

**FREQUENTLY ASKED QUESTIONS:
CHANGES TO RYDEX|SGI'S EXCHANGE TRADED LINEUP**

Which funds are being closed?

Exchange Traded Fund	Ticker
Rydex 2x Russell 2000 [®] ETF	RRY
Rydex Inverse 2x Russell 2000 [®] ETF	RRZ
Rydex 2x S&P MidCap 400 ETF	RMM
Rydex Inverse 2x S&P MidCap 400 ETF	RMS
Rydex 2x S&P Select Sector Energy ETF	REA
Rydex Inverse 2x Select Sector Energy ETF	REC
Rydex 2x S&P Select Sector Financial ETF	RFL
Rydex Inverse 2x Select Sector Financial ETF	RFN
Rydex 2x S&P Select Sector Health Care ETF	RHM
Rydex Inverse 2x Select Sector Health Care ETF	RHO
Rydex 2x S&P Select Sector Technology ETF	RTG
Rydex Inverse 2x Select Sector Technology ETF	RTW

Why are these funds being closed?

As part of an effort to intensify focus on our exchange traded business, Rydex|SGI has made the strategic decision to consolidate its product lineup to concentrate resources on those funds that have demonstrated the most marketplace demand. The twelve affected funds have not garnered significant investor interest, accounting for approximately \$129 million in assets or less than 2% of the firm's total \$7 billion in total exchange traded assets. We believe closing and liquidating these products is in the best interests of the funds' shareholders. Additionally, consolidating our product lineup will position our exchange traded business for future growth opportunities, including new product development.¹

What will be the final trading day for shares of the affected ETFs?

Friday, May 21, 2010 will be the last day of trading on the NYSE Arca for shares of the twelve affected Rydex|SGI ETFs.

Can I sell my shares now?

Shareholders may sell their shares in the standard manner through the close of trading on the NYSE Arca through Friday, May 21, 2010. Customary brokerage charges may apply to such transactions.

What happens if I don't sell my shares before the closing date?

Between the close of trading on May 21, 2010 and May 28, 2010, the affected funds will be in the process of liquidating their portfolio assets. During this period, shareholders will not be able to redeem their shares from the funds and will be unable to sell them in the secondary market. As a result of the planned liquidation, the funds are likely to increase their cash holdings and deviate from their respective investment objectives and strategies stated in the Prospectus. Shareholders remaining in the affected funds on May 28, 2010 will have their fund shares redeemed automatically on this date and will receive a cash distribution in the amount equal to the net asset value of their fund shares as of the close of trading on May 28, 2010. This amount includes any accrued capital gains and dividends. Shareholders remaining in the funds on May 28, 2010 will not be charged any transaction fees by the funds. The net asset value of each affected fund on May 28, 2010 will reflect the costs of closing that fund.

Can I exchange my shares for shares of another fund?

Shareholders may sell their shares in the standard manner through the close of trading on the NYSE Arca through Friday, May 21, 2010. Customary brokerage charges may apply to such transactions.

Will shareholders be required to fill out any paperwork regarding the closing of these funds? No.

Will the funds' liquidation be a taxable event?

Yes. If a shareholder sells their shares or if they are automatically redeemed on May 28, 2010, the shareholder will generally recognize a capital gain (or loss) equal to the amount received for the fund shares above (or below) the shareholder's adjusted cost basis in such fund shares.

Are all of the affected funds on the same closing schedule? Yes.

How is Rydex|SGI communicating these changes to its exchange traded business to clients and shareholders?

In addition to distributing a press release announcing changes to the firm's exchange traded business and filing a prospectus supplement, Rydex|SGI is leveraging its various web sites to communicate with clients and shareholders. Additional communication via telephone calls and emails is scheduled to take place on an as-needed basis.

Should I decide to sell my shares prior to the close date, will there be market demand?

Rydex|SGI cannot guarantee market demand for the affected funds.

Can I expect the affected funds to continue to meet their investment objectives?

Between the close of trading on May 21, 2010 and May 28, 2010, the affected funds will be in the process of liquidating their portfolio assets. During this period, shareholders will not be able to redeem their shares from the funds and will be unable to sell them in the secondary market. As a result of the planned liquidation, the funds are likely to increase their cash holdings and deviate from their respective investment objectives and strategies stated in the Prospectus.

Who should investors contact if they have more questions about Rydex|SGI closing and liquidating ETFs?

For additional information, including information about the affected funds or other Rydex|SGI funds, investors can call 1.800.820.0888 or visit www.rydex-sgi.com.

Why is Rydex|SGI exiting the leveraged and inverse ETF business?

While we will be closing and liquidating those leveraged and inverse ETFs that have not demonstrated the most marketplace demand, Rydex|SGI is not exiting the leveraged and inverse ETF business. We will continue to offer Rydex 2x S&P 500 ETF (RSU) and Rydex Inverse 2x S&P 500 ETF (RSW)—two funds that have garnered investor interest since their inception in November 2007. Collectively the two ETFs have approximately \$200 million in assets.¹

Does Rydex|SGI plan to close any additional funds?

We do not anticipate closing additional exchange traded products. Our firm's exchange traded assets are currently at an all-time high since we first entered the ETF space in 2003 with the launch of the industry's first alternatively weighted ETF. As part of an effort to intensify focus on our exchange traded business, we have thoroughly considered marketplace demand for each of our products and are pleased to continue to offer 28 exchange traded products, which seek to provide broad market, sector, style, leveraged and inverse and currency-exposure.

¹ Assets as of 4/22/2010

For more complete information regarding Rydex|SGI ETFs, call 800.820.0888 or download a prospectus from www.rydex-sgi.com. Investors should consider the investment objectives, risks, charges and expenses of a fund before investing. The prospectus contains this and other information about the funds. Please read the prospectus carefully before you invest or send money.

ETFs may not be suitable for all investors. Investment returns and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost.

Inverse and leveraged funds may not be suitable for all investors. • The more a fund invests in leveraged instruments, the more the leverage will magnify any gains or losses on those investments. Inverse funds involve certain risks, which include increased volatility due to the funds' possible use of short sales of securities and derivatives, such as options and futures. • The funds' use of derivatives, such as futures, options and swap agreements, may expose the funds' shareholders to additional risks that they would not be subject to if they invested directly in the securities underlying those derivatives. • Short-selling involves increased risks and costs. • You risk paying more for a security than you received from its sale. • Leveraged and inverse funds seek to provide investment results that match the performance of a specific benchmark, before fees and expenses, on a daily basis. • Because the funds seek to track the performance of their benchmark on a daily basis, mathematical compounding, especially with respect to those funds that use leverage as part of their investment strategy, may prevent a fund from correlating with the monthly, quarterly, annual or other period performance of its benchmark. • Due to the compounding of daily returns, leveraged and inverse funds' returns over periods other than one day will likely differ in amount and possibly direction from the benchmark return for the same period. Investors should monitor their leveraged and inverse funds' holdings to ensure they are consistent with their strategies, as frequently as daily. For more on correlation, leverage and other risks, please read the prospectus.

The funds are not sponsored, endorsed, sold or promoted by Standard and Poor's Corporation or the Frank Russell Company. The aforementioned companies make no representation regarding the advisability of investing in the funds.

Securities offered through Rydex Distributors, Inc. Security Global InvestorsSM is the investment advisory arm of Security Benefit Corporation (Security Benefit). Security Global Investors consists of Security Global Investors, LLC, Security Investors, LLC and Rydex Investments. Rydex Investments is the primary business name for PADCO Advisors, Inc. and PADCO Advisors II, Inc. SGI and RDI are all subsidiaries of Security Benefit. SGIFAQ-ETF-0410 #1004