DOW JONES HISTORICAL TRENDS

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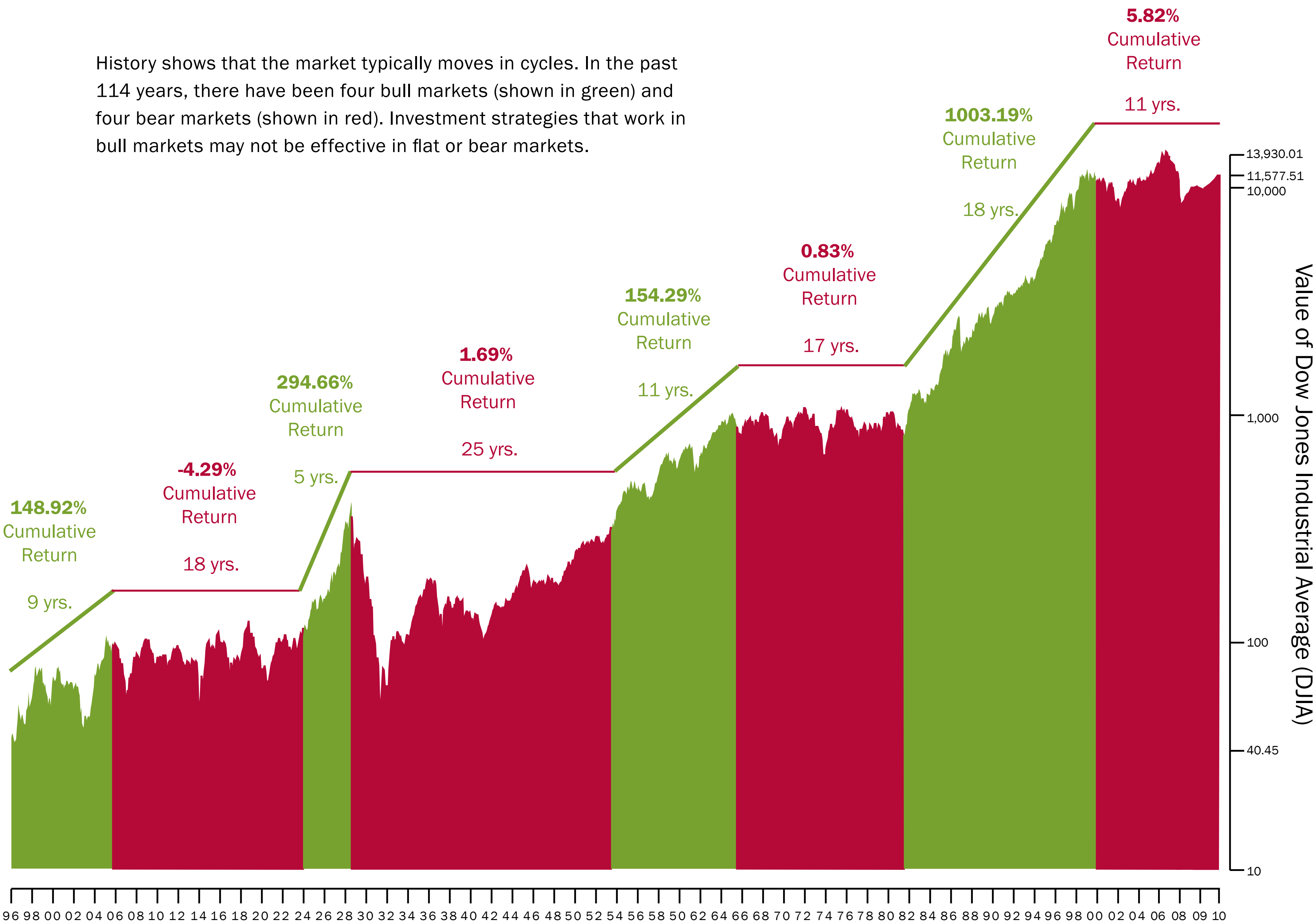
History shows that the market typically moves in cycles. In the past 114 years, there have been four bull markets (shown in green) and four bear markets (shown in red). Investment strategies that work in bull markets may not be effective in flat or bear markets.



Logarithmic graph of the Dow Jones Industrial Average from 12/1896 through 12/2010.

Source: Graph created by Rydex|SGI using data from www.dowjones.com 01/2011.

***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. For more information call 800.820.0888 or your financial advisor.*

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Over the last 114 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	12/2010	132	11	0.52%	5.82%	15.74%

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.**

*To see an interactive view of the Dow Jones Historical Trends chart, visit Rydex|SGI's alternative investment educational site at **www.getalts.com**.*

***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.*

Source: Calculated by Rydex|SGI using data from www.dowjones.com and Bloomberg, 2011.

***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|SGI.*

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Some strategies to consider during various secular cycles include:

Secular Bull Market

- Relative Returns[1]
- Wealth Accumulation
- Correlating Assets[2]
- Buy and Hold

Secular Bear Market

- Real Returns[1]
- Wealth Preservation
- Noncorrelating Assets[2]
- Dynamic/Alternative Approach[3]

[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.

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