

## **RYDEX INVESTMENTS BRINGS MANAGED FUTURES INVESTING MAINSTREAM**

***Rydex Managed Futures Fund provides access to  
alternative investment strategy within a traditional mutual fund format.***

**March 5, 2007...ROCKVILLE, MD...**Rydex Investments today announced the launch of an open-end mutual fund designed to offer exposure to the potential diversification benefits of managed futures. Rydex Managed Futures Fund seeks to provide investors with cost-effective and convenient access to the U.S. commodity and global financial futures markets by aiming to mirror the daily performance of the Standard & Poor's Diversified Trends Indicator (S&P DTI) © less any fees and transaction costs. Having recently completed a successful subscription offering with select broker/dealers, Rydex Managed Futures Fund is now publicly available through a wide range of intermediaries.

"We are committed at Rydex to bringing innovative and value-added investment strategies and platforms to the marketplace," said Edward Egilinsky, managing director of alternative investments at Rydex. "Individual investors now have first time access to managed futures strategies through a mutual fund structure offering low minimums and daily liquidity."<sup>1</sup>

In developing Rydex Managed Futures Fund, Rydex chose to benchmark the fund's performance to the S&P DTI, an investment model that calculates price averages in the futures market and gives signals to indicate whether a position should be held long or short. Comprised of 14 sectors, with 50% allocated to financial futures and 50% to commodity futures, the S&P DTI has the ability to go long or short based on price momentum with the exception of the energy sector, which can only go long or neutral. The model rebalances on a monthly basis.

"The S&P DTI methodology is rules-based and relies on trends to capture profits," said Egilinsky. "The S&P DTI also offers benefits from a diversification standpoint. It has historically shown a very low or slightly negative correlation to traditional investments such as fixed-income and equities and at the same time exhibits an attractive risk/return ratio."

From January 1985 through December 2006, the S&P DTI had a correlation of -0.078 to the S&P 500 Index and 0.038 to the Lehman Aggregate Bond Index.<sup>2</sup> Over the same time period, the S&P DTI returned 11.04% with a standard deviation of 6.01 compared to the S&P 500 Index's returns of 12.93% at a standard deviation of 14.88 and the Lehman Aggregate Bond Index's returns of 8.33% at a standard deviation of 4.35.

With the introduction of Rydex Managed Futures Fund, Rydex Investments builds on its history of bringing institutional-style investment strategies and techniques to financial professionals and individual investors. In addition to managed futures, Rydex offers access to a variety of alternative asset classes and investment strategies via traditional, open-end mutual funds and ETF product structures.

**Performance is that of the S&P Diversified Trends Indicator and is not meant to represent the performance of Rydex Managed Futures Fund. Performance displayed represents past performance, which is no guarantee of future results.** Referenced indices as well as the S&P Diversified Trends Indicator are not available for direct investment. Performance does not reflect transaction costs or management fees.

<sup>1</sup> Subject to a 1% 90-day redemption fee.<sup>2</sup> Source: Strategic Financial Solutions, LLC (Pertrac).

**Standard Deviation:** A statistical measure of the historical volatility of an investment, usually computed using 36 monthly returns. More generally, a measure of the extent to which numbers are spread around their average. The higher the number, the more volatility is to be expected.

Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any investment will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, hypothetical trading does not involve financial risk, and no hypothetical trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of the hypothetical performance results and all of which can adversely affect actual trading results. When there are no actual trading results to compare to the hypothetical results, customers should be particularly wary of placing undue reliance on these hypothetical performance results.

**Rydex Managed Futures Fund is subject to a number of risks and may not be suitable for all investors.** The fund's use of derivatives such as futures, options, structured notes and swap agreements may expose the fund to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. A highly liquid secondary market may not exist for the commodity-linked structured notes the fund invests in, and there can be no assurance that a highly liquid secondary market will develop. The fund's exposure to the commodities market may subject the fund to greater volatility as commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. This fund is subject to tracking error risks, which may cause the fund's performance not to match that of or be lower than the fund's underlying benchmark. When the fund invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. Further, in part because of these additional expenses, the performance of an ETF may differ from the performance the fund would achieve if it invested directly in the underlying investments of an ETF. See the prospectus for details.

***For more complete information regarding Rydex Managed Futures Fund, call 800.820.0888 for a prospectus. Investors should carefully consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The fund's prospectus contains this and other information about the fund. Please read the prospectus carefully before you invest or send money.***

The information provided here is intended to be general in nature and should not be construed as investment advice or a recommendation of any specific security or strategy.

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This fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in a more diversified fund.

Securities are not guaranteed by any bank, are not insured by the FDIC or any other agency and involve investment risks, including the possible loss of the principal amount invested.

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