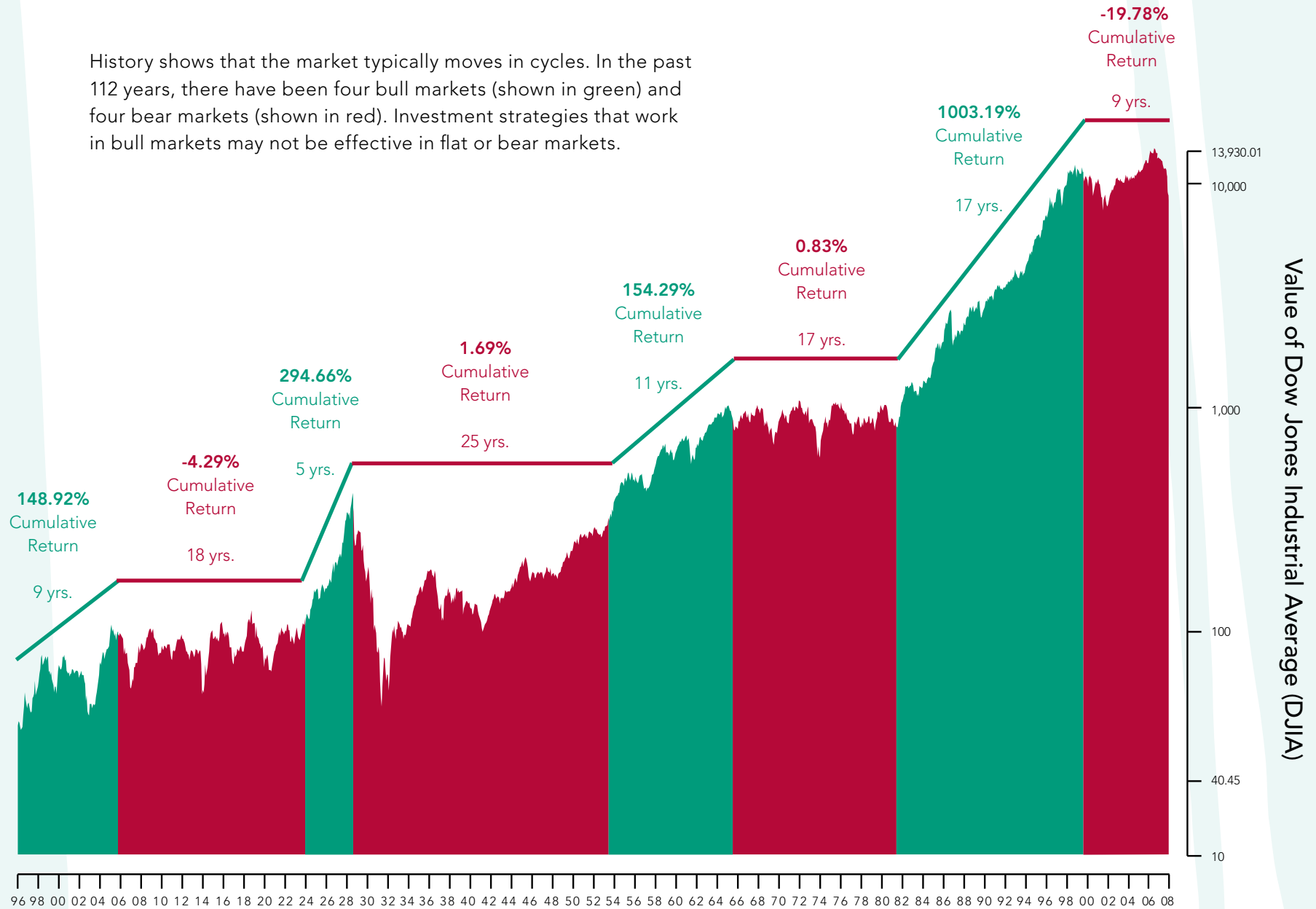


DOW JONES HISTORICAL TRENDS

History shows that the market typically moves in cycles. In the past 112 years, there have been four bull markets (shown in green) and four bear markets (shown in red). Investment strategies that work in bull markets may not be effective in flat or bear markets.



Logarithmic graph of the Dow Jones Industrial Average from 12/1896 through 12/2008.

Source: Graph created by Rydex Investments using data from www.dowjones.com 1/2009.

Performance displayed represents past performance, which is no guarantee of future results. The Dow Jones Industrial Average is unmanaged and unavailable for direct investment. Returns do not reflect any dividends, management fees, transaction costs or expenses. Contact your financial advisor to discuss this concept further.

DOW JONES HISTORICAL TRENDS

Over the last 112 years, the stock market has rewarded investors with long-term growth. But for most investors, a realistic time horizon is 10 to 20 years—not more than a century.

History shows that the equity market enters long periods of high returns, followed by lengthy periods of lower ones. These periods are called secular trends. There are two kinds of secular trends:

A secular bull market, or upward-trending market, occurs when each successive high point is higher than the previous one.

| Start | End | Months | Years | Annualized Return | Cumulative Return | Annualized Std. Dev. |
|---------|--------|--------|-------|-------------------|-------------------|----------------------|
| 12/1896 | 1/1906 | 110 | 9 | 10.56% | 148.92% | 20.45% |
| 7/1924 | 8/1929 | 63 | 5 | 30.44% | 294.66% | 17.30% |
| 12/1954 | 1/1966 | 135 | 11 | 8.72% | 154.29% | 11.68% |
| 11/1982 | 1/2000 | 206 | 17 | 15.09% | 1003.19% | 15.12% |

A secular bear market, or downward-trending market, occurs when a trend does not rise above the previous high.

| Start | End | Months | Years | Annualized Return | Cumulative Return | Annualized Std. Dev. |
|--------|---------|--------|-------|-------------------|-------------------|----------------------|
| 2/1906 | 6/1924 | 218 | 18 | -0.24% | -4.29% | 18.71% |
| 9/1929 | 11/1954 | 304 | 25 | 0.07% | 1.69% | 24.96% |
| 2/1966 | 10/1982 | 202 | 17 | 0.05% | 0.83% | 15.25% |
| 2/2000 | 12/2008 | 108 | 9 | -2.44% | -19.78% | 14.73% |

Having a thorough understanding of these trends and the current market environment may help you better prepare for upcoming financial goals. **Contact your financial advisor to discuss this concept further.**

Source: Calculated by Rydex Investments using data from Dowjones.com, 2009.

Performance displayed represents past performance, which is no guarantee of future results. This information is for illustrative purpose only, and should not be construed as a recommendation of any particular security or strategy. Due to market fluctuations, current returns may be higher or lower than listed returns. The Dow Jones Industrial Average is unmanaged and unavailable for direct investments. The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. Returns do not reflect dividends, management fees, transaction costs or expenses. There is no guarantee that prior markets will be duplicated. Materials prepared by Rydex Distributors, Inc., an affiliate of Rydex Investments.

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Some strategies to consider during various secular cycles include:

Secular Bull Market

- Relative Returns¹
- Wealth Accumulation
- Correlating Assets²
- Buy and Hold

Secular Bear Market

- Real Returns¹
- Wealth Preservation
- Non-correlating Assets²
- Dynamic/Alternative Approach³

The Rydex Value Proposition:

Providing institutional-style investment strategies—both traditional and alternative—for individual investors by marrying the investment characteristics of institutional portfolios with the structural benefits of registered products while utilizing a proprietary quantitative methodology.

¹ Real returns are what you actually make. Hypothetically, if your portfolio returned 12% last year, this should be your real return. Relative returns are returns compared to a benchmark. For example, if an index made 28% last year, compared to your portfolio which made 12%, your portfolio underperformed relative to the benchmark S&P 500.

² 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.

³ A dynamic/alternative approach is one that incorporates specialized investments in conjunction with a core strategy to potentially take advantage of changing market conditions. Specialized investment strategies may help you achieve greater diversification, lower volatility and potentially better returns. There are various risks associated with these types of investments, so you should educate yourself thoroughly with the help of your advisor to gain a better understanding.