

MODERN MARKETS SCORECARD

The chart style below is commonly used to explain why investors should consider diversifying across various asset classes. It ranks asset classes from best to worst performers every year. This scorecard not only includes traditional asset classes such as stocks, bonds and cash, but also more specialized asset classes that include alternative investments. As shown in the scorecard, the top-performing investment styles rotate over time, so trying to guess which style(s) will be in favor in any given year is difficult and unlikely. Adding a few specialized asset classes or strategies to a portfolio could potentially help reduce volatility. Simply put, this diversification attempts to help you smooth out the markets' ups and downs over time.

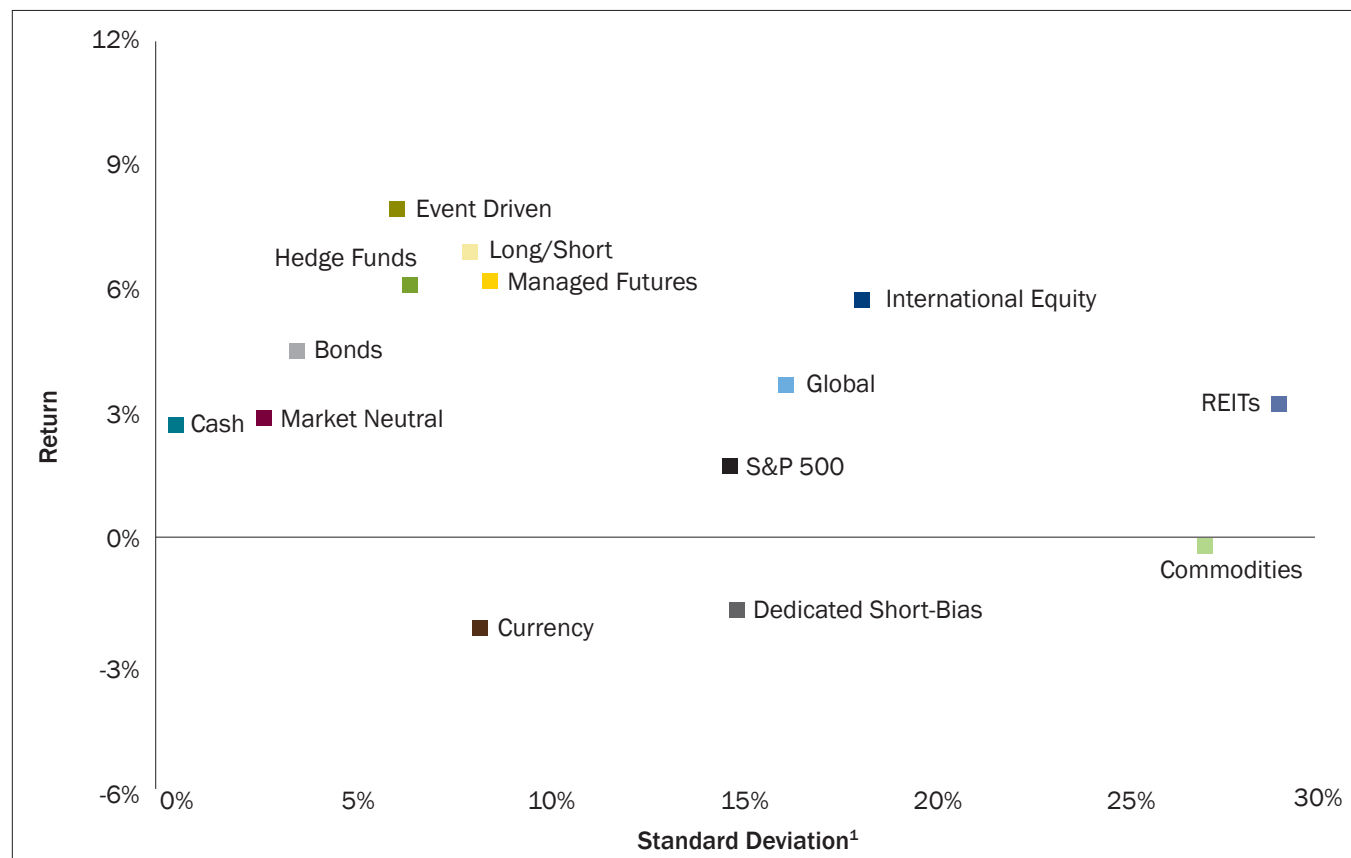
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009		
Commodities 49.74%	REITs 15.50%	Commodities 32.07%	International Equity 38.59%	REITs 30.41%	Commodities 25.55%	REITs 34.02%	Commodities 32.67%	Dedicated Short-Bias 14.87%	International Equity 31.78%	Bonds	Barclays Capital U.S. Aggregate Bond Index
REITs 25.89%	Event Driven 11.50%	Dedicated Short-Bias 18.14%	REITs 38.47%	International Equity 20.25%	Dedicated Short-Bias 17.00%	International Equity 26.34%	Long/Short 13.66%	Managed Futures 8.29%	Global 29.99%	Cash	Bloomberg 1-Month CD Index
Dedicated Short-Bias 15.76%	Bonds 8.44%	Bonds 10.25%	Global 33.11%	Commodities 17.28%	International Equity 13.54%	Global 20.07%	Event Driven 13.20%	Currency 6.01%	REITs 27.80%	Commodities*	S&P GSCI™ Commodity Index
Market Neutral 14.56%	Market Neutral 6.71%	REITs 5.22%	S&P 500 28.68%	Global 14.72%	Currency 12.76%	S&P 500 15.79%	Hedge Funds 12.56%	Bonds 5.24%	S&P 500 26.46%	Currency	U.S. Dollar Index®
Bonds 11.63%	Currency 6.56%	Hedge Funds 3.04%	Commodities 20.72%	Event Driven 14.47%	Long/Short 9.68%	Event Driven 15.73%	International Equity 11.17%	Cash 2.70%	Event Driven 20.38%	Dedicated Short-Bias	Credit Suisse/Tremont Dedicated Short-Bias Index
Currency 7.55%	Hedge Funds 4.42%	Cash 1.69%	Event Driven 20.02%	Managed Futures 13.93%	Global 9.49%	Long/Short 14.38%	Managed Futures 10.66%	Market Neutral -5.92%	Long/Short 19.47%	Event Driven	Credit Suisse/Tremont Event Driven Index
Event Driven 7.26%	Cash 3.68%	Market Neutral 0.98%	Long/Short 17.27%	Long/Short 11.56%	Event Driven 8.95%	Hedge Funds 13.86%	Global 9.04%	Event Driven -17.74%	Hedge Funds 18.57%	Global	MSCI World Net TR Index
Cash 6.55%	Dedicated Short-Bias -3.58%	Event Driven 0.16%	Hedge Funds 15.44%	S&P 500 10.88%	REITs 8.29%	Market Neutral 7.32%	Bonds 6.97%	Hedge Funds -19.07%	Commodities 13.49%	Hedge Funds	Credit Suisse/Tremont Hedge Fund Index
Hedge Funds 4.85%	Long/Short -3.65%	Long/Short -1.60%	Bonds 4.10%	Hedge Funds 9.64%	Hedge Funds 7.61%	Managed Futures 5.75%	Dedicated Short-Bias 6.04%	Long/Short -19.76%	Bonds 5.93%	International Equity	MSCI EAFE Index
Long/Short 2.08%	S&P 500 -11.89%	Currency -12.76%	Market Neutral 2.44%	Bonds 4.34%	Managed Futures 7.55%	Cash 5.18%	S&P 500 5.49%	S&P 500 -37.00%	Market Neutral 1.73%	Long/Short	Credit Suisse/Tremont Long-Short Equity Fund Index
S&P 500 -9.10%	Global -16.82%	International Equity -15.94%	Cash 1.14%	Market Neutral 4.15%	Market Neutral 6.22%	Bonds 4.33%	Cash 5.31%	REITs -37.84%	Cash 0.34%	Managed Futures*	S&P Diversified Trends Indicator
Global -13.18%	International Equity -21.44%	Global -19.89%	Currency -14.66%	Cash 1.50%	S&P 500 4.91%	Dedicated Short-Bias -6.61%	Market Neutral 5.29%	Global -40.71%	Currency -4.24%	Market Neutral	HFRI Market Neutral Index
International Equity -14.17%	Commodities -31.93%	S&P 500 -22.10%	Dedicated Short-Bias -32.59%	Currency -6.98%	Cash 3.46%	Currency -8.25%	Currency -8.31%	International Equity -43.38%	Managed Futures -5.88%	REITs	NAREIT (National Association of Real Estate Investment Trusts®)
Managed Futures N/A	Managed Futures N/A	Managed Futures N/A	Managed Futures N/A	Dedicated Short-Bias -7.72%	Bonds 2.43%	Commodities -15.09%	REITs -17.83%	Commodities -46.49%	Dedicated Short-Bias -25.03%	S&P 500®	S&P 500® Index

Performance displayed represents past performance, which is no guarantee of future results. The information provided here 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 annual total returns do not reflect any management fees, transaction costs or expenses. The indices are unmanaged and are not available for direct investment. 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. For more information about these strategies and their risks please consult your financial advisor. *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. Not all funds and all share classes are available at all firms distributing Rydex|SGI funds. **Read the fund's prospectus carefully before investing. It contains the fund's investment objectives, risks, charges, expenses and other information. Obtain a prospectus at rydex-sgi.com or call 800.820.0888.** MMSCR-15-0110 x0111 #661

The REAL Risk/Return Trade-Off

It is often thought that to receive higher returns, an investor needs to take on more risk. But is this always true? For the last 5 years, many non-traditional asset classes that are thought to be “riskier” have put forth higher returns with less risk than the S&P 500. The image on the right shows how 14 different investments compare to one another historically in terms of risk and return over the last 5 years. Notice, for instance, how managed futures compare to the S&P 500 or how bonds compare to REITs. Investors should discuss the risks and benefits of any of these strategies with their financial advisor prior to investment.

RISK RETURN OF VARIOUS ASSET CLASSES (2004-2009)



Performance displayed represents past performance, which is no guarantee of future results. The aforementioned indices and indicators are not available for direct investment. The index returns do not reflect any management fees, transaction costs or expenses.

Annualized Return & Risk: January 2004 – December 2009

	Bonds	Cash	Commodities	Currency	Dedicated Short-Bias	Event Driven	Global	Hedge Funds	International Equity	Long/Short	Managed Futures	Market Neutral	REITs	S&P 500
Annual Return	4.86%	3.07%	0.12%	-1.82%	-1.37%	8.35%	4.03%	6.40%	6.15%	7.29%	6.53%	3.04%	3.59%	2.09%
Annual Std. Dev.	3.73%	0.53%	27.23%	8.46%	15.11%	6.12%	16.38%	6.51%	18.34%	8.20%	8.71%	2.87%	29.04%	14.94%

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

¹Standard Deviation: A statistical measure of the historical volatility of an investment, usually computed using 36 monthly returns. More generally, a measure of the extent to which numbers are spread around their average. The higher the number, the more volatility is to be expected.

Diversification neither assures a profit nor eliminates the risk of experiencing investment losses.

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