

An Example of Daily Investment Results

LEVERAGED EXCHANGE TRADED FUNDS

Direxion

ETFs | Funds

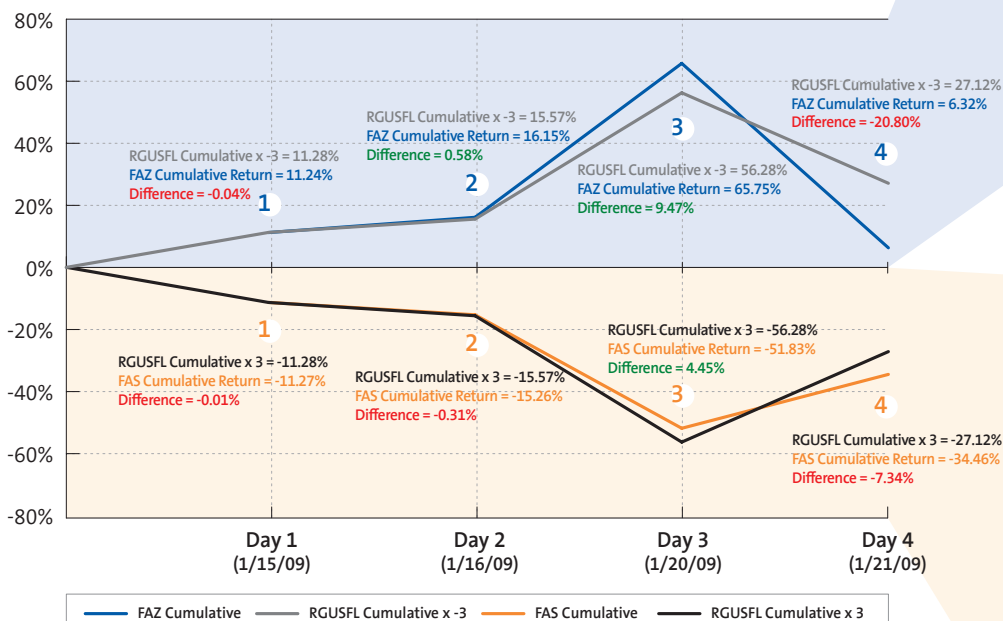


An example of how Direxion Leveraged ETFs seek daily investment results

Direxion Daily Financial Bear 3X Shares & Direxion Daily Financial Bull 3X Shares

The Direxion Daily Financial Bull 3X Shares (Symbol: **FAS**) and the Direxion Financial Bear 3X Shares (Symbol: **FAZ**) seek 300% and -300%, respectively, of the daily return of the Russell 1000® Financial Services Index (Symbol: RGUSFL). From January 15 – January 21, 2009, the Index declined 9.04%. If you were to assume that based on this cumulative return of the index, the bull ETF would have experienced a 27% loss and the bear ETF would have experienced 27% gain, you would, unfortunately, be incorrect. In fact, for that time frame, the bull and bear ETFs returned -34.46% and 6.32%, respectively. Past performance is not indicative of future results.

Fund Performance: 1/15/2009 - 1/21/2009



There is no guarantee that a fund will achieve its investment objective.

Performance (as of 3/31/2020)		YTD (%)	1 Yr (%)	3 Yr (%)	5 Yr (%)	10 Yr (%)	S/I (%)	Inception Date	Expense Ratio * (Gross/Net %)
Daily Financial Bull 3X Shares	NAV	-75.10	-61.67	-18.50	-4.64	6.01	-4.61	11/06/08	0.99/0.99
	Mkt Close	-75.08	-61.67	-18.48	-4.67	6.03	-4.61		
Daily Financial Bear 3X Shares	NAV	37.25	-18.89	-26.28	-31.02	-38.96	-53.56	11/06/08	1.08/1.07
	Mkt Close	37.24	-18.80	-26.30	-31.00	-38.96	-53.56		

* The Net Expense Ratio includes management fees, other operating expenses and Acquired Fund Fees and Expenses. If Acquired Fund Fees and Expenses were excluded, the Net Expense Ratio would be 0.95%. The Funds' adviser, Rafferty Asset Management, LLC ("Rafferty") has entered into an Operating Expense Limitation Agreement with each Fund. Under the Operating Expense Limitation Agreement, Rafferty has contractually agreed to waive all or a portion of its management fee and/or reimburse each Fund for Other Expenses through September 1, 2021, to the extent that the Fund's Total Annual Fund Operating Expenses exceed 0.95% 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). If these expenses were included, the expense ratio would be higher.

Let's examine what happened: FAZ – Direxion Daily Financial Bear 3X Shares

	Day 1	Day 2	Day 3	Day 4
What happened?	<ul style="list-style-type: none"> Daily Return RGUSFL: -3.76% FAZ: 11.24% 	<ul style="list-style-type: none"> Daily Return RGUSFL: -1.48% Cumulative return of RGUSFL = -5.19% Cumulative return of RGUSFL x -3 = 15.57% Cumulative return of FAZ = 16.15% 	<ul style="list-style-type: none"> Daily Return RGUSFL: -14.31% Cumulative return of RGUSFL = -18.76% Cumulative return of RGUSFL x -3 = 56.28% Cumulative return of FAZ = 65.75% 	<ul style="list-style-type: none"> Daily Return RGUSFL: 11.96% Cumulative return of RGUSFL = -9.04% Cumulative return of RGUSFL x -3 = 27.12% Cumulative return of FAZ = 6.32%
Why?	FAZ seeks -300% of the daily performance of the RGUSFL.	After day 1 gain, FAZ was rebalanced to 300% of net assets, increasing exposure to RGUSFL. The result is a two-day cumulative over-performance of 0.58%, compared to three times the return of the RGUSFL.	After day 2, FAZ was rebalanced again and exposure levels were increased further. The result is that FAZ is now outperforming three times RGUSFL cumulatively by 9.47%.	After two days of gains and a daily increase of exposure, more capital is exposed to this sharp decline. The result is that the cumulative return of FAZ decreases at a greater rate than the 3x multiple of the cumulative index return. It is now underperforming by 20.80%.

RGUSFL= Russell 1000® Financial Services Index

FAS – Direxion Daily Financial Bull 3X Shares

	Day 1	Day 2	Day 3	Day 4
What happened?	<ul style="list-style-type: none"> Daily Return RGUSFL: -3.76% FAS: -11.27% 	<ul style="list-style-type: none"> Daily Return RGUSFL: -1.48% Cumulative return of RGUSFL = -5.19% Cumulative return of RGUSFL x 3 = -15.57% Cumulative return of FAS = -15.26% 	<ul style="list-style-type: none"> Daily Return RGUSFL: -14.31% Cumulative return of RGUSFL = -18.76% Cumulative return of RGUSFL x 3 = -56.28% Cumulative return of FAS = -51.83% 	<ul style="list-style-type: none"> Daily Return RGUSFL: 11.96% Cumulative return of RGUSFL = -9.04% Cumulative return of RGUSFL x 3 = -27.12% Cumulative return of FAS = -34.46%
Why?	FAS seeks 300% of the daily performance of RGUSFL.	After day 1 loss, FAS was rebalanced to 300% of net assets, decreasing exposure to RGUSFL. The result is a two-day cumulative over-performance of 0.31%, compared to three times the return of RGUSFL.	After day 2, FAS was rebalanced again and exposure levels were decreased further. The result is that FAS is now outperforming three times RGUSFL cumulatively by 4.45%.	After two days of losses and a daily reduction of exposure, less capital is available to benefit from this sharp rebound. The result is that FAS cannot keep pace with the 3x multiple of the index cumulative return. It is now underperforming by 7.34%.

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate. An investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Returns for performance under one year are cumulative, not annualized. Short-term performance, in particular, is not a good indication of a fund's future performance, and an investment should not be made based solely on returns.

A closer look at how these results were generated

In pursuit of achieving their daily leveraged investment objectives, all Direxion leveraged 3X ETFs must rebalance daily so that their total exposure to their respective index is equal to three times the net assets of the fund. In trending markets, either positive or negative, this rebalancing process generally has positive effects on the cumulative return of the fund, as seen during days 1 through 3 in our example. The Direxion Daily Financial Bull 3X Shares (**FAS**) achieved an “excess return” (as compared to three times the cumulative return of the index) of 4.45% at the end of day 3. The Direxion Daily Financial Bear 3X Shares (**FAZ**) achieved an even greater “excess return” of 9.47% at the end of Day 3.

In contrast, sharp market shifts or continually volatile markets can have a detrimental impact on the returns of leveraged ETFs. We can see in our example that in just one day (day 4), the “excess return” accumulated by both funds in the previous three days was completely erased. At the end of day 4, both funds’ cumulative returns lagged behind the cumulative return of the index multiplied by three (in the case of **FAS**), or multiplied by negative three (in the case of **FAZ**). In fact, in the case of **FAZ**, the day 3 single-digit excess return resulted in a double-digit lagging return of -20.80% in just one day.

An investor should consider the investment objectives, risks, charges, and expenses of Direxion Shares carefully before investing. The prospectus and summary prospectus contain this and other information about Direxion Shares. To obtain a prospectus or summary prospectus, please visit www.direxion.com. The prospectus or summary prospectus should be read carefully before investing.

The Russell 1000® Index is a trademark of Frank Russell Company (“Russell”) and has been licensed for use by the Trust. The Direxion Daily Financial Bull and Bear 3X Shares are not sponsored, endorsed, sold or promoted by Russell. Russell makes no representation regarding the advisability of investing in the Direxion Daily Financial Bull and Bear 3X Shares.

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 4:00 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.

Investing in a Direxion Shares ETF may be more volatile than investing in broadly diversified funds. The use of leverage by a Fund increases the risk to the Fund. The Direxion Shares ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged, or daily inverse leveraged, investment results and intend to actively monitor and manage their investment.

Direxion Shares Risks - An investment in each Fund involves risk, including the possible loss of principal. Each Fund is non-diversified and includes risks associated with the Funds’ concentrating their investments in a particular industry, sector, or geographic region which can result in increased volatility. The use of derivatives such as futures contracts and swaps are subject to market risks that may cause their price to fluctuate over time. Risks of each Fund include Effects of Compounding and Market Volatility Risk, Leverage Risk, Market Risk, Market Disruption Risk, Aggressive Investment Techniques Risk, Counterparty Risk, Intra-Day Investment Risk, and risks specific to the securities of the Financial Sector. Performance of companies in the financials sector may be materially impacted by many factors, including but not limited to, government regulations, economic conditions, credit rating downgrades, changes in interest rates and decreased liquidity in credit markets. Additional risks include, for the Direxion Daily Financial Bull 3X Shares, Daily Index Correlation/Tracking Risk and Other Investment Companies (including ETFs) Risk, and for the Direxion Daily Financial Bear 3X Shares, Daily Inverse Index Correlation/Tracking Risk, and risks related to Shorting and Cash Transactions. Please see the summary and full prospectuses for a more complete description of these and other risks of each Fund.

Distributor: Foreside Fund Services, LLC.

SUMMARY

The return of a leveraged ETF for ***a period longer than one day*** is the product of the series of leveraged daily returns for the fund within the period. It is not the return of the benchmark multiplied by the ETF’s target leverage point, 3X. The funds’ returns can be positively impacted by a smoothly trending index, or negatively by a volatile index for a period longer than one day.

Leveraged ETFs should be monitored frequently to ensure that desired exposure levels are maintained. If exposure levels grow beyond, or drop below, the levels sought by the investor, reallocation should be strongly considered.

