



## PSI TOTAL RETURN FUND

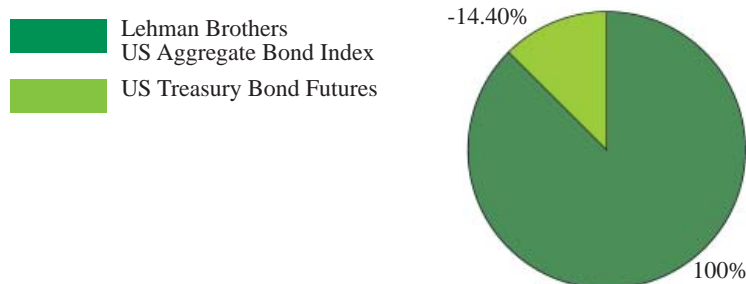
### Fund Type

Multi-sector Bond

### Fund Objective

The **TOTAL RETURN FUND** seeks to provide conservative growth using primarily fixed-income investments. It seeks additional return by taking advantage of asset class dispersion, i.e., the tendency of stock and bond prices to move in opposite directions.

### Portfolio Composition as of 4/30/2008



### Investment Strategy

The **TOTAL RETURN FUND** attempts to mitigate risk by monitoring interest rates, market volatility, and credit spreads using proprietary mathematical models, resulting in hedges and purchases against fixed-income and equity investments. Tools used include:

- **Traditional allocation:** A diversified batch of investments, primarily bonds
- **Market dispersion:** Use of proprietary algorithms to identify risk/reward relationships among fixed-income and equity asset classes and to signal opportunities to reallocate capital among those asset classes.

### Market Exposure

The **TOTAL RETURN FUND** will generally invest in a core holding of fixed-income bonds including government, municipal, corporate, and high-yield. A limited amount of the portfolio can be allocated to equity positions that seek investment in all market segments. The **TOTAL RETURN FUND** can invest in short positions. The fund relies on dispersion (*not timing*) for the bulk of its returns by maintaining appropriately sized equity and fixed-income baskets. Smooth returns and added alpha are achieved by employing proprietary quantitative hedging strategies to actively adjust the size of the baskets.

### Performance as of 4/30/2008

	Total Return Fund	Benchmark <sup>1</sup>
1 Month	1.49%	1.01%
3 Months	1.54%	0.40%
YTD	2.83%	2.62%
1 Year	8.02%	7.29%
Since Inception (1/9/07)	9.74%	8.94%

<sup>1</sup>Benchmark = Lehman Brothers US Aggregate Bond Index, which seeks investment results that correspond to the total United States investment grade bond market.

*Total annual fund operations expense ratio is 2.00%.*

**The performance data quoted represents past performance; past performance does not guarantee future results; the investment return and principal value of an investment will fluctuate; an investor's shares, when redeemed, may be worth more or less than their original cost; current performance may be lower or higher than the performance quoted. Returns for performance for one year and under are cumulative, not annualized. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. Please call (800) 851-0511 for monthly performance updates. For additional information, see the fund prospectus.**

*The risks associated with the Funds are detailed in the prospectus which include risks of the Subadvisor's investment strategy, aggressive investing techniques, high portfolio turnover, investing in ETFs, investing in other investment companies, swap agreements, asset-backed securities, leverage, shorting, and non-diversification. Aggressive investing techniques would include the use of futures, enhanced betas, and shorting securities. Shorting occurs when investors sell securities they do not own and are committed to repurchasing eventually. Because the Fund's holdings include small-cap, mid-cap, and international equities, there are additional risks such as the possibility of greater price volatility and reduced liquidity, fluctuations in currency exchange rates, and political diplomatic and economic conditions as well as regulatory requirements in foreign countries. There are additional risks associated with investing in instruments rated below investment grade (i.e., junk bonds) because such instruments generally involve greater risk of default or price changes than other types of fixed-income instruments, therefore the Fund's performance may vary significantly as a result.*

**An investor should consider the investment objectives, risks, charges, and expenses of the Direxion funds carefully before investing. The prospectus contains this and other information about the Direxion funds. To obtain a prospectus please call the Direxion funds at (800) 851-0511. The prospectus should be read carefully before investing.**

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