

RYDEX INVESTMENTS LAUNCHES INTERNATIONAL ROTATION MUTUAL FUND

***Fund employs a rotation strategy in an attempt
to outperform the MSCI World Ex-U.S. Index, less fees and expenses***

September 4, 2007...ROCKVILLE, MD...Rydex Investments today announced the addition of an international offering to its lineup of strategic, buy-and-hold mutual funds. For investors seeking opportunities outside the United States, Rydex International Rotation Fund offers a disciplined, quantitative approach to overseas investing. The fund seeks to provide long-term capital appreciation by investing at the individual country level in an attempt to outperform the Morgan Stanley Capital International (MSCI) World Ex-U.S. Index, less fees and expenses.

“At any given point in history, a number of foreign markets have outperformed U.S. markets,” says Edward Egilinsky, managing director of alternative strategies at Rydex Investments. “Although investors may realize benefits associated with international investing, navigating foreign markets still presents a challenge. Rydex International Rotation Fund attempts to make it easier for investors to be at the right place at the right time.”

Unlike many international equity funds that invest at the regional level or engage in individual security selection, the Rydex fund invests at the country level to provide broad exposure to the international marketplace. The fund relies on a quantitative, rules-based model to evaluate various economic factors and analyze the potential growth and future value—or intrinsic value—of the 22 developed countries and their currencies within the MSCI World Ex-U.S. Index. These factors, which include free cash earnings, interest rate movements and other technical indicators, are used to create a ranking of those countries that demonstrate the greatest potential for return. The same factors are also used to determine individual country weightings within the fund’s profile.

“A country’s intrinsic value is the dominant factor in determining the fund’s rotation strategy,” says David Reilly, director of portfolio strategies at Rydex. “It portrays a country’s fair value by taking into account factors such as the value of current cash flows and expected cash flow growth and compares them to other international markets.”

Rebalanced on at least a monthly basis, the Rydex fund’s exposure rotates from less attractive countries to more attractive countries. At any given time, the fund will provide exposure up to a maximum of 15 countries but no less than six countries.

In bringing the Rydex International Rotation Fund to market, Scotland-based Valu-Trac Investment Management Limited was selected as the subadvisor to the fund. Established in 1989, Valu-Trac is an SEC-registered investment management and research firm, specializing in providing an objective and highly analytical approach to global market investing.

“Rydex’s core competencies in quantitative, rules-based investing are closely aligned with those of Valu-Trac,” says Egilinsky. “Additionally, Valu-Trac provides a proven pedigree and track record in global market analytics.”

The launch of Rydex International Rotation Fund complements Rydex’s existing international lineup, which includes mutual funds that provide exposure to Japanese and European markets, as well as select currency-based mutual funds and exchange traded products.

Rydex International Rotation Fund is subject to a number of risks and may not be suitable for all investors. The fund's investment in foreign instruments may be volatile due to the impact of diplomatic, political or economic developments on the country in question. Additionally, the fund's direct or indirect exposure to foreign currencies subjects the fund to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of short positions, that the U.S. dollar will decline in value relative to the currency being hedged. Since the fund invests in ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETFs' expenses. Due to these additional expenses, the performance of the fund may differ than if it invested directly in the underlying investments of an ETF. The fund's use of derivatives, such as futures, options 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. See the prospectus for more details.

For more complete information regarding Rydex International Rotation 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.

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