

Direxion U.S. 500 Plus ETF

Methodology Summary

Fund Summary

The Direxion U.S. 500 Plus ETF (SPXP) pairs core S&P 500 equity exposure with a systematic trend-following overlay that can be long or short across a diversified set of commodity and financial futures markets. It seeks to keep investors positioned in the equity market while using the trend overlay to help dampen drawdowns during periods of market stress. The fund provides “2 for 1” exposure within a single, capital-efficient structure, allowing a full equity allocation to be held alongside the trend (historically low-correlation) exposure.

SPXP may be considered a core alternative holding within a diversified portfolio.

Constituent Universe

Equity exposure is obtained through CME E-mini S&P 500 futures (ES), representing U.S. large-cap equities. The trend overlay spans twenty-one highly liquid, exchange-traded futures markets: twelve commodities across the energy, metals, and agricultural sectors, six currencies, and three interest rate markets, as defined in the current index methodology and subject to change.

Benchmark Index

Auspice U.S. Equity Plus Trend Index (AUSEPTI)

The Auspice U.S. Equity Plus Trend Index (AUSEPTI) is a rules-based index that combines continuous long exposure to U.S. large-cap equities through the S&P 500 with a systematic managed-futures trend strategy. The trend component is the Auspice Managed Futures Excess Return Index (inception December 2010), a rules-based strategy that takes long or short positions across a diversified portfolio of commodity and financial futures markets based on price trends. By holding these exposures together, the Index seeks to deliver equity market participation with the diversifying potential of trend following. *One cannot directly invest in an index.*

Strategy Positioning

The equity component maintains continuous long exposure to the S&P 500 throughout each period. The trend component takes either a long or a short position in each of the markets in its universe, based on a breakout in that market’s price trend: long when a market shows an upward trend, and short when it shows a downward trend. This long and short flexibility allows the trend overlay to position for both rising and falling trends, providing a potential diversifier to the continuously invested equity leg.

Roll Methodology

The S&P 500 futures position is rolled on a fixed quarterly schedule, from the expiring contract to the next standard quarterly contract.

The trend component employs a dynamic roll strategy that seeks to roll into the contract with the highest expected roll return along the forward curve, managing the impact of contango and backwardation for both long and short positions. This roll optimization applies to the commodity markets in the trend universe; the financial markets roll from the nearest eligible contract to the next.

Index Component Weighting

The Index holds fixed target weights: 100% notional exposure to the S&P 500 equity component and 100% notional exposure to the trend component, for a combined effective exposure of approximately 200% of the Index value. Stacking the equity and trend exposures in a single, capital-efficient structure is designed to let investors keep a full equity allocation while adding trend exposure. Within the trend component, each market is allocated an equal amount of risk within its group, either commodities or financials, and the allocation to each sector will vary as individual markets' volatility changes or positions are rebalanced.

Rebalancing

At the fund level, the Index rebalances back to its fixed 100% and 100% target weights on a set monthly calendar schedule, on the 10th business day of each month. Within the trend component, individual positions are rebalanced monthly when a market's current volatility exceeds a predetermined threshold level.

DEFINITIONS:

Short: Short selling is a trading strategy where investors speculate on a security's decline. Traders can profit if the security's price drops but can have theoretically limitless loss potential if the price increases.

Futures Contract: A futures contract is a legal agreement to buy or sell a particular commodity asset, or security at a predetermined price at a specified time in the future.

Correlation: Correlation is a statistical measure of how two assets move in relation to each other. It can be used for individual assets, like stocks, or to measure how a security moves relative to a broader market. The correlation coefficient measures the degree and direction of correlation between any two assets in a range between -1 and +1.

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

Diversification does not guarantee a profit and does not protect against a loss in a declining market.

Futures may be affected by backwardation or contango. Backwardation is a market condition in which a futures price is lower in the distant delivery month than in the near delivery month. Contango is a market condition in which the futures price is higher in the distant delivery month than in the near delivery month. In cases of contango, the Fund's total return may be lower than might otherwise be the case because the Fund would be selling less expensive contracts and buying a more expensive ones.

The Auspice U.S. Equity Plus Trend Index (the "Index") is the exclusive property of Auspice Capital Advisors Ltd. ("Auspice"). Auspice and the Auspice index name are service mark(s) of Auspice or its affiliates and have been licensed for use for certain purposes by the Direxion U.S. 500 Plus ETF. The financial securities referred to herein are not sponsored, endorsed, or promoted by Auspice, and Auspice bears no liability with respect to any such financial securities. No purchaser, seller or holder of this product, or any other person or entity, should use or refer to any Auspice trade name, trademark or service mark to sponsor, endorse, market or promote this product without first contacting Auspice to determine whether Auspice's permission is required. Under no circumstances may any person or entity claim any affiliation with Auspice without the prior written permission of Auspice.

The Auspice U.S. Equity Plus Trend Index as constructed by Auspice Capital Advisors Ltd. measures the performance of a multi-asset portfolio with 100% long exposure to E-mini S&P 500 futures and 100% long exposure to a managed futures strategy. One cannot directly invest in an index.

Direxion Shares Risks - An investment in the Fund involves risk, including the possible loss of principal. The Fund is non-diversified and includes risks associated with concentration that results from the Fund's investments in a particular industry, sector, or geographic region which can result in increased volatility. The Fund's 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 the Fund include, but are not limited to, Index Correlation Risk, Derivatives Risk, Commodity-Linked Derivatives Risk, Futures Contracts Risk, Currency Futures Investment Risk, Passive Investment and Index Performance Risk, Counterparty Risk, Cash Transaction Risk, Subsidiary Investment Risk, Interest Rate Risk, and Tax Risk. Please see the summary and full prospectuses for a more complete description of these and other risks of the Fund.

Exchange-traded commodity futures contracts generally are volatile and are not suitable for all investors. The value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity and may be affected by changes in overall market movements, volatility of the index, changes in interest rates, or factors affecting a particular industry or commodity, such as global pandemics, weather and other natural disasters, changes in supply and production, embargoes, tariffs and international economic, political and regulatory developments and changes in speculators' and/or investors' demand. Commodity-linked derivatives also may be subject to credit and interest rate risks that in general affect the value of debt securities. 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.

Risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the futures contract; (b) possible lack of a liquid secondary market for a futures contract and the resulting inability to close a futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Index's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities or financial instruments from its portfolio to meet daily variation margin requirements, which may lead to the Fund selling securities or financial instruments at a time when it may be disadvantageous to do so.

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