



Contact info:

Katherine McMillan 617.451.2030
Compton Consulting Group
katherine@comptonconsulting.com
or
Andy O'Rourke 617.399.-8851
Direxion Funds
orourkea@direxionfunds.com
www.direxionfunds.com

FOR IMMEDIATE RELEASE

TWO DIREXION FUNDS TOP PERFORMANCE CHARTS IN 2007

(Boston, MA. Jan. 25, 2008) – Direxion Funds, a leading provider of leveraged index products, announced today that its Commodity Bull 2x Fund [DXCLX] and its Latin America Bull 2x Fund [DXZLX] returned 88% and 84% respectively in 2007, according to Morningstar. The Direxion Commodity Bull 2x Fund ranked as the top performing mutual fund in 2007, out of the entire 6,550 mutual fund universe, and the Direxion Latin America Bull 2x Fund took second place. The rankings were based on total return for the period 1/1/07 – 12/31/07.

Dan O'Neill, Direxion's President and Chief Investment Officer, commented: "Our funds provide advisors and other sophisticated investors a way to magnify their exposure to market sectors where they have a definitive perspective. But, equally important, these funds can and should be used within the context of advanced investment strategies as tools to improve risk-adjusted returns."

The Commodity Bull 2x Fund seeks daily investment results, before fees and expenses, of 200% of the price

Standardized Performance as of 12/31/2007

| Fund | DXZLX | DXCLX |
|------------------------|--------------|--------------|
| 1 Year | 83.67% | 87.57% |
| 3 Year | - | - |
| 5 Year | - | - |
| Since Inception | 53.78% | 34.99% |
| Inception Date | 5/1/06 | 2/17/05 |

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. Please call 800-851-0511 to obtain current month-end performance information. For additional information, see the fund's prospectus. The total annual fund operating expense ratios of the Latin America Bull 2.0x Fund and the Commodity Bull 2.0x Fund are 2.26% and 3.26%* respectively, gross of any fee waivers.*

performance of the Morgan Stanley Commodity Related Index, an equal-dollar weighted index of 20 stocks involved in commodity-related industries such as energy, non-ferrous metals, agriculture and forest products.

The Latin America Bull 2x Fund seeks daily results, before fees and expenses, of 200% of the price performance of the S&P Latin America 40 index, which includes highly liquid securities from major economic sectors of the Mexican and South American equity markets.

Direxion offers 27 leveraged index mutual funds representing a range of U.S. and international equity classes, currencies, and fixed income sectors. The funds are offered through a variety of brokerage platforms, including Fidelity, Schwab, Pershing, TD Ameritrade, and Linsco Private Ledger, and are geared primarily to financial advisors.

In the currency sector Direxion noted that its Dollar Bear 2.5x Fund returned 23.5% in 2007 as the U.S. Dollar declined. That Fund seeks daily investment results, before fees and expenses, of 250% of the inverse (or opposite) of the price performance of the U.S. Dollar Index, an index that measures the general international value of the U.S. currency. “We believe that in light of the uncertain future for the U.S. Dollar it is helpful to offer advisors a tool to hedge against the volatility risk inherent in this currency,” noted Mr. O’Neill.

Standardized Performance as of 12/31/2007

| Fund | 1 Year% | 3 Year% | 5 Year% | Since Inception% | Inception Date |
|-----------------------|---------|---------|---------|------------------|----------------|
| Dollar Bear 2.5x Fund | 23.45% | - | - | 17.78% | 6/13/06 |

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About Direxion Funds:

Direxion Funds (formerly Potomac Funds), managed by Rafferty Asset Management, LLC, is a major provider of leveraged index and alternative-class mutual fund products for investment advisors and sophisticated investors who seek to effectively manage risk and return in both bull and bear markets. Founded in 1997, the company has approximately \$1.5 billion in assets under management. The company’s business model is built on continuous product innovation, exceptional customer service and a commitment to building strategic relationships with a focused group of distribution partners. For more information, please visit: www.direxionfunds.com

Important fund disclosure:

* Rafferty contractually has agreed to waive all or a portion of its management fee and/or reimburse the Direxion Commodity Bull 2x Fund, Direxion Latin America Bull 2x Fund and Direxion Dollar bear 2.5x Fund for other Expenses through August 31, 2008, April 30 2008, and April 30, 2008 respectively to the extent that the Net Annual Operating Expenses for the Investor Class and Service Class shares exceed 1.75% and 2.25%, respectively (excluding, as applicable, among other expenses, front-end or contingent deferred sales loads, taxes, leverage interest, dividends or interest on short positions, other interest expenses, brokerage commissions, expenses incurred in connection with any merger or reorganization, Acquired Fund Fees and Expenses, and extraordinary expenses such as litigation). Any expense waiver is subject to reimbursement by each Fund, as applicable, within the following three years if overall expenses fall below these percentage limitations. This agreement may be terminated at any time at the discretion of the Board of Trustees upon notice to the Adviser and without the approval of Fund shareholders. The agreement may be terminated by the Adviser only with the consent of the Board of Trustees.

Investing in index funds may be more volatile than investing in broadly diversified funds. The use of leverage by a mutual fund increases the risk to the fund. The more a fund invests in leveraged instruments the more the leverage will magnify gains or losses on those investments.

An investor should consider the investment objectives, risks, charges and expenses of the funds carefully before investing. The prospectus contains this and other information about the funds. To obtain a prospectus, please call the Direxionfunds at 1 800-851-0511. The prospectus should be read carefully before investing.

The principal risks of investing in the Latin America Bull 2x Fund are Market Timing Activity and High Portfolio Turnover, Risk of Tracking Error, Risks of Aggressive Investment Techniques, Leverage Risk, Counterparty Risks, Risk of Non-Diversification, Interest Rate Changes, Risks of Investing in Other Investment Companies and ETFs, Adverse Market Conditions, Credit Risk, Risks of Investing in Equity Securities, Risks of Investing in Foreign Instruments, Currency Exchange Rates, and Risks of Investing in Emerging Markets Instruments. Also, it is important to note that Latin America has generally been characterized by substantial economic instability resulting from, among other things, political unrest, high interest and inflation rates, currency devaluations and government deficits. The economies of Latin America are heavily dependent on the health of the U.S. economy and, because commodities such as oil and gas, minerals, and metals, represent a significant percentage of the region's exports, the economies of Latin American countries are sensitive to fluctuations in commodity prices. The economies of the countries in the region may be impacted by the policies or economic problems of other Latin American countries. As a result of these factors, an investment in the Latin America Funds may experience significant volatility. For more information on the risks of the fund, including a description of each risk, please refer to the prospectus.

The principal risks of investing in the Commodity Bull 2x Fund are Market Timing Activity and High Portfolio Turnover, Risk of Tracking Error, Risks of Aggressive Investment Techniques, Leverage Risk, Counterparty Risks, Risk of Non-Diversification, Interest Rate Changes, Risks of Investing in Other Investment Companies and ETFs, Adverse Market Conditions, Risks of Investing in Equity Securities, Risks of Investing in Commodities, and Credit Risk. For more information on the risks of the fund, including a description of each risk, please refer to the prospectus

Date of first issue: January 25, 2007 Distributor: Rafferty Capital Markets, LLC.