

Direxion Dynamic Hedge ETF

Methodology Summary

Fund Summary

The Direxion Dynamic Hedge ETF (DYHG) aims to deliver a smoother ride to exposure in the equity markets by seeking to strike a balance between upside participation, with responsive downside risk mitigation in periods of increased volatility.

Volatility generally tends to increase significantly in down markets.

The Direxion Dynamic Hedge ETF (DYHG), by tracking the Salt truVol™ US Large Cap Dynamic Hedge Index, dynamically hedges a long exposure in the S&P 500® Index, with short futures contracts, during periods of increased volatility. The strategy uses truVol™, a proprietary model that forecasts short-term market volatility to help manage risk in portfolios. The model is designed to be a more accurate and responsive estimate of future volatility, through the use of more recent, higher frequency price data. Incorporating intraday price data may help improve accuracy in estimating future volatility across a range of asset classes.

Constituent Universe

S&P 500® Index

Benchmark Index

Salt truVol™ US Large Cap Dynamic Hedge Index

- **High Market Volatility:** decrease net exposure to the S&P 500® Index, by increasing its short position in S&P 500® futures contracts.
- **Low Market Volatility:** increase net exposure to the S&P 500® Index, by reducing its short position in S&P 500® futures contracts.

Component Weighting

- The Index's hedge, or short position, may range from 0% to 100% of the long position in the S&P 500® Index.

Rebalancing

- Daily monitoring, with the ability to rebalance when the truVol™ model dictates.

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Disclosures

An investor should carefully consider a Fund's investment objective, risks, charges, and expenses before investing. A Fund's prospectus and summary prospectus contain this and other information about the Direxion Shares. To obtain a Fund's prospectus and summary prospectus call 866-476-7523 or visit our website at direxion.com. A Fund's prospectus and summary prospectus should be read carefully before investing.

Shares of the Direxion Shares are bought and sold at market price (not NAV) and are not individually redeemed from a Fund. Market Price returns are based upon the midpoint of the bid/ask spread at 4:15 pm EST (when NAV is normally calculated) and do not represent the returns you would receive if you traded shares at other times. Brokerage commissions will reduce returns. Fund returns assume that dividends and capital gains distributions have been reinvested in the Fund at NAV. Some performance results reflect expense reimbursements or recoupments and fee waivers in effect during certain periods shown. Absent these reimbursements or recoupments and fee waivers, results would have been less favorable.

Salt Financial, truBeta, and truVol™ are service marks of Salt Financial Indices, LLC and has been licensed for use by Direxion Shares ETF Trust. The Direxion Dynamic Hedge ETF is not sponsored, endorsed, sold or promoted by Salt Financial Indices, LLC. Nor does Salt Financial Indices, LLC make any representation regarding the advisability of investing in the Fund.

Direxion Shares ETF Risks - Investing involves risk including possible loss of principal. There is no guarantee that the investment strategy will be successful in providing risk mitigation. The Fund's investment in derivatives may pose risks in addition to, and greater than, those associated with directly investing in or shorting securities or other investments. Futures markets are highly volatile and the futures market may increase the Fund's volatility. Risks of the Fund include, but are not limited to, Index Correlation/Tracking Risk, Index Strategy Risk, Market Disruption Risk, Long/Short Risk, Volatility Risk, Shorting Risk, Derivatives Risk, risks associated with the market capitalizations of the securities in which the Fund may invest, and risks related to investment in a specific industry or sector. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.

Distributor for Direxion Shares: Foreside Fund Services, LLC.