

IMPORTANT NOTICE REGARDING CHANGE IN INVESTMENT POLICY

DIREXION SHARES ETF TRUST

**Supplement dated October 30, 2009 to the
Prospectuses dated
October 1, 2008 (as last Supplemented on August 3, 2009) and
April 1, 2009 (as last Supplemented on August 3, 2009)**

Effective December 29, 2009, the principal investment policy of each exchange traded fund (“Fund”) offered by the Trust will change as described below.

The principal investment policy of each Fund with the word “Bull” in its name (each, a “Bull Fund”) under normal circumstances, will be to create long positions by investing at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in the equity securities that comprise the Bull Fund’s underlying index and/or futures contracts; options on securities, indices and futures contracts; equity caps, collars and floors; swap agreements; forward contracts; short positions; repurchase agreements; reverse repurchase agreements; and other financial instruments (collectively, “Financial Instruments”) that, in combination, provide leveraged and unleveraged exposure to the Bull Fund’s underlying index. On a day-to-day basis, each Bull Fund may invest in short-term debt instruments that have terms-to-maturity of less than 397 days and exhibit high quality credit profiles, including U.S. government securities and repurchase agreements (“Money Market Instruments”).

The principal investment policy of each Fund with the word “Bear” in its name (each, a “Bear Fund”), under normal circumstances, will be to create short positions by investing at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in Financial Instruments that, in combination, provide leveraged and unleveraged exposure to the Bear Fund’s underlying index, and the remainder in Money Market Instruments.

Each Fund is required to provide shareholders with 60-days advance notice of a change in principal investment policy. This Supplement serves as the required notice.

Questions regarding these changes may be directed to the Trust at 866-476-7523.

Please retain this Supplement with the Prospectuses for future reference.