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DIREXION STRENGTHENS BUY-AND-HOLD PRODUCT OFFERINGS WITH THREE VOLATILITY RESPONSE ETFS

Exchange-Traded Funds Give Investors Index Equity Exposure That Seeks Improved Risk/Return Characteristics as Compared to Traditional Index Investing

BOSTON – January 11, 2012 – [Direxion](#), a leader in alternative investment solutions, is pleased to announce that it has launched three exchange-traded funds that seek to better control risk in equity investments.

The Funds track indices in the newly launched S&P Dynamic Rebalancing Risk Control Index Series. The Direxion S&P 500 RC Volatility Response Shares (Ticker: VSPY), Direxion S&P 1500 RC Volatility Response Shares (Ticker: VSPR) and Direxion S&P Latin America 40 RC Volatility Response Shares (Ticker: VLAT) follow the S&P 500 Dynamic Rebalancing Risk Control Index, S&P Composite 1500 Dynamic Rebalancing Risk Control Index and S&P Latin America 40 Dynamic Rebalancing Risk Control Index, respectively.

The Funds embody a rules-based investment approach that uses volatility as a gauge to determine equity exposure. They operate according to the principle that exposure to equities should be reduced during periods of higher overall market volatility, and increased during periods of a more stable (lower volatility) market environment. Each Fund has a target volatility level for its corresponding index. When volatility moves above those levels, the Funds will increase their exposure to U.S. Treasuries and decrease their exposure to equities. The Funds will proportionately increase exposure to equities during periods of low market volatility.

The Funds are structured so that adjustments can be made quickly and frequently, even on a daily basis, as the methodology dictates. The volatility levels of the corresponding indices are monitored daily, and equity/U.S. Treasury Bills exposure allocations are rebalanced on a monthly basis, at minimum.

“These new Funds are an intelligent way for equity investors to mitigate risk,” said Ed Egilinsky, Managing Director, Alternative Investments at Direxion. “Periods of higher than average market volatility tend to coincide, with potentially adverse equity markets, while periods of below average market volatility tend to represent a more stable environment and a greater likelihood of favorable equity market conditions. By tracking indices that use volatility to dictate overall equity exposure, these Funds serve as a means for investors to gain exposure to equities, while seeking to help protect their portfolios.”

For more information about Direxion, please contact James Doyle at 973-850-7308 or jdoyle@jcprinc.com.

About Direxion

[Direxion Funds](#) and [Direxion Shares](#), managed by Rafferty Asset Management, LLC, offer leveraged index funds, ETFs and alternative-class 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 \$7.5 billion in assets under management as of 9/30/11. The company's business model is built on continuous product innovation, exceptional customer service and a commitment to building strategic relationships with distribution partners. For more information, please visit www.direxionfunds.com or www.direxionshares.com.

Disclosure:

An investor should consider the investment objectives, risks, charges, and expenses of Direxion Shares carefully before investing. The prospectus and summary prospectus contain this and other information about Direxion Shares. [Click here](#) to obtain a prospectus and summary prospectus or visit our website at www.direxionshares.com. The prospectus and summary prospectus should be read carefully before investing.

Risks:

An investment in the Funds involve risk, including the possible loss of principal. There is no guarantee that the Funds will achieve their objectives. The Risks associated with the Funds include: Adverse Market Conditions Risk, Adviser's Investment Strategy Risk, Counterparty Risk, Depository Receipt Risk, Derivatives Risk, Foreign Risk, Geographic Concentration Risk, High Portfolio Turnover Risk, Interest Risk, Leveraged Index Risk, Liquidity Risk, Market Risk, Non-Diversification Risk, Regulatory Risk, Small and Mid-Cap Company Risk, Risks of investing in other Investment Companies and ETFs, Tax and Distribution Risk, Tracking Error Risk, and Special Risks of Exchange-Traded Funds. See the prospectus for specific details regarding risk for each Fund.

The S&P 1500® Index is a composite index of the S&P 500® Index, S&P 400® Index and S&P 600® Index, which are composed of stocks representing the large capitalization, mid capitalization and small capitalization segments of the U.S. equity market, respectively. The S&P 500® Index measures the large capitalization segment of the domestic equity market, composed of stocks of the 500 domestic companies with the largest capitalization. The S&P Latin America 40 Index is an index of 40 stocks drawn from four major Latin American markets: Brazil, Chile, Mexico and Peru. The constituents are leading, large, liquid, blue chip companies from the Latin American markets, capturing 70% of the total market capitalization of each of their respective Latin American markets. One cannot invest directly in an index.

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