

FOR IMMEDIATE RELEASE

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Direxion Funds Announces Reverse Share Split of Five Mutual Funds

Boston, MA – February 9, 2010 - Direxion, a pioneer in providing alternative investment strategies to sophisticated investors, announced today a reverse split of the shares of the Direxion Monthly Small Cap Bear 2X Fund, Direxion Monthly Emerging Markets Bear 2X Fund, Direxion Monthly Developed Markets Bear 2X Fund, Direxion Monthly NASDAQ-100 Bear 2X Fund, and Direxion Monthly S&P 500 Bear 2X Fund, for shareholders of record on February 12, 2010.

After the close of the markets on February 12, 2010, the Small Cap Bear Fund and the Emerging Markets Bear Fund will effect a 1-for-10 reverse split of each Fund's issued and outstanding shares, and the Developed Markets Bear Fund, the NASDAQ-100 Bear Fund and the S&P 500 Bear Fund will effect a 1-for-5 reverse split of each Fund's issued and outstanding shares.

As a result of the reverse split, every ten shares of the Small Cap Bear Fund and the Emerging Markets Bear Fund will be exchanged for one share of the applicable Fund. Accordingly, the number of each Fund's issued and outstanding shares will decrease by 90% and the Fund's per share net asset value ("NAV") will increase 10-fold.

Similarly, every five shares of the Developed Markets Bear Fund, the NASDAQ-100 Bear Fund, and the S&P 500 Bear Fund will be exchanged for one share of the applicable Fund. The number of each Fund's issued and outstanding shares will decrease by approximately 80%, and the Fund's per share NAV will increase 5-fold.

The shares of each Fund will be offered on a split-adjusted basis on February 16, 2010. The total market value of a shareholder's investment will not be affected by a reverse split.

Hypothetical Example of 1-for-10 and 1-for-5 reverse splits:

1-for-10 Reverse Split

<u>Period</u>	<u># of Shares Owned</u>	<u>Hypothetical Market Price</u>	<u>Total Share Value</u>
Pre-Split	100	\$5	\$500
Post-Split	10	\$50	\$500

1-for-5 Reverse Split

<u>Period</u>	<u># of Shares Owned</u>	<u>Hypothetical Market Price</u>	<u>Total Share Value</u>
Pre-Split	100	\$5	\$500
Post-Split	20	\$25	\$500

To speak to a member of the Direxion team, or request more information, please contact Katrine Winther-Olesen at (973) 400-1341 or katrine@jcprinc.com.

About Direxion

Direxion Funds and Direxion Shares, managed by Rafferty Asset Management, LLC, offer leveraged index funds, ETFs and alternative-class 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 \$6.3 billion in assets under management as of 12/31/09. The company's business model is built on continuous product innovation, exceptional customer service and a commitment to building strategic relationships with distribution partners. *For more information, please visit www.direxionshares.com.*

Disclosure:

An investor should consider the investment objectives, risks, charges, and expenses of Direxion Funds carefully before investing. The prospectus contains this and other information about Direxion Funds. To obtain a prospectus, please visit www.direxionfunds.com. 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.

The risks associated with the funds are detailed in the prospectuses, which include Adverse Market Conditions Risk, Adviser's Investment Strategy Risk, Aggressive Investment Techniques Risk, Commodities Risk, Concentration Risk, Counterparty Risk, Credit Risk, Currency Exchange Rate Risk, Debt Instrument Risk, Depositary Receipt Risk, Early Close/Trading Halt Risk, Emerging Markets Risk, Equity Securities Risk, Foreign Securities Risk, Gain Limitation Risk, Geographic Concentration Risk, Interest Rate Risk, Intra-Calendar Month Investment Risk, Inverse Correlation Risk, Leverage Risk, Lower-Quality Debt Securities, Market Risk, Market Timing Activity and High Portfolio Turnover, Monthly Correlation Risk, and Negative Implications of Monthly Goals in Volatile Market.

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