

# the Direxion Currency Trends Strategy Plus Fund



Period Ending 12/30/2011

## Note:

Effective **February 1, 2012**, the Currency Trends Strategy Fund has been renamed the Direxion Currency Trends Strategy Plus Fund.

## Investment Objective

The Direxion Currency Trends Strategy Plus Fund seeks investment results, before fees and expenses, of 150% of the calendar month performance of the Alpha Financial FX Trends Index ("FXTI"), while implementing a strategic overlay to maintain the Fund's exposure to the FXTI between 145% and 155%.

## Principal Investment Strategy

The investment strategy of The Direxion Currency Trends Strategy Plus Fund includes:

- A quantitative rules-based/trend following approach to currency investing
- Providing exposure to 11 global currencies that can independently profit from a rise or fall in the U.S. dollar
- Monthly review of each currency's recent price trends to determine individual long or short positions for subsequent month
- By leveraging the fund's portfolio to 150%, we attempt to increase the rate of return, while trying to keep the overall portfolio's risk characteristics in an anticipated range between stocks and bonds

## Fund Information

Share Class	A Shares	C Shares	Institutional Class
Fees Gross/Net	1.40/1.40%	2.15/2.15%	1.05/1.05%
Symbol	DXFTX	DXFCX	DXFIX
CUSIP	254939390	254939333	254939374

## Fund Risk/Return Metrics

(Investor Class)

Correlation	
> S&P 500	-0.16
> Barclays Capital Aggregate Bond Index	0.45
Beta to the S&P 500®	-0.07
Standard Deviation	7.6%

## The FXTI Index vs. the US Dollar Index and the Barclays US Aggregate Bond Index 7/30/2010-12/31/2011

	FXTI Index	U.S. Dollar Index	Barclays U.S. Agg Bond Index
Annualized Return <sup>1</sup>	-0.94%	-1.18%	5.53%
Standard Deviation <sup>2</sup>	6.99%	10.74%	2.69%
Correlation <sup>3</sup>		-0.2672	0.2491
Maximum Drawdown <sup>4</sup>	-7.46%	-12.34%	-1.65%

Source: Bloomberg. Information represented in the table above is completed as of the inception date of the FXTI index 8/1/2010.

<sup>1</sup> Past performance, especially statistical information, is not necessarily indicative of future results.

<sup>2</sup> Standard Deviation is a measure of the dispersion of a set of data from its mean.

<sup>3</sup> Correlation is a statistical measure of how two securities move in relation to each other.

<sup>4</sup> The greatest percent decline from a previous high.

## The key benefits of employing a currency futures strategy in investor portfolios:

- Provides access to the currency asset class through a rules-based index approach
- Provides access to broad basket of Developed and Emerging market currencies within one investment
- Currencies as an asset class generally exhibit low levels of volatility providing opportunity to employ leverage
- Historically, currencies have shown a low correlation to both stocks and bonds
- Each currency can profit independently whether there is a rise or fall in the U.S. dollar
- Can be employed as a "strategic" allocation to an overall portfolio

## The FXTI offers greater diversification over the U.S. Dollar Index

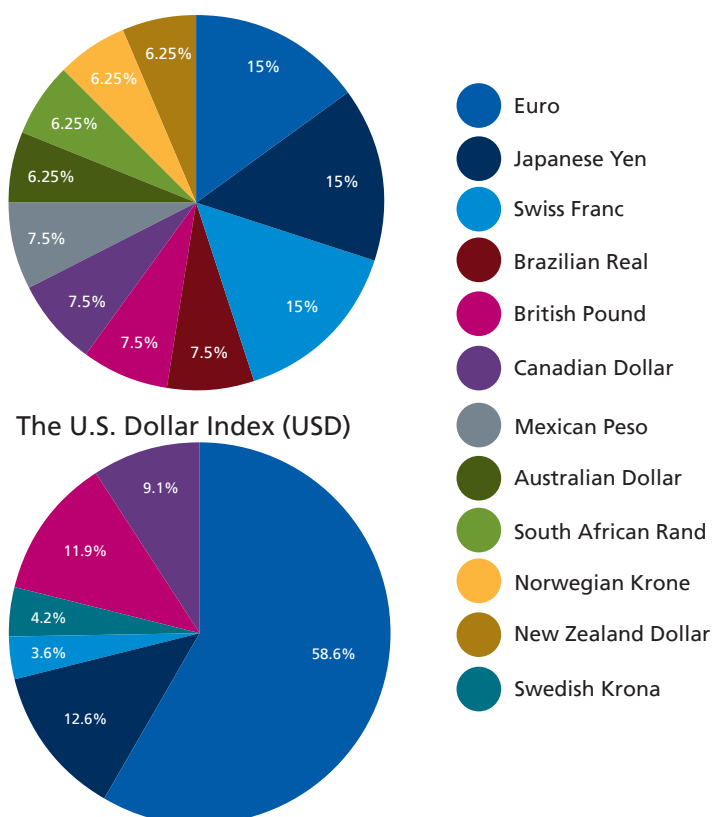
When investors have traditionally thought of currency investments, they have primarily considered only currency mutual funds that are based on the U.S. Dollar Index. However, today, there is another option available.

Some of the differences between the U.S. Dollar Index and the FXTI are:

- U.S. Dollar Index is made up of just developed countries while FXTI includes emerging markets as well
- Over 80% of U.S. Dollar Index is made up of Euro, Yen and Pound while FXTI is more broadly diversified
- The U.S. Dollar Index is a directional index while the FXTI can potentially profit regardless of the direction of U.S. Dollar

*One cannot invest directly in an index. Diversification does not protect against a loss or ensure a gain.*

The Foreign Exchange Trends Indicator (FXTI)



## Disclosures:

*The total annual fund operating expense ratio of the Direxion Currency Trends Strategy Plus Fund, gross of any fee waivers or expense reimbursements, as stated in the fee table of the funds prospectus is for the investor class is 1.40%, for the institutional class is 1.05% and for the C-Shares is 2.15%. 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. For additional information, see the fund(s) prospectus. The since inception performance noted in the chart for both the index and fund are based on the fund's inception date.*

**An investor should consider the investment objectives, risks, charges, and expenses of the Direxion Funds carefully before investing. The prospectus and summary prospectus contain this and other information about Direxion Funds. To obtain a prospectus or summary prospectus, please contact the Direxion Funds at 800.851.0511. The prospectus or summary prospectus should be read carefully before investing.**

Short selling is the selling of a security that the seller doesn't own. More specifically, a short sale is the sale of a security that isn't owned by the seller, but that is promised to be

To obtain further information about our funds please visit us at: [www.direxionfunds.com](http://www.direxionfunds.com) or call us at 1-877-437-9363.

### Quarterly Performance as of 12/30/2011

Share Class	Investor Class	Index
1 Month %	0.95	1.29
3 Month %	-3.90	-3.17
YTD %	-3.16	0.34
1 Year %	-3.16	0.50
S/I of the Fund %	-2.94	-
Inception Date	03/02/09	08/01/2010

delivered. The risks associated with the Direxion Currency Trends Strategy Plus Fund are detailed in the prospectus and Statement of Additional Information (available upon request, free of charge). These include, but are not limited to, risks of high portfolio turnover; risk of tracking error; leverage, derivatives and counterparty risks; risk of non-diversification; risk of interest rate changes; risks of investing in other investment companies and Exchange-Traded Funds (ETFs); risks of adverse market conditions; risks of investing in equity securities and foreign instruments; risks of currency exchange rates; risks of shorting instruments; risks of the adviser's investment strategy; credit risk; and valuation time risk.

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