



Period Ending: July 30, 2010

Share Class	Investor Class	C Shares	Institutional Class
Fees Gross/Net	1.87/1.87	2.37/2.37	1.37/1.37
Symbol	DXCTX	DXSCX	DXCIX
CUSIP	254939457	254939341	254939382

Fund Statistics (Investor Class)

Correlation	
• S&P 500®	-0.54
• Barclays Capital Aggregate Bond Index	-0.47
• S&P Goldman Sachs Commodity Index	-0.34
Beta to S&P 500®	-0.47
Standard Deviation	21.0%

The total annual fund operating expense ratio of the Direxion Commodity Trends 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 1.87%, for the institutional class is 1.37% and for the C-Shares is 2.37%. 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.

The since inception performance noted in the chart for both the index and fund are based on the fund's inception date. Inception of the index is 12/31/03.

Investment Objective

The Commodity Trends Strategy Fund seeks to match the performance of the Commodity Trends Indicator (CTI®), which offers pure commodity exposure that seeks to benefit in all market conditions, through its unique long/short exposure.

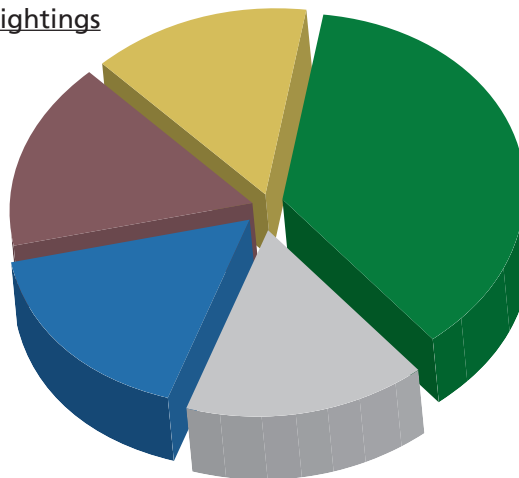
Principal Investment Strategy

Like the Commodity Trends Indicator, the Fund invests primarily in commodity futures, positions its investments in each sector and component either long or short depending upon price trends within that component, and rebalances each sector monthly.

The Fund offers:

- A way to potentially capitalize on the momentum of the commodity futures market
- Long and short commodity exposure
- The potential for lower volatility than other commodity alternatives, and
- Improved portfolio risk adjusted returns

Fund Weightings



Energy 0.0%	Softs 14.4%
Grains 36.8%	Livestock 16.0%
Industrial Metals 16.0%	Precious Metals 16.8%

Share Class	Monthly Performance as of 07/30/10		Quarterly Performance as of 06/30/10	
	Investor Class	Index	Investor Class	Index
1 Month %	-10.19	-9.84	-0.08	0.10
3 Month %	-12.99	-12.20	-5.07	-4.34
YTD %	-20.50	-19.21	-11.47	-10.39
1 Year %	-20.35	-18.47	-12.55	-10.79
S/I of the Fund %	-11.57	-12.24	-7.29	-8.19
S/I of the Index %	N/A	7.21	N/A	9.03
Inception Date	06/10/08	12/31/03	06/10/08	12/31/03

Fund Sector Changes from previous month

Sector	Weighting	Prior Month	Current Month
Crude Oil (Light)	0.00 %	Flat	Flat
Heating Oil	0.00 %	Flat	Flat
Unleaded Gas	0.00 %	Flat	Flat
Natural Gas	0.00 %	Flat	Flat
Energy	0.00 %		
Corn	11.52 %	Short	Long
Soybeans	16.05 %	Short	Long
Wheat	9.23 %	Short	Long
Grain	36.80 %		
High Grade Copper	16.00%	Short	Long
Industrial Metals	16.00 %		
Live Cattle	9.49 %	Short	Long
Lean Hogs	6.51 %	Short	Long
Livestock	16.00 %		
Gold	-11.23 %	Long	Short
Silver	-5.57 %	Long	Short
Precious Metals	16.80 %		
Coffee	4.80 %	Long	Long
Cocoa	3.20 %	Short	Long
Sugar #11	3.20 %	Short	Long
Cotton	-3.20 %	Short	Short
Softs	14.40 %		

Some of the key risks associated with this fund are:

High Portfolio Turnover Risk – which can impact the expenses, tax consequences and fund performance for shareholders due to distributions of increased net short term capital gains.

Risk of Non-Diversification – A non-diversified fund invests a high percentage of its assets in a limited number of securities and therefore should be invested only as a part of a more complete investment strategy.

Risk of Tracking Error – The returns may not match the return of the index due to, among other factors, the incurred operating expenses, and not being fully invested at all times as a result of cash inflows and reserves to meet redemptions.

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

Commodity Sector Commentary

Provided by Victor Sperandeo of Alpha Financial Technologies



Energy – The CTI® was flat the Energy sector for the month of July.

The entire sector finished the month nearly unchanged. Slowing economic growth, both domestically and globally, as well as ample stockpiles, kept a lid on prices; however, the recovery in equity prices lent some strength. We believe economic growth, global demand, stockpile levels, any further developments with North Korea or Iran, and any surprises in economic data are the most important factors in the market. **The Energy sector remains flat for August.**



Grains – The CTI® was short the Grains sector for July. Wheat saw a dramatic rally due to low stockpiles and reduced global output as a result of heavy Canadian rains which damaged their crop and a heat wave in Russia. Corn and Soybeans also rallied for the month, but not nearly as much. We believe the sector will remain sensitive to any additional acreage or planting news, as well as weather, any military conflict, export levels, and global GDP. **The sector is now long for August.**



Industrial Metals – The CTI® was short Copper for July. Copper traded quietly for the first half of the month, as some questions about Chinese demand kept funds from jumping in. However, as equities continued to rally and the U.S. Dollar sold off, prices began to rally, finishing July about 10% higher. We believe global economic growth, any news on Chinese demand, and the state of the U.S. housing market remain the major factors in this market. **The sector is now long for August.**



Livestock – The CTI® was short Livestock for July. Cattle prices finally saw a strong month, with increased demand, seasonal sales, and sizeable fund buying. Hogs were slightly higher, but traded in both directions. We believe feed prices, export demand, and global economic growth will be the main influences on the sector. **The sector is now long for August.**



Precious Metals – The CTI® was long the Precious Metals sector for July. Both Gold and Silver saw a good deal of fund liquidation during the month, with Gold the weaker of the two. The fears of European monetary problems have diminished, and this – along with stronger equity prices – have eliminated some of the safe-haven Gold investments. In addition, the increase in Gold Lease Rates during July placed added pressure on the Gold market. We believe potential conflict in Korea or Iran, and any changes in interest rates are the major factors influencing the Precious Metals markets. **The sector is now short for August.**



Softs – Soft trading was volatile in July. Sugar was sharply higher, as limited supply kept funds and end-users buying. Some wholesale buyers had not hedged their Sugar needs, and are now being forced to pay up. Coffee saw very strong fund buying, as very low stockpile levels in Columbia more than offset the generally adequate crop this year. Cocoa received a good deal of press because of a major speculator who bought a good deal of Cocoa, but after extremely volatile price swings, it finished July almost unchanged. Cotton saw two-sided action, with fund liquidation during the first half of the month, followed by some buying on the weaker U. S. Dollar during the second half. **In summary, we are now long Coffee, Sugar, and Cocoa but short Cotton for August.**

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.

You will be assessed a 1.0% redemption fee on investor class shares redeemed (through sales or exchanges) within 90 days of the date of purchase. The performance listed on the previous page does not reflect the 1.0% redemption fee. A contingent deferred sales charge (“CDSC”) of 1.00% will be imposed on Class C Shares redeemed within one year of purchase. The CDSC is a percentage of the lower of the original purchase price or redemption proceeds.

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 Commodity Trends Strategy Fund are Risks of Investing in Commodity-Linked Derivatives, Risks of Investing in Wholly-owned Subsidiary, High Portfolio Turnover, Tax Risk, Tracking Error Risk, 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.

The statements in this communication are the opinions of its author, Victor Sperandeo, and are not to be relied upon by anyone as the basis for an investment decision. Any investments made in whole or in part by a party in reliance thereon are made at such party's sole risk. No guarantee of any kind is implied or possible where opinions as to past or future market conditions/events is provided. Past performance is not necessarily indicative of future results.

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