



How do you select value stocks when everything looks like value?

November 8, 2011

The opinions and forecasts expressed are those of Jim Schier and Mark Mitchell as of 11/08/2011 and may not actually come to pass. This material is not intended to be a comprehensive overview of the subject matters discussed. It is intended to be general in nature and should not be construed as investment advice or a recommendation of any specific security or strategy. Before investing in any of the investment products or strategies discussed, consult with your financial advisor to determine if they are appropriate for your objectives, risk tolerance, income level and investing time horizon. Data is subject to change at any time, based on market and other conditions.



www.fa-mag.com



www.pw-mag.com

Sponsored by



Presented by



Our Value Team



Large and All Cap Value

Mark Mitchell, CFA, Portfolio Manager

SGI

SECURITY GLOBAL
INVESTORS®



Small, Mid and All Cap Value

Jim Schier, CFA, Portfolio Manager

- Isaac Boyd, CFA, Equity Analyst
- Jason Neff, CFA, CPA Equity Analyst
- Chris Phalen, CFA Equity Analyst
- Craig West, CFA, Equity Analyst
- Frank Whitsell, CFA, Equity Analyst
- Gregg Strohkorb, CFA, Quant. Analyst
- Dan Woestendick
- Ryan Winrick
- Industrial Services & IT Services
- Financials & Utilities
- Industrials
- Healthcare
- Consumer
- Quantitative Research
- Trader
- Trading Assistant

Today's agenda:

- I. Observations about Today's Market
- II. Our Approach to Value Investing
- III. Opportunities in Large, Mid and Small Cap Value
- IV. Disclosures

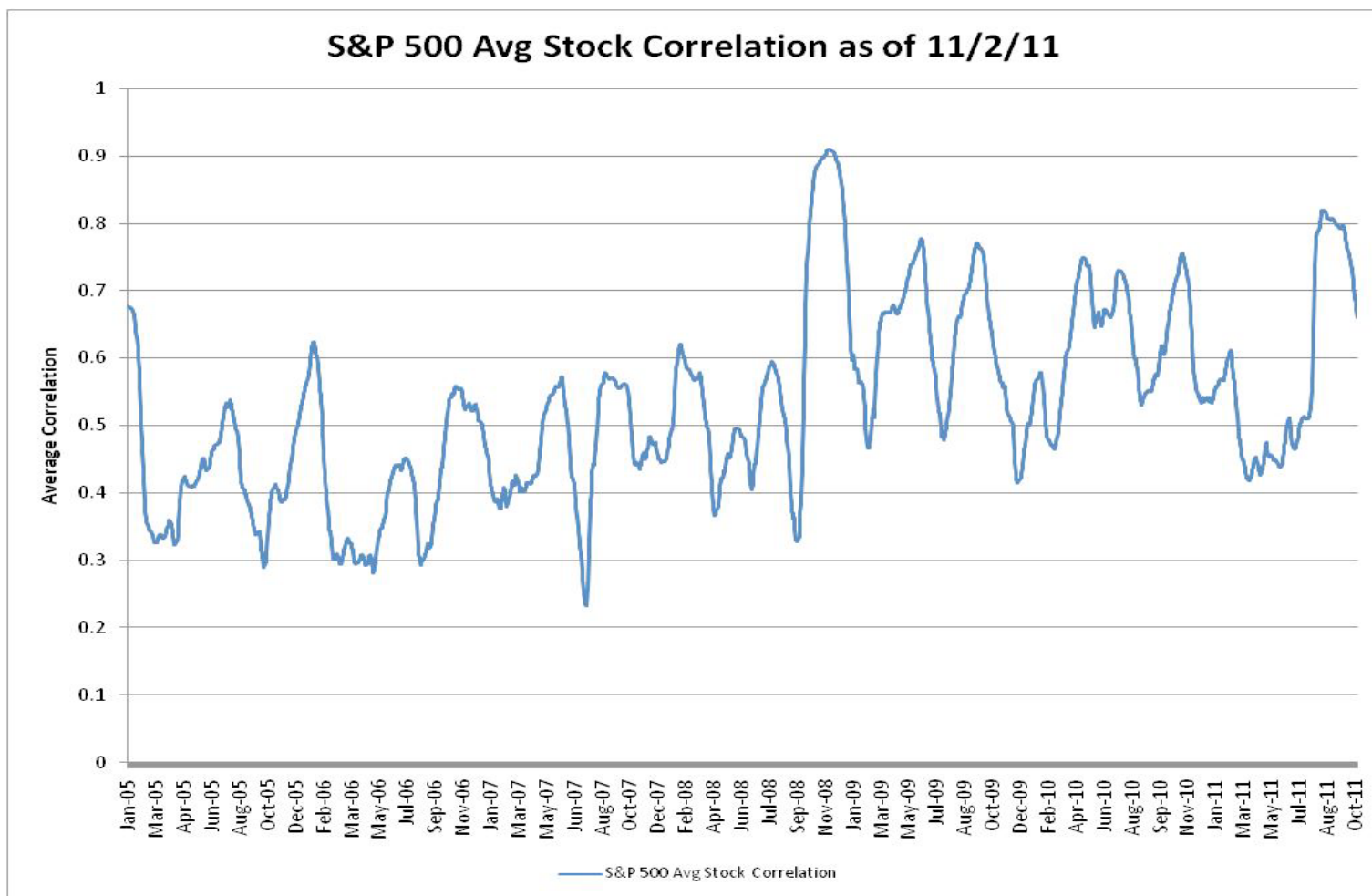
I. Observations about Today's Market

1. The universe of value opportunities appears to be expanding
2. Equity markets appear to be experiencing higher correlations
3. The downside of playing it safe
4. Current investment climate presents challenges

1. Our universe expands

- We are finding many new investment opportunities
- Notion of growth v. value is obscured
- Growth indexes now contain a lot of value names
- Our valuation work is integral to determining the difference between cheap growth or no growth

2. High degree of correlation



Performance displayed represents past performance which is no guarantee of future results. Index information is provided for illustration purposes only and it not meant to represent the performance of any fund. Referenced indices are not available for direct investment.

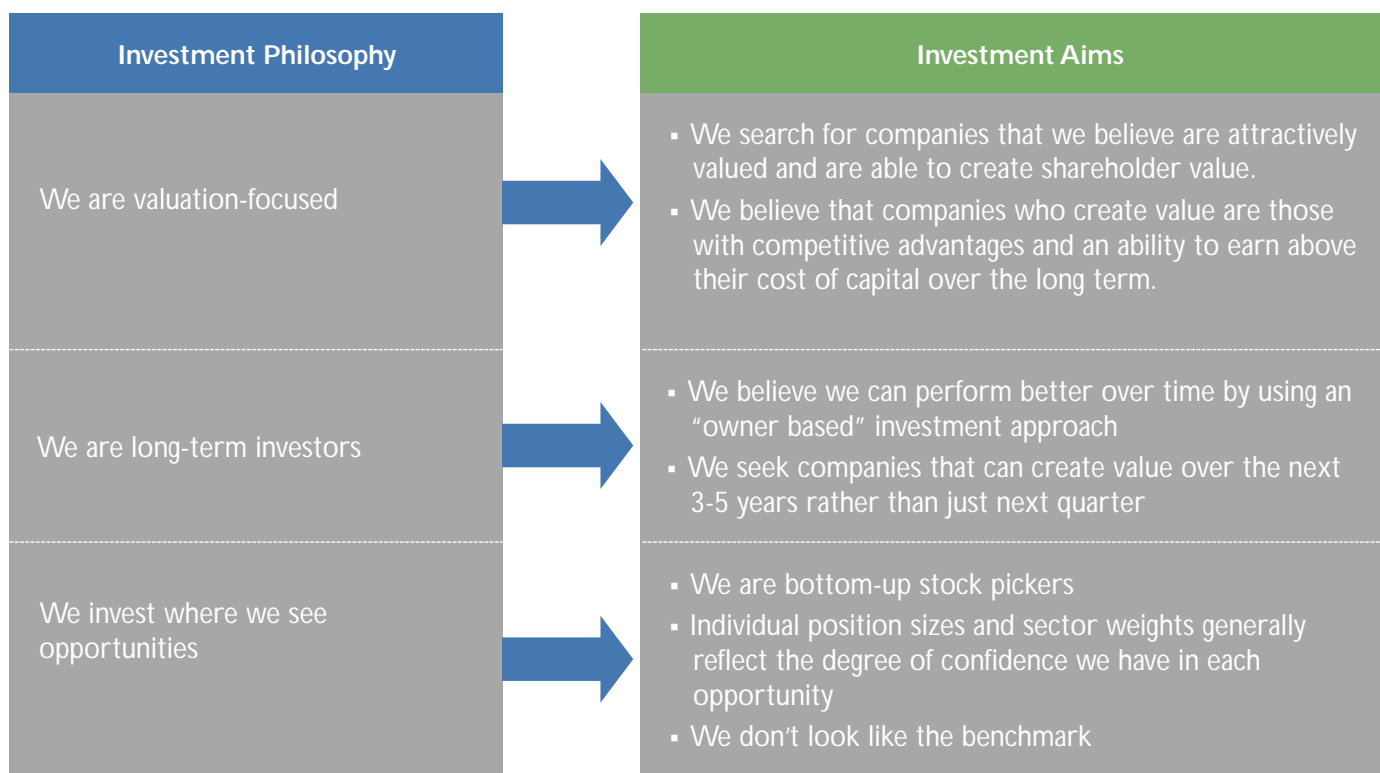
3. The downside of playing it safe

- Are we now in a low return/high risk investing environment?
- We believe the true interest rate for the long bond should be in the mid-4% range

4. Current investment climate presents challenges

- Earnings outlook
- European debt crisis
- Super committee noise

II. Our Approach to Value Investing



The Rydex|SGI Value Funds may not be suitable for all investors. An investment in the Funds will fluctuate and is subject to investment risks, which means investors could lose money. The intrinsic value of the underlying stocks may never be realized or the stocks may decline in value. Investments in small- and/or mid-sized company securities may present additional risks such as less predictable earnings, higher volatility and less liquidity than larger, more established companies.

III. Opportunities in Large Cap Value Stocks

- Majority of our recent ideas have been one off situations
- Companies with Government exposure look attractive
- Energy companies look compelling considering high reinvestment opportunities
- Select technology and insurance companies look inexpensive

Opportunities in Mid and Small Cap Value

- Low interest rate environment = poor reinvestment opportunity
- Low reinvestment rates imply lower earnings growth
- Managers emphasis:
 - Niche sectors with growth opportunities
 - Beneficiaries of financial engineering
- Property casualty insurers
- Select technology and industrial companies

Rydex | SGI Large Cap Value Fund Performance

AS OF 9/30/11	YTD	1-Year	3-Year	5-year	10-year	SI	Inception Date	Total Expense Ratio Gross/Net *
A-Class (No Load)	-15.12%	-5.38%	-1.97%	-2.84%	2.24%	8.18%	08/07/1944	1.59%/1.15%
A-Class (Load)	-19.99%	-10.85%	-3.89%	-3.99%	1.63%	8.09%	08/07/1944	1.59%/1.15%
C-Class (No Load)	-15.64%	-6.18%	-2.88%	-3.67%	1.40%	-0.72%	1/29/1999	2.33%/1.90%
C-Class (Load)	-16.49%	-7.12%	-2.88%	-3.67%	1.40%	-0.72%	1/29/1999	2.33%/1.90%

Performance displayed represents past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Total returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit our website at www.rydex-sgi.com.

**Total Expense Ratio is as of fiscal year end date 9/30/2010. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until January 31, 2012.*

With Load performance reflects maximum sales charges. Effective 2/22/2011, the A-Class maximum front-end sales charge was changed from 5.75% to 4.75%. For performance periods that begin prior to 2/22/2011, a 5.75% load was used and for performance periods that begin after 2/22/2011, a 4.75% load was used.

Class C-shares have a maximum CDSC of 1% for shares redeemed within 12 months of purchase.

Rydex | SGI Mid Cap Value Fund Performance

AS OF 9/30/11	YTD	1-Year	3-Year	5-year	10-year	SI	Inception Date	Total Expense Ratio Gross/Net *
A-Class (No Load)	-16.16%	-7.98%	3.08%	1.60%	10.31%	12.75%	5/01/1997	1.37%/1.37%
A-Class (Load)	-20.97%	-13.26%	1.07%	0.41%	9.66%	12.29%	5/01/1997	1.37%/1.37%
C-Class (No Load)	-16.65%	-8.68%	2.31%	0.84%	9.46%	10.19%	1/29/1999	2.12%/2.12%
C-Class (Load)	-17.48%	-9.59%	2.31%	0.84%	9.46%	10.19%	1/29/1999	2.12%/2.12%

Performance displayed represents past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Total returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit our website at www.rydex-sgi.com.

**Total Expense Ratio is as of fiscal year end date 9/30/2010.*

With Load performance reflects maximum sales charges. Effective 2/22/2011, the A-Class maximum front-end sales charge was changed from 5.75% to 4.75%. For performance periods that begin prior to 2/22/2011, a 5.75% load was used and for performance periods that begin after 2/22/2011, a 4.75% load was used. Class C-shares have a maximum CDSC of 1% for shares redeemed within 12 months of purchase.

Rydex | SGI Small Cap Value Fund Performance

AS OF 9/30/11	YTD	1-Year	3-Year	5-year	10-year	SI	Inception Date	Total Expense Ratio Gross/Net *
A-Class (No Load)	-18.06%	-7.31%	8.67%	n/a	n/a	12.78%	7/11/2008	2.45%/1.30%
A-Class (Load)	-22.78%	-12.66%	6.55%	n/a	n/a	10.73%	7/11/2008	2.45%/1.30%
C-Class (No Load)	-18.57%	-8.07%	7.90%	n/a	n/a	11.97%	7/11/2008	3.22%/2.05%
C-Class (Load)	-19.38%	-8.87%	7.90%	n/a	n/a	11.97%	7/11/2008	3.22%/2.05%

Performance displayed represents past performance which is no guarantee of future results. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Total returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month-end, please visit our website at www.rydex-sgi.com.

**Total Expense Ratio is as of fiscal year end date 9/30/2010. The investment manager has contractually agreed to waive fees and/or reimburse fund expenses until January 31, 2012.*

With Load performance reflects maximum sales charges. Effective 2/22/2011, the A-Class maximum front-end sales charge was changed from 5.75% to 4.75%. For performance periods that begin prior to 2/22/2011, a 5.75% load was used and for performance periods that begin after 2/22/2011, a 4.75% load was used.

Class C-shares have a maximum CDSC of 1% for shares redeemed within 12 months of purchase.

Morningstar Ratings

The Rydex|SGI Small Cap Value Fund

SSUAX



Overall Morningstar Rating™

Class A-Shares rated 5 Stars overall by Morningstar among 578 Small Blend funds for the 3-year period ended 9/30/11¹ based on risk-adjusted performance.

The Rydex|SGI Mid Cap Value Fund

SEVAX



Overall Morningstar Rating™

Class A-Shares rated 4 Stars overall by Morningstar among 308 Small Value funds. The fund received a Morningstar Rating of 4 stars among 308 funds, 4 stars among 259 funds, and 5 stars among 147 funds for the 3-, 5- and 10-year periods, respectively, ending 9/30/11¹ based on risk-adjusted performance.

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

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar risk-adjusted return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star (each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages). The Overall Morningstar Rating for a Fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. The Morningstar rating is for the A-shares class only; other classes may have different performance characteristics.

Rydex|SGI Small Cap Value Fund's rating reflects fee waivers in effect; in their absence, ratings may have been lower.

©2011 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar, nor its content providers, are responsible for any damages or losses arising from any use of this information.

Questions?

**Please call
800.258.4332**

Disclosures

The Rydex|SGI Value Funds may not be suitable for all investors. An investment in the Funds will fluctuate and is subject to investment risks, which means investors could lose money. The intrinsic value of the underlying stocks may never be realized or the stocks may decline in value. Investments in small- and/or mid-sized company securities may present additional risks such as less predictable earnings, higher volatility and less liquidity than larger, more established companies.

Securities and shares of mutual funds are not deposits of, or guaranteed or endorsed by, any financial institution; are not insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board, or any other agency; and involve risk, including the possible loss of the principal amount invested. See the prospectus for details on the specific risks of each fund.

For more complete information regarding the fund, call 800.820.0888 or visit www.rydex-sgi.com for a prospectus and a summary prospectus (if available). Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. The fund's prospectus and its summary prospectus (if available) contains this and other information about the fund. Please read the prospectus and summary prospectus (if available) carefully before you invest or send money.

Rydex|SGI funds are distributed by Rydex Distributors, LLC (RDL). Guggenheim Investments represents the investment advisory businesses of Guggenheim Partners, LLC, which includes Security Investors, LLC, the investment advisor to the Rydex|SGI Funds and does business as Security Global Investors® and Rydex Investments. Rydex Distributors, LLC, is affiliated with Guggenheim Partners, LLC and Security Investors, LLC.

CE Credits

CIMA CE Credit

To receive 1 CE hour toward
the CIMA®/CIMC®/CPWA® designations

Log on to: www.imca.org/main/do/reportCIMACE

Click on “Non-IMCA Continuing Educational Hours Submittal Form”

CE Sponsor Name: Financial Advisor Magazine

Customer ID: 113555

Program ID: 11FAM045

Complete form and follow submittal directions

A recording and the slides of this presentation will be available at
<http://www.fa-mag.com/rydexnov>

Sponsored by



Presented by



CE Credits

CFP Board CE Credit
To receive 1 General CE credit

Log on to: www.cfp.net
Log in to your online CFP Board Account
(email address and password are needed)

CE SPONSOR: Financial Advisor Magazine
CE SPONSOR ID NUMBER: 2839

PROGRAM NAME: Webinar - How do you select value stocks when
everything looks like value?

PROGRAM ID: 1182011
HOURS GRANTED: 1.00

A recording and the slides of this presentation will be available at
<http://www.fa-mag.com/rydexnov>

Sponsored by



Presented by

