

INTEREST EARNED ON U.S. GOVERNMENT SECURITIES

Mutual fund dividends derived from certain U.S. government obligations may be exempt from state income taxes for the calendar year ending December 31, 2009. Questions concerning your state tax requirements should be directed to your local tax office. For each of the Rydex|SGI funds below, the chart indicates the percentage of interest income is attributable to U.S. government obligations.

Fund	% of Gov't Interest Income ¹	Tennessee: % of Gov't Interest Income ²
Cash Fund (Through 7/10/09)	31.23%	31.29%
High Yield	0.00%	0.03%
U.S. Intermediate Bond Fund	24.63%	24.69%
Capital Preservation Fund (Through 2/20/09)	22.52%	22.64%
Mid Cap Value Fund	0.08%	0.28%
Mid Cap Value Fund Institutional	0.00%	0.08%
Large Cap Value Fund	0.03%	0.36%
Large Cap Value Fund Institutional	0.00%	0.10%
All Cap Value	0.00%	0.84%

For assistance on your personal federal tax filings, consult your tax advisor or call the Internal Revenue Service at 800.829.1040.

¹ In computing these percentages, direct U.S. government obligations held by the Rydex|SGI funds included: U.S. Treasury Bonds, Federal Home Loan Bank Discount Notes, Federal Farm Credit Bank Discount Notes, Federal Home Loan Bank Bonds and Federal Farm Credit Bank Bonds. Rydex|SGI funds listed above both 1) paid a net investment income distribution and 2) held direct U.S. government obligations during this period. ² In computing these percentages, direct obligations held by Rydex|SGI funds included all securities listed above as well as repurchase agreements.

Read the funds' prospectus carefully before investing. It contains the funds' investment objectives, risks, charges, expenses and other information. Obtain a prospectus at www.rydex-sgi.com or call 800.820.0888.

The funds are distributed by Rydex Distributors, Inc. (RDI). 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 affiliates and subsidiaries of Security Benefit.