



Direxionfunds

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February 20, 2008

Dear Shareholders:

We are contacting you to notify you of some upcoming changes to the Direxion Funds offerings. The S&P 500[®] Bear 1X Fund and the Total Market Bull 2.5X Fund will be closed to new investment immediately and will be officially closed on March 20, 2008. Each fund will no longer pursue its stated investment objective after March 12th, 2008 and may no longer pursue its objective earlier if net assets of one of the funds falls below \$2 million.

If you have not redeemed your shares of the S&P 500[®] Bear 1X Fund or the Total Market Bull 2.5X Fund prior to March 20, 2008 you will receive a check representing your proportionate interest in the net assets of each of the respective funds as of March 20, 2008.

Please contact us if you have any questions. Financial Professionals please contact the Sales Desk at 877-437-9363. Individual shareholders may call the Shareholder Services Center at 800-851-0511.

We would encourage you to continue to invest with the Direxion Funds, as we offer a full range of Bull and Bear Funds covering domestic, international and alternative indexes.

We thank you for your continued support of the Direxion Funds.

Sincerely,

The Direxion Funds