ASSET CLASS CORRELATION MAP

RYDEX | SGI
SECURITY GLOBAL INVESTORS℠

Is your portfolio diversified?

If you're investing in asset classes that perform similarly—especially in downward-moving markets—the answer could be no.

On the contrary, investing in asset classes that demonstrate little or no correlation[1] to one another may help you enhance diversification and reduce portfolio volatility. While diversification can neither ensure a profit nor eliminate the risk of experiencing investment loss, the ideal scenario is to have a mixture of noncorrelated asset classes in an attempt to reduce overall portfolio volatility and generate more consistent returns over the long-term.

This table illustrates how various asset classes historically correlate to one another. A correlation of 1.00 indicates perfect correlation, while lower numbers indicate that the asset classes are not correlated and generally do not move in tandem with each other—or, when the market moves down, these asset classes may not fall as much as the market in general, which could mitigate risk in your portfolio.

Bonds	Barclays Capital U.S. Aggregate Bond Index
Cash	Bloomberg 1-Month CD Index
Commodities*	S&P GSCI™ Commodity Index
Currency	U.S. Dollar Index®
Dedicated Short Bias	Tremont/Credit Suisse Dedicated Short Bias Index
Event Driven	Tremont/Credit Suisse Event Driven Index
Global	MSCI World Net TR Index
Hedge Funds	Credit Suisse/Tremont Hedge Fund Index
International Equity	MSCI EAFE Index
Long/Short	Credit Suisse/Tremont Long Short Equity Fund Index
Managed Futures*	S&P Diversified Trends Indicator
Market Neutral	HFRI Market Neutral Index
REITs	NAREIT (National Association of Real Estate Investment Trusts®)
S&P 500®	S&P 500® Index

HISTORICAL CORRELATION[1]: JANUARY 2004–DECEMBER 2009

	Positive	Negative
High	0.7–1.0	(0.7)–(1.0)
Moderate	0.4–0.7	(0.4)–(0.7)
Low	0.0–0.4	(0.0)–(0.4)

	Bonds	Cash	Commodities	Currency	Dedicated Short Bias	Event Driven	Global	Hedge Funds	International Equity	Long/Short	Managed Futures	Market Neutral	REITs	S&P 500
Bonds	1.00													
Cash	(0.06)	1.00												
Commodities	0.01	(0.03)	1.00											
Currency	(0.45)	(0.02)	(0.44)	1.00										
Dedicated Short Bias	(0.09)	0.11	(0.07)	0.25	1.00									
Event Driven	(0.00)	(0.05)	0.56	(0.37)	(0.44)	1.00								
Global	0.25	(0.05)	0.44	(0.57)	(0.65)	0.77	1.00							
Hedge Funds	0.08	(0.02)	0.59	(0.49)	(0.44)	0.95	0.80	1.00						
International Equity	0.27	(0.05)	0.47	(0.63)	(0.59)	0.77	0.98	0.81	1.00					
Long/Short	0.15	(0.03)	0.53	(0.50)	(0.55)	0.90	0.85	0.95	0.88	1.00				
Managed Futures	(0.18)	0.11	0.20	0.06	0.11	(0.02)	(0.24)	(0.00)	(0.20)	0.02	1.00			
Market Neutral	(0.17)	0.17	0.53	(0.18)	(0.09)	0.72	0.42	0.70	0.45	0.68	0.29	1.00		
REITs	0.29	(0.09)	0.18	(0.44)	(0.62)	0.43	0.77	0.46	0.71	0.47	(0.33)	0.04	1.00	
S&P 500	0.23	(0.06)	0.34	(0.47)	(0.69)	0.69	0.97	0.70	0.90	0.75	(0.31)	0.32	0.80	1.00

Source: Calculated by Rydex|SGI using data from Bloomberg.com, Barclays.com and Standardandpoors.com.

Performance displayed represents past performance, which is no guarantee of future results.

This information is intended to be general in nature and should not be construed as investment advice nor a recommendation of any specific security or strategy. The index returns used to calculate the correlations do not reflect any management fees, transaction costs or expenses. The indices are unmanaged and are not available for direct investment.

[1]Correlation is a measurement between -1 and 1, which indicates the linear relationship between two variables. If there is no relationship between two variables, the correlation coefficient is 0. If there is a perfect relationship, the correlation is 1. And if there is a perfect inverse relationship, the correlation is -1.

*Rydex|SGI offers funds with investment strategies similar to the referenced asset classes. However, performance presented is that of the referenced index or indicator and not that of any Rydex|SGI fund.

Access the Rydex|SGI web site, www.rydex-sgi.com, for complete details on investment objectives and performance of various Rydex|SGI funds or call 800.820.0888 for a prospectus. Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The fund's prospectus contains this and other information about the fund. Please read the prospectus carefully before you invest or send money.

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MODERN MARKETS ASSET CLASSES

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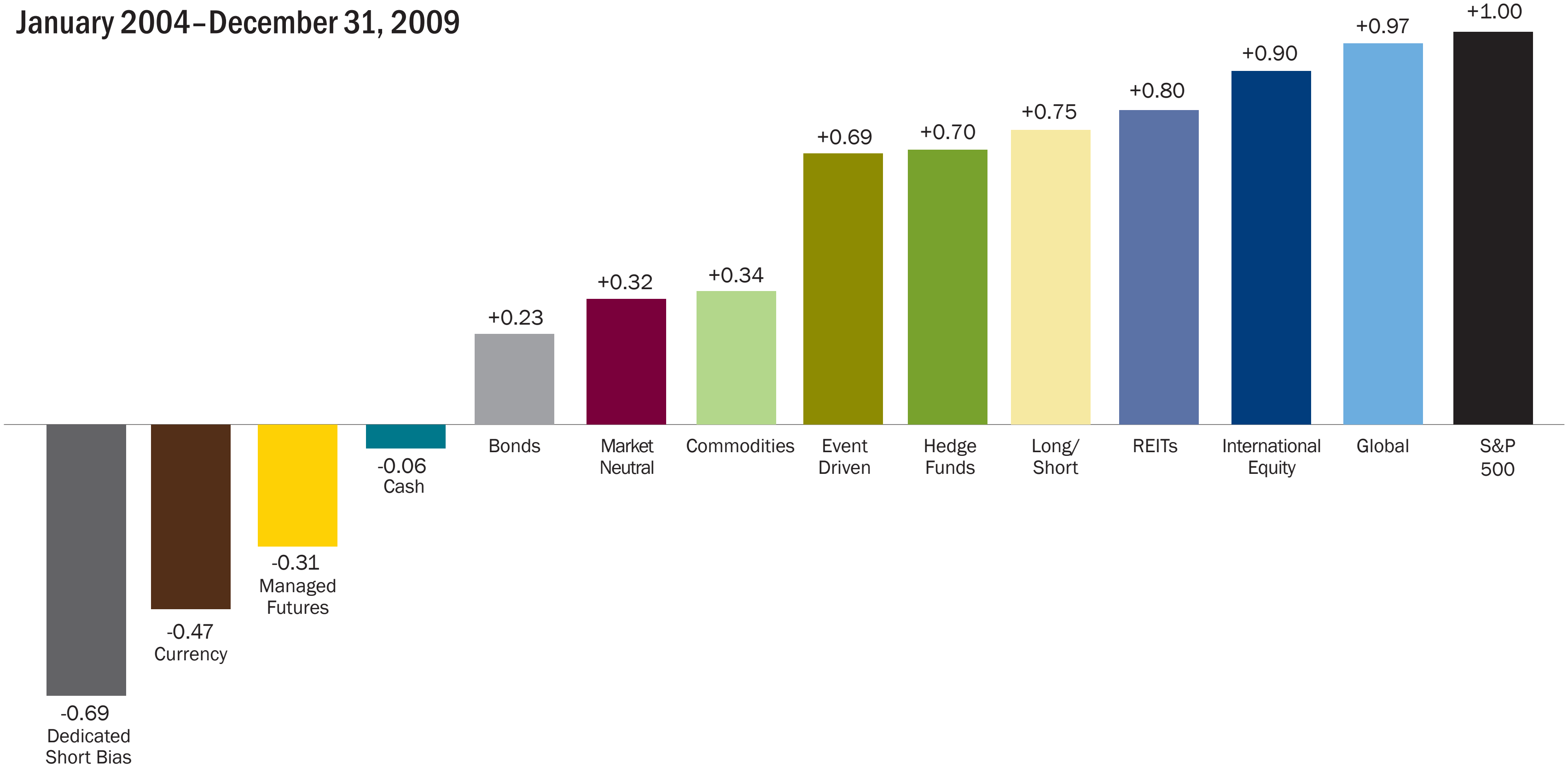
Many investors who believe their portfolios are diversified aren't as diversified as they think. That's because traditional portfolios are typically comprised of only stocks, bonds and cash. While stocks and bonds may provide some diversification, there are other investment opportunities that could provide even more.

Diversifying to reduce risk

As shown in the chart below, adding new or different asset classes—that is, those beyond stocks, bonds and cash—might provide opportunity for increased portfolio diversification through exposure to assets with no or low correlation to traditional investments. In addition, it could potentially generate more consistent returns over the long-term and help reduce overall portfolio volatility.

Historical Correlation of Various Asset Classes vs. S&P 500®

January 2004–December 31, 2009



Correlation is a statistical measure of how two variables move in relation to each other. This measure ranges from -1 to +1, where -1 indicates perfect negative correlation and +1 indicates perfect positive correlation.

Investing in alternative investments may not be suitable for all investors and involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. There is no assurance that the investment objective will be attained.

Performance displayed represents past performance, which is no guarantee of future results. Correlations are calculated using the monthly total returns of each index. All correlations are measured vs. the S&P 500 Index. The index returns do not include any management fees, transaction costs or expenses. The indices are unmanaged and are not available for direct investment. This information is subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security. Data source: Calculated by Rydex|SGI using information from Bloomberg.com, Barclays.com and Standardandpoors.com. **There are special risk considerations with each of the strategies mentioned and they are not suitable for all investors.** None of the investment strategies can guarantee a return in a declining market. Additionally, an investor could lose all or a substantial amount of their investment.