

# Direxionfunds >>> By The Numbers

January 1, 2007

**DIFFERENT POLITICS** - When Congress convenes in Washington in January 2007, both the **House and Senate** will be controlled by Democrats while the **White House** will be occupied by Republican President George Bush. The last time the US had a Democratic-run Congress and a Republican in the White House was during the 6-years from 1987-92, a period of time in which the S&P 500 was up +14.0% (total return) on average per year (source: BTN Research).

**NEXT YEAR** - The 3rd year of a **president's term in office** has frequently translated into a strong stock market. The S&P 500 has gained a total return of +23.2% per year on average in the 14 separate 3rd-years dating back to 1950, **almost twice** the +11.9% annual total return for the stock index over the entire 56 years. The last time the S&P 500 had a 3rd-year in the presidential cycle that resulted in a negative total return was 1939. Next year (2007) is the 3rd-year in President Bush's current term in office (source: BTN Research).

**SPENDING PRIORITIES** - In fiscal year 1970, our spending on **national defense** was +170% larger than our spending on **social security**. Our spending on **national defense** in 2006 is projected to be 3% less than our spending on **social security** (source: Treasury Department).

**IF NOT FROM HERE, THEN WHERE?** - The USA produces 5 million barrels a day of **crude oil**, far less than the 8 million barrels a day our nation produced **30 years ago** in April 1976 (source: Energy Information Administration).

**WORKING TO LIVE** - 35% of Americans who own homes spend at **least 30%** of their income on their housing costs (source: Census Bureau).

**THE WEALTHIEST FAMILIES** - 10% of American families **control 70%** of the nation's total **net worth**. To be ranked in the top 10% requires at **least \$832,000** of net worth (source: Federal Reserve).

**THAT'S ALL THE MONEY I NEED** - 7 out of 10 American workers believe they will need to **accumulate no more than \$1 million** in savings to enjoy a comfortable lifestyle during retirement (source: EBRI).

This information has been provided by **Direxionfunds**. We provide 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. Visit our website

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**REALLY?!?** - 29% of Americans believe they **will be able to withdraw** 10% of their accumulated savings each year during retirement and not run out of money prematurely (source: New York Life).

**FUNDING A RETIREMENT** - A lump-sum of \$995,000 will **sustain a 20-year payout of \$100,000 per year** assuming the funds continue to earn 9% annually. If the rate of return achieved is only 6%, a lump-sum of \$1.22 million, or 22% more money, is needed to fund the \$100,000 annual payment (source: BTN Research).

**PREOCCUPIED WITH MORTALITY** - Americans spend **2 ½ times or more per person** on health care compared to any other country in the world (source: BusinessWeek).

**LONG-TERM CARE** - Although 42% of current retirees **will not spend any money** on long-term care expenditures during their lifetimes, 16% of retirees **will spend at least \$100,000** (present value amount stated in terms of 2005 dollars) on long-term care expenses (source: Academy Health, Kemper, Komisar and Alecxih).

**COLLEGE COSTS** - Tuition and fees for 1-year of college at an average 4-year **public university** (in-state tuition) is \$5,836 for the current **2006-07** school year. That amount is greater than the cost of tuition and fees for 1-year of college at an average 4-year **private university** (\$5,556) during the **1984-85** school year or 22 years ago. The figures do not include the cost of room and board (source: College Board).

**MY EYES GLAZE OVER** - The individual taxpayer **Form 1040** is just 2 pages long. The **instructions** however from the government that go with Form 1040 are **142 pages** long (source: IRS).

**STAY AROUND** - Employees of companies that provide a 401(k) plan **stay with an employer** 2.7 years longer than employees who work for companies that do not offer a 401(k) plan (source: Center for Retirement Research).

**HARD WORKER** - The **average productivity** of the American worker (defined as output per hour of work) has **increased +50%** over the last 18 years (1988-2005). Mathematically this means the quantity of work done in 1987 during a 40-hour work week could now be completed in less than 27 hours (source: Department of Labor).

**WHO WILL THE CANDIDATES BE?** - The **2008 Presidential election** will be held on 11/04/08. There has been a **Bush or a Clinton** running on the **Republican or Democratic ticket** (as a Presidential or VP candidate) in every election **since 1980**. If Hillary Clinton is on the Democratic ticket in 2008 that would make **8 consecutive elections** with either a Bush or a Clinton in the running (source: BTN Research).

## direxion

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