



Period Ending: July 31, 2011

Share Class	Investor Class	C Shares	Institutional Class
Fees Gross/Net	1.77/1.77	2.28/2.28	1.27/1.27
Symbol	DXFTX	DXFCX	DXFIX
CUSIP	254939390	254939333	254939374

### Fund Statistics (Investor Class)

Correlation	
• S&P 500®	-0.07
• Barclays Capital Aggregate Bond Index	0.45
Beta to S&P 500®	-0.03
Standard Deviation	7.4%

The total annual fund operating expense ratio of the Direxion Financial 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 1.77%, for the institutional class is 1.27% and for the C-Shares is 2.28%. 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 Financial Trends Strategy Fund seeks to match the performance of the Financial Trends Indicator (FTI™), which offers pure currency and financial futures exposure that seeks to benefit in all market conditions, through its unique long/short exposure.

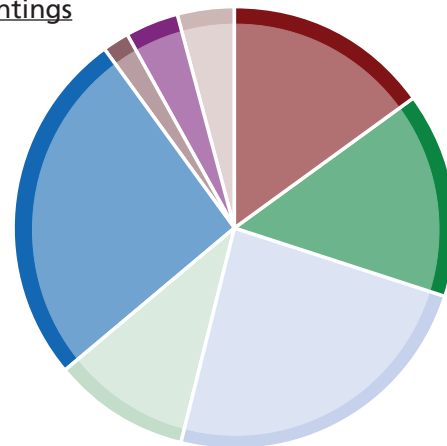
### Principal Investment Strategy

The Fund invests primarily in currency and financial futures of eight primary currency markets. These investments will be positioned long or short, depending on the price trends within that component.

The Fund can be used to:

- leverage changes in interest rates by seeking to profit from rising or declining trends
- hedge the deterioration of domestic security investment returns
- hedge against the effects of inflation and deflation, and
- add diversification to a portfolio

### Sector Weightings



Share Class	Monthly Performance as of 07/31/11		Quarterly Performance as of 06/30/11	
	Investor Class	Index	Investor Class	Index
1 Month %	1.80	2.01	0.00	0.18
3 Month %	1.34	1.92	0.28	0.92
YTD %	1.23	2.75	-0.56	0.73
1 Year %	-1.37	1.61	-3.87	-1.50
S/I of the Fund %	-1.65	0.51	-2.46	-0.33
S/I of the Index %	N/A	1.86	N/A	1.61
Inception Date	03/02/09	12/31/03	03/02/09	12/31/03

## Fund Sector Changes from previous month

Currency Sector	Weighting	Position	
		Prior Month	Current Month
\$ US Treasury Bond	15%	Long	Long
\$ US Treasury Note	15%	Long	Long
\$ Canadian Dollar	2%	Long	Long
\$ Australian Dollar	4%	Long	Long
¥ Japanese Yen	24%	Long	Long
£ British Pound	10%	Short	Long
€ Euro	-26%	Long	Short
SFr. Swiss Franc	4%	Long	Long

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](http://www.direxionfunds.com) or call us at 1-877-437-9363.

## Financial Sector Commentary

Provided by: Victor Sperandeo of Alpha Financial Technologies

Financials – In the Financial sector, U.S. Bonds and U.S. Notes were sharply higher for July (we were long both for July and remain long for August). While Congress battles over the U.S. debt ceiling and the budget, economic data has been quite poor. The GDP numbers released on the last trading day of July were much weaker than expected, adding more hope that some type of “QE3” plan will be considered. Lower equity prices also supported Bonds and Notes. The FTI™ was long the Swiss Franc, Euro, and Japanese Yen while short the British Pound for July (we are now long the Yen, Franc, and Pound for August but short the Euro). With the continued European debt crisis in Greece and elsewhere, combined with the problems in the U.S, the Japanese Yen and Swiss Franc remain favorites as “safe havens.” Both finished the month sharply higher. The Canadian Dollar and Australian Dollar were higher as well, although some selling was seen in the Canadian Dollar late in July as their economy is more closely tied to that of its southern neighbor. (We were long both for July and remain long for August). We believe that the battles in Washington, the European debt crisis, global economic growth, Federal Reserve policy, and any major moves in major equity and commodity markets remain the primary factors influencing the Financial markets.

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*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.

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.

Short selling is the selling of a security that the seller doesn't own. More specifically, a short sale is the sale of a security that isn't owned by the seller, but that is promised to be delivered. The risks associated with the Direxion Financial Trends Strategy Fund are detailed in the prospectus and Statement of Additional Information (available upon request, free of charge). These include, but are not limited to, risks of high portfolio turnover; risk of tracking error; leverage, derivatives and counterparty risks; risk of non-diversification; risk of interest rate changes; risks of investing in other investment companies and Exchange-Traded Funds (ETFs); risks of adverse market conditions; risks of investing in equity securities and foreign instruments; risks of currency exchange rates; risks of shorting instruments; risks of the adviser's investment strategy; credit risk; and valuation time risk.

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Date of First Use: August 4, 2011