

ITEM 1
COVER PAGE

PART 2A OF FORM ADV: FIRM BROCHURE

RAFFERTY ASSET MANAGEMENT, LLC

March 25, 2021

Rafferty Asset Management, LLC
1301 Avenue of the Americas (6th Ave.), 28th Floor
New York, New York 10019
(646) 572-3390
www.direxion.com

This brochure provides information about the qualifications and business practices of Rafferty Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (646) 572-3390 or at info@direxion.com via www.direxion.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

The Investment Adviser is registered as an investment adviser with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Rafferty Asset Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2

MATERIAL CHANGES

Rafferty Asset Management LLC (“Rafferty”) is required to identify and discuss any material changes made to our Brochure since the last update. Our last update was on March 1, 2020. We are discussing only material changes since our last annual update. The material changes are:

- There were no material changes since the last update to the ADV Part II

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ADVISORY BUSINESS

Rafferty Asset Management, LLC (“Rafferty”) generally provides investment advisory services to registered investment companies and subsidiaries of registered investment companies (each a “Fund”, and collectively, the “Funds”). Rafferty is organized under the laws of the State of New York as a limited liability company. Rafferty is also registered as a Commodity Pool Operator (“CPO”). Rafferty Holdings LLC and Minakian Partners, LLC are the principal owners of Rafferty. Rafferty began operations in 1997.

Rafferty serves as the investment advisor and provides advisory services to the Direxion Funds (formerly the Potomac Funds), the Direxion Insurance Trust, and the Direxion Shares ETF Trust (each a “Trust” and collectively, the “Trusts”), each of which are investment companies registered under the Investment Company Act of 1940, as amended (“1940 Act”). The portfolios of the Trusts can broadly be divided into six categories: (1) leveraged index exchange-traded funds (“ETFs”), leveraged inverse index ETFs, and inverse ETFs which seek returns that are 3X/-3X/2X/-2X/-1X the return of an index for a single day before fees and expense (collectively, the “Leveraged ETFs”); (2) leveraged and leveraged inverse mutual funds that seek returns that are 2X/-2X/1.35X/-1.35X/1.25X/-1.25X/1.2X of an index for a single month before fees and expenses (collectively, the “Leveraged Funds”); (3) Relative Weight ETFs which seek returns that are long 150% one index and short 50% a second index (4) unleveraged index ETFs which seek to track the returns of an index before fees and expenses (“Conventional ETFs”); (5) actively-managed ETFs (“Active ETFs”); and (6) a mutual fund that is actively managed by a subadviser (“Subadvised Fund”).

Rafferty primarily uses mathematical models to determine the amount and type of investments the Leveraged ETFs, Leveraged Funds, and Conventional ETFs should utilize to meet their respective investment objective. For these funds, Rafferty does not make judgments regarding the investment merit of a particular security or instrument and does not apply any economic, financial or market analysis to its management of these funds because each fund tracks an index, a multiple, inverse, or inverse multiple of an index or indices.

Rafferty manages the Active ETFs pursuant to the investment objective outlined in the Active ETFs’ prospectus.

Hilton Capital Management, LLC (“Subadviser”) is an affiliate of Rafferty and is engaged by Rafferty and approved by the Direxion Funds’ Board of Trustees to manage the Subadvised Fund pursuant to the investment objective outlined in the Subadvised Fund’s prospectus, subject to Rafferty’s oversight. Rafferty personnel perform ongoing oversight and routine due diligence reviews of the Subadviser.

Rafferty is the subadviser for three ETFs that are registered with the Securities and Futures Commission of Hong Kong and traded on the Stock Exchange of Hong Kong (“Hong Kong ETFs”). Rafferty does not market these funds.

Advisory services consist of managing each fund’s portfolio in accordance with the fund’s investment objective and strategy, applicable regulatory guidelines, and is subject to oversight by the Board of Trustees of each Trust.

Rafferty also acts as the Investment Advisor for two Cayman Island investment entities, which are wholly-owned subsidiaries of the two Active ETFs. Rafferty does not market these funds to individuals, nor are they available for purchase as investment products.

As of December 31, 2020, Rafferty manages \$19,553,693,174 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Fees for providing advisory or management services to the Trusts are approved by the Board of Trustees of the Trusts. The advisory fee for operational funds is calculated at an annualized rate of each Fund's average daily net assets, unless otherwise noted below:

Rafferty generally charges the following in management fees:

- 3X/-3X Leveraged ETFs 0.75%;
- 2X/-2X Leveraged ETFs 0.50% and 0.75%;
- -1X Leveraged ETFs 0.35%, and 0.60%;
- 150/50 Long/Short ETFs 0.30%, 0.35% and 0.40%
- Conventional ETFs 0.30%, 0.35%, 0.40%, 0.45% 0.50% and 0.60%;
- Active ETFs 0.50% and 0.25%;
- Subadvised Fund 0.79%; and
- Leveraged Mutual Funds 0.75%

Rafferty serves as subadviser to the Hong Kong ETFs for which Rafferty is paid a fee of 0.495% from each of the Hong Kong ETFs.

For the Subadvised Fund, Rafferty pays the Subadviser 0.59% of its advisory fee pursuant to the Subadvisory Agreement between Rafferty and Subadviser.

The Board of Trustees of each Trust may terminate the investment advisory agreement with Rafferty at any time with 60 days' prior written notice. Additionally, Rafferty may terminate the Subadvisory Agreement between Rafferty and the Subadviser at any time with 60 days' prior written notice. The above fees are not negotiable. Rafferty does not charge a performance fee. For additional information regarding a specific Fund's management fee rates, please refer to the Fund's offering documents.

ITEM 6
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

This Item is not applicable, as Rafferty does not charge performance fees.

ITEM 7
TYPES OF CLIENTS

Rafferty generally provides investment advice to registered investment companies and subsidiaries of registered investment companies, which typically have minimum investment requirements as described in their respective prospectuses.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Rafferty utilizes a variety of methods and strategies to make investment decisions and recommendations and these methods and strategies may vary between the registered investment products that are series of the Direxion Shares ETF Trust and the Direxion Funds (collectively referred to as the “Funds” or individually as a “Fund”). Rafferty manages index-linked products in a manner that attempts to ensure that the portfolios are exposed to the markets in accordance with the stated goal of each Fund’s investment objective. Rafferty generally invests the various Funds in: exchange-listed securities; non-affiliated, non-leveraged ETFs; securities traded over-the-counter; foreign issuers; corporate debt securities (other than commercial paper); mutual fund shares; United States government securities; futures contracts; and derivatives such as swap contracts and contracts for differences.

For the Funds it manages, Rafferty generally uses a mathematical model to generate investment decisions that may result in repositioning each index-linked ETF or Fund in accordance with its investment objective. Using this approach, Rafferty determines the type, quantity and mix of investment positions that it believes in combination should produce returns consistent with a Fund’s investment objective.

Investing involves various risks which include the possible loss of principal. An investment in a Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation, Securities Investor Protection Corporation, or any other government agency. When a shareholder sells their Fund shares, the shares could be worth less than what the shareholder paid for them. Each Fund could lose money or its performance could trail that of other investment strategies. There is no guarantee that a Fund will achieve its investment objective. Rafferty may utilize investment strategies that have specialized risks including risks associated with the use of derivatives such as swap agreements, futures contracts, forward contracts, and similar instruments. These risks include imperfect correlation with a Fund’s underlying index, leveraged compounding, leverage, market price variance, counterparty risk and liquidity risk, which could increase a Fund’s volatility and decrease its performance. The primary types of risks investors will be subject to will largely depend upon which Fund is chosen for investment. For a detailed list of risks that affect a particular Fund, please refer to each Fund’s prospectus.

The Leveraged ETFs and Leveraged Funds that Rafferty manages seek returns that are a multiple, or inverse multiple, of an index for a single day or month, before fees and expenses, and are intended to be used as short-term trading vehicles. The Leveraged ETFs and Leveraged 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 Leveraged ETFs do not attempt to, and should not be expected to, provide returns which are a multiple of the return of a Fund’s respective index for periods other than a single day. Each Leveraged ETF rebalances its portfolio on a daily basis; for those ETFs with Bull in their name (a “Bull ETF”) increasing exposure in response to the index’s daily gains or reducing exposure in response to the index’s daily losses, and for those ETFs with Bear in their name (a “Bear ETF”), increasing exposure in response to the index’s daily losses or reducing exposure in response to the index’s daily gains. This means that for a period longer than one single day, the pursuit of daily goals may result in leveraged compounding. It also means that the return of an index over a period of time greater than one day multiplied by the Leveraged ETF’s daily target generally will not equal the Leveraged ETF’s performance over that same period. A Leveraged ETF may be unable to rebalance all or part of its portfolio on a daily basis, or if all or a portion of its portfolio is rebalanced incorrectly, a Fund’s investment exposure may not be consistent with its investment objective and may result in a Fund having investment exposure to its index that is significantly greater, or significantly less, than its stated multiple.

The Leveraged Funds seek calendar month leveraged returns, which means that the funds attempt to provide returns which are a multiple, or inverse multiple, of the return of an index for the period of one

calendar month. Each Leveraged Fund rebalances its portfolio on a calendar month basis to gain exposure to the index. This means that if an investor purchases a Leveraged Fund on a day other than the last business day of the month, they may receive more or less than the multiple of the return of a Fund's respective index. It also means that for a period greater than one full calendar month, the return of a Fund will be better or worse than the return of its index multiplied by a Fund's monthly target as a result of leveraged compounding. Each Leveraged Fund rebalances its portfolio on a monthly basis; for those funds with Bull in their name (a "Bull Fund") increasing exposure in response to the index's monthly gains or reducing exposure in response to the index's monthly losses, and for those funds with Bear in their name (a "Bear Fund"), increasing exposure in response to the index's monthly losses or reducing exposure in response to the index's monthly gains. This means that for a period longer than one month, the pursuit of monthly goals may result in leveraged compounding. It also means that the return of an index over a period of time greater than one month multiplied by a Leveraged Fund's monthly target generally will not equal the Leveraged fund's performance over that same period.

All the Funds are affected by adverse market conditions, including the risk of natural disasters, epidemics, or other market disrupting events. Because certain Leveraged ETFs and Leveraged Funds attempt on a daily or monthly basis to track the performance of an index or magnify the performance of an index, these Funds' performance will suffer during conditions in which their target index declines. Other Leveraged ETFs or Leveraged Funds attempt to track the inverse or leveraged inverse of the performance of a target index on a daily or monthly basis, the performance of these Funds will suffer when the target index increases. There can be no guarantee that a Fund will achieve a high degree of correlation with its investment objective relative to its benchmark index.

Certain Funds focus their investments in a particular industry, sector or geographic region to approximately the same extent as their respective indices; as a result, these Funds may be subject to concentration risk and the performance of these Funds may be more volatile than a fund that does not concentrate its investments in a particular industry, sector or geographic region. The Funds are also subject to non-diversification risk because the Funds may invest a high percentage of their assets in a limited number of securities.

To the extent that a Fund invests in, or seeks exposure to, foreign securities or indexes, as applicable, the investments may be in the form of depository receipts or swaps on depository receipts or futures, and although these provide an alternative to directly purchasing the underlying foreign securities in their respective national markets, they are still subject to certain risks associated with investing directly in foreign securities. For Funds that invest in, or have exposure to, foreign securities, share price may be affected by changes in foreign currency exchange rates. Certain Funds also invest in, or have exposure to, emerging market instruments, which involve greater risks than indirectly investing in foreign instruments in general. Overall, investing in foreign instruments entails greater risk because they are affected by fluctuations in currency exchange rates, political, diplomatic or economic conditions and regulatory requirements in other countries, among other factors.

Further, because Funds may invest in, and/or have exposure to, investments that may be traded in markets that are closed when the NYSE Arca, Inc. is open, there are likely to be deviations between the current value of an underlying investment and last sale pricing (*i.e.*, the last quote from its closed foreign market), resulting in premiums or discounts to net asset value that may be greater than those experienced by other ETFs or funds.

Investments in derivatives by the Funds may pose risks in addition to, and greater than, those associated with directly investing in the securities underlying those derivatives or in other investments. A Fund may invest in derivatives involving counterparties for the purpose of attempting to gain exposure to a particular group of securities or an asset class without actually purchasing those securities or investments.

The use of derivatives, such as swaps and futures contracts, is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. For example, a Fund is exposed to the risk that the counterparty may be unwilling or unable to make timely payments to meet its contractual obligations or may fail to return holdings that are subject to the agreement with the counterparty. If the counterparty becomes bankrupt or defaults on its payment obligations to a Fund, a Fund may not receive the full amount it is entitled to receive. In addition, a Fund may enter into swap agreements that involve a limited number of counterparties, which may increase a Fund's exposure to counterparty credit risk. Each Fund does not specifically limit its counterparty risk with respect to any single counterparty. Further, 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, the Fund may not be able to achieve its investment objective. Derivatives, as well as other securities, may be difficult to sell, or deemed to be illiquid, particularly during times of market turmoil. Illiquid securities also may be difficult to value. If a Fund is forced to sell an illiquid security at an unfavorable time or at a price that is lower than Rafferty's judgment of the security's true market value, a Fund may be forced to sell the security at a loss.

Each Leveraged ETF or Conventional ETF sells and redeems creation units to Authorized Participants who work with market makers to place shares in the secondary market. Each Leveraged ETF or Conventional ETF 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, ETF shares may trade at a premium or discount to net asset value. Further, shares traded on the secondary market may be purchased or sold at a premium or discount to the underlying basket of securities, a risk which may increase with increased levels of volatility in the market. There is a risk that a shareholder purchasing shares at a premium on the secondary market may have their investment suffer a paper loss when the net asset value ("NAV") is calculated at the end of that trading day. As this risk occurs in the secondary market between individual investors, Rafferty has no ability to control or mitigate this risk. Investors should consider carefully the basket of underlying securities versus the price of Fund shares being traded in the market. Likewise, it is important that investors consider the bid/ask spread, as the wider the bid/ask spread the greater potential for price volatility and the potential that the fund is selling at a premium or discount.

There is a risk that 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 maybe restricted, which may result in the Fund being unable to buy or sell certain securities or financial instruments. In such circumstances, a Fund would be unable to rebalance its portfolio, possibly unable to accurately price its investments, and incur substantial trading losses. Certain Funds may engage in active and frequent trading due to daily or monthly rebalancing of their portfolios, as applicable, which may lead to increased portfolio turnover, higher transaction costs, and the possibility of increased short-term capital gains, which will generally be taxable to shareholders as ordinary income when distributed to them. This high portfolio turnover also causes certain Funds to generate significant amounts of taxable income and such Funds will generally need to distribute this income in order to satisfy certain tax requirements. As a result, these Funds could make large and/or frequent distributions, and these distributions could comprise a substantial portion or even all of the Fund's net assets. Because of high portfolio turnover, transaction costs, and/or a temporary lack of liquidity in the markets for the securities held, a Fund may have difficulty achieving its target investment return due to fees and expenses.

Certain Funds may invest in, and/or have exposure to, the securities of micro-capitalization, small- and/or mid-capitalization companies which involves greater risks and the possibility of greater price volatility than investing in more-established, larger-capitalization companies.

Each Fund may also invest in, and/or have exposure to, the securities of other investment companies and ETFs. There are special risks associated with investments in the securities of other investment

companies and ETFs. Investments in the securities of other investment companies and ETFs may involve duplication of advisory fees and certain other expenses. Fund shareholders indirectly bear the Fund's proportionate share of the fees and expenses paid by shareholders of the other investment company or ETF, in addition to the fees and expenses Fund shareholders directly bear in connection with the Fund's own operations.

The Trust has entered into a Securities Lending agreement with the Bank of New York. There is a risk that securities that have been lent out to a third party will not be returned when called. To mitigate this risk Bank of New York has agreed to indemnify the Trust for any securities that are not returned within the required parameters. There is also a risk that Bank of New York could fail leaving Direxion unable to recovery securities which have been lent.

Shares of ETFs are not individually redeemable and may be redeemed by the Fund at its NAV only in large blocks known as Creation Units by Authorized Participants. Most individuals will purchase shares on the secondary market and incur related brokerage costs. Shares of an ETF trading on the secondary market will fluctuate in response to changes in the value of the ETF's holding and supply and demand for shares. Shareholders that purchase or sell on the secondary market may trade shares at a price greater than NAV (a premium) or less than NAV (a discount). There may also be a significant difference (spread) between the price that purchasers are will to pay for shares (the bid) and the price at which sellers are willing to sell shares (the ask). Trading in shares on an exchange may be halted due to market conditions that, in the view of the exchange, make trading in shares inadvisable, such as extraordinary market volatility or other reasons. Rafferty cannot predict whether shares of a Fund will trade at a premium or discount on the secondary market or what the bid-ask spread will be for shares at any given time.

If a Fund's investment objective is to track a benchmark, Rafferty keeps the portfolios fully invested at all times in securities or other financial instruments that provide exposure to the Fund's benchmark without regard to market conditions. For Funds that track an index, or a multiple of an index, Rafferty does not generally make judgments regarding the merits of any particular security and does not attempt to apply economic, financial or market analysis or attempt to take temporary or defensive positions based on market conditions. Rafferty may execute many of its transactions at or near the end of the trading day based on estimates of the net cash available from a Fund's net purchase and redemption activity as well as other adjustments to ensure the Funds achieve their investment objectives of tracking an index or a multiple of an index.

The Subadviser manages the Subadvised Fund in accordance with its investment objectives and guidelines and is subject to oversight by Rafferty. In managing the Subadvised Fund, the Subadviser is expected to apply different strategies than Rafferty's investment management approach as described above. The Subadviser may invest the Subadvised Fund's assets in a variety of investment vehicles, including equities, bonds, options and various derivative instruments. The Subadviser's investment strategy and related risks are described within the Subadvised Fund's prospectus.

Since the use of technology has become more prevalent in the course of business, the Funds may be more susceptible to operational risks through breaches in cybersecurity. A cybersecurity incident may refer to either intentional or unintentional events that allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause a Fund or a Fund service provider to suffer data corruption or lose operational functionality. A cybersecurity incident could, among other things, result in the loss or theft of customer data or funds, customers or employees being unable to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or remediation costs associated with system repairs. Any of these results could have a substantial impact on the Funds. For example, if a cybersecurity incident results in a denial of service, Fund shareholders could lose access to their electronic accounts for an unknown period of time,

and employees could be unable to access electronic systems to perform critical duties for the Funds, such as trading, NAV calculation, shareholder accounting or fulfillment of Fund share purchases and redemptions. Cybersecurity incidents could cause a Fund or the Funds' Adviser or distributor to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, or financial loss of a significant magnitude. They may also cause a Fund to violate applicable privacy and other laws. The Funds' service providers have established risk management systems that seek to reduce the risks associated with cybersecurity, and business continuity plans in the event there is a cybersecurity breach. However, there is no guarantee that such efforts will succeed, especially since a Fund does not directly control the cybersecurity systems of the issuers of securities in which each Fund invests or the Funds' third party service providers (including the Funds' transfer agent and custodian).

ITEM 9
DISCIPLINARY INFORMATION

There are no disciplinary matters to report.

ITEM 10
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Rafferty is under common control with Rafferty Capital Markets, LLC (“RCM”) and Hilton Capital Management, LLC (“Hilton”). RCM is the Distributor for the Direxion Funds which includes the Subadvised Fund and the Leveraged Funds. Hilton is an SEC registered investment advisor and subadviser to the Subadvised Fund. Rafferty is registered as a commodity pool operator (“CPO”) with the National Futures Association. Additionally, Rafferty has two wholly-owned subsidiaries, Direxion Asset Management, LLC and Direxion Asia Limited.

Direxion Asset Management, LLC is a wholly-owned subsidiary of Rafferty and a CPO that is registered with the National Futures Association and was previously the Sponsor of two Securities Act of 1933 registered commodity pools that traded on the New York Stock Exchange as part of the Direxion Shares ETF Trust II. While there are no products currently registered in the Direxion Shares ETF Trust II, Direxion Asset Management, LLC may consider opening similar type products in the future. Rafferty has adopted policies and procedures designed to detect and monitor for such conflict of interests and when they do arise, to ensure that it effects transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable laws.

Direxion Asia Limited is a Hong Kong limited company that provides marketing services for Rafferty in Hong Kong and other Asian countries.

Rafferty serves as subadviser to three ETFs that are registered with the Securities and Futures Commission of Hong Kong and traded on the Stock Exchange of Hong Kong. Rafferty does not market these funds.

Rafferty may simultaneously recommend the sale of a particular security for one Fund while recommending the purchase of the same security for another Fund if such recommendations are consistent with each Fund’s investment objectives and strategies. Some Funds may be competing for similar positions in the market. When providing services to multiple Funds, liquidity, price volatility, and other differences in order execution may make it impossible to obtain identical trade execution for all Funds. Rafferty maintains policies and procedures designed to address these inherent conflicts and to ensure all Funds are treated fairly over time.

ITEM 11
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND
PERSONAL TRADING

Principals, officers, and employees (and members of their households) of Rafferty may invest in certain funds and ETFs advised by Rafferty. In addition, these individuals may trade certain securities for their own accounts and may execute such trades through any broker/dealer. These may be the same broker/dealers that Rafferty's clients may utilize to conduct their trading. It is possible that officers and employees may buy or sell securities or other instruments that Rafferty has transacted upon on behalf of clients or may engage in transactions that are inconsistent with the recommendations that Rafferty has made to clients regarding certain securities. Similarly, employees of Rafferty may buy or sell securities or other instruments that Rafferty or its subadviser transact for client accounts. Rafferty has adopted policies and procedures designed to detect and mitigate such conflicts of interest and to ensure that Rafferty conducts transactions for clients in a manner that is consistent with its fiduciary duty to its clients and in accordance with applicable law. For example, Rafferty does not perform the trading functions for its Subadvised Fund and Rafferty employees are generally not privy to subadviser trading activity in advance of each trade.

Rafferty employees may engage in personal securities transactions in accordance with Rafferty's Code of Ethics, which: a) is designed to be consistent with Rule 17j-1 under the 1940 Act and Section 204A-1 under the Investment Advisers Act of 1940; and b) requires Rafferty employees to routinely report personal securities transactions and securities holdings information. Upon request, Rafferty will provide a client or prospective client with a copy of its Code of Ethics.

Rafferty and its affiliated persons may from time to time come into possession of material nonpublic and other confidential information about companies which, if disclosed, could impact an investor's decision to buy, sell, or hold a security. Under applicable law, Rafferty and its affiliated persons would be prohibited from improperly disclosing or using this information for their personal benefit or for the benefit of any person, regardless of whether the person is a client of Rafferty. Therefore, Rafferty has policies and procedures that are designed to comply with applicable laws if Rafferty or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any company.

ITEM 12

BROKERAGE PRACTICE

If clients have given Rafferty authority to select broker-dealers, Rafferty allocates portfolio transactions principally based on Rafferty's evaluation of the broker-dealers execution capability and execution price. Rafferty also uses other factors when selecting broker-dealers for transactions or a series of transactions which are include but are not limited to the following items:

1. The ability to execute trades;
2. The brokers access to liquidity in a given security;
3. The quality of the brokers trade settlement process;
4. Relationship management between the Rafferty and the broker;
5. Operations and the ability to self-clear;
6. The brokers analytics; and
7. The risk of the broker including such items as headline risk.

The trading practices used for some Funds may be different from those used for other Funds. For example, Rafferty may purchase or sell transactions at the market close price for some Funds and then for other Funds conduct transactions intra-day or prior to close. The trading practices used are determined based on each Fund's respective investment objectives. The transactions prices for securities in Fund accounts may vary, especially during volatility markets, depending on the time of execution and price movements.

For the registered investment products it managers, Rafferty has authority to determine, without obtaining specific consent, the securities to be bought or sold, the amount of the securities to be bought or sold, the broker or dealer to be used, and the commission rates paid. Rafferty does not consider the promotion of a Fund's shares and does not enter into any agreements or understanding, written or oral, under which brokerage transactions or remuneration are directed to a broker-dealer or counterparty to pay for a Fund's distribution or any other Fund's shares.

Rafferty does not maintain formal or informal "soft dollar arrangements" with broker-dealers. In a soft dollar arrangement, a broker-dealer provides lawful research or other services intended to assist an adviser with its investment decision making processes in exchange for commission dollars routed to the broker-dealer. While Rafferty does not maintain any such soft dollar arrangement, Rafferty may receive research information from broker-dealers generally made available to all advisers who trade with such broker-dealers. The Subadviser may maintain formal or informal soft dollar arrangements, subject to the requirements of Section 28(e) of the Securities Exchange Act of 1934 and reasonable internal policies and procedures in effect at the sub-adviser.

Rafferty maintains a Trade Error Policy, which outlines Rafferty's approach to addressing trade errors. For purposes of this policy, a "trade error" refers to the execution of a transaction by Rafferty on behalf of a client on terms other than those intended by Rafferty, but specifically excludes administrative or operational errors committed by personnel at Rafferty. Rafferty's policy is to act promptly to correct, limit or mitigate the effect of the trade error. Rafferty defers to each Fund's NAV Error Correction policy to determine the appropriate action to take with respect to a Fund following identification of a trade error.

Rafferty faces an inherent conflict in addressing trade errors, as trade errors are often detected by Rafferty personnel who may have an incentive to mitigate such trade errors in Rafferty's favor, to the detriment of the Funds. To address this risk, Rafferty logs all trade errors onto a Trade Error Log, and Rafferty's Management and Compliance teams actively review all trade errors on a quarterly basis. Rafferty believes these controls, along with Rafferty's compliance education training program and routine reviews

of trading activity by Rafferty's Risk Management and Compliance Departments, function to mitigate these inherent risks.

The Subadviser is required to maintain appropriate policies, procedures and controls surrounding its brokerage and trading practices, ensuring the Subadvised Fund is not disadvantaged in connection with the Subadviser's portfolio management trading activities. Rafferty personnel consider the Subadviser's portfolio management and trading activities in connection with Rafferty's ongoing oversight of the Subadviser.

ITEM 13

REVIEW OF ACCOUNTS

Rafferty currently provides investment advisory services to pooled investment vehicles (registered investment companies and their subsidiaries) which generally have net asset values (“NAVs”) that are made available each day. As a consequence, the performance of each of Rafferty’s clients is available with the release of the NAVs for the shares of each Fund. Rafferty reviews client accounts for accuracy and consistency with Fund objectives and provides holdings and transaction information to each registered investment company or its subsidiary’s fund accountant or administrator every business day.

ITEM 14
CLIENT REFERRALS AND OTHER COMPENSATION

The Funds may pay fees to broker-dealers and other financial intermediaries that provide distribution services for the Funds. This practice presents an inherent conflict for Rafferty, as its trading personnel may have an incentive to direct trades to broker-dealers that provide distribution services for the Funds as an additional means of compensating those broker-dealers. Rafferty's Management and Compliance Teams routinely review broker-dealers used by Rafferty for propriety.

ITEM 15 CUSTODY

Rafferty is deemed to have custody of client funds and securities because it has the authority to obtain client funds or securities, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account. Account statements related to the clients are sent by qualified custodians to Rafferty.

Rafferty is subject to Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). However, it is not required to comply (or is deemed to have complied) with certain requirements of the Custody Rule with respect to each Fund because it complies with the provisions of the so-called "Pooled Vehicle Annual Audit Exception," which, among other things, requires that each fund be subject to an audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board and requires that each fund distribute its audited financial statements to all investors within 60 days of the end of its fiscal year. Further, the Trusts are required under the 1940 Act to maintain their assets with certain qualified financial institutions pursuant to an agreement between the Funds and the custodian.

ITEM 16

INVESTMENT DISCRETION

Rafferty provides discretionary investment advisory services to registered investment companies and their wholly-owned subsidiaries. Rafferty places orders to buy and sell portfolio securities, determines what securities are bought or sold and the total amount of securities bought or sold. Rafferty also selects the qualified broker-dealers or counterparties with whom orders are placed for purchase or sale of securities or other financial instruments. Rafferty negotiates the price per share, the commission rates for the transactions and the financing costs if applicable. Please see Item 4 for more details regarding Rafferty's discretionary authority. Prior to assuming discretion in managing a client's assets, Rafferty enters into an investment management agreement or other agreement that sets forth the scope of our discretion.

The Subadviser to the Subadvised Fund is granted discretionary authority to manage the portfolio securities pursuant to the Subadvised Fund's investment objective and restrictions.

ITEM 17

VOTING CLIENT SECURITIES

Rafferty has been granted authority to vote proxies for client securities and has adopted policies and procedures with respect to voting these proxies related to portfolio securities of clients, including the Subadvised Fund.

The proxy voting policies and procedures Rafferty has adopted are designed to ensure that Rafferty votes proxies with respect to client securities in the best interests of our clients. Rafferty currently utilizes Institutional Shareholder Services (“ISS”) to assist Rafferty with the overall proxy voting process. ISS is a subsidiary of Vestar Capital Partners and has expertise in providing a variety of proxy-related services to institutional investment managers, plan sponsors, custodians, consultants and other institutional investors. ISS provides in-depth research, global issuer analysis and voting recommendations, vote execution, reporting and recordkeeping. ISS provides routine reports to Rafferty which confirm whether proxies are voted consistent with Rafferty’s guidelines.

Proxies are generally voted by ISS in accordance with the voting recommendations contained in Rafferty’s guidelines, which: a) are modeled on ISS’ recommended proxy voting guidelines; b) have been adopted by Rafferty; and c) are periodically reviewed by Rafferty. If necessary, ISS will consult Rafferty on non-routine matters, which rarely occur and are generally due to potential conflicts with ISS’ ability to independently vote the shares. Rafferty believes that, based on its review of ISS’ voting guidelines, that the provided guidelines represent the best interests of shareholders.

Rafferty works with ISS and the Funds’ administrator to file Form N-PX for each Trust which provides a record of the proxies voted for each portfolio of the applicable Trust. Form N-PX is available on the SEC’s website (www.sec.gov). These records are maintained for five years and the previous two years of proxy voting records can be accessed by the funds administrator. Clients may obtain a copy of Rafferty’s proxy voting policies and procedures and information about how Rafferty voted a client’s proxies upon request.

ITEM 18
FINANCIAL INFORMATION

Rafferty does not require the prepayment of advisory fees and there are no financial conditions that are reasonably likely to impair Rafferty's ability to meet contractual commitments to clients.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

RAFFERTY ASSET MANAGEMENT, LLC

March 30, 2021

Rafferty Asset Management, LLC
Paul Brigandi
1301 Avenue of the Americas (6th Ave.), 28th Floor
New York, New York 10019
(646) 572-3390
www.direxion.com

This brochure supplement provides information about Paul Brigandi that supplements the Rafferty Asset Management, LLC Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Client Services at 646-572-3390, or at info@direxion.com via www.direxion.com, if you did not receive the Rafferty Asset Management, LLC brochure or if you have any questions about the contents of this supplement.

ITEM 2
EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Paul Brigandi, Rafferty Asset Management, LLC- Managing Director, Head of Trading and Portfolio Management since January 2010 through the present period. He was a Portfolio Manager from 2004 to January 2010. Mr. Brigandi is responsible for the day to day trading, management, and oversight of the portfolio management for the Direxion Shares ETF Trust, Direxion Funds and the Direxion Insurance Trust. Prior to joining the firm he worked for FleetBoston Financial as an Associate Financial Consultant. Mr. Brigandi earned a Bachelor of Science degree in Finance from Fordham University and currently holds Series 7, Series 66, and Series 55 licenses.

ITEM 3
DISCIPLINARY INFORMATION

The Advisor is unaware of any disciplinary events that may require disclosure.

ITEM 4
OTHER BUSINESS ACTIVITIES

The named supervised person is a Principal of Direxion Asset Management, LLC, a Commodity Pool Operator, a wholly-owned subsidiary of Rafferty Asset Management, LLC.

ITEM 5
ADDITIONAL COMPENSATION

Mr. Brigandi has no additional compensation that requires disclosure.

ITEM 6
SUPERVISION

Mr. Brigandi is supervised by Mr. Robert Nestor, President (646) 572-3464 of Rafferty Asset Management, LLC.

PART 2B OF FORM ADV: BROCHURE SUPPLEMENT

RAFFERTY ASSET MANAGEMENT, LLC

March 30, 2021

Rafferty Asset Management, LLC
Tony Ng
1301 Avenue of the Americas (6th Ave.), 28th Floor
New York, New York 10019
(646) 572-3390
www.direxion.com

This brochure supplement provides information about Tony Ng that supplements the Rafferty Asset Management, LLC Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Client Services at 646-572-3390, or at info@direxion.com via www.direxion.com, if you did not receive the Rafferty Asset Management, LLC brochure or if you have any questions about the contents of this supplement.

ITEM 2
EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Tony Ng, Rafferty Asset Management, LLC-Managing Director, Head of Trading and Portfolio Management since June 2013 through the present period. He was a Portfolio Manager from 2006 to June 2013. Mr. Ng is responsible for the day to day trading, management, and oversight of the portfolio management for the Direxion Shares ETF Trust, Direxion Funds and the Direxion Insurance Trust. Prior to joining the firm, Mr. Ng was a Trading Assistant at Deutsche Asset Management from 1998 through 2004. He completed his undergraduate studies at the State University of New York at Buffalo in 1998 with a Bachelor of Science in Finance. He currently holds Series 7 and Series 63 licenses.

ITEM 3
DISCIPLINARY INFORMATION

The Advisor is unaware of any disciplinary events that may require disclosure.

ITEM 4
OTHER BUSINESS ACTIVITIES

The named supervised person is a Principal of Direxion Asset Management, LLC, a Commodity Pool Operator, a wholly-owned subsidiary of Rafferty Asset Management, LLC.

ITEM 5
ADDITIONAL COMPENSATION

Mr. Ng has no additional compensation that requires disclosure.

ITEM 6
SUPERVISION

Mr. Ng is supervised by Mr. Robert Nestor, President (646) 572-3464 of Rafferty Asset Management, LLC.