

## Hilton Tactical Income Fund

Fund Information	Institutional Class	Investor Class
Symbol	<b>HCIYX</b>	<b>HCIYX</b>
Fees Gross/Net <sup>1</sup>	1.54 / 1.26%	1.79 / 1.51%
CUSIP	254939168	254939176
Annualized Distribution Rate <sup>2</sup> (%)	2.81	2.59
30 Day SEC Yield <sup>3</sup> (%)	2.59	2.34
Monthly Per Share Distribution Rate	0.042	0.039
Morningstar Rating*	★★★★★	★★★★★

\* Out of 229 Tactical Allocation funds as of 12/31/2019. An investments overall Morningstar Rating, based on its risk adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosures on the back for details.

### Total Fund Exposure



### Fund Statistics

Total Net Assets (Millions)	160
Total Number of Holdings	99
Beta <sup>4</sup> (to the S&P 500)	0.35
Standard Deviation <sup>5</sup>	5.57%
Sharpe Ratio <sup>6</sup>	1.15
Wtd Average Market Cap <sup>7</sup> (Billions)	64.29

### Top Ten Equity Holdings %

Americold Realty Trust	2.89
Enterprise Products Partners L.P.	2.70
Oaktree Specialty Lending Corp.	2.40
Crown Castle International Corp.	2.36
Republic Services, Inc.	2.34
Ares Management Corp.	2.06
Thomson Reuters Corp.	2.05
Broadridge Financial Solutions, Inc.	1.98
KKR & Co., Inc.	1.96
NextEra Energy, Inc.	1.88

### Top Ten Fixed Income Holdings %

U.S. Treasury Note	5.45
U.S. Treasury Note	5.25
U.S. Treasury Note	3.85
U.S. Treasury Note	2.35
Nuveen Mortgage Opportunity Fund	1.53
Brookfield Property Partners LP	1.32
Apple, Inc.	1.17
Ares Management Corp.	1.11
Walmart, Inc.	1.04
Nuveen Credit Strategies Income Fund	1.03

All holdings and sector weightings are subject to change. Diversification does not protect against a loss or ensure a gain. There is no guarantee the fund will achieve its investment objective.

**Must be preceded or accompanied by a current prospectus.**

### Investment Objective

The Hilton Tactical Income Fund ("the Fund") primarily seeks income with a secondary investment objective of capital appreciation consistent with the preservation of capital.

### Principal Investment Strategy

- The Fund is managed to employ a disciplined approach to balancing fixed income investments with historically higher income producing equity investments, with a focus on minimizing absolute risk and volatility but still taking advantage of short term opportunities.
- In addition to targeting a consistent level of income for shareholders, the Fund is also focused on creating a portfolio that offers the potential for both capital appreciation and preservation.
- This actively managed Fund will invest in a diversified variety of income producing assets and provides monthly income distributions.
- The Fund utilizes a collaborative team-based research and portfolio management process to ensure consistency surrounding portfolio construction coupled with diverse research views.

<sup>1</sup> The Net Expense Ratio includes management fees, other operating expenses and Acquired Fund Fees and Expenses. If Acquired Fund Fees and Expenses were excluded, the Net Expense Ratio would be 1.12% for Investor Shares and 0.87% for Institutional Shares. The Fund's adviser, Rafferty Asset Management, LLC ("Rafferty") has contractually agreed to waive all or a portion of its management fee and/or reimburse the Fund for Other Expenses (excluding, as applicable, among other expenses, taxes, swap financing and related costs, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions and extraordinary expenses) through September 1, 2021, to the extent that the Fund's Total Annual Fund Operating Expenses exceed 1.12% for Investor Class Shares and 0.87% for Institutional Class Shares of average daily net assets (excluding, as applicable, among other expenses, taxes, swap financing and related costs, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions and extraordinary expenses). If these expenses were included, the expense ratio would be higher.

<sup>2</sup> Annualized Distribution rate is an annualized calculation of the monthly distribution per share divided by the pre-dividend net asset value. A portion of this amount may be considered tax deferred return of capital and could be subject to capital gains if sold for a gain.

<sup>3</sup> 30-day SEC Yields are a standard yield calculation developed by the Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. It is based on the most recent 30-day period covered by the fund's filings with the SEC. The 30-day SEC Yield based upon a higher, gross expense ratio (unsubsidized yield), which includes expenses that would be incurred by the Fund if the Operating Expense Limitation Agreement was not in place, is 2.32% for the Institutional Class, 2.07% for Investor Class.

<sup>4</sup> Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.

<sup>5</sup> Standard Deviation is a measure of the dispersion of a set of data from its mean (1 Year period - monthly).

<sup>6</sup> Sharpe Ratio is a statistical measure that uses standard deviation and excess return to determine reward per unit of risk.

<sup>7</sup> Wtd Average Market Cap is the average market capitalization (value of outstanding shares) taking into account the relative weight of each investment sourced from Morningstar.com.

## Hilton's Investment Philosophy

Hilton Capital Management follows a distinctive investment process that principally focuses on yield while attempting to mitigate market risk. The manager aims to invest in high quality companies that may offer an attractive level of risk adjusted returns. When a potential position is evaluated for inclusion, Hilton's management team examines the company across their capital structure to determine where the investment opportunity offers the best risk adjusted return potential. They seek to limit the volatility in the portfolio and generate solid returns without taking on undue risk. The managers believe, through the use of tactical asset allocation amongst cash, equities, and fixed-income; they can generate attractive returns while reducing fund volatility over market cycles.

## Investment Management

Hilton Capital Management, LLC, an affiliate of Rafferty Holdings, LLC, was founded in 2001 and is a privately held firm based in Garden City, NY. As of 12/31/2019, the firm had approximately \$2 billion in client assets.

### William J. Garvey Chief Investment Officer

Mr. Garvey, with over 30 years of industry experience is the founder and Chief Investment Officer of Hilton Capital. Mr. Garvey has developed a distinctive investment process that serves as the core of the firm's investment philosophy.

### C. Craig O'Neill Chief Executive Officer

Mr. O'Neill, with 30 years in the industry is the Chief Executive Officer of Hilton Capital. Mr. O'Neill is a member of the investment committee as well as a co-portfolio manager.

### Alexander D. Oxenham, CFA Partner & Co-Chief Investment Officer

Mr. Oxenham, with 22 years of industry experience, participates in the active management of the Hilton Capital investment strategy. Mr. Oxenham is a CFA charterholder and a standing member of the CFA Institute.

## Quarterly Fund Performance % (as of 12/31/2019)

	1M	3M	YTD	1Y	3Y	5Y	S/I	Inception
Investor Class*	1.20	1.89	15.34	15.34	6.63	5.81	6.13	09/16/2013
Institutional Class	1.22	1.95	15.59	15.59	6.88	6.06	6.40	09/16/2013

\*Performance information shown for periods prior to the close of business on December 5, 2014 is that of the Hilton Yield Plus Fund, a series of Managed Portfolio Series, which reorganized into the Fund on that date. Performance information from December 5, 2014 to June 1, 2015 reflects the performance of the Fund's Investor Class Shares. Effective June 1, 2015, the Investor Class Shares converted to Class A Shares, and the performance information from June 1, 2015 to December 31, 2017 reflects the performance of the Fund's Class A Shares. During the calendar year ended December 31, 2017, the Investor Class Shares were Class A Shares. Effective at the close of business on June 30, 2018, the Fund's Class A Shares converted to Investor Class Shares.

**The performance data quoted represents past performance net of annual expenses and any sales charge. 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. Past performance does not guarantee future results. For most recent month end performance information please visit [direxion.com](http://direxion.com) or call 877-437-9363.**

©2020 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Morningstar Rating™ for funds, or "star rating", is calculated for managed products with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. Morningstar Ratings do not take sales loads into account. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Hilton Tactical Income Fund was rated against the following numbers of U.S.-domiciled Tactical Allocation funds over the following time periods: 229 funds in the last three years and 184 for the last five years. As of 12/31/2019, HCYAX received a 3-Star rating for the 3-year period, and a 4-Star rating for the 5-year period and overall. HCYIX received a 3-star rating for the 3-year period, 5-star rating for the 5-year period, and a 4-star rating overall. Past performance is no guarantee of future results.

## Disclosures

**An investor should carefully consider a Fund's investment objective, risks, charges, and expenses before investing. A Fund's prospectus and summary prospectus contain this and other information about the Direxion Funds. To obtain a prospectus and summary prospectus call 866-476-7523 or visit our website at [direxion.com](http://direxion.com). A Fund's prospectus and summary prospectus should be read carefully before investing.**

**Risks:** Mutual fund investing involves risk. Principal loss is possible. The Fund's strategy of investing in dividend-paying stocks involves the risk that such stocks may fall out favor with investors and under perform the market. In addition, there is the possibility that such companies could reduce or eliminate the payment of dividends in the future or the anticipated acceleration of dividends could not occur. The Fund may invest in foreign securities and ADR's which involve political, economic and currency risks, greater volatility and differences in accounting methods. Medium- and small- capitalization companies tend to have limited liquidity and greater price volatility than large-capitalization companies. Investments in REIT securities involve risks such as declines in the value of real estate and increased susceptibility to adverse economic regulatory expenses. The fund may invest in MLP's which can be negatively influenced when interest rates rise. These investments also entail many of the general tax risks of investing in a partnership. There is always the risk that an MLP will fail to qualify for favorable tax treatments. Investments in debt securities typically decrease in value

when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the Fund in lower-rated and nonrated securities presents a greater risk of loss to principal and interest than higher-rated securities. Income from municipal securities may be subject to state and local taxes and a portion of income may be subject to the federal alternative minimum tax for certain investors. Federal income tax rules will apply to any capital gains distributions. Because the funds invest in ETFs and ETN's, they are subject to additional risks that do not apply to conventional mutual funds. ETF risk includes the risks that the market price of the shares may trade at a discount to its net asset value ("NAV"), an active secondary trading market may not develop or be maintained, or trading may be halted by the exchange in which they trade, which may impact a Fund's ability to sell its shares. ETN risk includes the risks that the value of an ETN may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in the underlying securities' markets, changes in the applicable interest rates, changes in the issuer's credit rating and economic, legal, political or geographic events that affect the referenced index. In addition, ETNs are unsecured debt of the issuer and would lose value if the issuer goes bankrupt. Please read the prospectus for a more complete description of these and other risks of the Fund.

**Distributor:** Rafferty Capital Markets, LLC.

90 MUFFS 030620