



CBSX Trader News Update

CBSX to Add New Stocks for Trading

TO: Members

Subject: Direxion Shares ETF Trust

Compliance and supervisory personal should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares (“Shares”) of the eight exchange-traded funds (“Funds”) listed below issued by Direxion Shares ETF Trust. Please forward this Information Bulletin to other interested persons within your organization.

The following securities have been approved for Listing on CBSX.

Exchange-Traded Funds

Symbol

Energy Bull 3X Shares	ERX
Financial Bull 3X Shares	FAS
Energy Bear 3X Shares	ERY
Financial Bear 3X Shares	FAZ
Large Cap Bull 3x Shares	BGU
Small Cap Bull 3x Shares	TNA
Large Cap Bear 3x Shares	BGZ
Small Cap Bear 3x Shares	TZA

Background Information on the Funds

As is more fully explained in the Registration Statement (No. 333-150525 and 811-22201) for the Trust, the Trust is a registered open-end management investment company currently consisting of separate investment series, i.e., the Funds. The Funds are investment companies registered under the Investment Company Act of 1940, as Amended (“1940 Act”), and commonly referred to as “exchange-traded funds.” The Trust consists of 36 separate series.

The Energy Bull 3X Shares and the Large Cap Bull 3X Shares seek daily investment results, before fees and expenses, of 300% of the price performance of the Russell 1000® Energy Index (“Energy Index”). Energy Bear 3X Shares and the Large Cap Bear 3X Shares seek daily investment results, before fees and expenses of 300% of the inverse (or opposite) of the price performance of the Energy Index.

The Financial Bull 3X Shares and the Small Cap Bull 3X Shares seek daily investment results, before fees and expenses of 300% of the price performance of the Russell 2000® Financial Services Index (“Financial Services Index”). The Financial Bear 3X Shares and the

Small Cap Bear 3X Shares seek daily investment results, before fees and expenses of 300% of the inverse (or opposite) of the price performance of the Financial Services Index.

Rafferty Asset Management LLC serves as the investment adviser to the Funds. Foreside Fund Service, LLC (the “Distributor”) is the distributor for the Funds. Bank of New York Mellon is the custodian, administrator, transfer agent and fund accounting agent for the Funds.

As described more fully in the Trust’s Prospectus and statement of Additional Information (“SAI”), each Fund issues and redeems shares at their net asset value (“NAV”) only in large blocks of 100,000 Shares (each block of 100,000 Shares called a “Creation Unit”). Creation units of the Bull Funds are issued and redeemed principally in-kind for securities included in the relevant underlying index and an amount of cash. Creation Units of the Bear Funds are purchased and redeemed for cash. Shares of the Funds will trade on the Exchange at market prices that may differ from their NAV. Except when aggregated in Creation Units, the Shares, may not be redeemed with a Fund.

Each Fund pays out dividends from its net investment income, and distributes any net capital gains, to its shareholders at least annually. Each Fund is authorized to declare and pay capital gain distribution in additional Shares thereof or in cash; if a Fund declares such a distribution, a holder of Shares will receive additional Shares thereof unless it elects to receive cash.

The Depository Trust Company (“DTC”) serves as securities depository for the Shares, which may be held only in book-entry form; stock certificates will not be issued. DTC, or its nominee, is the record or registered owner of all outstanding Shares.

Each Fund’s NAV is determined shortly after 3:00 p.m. Central standard time (“CT”). The NAV is available from the Trust and is also available to National Securities Clearing Corporation (“NSCC”) participants through data made available from the NSCC.

The Trust registration statement describes the various fees and expenses for the Fund’s Shares. For a more complete description of the Funds and Indexes, visit www.direxionshares.com.

Purchases and Redemption in Creation Unit Size

Members are hereby informed that procedures for purchase and redemption of Shares in Creation Units are described in the Trust’s Prospectus and Statement of Additional Information and that Shares are not individually redeemable but are redeemable only in Creation Unit aggregations or multiples thereof. As described in the Prospectus, Creation Units of Bull Funds are issued and redeemed principally in-kind for securities included in the relevant underlying index and as amount of cash and Creation Units of the Bear Funds are purchased and redeemed for cash.

Principle Risks

Interested persons are referred to the Trust’s Prospectus for a description of risks associated with an investment in the Shares. These risks include, but are not limited to, the risk that each Fund’s investment strategy may subject such Fund to greater changes to the value of portfolio holdings and imperfect correlation to the relevant Underlying Index. Each Fund may also not correlate to the relevant Underlying Index for a number of reasons including the

incursion by the Fund of operating expenses and costs associated with the use of leveraged investment techniques. Over time, the cumulative percentage increase or decrease in the NAV of a Fund may diverge significantly from the cumulative percentage increase or decrease in the multiple return of the Underlying Index due to the compounding effect of losses and gains on the returns of a Fund. In addition, as noted in the Prospectus, the Shares trade at market prices that may differ from their NAV. The NAV of the Shares will fluctuate with changes in the market value of the Fund's holdings while the market price of the Shares will fluctuate in accordance with changes in the NAV as well as supply and demand for the Shares.

Exchange Rules Applicable to Trading the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

Trading Hours

The value of the Index underlying the Shares will be disseminated to data vendors every 15 seconds. The Shares will trade on the CBSX from 8:15 a.m. CT until 3:00 p.m. CT. The trading increment for the Fund's Shares will be \$0.01.

Extended Hours Trading

Members are reminded that trading in the Fund's Shares prior to 8:30 a.m. may result in additional trading risks which include: (1) that the current underlying index value may not be updated, (2) the intraday indicative value may not be updated, (3) lower liquidity may impact pricing, (4) higher volatility may impact pricing, (5) wider spreads may occur, and (6), since the intraday indicative value is not calculated or widely disseminated, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

Trading Halts

The Exchange will halt trading in the Shares based on Rule 52.3 and/or because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased.

Suitability

Members are reminded of their obligation under Rule 53.6 whereby the Member shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

Delivery of a Prospectus

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, Members are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial

public offering). Members purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, the Exchange requires that Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

An Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members under this rule.

Upon request of a customer, Members shall also provide a copy of the Prospectus.

This Information Bulletin is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Inquiries regarding this Information Bulletin should be directed to David Reed, CBSX Business Analyst and HelpDesk 866.458.2279.