

# DYHG

## Direxion Dynamic Hedge ETF

### Fund Description

DYHG tracks a US large-cap equity index that adjusts its exposure based on the inverse relationship between volatility and the returns of the S&P 500.

### FactSet Analyst Report

This fund is closing. The last day of trading is January 14, 2021. DYHG is passively managed to invest in the US large-cap space while dynamically hedging against the S&P 500s volatility. The index is constructed using a proprietary volatility model to estimate future market volatility and adjust the hedge daily if necessary. It allocates its exposure using two sub-indices: S&P Total Return Index and S&P 500 Futures Excess Returns Index. During periods of low volatility, the fund will increase its net exposure to the S&P 500 by reducing its short position in S&P 500 futures contracts. During periods of high volatility, the Index will decrease its net exposure to the S&P Total Return Index and increase a short position in S&P 500 Futures Excess Returns Index. The Indexes hedge or short position may range from 0% to -95% of the long position in the S&P 500. The Index will review its hedge (short position) on a daily basis by utilizing a proprietary model that use more recent, higher frequency returns to estimate future volatility.

