agreements or futures contracts, which may expose the Bear Fund to certain risks such as an increase in volatility or decrease in the liquidity of the securities or financial instruments of the underlying short position. If the Bear Fund were to experience this volatility or decreased liquidity, the Bear Fund's return may be lower, the Fund's ability to obtain inverse exposure through the use of derivatives may be limited or the Bear Fund may be required to obtain inverse exposure through alternative investment strategies that may be less desirable or more costly to implement. If the securities or financial instruments underlying the short positions are thinly traded or have a limited market due to various factors, including regulatory action, the Bear Fund may be unable to meet its investment objective due to a lack of available securities, financial instruments or counterparties. The Bear Fund may not be able to issue additional Creation Units during period when it cannot meet its investment objective due to these factors. Any income, dividends or payments by the assets underlying the Bear Fund's short positions will negatively impact the Fund.

Leverage Risk

To achieve its daily investment objective, each Fund employs leverage and which typically results in the adverse daily performance of a Fund's underlying security being magnified. This means that, if a Fund's underlying security experiences adverse daily performance, an investment in the Fund will be reduced by an amount equal to 2% for every 1% of adverse performance, not including the costs of financing leverage and other operating expenses, which would further reduce its value.

A Fund could lose an amount greater than its net assets if [] moves more than 50% in a direction adverse to the Fund (meaning a decline in the value of the Index for the Bull Fund and a gain in the value of the Index for the Bear Fund). This would result in a total loss of a shareholder's investment in one day even if [] subsequently reverses all or a portion of its earlier daily change. A total loss may occur in a single day even if [] does not lose all of its value. Leverage will also have the effect of magnifying any differences in a Fund's correlation with the underlying security or may increase a Fund's volatility.

Under market circumstances that cause leverage to be expensive or unavailable, the Fund may not meet its investment objective for a period of time, may increase its transaction fee on creation unit transactions, change its investment objective, reduce its leverage or close.

Derivatives Risk

A Fund may obtain exposure through derivatives by investing in swap agreements, futures contracts, forward contracts, options, and options on futures contracts. Investing in derivatives may be considered aggressive and may expose a Fund to risks different from, and possibly greater than, risks associated with investing directly in the reference asset(s) underlying the derivative.

The risks of using derivatives include: 1) the risk that there may be imperfect correlation between the price of the financial instruments and movements in the prices of the reference asset(s); 2) the risk that an instrument is mispriced; 3) credit or counterparty risk on the amount a Fund expects to receive from a counterparty; 4) the risk that securities prices, interest rates and currency markets will move adversely and a Fund will incur significant losses; 5) the risk that the cost of holding a financial instrument might exceed its total return; 6) the possible absence of a liquid secondary market for a particular instrument and possible exchange imposed price fluctuation limits, either of which may make it difficult or impossible to adjust a Fund's position in a particular instrument when desired; 7) risks arising from margin requirements; 8) operational risk (such as documentation issues, settlement issues and systems failures); and 9) legal risk (such as insufficient documentation, insufficient capacity or authority of a counterparty, and issues with the legality or enforceability of a contract). Each of these factors may prevent a Fund from achieving its investment objective and may increase the volatility (i.e., fluctuations) of the Fund's returns. Because derivatives often require limited initial investment, the use of derivatives also may expose a Fund to losses in excess of those amounts initially invested.

The use of derivatives may result in larger losses or smaller gains than investing in the underlying securities directly, or in the case of the Bear Fund, directly shorting the underlying securities. The use of derivatives may expose a Fund to additional risks such as counterparty risk, liquidity risk and increased daily correlation risk. When a Fund uses derivatives, there may be imperfect correlation between the value of the underlying reference assets and the derivative, which may prevent a Fund from achieving its investment objective.

A Fund expects to use a combination of swaps on the underlying security and swaps on an ETF that is designed to track the performance of the selected securities. The performance of an ETF may not track the performance of [] due to embedded costs and other factors. Thus, to the extent a Fund invests in swaps that use an ETF as the reference asset, the Fund may be subject to greater correlation risk and may not achieve as high a degree of correlation with [] as it would if the Fund only used swaps on the underlying security. If the underlying security has a dramatic intraday move in value that causes a material decline in a Fund's NAV, the terms of the swap agreement between a Fund and its counterparty may allow the counterparty to immediately close out of the transaction with a Fund. In such circumstances, a Fund may be unable to enter into another swap agreement or invest in other derivatives to

achieve the desired exposure consistent with a Fund's daily leveraged investment objective. This may prevent a Fund from achieving its daily leveraged investment objective particularly if the underlying security reverses all or a portion of its intraday move by the end of the day. The value of an investment in the Fund may change quickly and without warning. Any financing, borrowing or other costs associated with using derivatives may also have the effect of lowering a Fund's return. Such costs may increase as interest rates rise.

In addition, a Fund's investments in derivatives are subject to the following risks:

- **Swap Agreements.** Swap agreements are entered into primarily with major global financial institutions for a specified period which may range from one day to more than one year. In a standard swap transaction, two parties agree to exchange the return (or differentials in rates of return) earned or realized on particular predetermined reference or underlying securities or instruments. The gross return to be exchanged or swapped between the parties is calculated based on a notional amount or the return on or change in value of a particular dollar amount invested in a reference asset. Swap agreements are generally traded over-the-counter, and therefore, may not receive regulatory protection, which may expose investors to significant losses.
- **Futures Contracts.** A futures contract is a contract to purchase or sell a particular security, or the cash value of an index, at a specified future date at a price agreed upon when the contract is made. Under such contracts, no delivery of the actual securities is required. Rather, upon the expiration of the contract, settlement is made by exchanging cash in an amount equal to the difference between the contract price and the closing price of a security or index at expiration, net of the variation margin that was previously paid.
- **Forward Contracts.** Forward contracts are two-party contracts pursuant to which one party agrees to pay the counterparty a fixed price for an agreed upon amount of commodities, securities, or the cash value of the commodities, securities or the securities index, at an agreed upon date. A forward currency contract is an obligation to buy or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract.
- **Options.** An option is a contract that gives the purchaser (holder) of the option, in return for a premium, the right to buy from (call) or sell to (put) the seller (writer) of the option the security or currency underlying the option at a specified exercise price at any time during the term of the option (normally not exceeding nine months). The writer of an option has the obligation upon exercise of the option to deliver the underlying security or currency upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security or currency.

- **Options on Futures Contracts.** An option on a futures contract provides the holder with the right to enter into a "long" position in the underlying futures contract, in the case of a call option, or a "short" position in the underlying futures contract in the case of a put option, at a fixed exercise price to a stated expiration date. Upon exercise of the option by the holder, the contract market clearing house establishes a corresponding short position for the writer of the option, in the case of a call option, or a corresponding long position, in the case of a put option.

Counterparty Risk

Counterparty risk is the risk that a counterparty is unwilling or unable to make timely payments to meet its contractual obligations with respect to the amount a Fund expects to receive from a counterparty to a financial instrument entered into by a Fund. Each Fund generally enters into derivatives transactions, such as the swap agreements, with counterparties such that either party can terminate the contract without penalty prior to the termination date. If a counterparty terminates a contract, a Fund may not be able to invest in other derivatives to achieve the desired exposure, or achieving such exposure may be more expensive. A Fund may be negatively impacted if a counterparty becomes bankrupt or otherwise fails to perform its obligations under such a contract, or if any collateral posted by the counterparty for the benefit of a Fund is insufficient or there are delays in a Fund's ability to access such collateral. If the counterparty becomes bankrupt or defaults on its payment obligations to a Fund, it may experience significant delays in obtaining any recovery, may obtain only a limited recovery or obtain no recovery and the value of an investment held by a Fund may decline. The Fund may also not be able to exercise remedies, such as the termination of transactions, netting of obligations and realization on collateral, if such remedies are stayed or eliminated under special resolutions adopted in the United States, the European Union and various other jurisdictions. European Union rules and regulations intervene when a financial institution is experiencing financial difficulties and could reduce, eliminate, or convert to equity a counterparty's obligations to a Fund (sometimes referred to as a "bail in").

A Fund typically enters into transactions with counterparties that present minimal risks based on the Adviser's assessment of the counterparty's creditworthiness, or its capacity to meet its financial obligations during the term of the derivative agreement or contract. The Adviser considers factors such as counterparty credit rating among other factors when determining whether a counterparty is creditworthy. The Adviser regularly monitors the creditworthiness of each counterparty with which a Fund transacts. Each Fund generally enters into swap agreements or other financial instruments with major, global financial institutions and seeks to mitigate risks by generally requiring that the counterparties for each Fund to post collateral, marked to market daily, in an amount approximately equal to what the counterparty owes a Fund,

subject to certain minimum thresholds. To the extent any such collateral is insufficient or there are delays in accessing the collateral, the Funds will be exposed to the risks described above. If a counterparty's credit ratings decline, a Fund may be subject to a bail-in, as described above.

Because a Fund may enter into swap agreements with a limited number of counterparties, which may increase a Fund's exposure to counterparty credit risk. A Fund does not specifically limit its counterparty risk with respect to any single counterparty. There is a risk that no suitable counterparties are willing to enter into, or continue to enter into, transactions with a Fund and, as a result, a Fund may not be able to achieve its investment objective or rebalance properly, which may result in significant losses to a Fund, or a Fund may decide to change its leveraged investment objective. Additionally, although a counterparty to a centrally cleared swap agreement and/or an exchange-traded futures contract is often backed by a futures commission merchant ("FCM") or a clearing organization that is further backed by a group of financial institutions, there may be instances in which a FCM or a clearing organization would fail to perform its obligations, causing significant losses to a Fund.

Rebalancing Risk

If for any reason a Fund is unable to rebalance all or a part of its portfolio, or if all or a portion of the portfolio is rebalanced incorrectly, a Fund's investment exposure may not be consistent with its investment objective. In these instances, a Fund may have investment exposure to the underlying security that is significantly greater or less than its stated investment objective. A Fund may be more exposed to leverage risk than if it had been properly rebalanced and may not achieve its investment objective, leading to significantly greater losses or reduced gains. Additionally, a Fund may close to purchases and sales of Shares prior to the close of trading on the NASDAQ or other national securities listing exchanges where Shares are listed, and incur significant losses.

Intra-Day Investment Risk

Each Fund seeks daily leveraged investment results, which should not be equated with seeking an investment objective for shorter than a day. Thus, an investor who purchases Fund shares after the close of the markets on one trading day and before the close of the markets on the next trading day will likely have more, or less, than 200% or -200% leveraged investment exposure to the underlying security, depending upon the movement of the underlying security from the end of one trading day until the time of purchase. If the underlying security moves in a direction favorable to a Fund, the investor will receive less than 200% or -200% exposure to the underlying security. Conversely, if the underlying security moves in a direction adverse to a Fund, the investor will receive exposure to the underlying security greater than 200% or -200%. Thus, an investor that purchases shares intra-day may experience performance that is greater than, or less than, a Fund's stated investment objective.

If there is a significant intra-day market event and/or the securities the underlying security experience a significant change in value, a Fund may not meet its investment objective or may be unable to rebalance its portfolio appropriately,

resulting in significant losses or reduced gains. In response to significant intraday market volatility, among other actions, the Adviser may determine to trade a portion or all of the rebalance trade for a Fund prior to market close, which may result in the Fund not achieving its investment objective. Additionally, a Fund's Shares traded on the secondary market may experience significant premiums or discounts, or widened bid-ask spreads.

Daily Correlation Risk

There is no guarantee that a Fund will achieve a high degree of correlation to an underlying security and therefore achieve its respective daily leveraged investment objective. Each Fund's exposure to an underlying security is impacted by an underlying security's movement. Because of this, it is unlikely that a Fund will be perfectly exposed to its an underlying security at the end of each day. The possibility of a Fund being materially over- or under-exposed to an underlying security increases on days when an underlying security is volatile near the close of the trading day. Market disruptions, regulatory restrictions and high volatility will also adversely affect a Fund's ability to adjust exposure to the required levels.

Each Fund may have difficulty achieving its daily leveraged investment objective for many reasons, including fees, expenses, transaction costs, financing costs related to the use of derivatives, accounting standards and their application to income items, disruptions, illiquid or high volatility in the markets for the securities or financial instruments in which a Fund invests, early and unanticipated closings of the markets on which the holdings of a Fund trade, resulting in the inability of a Fund to execute intended portfolio transactions, regulatory and tax considerations, which may cause a Fund to hold (or not to hold) an underlying security or trade more frequently, increasing transaction and other costs and reducing a Fund's tax efficiency. Each Fund may trade more frequently to comply with regulatory restrictions such as registered investment company qualification tests, take or refrain from taking positions in order to improve tax efficiency, or for other reasons, each of which may negatively affect each Fund's correlation with an underlying security. A Fund may be subject to large movements of assets into and out of each Fund, potentially resulting in each Fund being over- or under-exposed to an underlying security. Any of these factors could decrease the correlation between the performance of a Fund and an underlying security and may hinder a Fund's ability to meet its daily investment objective on or around that day.

Daily Inverse Correlation Risk

There is no guarantee that a Fund will achieve a high degree of inverse correlation to an underlying security and therefore achieve its daily inverse leveraged investment objective. Each Fund's exposure to an underlying security is impacted by an underlying security's movement. Because of this, it is unlikely that a Fund will be perfectly exposed to it an underlying security at the end of each day. The possibility of a Fund being materially over- or under-exposed to an underlying security increases on days when an underlying security is volatile near the close of the trading day. Market disruptions, regulatory restrictions and high volatility will

also adversely affect a Fund's ability to adjust exposure to the required levels.

Each Fund may have difficulty achieving its daily inverse leveraged investment objective for many reasons, including fees, expenses, transaction costs, financing costs related to the use of derivatives, investments in ETFs, directly or indirectly, accounting standards and their application to income items, disruptions, illiquid or high volatility in the markets for the securities or financial instruments in which a Fund invests, early and unanticipated closings of the markets on which the holdings of a Fund trade, resulting in the inability of a Fund to execute intended portfolio transactions, regulatory and tax considerations, which may cause a Fund to hold (or not to hold) an underlying security. Each Fund may take or refrain from taking positions in order to improve tax efficiency, comply with regulatory restrictions, or for other reasons, each of which may negatively affect each Fund's inverse correlation with an underlying security.

The derivative instruments or other investments the Fund utilizes to obtain exposure may not provide the expected correlation to the an underlying security, resulting in the Fund not performing as expected. A Fund may be subject to large movements of assets into and out of each Fund, potentially resulting in each Fund being over- or under-exposed to an underlying security. Additionally, each Fund's underlying investments and/or reference assets may trade on markets that may not be open on the same day as each Fund, which may cause a difference between the changes in the daily performance of a Fund and changes in the performance of an underlying security. Any of these factors could decrease the inverse correlation between the performance of a Fund and an underlying security and may hinder a Fund's ability to meet its daily inverseleveraged investment objective on or around that day.

Anthropic Investing Risk

A Fund's performance depends on the performance of Anthropic. The price of Anthropic can be affected by a number of factors. Investing in Anthropic involves a high degree of risk. For example, Anthropic operates in a rapidly changing and highly competitive industry. Returns depend in part on Anthropic's ability to develop, train, and commercialize advanced artificial intelligence models and related products and services while managing substantial research, development, and computing infrastructure costs. Anthropic faces intense competition from large, well-capitalized technology companies, emerging artificial intelligence firms, and open-source initiatives. Anthropic relies on third-party cloud infrastructure and specialized hardware, and disruptions, capacity constraints, or cost increases could adversely affect its operations. Anthropic is subject to evolving regulatory scrutiny related to artificial intelligence, data protection, privacy, intellectual property, and content governance, and adverse regulatory developments could impose significant costs or restrict its business model. Real or perceived defects, bias, misuse, or harmful outputs from Anthropic's models could result in reputational harm, legal liability, or loss of customers. Anthropic may not be able to sustain revenue growth or achieve profitability due to continued investment requirements and market uncertainty.

Any of these factors may materially and adversely impact the price of Anthropic shares, increase volatility, and negatively impact the performance of a Fund.

Anthropic PBC commenced its initial public offering ("IPO") on []. The market value of shares issued in an IPO may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about a company's business model, quality of management, earnings growth potential, and other criteria used to evaluate its investment prospects. Accordingly, investments in shares of a company that recently commenced an IPO involve greater risks than investments in shares of companies that have traded publicly on an exchange for extended periods of time. The shares of such companies may experience abnormal returns and volatility in the period immediately following its IPO. Investments in shares of a company that recently commenced an IPO may also involve high transaction costs and are subject to market risk and liquidity risk. The price of Anthropic shares could continue to be volatile and could decline in value significantly in the future. Any of these factors may materially and adversely impact the price of Anthropic, increase the volatility of an investment in Anthropic and have a negative impact on the performance of a Fund.

Cash Transaction Risk

Unlike most ETFs, the Bear Fund effects creation and redemptions principally for cash, rather than principally for in-kind securities, because of the nature of the financial instruments held by the Bear Fund. As such, investment in the Bear Fund is not expected to be tax efficient and will incur brokerage costs related to buying and selling investments to achieve the Bear Fund's investment objective. To the extent that such costs are not offset by fees payable by an authorized participant, the Fund may bear such costs, which will decrease the Fund's net asset value. ETFs generally are able to make in-kind redemptions and avoid being taxed on gains on the distributed portfolio investments at the fund level. Because the Bear Fund effects redemptions principally for cash, the Bear Fund may be required to sell portfolio investments in order to obtain the cash needed to distribute redemption proceeds. The Bear Fund may recognize a capital gain on these sales that might not have been incurred if such Bear Fund had made a redemption in-kind and this may decrease the tax efficiency of the Bear Fund compared to ETFs that utilize an in-kind redemption process. Additionally, because the the Bear Fund is conducting the portfolio transactions rather than receiving securities in-kind the Bear Fund will incur brokerage commissions and other related expenses thus the Bear Fund's expenses will be higher than funds that utilize in-kind creations and redemptions.

At certain times, the Bull Fund may effect creations and redemptions for cash rather than for in-kind securities. As a result, the Bull Fund may not be tax efficient and may incur brokerage costs related to buying and selling securities to achieve its investment objective thus incurring additional expenses than if it had effected creations and redemptions in kind. To the extent that such costs are not offset by fees

payable by an authorized participant, the Bull Fund may bear such costs, which will decrease the Bull Fund's NAV.

Market Risk

A Fund's investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, inflation rates and/or investor expectations concerning such rates, changes in interest rates, changes in the actual or perceived creditworthiness of issuers, general market liquidity, exchange trading suspensions and closures, and public health risks. Interest rates and inflation rates may change frequently and drastically as a result of various factors and a Fund's investments may not keep pace with these changes.

Securities markets also may experience long periods of decline in value. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously and changes in the financial condition of a single issuer can impact a market the markets broadly. A Fund is subject to the risk that geopolitical events will disrupt markets and adversely affect global economies, markets, and exchanges. Local, regional or global events such as war, tariffs and trade wars, acts of terrorism, natural disasters, the spread of infectious illness or other public health issues, conflicts and social unrest or other events could have a significant impact on a Fund, its investments and a Fund's ability to achieve its investment objective. The economic, fiscal, monetary and foreign policies of the U.S. government, including the imposition of tariffs, changes to the federal agencies and regulatory policies will impact the U.S. economy and could lead to increased market volatility and may adversely impact the overall market and individual securities, including the various counterparties utilized by the Fund.

To the extent that the instruments utilized by a Fund are thinly traded or have a limited market, a Fund may be unable to meet its investment objective due to a lack of available investments or counterparties. During such periods, a Fund's ability to issue additional Creation Units may be adversely affected. As a result, a Fund's shares could trade at a premium or discount to their NAV or the bid-ask spread of a Fund's shares could widen. Under such circumstances, a Fund may increase its transaction fee, change its investment objective by, for example, seeking to track an alternative index, reduce its leverage or close. If a Fund must sell all or a portion of its investments, whether due to redemptions, a leverage reduction, its liquidation or otherwise, such sales may be at unfavorable prices and adversely affect a Fund.

Markets and market participants are increasingly reliant on information data systems. Inaccurate data, software or other technology malfunctions, programming inaccuracies, unauthorized use or access and similar circumstances may impair the performance of these systems and may have an adverse impact upon a single issuer, a group of issuers, or securities markets more broadly.

Non-Affiliation Risk

The underlying security is not an affiliate of a Fund, the Trust or the Adviser or any of its respective affiliates, is not

involved with this offering in any way, and has no obligation to consider a Fund's or its shareholders' interests in taking any corporate actions that might affect the value of a Fund.

Concentration Risk

Each Fund will be concentrated in the underlying security and the industry and/or sector to which its underlying security is assigned (i.e., hold more than 25% of its total assets in investments that provide exposure, as applicable, to the industry and/or sector to which its underlying security is assigned). Since each Fund is concentrated in a particular security and therefore industry and/or sector, it presents more risks than a portfolio broadly diversified over several industries. A portfolio invested in multiple securities and industries typically presents less risk than a portfolio concentrated in one security or industry because market changes that adversely impact one security or industry may benefit others. Because each Fund only invests in one security and industry/sector, it should be expected to decrease from any market movements that adversely impact the underlying security and/or the industry/sector to which the underlying security is assigned.

Security Volatility Risk

Significant short-term price movements in the [] could adversely impact the performance of both the underlying security and a Fund, increase a Fund's bid-ask spread and adversely impact the Fund's ability to achieve its investment objective. In addition, the NAV of a Fund over short-term periods may be more volatile than other investment options due to the volatility of the the selected securities.

Artificial Intelligence (AI) and Big Data Company Risk

Companies engaged in artificial intelligence ("AI") and big data typically face intense competition and potentially rapid product obsolescence. These companies are also heavily dependent on intellectual property rights and may be adversely affected by loss or impairment of those rights. There can be no assurance these companies will be able to successfully protect their intellectual property to prevent the misappropriation of their technology, or that competitors will not develop technology that is substantially similar or superior to such companies' technology. AI and big data companies typically engage in significant amounts of spending on research and development, as well as mergers and acquisitions, and there is no guarantee that the products or services produced by these companies will be successful. The products and services of AI and big data companies may face obsolescence due to rapid technological developments and frequent new product or service introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. AI and big data companies are potential targets for cyberattacks, which can have a materially adverse impact on the performance of these companies. In addition, AI technology could face increasing regulatory scrutiny in the future, which may limit the development of this technology and impede the growth of companies that develop and/or utilize this technology. Similarly, the collection of data from consumers and other sources could face increased scrutiny as regulators consider how the data is collected, stored, safeguarded and used. AI and big data companies may face regulatory fines

and penalties, including forced break-ups, that could hinder the ability of the companies to operate on an ongoing basis. The customers and/or suppliers of AI and big data companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on AI and big data companies. Country, government, and/or region-specific regulations or restrictions could have an impact on AI and big data companies.

Technology Sector Risk

The market prices of technology-related securities tend to exhibit a greater degree of market risk and sharp price fluctuations than other types of securities. These securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. Technology securities may be affected by intense competition, obsolescence of existing technology, general economic conditions and government regulation and may have limited product lines, markets, financial resources or personnel. Technology companies may experience dramatic and often unpredictable changes in growth rates and competition for qualified personnel. These companies are also heavily dependent on patent and intellectual property rights, the loss or impairment of which may adversely impact a company's profitability. A small number of companies represent a large portion of the technology industry. In addition, a rising interest rate environment tends to negatively affect technology companies, those technology companies seeking to finance expansion would have increased borrowing costs, which may negatively impact earnings. Technology companies having high market valuations may appear less attractive to investors, which may cause sharp decreases in their market prices. Companies in the application software industry, in particular, may also be negatively affected by the risk that subscription renewal rates for their products and services decline or fluctuate, leading to declining revenues. Companies in the systems software industry may be adversely affected by, among other things, actual or perceived security vulnerabilities in their products and services, which may result in individual or class action lawsuits, state or federal enforcement actions and other remediation costs. Companies in the computer software industry may also be affected by the availability and price of computer software technology components.

Internet Company Industry Risk

The market prices of internet securities tend to exhibit a greater degree of market risk and sharp price fluctuations than the market prices of other types of securities. Internet company securities may fall in and out of favor with investors rapidly, which may cause sudden selling and dramatically lower market prices. These companies are subject to rapid changes in technology, worldwide competition, rapid obsolescence of products and services, loss of patent protections, evolving industry standards and frequent new product productions. Internet securities also may be affected adversely by changes in consumer and business purchasing patterns and government regulations. These companies may have high market valuations and may appear less attractive to investors, which may cause sharp decreases in their market prices.

Liquidity Risk

Holdings of a Fund may be difficult to buy or sell or may be illiquid, particularly during times of market turmoil. There is no assurance that a security or derivative instrument that is deemed liquid when purchased will continue to be liquid. Illiquid securities may be difficult to value, especially in changing or volatile markets. If a Fund is forced to buy or sell an illiquid security or derivative instrument at an unfavorable time or price a Fund may be adversely impacted. Certain market conditions or restrictions may prevent a Fund from limiting losses, realizing gains or achieving its investment objective. In certain market conditions a Fund may be one of many market participants that are attempting to transact in the securities of []. Under such circumstances, the market for securities of [] may lack sufficient liquidity for all market participants' trades. Therefore, a Fund may have more difficulty transacting in the securities or financial instruments and a Fund's transactions could exacerbate illiquidity and price volatility in the securities of [].

To the extent that the instruments utilized by a Fund are thinly traded or have a limited market, a Fund may be unable to meet its investment objective due to a lack of available investments or counterparties. During such periods, a Fund's ability to issue additional Creation Units may be adversely affected. As a result, a Fund's shares would trade at a premium or discount to their NAV and/or the bid ask spread of a Fund's shares could widen. Under such circumstances, a Fund may be unable to rebalance its exposure properly which may result in significantly more or less exposure and losses to a Fund. In such an instance, a Fund may increase its transaction fee, utilize derivatives instruments that are less correlated to [], change its investment objective, reduce its exposure for a period of time or close.

Early Close/Trading Halt Risk

When indices or securities experience a sharp decline in price or other disruptive events occur, an exchange or market may close entirely or halt for a period of time in accordance with exchange "circuit breaker" rules or issue trading halts on specific securities and therefore, a Fund's ability to buy or sell certain securities or financial instruments may be restricted. These exchange or market actions may result in a Fund being unable to buy or sell certain securities or financial instruments resulting in Fund being unable to rebalance its portfolio, accurately price its investments and a Fund may incur substantial trading losses. A Fund being unable to rebalance its portfolio may result in a Fund not achieving its investment objective and a Fund having a significantly larger or lower leverage multiple than 200%, which may result in significant losses or reduced gains for Fund shareholders in certain circumstances.

Additionally, exchange or market closures or trading halts may result in a Fund's shares trading at an increasingly large discount to NAV and/or at increasingly wide bid-ask spreads during part of, or all of, the trading day.

Equity Securities Risk

Publicly-issued equity securities, including common stocks, are subject to market risks that may cause their prices to fluctuate over time. Fluctuations in the value of equity

securities in which a Fund invests will cause the NAV of the Fund to fluctuate.

High Portfolio Turnover Risk

Daily rebalancing of a Fund's holdings pursuant to its daily investment objective causes a much greater number of portfolio transactions when compared to most ETFs. Additionally, active market trading of a Fund's Shares on such exchanges as NYSE Arca, could cause more frequent creation and redemption activities, which could increase the number of portfolio transactions. Frequent and active trading may lead to higher transaction costs because of increased broker commissions resulting from such transactions. In addition, there is the possibility of significantly increased short-term capital gains (which will be taxable to shareholders as ordinary income when distributed to them). A Fund calculates portfolio turnover without including the short-term cash instruments or derivative transactions that comprise the majority of a Fund's trading. As such, if a Fund's extensive use of derivative instruments were reflected, the calculated portfolio turnover rate would be significantly higher.

Tax Risk

In order to qualify for the special tax treatment accorded a regulated investment company ("RIC") and its shareholders, a Fund must derive at least 90% of its gross income for each taxable year from "qualifying income," meet certain asset diversification tests at the end of each taxable quarter, and meet annual distribution requirements. A Fund's pursuit of its investment strategy will potentially be limited by a Fund's intention to qualify for such treatment and could adversely affect the Fund's ability to so qualify. A Fund can make certain investments, the treatment of which for these purposes is unclear. If, in any year, a Fund was to fail to qualify for the special tax treatment accorded a RIC and its shareholders, and was ineligible to or was not able to cure such failure, a Fund would be taxed in the same manner as an ordinary corporation subject to U.S. federal income tax on all its income at the fund level. The resulting taxes could substantially reduce a Fund's net assets and the amount of income available for distribution. In addition, in order to requalify for taxation as a RIC, a Fund could be required to recognize unrealized gains, pay substantial taxes and interest, and make certain distributions. Please see the section entitled "Dividends, Other Distributions and Taxes" in the SAI for more information.

Non-Diversification Risk

Each Fund is classified as "non-diversified" under the Investment Company Act of 1940, as amended. This means it has the ability to invest a relatively high percentage of its assets in the securities of a small number of issuers or in financial instruments with a single counterparty or a few counterparties. This may increase a Fund's volatility and increase the risk that a Fund's performance will decline based on the performance of a single issuer or the credit of a single counterparty and make a Fund more susceptible to risks associated with a single economic, political or regulatory occurrence than a diversified fund.

Securities Lending Risk

Securities lending involves the risk that a Fund may lose money because the borrower of the loaned securities fails

to return the securities in a timely manner or at all. A Fund could also lose money in the event of a decline in the value of collateral provided for loaned securities, a decline in the value of any investments made with cash collateral, or a "gap" between the return on cash collateral reinvestments and any fees a Fund has agreed to pay a borrower. These events could also trigger adverse tax consequences for a Fund. In the event of a large redemption while a Fund has loaned portfolio securities, a Fund may suffer losses (e.g. overdraft fees) if it is unable to recall the securities on loan in time to fulfill the redemption. There is also a risk that a Fund may not be able to recall loaned securities in sufficient time to vote on material proxy matters.

Special Risks of Exchange-Traded Funds

Authorized Participants Concentration Risk. A Fund may have a limited number of financial institutions that may act as Authorized Participants. To the extent that those Authorized Participants exit the business or are unable to process creation and/or redemption orders, Shares may trade at larger bid-ask spreads and/or premiums or discounts to NAV. Authorized Participant concentration risk may be heightened for a fund that invests in non-U.S. securities or other securities or instruments that have lower trading volumes.

Absence of Active Market Risk. Although Shares are listed for trading on a stock exchange, there is no assurance that an active trading market for them will develop or be maintained. In the absence of an active trading market for Shares, they will likely trade with a wider bid/ask spread and at a greater premium or discount to NAV.

Market Price Variance Risk. Shares of a Fund can be bought and sold in the secondary market at market prices rather than at NAV. When Shares trade at a price greater than NAV, they are said to trade at a "premium." When they trade at a price less than NAV, they are said to trade at a "discount." The market price of Shares fluctuates based on changes in the value of a Fund's holdings, the supply and demand for Shares, and other market factors. Because Shares can be created and redeemed in Creation Units at NAV, the Adviser believes that large discounts or premiums to the net asset value of Shares should not be sustained over the long term. Nevertheless, the market price of Shares may vary significantly from NAV during periods of market volatility. Further, to the extent that exchange specialists, market makers and/or Authorized Participants are unavailable or unable to trade a Fund's Shares and/or create and redeem Creation Units, bid/ask spreads and premiums or discounts may widen. The exact exposure of an investment in a Fund intraday in the secondary market is a function of the difference between the value of the underlying security at the market close on the first trading day and the value of the underlying security at the time of purchase. Thus, an investor that purchases shares intra-day may experience performance that is greater than, or less than, a Fund's stated multiple of the Index.

Trading Cost Risk. Buying or selling Fund shares on an exchange involves two types of costs that apply to all securities transactions. When buying or selling shares of a Fund through a broker, a buyer may incur a brokerage commission and other charges. In addition, a buyer may incur the cost of

the “spread”; that is, the difference between what investors are willing to pay for Fund shares (the “bid” price) and the price at which they are willing to sell Fund shares (the “ask” price). The spread, which varies over time for shares of a Fund based on trading volume and market liquidity, is generally narrower if the Fund has more trading volume and market liquidity and wider if the Fund has less trading volume and market liquidity. In addition, increased market volatility may cause wider spreads. There may also be regulatory and other charges that are incurred as a result of trading activity. Because of the costs inherent in buying or selling Fund shares, frequent trading may detract significantly from investment results and an investment in Fund shares may not be advisable for investors who anticipate regularly making small investments through a brokerage account.

Exchange Trading Risk. Shares are listed for trading on the listing exchange identified on the cover of the Prospectus. They also may be listed or traded on other U.S. and non-U.S. stock exchanges and may trade on electronic communication networks. Trading in Shares on their listing exchange may be halted due to market conditions or for reasons that, in the view of the exchange, make trading in Shares inadvisable, including if they fail to meet the listing requirements of the exchange. Under certain circumstances, Shares may even be delisted. Trading halts of Shares should be expected to disrupt the creation/redemption process and may temporarily prevent investors from buying and selling Shares. Like other listed securities, Shares may be sold short, and short positions in Shares may place downward pressure on their market price. U.S. markets and exchanges may close early due to market or other circumstances, which may result in a Fund incurring substantial losses, not meeting its investment objective, or rebalancing its portfolio appropriately.

Other Risks of the Funds

Investment Strategy Implementation Risk

The Adviser utilizes a quantitative methodology to select investments for each Fund. Although this methodology is designed to correlate the Bull Fund's daily performance with 200% of the daily performance of the underlying security and the Bear Fund's daily performance with -200% of the daily performance of the underlying security, there is no assurance that the implementation of such methodology will be successful and will enable a Fund to achieve its investment objective.

Aggressive Investment Technique Risk

Using investment techniques that may be considered aggressive, such as futures contracts, forward contracts, options and swap agreements, includes the risk of potentially dramatic changes (losses) in the value of the instruments, imperfect correlations between the price of the instrument and the underlying asset, security or index, and volatility of a Fund.

Cybersecurity Risk

The increased use of technologies, such as the internet, to conduct business increases the operational, information

security and related “cyber” risks both directly to a Fund and through its service providers. Similar types of cyber security risks are also present for issuers of securities in which a Fund may invest, which could result in material adverse consequences for such issuers. Unlike many other types of risks faced by a Fund, these risks typically are not covered by insurance. Cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents may include, but are not limited to, gaining unauthorized access to digital systems (e.g., through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, causing physical damage to computer or network systems, or causing operational disruption. Cyber attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (*i.e.*, efforts to make network services unavailable to intended users).

Failures or breaches of the electronic systems of a Fund, a Fund's adviser, distributor, other service providers, counterparties, securities trading venues, or the issuers of securities in which a Fund invests have the ability to cause disruptions and negatively impact a Fund's business operations, potentially resulting in financial losses to a Fund and its shareholders. Cyber attacks may also interfere with the Fund's calculation of its NAV, result in the submission of erroneous trades or erroneous creation or redemption orders, and could lead to violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs and/or additional compliance costs. While a Fund has established business continuity plans, there are inherent limitations in such plans, including the possibility that certain risks have not been identified and that prevention and remediation efforts will not be successful. Furthermore, a Fund cannot control the cyber security plans and systems of a Fund's service providers or issuers of securities in which a Fund invests.

Investment Risk

An investment in a Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. When you sell your Shares, they could be worth less than what you paid for them.

Money Market Instrument Risk

Money market instruments, including money market funds, depository accounts and repurchase agreements may be used for cash management purposes. Money market funds may be subject to credit risk with respect to the short-term debt instruments in which they invest. Depository accounts may be subject to credit risk with respect to the financial institution in which the depository account is held. Repurchase agreements are contracts in which a seller of securities agrees to buy the securities back at a specified time and price. Repurchase agreements may be subject to market and credit risk related to the collateral securing the repurchase agreement. Money market instruments may also be subject to credit risks associated with the instruments in which they invest. There is no guarantee that money market instruments will maintain a stable value, and they may lose money.

Risk of Global Economic Shock

Widespread disease, including public health disruptions, pandemics and epidemics (for example, COVID-19 including its variants), have been and may continue to be highly disruptive to economies and markets. Health crises could exacerbate political, social, and economic risks, and result in breakdowns, delays, shutdowns, social isolation, civil unrest, periods of high unemployment, shortages in and disruptions to the medical care and consumer goods and services industries, and other disruptions to important global, local and regional supply chains, with potential corresponding results on the performance of a Fund and its investments.

Additionally, wars, military conflicts, sanctions, acts of terrorism, sustained elevated inflation, supply chain issues or other events could have a significant negative impact on global financial markets and economies. Russia's military incursions in Ukraine have led to, and may lead to additional sanctions being levied by the United States, European Union and other countries against Russia. The ongoing hostilities between the two countries could result in additional widespread conflict and could have a severe adverse effect on the region and certain markets. Sanctions on Russian exports could have a significant adverse impact on the Russian economy and related markets and could affect the value of a Fund's investments, even beyond any direct exposure a Fund may have to the region or to adjoining geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could have a severe adverse effect on the region, including significant negative impacts on the economy and the markets for certain securities and commodities, such as oil and natural gas. Furthermore, the possibility of a prolonged conflict between Hamas and Israel, and the potential expansion of the conflict in the surrounding areas and the involvement of other nations in such conflict, such as the Houthi movement's attacks on marine vessels in the Red Sea, could further destabilize the Middle East region and introduce new uncertainties in global markets, including the oil and natural gas markets. How long such tensions and related events will last cannot be predicted. These tensions and any related events could have significant impact on a Fund performance and the value of an investment in a Fund.

Natural Disaster/Epidemic Risk

Natural or environmental disasters, such as earthquakes, fires, floods, hurricanes, tsunamis and other severe weather-related phenomena generally, and widespread disease, including pandemics and epidemics (for example, COVID-19), have been and can be highly disruptive to economies and markets and have recently led, and may continue to lead, to increased market volatility and significant market losses. Such natural disaster and health crises could exacerbate political, social, and economic risks, and result in significant breakdowns, delays, shutdowns, social isolation, and other disruptions to important global, local and regional supply chains affected, with potential corresponding results on the operating performance of each Fund and its investments. A climate of uncertainty and panic, including the contagion of infectious viruses or diseases, may adversely affect global, regional, and local economies and reduce the availability of potential investment opportunities, and

increases the difficulty of performing due diligence and modeling market conditions, potentially reducing the accuracy of financial projections. Under these circumstances, each Fund may have difficulty achieving its investment objective, which may adversely impact Fund performance. Further, such events can be highly disruptive to economies and markets, significantly disrupt the operations of individual companies (including, but not limited to, each Fund's investment advisor, third party service providers, and counterparties), sectors, industries, markets, securities and commodity exchanges, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of each Fund's investments. These factors can cause substantial market volatility, exchange trading suspensions and closures, changes in the availability of and the margin requirements for certain instruments, and can impact the ability of each Fund to complete redemptions and otherwise affect Fund performance. A widespread crisis would also affect the global economy in ways that cannot necessarily be foreseen. How long such events will last and whether they will continue or recur cannot be predicted. Impacts from these events could have a significant impact on each Fund's performance, resulting in losses to your investment.

Regulatory Risk

Each Fund is subject to the risk that a change in U.S. law and related regulations will impact the way a Fund operates, increase the particular costs of a Fund's operations and/or change the competitive landscape. Additional legislative or regulatory changes could occur that may materially and adversely affect each Fund.

U.S. Treasury Obligations Risk

A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. Nevertheless, circumstances could arise that could prevent the timely payment of interest or principal, such as reaching the legislative "debt ceiling." Such non-payment would result in losses to a Fund and substantial negative consequences for the U.S. economy and the global financial system. The market prices for such securities are not guaranteed and will fluctuate. U.S. Treasury obligations may differ from other securities in their interest rates, maturities, times of issuance and other characteristics. Changes in the financial condition, national debt or credit rating of the U.S. government may cause the value of U.S. Treasury obligations to decline.

A high national debt level may increase market pressures to meet government funding needs, which may drive debt cost higher and lead the government to issue additional debt, thereby increasing refinancing risk. A high national debt also raises concerns that the U.S. government will not be able to make principal or interest payments when they are due. If market participants determine that U.S. sovereign debt levels have become unsustainable, the value of the U.S. dollar could decline, thus increasing inflationary pressures, particularly with respect to services outsourced to non-U.S. providers and imported goods and constrain or prevent the U.S. government from implementing effective countercyclical fiscal policy in economic downturns. Because U.S. government debt obligations are often used as a benchmark for other

borrowing arrangements, a downgrade could also result in higher interest rates for a range of borrowers, cause disruptions in the international bond markets and have a substantial adverse effect on the U.S. and global economy.

Valuation Risk

In certain circumstances, such as when market quotations for securities or other assets are unavailable or unreliable or when a trading halt ends trading in a security or closes an exchange or market early, a holding may be fair valued for the day or for a longer period of time. The fair valuation of the holding may be different from other value determinations of the same holding. Holdings that are valued using techniques other than market quotations, including "fair valued" holdings, may be subject to greater fluctuation in their value from one day to the next than would be the case if market quotations were used. In addition, the price a Fund could receive upon the sale of a holding may differ from a Fund's valuation of the holding or from the value used by the underlying security, particularly for holdings that trade in low volume or volatile markets or that are valued using a fair value methodology as a result of trade suspensions or halts or for any other reason.

A Precautionary Note to Retail Investors. The Depository Trust Company ("DTC"), a limited trust company and securities depository that serves as a national clearinghouse for the settlement of trades for its participating banks and broker-dealers, or its nominee, will be the registered owner of all outstanding Shares of each Fund of the Trust. Your ownership of Shares will be shown on the records of DTC and the DTC Participant broker through whom you hold the Shares. **THE TRUST WILL NOT HAVE ANY RECORD OF YOUR OWNERSHIP.** Your account information will be maintained by your broker, who will provide you with account statements, confirmations of your purchases and sales of Shares, and tax information. Your broker also will be responsible for ensuring that you receive shareholder reports and other communications from a Fund whose Shares you own. Typically, you will receive other services (e.g., average basis information) only if your broker offers these services.

A Precautionary Note to Purchasers of Creation Units. Because new Shares may be issued on an ongoing basis, a "distribution" of Shares could be occurring at any time. As a dealer, certain activities on your part could, depending

on the circumstances, result in your being deemed a participant in the distribution, in a manner that could render you a statutory underwriter and subject you to the prospectus delivery and liability provisions of the Securities Act of 1933, as amended ("Securities Act"). For example, you could be deemed a statutory underwriter if you purchase Creation Units from an issuing Fund, break them down into the constituent Shares and sell those Shares directly to customers, or if you choose to couple the creation of a supply of new Shares with an active selling effort involving solicitation of secondary market demand for Shares. Whether a person is an underwriter depends upon all of the facts and circumstances pertaining to that person's activities, and the examples mentioned here should not be considered a complete description of all the activities that could cause you to be deemed an underwriter. Dealers who are not "underwriters," but are participating in a distribution (as opposed to engaging in ordinary secondary market transactions), and thus dealing with Shares as part of an "unsold allotment" within the meaning of Section 4(3)(C) of the Securities Act, will be unable to take advantage of the prospectus delivery exemption provided by Section 4(3) of the Securities Act.

A Precautionary Note to Investment Companies. For purposes of the Investment Company Act of 1940, as amended ("1940 Act"), each Fund is a registered investment company, and the acquisition of its Shares by other investment companies is subject to the restrictions of Section 12(d)(1) thereof. Rule 12d1-4 provides an exemption from these restrictions for registered investment companies seeking to invest in a Fund, subject to certain terms and conditions, including that such registered investment companies enter into an agreement with the Trust. Any investment company considering purchasing Shares of a Fund in amounts that may cause it to exceed the restrictions in Section 12(d)(1) should contact the Trust.

A Precautionary Note Regarding Unusual Circumstances. Under certain circumstances, a Fund may postpone payment of redemption proceeds. For information on such potential postponements, see the "Purchases and Redemptions - Suspension or Postponement of Right of Redemption" section of the SAI.

ABOUT YOUR INVESTMENT

Share Price of the Funds

A fund's share price is known as its NAV. Each Fund's share price is calculated as of the close of regular trading on the NYSE, usually 4:00 p.m. Eastern Time ("Valuation Time"), each day the NYSE is open for business ("Business Day"). The NYSE is open for business Monday through Friday, except in observation of the following holidays: New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Juneteenth National Independence Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The NYSE may close early on the business day before each of these holidays and on the day after Thanksgiving Day. NYSE holiday schedules are subject to change without notice. Because a Fund is exchange traded, the price an individual shareholder will buy or sell Fund shares at will be based on the market price determined by the secondary market, which may be higher or lower than the NAV of a Fund.

If the exchange or market on which a Fund's investments are primarily traded closes early, the NAV may be calculated prior to its normal calculation time. Creation/redemption transaction order time cutoffs would also be accelerated.

The value of a Fund's assets that trade in markets outside the United States or in currencies other than the U.S. Dollar may fluctuate when foreign markets are open but the Fund is not open for business.

Share price is calculated by dividing a Fund's net assets by its shares outstanding. Portfolio securities and other assets are valued chiefly by market prices from the primary market in which they are traded. Under Rule 2a-5 under the 1940 Act, a market quotation is readily available when that "quotation is a quoted price (unadjusted) in active markets for identical investments that the fund can access at the measurement date, provided that a quotation will not be readily available if it is not reliable." Each Fund uses the following methods to price securities or assets held in its portfolio with readily available market quotations:

- Equity securities listed and traded principally on any domestic or foreign national securities exchange are valued at the last sales price. Exchange-traded funds are valued at the last sales price prior to Valuation Time. Securities primarily traded in the NASDAQ Global Market® are valued using the NASDAQ® Official Closing Price. Over-the counter securities are valued at the last sales price in the over-the-counter market;
- Futures contracts are valued at (1) the settlement prices established each day on the exchange on which they are traded if the settlement price reflects trading prior to the Valuation Time, (2) at the last sales price prior to the Valuation Time if the settlement prices established by the exchange reflects trading after Valuation Time, or (3) at the last sales price of the exchange prior to the Valuation Time;
- Options are valued at the composite price, using National Best Bid and Offer quotes; and
- Securities and other assets for which market quotations are unavailable or unreliable are valued at fair value estimates as determined by the Adviser pursuant to its fair valuation policies.

Fair Value Pricing. When a market quotation is not readily available or is unreliable, the Trust's Board of Trustees (the "Board") is responsible for determining in good faith the fair value of the portfolio security or other asset. Pursuant to Rule 2a-5, the Board designated the responsibility for fair valuation to the Adviser as its valuation designee ("Valuation Designee"). Fair value determinations are made in good faith in accordance with procedures adopted by the Adviser, which set forth the methodologies by which a portfolio security or other asset will be fair valued. The Adviser may utilize fair valuation services of a pricing service to obtain a fair value for certain portfolio securities or other assets as well.

An investment that relies on Level 2 or Level 3 inputs according to ASC 820, such as swap agreements, is required to be fair valued as such investments do not have readily available market quotations by definition. Swap agreements are valued based on the closing value of the underlying reference instrument. Additionally, the Adviser will fair value a portfolio security or other asset if there is not a readily available market quotation, which may occur in the following situations: (1) to the extent that a Fund holds foreign securities, when foreign markets close before the NYSE opens or may not be open for business on the same calendar days as the Fund; (2) if there has been a significant event in the markets that makes the price of a portfolio security or asset unreliable; (3) if there is a lack of an active market, such as the market for certain preferred securities or for corporate bonds; and (4) if trading in a security is limited during the trading day and a limited number of quotes are available or If trading in a security is halted during a trading day and does not resume prior to the closing of the exchange or other market.

Fair valuation determinations of portfolio securities or other assets introduce an element of subjectivity to pricing of such portfolio securities or other assets. As a result, the price of a security or other asset determined through fair valuation techniques may differ from the price quoted or published by other sources and may not accurately reflect the market value of the security when trading resumes. If a reliable market quotation becomes available for a security formerly valued through fair valuation techniques, the Adviser compares the market quotation to the fair value price to evaluate the effectiveness of the Adviser's fair valuation procedures.

Rule 12b-1 Fees

The Board of Trustees of the Trust has adopted a Distribution and Service Plan (the “Plan”) pursuant to Rule 12b-1 under the 1940 Act. In accordance with the Plan, each Fund may pay an amount up to 0.25% of its average daily net assets each year for certain distribution-related activities and shareholder services.

No 12b-1 fees are currently authorized to be paid by a Fund, and there are no plans to impose these fees. However, in the event 12b-1 fees are charged in the future, because the fees are paid out of each Fund’s assets, over time these fees will increase the cost of your investment and may cost you more than certain other types of sales charges.

Frequent Purchases and Redemptions. Rafferty expects a significant portion of a Fund’s assets to come from professional money managers and investors who use a Fund as part of “asset allocation” and “market timing” investment strategies. These strategies often call for frequent trading to take advantage of anticipated changes in market conditions. Investors such as market makers, large investors and institutions who wish to deal in Creation Units directly with a Fund must have entered into an authorized participant agreement (“Authorized Participant Agreement”) with the principal underwriter and the transfer agent, or purchase through a broker-dealer that has entered into such an agreement. The Trust’s Board of Trustees has determined not to adopt policies and procedures designed to prevent or monitor for frequent purchases and redemptions of each Fund’s shares because the Fund sells and redeems its shares at NAV only in Creation Units pursuant to the terms of an Authorized Participant Agreement between the Authorized Participant and the Distributor, and such direct trading between the Fund and Authorized Participants is critical to ensuring that the Fund’s shares trade at or close to NAV. Further, the vast majority of trading in Fund shares occurs on the secondary market, which does not involve a Fund directly and therefore does not cause a Fund to experience many of the harmful effects of market timing, such as dilution and disruption of portfolio management. In addition, each Fund imposes a Transaction Fee on Creation Unit transactions, which is designed to offset transfer and other transaction costs incurred by the Fund in connection with the issuance and redemption of Creation Units and may employ fair valuation pricing to minimize potential dilution from market timing. Although each Fund reserves the right to reject any purchase orders, each Fund does not currently impose any trading restrictions on frequent trading or actively monitor for trading abuses. Transaction fees are imposed as set forth in the table in the SAI.

HOW TO BUY AND SELL SHARES

Each Fund directly issues and redeems Shares only in large blocks (called “Creation Units”) of 25,000 and only in transactions with Authorized Participants.

Individual Shares, once listed for trading on the Exchange, can be bought and sold throughout the trading day in the secondary market like other listed securities. Most investors will buy and sell Shares in secondary market transactions through brokers. The Funds do not require any minimum investment in secondary market transactions.

When buying or selling Shares through a broker, investors may incur customary brokerage commissions and charges, and may pay some or all of the “spread” – that is, any difference between the bid price (the highest price a buyer is willing to pay for a share of a fund) and the ask price (the lowest price a seller is willing to accept for a share of a fund). In addition, because secondary market transactions occur at market prices, which typically vary from NAV, investors may pay more than NAV when buying Shares, and receive less than NAV when selling Shares.

The Funds’ Exchange trading symbols are as follows:

Fund	Symbol
Direxion Daily Anthropic Bull 2X ETF	
Direxion Daily Anthropic Bear 2X ETF	

Book Entry. Shares are held in book-entry form, which means that no stock certificates are issued. DTC or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the record owner of all Shares for all purposes.

Investors owning Shares are beneficial owners as shown on the records of DTC or its participants. Participants in DTC include securities brokers and dealers, banks, trust companies, clearing corporations and other institutions that directly or indirectly maintain a custodial relationship with DTC. Beneficial owners of Shares must rely upon the procedures of DTC and its participants to exercise any rights as owners of Shares. These procedures are the same as those that apply to any other stocks that held in book entry or “street name” through a brokerage account.

MANAGEMENT OF THE FUNDS

Rafferty provides investment management services to the Funds. Rafferty has been managing investment companies since 1997. Rafferty is located at 535 Madison Avenue, 37th Floor, New York, New York 10022. As of [], the Adviser had approximately \$[] billion in assets under management.

Under an investment advisory agreement between the Trust and Rafferty, each Fund pays Rafferty []% at an annualized rate based on a percentage of each Fund's average daily net assets.

Rafferty has entered into a contractual Advisory Fee Waiver Agreement for each of the Funds that reduces the annualized advisory fee rate based on its average daily net assets. Pursuant to the Advisory Fee Waiver Agreement, each Fund pays Rafferty a fee at an annualized rate as follows: 0.75% of the first \$1.5 billion of average daily net assets of a Fund; 0.70% of the average daily net assets of a Fund over \$1.5 billion to \$2 billion; 0.65% of the average daily net assets of a Fund over \$2 billion to \$2.5 billion; 0.60% of the average daily net assets of a Fund over \$2.5 billion to \$3 billion; and 0.55% of the average daily net assets of a Fund over \$3 billion. There is no guarantee that the Advisory Fee Waiver Agreement will continue after September 1, 2027. This contractual fee waiver may be terminated at any time with the consent of the Board of Trustees.

A discussion regarding the basis on which the Board of Trustees approved the investment advisory agreement for the Funds will be included in the Funds' Semi-Annual Financial Statements and Additional Information for the period ended [].

Rafferty has entered into an Operating Expense Limitation Agreement with each Fund. Under this Operating Expense Limitation Agreement, Rafferty has contractually agreed to waive all or a portion of its investment advisory fees and management services fees and/or reimburse each Fund for Other Expenses (excluding, as applicable, among other expenses, taxes, swap financing and related costs, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions and extraordinary expenses) through September 1, 2027, to the extent that a Fund's Total Annual Fund Operating Expenses exceed [] of the Fund's average daily net assets.

Any expense waiver or reimbursement is subject to recoupment by the Adviser within three years after the expense was waived/reimbursed only if Total Annual Fund Operating Expenses fall below the lesser of this percentage limitation and any percentage limitation in place at the time the expense was waived/reimbursed. This Agreement may be terminated or revised at any time with the consent of the Board of Trustees.

Paul Brigandi and Tony Ng are jointly and primarily responsible for the day-to-day management of the Funds (the "Portfolio Managers"). An investment trading team of Rafferty employees assists the Portfolio Managers in the day-to-day management of the Funds subject to their primary responsibility and oversight. The Portfolio Managers work with the investment trading team to decide the target allocation of each Fund's investments and on a day-to-day basis, an individual portfolio trader executes transactions for the Funds consistent with the target allocation. The members of the investment trading team rotate periodically among the various series of the Trust, including the Funds, so that no single individual is assigned to a specific Fund for extended periods of time.

Mr. Brigandi has been a Portfolio Manager at Rafferty since June 2004. Mr. Brigandi was previously involved in the equity trading training program for Fleet Boston Financial Corporation from August 2002 to April 2004. Mr. Brigandi is a 2002 graduate of Fordham University.

Mr. Ng has been a Portfolio Manager at Rafferty since April 2006. Mr. Ng was previously a Team Leader in the Trading Assistant Group with Goldman Sachs from 2004 to 2006. He was employed with Deutsche Asset Management from 1998 to 2004. Mr. Ng graduated from State University of New York at Buffalo in 1998.

The Funds' SAI provides additional information about the investment team members' compensation, other accounts they manage and their ownership of shares of the Funds.

PORTFOLIO HOLDINGS

A Fund's portfolio holdings are disclosed on the Fund's website at www.direxion.com each day the Fund is open for business. A description of the Funds' policies and procedures with respect to the disclosure of the Funds' portfolio securities is available in the Funds' SAI.

OTHER SERVICE PROVIDERS

ALPS Distributors, Inc. ("Distributor") serves as the Funds' distributor. U.S. Bancorp Fund Services, LLC ("USBFS") serves as the Funds' administrator. Bank of New York Mellon ("BNYM") serves as the Funds' transfer agent, fund accountant, custodian and index receipt agent. The Distributor is not affiliated with Rafferty, USBFS, or BNYM.

DISTRIBUTIONS

Fund Distributions. Each Fund pays out dividends from its net investment income, and distributes any net capital gains, if any, to its shareholders at least annually. Each Fund is authorized to declare and pay capital gain distributions. A Fund may have extremely high portfolio turnover, which may cause it to generate significant amounts of taxable income. Each Fund will generally need to distribute net short-term capital gain to satisfy certain tax requirements. As a result of the Funds' high portfolio turnover, they could need to make larger and/or more frequent distributions than traditional ETFs.

A shareholder that holds shares of the Fund when a Fund pays a distribution will receive the distribution which reflects net investment income and net capital gains the Fund earned prior to the shareholder's holding period. Because of the significant amount of trading a Fund conducts due to its daily leveraged investment objective, a shareholder may receive a large distribution with a significant tax impact even if the shareholder holds the shares for a short period of time.

Dividend Reinvestment Service. Brokers may make the DTC book-entry dividend reinvestment service ("Reinvestment Service") available to their customers who are shareholders of a Fund. To determine whether the Reinvestment Service is available and whether there is a commission or other charge for using the service, consult your broker. Fund shareholders should be aware that brokers may require them to adhere to specific procedures and timetables to use the Reinvestment Service.

TAXES

As with any investment, you should consider the tax consequences of buying, holding, and disposing of Shares. The tax information in this Prospectus is only a general summary of some important federal tax considerations generally affecting a Fund and its shareholders. No attempt is made to present a complete explanation of the federal tax treatment of the Funds' activities, and this discussion is not intended as a substitute for careful tax planning. Accordingly, potential investors are urged to consult their own tax advisers for more detailed information and for information regarding any state, local, or foreign taxes applicable to the Funds and to an investment in Shares.

Fund distributions to you and your sale of your Shares will have tax consequences to you unless you hold your Shares through a tax-exempt entity or tax-deferred retirement arrangement, such as an individual retirement account ("IRA") or 401(k) plan.

Each Fund intends to qualify each taxable year for taxation as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). If a Fund so qualifies and satisfies certain distribution requirements, the Fund will not be subject to federal income tax on income that is distributed in a timely manner to its shareholders in the form of income dividends or capital gain distributions.

Taxes on Distributions. Dividends from a Fund's investment company taxable income – generally, the sum of net investment income, the excess of net short-term capital gain over net long-term capital loss, and net gains and losses from certain foreign currency transactions, if any, all determined without regard to any deduction for dividends paid – will be taxable to you as ordinary income to the extent of its earnings and profits, whether they are paid in cash or reinvested in additional Shares. However, dividends a Fund pays to you that are attributable to its "qualified dividend income" (i.e., dividends it receives on stock of most domestic and certain foreign corporations with respect to which it satisfies certain holding period and other restrictions) generally will be taxed to you, if you are an individual, trust, or estate and satisfy those restrictions with respect to your Shares, for federal income tax purposes, at the rates of 15% or 20% for such shareholders with taxable income exceeding certain thresholds (which will be indexed for inflation annually). A portion of a Fund's dividends also may be eligible for the dividends-received deduction allowed to corporations – the eligible portion may not exceed the aggregate dividends the Fund receives from domestic corporations subject to federal income tax (excluding real estate investment trusts) and excludes dividends from foreign corporations – subject to similar restrictions; however, dividends a corporate shareholder deducts pursuant to that deduction are subject indirectly to the federal alternative minimum tax. Each Fund does not expect to earn a significant amount of income that would qualify for those maximum rates or that deduction.

Distributions of a Fund's net capital gain (which is the excess of net long-term capital gain over net short-term capital loss) that it recognizes on sales or exchanges of capital assets ("capital gain distributions"), if any, will be taxable to you as long-term capital gains, at the maximum rates mentioned above if you are an individual, trust, or estate, regardless of your holding period for the Shares on which the distributions are paid and regardless of whether they are paid in cash or reinvested in additional Shares. A Fund's capital gain distributions may vary considerably from one year to the next as a result of its investment activities and cash flows and the performance of the markets in which it invests. Each Fund does not expect to earn a significant amount of net capital gain.

Distributions in excess of a Fund's current and accumulated earnings and profits, if any, first will reduce your adjusted tax basis in your Shares in the Fund and, after that basis is reduced to zero, will constitute capital gain. That capital gain will

be long-term capital gain, and thus will be taxed at the maximum rates mentioned above if you are an individual, trust, or estate if the distributions are attributable to Shares you held for more than one year.

Investors should be aware that the price of Shares at any time may reflect the amount of a forthcoming dividend or capital gain distribution, so if they purchase Shares shortly before the record date therefor, they will pay full price for the Shares and receive some part of the purchase price back as a taxable distribution even though it represents a partial return of invested capital.

In general, distributions are subject to federal income tax for the year when they are paid. However, certain distributions paid in January may be treated as paid on December 31 of the prior year.

Because of the possibility of high portfolio turnover, a Fund may generate significant amounts of taxable income. Accordingly, a Fund may need to make larger and/or more frequent distributions than traditional unleveraged ETFs. A substantial portion of that income typically will be short-term capital gain, which will generally be treated as ordinary income when distributed to shareholders.

Fund distributions to tax-deferred or qualified plans, such as an IRA, retirement plan or pension plan, generally will not be taxable. However, distributions from such plans will be taxable to the individual participant notwithstanding the character of the income earned by the qualified plan. Please consult a tax adviser for a more complete explanation of the federal, state, local and foreign tax consequences of investing in a Fund through such a plan.

Taxes When Shares are Sold. Generally, you will recognize taxable gain or loss if you sell or otherwise dispose of your Shares. Any gain arising from such a disposition generally will be treated as long-term capital gain if you held the Shares for more than one year, taxable at the maximum rates (15% or 20%) mentioned above if you are an individual, trust, or estate; otherwise, the gain will be treated as short-term capital gain. However, any capital loss arising from the disposition of Shares held for six months or less will be treated as long-term capital loss to the extent of capital gain distributions, if any, received with respect to those Shares. In addition, all or a portion of any loss recognized on a sale or exchange of Shares of a Fund will be disallowed to the extent other Shares of the same Fund are purchased (whether through reinvestment of distributions or otherwise) within a period of 61 days beginning 30 days before and ending 30 days after the date of the sale or exchange; in that event, the basis in the newly purchased Shares will be adjusted to reflect the disallowed loss.

Holders of Creation Units. A person who purchases Shares of the Bull Fund by exchanging securities for a Creation Unit generally will recognize capital gain or loss equal to the difference between the market value of the Creation Unit and the person's aggregate basis in the exchanged securities, adjusted for any Balancing Amount paid or received. A shareholder who redeems a Creation Unit generally will recognize gain or loss to the same extent and in the same manner as described in the immediately preceding paragraph.

Miscellaneous. Backup Withholding. A Fund must withhold and remit to the U.S. Treasury 24% of dividends and capital gain distributions otherwise payable to any individual or certain other non-corporate shareholder who fails to certify that the social security or other taxpayer identification number furnished to the Fund is correct or who furnishes an incorrect number (together with the withholding described in the next sentence, "backup withholding"). Withholding at that rate also is required from a Fund's dividends and capital gain distributions otherwise payable to such a shareholder who is subject to backup withholding for any other reason. Backup withholding is not an additional tax, and any amounts so withheld may be credited against a shareholder's federal income tax liability or refunded.

Additional Tax. An individual must pay a 3.8% federal tax on the lesser of (1) the individual's "net investment income," which generally includes dividends, interest, and net gains from the disposition of investment property (including dividends and capital gain distributions a Fund pays and net gains realized on the sale or redemption of Shares), or (2) the excess of the individual's "modified adjusted gross income" over a threshold amount (\$250,000 for married persons filing jointly and \$200,000 for single taxpayers). This tax is in addition to any other taxes due on that income. A similar tax will apply for those years to estates and trusts. Shareholders should consult their own tax advisers regarding the effect, if any, this provision may have on their investment in Fund shares.

Basis Determination. A shareholder who wants to use the average basis method for determining basis in Shares he or she acquires after December 31, 2011 ("Covered Shares"), must elect to do so in writing (which may be electronic) with the broker through which he or she purchased the Shares. A shareholder who wishes to use a different IRS-acceptable method for basis determination (e.g., a specific identification method) may elect to do so. Fund shareholders are urged to consult with their brokers regarding the application of the basis determination rules to them.

You may also be subject to state and local taxes on Fund distributions and dispositions of Shares.

Non-U.S. Shareholders. A "non-U.S. shareholder" is an investor that, for federal tax purposes, is a nonresident alien individual, a foreign corporation or a foreign estate or trust. Except where discussed otherwise, the following disclosure assumes that a non-U.S. shareholder's ownership of Shares is not effectively connected with a trade or business conducted by such non-U.S. shareholder in the United States and does not address non-U.S. shareholders who are present in the United States for 183 days or more during the taxable year. The tax consequences to a non-U.S. shareholder entitled to claim the benefits of an applicable tax treaty may be different from those described herein. Non-U.S. shareholders should consult their tax advisers with respect to the particular tax consequences to them of an investment in a Fund.

Withholding. Dividends paid by a Fund to non-U.S. shareholders will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty to the extent derived from investment income (other than “qualified interest income” or “qualified short-term capital gains,” as described below). In order to obtain a reduced rate of withholding, a non-U.S. shareholder will be required to provide an IRS Form W-8BEN (or substitute form) certifying its entitlement to benefits under a treaty. The withholding tax does not apply to regular dividends paid to a non-U.S. shareholder who provides an IRS Form W-8ECI, certifying that the dividends are effectively connected with the non-U.S. shareholder’s conduct of a trade or business within the United States. Instead, the effectively connected dividends will be subject to regular U.S. income tax as if the non-U.S. shareholder were a U.S. shareholder. A non-U.S. corporation’s earnings and profits attributable to such dividends may also be subject to additional “branch profits tax” imposed at a rate of 30% (or lower treaty rate).

A non-U.S. shareholder who fails to provide an IRS Form W-8BEN or other applicable form may be subject to backup withholding at the appropriate rate. See the discussion of backup withholding under “Miscellaneous” above.

Exemptions from Withholding. In general, federal income tax will not apply to gain realized on the sale or other disposition of Shares or to any Fund distributions reported as capital gain dividends, short-term capital gain dividends, or interest-related dividends.

“Short-term capital gain dividends” are dividends that are attributable to “qualified short-term gain” a Fund realizes (generally, the excess of a Fund’s net short-term capital gain over long-term capital loss for a taxable year, computed with certain adjustments). “Interest-related dividends” are dividends that are attributable to “qualified net interest income” from U.S. sources. Depending on its circumstances, a Fund may report all, some or none of its potentially eligible dividends as short-term capital gain dividends and interest-related dividends and/or treat such dividends, in whole or in part, as ineligible for this exemption from withholding. To qualify for the exemption, a non-U.S. shareholder will need to comply with applicable certification requirements relating to its non-U.S. status (including, in general, furnishing an IRS Form W-8BEN or substitute form). In the case of shares held through an intermediary, the intermediary may withhold even if a Fund designates the payment as a short-term capital gain dividend or an interest-related dividend. Non-U.S. shareholders should contact their intermediaries with respect to the application of these rules to their accounts.

Foreign Account Tax Compliance Act (“FATCA”). Under FATCA, “foreign financial institutions” (“FFIs”) or “non-financial foreign entities” (“NFFEs”) that are Fund shareholders may be subject to a generally nonrefundable 30% withholding tax on income dividends. As discussed more fully in the Funds’ SAI under “Taxes,” the FATCA withholding tax generally can be avoided (a) by an FFI, if it reports certain information regarding direct and indirect ownership of financial accounts U.S. persons hold with the FFI and (b) by an NFFE, if it certifies as such and, in certain circumstances, that (i) it has no substantial U.S. persons as owners or (ii) it does have such owners and reports information relating to them to the withholding agent. The U.S. Treasury has negotiated intergovernmental agreements (“IGAs”) with certain countries and is in various stages of negotiations with other foreign countries with respect to one or more alternative approaches to implement FATCA; entities in those countries may be required to comply with the terms of the IGA instead of Treasury regulations. Non-U.S. shareholders should consult their own tax advisers regarding the application of these requirements to their own situation and the impact thereof on their investment in a Fund.

More information about taxes is available in the Funds’ SAI.

ADDITIONAL INFORMATION ABOUT THE TRUST

The Trust enters into contractual arrangements with various parties, which may include, among others, the Funds’ investment adviser, custodian, and transfer agent, who provide services to the Funds. Shareholders are not parties to any such contractual arrangements and are not intended beneficiaries of those contractual arrangements, and those contractual arrangements are not intended to create in any shareholder any right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the Trust.

This Prospectus provides information concerning the Funds that you should consider in determining whether to purchase Fund shares. Neither this Prospectus nor the SAI is intended, or should be read, to be or give rise to an agreement or contract between the Trust or the Funds and any investor, or to give rise to any rights in any shareholder or other person other than any rights under federal or state law that may not be waived.

Many states have unclaimed property rules that provide for transfer to the state (also known as “escheatment”) of unclaimed property under various circumstances. These circumstances include inactivity (e.g., no owner-initiated contact for a certain period), returned mail (e.g., when mail sent to a shareholder is returned by the post office as undeliverable), or a combination of both inactivity and returned mail. Unclaimed or inactive accounts may be subject to escheatment laws, and the Funds and the Funds’ transfer agent will not be liable to shareholders and their representatives for good faith compliance with those laws.

ADDITIONAL INFORMATION REGARDING THE UNDERLYING SECURITIES

Information provided to, or filed with, the SEC by each company named in this Prospectus, pursuant to the Exchange Act, including the financial statements in the company's Form 10-K, can be located by reference to the SEC file numbers noted in the table below through the SEC's website at www.sec.gov:

Underlying Security	SEC File Number
Anthropic PBC ([Exchange]: [Ticker])	

FINANCIAL HIGHLIGHTS

No financial information is available for the Funds because had not commenced operations. Each Fund's fiscal year end is October 31st.



PROSPECTUS

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MORE INFORMATION ON THE DIREXION SHARES ETF TRUST

Statement of Additional Information ("SAI"):

The Funds' SAI contains more information on each Fund and its investment policies. The SAI is incorporated in this Prospectus by reference (meaning it is legally part of this Prospectus). A current SAI is on file with the Securities and Exchange Commission ("SEC").

Annual and Semi-Annual Reports to Shareholders:

The Funds' reports will provide additional information on the Funds' investment holdings, performance data and information discussing the market conditions and investment strategies that significantly affected the Funds' performance during that period. The Funds' Form N-CSR will contain additional information about the Funds' investments and the Funds' annual and semi-annual financial statements.

To Obtain the SAI or Fund Reports Free of Charge or for Other Information, such as Fund Financial Statements, or Shareholder Inquiries:

Write to: Direxion Shares ETF Trust
535 Madison Avenue, 37th Floor
New York, New York 10022
Call: (866) 476-7523
By Internet: www.direxion.com

Reports and other information about the Funds may be viewed on screen or downloaded from the EDGAR Database on the SEC's website at <http://www.sec.gov>. Copies of these documents may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov.