

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <u>Direxion Hilton Tactical Income Fund</u>		<b>2</b> Issuer's employer identification number (EIN)  <u>46-3128483</u>	
<b>3</b> Name of contact for additional information  <u>Patrick Rudnick</u>	<b>4</b> Telephone No. of contact  <u>646-572-3631</u>	<b>5</b> Email address of contact  <u>rudnickp@direxioninvestments.com</u>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <u>615 E. Michigan Street</u>		<b>7</b> City, town, or post office, state, and Zip code of contact  <u>Milwaukee, WI 53202</u>	
<b>8</b> Date of action  <u>8/31/2015</u>		<b>9</b> Classification and description  <u>Nontaxable Return of Capital Distribution</u>	
<b>10</b> CUSIP number  <u>254939168</u>	<b>11</b> Serial number(s)  <u>N/A</u>	<b>12</b> Ticker symbol  <u>HCYIX</u>	<b>13</b> Account number(s)  <u>N/A</u>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Direxion Hilton Tactical Income Fund paid a nontaxable return of capital distribution on the dates listed below to shareholders of record on the dates listed below.

<u>Record Date: 01/30/2015</u>	<u>Ex-Date: 02/02/2015</u>
<u>Record Date: 02/27/2015</u>	<u>Ex-Date: 03/02/2015</u>
<u>Record Date: 03/31/2015</u>	<u>Ex-Date: 04/01/2015</u>
<u>Record Date: 04/30/2015</u>	<u>Ex-Date: 05/01/2015</u>
<u>Record Date: 05/29/2015</u>	<u>Ex-Date: 06/01/2015</u>
<u>Record Date: 06/30/2015</u>	<u>Ex-Date: 07/01/2015</u>
<u>Record Date: 07/31/2015</u>	<u>Ex-Date: 08/03/2015</u>

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The total nontaxable return of capital portion of the dividend paid to shareholders of record on the dates listed below is 0.140439 per share.

<u>Record Date: 01/30/2015</u>	<u>Ex-Date: 02/02/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 02/27/2015</u>	<u>Ex-Date: 03/02/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 03/31/2015</u>	<u>Ex-Date: 04/01/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 04/30/2015</u>	<u>Ex-Date: 05/01/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 05/29/2015</u>	<u>Ex-Date: 06/01/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 06/30/2015</u>	<u>Ex-Date: 07/01/2015</u>	<u>0.02006273 per share</u>
<u>Record Date: 07/31/2015</u>	<u>Ex-Date: 08/03/2015</u>	<u>0.02006273 per share</u>

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The tax basis of the shareholders of record for each dividend is lowered by the per share return of capital amount noted above. The rate was determined in accordance to IRC §301 and §316.

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