



Contact info:

Andy O'Rourke 617.399.8851
Direxion Funds
orourke@direxionfunds.com
www.direxionfunds.com

or

Carol Graumann 973.784.0064
JC Public Relations, Inc.
carol@jcpublicrelations.com

Direxion Funds Launches Commodity Trends Strategy Fund (DXCTX)
First Long-Short Fund benchmarked to the Outperforming Standard & Poor's Commodity Trends Indicator (S&P CTI)

Boston, MA - June 10, 2008 - Direxion Funds, a pioneer in providing alternative investment strategies to sophisticated investors, announced today that it has launched the Commodity Trends Strategy Fund (DXCTX), a diversified fund benchmarked to the Standard & Poor's Commodity Trends Indicator (S&P CTI). The Fund gives investment advisors and sophisticated investors access to a diversified, open-ended commodity mutual fund that allows them to benefit from both rising and falling commodity prices.

The S&P CTI is an index that tracks both rising and falling price trends in the commodity markets. The index is comprised of 16 commodity futures grouped into six sectors—Energy, Industrial Materials, Precious Metals, Livestock, Grains and Softs (such as coffee, cocoa, cotton and sugar). The index positions each sector either long or short based on its price behavior. Most commodity investment options provide long-only exposure, which can entail substantial volatility and provides favorable returns in rising commodity markets only.

“We are truly thrilled to be the first to offer investors a single product that delivers both long and short exposure to the commodities markets,” said Dan O’Neill, Direxion Funds’ President and Chief Investment Officer. “Other commodity products take a long only position in commodities, limiting their potential to contribute to a portfolio’s long-term performance. The Commodity Trends Strategy Fund can serve as a powerful diversification tool for investors, allowing them to capitalize on both surges and declines in commodity demand and prices.”

The Commodity Trends Strategy Fund offers investors an investment option with low volatility as well as low correlation to both the stock and bond markets, giving the Fund the potential to outperform in all market environments. In addition, the S&P CTI index was able to deliver a greater Compound Annual Return¹ than both the S&P GSCI™ (Goldman Sachs Commodity

Index) and the DJIAG CI (Dow Jones American International Group Commodity Index) over the 16-year period from 1991-2007 with less risk exposure, as measured by the indices' Annualized Standard Deviation².

The ability for the S&P CTI to both long and short commodity sectors is a key differentiator between this index and other commodity indices. "Our clients were asking for a better way to invest in and capitalize on the volatility of the commodities markets," said Bill Franca, Direxion Funds' Executive Vice President of Sales and Distribution. "This Fund was created in direct response to those requests. We can now offer our investors a fund that will provide increased portfolio diversification through a low-correlating investment that takes full advantage of fluctuations in commodity prices," Franca continued.

To request more information on Direxion Funds, or to speak to a member of the Direxion team, please contact Carol Graumann at 973-784-0064 or carol@jcpublicrelations.com.

About Direxion Funds

Direxion Funds, managed by Rafferty Asset Management, LLC, is a major provider of leveraged index and alternative-class mutual fund products for investment advisors and sophisticated investors who seek to effectively manage risk and return in both bull and bear markets. Founded in 1997, the company has approximately \$1.6 billion in assets under management. The company's business model is built on continuous product innovation, exceptional customer service and a commitment to building strategic relationships with a focused group of distribution partners. For more information, please visit: www.direxionfunds.com.

Disclosure:

¹ 16-year Compound Annual Return: S&P CTI – 10.90%, S&P GSCI™ – 6.80%,
DJIAG CI – 7.91%.

² 16-year Annualized Standard Deviation: S&P CTI – 10.17%, S&P GSCI™ – 18.78%,
DJIAG CI – 12.25%.

S&P CTI is a trademark of Standard & Poor's, a division of The McGraw Hill Companies, Inc. The S&P CTI has been licensed for use by the Commodity Trends Strategy Fund (the "Fund"). The Fund is not sponsored, endorsed, sold or promoted by S&P or Alpha Financial technologies, Inc. ("AFT"), the owner of the S&P CTI. S&P and AFT make no representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in securities generally or in the Fund particularly or the ability of the S&P CTI to provide the basis for superior commodity investment performance. S&P's and AFT's only relationship to the Fund is the licensing of certain trademarks and trade names of S&P and AFT and of the S&P CTI, which is determined, composed and calculated without regard to the Fund. S&P and AFT have no obligation to take the needs of the Fund or its shareholders into consideration in determining, composing or calculating the S&P CTI. S&P and AFT are not responsible for and have not participated in the determination of the prices and

amount of the Fund or the timing of the issuance or sale of the shares of the Fund or in the determination or calculation of the net asset value of the Fund. S&P and AFT have no obligation or liability in connection with the administration, marketing or trading of the Fund. S&P and AFT do not guarantee the adequacy, accuracy, timeliness or completeness of the S&P CTI or any data included therein or any communications, including but not limited to, oral or written communications (including electronic communications) with respect thereto. S&P and AFT shall not be subject to any damages or liability for any errors, omissions or delays therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the marks, the index or any data included therein. Without limiting any of the foregoing, in no event whatsoever, shall S&P or AFT be liable for any indirect, special, incidental punitive or consequential damages, including but not limited to, loss of profits, trading losses, lost time or goodwill, even if they have been advised of the possibility of such damages, whether in contract, tort, strict liability or otherwise.

The principal risks of investing in the Commodity Trends Strategy Fund are risks of investing in commodity-linked derivatives, risks of investing in wholly owned subsidiary, high portfolio turnover, tax risk, risk of tracking error, risks of aggressive investment techniques, leverage risk, derivatives risks, counterparty risks, risk of non-diversification, risks of investing in other investment companies and ETFs, adverse market conditions, risks of investing in equity securities, credit risk and concentration risk.

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 Direxion funds. To obtain a prospectus, please contact Direxion Funds at 800.851.0511. The [prospectus](#) should be read carefully before investing. Investing in index funds may be more volatile than investing in broadly diversified funds.

Date of First Use: June 10, 2008. Distributed by: Rafferty Capital Markets, LLC