

SECURITY GLOBAL INVESTORS

Form ADV, Part 2A
(the “*Brochure*”)

March 25, 2011

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This Brochure provides information about the qualifications and business practices of Security Global Investors. 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 Security Global Investors also is available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Not Applicable

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ADVISORY BUSINESS

Firm Overview

Security Global Investors, a multi-product manager with focused investment teams, is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Security Global Investors provides 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 180 series (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, 2010, the assets under management of Security Global Investors were approximately \$22 billion. 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 Security Global Investors and Rydex Investments. SI is a subsidiary of Security Benefit Corporation, which is wholly owned by Guggenheim SBC Holdings, LLC, a special purpose entity managed by an affiliate of Guggenheim Partners, LLC.

Types of Advisory Services

Security Global Investors offers investment supervisory services to the following clients.

Investment Companies

Security Global Investors 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, Security Global Investors 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 pursuant to a written sub-advisory contract between Security Global Investors and the sub-adviser.

Direct Clients

Security Global Investors offers investment supervisory services to individually-managed accounts (“Separate Accounts”) for institutions, as well as ultra-high net worth

individuals and trusts, that meet Security Global Investors' applicable minimum account size requirements, as discussed in more detail in the section entitled "Types of Clients" on page 10.

Wrap Fee Program Clients

Security Global Investors 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, Security Global Investors 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 Security Global Investors or Security Global Investors 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, Security Global Investors may be responsible for delivery (and annual offer) of this Brochure.

Although Security Global Investors may not always have direct initial or ongoing client contact, the pre-selection process is sufficiently detailed that Security Global Investors is able to provide individualized investment services. Ongoing contact with the Program Sponsor ensures that Security Global Investors maintains the ability to provide individualized investment services. Security Global Investors 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, Security Global Investors 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 6, Security Global Investors generally receives a portion of the total wrap fee paid by each Wrap Fee Program client advised by Security Global

Investors. The Program Sponsor collects the total wrap fee and remits the advisory portion to Security Global Investors. The range of the advisory portion payable to Security Global Investors is set forth in the section entitled “Fees and Compensation” on page 6. 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. Security Global Investors 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, Security Global Investors is responsible for and will determine whether each wrap fee account referred to it is suitable for discretionary management by Security Global Investors based on the client’s Profile provided by the Program Sponsor and, in circumstances where Security Global Investors is party to an agreement with a client, such additional information as may be provided pursuant or attendant to such agreement. Security Global Investors reserves the right, in its sole discretion, to reject any wrap fee account referred to Security Global Investors for any reason, including, but not limited to, the prospective client’s investment goals and restrictions.

Security Global Investors 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 Security Global Investors 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 each other fund is described in its governing documents and offering memorandum (“PPM”), which will be available to current and prospective investors only through Security Global Investors or another authorized party.

FEES AND COMPENSATION

The following discussion represents the basic compensation arrangements of Security Global Investors. 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 Security Global Investors 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 Security Global Investors. The advisory portion payable to Security Global Investors 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 Security Global Investors generally ranges from 0.28% to 0.65%.

Investment Companies

The investment advisory contracts between Security Global Investors and each Fund provide for compensation to Security Global Investors 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. Security Global Investors may, however, either voluntarily or pursuant to a written fee waiver/expense reimbursement agreement, waive fees and/or reimburse expenses. Security Global Investors may also enter into investment sub-advisory contracts with sub-advisers to manage Fund assets; however, Security Global Investors is responsible for the fees paid to such sub-advisers.

The fees payable to Security Global Investors 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 Security Global Investors (including, indirectly, shareholders in the Funds) bear certain other fees, expenses and costs (in addition to Security Global Investors' 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 22.

Billing Arrangements

Security Global Investors 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, Security Global Investors 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 Security Global Investors, 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 3, Security Global Investors provides 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, Security Global Investors may impose, or, in its discretion, waive, certain requirements for opening or maintaining a client account, such as a minimum account size.

Direct Accounts

Security Global Investors 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 Security Global Investors’ control. Additionally, Security Global Investors has established qualifications or requirements that must be met by a program participant in order for Security Global Investors 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. Security Global Investors’ current minimums for establishing and maintaining an account through each Wrap Fee Program in which Security Global Investors participates range from \$50,000 to \$2,000,000. Security Global Investors may, in its discretion, waive its own investment minimums but cannot waive any investment minimums imposed by a Program Sponsor.

Investment Companies

Security Global Investors generally does not impose a minimum account 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

Security Global Investors 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.

Investing in securities, as well as the strategies employed by Security Global Investors, involves the risk of loss. Clients should be prepared to incur these losses.

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. Security Global Investors 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. Security Global Investors 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, Security Global Investors 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 Security Global Investors 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 and a Global Long Only Equity strategy that seeks consistent alpha in all market environments. Security Global Investors 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. Security Global Investors 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, Security Global Investors 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

Security Global Investors may use a “passive” investment strategy to manage a portfolio, meaning that Security Global Investors does not attempt to select securities based on their individual potential to perform better than the market. Security Global Investors 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. Security Global Investors places particular emphasis on controlling risk relative to each portfolio’s benchmark or market sector in order to maintain consistency and predictability. Security Global Investors does not generally engage in temporary defensive investing, keeping each portfolio’s assets fully invested in all market environments. Security Global Investors 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 Security Global Investors is to develop a liquid portfolio of stocks that effectively represents a particular economic segment of the U.S. equity market. Security Global

Investors 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. Security Global Investors 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.

Security Global Investors 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.

Security Global Investors 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, Security Global Investors 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.

- **For each significant investment strategy or method of analysis (*i.e.*, more than a small portion of client assets are advised using such method or strategy) explain the material risks involved. Significant or unusual risks**

(i.e., not apparent from the brochure) must be described in greater detail. Where the primary strategy involves frequent trading, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.



Not applicable.

- **For advisers that recommend primarily a particular type of security (1) explain material risks and (2) discuss any significant or unusual risks in detail.**

Not applicable.

DISCIPLINARY INFORMATION

In April 2009, Security Global Investors 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

- **Disclose if Adviser or a Management person (*i.e.*, any person with the power to exercise a controlling influence or determine investment advice) is registered (or has a pending registration) as a broker-dealer or registered representative.**

The following Security Global Investors 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*	Senior Vice President
Keith Fletcher	Senior Vice President
Joanna Haigney	Senior Vice President & CCO
Amy J. Lee	Senior Vice President & Secretary
Marc Zeitoun	Senior Vice President
Lisa Young	Assistant Treasurer

*Mr. Byrum is also a Portfolio Manager for Security Global Investors.

- **Describe material business relationships that Adviser or a Management Person has with a related person that is a:**
 - **BD, Municipal Securities Dealer, or Gov't Securities Broker or Dealer**
 - **Investment Company or other Pooled Investment Vehicle (Mutual Fund, Closed End Fund, UIT, or Private, Hedge or Offshore Fund)**
 - **Investment Adviser or Financial Planner**
 - **FCM, CPO or CTA**
 - **Bank or Thrift**
 - **Accountant or Accounting Firm (note, generally would not disclose in-house accountants)**
 - **Lawyer or Law Firm (note, generally would not disclose inside counsel)**
 - **Insurance Company or Agency**
 - **Pension Consultant**
 - **Real Estate Broker or Dealer**
 - **Sponsor or Syndicator of Limited Partnerships**
- **If any of the foregoing create a material conflict of interest, describe the conflict and how it is addressed.**

Security Global Investors is part of a larger group of affiliated companies engaged in the financial services business. In some cases, Security Global Investors has business arrangements with its related companies that are material to Security Global Investors' advisory business or to its clients. These are described in more detail below and, in some

cases, may cause Security Global Investors 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 Security Global Investors, 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 Security Global Investors acts as investment adviser. In addition, Security Distributors, Inc. ("Security Distributors"), an affiliate of Security Global Investors, is registered with the SEC as a broker-dealer and is a member of FINRA. Security Distributors acts as principal underwriter for a variable insurance fund for which Security Global Investors acts as investment adviser.

A Fund may execute brokerage or other agency transactions through registered broker-dealers affiliated with the Fund or Security Global Investors, such as Rydex Distributors, for commissions. Such transactions create a situation in which an affiliated person operates on behalf of a Fund while under a conflict of interest, such as by receiving compensation for affecting certain transactions for the Fund. However, such transactions must comply with applicable law, regulations and the policies of Security Global Investors. 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 Security Global Investors are described in more detail in the section entitled "Brokerage Practices" on page 22.

Investment Companies

Security Global Investors serves as investment adviser and/or administrator of the Funds, which are identified in the section entitled "Advisory Business" on page 3. Security Global Investors also acts as investment adviser to SBL Fund and Rydex Variable Trust, which serve as underlying investment vehicles 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"). Security Global Investors and SBL are under common control.

- **If Adviser recommends or selects other investment advisers for client accounts and receives direct or indirect compensation from, or otherwise has a relationship creating a conflict of interest as it relates to, those investment advisers describe the Adviser's practices, the related material conflicts and how the conflicts are addressed.**

Not applicable.

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

As described in the section entitled “Types of Clients” on page 10, Security Global Investors provides investment advisory services to numerous clients, including the Funds. Security Global Investors may give advice and take action with respect to any client account it manages, or for its own account, or for the account of an access person, that may differ from action taken by Security Global Investors on behalf of other accounts. Security Global Investors is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Security Global Investors or its “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 Security Global Investors nor any Access Person is obligated to refrain from investing in securities held by the accounts that Security Global Investors manages except to the extent that such investments violate the Code of Ethics adopted by Security Global Investors and the Funds.

From time to time, employees and principals of Security Global Investors or any related person(s) may invest or otherwise have an interest in securities owned by or recommended to clients of Security Global Investors. 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 Security Global Investors. As these situations may involve potential conflicts of interest, Security Global Investors 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 Security Global Investors 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 Security Global Investors 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. Security Global Investors’ 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 Security Global Investors 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 Security Global Investors, 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, Security Global Investors. 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. Security Global Investors will provide a copy of its Code of Ethics to any client or prospective client upon request. Security Global Investors' 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 Security Global Investors and Certain Related Parties have a Financial Interest

Under certain circumstances, Security Global Investors may invest client assets in the shares of the Funds. Security Global Investors 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 Security Global Investors is also responsible for managing each of the underlying Funds. In such instances, Security Global Investors will waive advisory fees for the client's account in an amount equal to the client's proportionate share of the fees paid to Security Global Investors by the Fund, so that the client does not effectively pay two fees to Security Global Investors. In advising the Managed Futures Strategy Fund, Long/Short Commodities Strategy Fund, Multi-Hedge Strategies Fund and Commodities Strategy Fund, Security Global Investors 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 Security Global Investors and Certain Related Parties in Securities Recommended to Clients

From time to time, Security Global Investors may recommend or cause a client to invest in a security in which a person associated with Security Global Investors has an ownership position, or a person associated with Security Global Investors may purchase a security that is held in a client account or has been recommended by Security Global Investors. In addition, employees of Security Global Investors are permitted to invest in securities which Security Global Investors recommends to its clients, subject to Security Global Investors' 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.

- **If the Adviser or a Related Person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time as those securities are bought or sold for personal or proprietary accounts, describe related practices, conflicts and means to address conflicts.**

Side-by-Side Management and Differential Interests

As discussed above, the nature and amount of compensation paid to Security Global Investors 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, Security Global Investors 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. Security Global Investors 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) Security Global Investors and its personnel have differential interests in such accounts (*i.e.*, expose Security Global Investors or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures) because Security Global Investors may have an incentive to favor certain accounts over others that may be less lucrative. These conflicts may present particular concern when, for example, Security Global Investors places, or allocates the results of, securities transactions that Security Global Investors believes could more likely result in favorable performance, engages in cross trades or executes potentially conflicting or competing investments. To mitigate these conflicts, Security Global Investors' 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 Security Global Investors' (or such personnel's) pecuniary, investment or other financial interests

BROKERAGE PRACTICES

In addition to using brokers as “agents” and paying commissions, Security Global Investors 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, Security Global Investors is not required to consider any particular criteria. Security Global Investors 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, Security Global Investors considers a range of factors. In addition to quantitative factors such as transaction costs, Security Global Investors 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, Security Global Investors 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 Security Global Investors services and products other than securities transaction execution.

Security Global Investors 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, Security Global Investors may select a broker based upon brokerage, research, or other services provided to Security Global Investors, subject to the Soft Dollar Policies and Procedures of Security Global Investors. Security Global Investors 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 Security Global Investors’ 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. Security Global Investors 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.

Security Global Investors 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 Security Global Investors' requests, and other strategic services.

"Soft Dollars"

As noted above, in choosing brokers and dealers, Security Global Investors 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. Security Global Investors 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 Security Global Investors from its duty of seeking best execution. It is Security Global Investors' 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."

Security Global Investors 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 1934 Act permits Security Global Investors, 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), Security Global Investors 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 Security Global Investors in making investment decisions for its clients. The types of "research" Security Global Investors expects to acquire 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 Security Global Investors' investment decision making. "Brokerage" services and products are those used to effect portfolio transactions for Security Global Investors' 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 Security Global Investors 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, Security Global Investors 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.

Security Global Investors 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, Security Global Investors 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 Security Global Investors’ own assets, it has a conflict of interest when making this allocation. Security Global Investors 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.

Security Global Investors may direct a portion of the commissions from executing trades to a broker through a Commission Sharing Agreement (“CSA”). Where Security Global Investors has executed a CSA, Security Global Investors 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 Security Global Investors from third parties.

On behalf of its clients, Security Global Investors may also buy securities from, or sell securities to, dealers acting as principals or market makers. In contrast to the “agency” transactions discussed above, Security Global Investors 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. Security Global Investors, 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, Security Global Investors may obtain research services in connection with investments in underwritten fixed price offerings consistent with certain FINRA rules.

In addition, from time to time, Security Global Investors 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 Security Global Investors 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, Security Global Investors may participate as a portfolio manager in various Wrap Fee Programs in which the Program Sponsor would generally: (1) recommend Security Global Investors; (2) pay Security Global Investors' 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 Security Global Investors' 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 Security Global Investors and Security Global Investors may not be free to seek the best available combination of price and execution. Even under those wrap fee arrangements in which Security Global Investors retains some discretion to select other brokers or dealers to execute client transactions if Security Global Investors 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), Security Global Investors 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, Security Global Investors is often unable to freely select broker-dealers for Wrap Fee Program client transactions. As a result, Security Global Investors 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 Security Global Investors 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.

- **Brokerage for Referrals – If Adviser considers referrals to Adviser or Related Persons in selecting or recommending brokers, disclose practices and related conflicts, including (i) incentive to select or recommend based on interest in receiving referrals, even where best execution may be found elsewhere and (ii) explanation of related procedures.**

Not Applicable

Client Directed Brokerage Arrangements

A client that is not participating in a Wrap Fee Program may nonetheless direct Security Global Investors 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 Security Global Investors 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, Security Global Investors 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 Security Global Investors. Orders for such clients generally will be placed after orders for clients that leave the selection of brokers or dealers to the discretion of Security Global Investors. Execution of the transactions for Security Global Investors' 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 Security Global Investors' 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

Security Global Investors maintains multiple trading facilities, each of which may have separate trade aggregation and allocation processes. Security Global Investors 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.

Security Global Investors 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, Security Global Investors 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. Security Global Investors 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 Security Global Investors' 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 Security Global Investors' and its affiliates' other clients, and an account may obtain less advantageous execution than such other clients.

Security Global Investors may also trade securities on a rotational basis. Under the rotation procedures of Security Global Investors, 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 Security Global Investors' other clients. Security Global Investors uses this trade rotation procedure to ensure that all clients are treated in fair and equitable manner over time. Under the procedure, Security Global Investors' 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 Security Global Investors' 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 Security Global Investors may be following the same or similar strategies at the same or different times as those being followed by Security Global Investors' 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

Security Global Investors 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 Security Global Investors. 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.

Supervised Persons Who 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, Security Global Investors (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 Security Global Investors (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, Security Global Investors 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 Security Global Investors does not currently have any third-party referral arrangements in place, Security Global Investors 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

Security Global Investors 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

Security Global Investors is generally responsible for voting proxies with respect to securities held in client accounts. Security Global Investors' 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, Security Global Investors seeks to vote proxies in a manner that maximizes the economic value of companies whose securities are held in client accounts for which Security Global Investors has been delegated voting discretion.

Security Global Investors 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 Security Global Investors 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.

Security Global Investors 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 Security Global Investors 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 Security Global Investors has indicated that a decision will be made on a case-by-case basis) and Security Global Investors then directs the Service Provider how to vote on that particular proposal.

Security Global Investors 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. Security Global Investors may be unable to vote or may determine not to vote a proxy on behalf of one or more clients. For example, Security Global Investors will generally abstain from voting a proxy in circumstances where, in its judgment, the costs exceed the expected benefits to the client.

Security Global Investors will provide clients with a copy of its Proxy Voting Policies and Procedures, including the Proxy Voting Guidelines, upon written request. Security Global Investors 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. Security Global Investors' 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 Security Global Investors 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 Security Global Investors is charged with voting responsibility under the investment management agreement, a client can advise Security Global Investors that it wishes to vote a particular way. In such a case, Security Global Investors will vote the client's proxy as the client requested.

- **If Adviser does not have proxy authority, disclose this fact and explain whether clients will receive proxy solicitations from a custodian or transfer agent (or from the adviser). Discuss whether (and, if so, how) clients may contact the Adviser with questions about a particular solicitation.**



Generally, Security Global Investors has proxy authority, but will receive proxy votes from a custodian at the direction of a client as indicated above, in "Voting Client Securities."

FINANCIAL INFORMATION

Not required.

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RYDEX SGI PRIVACY POLICIES

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Rydex Funds, Rydex SGI Funds, Rydex Distributors, LLC, Security Investors, LLC, and Security Distributors, Inc. (Collectively "Rydex")

Our Commitment to You

When you become a Rydex SGI investor, you entrust us with not only your hard-earned money but also with personal and financial information about you. We recognize that your relationship with us is based on trust and that you expect us to act responsibly and in your best interests. Because we have access to this private information about you, we hold ourselves to the highest standards in its safekeeping and use. This means, most importantly, that we do not sell client information to anyone—whether it is your personal information or if you are a current or former Rydex SGI client.

The Information We Collect About You

In the course of doing business with shareholders and investors, we collect nonpublic personal information about you. You typically provide personal information when you complete a Rydex SGI account application or when you request a transaction that involves Rydex and Rydex SGI funds or one of the Rydex SGI affiliated companies. "Nonpublic personal information" is personally identifiable private information about you. For example, it includes information regarding your name and address, Social Security or taxpayer identification number, assets, income, account balance, bank account information and investment activity (e.g., purchase and redemption history).

How We Handle Your Personal Information

As emphasized above, we do not sell information about current or former clients or their accounts to third parties. Nor do we share such information, except when necessary to complete transactions at your request or to make you aware of related investment products and services that we offer. Additional details about how we handle your personal information are provided below. To complete certain transactions or account changes that you direct, it may be necessary to provide identifying information to companies, individuals or groups that are not affiliated with Rydex SGI. For example, if you ask to transfer assets from another financial institution to Rydex SGI, we will need to provide certain information about you to that company to complete the transaction. To alert you to other Rydex SGI investment products and services, we may share your information within the Rydex SGI family of affiliated companies. This would include, for example, sharing your information within Rydex SGI so we can make you aware of new Rydex and Rydex SGI funds or the services offered through another Rydex SGI affiliated company. In certain instances, we may contract with nonaffiliated companies to perform services for us. Where necessary, we will disclose information we have about you to these third parties. In all such cases, we provide the third party with only the information necessary to carry out its assigned responsibilities and only for that purpose. And we require these third parties to treat your private information with the same high degree of confidentiality that we do. In certain instances, we may share information with other financial institutions regarding individuals and entities in response to the U.S.A. Patriot Act. Finally, we will release information about you if you direct us to do so, if we are compelled by law to do so or in other circumstances permitted by law.

Opt Out Provisions

We do not sell your personal information to anyone. The law allows you to "opt out" of only certain kinds of information sharing with third parties. The firm does not share personal information about you with any third parties that triggers this opt-out right. This means YOU ARE ALREADY OPTED OUT.

How We Protect Privacy Online

Our concern for the privacy of our shareholders also extends to those who use our web site, www.rydex-sgi.com. Our web site uses some of the most secure forms of online communication available, including encryption technology, Secure Socket Layer (SSL) protocol, firewalls and user names and passwords. These technologies provide a high level of security and privacy when you access your account information or initiate online transactions. The Rydex SGI web site offers

customized features that require our use of “http cookies”—tiny pieces of information that we ask your browser to store. However, we make very limited use of these cookies. We only use cookies for session management and security features on the Rydex SGI web site. We do not use them to pull data from your hard drive, to learn your email address, or to view data in cookies created by other web sites. We will not share the information in our cookies or give others access to it. See the legal information area on our web site for more details about web site security and privacy features.

How We Safeguard Your Personal Information

We restrict access to nonpublic personal information about shareholders to our employees and in some cases to third parties (for example, the service providers described above) as permitted by law. We maintain strict physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

We'll Keep You Informed

As required by federal law, we will notify shareholders of our privacy policy annually. We reserve the right to modify this policy at any time, but rest assured that if we do change it, we will tell you promptly. You will also be able to access our privacy policy from our web site at www.rydex-sgi.com. Should you have any questions regarding our privacy policy, contact us at 800.820.0888 or 301.296.5100.

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■ Not FDIC Insured ■ No Bank Guarantee ■ May Lose Value

For more complete information regarding the Fund, call 800.820.0888 or [click here](#) for a prospectus and a summary prospectus (if available). Investors should carefully consider the investment objectives, risks, charges and expenses of a fund before investing. The Fund's prospectus and its summary prospectus (if available) contains this and other information about the Funds. Please read the prospectus and summary prospectus (if available) carefully before you invest or send money.

Rydex SGI funds are distributed by Rydex Distributors, LLC (RDL). Security Investors, LLC (SI) is a registered investment advisor, and does business as Security Global InvestorsSM and Rydex Investments. SI and RDL are affiliates and are subsidiaries of Security Benefit Corporation, which is wholly owned by Guggenheim SBC Holdings, LLC, a special purpose entity managed by an affiliate of Guggenheim Partners, LLC, a diversified financial services firm with more than \$100 billion in assets under supervision.

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