



Direxionfunds

5/9/2008

Direxion Emerging Markets Bear 2x Fund: 1 for 5 Reverse Split

Direxion Emerging Markets Bear 2x Fund will be participating in a 1 for 5 reverse split for shareholders on record Friday, May 16, 2008. On Monday May 19, 2008, share amounts and NAV (net asset value) will be updated to reflect this change.

What is a reverse share split?

A reverse split reduces the number of shares of a mutual fund or stock and increases the share price proportionately. A reverse split does not affect the value of a position.

For example: In the instance of a 1 for 5 reverse share split, the total shares would be divided by 5 and the price per share would be multiplied by 5. If a shareholder owned 10 shares at \$10 per share ($10 \times \$10 = \100), they would now own 2 shares at \$50 per share ($2 \times \$50 = \100).

Why would a fund have a reverse share split?

The primary reason a fund would perform a reverse share split is to increase the NAV of the fund.

Will a reverse split generate a taxable event?

Since there is no actual distribution, purchase, or sale of shares, there would be no taxable consequences associated with a reverse split.

How would I check on my new share balance?

After the close of business on 5/19/2008, please contact your trading platform for details. If you invest directly with Direxion Funds, please call **800.851.0511**.