

GUGGENHEIM INVESTMENTS

Form ADV, Part 2A
(the “Brochure”)

March 30, 2012

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This Brochure provides information about the qualifications and business practices of Guggenheim Investments. If you have any questions about the contents of this Brochure, please contact us at 800.820.0888 or 917.386.0400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Guggenheim Investments also is available on the SEC’s website at www.adviserinfo.sec.gov.

Guggenheim Investments may refer to itself as a “registered investment adviser.” You should be aware that registration with the SEC or a state securities authority does not imply a certain level of skill or training.

MATERIAL CHANGES

The following material changes have been incorporated into the Brochure since its last annual update, on March 25, 2011. On February 29, 2012, Guggenheim Capital, LLC acquired the indirect holding company of Guggenheim Investments. Guggenheim Capital, LLC's subsidiary, Guggenheim Partners, LLC, is a global, independent, privately-held, diversified financial services firm with more than 1,500 dedicated professionals. Previously, Guggenheim Investments was an indirect, wholly owned subsidiary of Guggenheim SBC Holdings, LLC, a special purpose entity managed by an affiliate of Guggenheim Partners, LLC

TABLE OF CONTENTS

<u>Item</u>		<u>Page</u>
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	7
6	Performance-Based Fees and Side-By-Side Management	10
7	Types of Clients	11
8	Methods of Analysis, Investment Strategies and Risk of Loss	13
9	Disciplinary Information	23
10	Other Financial Industry Activities and Affiliations	24
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	26
12	Brokerage Practices	29
13	Review of Accounts	35
14	Client Referrals and Other Compensation	37
15	Custody	38
16	Investment Discretion	39
17	Voting Client Securities	40
18	Financial Information	42

ADVISORY BUSINESS

Firm Overview

Guggenheim Investments, a multi-product manager with focused investment teams, is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Guggenheim Investments may provide a variety of discretionary advisory services to: (1) certain investment companies registered under the Investment Company Act of 1940, as amended (“1940 Act”), consisting of approximately 209 (each series, a “Fund” and, collectively, the “Funds”); (2) unregistered non-U.S. investment companies and other investment vehicles; (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, U.S. and non-U.S. governmental entities, colleges, hospitals, charitable organizations, endowment funds and foundations; (4) clients of broker-dealers, investment advisers or other financial intermediaries (“Program Sponsors”) who offer comprehensive brokerage, custodial and advisory services for a single fee (“Wrap Fee Programs”); and (5) certain individuals and trusts.

As of December 31, 2011, the discretionary assets under management of Guggenheim Investments were approximately \$19,797,500,000. Security Investors, LLC (“SI”) is a multi-product manager with specialized investment teams with a mission to be a “best-in-class” asset management firm that delivers competitive risk-adjusted returns. SI does business as Guggenheim Investments, and has previously done business as Security Global Investors and Rydex Investments. Guggenheim Investments is an indirect, wholly owned subsidiary of Guggenheim Capital, LLC. Guggenheim Capital, LLC’s subsidiary, Guggenheim Partners, LLC, is a global, independent, privately-held, diversified financial services firm with more than 1,500 dedicated professionals.

Types of Advisory Services

Guggenheim Investments offers investment supervisory services to the following clients.

Investment Companies

Guggenheim Investments acts as investment adviser to the following multi-series U.S. registered investment companies: (1) Security Equity Fund; (2) Security Income Fund; (3) Security Large Cap Value Fund; (4) SBL Fund; (5) Security Mid Cap Growth Fund; (6) Rydex Series Funds; (7) Rydex Dynamic Funds; (8) Rydex ETF Trust; and (9) Rydex Variable Trust. As an investment adviser, Guggenheim Investments provides investment research and advice to each Fund subject to the supervision of, and policies established by, the Fund’s board of trustees or directors, as applicable, pursuant to an investment advisory contract with the Fund. In some cases the day-to-day investment management function is performed by a sub-adviser, including an affiliate of Guggenheim Investments, pursuant to a written sub-advisory contract between Guggenheim Investments and the sub-adviser.

Direct Clients

Guggenheim Investments offers investment supervisory services to individually-managed accounts (“Separate Accounts”) for institutions, as well as ultra-high net worth individuals and trusts, which meet Guggenheim Investments’ applicable minimum account size requirements, as discussed in more detail in the section entitled “Types of Clients” on page 11.

Wrap Fee Program Clients

Guggenheim Investments offers investment supervisory services similar to the services provided to its institutional clients to clients of Program Sponsors who offer Wrap Fee Programs for a single fee, which is typically based on a percentage of assets under management. Under a Wrap Fee Program, Guggenheim Investments is chosen by the client to act as an adviser or subadviser through a pre-selection process administered by the Program Sponsors. A Program Sponsor is responsible for establishing the financial circumstances, investment objectives and investment restrictions of each Wrap Fee Program client through a client profile, questionnaire and/or investment policy statement (“Profile”) as well as consultations with the Program Sponsor’s personnel. Each client completes a Profile and enters into a wrap fee agreement with the Program Sponsor. In some Wrap Fee Programs, clients may also be required to enter into a separate investment advisory agreement directly with Guggenheim Investments or Guggenheim Investments may be a party to the client/Program Sponsor agreement. The Program Sponsor’s wrap fee agreement establishes the services to be provided to the client by or on behalf of the Program Sponsor. These services may include, among other things: (1) manager selection; (2) execution, generally without a transaction-specific commission or charge; (3) custodial services; (4) periodic monitoring of discretionary managers; and (5) account evaluation. Wrap Fee Program clients may also be subject to additional fees and expenses (e.g., commissions on transactions executed away from the Program Sponsor or the Program Sponsor’s designated broker-dealer, money market expenses on money market funds used as a cash sweep investment vehicle, dealer mark-ups or mark-downs on principal transactions, and certain costs or charges imposed by third parties including odd-lot differentials, exchange fees, and transfer taxes mandated by law). Generally, Program Sponsors are responsible for most aspects of the client relationship and will provide Wrap Fee Program clients this Brochure as well as their brochure or equivalent disclosure brochure with respect to the Wrap Fee Program (the “Wrap Brochure”). In some instances, Guggenheim Investments may be responsible for delivery (and annual offer) of this Brochure.

Although Guggenheim Investments may not always have direct initial or ongoing client contact, the pre-selection process is sufficiently detailed that Guggenheim Investments is able to provide individualized investment services. Ongoing contact with the Program Sponsor ensures that Guggenheim Investments maintains the ability to provide individualized investment services. Guggenheim Investments also makes available personnel knowledgeable about the management of the client’s account for direct telephone conversations with clients at their request, and periodically, at the discretion of

the Program Sponsor, Guggenheim Investments makes its personnel available in person, during one-on-one meetings. As discussed in more detail in the section entitled “Fees and Compensation” on page 7, Guggenheim Investments generally receives a portion of the total wrap fee paid by each Wrap Fee Program client advised by Guggenheim Investments. The Program Sponsor collects the total wrap fee and remits the advisory portion to Guggenheim Investments. The range of the advisory portion payable to Guggenheim Investments is set forth in the section entitled “Fees and Compensation” on page 7. Information on the total wrap fee is included in the Wrap Brochure provided by the Program Sponsor.

Wrap Fee Program clients should review the relevant Wrap Brochure for further details about the Wrap Fee Program, and should be aware and consider that, depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided through the Wrap Fee Program, if they were to be obtained separately including, with respect to brokerage, transaction-based commissions. Guggenheim Investments is not responsible for, and does not attempt to determine, whether, in the first instance, a particular Wrap Fee Program is suitable or advisable for any given client. Rather, Guggenheim Investments is responsible for and will determine whether each wrap fee account referred to it is suitable for discretionary management by Guggenheim Investments based on the client’s Profile provided by the Program Sponsor and, in circumstances where Guggenheim Investments is party to an agreement with a client, such additional information as may be provided pursuant or attendant to such agreement. Guggenheim Investments reserves the right, in its sole discretion, to reject any wrap fee account referred to Guggenheim Investments for any reason, including, but not limited to, the prospective client’s investment goals and restrictions.

Tailored Advisory Services

Guggenheim Investments provides tailored investment advisory services to its clients. Except as otherwise described herein, investments for Separate Accounts (including accounts managed as part of a Wrap Fee Program) are managed in accordance with the client’s investment objectives, strategies, restrictions and guidelines as communicated to Guggenheim Investments by the client (or the client’s primary adviser or Program Sponsor). Each collective investment vehicle (*e.g.*, a Fund) is managed in accordance with its investment objective, strategies and restrictions and is not tailored to the individualized needs of any particular Fund shareholder or other fund investor. Therefore, such shareholders and investors must consider whether the Fund, or any other fund, meets their investment objectives and risk tolerance prior to investing. Information about each Fund can be found in its Prospectus and Statement of Additional Information, and information about each other fund is described in its governing documents and offering memorandum, which will be available to current and prospective investors only through Guggenheim Investments or another authorized party.

FEES AND COMPENSATION

The following discussion represents the basic compensation arrangements of Guggenheim Investments. However, fees and other compensation are negotiable in certain circumstances, and arrangements with any particular client may vary.

Advisory/Management Fees

Direct Clients

Fee arrangements for Separate Accounts will vary and are negotiable based upon specific investment advisory services and the size of the client account, among other factors. Although the fee schedule of Guggenheim Investments may vary, the standard fee schedule is set forth below.

Management Fee Schedule as a Percentage of Assets Under Management

<u>Account Value</u>	<u>Large Cap Value Equity Portfolios</u>	<u>Small and Mid Cap Value Equity Portfolios</u>	<u>High Yield Fixed Income Portfolios</u>	<u>Intermediate Bond Portfolios</u>
First \$10 million	0.75%	1.00%	0.75%	0.50%
Next \$10 million	0.65%	0.90%	0.65%	0.40%
Next \$10 million	0.60%	0.85%	0.60%	0.35%
Next \$20 million	0.55%	0.80%	0.55%	0.30%
Greater than \$50 million	0.50%	0.75%	0.50%	0.25%

<u>Account Value</u>	<u>Large Cap Growth Equity or Balanced Portfolios</u>
First \$10 million	0.70%
Next \$15 million	0.60%
Next \$25 million	0.50%
Next \$50 million	0.45%
Over \$100 million	Negotiable

<u>Account Value</u>	<u>Mid Cap Growth Equity Portfolios</u>
First \$25 million	0.75%
Next \$25 million	0.65%
Over \$50 million	0.60%

<u>Account Value</u>	<u>Long/Short Commodities Portfolios</u>
First \$50 million	1.50%
Next \$100 million	1.25%

Next \$100 million	1.00%
Over \$250 million	0.80%

<u>Account Value</u>	<u>Managed Futures Portfolios</u>
First \$30 million	1.15%
Next \$70 million	0.90%
Over \$100 million	0.80%

Fees are generally payable monthly in arrears, although individual clients may negotiate different arrangements.

Wrap Fee Program Clients

For fee arrangements with Wrap Fee Program clients, the Program Sponsor collects the total wrap fee and remits the advisory portion to Guggenheim Investments. The advisory portion payable to Guggenheim Investments may vary from program to program and within a single program based on the desired investment mandate. Information on the total wrap fee is included in the Wrap Brochure provided by the Program Sponsor. The current advisory portion payable to Guggenheim Investments generally ranges from 0.28% to 0.65%.

Investment Companies

The investment advisory contracts between Guggenheim Investments and each Fund provide for compensation to Guggenheim Investments based on a percentage of the average daily closing value of net assets of the Fund computed on a daily basis with the fee adjusted and payable monthly. Guggenheim Investments may, however, either voluntarily or pursuant to a written fee waiver/expense reimbursement agreement, waive fees and/or reimburse expenses. Guggenheim Investments may also enter into investment sub-advisory contracts with sub-advisers to manage Fund assets; however, Guggenheim Investments is responsible for the fees paid to such sub-advisers.

The fees payable to Guggenheim Investments for advisory services provided to the Funds vary depending on the type of investment strategy employed by a Fund, as described in more detail in the Fund's Prospectus and Statement of Additional Information.

Other Fees and Expenses Associated with Advisory Services

Clients of Guggenheim Investments (including, indirectly, shareholders in the Funds) bear certain other fees, expenses and costs (in addition to Guggenheim Investments' advisory fees) which are incidental or related to the maintenance of an account or the buying, selling and holding of investments including, but not necessarily limited to: (1) custodial charges; (2) brokerage fees, commissions and other related transaction costs and expenses; (3) governmental charges, taxes and duties; (4) transfer fees, registration fees and other expenses associated with buying, selling or holding investments; (5) withholding taxes payable and required to be withheld by issuers or their agents; and (6) fees associated with investments in other, unaffiliated pooled investment vehicles. For additional information about brokerage practices, please refer to the section entitled "Brokerage Practices" on page 29.

Billing Arrangements

Guggenheim Investments generally bills clients (and clients generally pay) for fees and expenses incurred or otherwise payable on a quarterly basis. However, at a client's option, Guggenheim Investments may bill the client (and the client may pay) for fees and expenses incurred or otherwise payable on a monthly basis. Clients generally also may pay fees in advance. Clients that pay fees in advance may obtain a refund of such pre-paid fees if the advisory contract is terminated before the end of the billing period by contacting Guggenheim Investments, at the contact information that appears on the cover page of this Brochure. The amount of the refund will be determined on a pro rata basis.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not Applicable.

TYPES OF CLIENTS

As described in the section entitled “Advisory Business” on page 4, Guggenheim Investments may provide a variety of discretionary advisory services to (1) certain investment companies registered under 1940 Act, including the Funds; (2) unregistered non-U.S. investment companies and other investment vehicles; (3) institutions, such as insurance companies, other financial institutions, pension and profit sharing plans, U.S. and non-U.S. governmental entities, colleges, hospitals, charitable organizations, endowment funds and foundations; (4) clients of Program Sponsors who offer Wrap Fee Programs; and (5) certain individuals and trusts.

The terms and conditions of client accounts may vary depending on the type of services provided or the type of client, and these terms and conditions may also vary from client to client. From time to time, Guggenheim Investments may impose, or, in its discretion, waive, certain requirements for opening or maintaining a client account, such as a minimum account size.

Direct Accounts

Guggenheim Investments generally requires a minimum dollar value of \$1,000,000 to establish an account investing primarily in equity securities and a minimum dollar value of \$5,000,000 to establish a fixed income account. Investment minimums may be negotiable depending upon the circumstances.

Wrap Fee Program Clients

Each Program Sponsor may impose qualifications for establishing or maintaining participation in a Wrap Fee Program including, without limitation, minimum asset levels. These program level minimums, which are described in detail in the relevant Wrap Brochure, are outside of Guggenheim Investments’ control. Additionally, Guggenheim Investments has established qualifications or requirements that must be met by a program participant in order for Guggenheim Investments to accept or continue to manage a portion of the client’s program account, which may be in excess of those imposed by the Program Sponsor. These minimums may vary from program to program and within a single program based on the desired investment mandate. Guggenheim Investments’ current minimums for establishing and maintaining an account through each Wrap Fee Program in which Guggenheim Investments participates range from \$50,000 to \$2,000,000. Guggenheim Investments may, in its discretion, waive its own investment minimums but cannot waive any investment minimums imposed by a Program Sponsor.

Investment Companies

Guggenheim Investments generally does not impose a minimum amount for starting or maintaining a Fund. However, the Funds may impose investment minimums upon

shareholders, as described in more detail in a Fund's Prospectus and Statement of Additional Information.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Guggenheim Investments is a multi-product manager with focused investment teams. These investment teams consist of the (1) U.S. Value Equity Team; (2) U.S. Growth Equity Team; (3) Global Equity Team; (4) U.S. Fixed Income Team; and (5) Quantitative Strategies Team. The methods of analysis and specific strategies employed by these investment teams are discussed in more detail below.

Methods of Analysis and Investment Strategies

U.S. Value Equity Team

The Large Cap Value strategy typically invests in equity securities of companies that appear to be undervalued relative to assets, earnings, growth potential or cash flows, and have market capitalizations that are usually within the range of companies in the Russell 1000 Value Index. Guggenheim Investments uses a blend of quantitative analysis and fundamental research to identify securities that appear favorably priced and that may be able to sustain or improve their pre-tax ROIC (Return on Invested Capital) over time. Guggenheim Investments may focus its investments in a limited number of issuers. While a concentrated portfolio may provide increased opportunities for investment gain, holding positions in fewer issuers means that the change in value of a single issuer's securities will have a greater impact on the value of the client's portfolio than in a more diversified portfolio.

The Small and Mid Cap Value Equity strategy typically invests in equity securities of companies that appear undervalued relative to assets, earnings, growth potential or cash flows, and may invest in a limited number of industries or industry sectors, and have market capitalizations that are usually within the range of companies in the Russell 2500 Value Index. The securities included in the portfolio are typically common stocks of small-to medium-sized companies. The strategy is subject to the risks associated with investing in small capitalization companies.

U.S. Growth Equity Team

The Large Cap Growth and Mid Cap Growth strategies use a concentrated approach that combines the elements of fundamental economic analysis, bottom-up investing and technical analysis. In terms of economic analysis, Guggenheim Investments reviews trends in the U.S. economy, projected forward approximately twelve to eighteen months, and categorizes the U.S. economy as in one of three phases: recessionary, non-inflationary or rapid growth. The philosophy of Guggenheim Investments for these strategies is that economic trends will favor certain sectors and sub-sectors more than others with regard to relative earnings growth. While a concentrated portfolio may provide increased opportunities for investment gain, holding positions in fewer issuers means that the change in value of a single issuer's securities will have a greater impact on the value of the client's portfolio than in a more diversified portfolio.

Global Equity Team

The Global Long/Short Equity strategy seeks consistent absolute returns, low annual variability and low correlation to major market indices. The Global Long Only Equity strategy seeks consistent alpha in all market environments. Guggenheim Investments employs a bottom-up stock selection process designed to generate alpha through stock selection while maintaining a globally diversified portfolio, and employs a global, bottom-up stock selection process using a proprietary database comprised of 5,000 companies from around the world. It subjects those stocks to a screening process based on valuation factors (varying combinations of earnings, cash flow, book value, dividends and sales data) to measure relative value, profitability and growth among appropriate peer groups of stocks. Guggenheim Investments may build a client portfolio based on the results of that screening process.

U.S. Fixed Income Team

The Intermediate Bond strategy seeks to exceed the performance of the overall market on a risk-adjusted basis. In seeking to achieve this goal, Guggenheim Investments constructs a high-quality, liquid portfolio of bonds that have a maturity range of one to ten years. The underlying accounts are typically positioned similar to the composite benchmark in regards to credit quality, effective duration, average effective maturity, and return volatility. Underlying accounts primarily invest in publicly issued investment grade corporate debt securities and U.S. government agency and treasury debt. Other types of asset classes can include, but are not limited to, investments in mortgage-backed, asset-backed, and other investment grade securities.

Quantitative Strategies Team

Guggenheim Investments may use a “passive” investment strategy to manage a portfolio, meaning that Guggenheim Investments does not attempt to select securities based on their individual potential to perform better than the market. Guggenheim Investments may use a quantitative method to construct portfolios that correlate highly with the performance (or inverse performance) of their respective benchmarks or market sectors, on a leveraged or unleveraged basis. Statistical techniques may then be used to determine the optimal mix of assets for each portfolio. Guggenheim Investments places particular emphasis on controlling risk relative to each portfolio’s benchmark or market sector in order to maintain consistency and predictability. Guggenheim Investments does not generally engage in temporary defensive investing, keeping each portfolio’s assets fully invested in all market environments. Guggenheim Investments monitors each portfolio on an ongoing basis, and makes adjustments, as necessary, to minimize tracking error and to maximize liquidity.

In managing portfolios with a U.S. Sector-Based investment strategy, the objective of Guggenheim Investments is to develop a liquid portfolio of stocks that effectively represents a particular economic segment of the U.S. equity market. Guggenheim

Investments first identifies the investment universe for each sector, which is defined as companies that derive at least 50% of their assets, gross income or net profits from business activity in the given sector. Guggenheim Investments may then employ a quantitative model to screen companies based on criteria of capitalization, liquidity and correlation. The resulting portfolio is weighted by market capitalization, with some modifications to ensure diversification.

Guggenheim Investments closely monitors the efficacy of this methodology, and makes periodic changes in the composition of the Sector-Based portfolios to ensure that each portfolio remains a valid representative of its sector.

Guggenheim Investments may also pursue a portfolio's investment objectives by regularly utilizing leveraged instruments, such as futures contracts, and options on securities, futures contracts, stock indices, swap agreements and other derivatives, as well as long security positions. Leveraged returns are achieved not by borrowing, but by the use of futures and other instruments that simulate leveraged returns without requiring a commitment of cash in excess of a portfolio's assets. In addition, Guggenheim Investments may regularly utilize short selling techniques designed to help achieve inverse benchmark performance for portfolios pursuing such a strategy. The Managed Futures Strategy Fund, Long/Short Commodities Strategy Fund, Multi-Hedge Strategies Fund and Commodities Strategy Fund will each invest in a controlled foreign corporation (each, a "CFC").

The Managed Futures Strategy seeks to achieve positive absolute returns by following a systematic rules-based trend-following strategy to gain exposures long and short in commodity, currency and financial-linked instruments. The strategy examines price trends in the commodities, currency and bond markets, and takes positions long or short in accordance with the identified trends in seeking to profit from both up markets and down markets. Managed futures strategies are fundamentally designed to act as a defensive hedge in the portfolio, that is, to deliver positive performance in those times of highest market stress by maintaining its low or negative correlation to equity markets. The strategy seeks to gain exposures principally through futures, options on futures and forwards.

The Long/Short Commodities Strategy primarily seeks capital growth by investing long and short in a broad-based basket of commodities. The strategy follows a systematic approach that seeks to identify the strongest longer term price trends, either up or down, and then confirm those trends with shorter-term measures. When compared with long-only commodities, the strategy seeks to provide better risk-adjusted returns over a business cycle and may help to reduce some of the large drawdowns periodically experienced in long-only commodities investing. The portfolio invests principally through futures and options on futures and may be up to 100% long or 100% short.

Investment Risks

The investment activities of Guggenheim Investments involve a significant degree of risk of loss that you should be prepared to bear. This section contains a discussion of the primary risks associated with Guggenheim Investments' investment activities. However, it is not possible to identify all of the risks associated with investing, and the particular risks applicable to a client (*e.g.*, Separate Account, Wrap Fee Program client or Fund) will depend on the nature of the client's investment strategy or strategies and the types of investments held by the client.

While Guggenheim Investments seeks to manage the account(s) of a client so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved.

Clients and shareholders/investors should be aware that mandates may be limited to certain types of investments (*e.g.*, small and mid cap equity securities) and may not be diversified. Guggenheim Investments' investment activities are generally not intended to provide a complete investment program and Guggenheim Investments expects that the assets it manages do not represent all of the client's or shareholder's/investor's assets. Clients and shareholders/investors are responsible for appropriately diversifying their assets to guard against the risk of loss.

Active Trading Risk — Active trading will increase the costs a client incurs because of higher brokerage charges or mark-up charges, which are passed on to the client, and, as a result, may lower a client's performance.

Asset-Backed and Mortgage-Backed Securities Risk — Investments in asset-backed securities, including mortgage-backed securities, generally receive payments that are part interest and part return of principal. These payments may vary based on the rate at which the underlying borrowers pay off their loans. Some asset-backed securities, including mortgage-backed securities, may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices very volatile. These securities are subject to high degrees of credit, valuation and liquidity risks.

Capitalization Securities Risk — A client's investments may be composed primarily of, or have significant exposure to, securities in a particular capitalization range, *e.g.*, large-, mid- or small-cap securities. As a result, a client may be subject to the risk that the predominate capitalization range represented in the client's portfolio may underperform other segments of the equity market or the equity market as a whole. In addition, in comparison to securities of companies with larger capitalizations, securities of small and medium-capitalization companies may experience more price volatility (especially during periods of economic uncertainty), greater spreads between their bid and ask prices, significantly lower trading volumes, and cyclical or static growth prospects. Small and medium-capitalization companies often have limited product lines, markets or financial resources, and may therefore be more vulnerable to adverse developments than larger capitalization companies. Securities of smaller companies may present additional risks because their earnings are less predictable and their securities are often less liquid than those of larger, more established companies.

Collateralized Loan Obligations (“CLOs”) — CLOs are trusts or other special purpose entities that are backed by a pool of loans. Such loans may include domestic and foreign senior secured loans, senior unsecured loans and subordinate corporate loans, some of which may be below investment grade or equivalent unrated loans. CLOs issue classes or “tranches” that vary in risk and yield, and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults, and investor aversion to CLO securities as a class. The risks of CLOs depend largely on the type of the underlying loans and the tranche of CLOs in which the client invests. In addition, CLOs carry risks including interest rate risk, credit risks and default risk. Certain CLOs may not hold loans directly, but rather, use derivatives such as swaps to create “synthetic” exposure to the collateral pool of loans.

Commodities-Linked Investments Risk — The performance of commodity-linked notes and related investments, including derivatives, may depend on the performance of the overall commodities markets and on other factors that affect the value of commodities, including weather, political, tax, and other regulatory and market developments. Commodity-linked notes may be leveraged. Commodity-linked investments may be hybrid instruments that can have substantial risk of loss with respect to both principal and interest. Commodity-linked investments may be more volatile and less liquid than the underlying commodity, instruments, or measures and are subject to the credit risks associated with the issuer, and their values may decline substantially if the issuer's creditworthiness deteriorates. As a result, returns of commodity-linked investments may deviate significantly from the return of the underlying commodity, instruments, or measures. Legal and regulatory changes also can affect the value of these investments.

Convertible Securities Risk — Convertible securities are generally preferred stocks and other securities, including fixed income securities and warrants that are convertible into or exercisable for common stock. They generally participate in the appreciation or depreciation of the underlying stock into which they are convertible, but to a lesser degree. Warrants are options to buy a stated number of shares of common stock at a specified price anytime during the life of the warrants (generally, two or more years). Convertible securities may be lower-rated securities subject to greater levels of credit risk. A convertible security may be converted before it would otherwise be most appropriate, which may have an adverse effect on the client's ability to achieve its investment objective.

Correlation and Compounding Risk – A number of factors may affect a client's ability to achieve a high degree of correlation with its benchmark, and there can be no guarantee that the client will achieve a high degree of correlation. Failure to achieve a high degree of correlation may prevent the client from achieving its investment objective. A number of factors may adversely affect the client's correlation with its benchmark, including fees, expenses, transaction costs, costs and risks associated with the use of leveraged investment techniques, income items, accounting standards and disruptions or illiquidity in the markets for the securities or financial instruments in which the client invests. The client may not have investment exposure to all securities in its underlying index or benchmark, or its weighting of investment exposure to such securities or industries may

be different from that of its underlying index or benchmark. In addition, the client may invest in securities or financial instruments not included in its underlying index or benchmark.

Credit Risk — It is possible that some issuers of fixed-income securities will not make payments on debt securities held by a client, or there could be defaults on repurchase agreements held by a client. This risk may be especially acute with respect to high yield securities (i.e., “junk bonds”). Also, an issuer may suffer adverse changes to its financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security. A change in the credit quality rating of a bond can affect the bond’s liquidity and make it more difficult for a client to sell.

Derivatives Risk — Derivatives, including include options, futures and options on futures, may pose risks in addition to those associated with investing directly in securities or other investments, including limited ability to enter into or unwind a position, imperfect correlations with underlying investments or other portfolio holdings, lack of availability and the risk that the counterparty may default on its obligations. Derivatives may be used to increase returns or to maintain exposure to a market without buying individual securities. There is the risk that derivatives may fail to serve their intended purposes and may reduce returns or increase volatility. Accordingly, there is also the risk that a client could lose more than the amount the client invested in the derivatives. These practices also entail transactional expenses.

Equity Securities Risk — Equity securities include common stocks and other equity securities (and securities convertible into stocks), and the prices of equity securities fluctuate in value more than other investments. They reflect changes in the issuing company’s financial condition and changes in the overall market. Common stocks generally represent the riskiest investment in a company. A client may lose a substantial part, or even all, of its investment in a company’s stock. Growth stocks may be more volatile than value stocks. A client’s investment in securities offered through initial public offerings (“IPOs”) may have a magnified performance impact, either positive or negative, on any client. A client’s investments in IPOs may make it subject to more erratic price movements than the overall equity market.

Foreign Securities Risk — Investing in foreign investments, including investing in foreign securities through American depositary receipts, involves certain special risks, including but not limited to: (1) unfavorable changes in currency exchange rates; (2) adverse political and economic developments; (3) unreliable or untimely information; (4) limited legal recourse; (5) limited markets; (6) higher operational expenses; and (7) illiquidity. These risks may even be higher in underdeveloped or emerging markets. Foreign investments are normally issued and traded in foreign currencies. As a result, their values may be affected by changes in the exchange rates between particular foreign currencies and the U.S. dollar. Foreign investments may be subject to the risks of seizure by a foreign government, imposition of restrictions on the exchange or transport of foreign currency, and tax increases. There may also be less information publicly available about a foreign company than about most U.S. companies, and foreign companies are usually not subject to accounting, auditing and financial reporting standards and practices

comparable to those in the United States. The legal remedies for investors in foreign investments may be more limited than those available in the United States. A client may at times find it difficult to value its foreign investments. Brokerage commissions and other fees are generally higher for foreign investments than for domestic investments. The procedures and rules for settling foreign transactions may also involve delays in payment, delivery or recovery of money or investments. Foreign withholding taxes may reduce the amount of income available to distribute to the client.

Concentration Risk — A client that is less diversified across countries, geographic regions, sectors or industries is generally riskier than more diversified accounts. A client that focuses on a single country, or a specific region, sector or industry, is more exposed to that country's, region's, sector's or industry's economic cycles, stock market valuations and political risks, among others, compared with a more diversified account. The economies and financial markets of certain regions can be interdependent and may be adversely affected by the same events.

Growth Stocks Risk — Investments in growth stocks may lack the dividend yield that can cushion stock prices in market downturns. Growth companies often are expected to increase their earnings at a certain rate. If expectations are not met, investors can punish the stocks, even if earnings do increase.

High Yield Securities Risk — Higher yielding debt securities in the lower rating (higher risk) categories of recognized rating services are commonly referred to as "junk bonds." High yield securities are debt securities that have been determined by a rating agency to have a lower probability of being paid and have a credit rating of BB or lower by Standard & Poor's Corporation and Fitch Investors Service, Inc. or Ba or lower by Moody's Investors Service or have been determined by Guggenheim Investments to be of comparable quality. The total return and yield of junk bonds can be expected to fluctuate more than the total return and yield of higher-quality bonds. Junk bonds are regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. These bonds are often thinly traded and can be more difficult to sell and value accurately than high-quality bonds. Because objective pricing data may be less available, judgment may play a greater role in the valuation process. In addition, the entire junk bond market can experience sudden and sharp price swings due to a variety of factors, including changes in economic forecasts, stock market activity, large or sustained sales by major investors, a high-profile default, or just a change in the market's psychology.

Insurance Risk — Certain municipal securities may be insured by an insurer, such as a bank or other financial institution. Adverse developments affecting a particular insurer or, more generally, banks and financial institutions could have a negative effect on the value of a client's holdings.

Interest Rate Risk — Investments in fixed-income securities are subject to the possibility that interest rates could rise sharply, causing the value of a client's securities to decline. Longer term bonds and zero coupon bonds are generally more sensitive to interest rate changes than shorter-term bonds. Generally, the longer the average maturity

of the bonds, the more the price will fluctuate in response to interest rate changes. If an issuer calls or redeems an investment during a time of declining interest rates, a client might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates. Securities with floating interest rates, such as syndicated bank loans, generally are less sensitive to interest rate changes, but may decline in value if their interest rates do not rise as much or as fast as interest rates in general.

Syndicated Bank Loans Risk — Syndicated bank loans are subject to some of the same risks as other debt securities, such as prepayment risk, credit risk, interest rate risk, liquidity risk and risks found with high yield securities. Syndicated loans may be issued in connection with a restructuring (such as leveraged buyout loans, leveraged recapitalizations and other types of acquisition financing). Lower rated syndicated bank loans and debt securities (those of less than investment grade quality), involve greater risk of default on interest and principal payments than higher-rated syndicated bank loans and securities. Syndicated bank loans are senior obligations of the borrower or issuer, are generally secured by collateral (which can be difficult to liquidate and its value can decline or be insufficient to meet the obligations of the borrower), and generally are subject to certain restrictive covenants in favor of the lenders or security-holders that invest in them. Syndicated bank loans generally offer a floating interest rate. Syndicated bank loans may decline in value if their interest rates do not rise as much or as fast as interest rates in general.

Leverage Risk — The use of derivatives may create leveraging risk. Leveraging may cause an account to be more volatile than if it had not been leveraged. Leverage can also arise through the use of borrowing for investment purposes. To the extent that a client purchases securities while it has outstanding borrowings, it is using leverage, i.e., using borrowed funds for investment. Leveraging will exaggerate the effect of any increase or decrease in the market value of a client's portfolio. Money borrowed for leveraging will be subject to interest costs that may or may not be recovered by appreciation of the securities purchased.

Liquidity Risk — Investments are subject to liquidity risks when they are difficult to purchase or sell. Investments in illiquid securities may reduce the returns of a client because it may be unable to sell the illiquid securities at an advantageous time or price.

Management Risk — Guggenheim Investments will apply investment techniques and risk analysis in making investment decisions for a client, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory or tax developments may affect the investment techniques available to Guggenheim Investments, any sub-adviser and each individual portfolio manager in connection with managing the client and may also adversely affect the ability of the client to achieve its investment objectives.

Market Risk — Most securities fluctuate in price, and equity prices tend to fluctuate more dramatically over the shorter term than do the prices of other asset classes. These movements may result from factors affecting individual companies, or from broader

influences like changes in interest rates, market conditions, investor confidence or changes in economic, political or financial market conditions. Volatility of financial markets can expose a client to greater market risk, possibly resulting in greater liquidity risk. Moreover, changing economic, political or financial market conditions in one country or geographic region could adversely affect the market value of the securities held by a client in a different country or geographic region due to increasingly interconnected global economies and financial markets. These market conditions also may lead to increased regulation of the instruments in which a client may invest, which may, in turn, affect the client's ability to pursue its investment objective and performance.

Municipal Securities Risk — Investments in municipal securities will be significantly affected by events that affect the municipal securities market, which could include unfavorable legislative or political developments and adverse changes in the financial conditions of state and municipal issuers. Income from municipal bonds could be declared taxable because of changes in tax laws or interpretations by taxing authorities, or noncompliant conduct of a municipal issuer. In addition, a portion of otherwise tax-exempt dividends may be taxable to those clients subject to the federal alternative minimum tax. Also, municipal securities backed by current or anticipated revenues from a specific project or assets can be negatively affected by the discontinuance of taxation supporting the project or assets or the inability to collect enough revenue. Because many municipal securities are issued to finance similar projects (especially those relating to education, health care, utilities and transportation), conditions in those sectors can affect the overall municipal market. Certain sectors of the municipal bond market have special risks that can affect them more significantly than the market as a whole. Municipalities and municipal projects that rely directly or indirectly on federal funding mechanisms may be negatively affected by current budgetary constraints of the federal government. In addition, changes in the financial condition of an individual municipal issuer can affect the overall municipal market, and market conditions may directly impact the liquidity and valuation of municipal securities.

Preferred Securities Risk — Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. Preferred stock is subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

Prepayment Risk — The issuers of securities held by a client may be able to prepay principal due on the securities, particularly during periods of declining interest rates. Securities subject to prepayment risk generally offer less potential for gains when interest rates decline, and may offer a greater potential for loss when interest rates rise. In addition, rising interest rates may cause prepayments to occur at a slower than expected rate, thereby effectively lengthening the maturity of the security and making the security

more sensitive to interest rate changes. Prepayment risk is a major risk of mortgage-backed securities and certain asset-backed securities.

Short Sales Risk — A short sale entails selling a borrowed security with the expectation that the price of the security will decline so that a client may purchase the security at a lower price when the client must return the security that it borrowed. While the potential losses associated with investing in stocks are typically limited to the original cost of the securities, the potential for losses associated with short positions is much greater than the original value of the securities sold short. The client may not always be able to close out a short position at a particular time or at an acceptable price. A lender may request that borrowed securities be returned to it on short notice, and the client may have to buy the borrowed securities at an unfavorable price, resulting in a loss. Short sales also subject a client to risks related to the lender (such as bankruptcy risks) or the general risk that the lender does not comply with its obligations.

Technology Stocks Risk — Companies in the rapidly changing field of technology often face unusually high price volatility, both in terms of gains and losses. The potential for wide variation in performance is based on the special risks common to these stocks. Products or services that at first appear promising may not prove commercially successful or may become obsolete quickly. Earnings disappointments can result in sharp price declines. The level of risk will be increased to the extent that a client has significant exposure to smaller or unseasoned companies (those with less than a three-year operating history), which may not have established products or more experienced management.

Value Stocks Risk — Investments in value stocks are subject to the risk that their intrinsic values may never be realized by the market or that their prices may go down. While a client's investments in value stocks may limit downside risk over time, a client may, as a trade-off, produce more modest gains than riskier stock funds.

DISCIPLINARY INFORMATION

In April 2009, Security Investors, LLC received a notice to show cause from the Securities and Exchange Board of India (“SEBI”) regarding the delay in informing the SEBI of its name change. Security Global Investors replied according to the procedure outlined by the SEBI and proposed a consent order and fine. The SEBI agreed to the proposed consent and entered such order in September 2009. The fine paid was approximately 3,25,000 Rupees, or \$7,053.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Guggenheim Investments is part of a larger group of affiliated companies engaged in the financial services business. In some cases, Guggenheim Investments has business arrangements with its related companies that are material to Guggenheim Investments' advisory business or to its clients. These are described in more detail below and, in some cases, may cause Guggenheim Investments or a related person's interests to diverge from the best interests of a client.

Registered Broker-Dealers

Rydex Distributors, LLC ("Rydex Distributors"), an affiliate of Guggenheim Investments, is registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA"). Rydex Distributors acts as principal underwriter for certain of the Funds for which Guggenheim Investments acts as investment adviser. In addition, Security Distributors, Inc. ("Security Distributors"), an affiliate of Guggenheim Investments, is registered with the SEC as a broker-dealer and is a member of FINRA. Security Distributors acts as principal underwriter for variable insurance products issued by Security Benefit Life Insurance Company ("SBL") and First Security Benefit Life Insurance and Annuity Company of New York ("FSBL"). Guggenheim Investments, FSBL and SBL are affiliates. Previously, Security Distributors acted as principal underwriter for a variable insurance fund for which Guggenheim Investments acted as investment adviser.

Guggenheim Investments may, on behalf of a client, including a Fund, execute brokerage or other agency transactions through registered broker-dealers affiliated with Guggenheim Investments, such as Guggenheim Securities or Rydex Distributors, for commissions. Guggenheim Investments may have an incentive to effect such transactions through an affiliate. However, such transactions must comply with applicable law, regulations and the policies of Guggenheim Investments. Moreover, with respect to the Funds, under applicable law and regulations, affiliated broker-dealers are generally permitted, subject to certain conditions, to receive and retain compensation for effecting portfolio transactions for a Fund provided that the commission is fair and reasonable compared to the commission received by other broker-dealers in connection with comparable transactions. The board of directors or trustees of a Fund, as applicable, also must adopt procedures for evaluating the reasonableness of commissions paid to affiliates. The brokerage practices of Guggenheim Investments are described in more detail in the section entitled "Brokerage Practices" on page 29.

The following Guggenheim Investments officers are also registered representatives of an affiliated broker-dealer:

Name	Title
Richard M. Goldman	CEO, President & Manager Representative
Nick Bonos	Senior Vice President

Michael P. Byrum*
Keith Fletcher
Elisabeth Miller
Amy J. Lee
Marc Zeitoun
Amy Damman

Senior Vice President
Senior Vice President
CCO
Senior Vice President & Secretary
Senior Vice President
Assistant Treasurer

*Mr. Byrum is also a Portfolio Manager for Guggenheim Investments.

Investment Companies

Guggenheim Investments serves as investment adviser and/or administrator of the Funds, which are identified in the section entitled “Advisory Business” on page 4. Guggenheim Investments also acts as investment adviser to SBL Fund and Rydex Variable Trust, which serve as underlying investment vehicles for variable insurance products issued by SBL and FSBL. Guggenheim Investments, FSBL and SBL are affiliates. As discussed below in the section entitled “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading,” under certain circumstances, Guggenheim Investments may invest client assets in the shares of the Funds, subject to the policies and procedures of Guggenheim Investments.

Registered Investment Advisers

Guggenheim Partners Asset Management (“GPAM”), an investment adviser registered with the SEC under the 1940 Act, serves as a sub-adviser to certain Funds, pursuant to a sub-advisory agreement with Guggenheim Investments, which was approved by the Funds’ board of directors. Additional information about GPAM is available on the SEC’s website at www.adviserinfo.sec.gov.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

As described in the section entitled “Types of Clients” on page 11, Guggenheim Investments provides investment advisory services to numerous clients, including the Funds. Guggenheim Investments or a related person may give advice and take action with respect to any client account, or for their own account, or for the account of an access person, that may differ from any action taken on behalf of other accounts. Guggenheim Investments and its related persons are not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Guggenheim Investments or its related persons, or their “Access Persons,” as defined by the 1940 Act and by the Advisers Act, may buy or sell for its or their own account or for the accounts of any other client. Neither Guggenheim Investments nor a related person, nor any Access Person, is obligated to refrain from investing in securities held by the accounts that Guggenheim Investments manages except to the extent that such investments violate the Code of Ethics adopted by Guggenheim Investments and the Funds.

From time to time, employees and principals of Guggenheim Investments or any related person(s) may invest or otherwise have an interest in securities owned by or recommended to clients of Guggenheim Investments. Additionally, such persons may invest or otherwise have an interest, either directly or indirectly, in the Funds, which, in turn, may invest in securities held in other accounts advised by Guggenheim Investments. As these situations may involve potential conflicts of interest, Guggenheim Investments has implemented policies and procedures relating to personal securities transactions, insider trading and side by side management, including the Code of Ethics, that are designed to identify potential conflicts of interest, to prevent or mitigate actual conflicts of interest and to resolve such conflicts appropriately if they do occur.

Code of Ethics

The Code of Ethics reinforces that Guggenheim Investments and each supervised person has a fiduciary duty to clients to conduct personal securities transactions in a manner that does not interfere with client securities transactions or otherwise take unfair advantage of clients. The Code of Ethics further provides that Guggenheim Investments and its supervised persons shall at all times: (1) place the interests of clients first; (2) conduct all personal securities transactions consistent with this Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; (3) avoid taking inappropriate advantage of their positions; and (4) act in compliance with applicable federal securities laws. Guggenheim Investments’ supervised persons are required to provide acknowledgement each year that they have read and understand the Code of Ethics.

The Code of Ethics requires all Access Persons of Guggenheim Investments to report to the Chief Compliance Officer (“CCO”) once each year all securities holdings in which they had any direct or indirect beneficial ownership and to report within 30 days of the end of each calendar quarter their personal securities transactions. Access Persons include

officers and directors of Guggenheim Investments, employees that participate in, or obtain information regarding, clients' purchases or sales of securities or whose job relates to the making of any recommendations with respect to such purchases or sales. Reportable personal securities transactions include transactions in shares of the Funds, or other mutual funds whose investment adviser or principal underwriter controls, is controlled by, or is under common control with, Guggenheim Investments. Access Persons are required to obtain prior clearance of their personal securities transactions from the compliance department, unless such transactions are exempt from prior clearance as set forth in the policy.

The Code of Ethics prohibits Access Persons from purchasing or selling an equity or fixed income security during the period beginning seven (7) calendar days before and ending seven (7) calendar days after a client trades in that security, and prohibits Access Persons from purchasing shares offered in an initial public offering ("IPO"). The Code of Ethics also prohibits Access Persons from engaging in excessive trading of shares of the Funds, except for those Funds that allow unlimited trading, as referenced in the Combined Code of Ethics. Trading in such shares generally is considered excessive if it exceeds one round trip (*i.e.*, in and out of the same Fund) within any 90-day period. All violations of the Code of Ethics must be reported to the CCO. Guggenheim Investments will provide a copy of its Code of Ethics to any client or prospective client upon request. Guggenheim Investments' contact information appears on the cover page of this Brochure.

Other Conflicts of Interest Associated with Management of, and Interests in, Client Accounts

Recommendations of and Investments in Securities in which Guggenheim Investments and Certain Related Parties have a Financial Interest

Under certain circumstances, Guggenheim Investments may invest client assets in the shares of the Funds. Guggenheim Investments is subject to conflicts of interest in doing so and in allocating the assets among the various underlying Funds, both because the fees payable to it by some underlying Funds may be higher than the fees payable by other underlying funds and because Guggenheim Investments is also responsible for managing each of the underlying Funds. In such instances, Guggenheim Investments will waive advisory fees for the client's account in an amount equal to the client's proportionate share of the fees paid to Guggenheim Investments by the Fund, so that the client does not effectively pay two fees to Guggenheim Investments. In advising the Managed Futures Strategy Fund, Long/Short Commodities Strategy Fund, Multi-Hedge Strategies Fund and Commodities Strategy Fund, Guggenheim Investments will also be selecting a CFC as an investment. Since each CFC is a wholly-owned subsidiary of each Fund, the Funds have a vested financial interest in its respective CFC. However, because each Fund is the sole owner and investor of its respective CFC, no other entity will benefit from the respective CFC's operation.

Investments by Guggenheim Investments and Certain Related Parties in Securities Recommended to Clients

From time to time, Guggenheim Investments may recommend or cause a client to invest in a security in which a person associated with Guggenheim Investments has an ownership position, or a person associated with Guggenheim Investments may purchase a security that is held in a client account or has been recommended by Guggenheim Investments. In addition, employees of Guggenheim Investments are permitted to invest in securities which Guggenheim Investments recommends to its clients, subject to Guggenheim Investments' Code of Ethics, which, as discussed above, prohibits access persons from purchasing or selling an equity or fixed income security during the period beginning seven (7) calendar days before and ending seven (7) calendar days after a client trades in that security, and prohibits access persons from purchasing shares offered in an IPO.

Side-by-Side Management and Differential Interests

As discussed above, the nature and amount of compensation paid to Guggenheim Investments by certain clients, which may be managed pursuant to investment strategies which may involve investing in similar, competing or conflicting investments, than other accounts, may differ from that paid by other clients. Additionally, Guggenheim Investments and its personnel may have differing investment or pecuniary interests in different accounts and personnel may have differing compensatory interests with respect to different accounts. Guggenheim Investments faces a potential conflict of interest when (1) the actions taken on behalf of one account may impact other similar or different accounts (*e.g.*, because such accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, or have differing ability to engage in short sales and economically similar transactions) and (2) Guggenheim Investments and its personnel have differential interests in such accounts (*i.e.*, expose Guggenheim Investments or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures) because Guggenheim Investments may have an incentive to favor certain accounts over others that may be less lucrative. These conflicts may present particular concern when, for example, Guggenheim Investments places, or allocates the results of, securities transactions that Guggenheim Investments believes could more likely result in favorable performance, engages in cross trades or executes potentially conflicting or competing investments. To mitigate these conflicts, Guggenheim Investments' policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to such accounts and without consideration of Guggenheim Investments' (or such personnel's) pecuniary, investment or other financial interests.

BROKERAGE PRACTICES

In addition to using brokers as “agents” and paying commissions, Guggenheim Investments may cause clients to buy or sell securities from or to dealers acting as principal at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters or dealers.

Selection Criteria, Generally

In choosing brokers and dealers, Guggenheim Investments is not required to consider any particular criteria. Guggenheim Investments seeks “best execution.” What constitutes “best execution” and determining how to achieve it are inherently uncertain. In evaluating whether a broker or dealer will provide best execution, Guggenheim Investments considers a range of factors. In addition to quantitative factors such as transaction costs, Guggenheim Investments may consider a number of other factors, including, among others, (1) the size and type of transaction; (2) access to liquidity; (3) execution efficiency; (4) capital utilization; (5) the value of brokerage and research services provided by the broker; (6) clearance and settlement services; (7) financial responsibility/counterparty credit statistics; (8) responsiveness to inquiries or issues; (9) confidentiality; (10) knowledge of the specific security and its industry group; (11) the availability of securities to borrow for short sales; (12) block trading capabilities; (13) access to markets; and (14) the ability to limit market impact. As discussed below, Guggenheim Investments is not required to select the broker or dealer that charges the lowest transaction cost, even if that broker or dealer provides execution quality comparable to other brokers or dealers, and, at times, client accounts may pay more than the lowest transaction cost available in order to obtain for themselves and/or Guggenheim Investments services and products other than securities transaction execution.

Guggenheim Investments does not expect to use one particular broker or dealer, and when one or more brokers is believed capable of providing the best combination of price and execution, Guggenheim Investments may select a broker based upon brokerage, research, or other services provided to Guggenheim Investments, subject to the Soft Dollar Policies and Procedures of Guggenheim Investments. For example, Guggenheim Investments has entered into an arrangement with Goldman Sachs Execution & Clearing (“GSEC”) pursuant to which GSEC has agreed to waive a portion of the fees associated with Guggenheim Investments’ use of an order management system sponsored by GSEC, if a certain volume of trades are transacted with the Goldman Sachs & Co. Program Trading Desk. Guggenheim Investments may pay a higher commission than otherwise obtainable from other brokers in return for such services only if a good faith determination is made that the commission is reasonable in relation to the services provided.

Guggenheim Investments also maintains variable requirements for trading partners based on various trading environments and strategies. These include access to traders on a daily

basis, input from the traders on developing strategies and services, ability to trade multiple types of investment products, access to analysts and research, access to various sources of liquidity, rapid execution, access to technology, responsiveness to Guggenheim Investments' requests, and other strategic services.

“Soft Dollars”

As noted above, in choosing brokers and dealers, Guggenheim Investments may take into consideration the value of various services or products, beyond transaction execution, that they provide. Further, the amount of compensation an account pays a broker or dealer who provides those services and/or products may be higher than what another, equally capable broker or dealer might charge. Guggenheim Investments engages in soft dollar transactions only when it believes the commission paid is reasonable in relation to the value of the brokerage and research services received. Furthermore, this practice does not relieve Guggenheim Investments from its duty of seeking best execution. It is Guggenheim Investments' policy to disclose fully its use of soft dollars to all prospective clients. Selecting a broker or dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.”

Guggenheim Investments may use soft dollars to acquire a variety of “research” and “brokerage” services and products for which clients would not otherwise be required to pay. Section 28(e) of the Securities Exchange Act of 1934 permits Guggenheim Investments, under certain circumstances, to cause client accounts to pay a broker or dealer a commission for effecting a transaction in excess of the amount of commission another broker or dealer would have charged for effecting the transaction, in recognition of the value of either proprietary or third-party brokerage and research services provided by the broker or dealer. To be protected under Section 28(e), Guggenheim Investments must, among other things, determine that the commissions paid are reasonable in light of the value of the brokerage and research services and products acquired.

For purposes of Section 28(e), “research” means services or products used to provide lawful and appropriate assistance to Guggenheim Investments in making investment decisions for its clients. The types of “research” Guggenheim Investments expects to acquire (and which Guggenheim Investments has generally received during the last fiscal year) include (but are not limited to): (1) reports on or other information about particular companies or industries; (2) economic surveys or analyses; (3) portfolio evaluation services; (4) financial database software and services; (5) computerized quotation and statistical services; (6) analytical software; and (7) other products or services that may enhance Guggenheim Investments' investment decision making. “Brokerage” services and products Guggenheim Investments expects to acquire (and which Guggenheim Investments has generally received during the last fiscal year) are those used to effect portfolio transactions for Guggenheim Investments' clients or to assist in effecting those transactions (such as computer systems and facilities used for such tasks as communicating orders electronically to executing brokers).

Section 28(e) generally protects the use of an account's soft dollars even when Guggenheim Investments uses research and brokerage services and products to benefit clients other than the client account that generated the commissions used to obtain the research or brokerage services. Notwithstanding this protection, Guggenheim Investments has a conflict of interest when it uses soft dollars for research and brokerage services and products because it might otherwise have to pay cash for those services and products and it may have an incentive to use brokers or dealers who provide those products and services more than it otherwise would. Any service or product that is not protected under Section 28(e) (*i.e.*, not a "research" or "brokerage" service or product) will not be acquired through soft dollar payments.

Guggenheim Investments may use soft dollars for "mixed use" products and services—products and services that are used in part for research or brokerage purposes and in part for other purposes. When a mixed use product or service is obtained, Guggenheim Investments must allocate the value of such services between research and brokerage (which can be paid for with soft dollars) and other services (which cannot be paid for with soft dollars). Since that portion of a service that is not research or brokerage must be paid for from Guggenheim Investments' own assets, it has a conflict of interest when making this allocation. Guggenheim Investments believes that its allocation procedures are reasonably designed to ensure that it appropriately allocates the anticipated use of such services to their research and non-research uses.

Guggenheim Investments may direct a portion of the commissions from executing trades to a broker through a Commission Sharing Agreement ("CSA"). Where Guggenheim Investments has executed a CSA, Guggenheim Investments will place a trade with the broker and pay the negotiated commission to that broker. The broker will then credit a negotiated portion of the commission for the purpose of funding a pool to be used to pay for research products or services received by Guggenheim Investments from third parties.

On behalf of its clients, Guggenheim Investments may also buy securities from, or sell securities to, dealers acting as principals or market makers. In contrast to the "agency" transactions discussed above, Guggenheim Investments will seek best execution in selecting such dealers without considering any research services obtained in connection with such principal transactions, although it may receive such services from such dealers from time to time. Guggenheim Investments, however, may consider research services in connection with "riskless principal" transactions that are reported pursuant to certain FINRA rules that ensure transparency as to security price and transaction charges, or in connection with transactions in other markets having regulations that ensure comparable transparency of security prices and charges. In addition, Guggenheim Investments may obtain research services in connection with investments in underwritten fixed price offerings consistent with certain FINRA rules.

In addition, from time to time, Guggenheim Investments may purchase new issues of securities for clients in a fixed price offering. In these situations, the seller may be a member of the selling group that will, in addition to selling securities, provide Guggenheim Investments with research services. FINRA has adopted rules expressly

permitting these types of arrangements under certain circumstances. Generally, the seller will provide research “credits” in these situations at a rate that is higher than that which is available for typical secondary market transactions. These arrangements may not fall within the safe harbor of Section 28(e).

Wrap Fee Programs

As noted above, Guggenheim Investments may participate as a portfolio manager in various Wrap Fee Programs in which the Program Sponsor would generally: (1) recommend Guggenheim Investments; (2) pay Guggenheim Investments’ management fees on behalf of the Wrap Fee Program client; (3) execute the Wrap Fee Program client’s portfolio transactions, generally without separate commission charges; (4) monitor Guggenheim Investments’ performance; and (5) in most cases, act as custodian or provide some combination of these or other services, all for a single fee paid by the client to the Program Sponsor. Many wrap fee programs require that brokerage transactions ordinarily will be effected through the Program Sponsor or its designated broker-dealer (the “designated broker”) or charge separately for transactions not effected through the designated broker.

In evaluating a Wrap Fee Program, a client should recognize that transactions executed by the designated broker on behalf of the client’s account are not negotiated by Guggenheim Investments and Guggenheim Investments may not be free to seek the best available combination of price and execution. Even under those wrap fee arrangements in which Guggenheim Investments retains some discretion to select other brokers or dealers to execute client transactions if Guggenheim Investments believes that “best execution” may be obtained elsewhere, since the client has already paid an asset-based charge that includes commissions on transactions executed through the designated broker (and since transactions executed away from the designated broker would generally result in the client paying a commission, concession, dealer mark-up or mark-down, or other fees associated with the execution and/or settlement of that transaction in addition to the wrap fee), Guggenheim Investments expects that best execution would generally be through the designated broker.

Clients participating in a Wrap Fee Program with separate commission charges may execute a written directed brokerage instruction in favor of the designated broker. In such circumstances, the client will be subject to the same consequences as any other directed brokerage client, as described below under the heading “Client Directed Brokerage Arrangements.” As with client directed brokerage arrangements, Guggenheim Investments is often unable to freely select broker-dealers for Wrap Fee Program client transactions. As a result, Guggenheim Investments may be unable to batch orders for Wrap Fee Program clients with orders for other clients. This may result in Wrap Fee Program clients paying higher commissions or greater spreads than other clients, or receiving less favorable net prices and poorer execution than might be the case if Guggenheim Investments could negotiate commission rates or spreads freely.

Wrap Fee Program clients should also be aware that the overall costs of obtaining the services provided through their Wrap Fee Program may exceed those which might be available if the client were to obtain such services separately and outside of the program. Accordingly, Wrap Fee Program clients should satisfy themselves that the wrap fee program is a suitable investment, given the client's particular financial needs and circumstances.

Client Directed Brokerage Arrangements

A client that is not participating in a Wrap Fee Program may nonetheless direct Guggenheim Investments to effect part or all of the portfolio transactions for the client's account through specific brokers or dealers. Such directions may be subject to restrictions agreed to by Guggenheim Investments and the client, such as a maximum commission rate. Clients should note, however, that the designated broker or dealer may not always have the ability to obtain best execution of all transactions. Where clients designate brokers or dealers through which transactions are to be effected, Guggenheim Investments generally will not negotiate commission rates with those brokers or dealers. Furthermore, if a client directs brokerage, the client's account will not be able to participate in reduced commission rates which may be available to aggregated or "bunched" orders placed by Guggenheim Investments. Orders for such clients generally will be placed after orders for clients that leave the selection of brokers or dealers to the discretion of Guggenheim Investments. Execution of the transactions for Guggenheim Investments' other accounts could affect the market price of the security being bought or sold, meaning that the directing client's account may pay more for a security being purchased or receive less for a security being sold than Guggenheim Investments' other client accounts. Thus, an account utilizing a directed brokerage arrangement may pay higher commissions than those accounts which do not utilize directed brokerage.

Aggregation and Allocation of Orders

Guggenheim Investments maintains multiple trading facilities, each of which may have separate trade aggregation and allocation processes. Guggenheim Investments seeks to aggregate trade orders in a manner that is consistent with its duty to: (1) seek best execution of client orders; (2) treat all clients fairly and equitably over time; and (3) not systematically advantage or disadvantage any single client or group of clients.

Guggenheim Investments may combine orders on behalf of an account with orders for other accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Guggenheim Investments will allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Guggenheim Investments believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to an account than if an account had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Guggenheim

Investments' interest in some of the accounts, there may be circumstances in which an account's transactions may not, under certain laws and regulations, be combined with those of some of Guggenheim Investments' and its affiliates' other clients, and an account may obtain less advantageous execution than such other clients.

Guggenheim Investments may also trade securities on a rotational basis. Under the rotation procedures of Guggenheim Investments, for example, orders for Wrap Fee Program clients may be aggregated with orders of other clients of the same Wrap Fee Program, but such orders will not be aggregated with orders for clients of other Wrap Fee Programs and Guggenheim Investments' other clients. Guggenheim Investments uses this trade rotation procedure to ensure that all clients are treated in fair and equitable manner over time. Under the procedure, Guggenheim Investments' clients are divided into a number of separate groups, one group for each wrap program and another group for non-wrap clients. The groups are assigned an order as part of a daily rotation, in which the transactions will be executed, and execution for one group will be completed before execution for the next group will begin. Orders for wrap fee program clients will normally be executed by the trading desk of the particular program's sponsor, while orders for non-wrap clients will be executed by a broker chosen in accordance with Guggenheim Investments' normal brokerage selection policy. Once the rotation has been completed and the entire order has been allocated, the first client is moved to the bottom of the list for the next rotation. Due to the sequential execution of orders for different groups of clients under this trade rotation procedure, it is possible that clients in one group will receive a different price for a transaction in the same security than will clients of other groups.

Clients of Guggenheim Investments may be following the same or similar strategies at the same or different times as those being followed by Guggenheim Investments' other clients. Because different portfolio construction processes are used for different types of accounts, allocation of trading opportunities may not be granted to certain accounts with similar strategies where the portfolio manager in good faith determines that such opportunity may not be appropriate for certain such accounts.

REVIEW OF ACCOUNTS

Guggenheim Investments periodically reviews client accounts and provides reports to clients regarding their accounts. The nature and frequency of these reviews, as well as the frequency and content of these written reports, is discussed in more detail below.

Nature and Frequency of Client Account Review

Each account is managed by one or more portfolio managers of Guggenheim Investments. The portfolio managers review the accounts on a continuous basis and are responsible for the day-to-day operations of the account, including sector weightings, cash position, buy and sell decisions, performance and overall adherence with the investment philosophy and specific requirements of the account. In some cases, for instance when an account has an objective which necessitates the purchase of both equity and fixed income securities, two portfolio managers may share day-to-day responsibilities for the account. A more formal review of investment policy, strategy, asset allocation and other matters will be conducted at least quarterly and more often as circumstances warrant. The number of accounts that each portfolio manager is responsible for reviewing will vary depending on the nature and size of the accounts. The following supervised persons of Guggenheim Investments review client accounts:

Name	Title
Mark Mitchell	Portfolio Manager
Michael P. Byrum	Senior Vice President & CIO
Mark Bronzo	Portfolio Manager
Joseph O'Connor	Portfolio Manager
Mike Dellapa	Portfolio Manager
Ryan Harder	Portfolio Manager

Frequency and Content of Client Account Reports

Direct Clients

Reports to Separate Accounts are generally provided on a monthly basis. In some cases, however, reports may be provided on a quarterly basis. Such reports generally contain information with respect to portfolio holdings, transactions and performance.

Wrap Fee Program Clients

Reports to Wrap Fee Program clients are provided by the Program Sponsor, and their content and frequency may vary from program to program. However, Guggenheim Investments (or a service provider) provides a report to each Program Sponsor on a monthly basis. Such reports generally contain information with respect to portfolio holdings, transactions and performance. Program Sponsors may also receive certain

other reports from Guggenheim Investments (or a service provider), such as reports containing proxy voting information.

Investment Companies

Fund shareholders are provided with annual audited financial reports as well as semiannual unaudited reports, each of which is available through the SEC's EDGAR database at www.sec.gov. In addition, on a quarterly basis, Guggenheim Investments generally meets with, and provides a comprehensive report of the performance of each Fund to, the Fund's board of directors or trustees, as applicable. This report includes a comparison of each portfolio's performance measured against the performance of its applicable benchmark, market sector and/or a mutual fund peer with a similar investment objective. Special reports and materials are also provided to the directors or trustees, as applicable, from time to time or as requested.

CLIENT REFERRALS AND OTHER COMPENSATION

While Guggenheim Investments does not currently have any third-party referral arrangements in place, Guggenheim Investments may in the future compensate third parties for the referral of clients by paying a fee to the third party. These arrangements will be disclosed to clients and will otherwise be in accordance with Rule 206(4)-3 under the Advisers Act, which generally specifies certain standards that must be met by an investment adviser prior to the payment of a cash fee, directly or indirectly, for a client solicitation or referral.

CUSTODY

Not Applicable.

INVESTMENT DISCRETION

Guggenheim Investments generally has complete discretion over the selection and amount of securities to be bought or sold for clients (within the parameters established by the relevant investment management agreement or other governing document and subject to any reasonable investment restrictions) without obtaining any consent or approval of any client.

VOTING CLIENT SECURITIES

Guggenheim Investments is generally responsible for voting proxies with respect to securities held in client accounts. Guggenheim Investments' Proxy Voting Policies and Procedures are designed to ensure that proxies are voted in the best interests of its clients. As an investment adviser with a fiduciary responsibility to its clients, Guggenheim Investments seeks to vote proxies in a manner that maximizes the economic value of companies whose securities are held in client accounts for which Guggenheim Investments has been delegated voting discretion.

Guggenheim Investments has adopted Proxy Voting Guidelines which it uses in voting specific proposals. However, the vote entered on a client's behalf with respect to a particular proposal may differ from the Proxy Voting Guidelines if it is determined to be in the best interest of the client. In addition, the manner in which specific proposals are to be voted may differ based on the type of client account. For example, a specific proposal may be considered on a case-by-case basis for socially aware client accounts, while all other accounts may always vote in favor of the proposal. The Proxy Voting Guidelines cannot provide an exhaustive list of all the issues that may arise, nor can Guggenheim Investments anticipate all future situations. The Guidelines cover such agenda items as the election of directors, ratification of auditors, management and director compensation, anti-takeover mechanisms, mergers and corporate restructuring, and social and corporate policy issues.

Guggenheim Investments has delegated to an independent third party (the "Service Provider"), the responsibility to review proxy proposals and to vote proxies in a manner consistent with the Proxy Voting Guidelines. The Service Provider notifies Guggenheim Investments of all proxy proposals that do not fall within the Proxy Voting Guidelines (*i.e.*, proposals which are either not addressed in the Proxy Voting Guidelines or proposals for which Guggenheim Investments has indicated that a decision will be made on a case-by-case basis) and Guggenheim Investments then directs the Service Provider how to vote on that particular proposal.

Guggenheim Investments may occasionally be subject to conflicts of interest in the voting of proxies. Accordingly it has adopted procedures to identify potential conflicts and to ensure that the vote made is in the best interest of the client and is not a result of the conflict. Proxy materials from an issuer or its information agent are forwarded to registered owners of record, typically the client's custodian bank. Guggenheim Investments may be unable to vote or may determine not to vote a proxy on behalf of one or more clients. For example, Guggenheim Investments will generally abstain from voting a proxy in circumstances where, in its judgment, the costs exceed the expected benefits to the client.

Guggenheim Investments will provide clients with a copy of its Proxy Voting Policies and Procedures, including the Proxy Voting Guidelines, upon written request. Guggenheim Investments will make specific voting information relating to a client

available to that client upon written request. In addition, specific voting information relating to the Funds is available on SEC Form N-PX, available through the SEC's EDGAR database at www.sec.gov. Guggenheim Investments' contact information appears on the cover page of this Brochure.

From time-to-time a client may wish to vote their own proxy, and if Guggenheim Investments is not charged with voting responsibility under the investment management agreement, the client may direct the custodian to vote the proxy on its behalf and provide directions for the vote. In addition, if Guggenheim Investments is charged with voting responsibility under the investment management agreement, a client can advise Guggenheim Investments that it wishes to vote a particular way. In such a case, Guggenheim Investments will vote the client's proxy as the client requested.

FINANCIAL INFORMATION

Not Applicable.