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FOR IMMEDIATE RELEASE

Direxion Funds Launches New Dollar Bull 2.5x Fund (DXDBX)

New Fund Gives Sophisticated Investors A Follow Up To Direxion's Dollar Bear 2.5x Fund

Boston, MA - June 2, 2008 - Direxion Funds, a leading provider of leveraged index mutual funds, announced today that it has launched the Dollar Bull 2.5x Fund (DXDBX) in response to growing investor demand. This new Fund gives investment advisors and sophisticated investors who are bullish on the U.S. dollar the ability to implement and magnify their tactical investment strategy. The Fund follows the introduction of Direxion's Dollar Bear 2.5x Fund (DXDDX) in June, 2006.

"We've heard from a growing number of investors who believe that the U.S. dollar is regaining its momentum and we wanted to respond in a timely fashion," said Dan O'Neill, Direxion Funds' President and Chief Investment Officer. "Our new Dollar Bull 2.5x Fund is designed specifically for advisors and investors who want to take advantage of any upward movement the dollar demonstrates, and be able to leverage that performance by 250 percent."

The Dollar Bull 2.5x Fund seeks daily investment results, before fees and expenses, of 250% of the price performance of the U.S. Dollar Index (USDI). This index indicates the general international value of the U.S. dollar, by averaging the exchange rates of the U.S. dollar and six major world currencies, including: the Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona and Swiss Franc. The Fund seeks to leverage and magnify the performance of the U.S. Dollar Index by using financial instruments such as foreign currency debt instruments, forward contracts, futures contracts and swap agreements. The Fund, which seeks to create net long and net short positions, may also hold U.S. government securities.

In light of recent investor demand, possibly based, in part, on the belief that the Federal Reserve Board appears less inclined to cut interest rates again in the near future, Direxion Funds decided the time was right to give investors the opportunity to be multi-directional with investments in the U.S. dollar. “Whenever possible, we believe it’s important to give investors both sides of the trade by providing funds that give them multi-directional leverage,” O’Neill continued. “By having both a Dollar Bull and Dollar Bear Fund, we offer investors the full spectrum of U.S. currency investment strategies.”

Direxion Funds, which prides itself on its commitment to educating its investors, plans to make the new Dollar Bull 2.5x Fund a topic of its ongoing communication and education programs, including the fund family’s monthly investor webcasts, monthly newsletter and robust web-based education and investment tools.

To request more information on Direxion Funds, or to speak with Dan O’Neill directly, please contact Carol Graumann at 973-784-0064 or carol@jcpublishrelations.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:

The principal risks of investing in the Dollar Funds are Market Timing Activity and High Portfolio Turnover, Risk of Tracking Error, Risks of Aggressive Investment Techniques, Leverage Risk, Counterparty Risks, Risk of Non-Diversification, Interest Rate Changes, Risks of Investing in Other Investment Companies and ETFs, Adverse Market Conditions, Credit Risks, Risks of Investing in Foreign Instruments, Currency Exchange Rates, and Risks of Investing in Emerging Markets Instruments.

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 the 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. The use of leverage by a mutual fund increases the risk to the fund. The more a fund invests in leveraged instruments the more the leverage will magnify gains or losses on those investments.

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