



December 2009

# Portfolio Insights

by Hundredfold Advisors, LLC

**Hundredfold Advisors, LLC, Sub adviser to the Spectrum Funds offered through Direxionfunds provides this information to reflect thoughts and actions within each fund for the period indicated. Hundredfold Advisors recommends that all readers direct attention to the disclosures at the end of this document for additional information.**

## **Direxion Select Alternative (SFHYX)**

SFHYX finished December up 1.94%, closing the year on a positive note. This figure includes a dividend of 30.231 cents per share. Exposure at the beginning of the month was 107% (54% high yield, 48% alternative, 5% Equity). The equity and high yield markets climbed higher during the month but the gains in the high yield market were more consistent. Exposure during the month expanded as high as 125%, mostly with added focus on the high yield market. As the high yield and equity markets showed signs of a modest loss in momentum, several positions were sold to reduce risk. Exposure at the end of the month was 94% (55% high yield, 40% alternative, -1% Equity).

*Expense Ratio information below.*

## **Direxion Equity Opportunity (SFE0X)**

SFE0X jumped 3.76% in December, outperforming the 1.93% December gain in its S&P 500 Index benchmark. SFE0X posted a dividend of 9.361 cents per share late in the month. The fund had exposure of 70% (57% equity, 13% high yield) at the beginning of the month. Positions were added early in the month as the stock market began to show signs of firming, reaching an exposure high of 120% mid-month. Added positions were mostly in the areas of small-caps, NASDAQ, and Emerging markets. Positions were trimmed as the market's rally began to lose momentum, ending the month with an exposure of 88% (76% equity, 12% high yield).

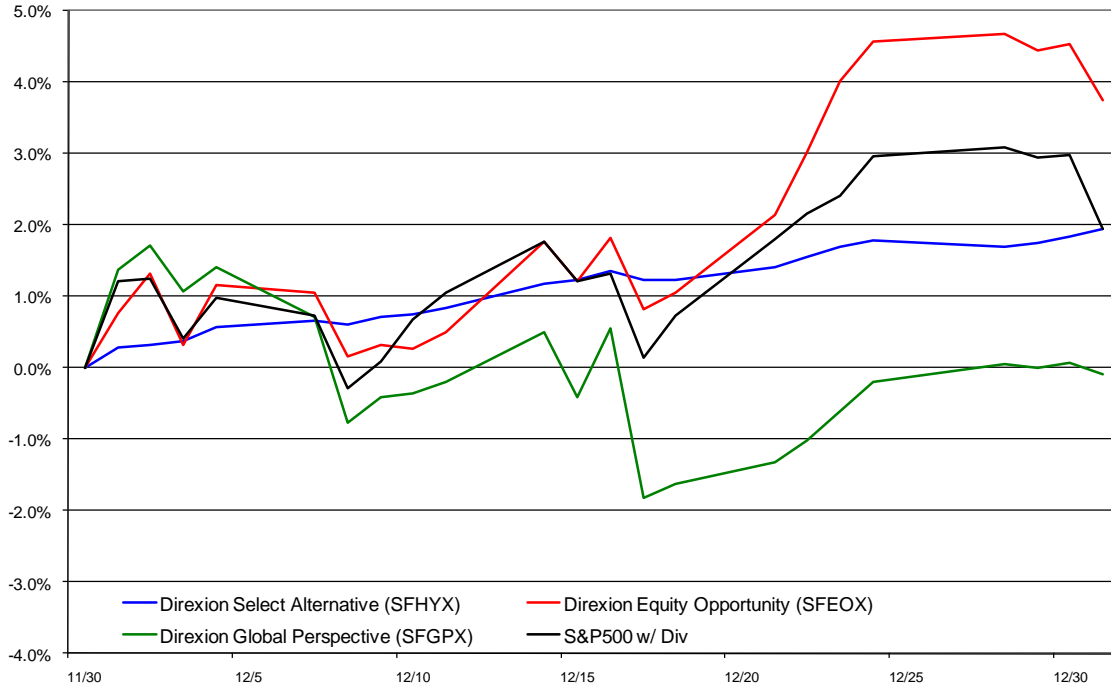
*Expense Ratio information below.*

## **Direxion Global Perspective (SFGPX)**

SFGPX was off fractionally in December with a 0.09% decline. Exposure at the beginning of the month was 62% (50% equity, 12% high yield). SFGPX posted a dividend of 0.273 cents per share late in the month. The foreign markets were very volatile during the month mostly due to the rebound attempt in the U.S. Dollar. Exposure was adjusted quickly based on perceptions of risk, reaching an exposure high of 115% and a low of 47%. Exposure at the end of the month was 88% (76% equity, 12% high yield).

*Expense Ratio information below.*

**Absolute Daily % Return**  
December 2009



	SFHYX	SFEQX	SFGPX	Lipper HY Index	S&P 500 Index	MXWO Index
December	1.94%	3.76%	-0.09%	2.99%	1.93%	1.83%
Qtr Ending 12/31/2009	3.16%	-0.88%	-3.41%	5.85%	6.04%	4.19%
YTD	30.02%	21.77%	22.09%	49.49%	26.47%	30.59%
12 Month	30.02%	21.77%	22.09%	49.49%	26.47%	30.59%
5 Year	27.51%	6.93%	32.53%	23.27%	2.11%	13.46%
Since Inception	*30.00%	**17.03%	*** 52.98%			

*Dividends reinvested for performance calculations.*

\* 9/1/2004 - fund name change from High Yield Plus on June 11, 2007.

\*\*10/11/2004

\*\*\*9/28/2004

**Lipper High Yield Index** (Lipper Analytical Services, Inc.) contains high current yield fixed income securities, having no quality or maturity restrictions and invests in lower grade debt issues.

**Standard & Poor's 500 Index** (w/dividends) is an aggregate market value of 500 domestic stocks representing all major industries.

**MSCI World Index (MXWO)** is a capitalization-weighted index that monitors the performance of stocks from around the world.

Total Annual Fund Operations Expense Ratios:

SFHYX – *Spectrum Select Alternative Fund* 4.40%

SFEQX – *Spectrum Equity Opportunity Fund* 3.13%

SFGPX – *Spectrum Global Perspective Fund* 2.98%

**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. Please call 1-800-851-0511 for monthly performance updates.**

*The risks associated with the Funds are detailed in the prospectus which include risks of the Sub adviser's investment strategy, aggressive investing techniques, high portfolio turnover, investing in ETF's, 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 Direxionfunds carefully before investing. The prospectus contains this and other information about the Direxionfunds. To obtain a prospectus please call the Direxionfunds at 800-851-0511. The prospectus should be read carefully before investing. Date of first use: January 12, 2009. Distributor: Rafferty Capital Markets, LLC. Rafferty Capital Markets, LLC has no affiliation with Hundredfold Advisors, LLC.**