



Contact info:

Andy O'Rourke 617.399.8851

Direxion Funds

orourke@direxionfunds.com

www.direxionfunds.com

or

Katherine McMillan or Nigel Adam

978.338.1340

Compton Consulting Group

katherine@comptonconsulting.com

nigel@comptonconsulting.com

or

Kim Shepherd (312)762-5504

Wilshire Associates

kshepherd@wilshire.com

FOR IMMEDIATE RELEASE

**Direxion Funds Launches
Direxion/Wilshire Dynamic Portfolios**

***Model portfolios utilize Wilshire Funds Management's expertise
to help advisors apply alternative strategies in traditional asset allocation models***

(Boston, MA.; March 25, 2008) Direxion Funds announced today the launch of the *Direxion /Wilshire Dynamic Portfolios*, institutional style model portfolios for financial advisors that utilize the expertise in asset allocation and portfolio construction of Wilshire Funds Management, the international investment management unit of Wilshire Associates Incorporated, a leading global investment services and consulting firm.

The *Direxion/Wilshire Dynamic Portfolios* combine both strategic and tactical asset allocation modeling to illustrate how advisors may add a modest allocation of Direxion's leveraged funds to seek better risk adjusted returns. The model portfolios enable financial advisors to achieve the desired beta exposure more efficiently, redeploy the resulting freed up capital to alternative asset classes and to adjust to changing market conditions.

Four traditional Wilshire® asset allocation models are used as a basis for the *Direxion /Wilshire Dynamic Portfolios*. They range from a conservative 40/60 model to an all equity model. Advisors who subscribe to the *Direxion/Wilshire* models are sent a monthly report that provides them with specific rebalancing recommendations based on the market environment, along with rationale for making potential allocation shifts.

Dan O'Neill, Direxion's Chief Investment Officer, explains, "Providing tools and education to advisors is one of the mainstays of our business strategy. Through Direxion's relationship with Wilshire, we're able to offer advisers sophisticated, institutional style

portfolios created by one of the world's leading investment services firms. By combining Wilshire's expertise in asset allocation and portfolio construction with our leveraged funds, we've given advisors a powerful tool that provides them with useful options in various market conditions."

Adds Bill Franca, Direxion's Executive Vice President of Distribution, "The response from advisors we've introduced to the program has been overwhelmingly positive. They immediately see this as a way to differentiate their practice by being able to offer their clients well-constructed portfolio strategies, that strive to achieve greater diversification, and improved risk/return metrics."

Direxion's funds provide daily exposure from 100% to 250% to the underlying asset classes represented by numerous market indices and were created to complement, not replace core holdings. In the *Dynamic Portfolios*, the additional exposure generated from the leveraged index funds is used to replicate beta, freeing up capital for further diversification to strategies that seek alpha and / or to investments with low correlations. The *Dynamic Portfolios* are designed to be part of a long-term investment strategy and respond to market conditions and opportunities with a monthly tactical overlay that provides downside protection and risk adjusted returns.

According to James Dunn, Managing Director and Chief Investment Officer of Wilshire Funds Management, "We're very excited to work with Direxion Funds on this program and to offer an institutional asset allocation approach in an easy to access format to advisers and their sophisticated clients."

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

Wilshire is a registered service mark of Wilshire Associates Incorporated of Santa Monica, California.

Any opinions expressed are current only as of the time made and are subject to change without notice. Matters discussed in this news release may constitute forward looking statements within the meaning of the federal securities laws. Due to numerous factors, actual events may differ substantially from those presented.

An investor should consider the investment objectives, risks, charges, and expenses of the Direxion funds carefully before investing. The prospectus contains this and other information about Direxion Funds. To obtain a prospectus, please contact the Direxion Funds at 800.851.0511. The [prospectus](#) should be read carefully before investing.

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.

Date of first issue: March 25, 2008 Distributor: Rafferty Capital Markets, LLC.