

the Direxion Indexed Commodity Strategy Fund

February 1, 2012



Note: Effective **February 1, 2012**, the Commodity Trends Strategy Fund has been renamed the Direxion Indexed Commodity Strategy Fund. The Index changed from the AFT Commodity Trends Indicator (CTITR) to the Auspice Broad Commodity Index (ABCERI), a long/flat index.

Investment Objective

The Direxion Indexed Commodity Strategy Fund seeks investment results, before fees and expenses, that track the performance of the Auspice Broad Commodity ER Index (a long/flat index).

Principal Investment Strategy

The investment strategy of the Direxion Indexed Commodity Strategy Fund includes:

- A quantitative, rules-based index approach to commodity investing
- Exposure to 12 commodities that can individually be long or flat (if a short signal is triggered the position is moved to cash)
- The ability to make position changes intra-month based on trends
- A review of trends over shorter time periods, making it more responsive
- Monthly rebalance based on risk reduction where the allocation of individual components is reduced only if volatility exceeds certain predetermined risk levels
- A "smart" contract roll approach designed to select the most cost effective futures contract to roll into

Component and Sector Weights

Agriculture 41% **Energy 33%** **Metals 26%**

- | | | |
|------------|---------------|----------|
| - Soybeans | - Crude Oil | - Copper |
| - Corn | - Natural Gas | - Gold |
| - Wheat | - Gasoline | - Silver |
| - Cotton | - Heating Oil | |
| - Sugar | | |

Percentage weights are absolute and not representative of long or flat positions. They are for illustrative purposes and can be subject to change. Individual components may vary based on risk levels.

The Auspice Broad Commodity Index vs. other notable long-only commodity indexes: 11/01/2010-12/31/2011

	ABCERI	S&P GSCI	DJUBS CI	DBC
Annualized Return¹	9.43%	-3.75%	7.47%	6.67%
Annualized Standard Deviation²	14.53%	22.32%	22.06%	22.06%
Correlation³		0.89	0.85	0.89
Maximum Drawdown⁴	-11.99%	-22.31%	-24.33%	-20.39%

Source: Bloomberg. This data is as of November 1, 2010, which is the inception of the Auspice Broad Commodity ER Index. The long-only indexes represented here are the S&P Goldman Sachs Commodity Index (SPGSCITR), the DBC Commodity Index (DBLCIX), and DJUBS Commodity Index (DJUBSTR).

Fund Information

Share Class	A Shares	C Shares	Institutional Class
Fees Gross/Net	1.30/1.30%	2.04/2.04%	1.05/1.05%
Symbol	DXCTX	DXSCX	DXCIX
CUSIP	254939457	254939341	254939382

The key benefits of a long/flat index commodity strategy include:

- Historically showing low correlation to both stocks and bonds, as well as other alternative investments
- The ability to participate in the global growth story (India/China, etc)
- Allowing investors to take advantage of rising commodity prices, in addition to preserving capital by going flat (cash) when individual commodities are experiencing downward trends
- Potentially providing commodity investment returns with lower risk characteristics than long-only commodity strategies
- Offering access to a broad basket of commodities through a rules-based index approach

Why consider long/flat commodities?

Most traditional commodity funds can only benefit if commodity prices rise. However, these long-only commodity strategies have shown to be inconsistent over time because:

- commodity returns are typically cyclical and sporadic
- individual commodity sub-sectors tend to perform dissimilarly in different market environments
- significant draw-downs can be damaging to the long-term performance of a portfolio
- Within the inherently volatile commodity markets, a long/flat approach is potentially more adaptive to whip-sawing market conditions

Performance metrics of Long-only Commodity Indices

	S&P GSCI index	DJ UBS Commodity Index	DBC Commodity Index**
Maximum Drawdown ⁴	-71.40%	-56.89%	-60.39%
Annualized Standard Deviation ²	25.18%	18.00%	19.71%
Sortino Ratio ⁵	0.38	0.64	1.01
Annualized Return ¹	4.84%	6.02%	10.92%

** DBC information is dated from launch of the index 02/01/2006 to 12/31/2011. All other index information is as of 12/31/2000. One cannot invest directly in an index.

As you can see from the table above, long only commodity indexes can exhibit high volatility at times.

¹ Past performance, especially statistical information, is not necessarily indicative of future results.

² Standard Deviation is a measure of the dispersion of a set of data from its mean.

³ Correlation is a statistical measure of how two securities move in relation to each other.

⁴ The greatest percent decline from a previous high.

⁵ The actual rate of return in excess of the investor's target rate of return, per unit of downside risk.

Disclosures:

The total annual fund operating expense ratio of the Direxion Indexed Commodity Strategy Fund, gross of any fee waivers or expense reimbursements, as stated in the fee table of the funds prospectus is for the investor class is 1.30%, for the institutional class is 1.05% and for the C-Shares is 2.04%. 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. Returns for performance for one year and under are cumulative, not annualized. Short term performance, in particular, is not a good indication of the fund's future performance, and an investment should not be made based solely on returns. For additional information, see the fund(s) prospectus.

An investor should consider the investment objectives, risks, charges, and expenses of the Direxion Funds carefully before investing. The prospectus and summary prospectus contain this and other information about Direxion Funds. To obtain a prospectus or summary prospectus, please contact the Direxion Funds at 800.851.0511. The prospectus or summary prospectus should be read carefully before investing.

Auspice Capital Advisors Ltd. is a registered Portfolio Manager / Investment Fund Manager in Canada and a registered Commodity Trading Advisor (CTA/CPO) and National Futures Association (NFA) member in the US.

To obtain further information about our funds please visit us at: www.direxionfunds.com or call us at 1-877-437-9363.

Quarterly Performance as of 12/31/2011

Share Class	Investor Class	Index*
1 Month %	-1.63	-1.24
3 Month %	-5.04	-3.72
YTD %	-22.43	-19.71
1 Year %	-22.43	-18.36
3 Year %	-11.93	-10.77
S/I of the Fund %	-7.95	-7.32
Inception Date	06/10/08	12/31/03

*The performance above is reflective of the previous index the AFT Commodity Trends Indicator.

Investing in funds that invest in specific industries or geographic regions may be more volatile than investing in broadly diversified funds. The principal risks of investing in the Direxion Indexed Commodity Strategy Fund are Risks of Investing in Commodity-Linked Derivatives, Risks of Investing in Wholly-owned Subsidiary, High Portfolio Turnover, Tax Risk, Risk of Tracking Error, Risks of Aggressive Investment Techniques, Leverage Risk, Derivatives Risks, Counterparty Risks, Risk of Non-Diversification, Risks of Investing in Other Investment Companies and ETFs, Adverse Market Conditions, Risks of Investing in Equity Securities, Credit Risk and Concentration Risk.

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Date of First Use: February 1, 2012

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