
## Are your clients in fear of a Wolf Market?

We can help you calm their fears. The Wolf Market, according to BGC Financial chief global strategist Michael Purves, the man who coined the phrase, is characterized by a tight trading range, increased volatility, high stock correlations and quick reversals. "Choppy trading makes it hard to pick stocks based on fundamental qualities, leaving shorter-term options and technical analysis better tools for navigating its bounces," he said, in an interview with the Wall Street Journal (8/23/10). "A wolf is clearly a smaller animal than a bull or a bear, but it's very quick and decisive."

No matter what you call it, this type of market can leave your clients and your prospects – especially those with moderate to conservative risk tolerance – frozen. Who can blame them? Each headline starts with a word that connotes fear: Volatility, Elections, Unemployment, Double-Dip Recession, Bond Bubble, Deflation. Day after day, headline after sound bite, fear rules. Is the slowdown slowing? Or is this a slowing slowdown? Either way, for the fearful, desire for the return of capital still trumps the prospect of return on capital.

But if they are the proverbial sheep, you are their shepherd. They look to you not just to protect them from the wolf, but to lead them to – and help them thrive in – greener pastures.

## How can the Wilshire Dynamic Fund help?

You hear the same concerns every day. Investors know in their heads that they need to put their money to work in the markets to have a chance of building wealth. But their stomachs are still queasy from the last 24 months of ups and downs.

In order for them to commit their hard-earned savings to securities they must first trade fear for confidence. But it's almost impossible to move across the spectrum from trepidation, in the markets to trust in the markets, and almost certainly must be done in a way that allows your clients to feel like they're prepared for the worst as they hope for the best.

The Wilshire Dynamic Fund is a moderate strategic asset allocation (SAA) fund based on a 60/40 equity/fixed income model, that employs a "tactical tilt" to adapt to short-term market conditions. This unique feature gives the fund the flexibility to be positioned more defensively or aggressively. Imagine if your clients were to invest in a fund that systematically adjusts to risk trends, so that all they have to worry about is turning off the news and enjoying…well… their lives.

## Feed the confidence. Starve the fear.

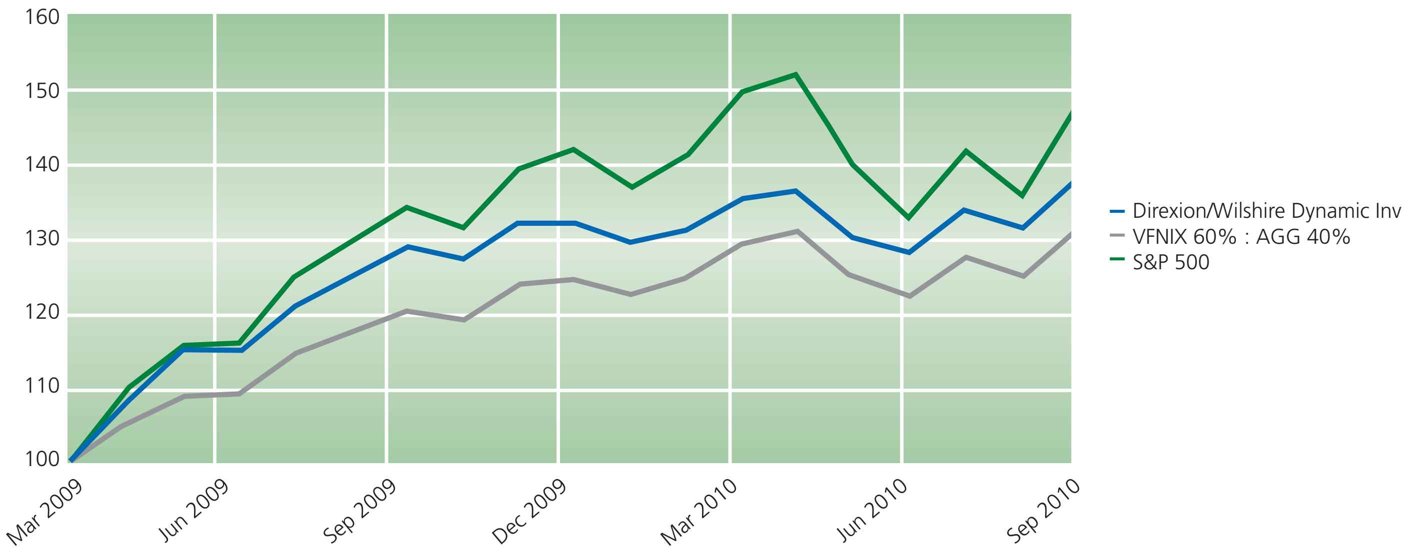
Since inception, the Dynamic Fund has managed to seek greater returns than a basic 60/40 asset allocation, while actively defending against relative risk.

**Not just what it's designed to do…**

*Performance is only part of the story. Since its inception — and in the teeth of the Wolf Market — the Direxion/Wilshire Dynamic Fund hasn't performed as well as the S&P, and has performed a little better than a typical 60/40 balance of stocks and bonds…*

**Manager Performance**

April 2009 - September 2010 (Single Computation)

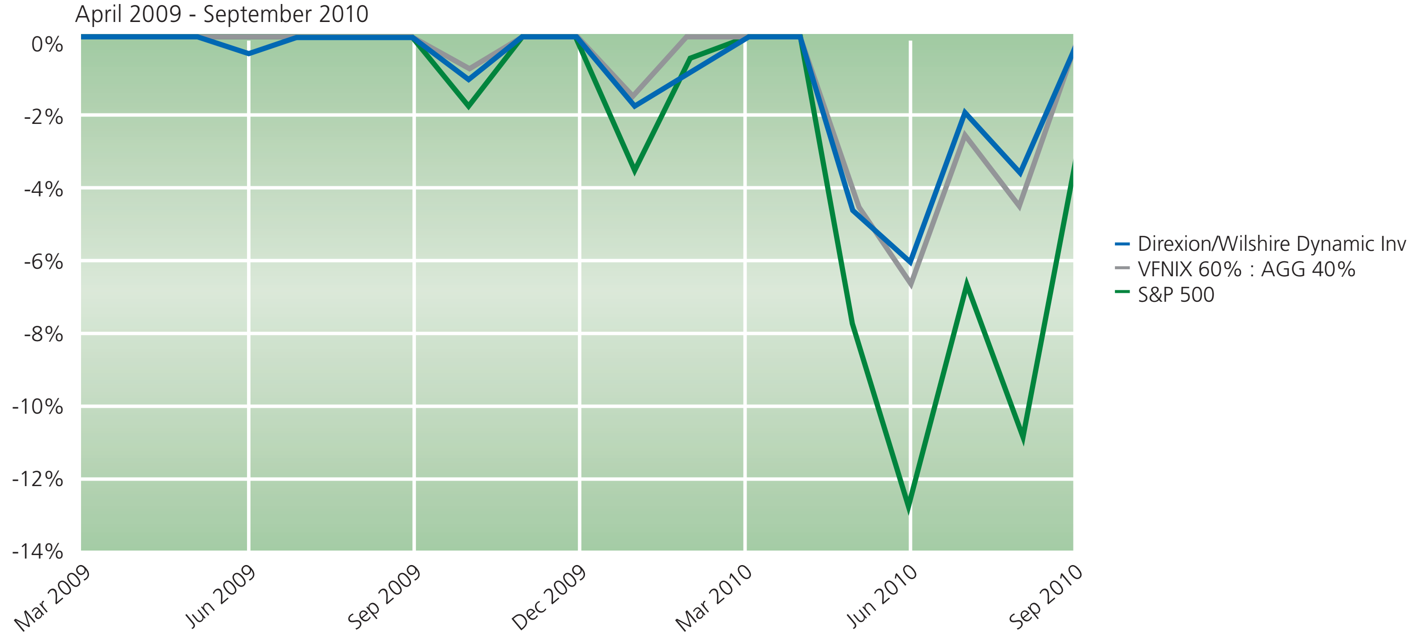



**…but what it's designed not to do.**

*The drawdown, or peak-to-trough decline, for the Wilshire Dynamic Fund has been consistently less than the S&P 500, and typically less than or similar to a 60/40 balance of stocks and bonds…*

**Drawdown**

April 2009 - September 2010

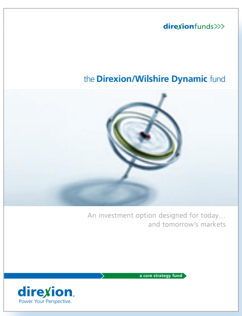


| | Max Drawdown | Max Drawdown Begin Date | Max Drawdown End Date | Max Drawdown Length | Max Drawdown Recovery Date | Pain Index | Pain Index | Omega (MAR=0.00%) | Gain to Loss Ratio | High Water Mark Date | To High Water Mark |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Direxion/Wilshire Dynamic Inv** | -6.11% | May 2010 | Jun 2010 | 2 | Sep 2010 | 1.15% | 20.70 | 3.98 | 2.53 | Sep 2010 | 0.00% |
| **VFNIX 60% : AGG 40%** | -6.70% | May 2010 | Jun 2010 | 2 | Sep 2010 | 1.16% | 16.95 | 3.47 | 1.33 | Sep 2010 | 0.00% |
| **S&P 500** | -12.80% | May 2010 | Jun 2010 | 2 | N/A | 2.63% | 11.21 | 2.80 | 1.08 | Apr 2010 | 3.04% |

Past performance is no guarantee of future results. Each model and asset class entails risk. There is no guarantee that these investment strategies will work under all market conditions and each investor should evaluate their ability to invest for a long-term especially during periods of downturn in the market. No representation is being made that any account, product, or strategy will or is likely to achieve profits, losses, or results similar to those shown.

## Lead, and grow your flock.

Yesterday the words may have been *Double-Dip Recession* and *Deflation*. Today they may be *Volatility* and *Inflation*, tomorrow maybe *Unemployment* and *Bond Bubble*. But when used as objections to keeping investable assets on the sidelines, these words are sheep's clothing for the wolf that is *Fear*.




Investment practices are built or destroyed during times of uncertainty. So while ultimately it's your clients that must decide their direction, if you can gently lead them off the sidelines and back into the markets — and you're successful — you may have a chance to earn their trust for years to come.

The story of the Direxion Wilshire Dynamic Fund, with its long-term allocation, and short-term tactical tilts, may be the one that leads your clients to, once again, walk in fields of green without fear of the wolf.

*To learn more about the* ***Direxion Wilshire Dynamic Fund:***

***Financial Professionals:*** *877-437-9363 •* ***Shareholders:*** *800-851-0511*

***www.direxionfunds.com***

***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 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.



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