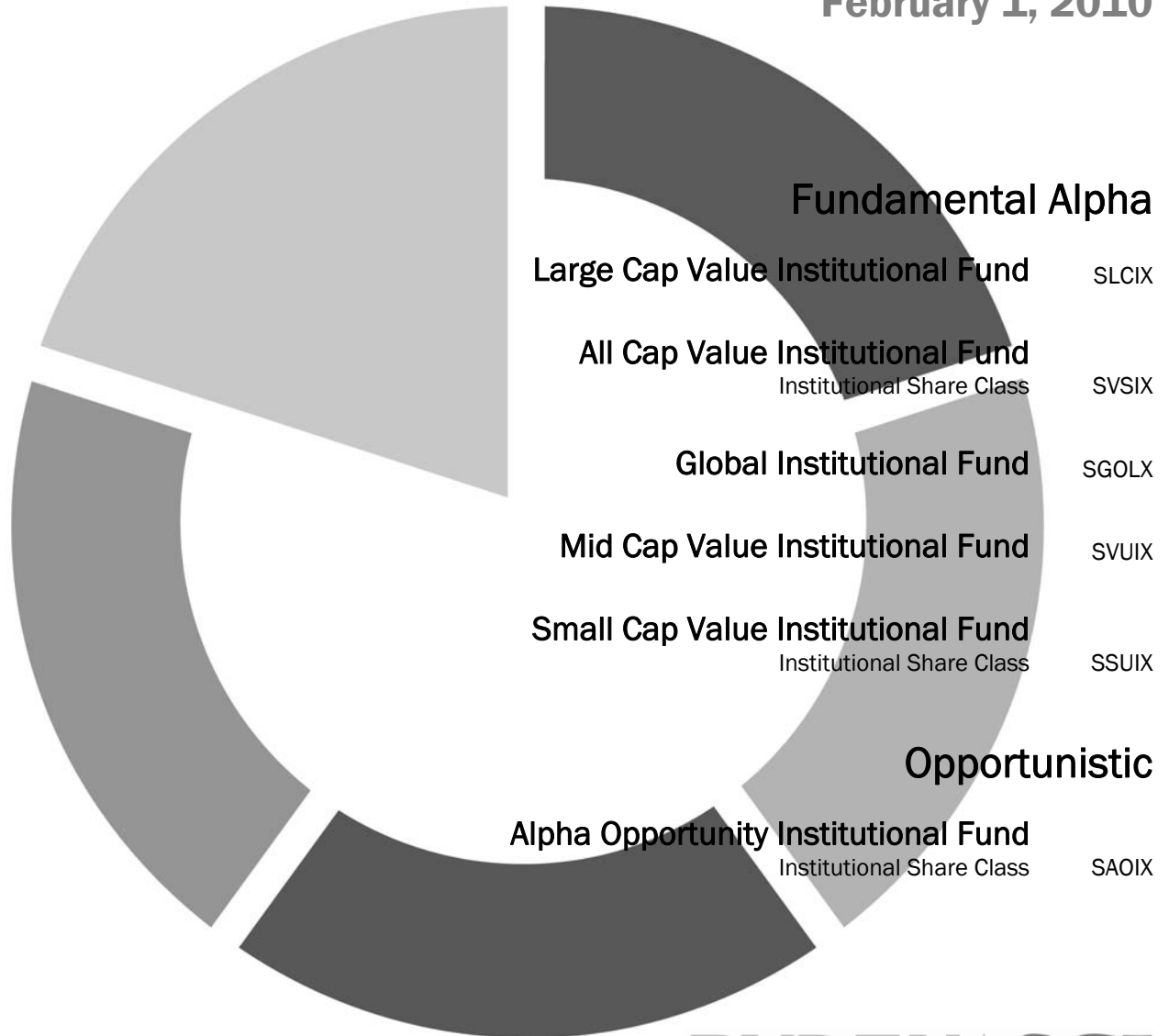


RYDEX | SGI FUNDS PROSPECTUS

Institutional Funds February 1, 2010



RYDEX | SGI
SECURITY GLOBAL INVESTORSSM
www.rydex-sgi.com

The U.S. Securities and Exchange Commission has not approved or disapproved these securities, or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Rydex Distributors, Inc.

RYDEX | SGI FUNDS

Security Equity Fund

Security Income Fund

Security Large Cap Value Fund

Security Mid Cap Growth Fund

SBL Fund

Supplement dated August 2, 2010 to the currently effective Prospectuses and Statements of Additional Information for the above listed funds and their underlying series (the “Funds”):

Guggenheim SBC Holdings, LLC (“Guggenheim SBC Holdings”), an investor group managed by Guggenheim Partners, LLC (“Guggenheim”), acquired control of Security Benefit Corporation (“SBC”), the parent company of Security Investors, LLC, the Funds’ investment adviser (the “Investment Adviser”), pursuant to an agreement between SBC and Guggenheim SBC Holdings. Under the agreement, Guggenheim SBC Holdings received a 100% ownership stake in SBC and consequently acquired control of the Investment Adviser (the “Purchase Transaction”). Guggenheim is a global, independent, privately held, diversified financial services firm with more than \$100 billion in assets under supervision. The Purchase Transaction is not expected to result in material changes to the day-to-day management and operations of the Funds or any increase in fees. The Purchase Transaction closed on July 30, 2010.

Under the Investment Company Act of 1940, the closing of the Purchase Transaction had the effect of terminating the Funds’ investment advisory agreements with the Investment Adviser and any investment sub-advisory agreements entered on behalf of a Fund (together, the “Previous Agreements”). New investment advisory (“New Investment Advisory Agreements”) and sub-advisory agreements (“New Sub-Advisory Agreements”) were approved by the Board of Directors of the Funds. The New Investment Advisory Agreements were approved by Fund shareholders in a series of special meetings of shareholders. The terms of the New Investment Advisory Agreements and New Sub-Advisory Agreements are substantially identical to the corresponding Previous Agreements, except with respect to the date of execution.

Effective July 30, 2010, the Funds’ distributor, Rydex Distributors, Inc., a Maryland corporation, became Rydex Distributors, LLC, a Kansas limited liability company.

All references in the prospectuses and statements of additional information to Rydex Distributors, Inc., are updated to reflect Rydex Distributors, LLC (“Rydex Distributors”). Rydex Distributors will remain the distributor of the Funds.

Please Retain This Supplement For Future Reference

Security Equity Fund
One Security Benefit Place
Topeka, Kansas 66636-0001

Supplement Dated May 25, 2010 to the Prospectuses Dated February 1, 2010

Effective May 1, 2010, the Prospectuses are updated to reflect the removal of Christi Fletcher as a Portfolio Manager to Rydex | SGI Alpha Opportunity Fund and Alpha Opportunity Institutional Fund (the "Funds").

Michael Byrum, Michael Dellapa, and Ryan Harder are the new Portfolio Managers for the portion of the Funds managed by Security Investors, LLC. The new Portfolio Manager biographies below replace Ms. Fletcher's biography in the Prospectuses.

Michael P. Byrum, Portfolio Manager of the Investment Manager, has co-managed Alpha Opportunity Fund since May 2010. Mr. Byrum joined the Investment Manager in 2010. He is also the President and Chief Investment Officer of Rydex Investments, an affiliate of the Investment Manager, and has been associated with Rydex Investments since it was founded in 1993. He is Portfolio Manager for the Rydex Series Funds, Rydex Dynamic Funds, Rydex ETF Trust, and Rydex Variable Trust. Prior to joining Rydex Investments, Mr. Byrum worked for Money Management Associates, the investment adviser for Rushmore Funds, Inc. He holds a degree in finance from Miami University in Ohio and is a member of the CFA Institute and the Washington Society of Investment Analysts.

Michael J. Dellapa, Portfolio Manager of the Investment Manager, has co-managed Series Z (Alpha Opportunity Series) since May 2010. Mr. Dellapa joined the Investment Manager in 2010. Mr. Dellapa is also a portfolio manager of Rydex Investments, an affiliate of the Investment Manager, and has been associated with Rydex Investments since 2000. He is Portfolio Manager for the Rydex Series Funds, Rydex Dynamic Funds, Rydex ETF Trust, and Rydex Variable Trust. Prior to joining Rydex Investments, Mr. Dellapa worked as an equity analyst for Invista Capital and systems analyst for Accenture. Previously, he was owner/consultant of Dellapa Consulting Inc. as well as a senior consultant and an analyst at Andersen Consulting. He holds an engineering degree from the University of Maryland and MBA from the University of Chicago.

Ryan A. Harder, Portfolio Manager of the Investment Manager, has co-managed Series Z (Alpha Opportunity Series) since May 2010. Mr. Harder joined the Investment Manager in 2010. Mr. Harder is also a portfolio manager of Rydex Investments, an affiliate of the Investment Manager, and has been associated with Rydex Investments since 2004. He is Portfolio Manager for the Rydex Series Funds, Rydex Dynamic Funds, Rydex ETF Trust, and Rydex Variable Trust. Prior to joining Rydex Investments, Mr. Harder served in various capacities with WestLB Asset Management, including as an assistant portfolio manager, and worked in risk management at CIBC World Markets. He holds a B.A. in Economics from Brock University in Ontario, Canada and a Master of Science in International Securities, Investment and Banking from the ICMA Centre at the University of Reading in the U.K.

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RYDEX | SGI FUNDS

Rydex Dynamic Funds

Rydex ETF Trust

Rydex Series Funds

Rydex Variable Trust

Security Equity Fund

Security Income Fund

Security Large Cap Value Fund

Security Mid Cap Growth Fund

SBL Fund

Supplement dated February 16, 2010 to the currently effective Prospectuses and Statements of Additional Information for the above listed funds and their underlying series (the “Funds”):

On February 16, 2010, Security Benefit Corporation (“SBC”), the parent company of PADCO Advisors, Inc., PADCO Advisors II, Inc. and Security Investors, LLC, the Funds’ investment advisers, as applicable (the “Investment Advisers”), and certain of SBC’s affiliates entered into agreements with an investor group (the “Investors”) led by Guggenheim Partners, LLC (“Guggenheim”). Under the agreements, a special purpose vehicle owned by the Investors and managed by an affiliate of Guggenheim would receive a 100% ownership stake in SBC and consequently acquire control of the Investment Advisers and affiliates (the “Purchase Transaction”). Guggenheim is a global, independent, privately held, diversified financial services firm with more than \$100 billion in assets under supervision. The Purchase Transaction should not result in material changes to the day-to-day management and operations of the Funds or any increase in fees. While the parties expect the Purchase Transaction’s closing to take place on or about May 31, 2010, it is subject to various conditions, and may be delayed or even terminated due to unforeseen circumstances.

In anticipation of the Purchase Transaction, the Boards of Directors/Trustees of the Funds (the “Boards”) have called special meetings of shareholders (the “Meetings”), at which shareholders of each of the Funds will be asked to consider the approval of new investment advisory agreements between the Funds and the Investment Advisers (the “New Advisory Agreements”), and certain new investment sub-advisory agreements on behalf of the Funds, as applicable (the “New Sub-Advisory Agreements” and together with the New Advisory Agreements, the “New Agreements”). This is necessary because, under the Investment Company Act of 1940 (the “1940 Act”), the Purchase Transaction will have the effect of terminating the Funds’ current investment advisory agreements with the Investment Advisers and any investment sub-advisory agreements entered on behalf of a Fund (together, the “Current Agreements”). The terms of the New Agreements are substantially identical to the corresponding Current Agreements, except with respect to the date of execution.

At the Meetings, shareholders will be asked to approve New Advisory Agreements with respect to each Fund. In addition, shareholders of each of the Funds listed below also will be asked to consider the approval of the New Sub-Advisory Agreements as listed below:

List of Funds:	New Sub-Advisory Agreement(s):
Security Equity Fund – Rydex SGI Alpha Opportunity Fund Security Equity Fund – Rydex SGI Global Fund Security Equity Fund – Rydex SGI Global Institutional Fund SBL Fund – Series D (Global Series) SBL Fund – Series Z (Alpha Opportunity Series)	New Sub-Advisory Agreement between Security Investors, LLC and Security Global Investors, LLC
Rydex Series Funds – Rydex SGI Global 130/30 Strategy Fund Rydex Series Funds – Rydex SGI Global Market Neutral Fund	New Sub-Advisory Agreement between PADCO Advisors, Inc. and Security Global Investors, LLC (“SGI”)
Rydex Variable Trust – Amerigo Fund Rydex Variable Trust – Berolina Fund Rydex Variable Trust – Clermont Fund	New Sub-Advisory Agreement between PADCO Advisors II, Inc. and CLS Investments, LLC

List of Funds:	New Sub-Advisory Agreement(s):
Rydex Variable Trust – International Opportunity Fund	New Sub-Advisory Agreement between PADCO Advisors II, Inc. and Valu-Trac Investment Management Limited
Rydex Series Funds – Rydex International Opportunity Fund	New Sub-Advisory Agreement between PADCO Advisors, Inc. and Valu-Trac Investment Management Limited

Although certain other current sub-advisory agreements also will terminate due to the Purchase Transaction, shareholders will not be asked to consider the approval of the corresponding New Sub-Advisory Agreements at the Meetings, because Security Investors, LLC, Security Equity Fund and SBL Fund have received an order from the Securities and Exchange Commission (“SEC”) that permits them to retain sub-advisers or amend the terms of an existing sub-advisory agreement without shareholder approval, except when the sub-adviser is affiliated with Security Investors, LLC. Below are the list of Funds and corresponding New Sub-Advisory Agreements that were approved by the Boards and are not subject to shareholder approval at the Meetings:

List of Funds:	New Sub-Advisory Agreement(s):
Security Equity Fund – Rydex SGI Alpha Opportunity Fund and SBL Fund – Series Z (Alpha Opportunity Series)	New Sub-Advisory Agreement between Security Investors, LLC and Mainstream Investment Advisers, LLC (“Mainstream”)
SBL Fund – Series H (Enhanced Index Series)	New Sub-Advisory Agreement between Security Investors, LLC and Northern Trust Investments, N.A. (“Northern Trust”)
SBL Fund – Series N (Managed Asset Allocation Series)	New Sub-Advisory Agreement between Security Investors, LLC and T. Rowe Price Associates, Inc. (“T. Rowe Price”)

In addition to considering the New Agreements, the Boards of Rydex Dynamic Funds, Rydex Series Funds, Rydex Variable Trust and Rydex ETF Trust also approved certain changes to the Funds’ “fundamental investment policy” relating to borrowing money. The 1940 Act requires shareholder approval to amend “fundamental investment policies” adopted by a mutual fund. Accordingly, at the Meetings, shareholders of the underlying series of Rydex Dynamic Funds, Rydex Series Funds, Rydex Variable Trust and Rydex ETF Trust are being asked to consider the approval of changes to the Funds’ “fundamental investment policies” relating to borrowing money, which currently are more prohibitive than applicable law requires. This proposal is unrelated to the Purchase Transaction.

Supplement dated February 16, 2010 to the currently effective Prospectuses and Statements of Additional Information for Rydex Variable Trust – International Opportunity Fund and Rydex Series Funds – Rydex International Opportunity Fund (the “International Funds”):

With respect to the International Funds only, the Boards also approved certain changes to those Funds’ principal investment strategies pursuant to which the Funds will invest their assets according to a new international long/short strategy. In addition, the Boards approved changing each International Fund’s name to the “International Equity Long-Short Fund.” Although these changes do not require shareholder approval, shareholders are being asked to approve new investment sub-advisory agreements with SGI (the “SGI Sub-Advisory Agreements”), so that SGI can replace Valu-Trac Investment Management Limited, the Funds’ current sub-adviser (“Valu-Trac”), as sub-adviser and implement this new investment program. As noted above, shareholders are also being asked to approve New Sub-Advisory Agreements with Valu-Trac, so that Valu-Trac may continue to serve as sub-adviser to the Funds after the Purchase Transaction in the event that shareholder approval is not obtained with respect to the SGI Sub-Advisory Agreements or SGI is otherwise not appointed as sub-adviser.

Please Retain This Supplement For Future Reference

Security Equity Fund
One Security Benefit Place
Topeka, Kansas 66636-0001

Supplement Dated February 1, 2010 to Prospectus Dated February 1, 2010

*The following information supplements and amends the information in the Prospectus regarding **Security Alpha Opportunity Fund (the “Fund”)**:*

Effective as of the close of business on October 3, 2008, and until further notice, the Fund is not accepting subscriptions for shares from either new or existing shareholders (except subscriptions through automatic dividend reinvestments in the Fund). Of course, a shareholder may sell (or “redeem”) shares at any time (please see “Selling Shares” for more information). The Fund is currently unable to pursue its investment strategy of short sales of securities of non-U.S. issuers, which affects its ability to meet its investment objective. As noted in the Fund’s shareholder report dated September 30, 2009, the Fund is working to resolve certain outstanding short sale transactions with Lehman Brothers International Europe and its administrator. The Fund is uncertain when it will resume its full investment program.

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FUND SUMMARIES

Rydex | SGI Large Cap Value Institutional Fund

Investment Objective — The Large Cap Value Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	0.65%
Distribution and service (12b-1) fees	None
Other expenses	1.72%
Total annual fund operating expenses	2.37%
Fee waiver (and/or expense reimbursement) ¹	-1.41%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	0.96%

¹ The Investment Manager has contractually agreed through January 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$98	\$604	\$1,137	\$2,598

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 45% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objective by investing, under normal market conditions, at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities, which include common stocks, rights, options, warrants, convertible debt securities of both U.S. and U.S. dollar-denominated foreign issuers, and American Depositary Receipts (“ADRs”), of companies that, when purchased, have market capitalizations that are usually within the range of companies in the Russell 1000 Value Index. Although a universal definition of large market capitalization companies does not exist, for purposes of this fund, the Fund generally defines large market capitalization companies as those whose market capitalization is similar to the market capitalization of companies in the Russell 1000 Value Index, which is an unmanaged index measuring the performance of the large cap value segment of the U.S. equity universe and which includes companies with lower price-to-book ratios and lower expected growth values.

In choosing securities, Security Investors, LLC (the “Investment Manager”) primarily invests in value-oriented companies. Value-oriented companies are companies that appear to be undervalued relative to assets, earnings, growth potential or cash flows. The Investment Manager 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. The Fund may, consistent with its status as a non-diversified mutual fund, focus its investments in a limited number of issuers.

The Fund may invest a portion of its assets in futures contracts, options on futures contracts, and options on securities. These instruments are used to hedge the Fund’s portfolio, to maintain exposure to the equity markets, or to increase returns.

The Fund may invest in a variety of investment vehicles, including those that seek to track the composition and performance of a specific index, such as exchange traded funds (“ETFs”) and other mutual funds. The Fund may use these investments as a way of managing its cash position or to gain exposure to the equity markets or a particular sector of the equity markets, while maintaining liquidity.

The Fund typically sells a security when its issuer is no longer considered a value company, shows deteriorating fundamentals or falls short of the Investment Manager’s expectations, among other reasons.

Under adverse or unstable market conditions, the Fund could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

Principal Risks — An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The value of an investment in the Fund will fluctuate and is subject to investment risks, which means investors could lose money. The principal risks of investing in the Fund are listed below.

Equity Derivatives Risk. Equity derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the equity derivative, imperfect correlations with underlying investments or the Fund’s other portfolio holdings, lack of availability and counterparty risk.

Equity Securities Risk. Stocks and other equity securities, and securities convertible into stocks, generally fluctuate in value more than bonds. The Fund could lose all of its investment in a company’s stock.

Foreign Securities Risk. Foreign securities carry additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity, limited legal recourse and higher transactional costs.

Index Risk. Investments intended to track a benchmark index may not have performance that corresponds with the performance of the benchmark index for any period of time and may underperform the overall stock market.

Investment in Investment Vehicles Risk. Investing in other investment vehicles, including ETFs and other mutual funds, subjects the Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Fund and its shareholders will incur its pro rata share of the expenses of the underlying vehicles’ expenses.

Leverage Risk. The Fund’s use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

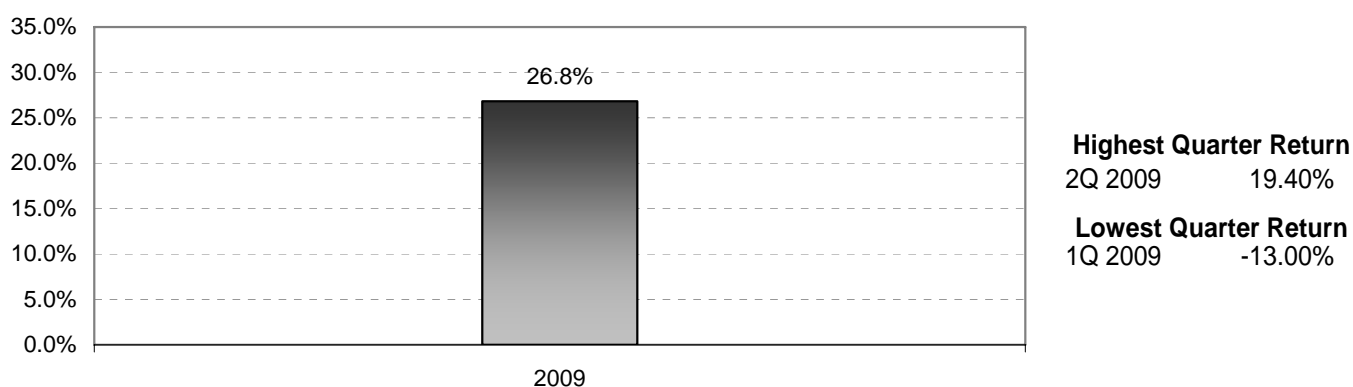
Market Risk. The market value of the securities held by the Fund may fluctuate resulting from factors affecting the individual company or other factors such as changing economic, political or financial market conditions.

Overweighting Risk. Overweighting investments in certain sectors or industries of the stock market increases the risk that the Fund will suffer a loss because of general declines in the prices of stocks in those sectors or industries.

Preferred Securities Risk. Preferred securities are subject to issuer-specific and market risks applicable to equity securities and generally fluctuate in value more than bonds.

Value Stocks Risk. Value stocks are subject to the risk that the intrinsic value of the stock may never be realized by the market or that the price goes down.

Performance Information — The following chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund’s performance from year to year and by showing how the Fund’s average annual returns for one year and since inception have compared to those of a broad measure of market performance. As with all mutual funds, past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund’s website at www.rydex-sgi.com or by calling 1-800-888-2461.



After-tax returns shown in the table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 7/14/2008
<i>Institutional Fund</i>		
Return before taxes	26.82%	-5.30%
Return after taxes on distributions	26.44%	-5.64%
Return after taxes on distributions and sale of fund shares	17.43%	-4.70%
<i>Index</i>		
Russell 1000 Value Index (reflects no deductions for fees, expenses, or taxes)	19.69%	-6.23%

Management of the Fund — Security Investors, LLC (the “Investment Manager”) serves as the investment manager of the Fund. Mark Mitchell is primarily responsible for the day-to-day management of the Fund and holds the title of “Portfolio Manager” with the Investment Manager. He has managed the Fund since July 2008.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or

exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the Fund may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days' advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Tax Information — Fund distributions are taxable as ordinary income or capital gains (or a combination of both), unless your investment is in an IRA or other tax-advantaged retirement account.

Payments to Broker/Dealers and Other Financial Intermediaries — If you purchase Fund shares through a broker/dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your sales person or visit your financial intermediary's website for more information.

FUND SUMMARIES

Rydex | SGI All Cap Value Institutional Fund

Investment Objective — The All Cap Value Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	0.70%
Distribution and service (12b-1) fees	None
Other expenses	7.49%
Total annual fund operating expenses	8.19%
Fee waiver (and/or expense reimbursement) ¹	-7.17%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	1.02%

¹ The Investment Manager has contractually agreed through January 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$104	\$1,753	\$3,299	\$6,752

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 17% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objectives by investing, under normal market conditions, at least 80% of its net assets (including any borrowings for investment purposes) in common stocks. The Fund will invest in common stocks of companies that, when purchased, have market capitalizations that are usually within the range of companies in the Russell 3000 Value Index, which includes companies with micro- to large-capitalizations. The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity value universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The Fund's investments include common stocks and may also include rights, warrants, ADRs, preferred stocks, derivatives, including futures and options, convertible debt, and convertible securities of both U.S. and U.S. dollar-denominated foreign issuers. Although the Fund primarily invests in securities issued by domestic companies, there is no limit in the amount that the Fund may invest in securities issued by foreign companies.

At times, the Fund may invest in a variety of investment vehicles, including those that seek to track the composition and performance of a specific index, such as exchange traded funds ("ETFs") and other mutual funds. The Fund may use these index-based investments as a way of managing its cash position to gain exposure to the equity markets or a particular sector of the equity market, while maintaining liquidity. Certain investment vehicles' securities and other securities in which the Fund may invest are restricted securities, which may be illiquid.

In choosing securities, Security Investors, LLC (the "Investment Manager") primarily invests in value-oriented companies. Value-oriented companies are companies that appear to be undervalued relative to assets, earnings, growth potential or cash flows and may invest in a limited number of industries or industry sectors, including the technology sector. The Investment Manager 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. The Fund typically sells a security when its issuer is no longer considered a value company, shows deteriorating fundamentals or falls short of the Investment Manager's expectations, among other reasons.

The Fund may invest a portion of its assets in futures contracts, options on futures contracts, and options on securities to hedge the Fund's portfolio, to maintain exposure to the equity markets, or to increase returns.

Under adverse or unstable market conditions, the Fund could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

Principal Risks — An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The value of an investment in the Fund will fluctuate and is subject to investment risks, which means investors could lose money. The principal risks of investing in the Fund are listed below.

Equity Derivatives Risk. Equity derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the equity derivative, imperfect correlations with underlying investments or the Fund's other portfolio holdings, lack of availability and counterparty risk.

Equity Securities Risk. Stocks and other equity securities, and securities convertible into stocks, generally fluctuate in value more than bonds. The Fund could lose all of its investment in a company's stock.

Foreign Securities Risk. Foreign securities carry additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity, limited legal recourse and higher transactional costs.

Index Risk. Investments intended to track a benchmark index may not have performance that corresponds with the performance of the benchmark index for any period of time and may underperform the overall stock market.

Investment in Investment Vehicles Risk. Investing in other investment vehicles, including ETFs and other mutual funds, subjects the Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Fund and its shareholders will incur its pro rata share of the expenses of the underlying vehicles' expenses.

Leverage Risk. The Fund's use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

Liquidity Risk. Investments are subject to liquidity risk when they are difficult to purchase or sell.

Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

Market Risk. The market value of the securities held by the Fund may fluctuate resulting from factors affecting the individual company or other factors such as changing economic, political or financial market conditions.

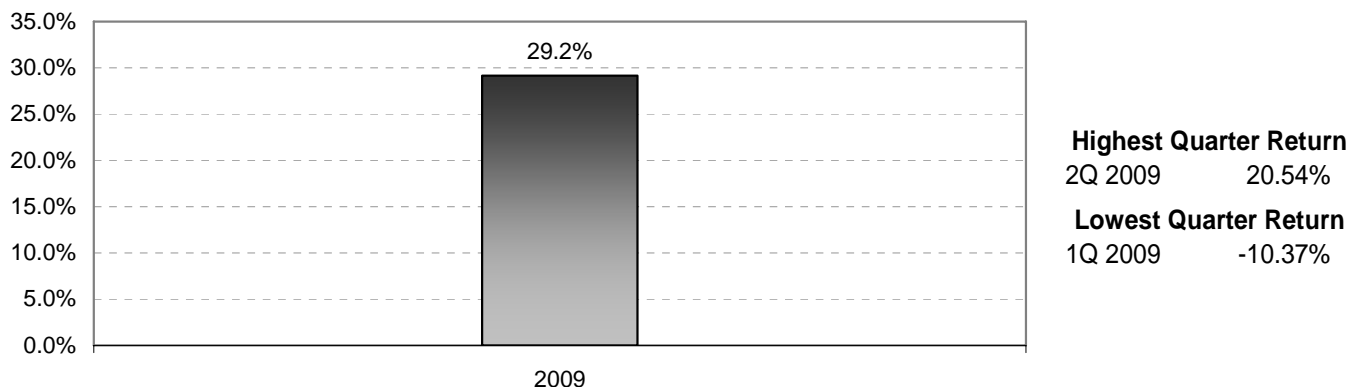
Preferred Securities Risk. Preferred securities are subject to issuer-specific and market risks applicable to equity securities and generally fluctuate in value more than bonds.

Restricted Securities Risk. Restricted securities generally cannot be sold to the public and may involve a high degree of business and financial risk which may result in substantial losses to the Fund.

Smaller Companies Risk. The securities of smaller companies are subject to greater volatility, especially during periods of economic uncertainty. These risks are likely to be greater for micro-cap companies.

Value Stocks Risk. Value stocks are subject to the risk that the intrinsic value of the stock may never be realized by the market or that the price goes down.

Performance Information — The following chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's Class A share performance from year to year and by showing how the Fund's average annual returns for one year and since inception have compared to those of a broad measure of market performance. As with all mutual funds, past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at www.rydex-sgi.com or by calling 1-800-888-2461.



After-tax returns shown in the table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 10/3/2008
<i>Institutional Fund</i>		
Return before taxes	29.16%	4.73%
Return after taxes on distributions	28.90%	4.56%
Return after taxes on distributions and sale of fund shares	18.95%	3.92%
<i>Index</i>		
Russell 3000 Value Index (reflects no deductions for fees, expenses, or taxes)	19.76%	-2.84%

Management of the Fund — Security Investors, LLC (the “Investment Manager”) serves as the investment manager of the Fund. James Schier and Mark Mitchell are primarily responsible for the day-to-day management of the Fund, and each holds the title of “Portfolio Manager” with the Investment Manager. They have managed the Fund since October 2008.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days’ advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Tax Information — Fund distributions are taxable as ordinary income or capital gains (or a combination of both), unless your investment is in an IRA or other tax-advantaged retirement account.

Payments to Broker/Dealers and Other Financial Intermediaries — If you purchase Fund shares through a broker/dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your sales person or visit your financial intermediary’s website for more information.

FUND SUMMARIES

Rydex | SGI Alpha Opportunity Institutional Fund

Investment Objective — The Alpha Opportunity Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	1.25%
Distribution and service (12b-1) fees	None
Acquired fund fees and expenses	0.05%
Other expenses	2.69%
Total annual fund operating expenses	3.99%
Fee waiver (and/or expense reimbursement) ¹	-2.13%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	1.86%

¹ The Investment Manager has contractually agreed through January 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$189	\$1,020	\$1,869	\$4,065

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund

operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 422% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objective by investing, under normal market conditions, approximately 37.5% of its total assets according to a long/short strategy with an emphasis on securities of domestic issuers managed by Mainstream Investment Advisers, LLC ("Mainstream" and the "Mainstream Sub-Portfolio"), one of the Fund's sub-advisers, 37.5% of its total assets according to a long/short strategy with an emphasis on securities of non-U.S. issuers managed by Security Global Investors, LLC ("SGI" and the "SGI Sub-Portfolio"), another of the Fund's sub-advisers, and 25% of its total assets, managed directly by Security Investors, LLC (the "Investment Manager"), in a portfolio of equity securities, equity derivatives and fixed income securities (the "Investment Manager Sub-Portfolio") that is intended to closely track the performance of the S&P 500 Composite Stock Price Index (the "S&P 500 Index"), which consists of common stocks representing approximately two-thirds of the total market value of all U.S. common stocks. Mainstream, SGI and the Investment Manager each manages its allocation of the Fund's assets according to its respective strategy, and their trading decisions are made independently.

"Alpha" in the Fund's name refers to the potential for the Fund's portfolio to achieve returns that are favorable relative to the amount of risk taken. Of course, there is no guarantee that the Fund will achieve its objective of long-term growth of capital, and an investment in the Fund involves significant risk.

All daily cash inflows and outflows will be allocated to the Investment Manager Sub-Portfolio of the Fund. Approximately once a month, the Investment Manager will review the allocations in each of the sub-portfolios. When the Investment Manager Sub-Portfolio is greater than 25% or less than 15% of the Fund's total assets, the Investment Manager usually will rebalance the Fund's portfolio by reallocating the assets among the sub-portfolios so that the Fund returns to the target allocation. The Investment Manager will also usually rebalance the SGI and Mainstream Sub-Portfolios of the Fund when the difference between those sub-portfolios is more than 10% of the Fund's total assets so that the percentage of the Fund's total assets in each of the Mainstream and SGI Sub-Portfolios returns to approximately 37.5%.

The Fund may invest up to 50% of its net assets in foreign securities, in addition to ADRs. ADRs are dollar-denominated receipts issued generally by U.S. banks, which represent the deposit with the bank of a foreign company's securities. ADRs are publicly traded on exchanges or over-the-counter in the United States. Each of the Fund's sub-portfolios can invest in foreign securities although the SGI Sub-Portfolio will invest a larger portion of its assets in foreign securities so that the assets in the SGI Sub-Portfolio generally will be diversified among investments in a number of different countries throughout the world. The Fund may invest in issuers of any size, including small-capitalization issuers.

Certain investment vehicles' securities in which the Fund may invest may be illiquid.

Under adverse or unstable market conditions, the Fund (or each of its sub-portfolios) could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

Strategies of the Mainstream Sub-Portfolio. The Fund pursues its domestic long/short strategy by investing primarily in publicly-traded equity securities, principally common stocks, but to a lesser degree in exchange traded funds and other securities with equity characteristics. If there are an insufficient number of available securities meeting the purchase criteria of Mainstream, the Fund may also hold a portion of its assets in cash and money market instruments, and such holdings may be substantial. Dividend and interest income will be an incidental consideration. The Fund may engage in short sales of securities believed to be overvalued.

Mainstream seeks to identify individual stocks with solid underlying financial fundamentals, trading at levels representing value relative to the market generally. Mainstream uses technical and fundamental methods of analysis to choose stocks for the Fund's portfolio. The technical analyses used include a relative strength index ("RSI"), price moving averages and price relative to historical market averages.

Mainstream also uses bottom-up analysis by evaluating the 2,000 or so most actively traded stocks in the marketplace. The bottom-up analysis reviews stock prices in relationship to their stock price moving averages and ranks them by their RSIs. A purchase candidate is identified as a stock that is at fair value or undervalued to the marketplace. A sale candidate is identified as a stock that is expensive or overbought. These action candidates are

then grouped by industry. Mainstream prefers that the candidates are concentrated in a particular industry. Mainstream also considers the industry and underlying financial fundamentals of the action candidates. Where the fundamentals are positive relative to their valuations, the stocks may be purchased. Stocks with high RSIs may be sold. Stocks with high RSIs and deteriorating fundamentals may be sold short.

A top-down evaluation of the stock and bond markets, primarily based on their RSIs, is also used. A high RSI may indicate that the marketplace is expensive or overbought; conversely, a low RSI may indicate that the marketplace is inexpensive or oversold. Mainstream uses the RSI in combination with an analysis of the short-term outlook for corporate earnings, interest rates, currencies and commodities to determine the overall stock to cash and long stock to short stock allocations.

Mainstream actively manages its portion of the Fund's portfolio and will buy and sell securities frequently.

Strategies of the SGI Sub-Portfolio. The Fund pursues a global long/short strategy by holding long (purchasing) foreign and domestic common stocks or convertible stocks of companies SGI believes will outperform the market and by selling short those securities believed to be overvalued or expected to underperform the market.

SGI may also invest a portion of the Fund's assets in options, futures contracts and foreign currencies, which may be used to hedge its portion of the Fund's portfolio, to increase returns or to maintain exposure to the equity markets. SGI may engage in short sales of securities believed to be overvalued or expected to underperform the market. SGI may also invest in emerging market countries. With respect to investments in foreign securities, there is no limit in the amount that the SGI Sub-Portfolio may invest in securities issued by companies from emerging markets.

SGI uses both quantitative and qualitative techniques to identify long and short investment opportunities. SGI's universe of securities begins with the 5,000 largest publicly traded companies globally. Through quantitative screening and fundamental analysis, SGI narrows the universe of securities to a list of long and short investment opportunities. SGI then builds a portfolio of securities designed to maximize the absolute returns of the sub-portfolio from SGI's selection methodology while working to maintain prudent risk controls.

SGI will consider buying a security that is not currently held in its sub-portfolio when the security candidate has passed through the research process and SGI believes that there is a potential for upside price movement over the following year with a return to risk ratio that meets SGI's criteria. In the case of a security already held in its sub-portfolio, SGI will consider adding to the position in the event the security has been unusually weak in the market based on SGI's analysis and SGI continues to believe that the one year price objective is valid. SGI will consider selling a security if SGI believes that the price objective is no longer valid. SGI may also reduce a position in its sub-portfolio with respect to a security if the position approaches its price objective and the risk/return is deteriorating. SGI makes additions and reductions in its portion of the Fund's portfolio and will buy and sell securities frequently.

Strategies of the Investment Manager Sub-Portfolio. With respect to the portion of the Fund that it manages, the Investment Manager seeks investment returns that are similar to those of the S&P 500 Index by primarily investing in equity derivatives, such as futures contracts, options on futures contracts, and equity options. An equity derivative is a financial instrument whose value depends on, or is "derived" from, the value of an underlying asset or index, such as the S&P 500 Index. Using S&P 500 equity derivatives, the Investment Manager can obtain investment exposure to the S&P 500 Index equal to the net asset value of the portion of the Fund that it manages with a fraction of the assets that would be needed to purchase an equivalent amount of equity securities directly. Getting magnified investment exposure on a small investment is referred to as "leverage," and it can increase the volatility of the Fund's performance. However, because the Fund ultimately is responsible for the entire amount of the investment exposure under an equity derivative, the Investment Manager will manage the remainder of its portion of the Fund so that any leverage achieved through equity derivatives is reduced by other investments. While there are a number of ways of offsetting the leverage achieved through equity derivatives, the Investment Manager generally will do so by investing in fixed income securities in an amount sufficient to meet the Fund's obligations under the equity derivatives.

The Investment Manager actively manages the fixed income securities with a view toward enhancing the Fund's total return and recouping some of the transaction and financing costs associated with investing in equity derivatives, which are reflected in the operating costs of the Fund. The Fund's overall portfolio duration for its investments in fixed income securities is normally not expected to exceed one year. The fixed income securities in which the Fund may invest include securities issued or guaranteed by the U.S. government, its agencies or

instrumentalities; corporate debt securities of U.S. issuers, including mortgage backed and other asset-backed securities; and bank certificates of deposit, fixed time deposits and bankers' acceptances.

Although the Investment Manager does not normally invest this portion of the Fund's portfolio directly in S&P 500 securities, when equity derivatives appear to be overvalued relative to the S&P 500 Index, the Fund may invest in a "basket" of S&P 500 stocks. The S&P 500 Index is a well known stock market index composed of 500 selected common stocks that represent approximately two-thirds of the total market value of all U.S. common stocks. Individual stocks are selected based on an analysis of the historical correlation between the return of every S&P 500 stock and the return of the S&P 500 Index itself. The Investment Manager may employ fundamental analysis of factors such as earnings and earnings growth, price to earnings ratio, dividend growth, and cash flows to choose among stocks that satisfy the correlation tests. Stocks chosen for the Fund are not limited to those with any particular weighting in the S&P 500 Index. The Fund may also invest in exchange traded funds based on the S&P 500 Index, such as Standard & Poor's Depository Receipts.

Principal Risks — An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The value of an investment in the Fund will fluctuate and is subject to investment risks, which means investors could lose money. The principal risks of investing in the Fund are listed below.

Active Trading Risk. Active trading, also called "high turnover," may have a negative impact on performance. Active trading may result in higher brokerage costs or mark-up charges, which are ultimately passed on to shareholders of the Fund. It may also result in short-term capital gains, which have a negative tax effect, and could also result in greater taxable distributions to shareholders of the Fund.

Credit Risk. The Fund could lose money if the issuer of a bond is unable to repay interest and principal on time or defaults. The issuer of a bond could also suffer a decrease in quality rating, which would affect the volatility and liquidity of the bond.

Emerging Markets Risk. Investments in emerging markets securities are generally subject to a greater level of those risks associated with investing in foreign securities, as emerging markets are considered less developed and developing countries.

Equity Derivatives Risk. Equity derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the equity derivative, imperfect correlations with underlying investments or the Fund's other portfolio holdings, lack of availability and counterparty risk.

Equity Securities Risk. Stocks and other equity securities, and securities convertible into stocks, generally fluctuate in value more than bonds. The Fund could lose all of its investment in a company's stock.

Foreign Securities Risk. Foreign securities carry additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity, limited legal recourse and higher transactional costs.

Growth Stocks Risk. Growth stocks typically invest a high portion of their earnings back into their business and may lack the dividend yield that could cushion their decline in a market downturn. Growth stocks may be more volatile than other stocks because they are more sensitive to investor perceptions regarding the growth potential of the issuing company.

Index Risk. Investments intended to track a benchmark index may not have performance that corresponds with the performance of the benchmark index for any period of time and may underperform the overall stock market.

Interest Rate Risk. Investments in fixed income securities are subject to the possibility that interest rates could rise sharply, causing the value of the Fund's securities and share price to decline. Fixed income securities with longer durations are subject to more volatility than those with shorter durations.

Investment in Investment Vehicles Risk. Investing in other investment vehicles, including ETFs and other mutual funds, subjects the Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Fund and its shareholders will incur its pro rata share of the expenses of the underlying vehicles' expenses.

Leverage Risk. The Fund's use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

Liquidity Risk. Investments are subject to liquidity risk when they are difficult to purchase or sell.

Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

Market Risk. The market value of the securities held by the Fund may fluctuate resulting from factors affecting the individual company or other factors such as changing economic, political or financial market conditions.

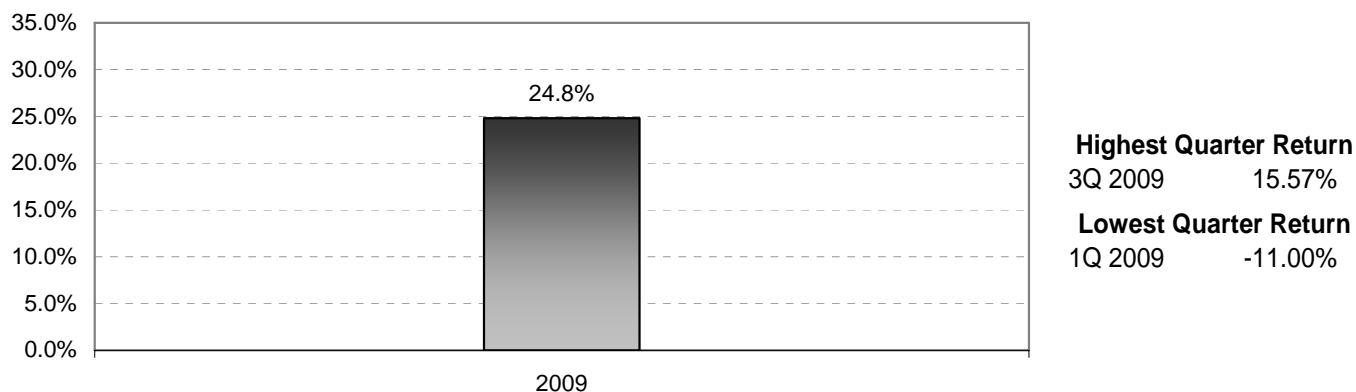
Overweighting Risk. Overweighting investments in certain sectors or industries of the stock market increases the risk that the Fund will suffer a loss because of general declines in the prices of stocks in those sectors or industries.

Short Sales Risk. Short selling a security involves selling a borrowed security with the expectation that the value of that security will decline, so that the security may be purchased at a lower price when returning the borrowed security. The risk for loss on short selling is greater than the original value of the securities sold short because the price of the borrowed security may rise, thereby increasing the price at which the security must be purchased. Government actions may also affect the Fund's ability to engage in short selling.

Smaller Companies Risk. The securities of smaller companies are subject to greater volatility, especially during periods of economic uncertainty. These risks are likely to be greater for micro-cap companies.

Value Stocks Risk. Value stocks are subject to the risk that the intrinsic value of the stock may never be realized by the market or that the price goes down.

Performance Information — The following chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for one year and since inception have compared to those of a broad measure of market performance. As with all mutual funds, past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at www.rydex-sgi.com or by calling 1-800-888-2461.



After-tax returns shown in the table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 11/7/2008
<i>Institutional Fund</i>		
Return before taxes	24.82%	20.36%
Return after taxes on distributions	24.82%	20.36%
Return after taxes on distributions and sale of fund shares	16.14%	17.34%
<i>Index</i>		
S&P 500 Index (reflects no deductions for fees, expenses, or taxes)	26.46%	22.93%

Management of the Fund — Security Investors, LLC (the “Investment Manager”) serves as the investment manager of the Fund. Christina Fletcher is primarily responsible for the day-to-day management of a portion of the Fund and holds the title of “Portfolio Manager” with the Investment Manager; she has co-managed the Fund since June 2009. Security Global Investors, LLC serves as a sub-adviser of the Fund. Scott Klimo, David Whittall, Mark Kress, and Yon Perullo are primarily responsible for the day-to-day management of a portion of the Fund, and each holds the title of “Portfolio Manager” with Security Global Investors, LLC; they have co-managed the Fund since August 2008. Mainstream Investment Advisers, LLC serves as a sub-adviser of the Fund. William Jenkins and Charles Craig are primarily responsible for the day-to-day management of a portion of the Fund, and each holds the title of “Portfolio Manager” with Mainstream Investment Advisers, LLC; they have co-managed the Fund since July 2003.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the Fund may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days’ advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Tax Information — Fund distributions are taxable as ordinary income or capital gains (or a combination of both), unless your investment is in an IRA or other tax-advantaged retirement account.

Payments to Broker/Dealers and Other Financial Intermediaries — If you purchase Fund shares through a broker/dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your sales person or visit your financial intermediary’s website for more information.

FUND SUMMARIES

Rydex | SGI Global Institutional Fund

Investment Objective — The Global Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	1.00%
Distribution and service (12b-1) fees	None
Acquired fund fees and expenses	0.01%
Other expenses	1.76%
Total annual fund operating expenses	2.77%
Fee waiver (and/or expense reimbursement) ¹	-1.77%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	1.00%

¹ The Investment Manager has contractually agreed through January 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$102	\$691	\$1,307	\$2,970

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund

operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 379% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objective by investing, under normal market conditions, in at least three countries, one of which may be the United States. The Fund invests primarily in foreign and domestic common stocks or convertible stocks of companies considered to have appreciation possibilities. While the Fund may invest in the United States, there is no limit on its foreign investments. Ordinarily, at least 40% of Fund assets, but not less than 30% of the Fund's assets, will be invested in securities of non-U.S. issuers. Investments in debt securities may be made when market conditions are uncertain. The Fund may invest in issuers of any size, including small-capitalization issuers. The Fund's index is the MSCI World Index, which is an unmanaged index that measures the performance of over 1,400 securities listed on exchanges in the U.S., Europe, Canada, Australia, New Zealand and the Far East.

The Fund may also invest a portion of its assets in foreign currencies and derivatives, including options and futures contracts, which may be used to hedge the Fund's portfolio, to increase returns or to maintain exposure to the equity markets. The Fund may also invest in emerging market countries.

The Fund may actively trade its investments without regard to the length of time they have been owned by the Fund.

The Fund's sub-adviser, Security Global Investors, LLC ("SGI"), manages Fund assets pursuant to a Global Equity strategy that seeks consistent alpha in all market environments. Using a proprietary database composed of 5,000 companies from around the world, SGI employs a bottom-up stock selection process designed to generate alpha through stock selection while maintaining a globally diversified portfolio.

To lower the risks of foreign investing, such as currency fluctuations, SGI generally diversifies the Fund's investments broadly across countries and industries.

Although the Fund primarily invests in securities issued by companies from countries with established economies, there is no limit in the amount that the Fund may invest in securities issued by companies from emerging markets.

Under adverse or unstable market conditions, the Fund could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

Principal Risks — An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The value of an investment in the Fund will fluctuate and is subject to investment risks, which means investors could lose money. The principal risks of investing in the Fund are listed below.

Active Trading Risk. Active trading, also called "high turnover," may have a negative impact on performance. Active trading may result in higher brokerage costs or mark-up charges, which are ultimately passed on to shareholders of the Fund. It may also result in short-term capital gains, which have a negative tax effect, and could also result in greater taxable distributions to shareholders of the Fund.

Emerging Markets Risk. Investments in emerging markets securities are generally subject to a greater level of those risks associated with investing in foreign securities, as emerging markets are considered less developed and developing countries.

Equity Derivatives Risk. Equity derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the equity derivative, imperfect correlations with underlying investments or the Fund's other portfolio holdings, lack of availability and counterparty risk.

Equity Securities Risk. Stocks and other equity securities, and securities convertible into stocks, generally fluctuate in value more than bonds. The Fund could lose all of its investment in a company's stock.

Foreign Securities Risk. Foreign securities carry additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity, limited legal recourse and higher transactional costs.

Growth Stocks Risk. Growth stocks typically invest a high portion of their earnings back into their business and may lack the dividend yield that could cushion their decline in a market downturn. Growth stocks may be more

volatile than other stocks because they are more sensitive to investor perceptions regarding the growth potential of the issuing company.

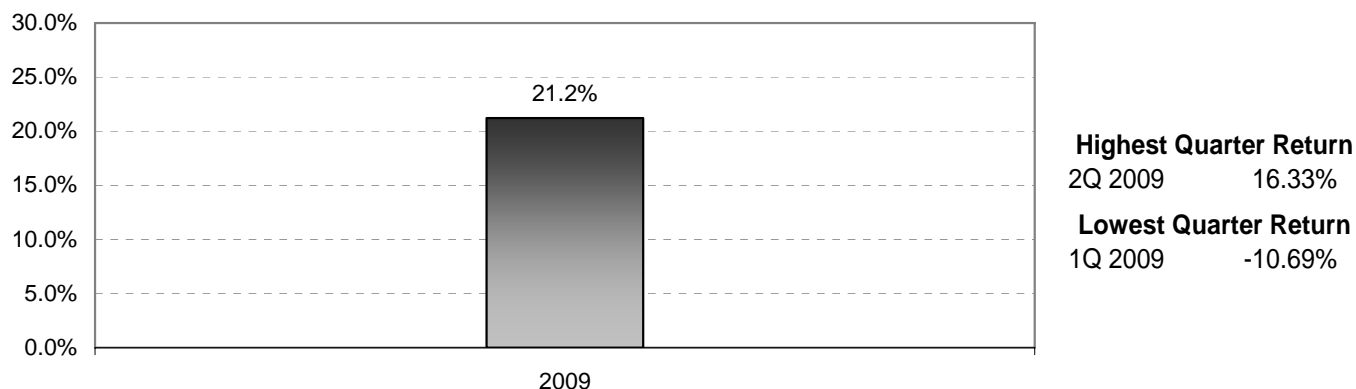
Leverage Risk. The Fund's use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

Market Risk. The market value of the securities held by the Fund may fluctuate resulting from factors affecting the individual company or other factors such as changing economic, political or financial market conditions.

Smaller Companies Risk. The securities of smaller companies are subject to greater volatility, especially during periods of economic uncertainty. These risks are likely to be greater for micro-cap companies.

Performance Information — The following chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's Class A share performance from year to year and by showing how the Fund's average annual returns for one year and since inception have compared to those of a broad measure of market performance. As with all mutual funds, past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at www.rydex-sgi.com or by calling 1-800-888-2461.



After-tax returns shown in the table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 7/14/2008
<i>Institutional Fund</i>		
Return before taxes	21.22%	-8.59%
Return after taxes on distributions	20.30%	-9.14%
Return after taxes on distributions and sale of fund shares	13.79%	-7.59%
<i>Index</i>		
MSCI World Index (reflects no deductions for fees, expenses, or taxes)	29.99%	-7.05%

Management of the Fund — Security Investors, LLC (the "Investment Manager") serves as the investment manager of the Fund. Security Global Investors, LLC serves as the sub-advisor of the Fund. Scott Klimo, David Whittall, Mark Kress, and Yon Perullo are primarily responsible for the day-to-day management of the Fund, and each holds the title of "Portfolio Manager" with Security Global Investors, LLC; they have co-managed the Fund since August 2007.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the Fund may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days' advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Tax Information — Fund distributions are taxable as ordinary income or capital gains (or a combination of both), unless your investment is in an IRA or other tax-advantaged retirement account.

Payments to Broker/Dealers and Other Financial Intermediaries — If you purchase Fund shares through a broker/dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your sales person or visit your financial intermediary's website for more information.

FUND SUMMARIES

Rydex | SGI Mid Cap Value Institutional Fund

Investment Objective — The Mid Cap Value Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	0.75%
Distribution and service (12b-1) fees	None
Acquired fund fees and expenses	0.02%
Other expenses	0.23%
Total annual fund operating expenses	1.00%
Fee waiver (and/or expense reimbursement) ¹	-0.10%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	0.90%

¹ The Investment Manager has contractually agreed through March 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$92	\$308	\$543	\$1,216

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund

operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 76% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objective by investing, under normal market conditions, at least 80% of its net assets (plus borrowings for investment purposes) in a diversified portfolio of equity securities, which include common stocks, rights, options, warrants, convertible debt securities, and ADRs, that, when purchased, have market capitalizations that are usually within the range of companies in the Russell 2500 Value Index. Although a universal definition of mid-capitalization companies does not exist, for purposes of this fund, the Fund generally defines mid-capitalization companies as those whose market capitalization is similar to the market capitalization of companies in the Russell 2500 Value Index, which is an unmanaged index that measures the performance of securities of small-to-mid cap U.S. companies with greater-than-average value orientation. As of December 31, 2009, the index consisted of securities of companies with capitalizations that ranged from \$32 million to \$10.7 billion.

Security Investors, LLC (the "Investment Manager") typically chooses equity securities that appear undervalued relative to assets, earnings, growth potential or cash flows and may invest in a limited number of industries or industry sectors, including the technology sector. Due to the nature of value companies, the securities included in the Fund's portfolio typically consist of small-to medium-sized companies.

The Fund may sell a security if it is no longer considered undervalued or when the company begins to show deteriorating fundamentals.

The Fund also may invest a portion of its assets in derivatives, including options and futures contracts. These instruments may be used to hedge the Fund's portfolio, to maintain exposure to the equity markets or to increase returns.

The Fund may, from time to time, invest a portion of its assets in technology stocks.

The Fund may invest in a variety of investment vehicles, including those that seek to track the composition and performance of a specific index, such as exchange traded funds ("ETFs") and other mutual funds. The Fund may use these index-based investments as a way of managing its cash position to gain exposure to the equity markets or a particular sector of the equity market, while maintaining liquidity. Certain investment vehicles' securities and other securities in which the Fund may invest are restricted securities, which may be illiquid.

Under adverse or unstable market conditions, the Fund could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

Principal Risks — An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The value of an investment in the Fund will fluctuate and is subject to investment risks, which means investors could lose money. The principal risks of investing in the Fund are listed below.

Equity Derivatives Risk. Equity derivatives may pose risks in addition to those associated with investing directly in securities or other investments, including illiquidity of the equity derivative, imperfect correlations with underlying investments or the Fund's other portfolio holdings, lack of availability and counterparty risk.

Equity Securities Risk. Stocks and other equity securities, and securities convertible into stocks, generally fluctuate in value more than bonds. The Fund could lose all of its investment in a company's stock.

Foreign Securities Risk. Foreign securities carry additional risks when compared to U.S. securities, including currency fluctuations, adverse political and economic developments, unreliable or untimely information, less liquidity, limited legal recourse and higher transactional costs.

Index Risk. Investments intended to track a benchmark index may not have performance that corresponds with the performance of the benchmark index for any period of time and may underperform the overall stock market.

Investment in Investment Vehicles Risk. Investing in other investment vehicles, including ETFs and other mutual funds, subjects the Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Fund and its shareholders will incur its pro rata share of the expenses of the underlying vehicles' expenses.

Leverage Risk. The Fund's use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

Liquidity Risk. Investments are subject to liquidity risk when they are difficult to purchase or sell.

Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

Market Risk. The market value of the securities held by the Fund may fluctuate resulting from factors affecting the individual company or other factors such as changing economic, political or financial market conditions.

Overweighting Risk. Overweighting investments in certain sectors or industries of the stock market increases the risk that the Fund will suffer a loss because of general declines in the prices of stocks in those sectors or industries.

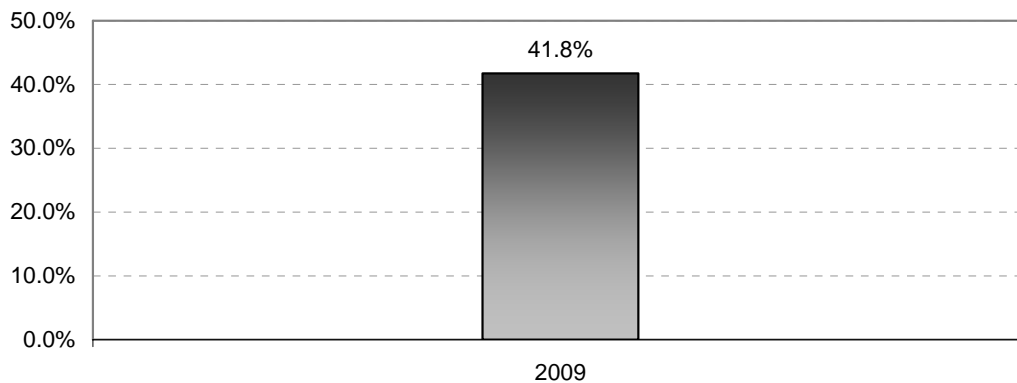
Restricted Securities Risk. Restricted securities generally cannot be sold to the public and may involve a high degree of business and financial risk which may result in substantial losses to the Fund.

Smaller Companies Risk. The securities of smaller companies are subject to greater volatility, especially during periods of economic uncertainty. These risks are likely to be greater for micro-cap companies.

Technology Stocks Risk. Stocks of companies involved in the technology sector may be very volatile.

Value Stocks Risk. Value stocks are subject to the risk that the intrinsic value of the stock may never be realized by the market or that the price goes down.

Performance Information — The following chart and table provide some indication of the risks of investing in the Fund by showing changes in the Fund's Class A share performance from year to year and by showing how the Fund's average annual returns for one year and since inception have compared to those of a broad measure of market performance. As with all mutual funds, past performance (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information is available on the Fund's website at www.rydex-sgi.com or by calling 1-800-888-2461.



Highest Quarter Return	
2Q 2009	24.00%
Lowest Quarter Return	
1Q 2009	-6.57%

After-tax returns shown in the table are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of any state or local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts.

Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 7/14/2008
<i>Institutional Fund</i>		
Return before taxes	41.75%	11.84%
Return after taxes on distributions	40.23%	9.24%
Return after taxes on distributions and sale of fund shares	27.22%	8.46%
<i>Index</i>		
Russell 2500 Value Index (reflects no deductions for fees, expenses, or taxes)	27.68%	-1.15%

Management of the Fund — Security Investors, LLC (the “Investment Manager”) serves as the investment manager of the Fund. James Schier is responsible for the day-to-day management of the Fund and holds the title of “Portfolio Manager” with the Investment Manager. He has managed the Fund since July 2008.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the Fund may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days’ advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Tax Information — Fund distributions are taxable as ordinary income or capital gains (or a combination of both), unless your investment is in an IRA or other tax-advantaged retirement account.

Payments to Broker/Dealers and Other Financial Intermediaries — If you purchase Fund shares through a broker/dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Ask your sales person or visit your financial intermediary’s website for more information.

FUND SUMMARIES

Rydex | SGI Small Cap Value Institutional Fund

Investment Objective — The Small Cap Value Institutional Fund seeks long-term growth of capital.

Fees and Expenses of the Fund — This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund.

Shareholder Fees (fees paid directly from your investment)

Maximum Sales Charge (Load) Imposed on Purchases	None
Maximum Deferred Sales Charge (Load)	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)

Management fees	1.00%
Distribution and service (12b-1) fees	None
Acquired fund fees and expenses	0.01%
Other expenses	4.44%
Total annual fund operating expenses	5.45%
Fee waiver (and/or expense reimbursement) ¹	-4.40%
Total annual fund operating expenses after fee waiver (and/or expense reimbursement)	1.05%

¹ The Investment Manager has contractually agreed through January 31, 2011 to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) ("Operating Expenses") of a Fund to an indicated annual percentage of average daily net assets for each class of shares. The Fund may have "Total annual fund operating expenses after fee waiver" greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by the Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

Example. This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

The Example assumes that you invest \$10,000 in the Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although the actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
\$107	\$1,235	\$2,353	\$5,104

The above Examples reflect applicable contractual fee waiver/expense reimbursement arrangements for the duration of the arrangements only.

Portfolio Turnover. The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund

operating expenses or in the example, affect the Fund's performance. During the most recent fiscal year, the Fund's portfolio turnover rate was 58% of the average value of its portfolio.

Principal Investment Strategies — The Fund pursues its objective by investing, under normal market conditions, at least 80% of its net assets (plus borrowings for investment purposes) in a diversified portfolio of equity securities, which include common stocks, rights, options, warrants, convertible debt securities, and ADRs, that, when purchased, have market capitalizations that are usually within the range of companies in the Russell 2000 Value Index. Although a universal definition of small-capitalization companies does not exist, for purposes of this fund, the Fund generally defines small-capitalization companies as those whose market capitalization is similar to the market capitalization of companies in the Russell 2000 Value Index, which is an unmanaged index measuring the performance of the small cap value segment of the U.S. equity universe and which includes companies with lower price-to-book ratios and lower forecasted growth values.

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Under adverse or unstable market conditions, the Fund could invest some or all of its assets in cash, fixed-income securities, government bonds, money market securities, or repurchase agreements. Although the Fund would do this only in seeking to avoid losses, the Fund may be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market.

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Investment in Investment Vehicles Risk. Investing in other investment vehicles, including ETFs and other mutual funds, subjects the Fund to those risks affecting the investment vehicle, including the possibility that the value of the underlying securities held by the investment vehicle could decrease. Moreover, the Fund and its shareholders will incur its pro rata share of the expenses of the underlying vehicles' expenses.

Leverage Risk. The Fund's use of leverage through derivatives may cause the Fund to be more volatile than if it had not been leveraged. Leverage can arise through the use of derivatives.

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Management Risk. The Fund is actively managed. There is no guarantee that the investment strategies will be successful.

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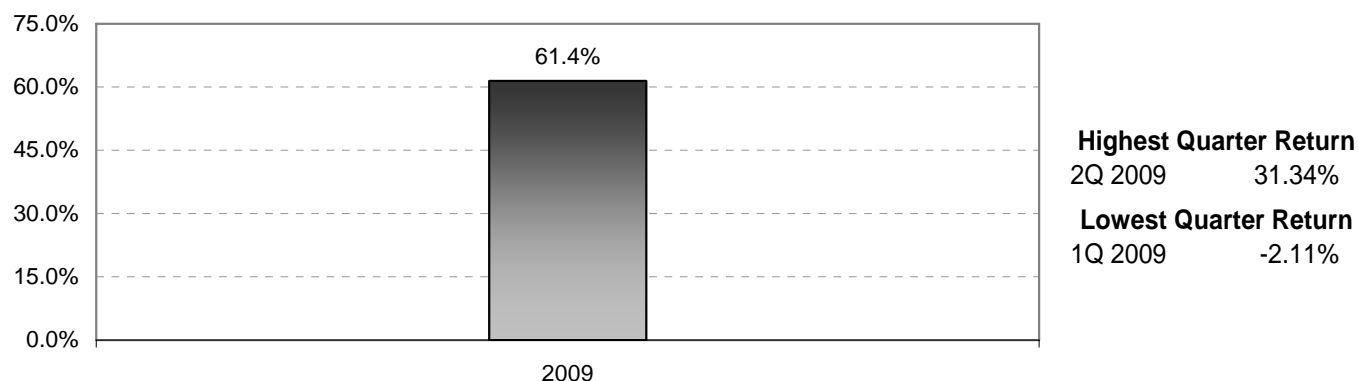
Restricted Securities Risk. Restricted securities generally cannot be sold to the public and may involve a high degree of business and financial risk which may result in substantial losses to the Fund.

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Average Annual Total Returns (For the periods ended December 31, 2009)

	1 Year	Since Inception 7/14/2008
Institutional Fund		
Return before taxes	61.44%	30.71%
Return after taxes on distributions	60.01%	27.72%
Return after taxes on distributions and sale of fund shares	40.07%	24.38%
Index		
Russell 2000 Value Index (reflects no deductions for fees, expenses, or taxes)	20.58%	-2.01%

Management of the Fund — Security Investors, LLC (the “Investment Manager”) serves as the investment manager of the Fund. James Schier is primarily responsible for the day-to-day management of the Fund and holds the title of “Portfolio Manager” with the Investment Manager. He has managed the Fund since July 2008.

Purchase and Sale of Fund Shares — You may purchase or redeem Fund shares through your broker/dealer, other financial intermediary that has an agreement with a Fund distributor, or through the transfer agent (by mail or telephone, if you select the telephone option on your account application). You may purchase, redeem or exchange shares of a Fund on any day the New York Stock Exchange is open for business. The minimum initial investment is \$2 million, although the Fund may waive this requirement at its discretion. The Fund has a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Fund reserves the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days’ advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

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DESCRIPTION OF FUNDS OFFERED IN THIS PROSPECTUS

This prospectus offers shares of the Rydex | SGI Large Cap Value Institutional Fund, Rydex | SGI Global Institutional Fund, Rydex | SGI Mid Cap Value Institutional Fund, and Institutional Class Shares of the Rydex | SGI All Cap Value Fund, Rydex | SGI Alpha Opportunity Fund and Rydex | SGI Small Cap Value Fund (which are referred to in this prospectus as the Rydex | SGI All Cap Value Institutional Fund Shares, Rydex | SGI Alpha Opportunity Institutional Fund Shares and Rydex | SGI Small Cap Value Institutional Fund Shares, respectively, and the funds are referred to as Rydex | SGI All Cap Value Institutional Fund, Rydex | SGI Alpha Opportunity Institutional Fund and Rydex | SGI Small Cap Value Institutional Fund, respectively) (each a “Fund” and together, the “Funds”).

ADDITIONAL INFORMATION REGARDING INVESTMENT OBJECTIVES AND STRATEGIES

The Board of Directors may change the Funds’ investment objectives and strategies at any time without shareholder approval. A Fund will provide written notice to shareholders prior to, or concurrent with, any such change as required by applicable law. Should a Fund with a name suggesting a specific type of investment or industry change its policy of investing at least 80% of its assets in the type of investment suggested by its name, the Fund will provide shareholders at least 60 days’ notice prior to making the change. As with any investment, there can be no guarantee the Funds will achieve their investment objectives.

DESCRIPTIONS OF PRINCIPAL RISKS

Additional information on the principal risks of the Funds is described below. Not all of the risks apply to each Fund. A list of the main risks that apply to a particular Fund can be found under the “Principal Risks” heading for that Fund. However, the fact that a particular risk was not indicated as a principal risk for a Fund does not mean that the Fund is prohibited from investing its assets in securities that give rise to that risk. It simply means that the risk is not a principal risk for that Fund. For example, the risk of investing in smaller companies was not listed as a principal risk for Large Cap Value Institutional Fund. This does not mean that Large Cap Value Institutional Fund is prohibited from investing in smaller companies, only that the risk of smaller companies is not one of the main risks associated with Large Cap Value Institutional Fund. The Portfolio Manager for a Fund has considerable leeway in choosing investment strategies and selecting securities that he or she believes will help the Fund achieve its investment objective. In seeking to meet its investment objective, a Fund’s assets may be invested in any type of security or instrument whose investment characteristics are consistent with the Fund’s investment program.

In addition, investors should note that, to the extent authorized by law, each Fund reserves the right to discontinue offering shares at any time, to merge or reorganize itself or a class of shares, or to cease operations and liquidate at any time.

Active Trading Risk — Active trading will increase the costs a Fund incurs because of higher brokerage charges or mark-up charges, which are passed on to shareholders of the Fund, and, as a result, may lower a Fund’s performance. It may also result in short-term capital gains, which may increase the amount of tax an investor pays on a Fund’s distributions.

Credit Risk — It is possible that some issuers of fixed-income securities will not make payments on debt securities held by a Fund, or there could be defaults on repurchase agreements held by a Fund. Also, an issuer may suffer adverse changes in financial condition that could lower the credit quality of a security, leading to greater volatility in the price of the security and in shares of a Fund. A change in the quality rating of a bond can affect the bond’s liquidity and make it more difficult for a Fund to sell.

Emerging Markets Risk — All of the risks of investing in foreign securities are heightened by investing in less developed and developing countries, which are sometimes referred to as emerging markets. The markets of developing countries historically have been more volatile than the markets of developed countries with mature economies. For example, the political and economic structures in these countries may be young and developing

rapidly, which can cause instability. These countries are also more likely to experience high levels of inflation, deflation or currency devaluation, which could hurt their economies and securities markets. For these and other reasons, investments in emerging markets are often considered speculative, but often have provided higher rates of return, and greater risks, to investors.

Equity Derivatives Risk — Equity derivatives include options, futures and options on futures, which may be used to hedge a Fund's portfolio, to increase returns or to maintain exposure to a market without buying individual securities. These investments may pose risks in addition to those associated with investing directly in securities or other investments. These risks may include illiquidity of the equity derivative, imperfect correlation with underlying investments or the Fund's other portfolio holdings, lack of availability, counterparty risks, valuation risks and legal restrictions. In addition, when a Fund sells covered call options, it receives cash but limits its opportunity to profit from an increase in the market value of the security beyond the exercise price (plus the premium received). The gain may be less than if the Fund had not sold an option on the underlying security. Accordingly, there is the risk that such practices may fail to serve their intended purposes and may reduce returns or increase volatility. There is also the risk that a Fund could lose more than the amount the Fund invested in the derivative. These practices also entail transactional expenses and may cause a Fund to realize higher amounts of short-term capital gains than if the Fund had not engaged in such transactions.

Equity Securities Risk — Equity securities include common stocks and other equity securities (and securities convertible into stocks), and the prices of equity securities fluctuate in value more than other investments. They reflect changes in the issuing company's financial condition and changes in the overall market. Common stocks generally represent the riskiest investment in a company. A Fund may lose a substantial part, or even all, of its investment in a company's stock. Growth stocks may be more volatile than value stocks.

Foreign Securities Risk — Investing in foreign investments, including investing in foreign securities through ADRs, involve certain special risks, including, but not limited to: (i) unfavorable changes in currency exchange rates; (ii) adverse political and economic developments; (iii) unreliable or untimely information; (iv) limited legal recourse; (v) limited markets; (vi) higher operational expenses; and (vii) illiquidity. These risks may even be higher in underdeveloped markets.

Foreign investments are normally issued and traded in foreign currencies. As a result, their values may be affected by changes in the exchange rates between particular foreign currencies and the U.S. dollar. Foreign investments may be subject to the risks of seizure by a foreign government, imposition of restrictions on the exchange or transport of foreign currency, and tax increases. There may also be less information publicly available about a foreign company than about most U.S. companies, and foreign companies are usually not subject to accounting, auditing and financial reporting standards and practices comparable to those in the United States. The legal remedies for investors in foreign investments may be more limited than those available in the United States. Certain foreign investments may be less liquid (harder to buy and sell) and more volatile than domestic investments, which means a Fund may at times be unable to sell its foreign investments at desirable prices. For the same reason, a Fund may at times find it difficult to value its foreign investments. Brokerage commissions and other fees are generally higher for foreign investments than for domestic investments. The procedures and rules for settling foreign transactions may also involve delays in payment, delivery or recovery of money or investments. Foreign withholding taxes may reduce the amount of income available to distribute to shareholders of the Funds.

Growth Stocks Risk — Investments in growth stocks may lack the dividend yield that can cushion stock prices in market downturns. Growth companies often are expected to increase their earnings at a certain rate. If expectations are not met, investors can punish the stocks, even if earnings do increase.

Index Risk — The performance of an underlying fund or other investment that seeks to track a benchmark index may not correspond to the benchmark index for any period of time. Such an investment may not duplicate the exact composition of its index. In addition, unlike a fund or other investment, the returns of an index are not reduced by expenses, and therefore, the ability of a fund to match the performance of the index is adversely affected by the costs of buying and selling investments as well as other expenses.

Interest Rate Risk — Investments in fixed-income securities are subject to the possibility that interest rates could rise sharply, causing the value of a Fund's securities and share price to decline. Longer term bonds and zero coupon bonds are generally more sensitive to interest rate changes than shorter-term bonds. Generally, the longer the average maturity of the bonds in a Fund, the more a Fund's share price will fluctuate in response to interest rate changes.

Investment in Investment Vehicles Risk — Investments in investment companies or other investment vehicles may include index-based unit investment trusts such as Standard & Poor's Depository Receipts ("SPDRs") and similar securities of other investment companies, including mutual funds, or other investment vehicles, including exchange traded funds ("ETFs"). Such index-based investments sometimes hold substantially all of their assets in securities representing a specific index. In the case of SPDRs, the index represented is the S&P 500, but a Fund may invest in other index-based investments designed to track other indexes or market sectors. To the extent a Fund invests in other investment companies or vehicles, the Fund and its shareholders will incur its pro rata share of the underlying investment companies' or vehicles' expenses, such as investment advisory and other management expenses, and shareholders will be required to pay the operating expenses of two or more investment vehicles. In addition, a Fund will be subject to the effects of business and regulatory developments that affect an underlying investment company or vehicle or the investment company industry generally. A Fund may use those index-based investments as a way of managing its cash position, to maintain liquidity while gaining exposure to the equity markets, or a particular sector of the equity market, or to seek to avoid losses in declining market conditions.

Leverage Risk — The use of derivatives may create leveraging risk. For example, because of the low margin deposits required, futures trading involves an extremely high degree of leverage. As a result, a relatively small price movement in a futures contract may result in an immediate and substantial impact on the net asset value of the Fund. Leveraging may cause a Fund to be more volatile than if it had not been leveraged. To mitigate leveraging risk, the Fund segregates liquid assets to meet its obligations under, or otherwise covers, the transactions that may give rise to this risk. Leverage can arise through the use of derivatives.

Liquidity Risk — Investments are subject to liquidity risks when they are difficult to purchase or sell. Investments in illiquid securities may reduce the returns of a Fund because it may be unable to sell the illiquid securities at an advantageous time or price.

Management Risk — The Funds are subject to management risk because they are actively managed investment portfolios. The Investment Manager, and in the case of a Fund that is also managed by a sub-adviser, the Investment Manager and sub-adviser, and each individual portfolio manager will apply investment techniques and risk analysis in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory or tax developments may affect the investment techniques available to the Investment Manager, any sub-adviser and each individual portfolio manager in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

Market Risk — Equity securities fluctuate in price, and their prices tend to fluctuate more dramatically over the shorter term than do the prices of other asset classes. These movements may result from factors affecting individual companies or from broader influences like changes in interest rates, market conditions, investor confidence or changes in economic, political or financial market conditions. Volatility of financial markets can expose a Fund to greater market risk, possibly resulting in greater liquidity risk. Market conditions also may lead to increased regulation of a Fund and the instruments in which a Fund may invest, which may, in turn, affect the Fund's ability to pursue its investment objective and the Fund's performance.

Non-Diversification Risk — A non-diversified Fund may hold larger positions in a smaller number of securities than a diversified Fund. As a result, a change in the market value of a single security may have a greater impact on a Fund's net asset value and total return. A non-diversified Fund is expected to be more volatile than a diversified Fund.

Overweighting Risk — Overweighting investments in certain sectors or industries of the stock market increases the risk that a Fund will suffer a loss because of general declines in the prices of stocks in those sectors or industries.

Preferred Securities Risk — Preferred stock represents an equity interest in a company that generally entitles the holder to receive, in preference to the holders of other stocks such as common stocks, dividends and a fixed share of the proceeds resulting from a liquidation of the company. Preferred stocks may pay fixed or adjustable rates of return. Preferred stock is subject to issuer-specific and market risks applicable generally to equity securities. In addition, a company's preferred stock generally pays dividends only after the company makes required payments to holders of its bonds and other debt. For this reason, the value of preferred stock will usually react more strongly than bonds and other debt to actual or perceived changes in the company's financial condition or prospects.

Restricted Securities Risk — Restricted securities cannot be sold to the public without registration under the Securities Act of 1933 ("1933 Act"). Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration. Restricted securities are generally considered illiquid and, therefore, are subject to a Fund's limitation on illiquid securities.

Restricted securities (including Rule 144A Securities, defined below) may involve a high degree of business and financial risk which may result in substantial losses. The securities may be less liquid than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Fund. In particular, Rule 144A Securities may be resold only to qualified institutional buyers in accordance with Rule 144A under the 1933 Act. Rule 144A permits the resale to "qualified institutional buyers" of "restricted securities" that, when issued, were not of the same class as securities listed on a U.S. securities exchange or quoted in the National Association of Securities Dealers Automated Quotation System ("Rule 144A Securities").

Investing in Rule 144A Securities and other restricted securities could have the effect of increasing the amount of a Fund's assets invested in illiquid securities to the extent that qualified institutional buyers become uninterested, for a time, in purchasing these securities.

Short Sales Risk — A short sale entails selling a borrowed security with the expectation that the price of the security will decline, so that a Fund may purchase the security at a lower price when the Fund must return the security that it borrowed. While the potential losses associated with investing in stocks are typically limited to the original cost of the securities, the potential for losses associated with short positions is much greater than the original value of the securities sold short. A Fund may not always be able to close out a short position at a particular time or at an acceptable price. A lender may request that borrowed securities be returned to it on short notice, and a Fund may have to buy the borrowed securities at an unfavorable price, resulting in a loss. The use of short sales may cause a Fund to have higher expenses than those of equity mutual funds that do not engage in short sales, including the cost of paying the lender an amount equal to any dividends on the borrowed securities. Also, short sales may be subject to legal restrictions, which may limit the ability of a Fund to implement its strategies.

Smaller Companies Risk — The equity securities of smaller companies may be particularly volatile, especially during periods of economic uncertainty. Securities of smaller companies may present additional risks because their earnings are less predictable and their securities are often less liquid than those of larger, more established companies. Smaller companies are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Stocks of these companies may therefore be more vulnerable to adverse developments than those of larger companies. These risks are likely to be greater for micro-cap companies.

Technology Stocks Risk — Companies in the rapidly changing fields of technology often face unusually high price volatility, both in terms of gains and losses. The potential for wide variation in performance is based on the special risks common to these stocks. For example, products or services that at first appear promising may not prove commercially successful or may become obsolete quickly. Earnings disappointments can result in sharp price declines. The level of risk will be increased to the extent that a Fund has significant exposure to smaller or unseasoned companies (those with less than a three-year operating history), which may not have established products or more experienced management.

Value Stocks Risk — Investments in value stocks are subject to the risk that their intrinsic values may never be realized by the market or that their prices may go down. While the Funds’ investments in value stocks may limit downside risk over time, a Fund may, as a trade-off, produce more modest gains than riskier stock funds.

PORTFOLIO HOLDINGS

A description of the Funds’ policies and procedures with respect to the disclosure of the Funds’ underlying portfolio securities is available in the Funds’ Statement of Additional Information and on their website at www.rydex-sgi.com. In addition, investors should note that the Funds publish a complete list of their month-end portfolio holdings on their website generally within one to two business days after the end of each calendar month. Such information will remain online for four months, or as otherwise required by law.

INVESTMENT MANAGER

Security Investors, LLC (the “Investment Manager”), One Security Benefit Place, Topeka, Kansas 66636, is the Funds’ investment manager. On September 30, 2009, the aggregate assets under the investment management of the Investment Manager were approximately \$4.2 billion. The Investment Manager makes investment decisions for the assets of the Funds and continuously reviews, supervises and administers each Fund’s investment program.

Management Fees — The following chart shows the aggregate investment management fees payable by each Fund. For Funds for which the Investment Manager has retained a sub-adviser, the Investment Manager, and not the Funds, is responsible for payment of sub-advisory fees.

The Investment Manager may waive some or all of its management fee to limit the total operating expenses of a Fund to a specified level. The Investment Manager also may reimburse expenses of a Fund from time to time to help it maintain competitive expense ratios. These arrangements may be voluntary in which case they may be terminated at any time.

Management Fees (Net of Waivers) (expressed as a percentage of average net assets)	
Large Cap Value Institutional Fund	0.65%
All Cap Value Institutional Fund	0.70%
Alpha Opportunity Institutional Fund	1.25%
Global Institutional Fund	1.00%
Mid Cap Value Institutional Fund	0.75%
Small Cap Value Institutional Fund	1.00%

Additionally, as noted in the “Fund Summary” section for certain Funds, the Investment Manager has contractually agreed through January 31, 2011 (or March 31, 2011, for Mid Cap Value Institutional Fund) to waive fees and/or reimburse Fund expenses to the extent necessary to limit the ordinary operating expenses (including distribution (12b-1) fees, but exclusive of brokerage costs, dividends on securities sold short, acquired fund fees and expenses, interest, taxes, litigation, indemnification, and extraordinary expenses) (“Operating Expenses”) of a Fund to an indicated annual percentage of average daily net assets for each class of shares. A Fund with a contractual fee waiver may have “Total annual fund operating expenses after fee waiver” greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. The Investment Manager is entitled to reimbursement by a Fund of fees waived or expenses reimbursed during any of the previous 36 months beginning on the date of the expense limitation agreement. The agreement will expire when it reaches its termination or when the investment adviser ceases to serve as such (subject to recoupment rights).

A discussion regarding the basis for the Board of Directors approving any investment advisory contract on behalf of each of the Funds is available in the Funds’ semi-annual report for half-fiscal year ending March 31, 2009.

Portfolio Managers — The Portfolio Managers of the Investment Manager oversee the day-to-day operations of the following Funds:

Large Cap Value Institutional Fund and All Cap Value Institutional Fund

Mark A. Mitchell, Portfolio Manager of the Investment Manager, manages Large Cap Value Institutional Fund and All Cap Value Institutional Fund. Prior to joining the Investment Manager, Mr. Mitchell was employed by GE Investments and its successor company, GE Asset Management, from 1994 to 2002 in the following positions: Senior Financial Analyst, Taxable Fixed Income from 1994 to 1995; Sector Portfolio Manager and Research Analyst from 1996 to 1998; Vice President, Assistant Portfolio Manager from 1998 to 1999; Vice President, Sector Portfolio Manager and Research Analyst from 1999 to 2001; and most recently as Vice President, Portfolio Manager, US Equities. Prior to 1994, Mr. Mitchell served in various positions with GE Capital. Mr. Mitchell holds a Bachelor of Science degree with an emphasis in Finance from the University of Nebraska and is a graduate of the GE Financial Management Program. He is a Chartered Financial Analyst charterholder.

All Cap Value Institutional Fund, Mid Cap Value Institutional Fund and Small Cap Value Institutional Fund

James P. Schier, Senior Portfolio Manager of the Investment Manager, has co-managed All Cap Value Institutional Fund since October 2008, Mid Cap Value Institutional Fund since July 2008, and the Small Cap Value Institutional Fund since July 2008. While employed by the Investment Manager, he also served as a research analyst. Prior to joining the Investment Manager in 1995, he was a portfolio manager for Mitchell Capital Management from 1993 to 1995. From 1988 to 1993, he served as Vice President and Portfolio Manager for Fourth Financial. Prior to 1988, Mr. Schier served in various positions in the investment field for Stifel Financial, Josephthal & Company and Mercantile Trust Company. Mr. Schier earned a Bachelor of Business degree from the University of Notre Dame and an MBA from Washington University. He is a Chartered Financial Analyst charterholder.

Alpha Opportunity Institutional Fund

Christina Fletcher, Portfolio Manager of the Investment Manager, has co-managed Alpha Opportunity Institutional Fund since June 2009. Prior to joining the Investment Manager in 2004, she was with Horizon Cash Management, LLC as a Portfolio Manager and Credit Analyst since 2000. From 1998 to 2000, Ms. Fletcher served as a Senior Money Market Trader for Scudder Investments. From 1996 to 1998, she served as a Securities Specialist for the State Teachers Retirement System, Ohio, and from 1995 to 1996, she served as a Custody Administrator for Investors Fiduciary Trust Company. Ms. Fletcher earned a Bachelor of Science degree in Finance from Southwest Missouri State University.

The Funds' Statement of Additional Information provides information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Fund shares.

SUB-ADVISERS

The Investment Manager and the Funds have received from the U.S. Securities and Exchange Commission an exemptive order for a multi-manager structure that allows the Investment Manager to hire, replace or terminate unaffiliated sub-advisers without the approval of shareholders. The order also allows the Investment Manager to revise a sub-advisory agreement with an unaffiliated sub-adviser with the approval of the Funds' Board of Directors, but without shareholder approval. If a new unaffiliated sub-adviser is hired, shareholders will receive information about the new sub-adviser within 90 days of the change. The order allows the Funds to operate more efficiently and with greater flexibility. The Investment Manager provides the following oversight and evaluation services to those Funds which use a sub-adviser:

- performing initial due diligence on prospective sub-advisers for the Funds
- monitoring the performance of the sub-advisers
- communicating performance expectations to the sub-advisers
- ultimately recommending to the Board of Directors whether a sub-adviser's contract should be renewed, modified or terminated.

The Investment Manager does not expect to recommend frequent changes of sub-advisers. Although the Investment Manager will monitor the performance of the sub-advisers, there is no certainty that any sub-adviser or Fund will obtain favorable results at any given time.

The Investment Manager has engaged Security Global Investors, LLC (“SGI”), an affiliated sub-adviser, 801 Montgomery Street, 2nd Floor, San Francisco, California 94133, to provide investment advisory services to Global Institutional Fund and a portion of Alpha Opportunity Institutional Fund. SGI has operated as an investment sub-adviser to Global Institutional Fund since August 2007 and Alpha Opportunity Institutional Fund since October 2008. SGI managed more than \$458 million in assets as of September 30, 2009. SGI is a wholly owned subsidiary of Security Benefit Corporation. Security Benefit Corporation is a wholly owned subsidiary of Security Benefit Mutual Holding Company. Together, SGI and the Investment Manager operate as Security Global Investors, the investment advisory arm of Security Benefit Corporation.

The Investment Manager has engaged Mainstream Investment Advisers, LLC (“Mainstream”) to provide investment advisory services to a portion of Alpha Opportunity Institutional Fund. Mainstream, 101 West Spring Street, Fourth Floor, New Albany, Indiana 47150, managed approximately \$646 million in client assets as of September 30, 2009.

Portfolio Managers — The Portfolio Managers of the Sub-Advisers oversee the day-to-day operations of the Funds as indicated:

Alpha Opportunity Institutional Fund and Global Institutional Fund

Scott Klimo, Portfolio Manager at SGI, joined SGI in June 2007. He has been a co-manager of Global Institutional Fund since July 2008 and a co-manager of a portion of Alpha Opportunity Institutional Fund since November 2008. Mr. Klimo was a portfolio manager of Avera from October 2001 until he joined SGI in June 2007. Prior to joining Avera, he worked as a senior international analyst for Founders Asset Management in Denver from December 1999 to September 2001, focusing on consumer durables and non-durables, telecommunications and telecom equipment. Before joining Founders, Mr. Klimo was an assistant portfolio manager for the State of Wisconsin Investment Board from May 1998 to November 1999 where he helped manage a \$4 billion international portfolio with a value-oriented investment style. He began his investment career in 1987 as an analyst for Crosby Securities in Hong Kong, before progressing to Thailand Research Director for Smith New Court Far East. Mr. Klimo graduated from Hamilton College with a Bachelor of Arts degree in Asian Studies and immediately left for Asia, where he spent the next eleven years. He is a Chartered Financial Analyst charterholder.

David Whittall, Portfolio Manager at SGI, joined SGI in June 2007. He has been a co-manager of Global Institutional Fund since July 2008 and a co-manager of a portion of Alpha Opportunity Institutional Fund since November 2008. Mr. Whittall was a portfolio manager at Avera from March 2004 until June 2007. Prior to joining Avera, Mr. Whittall was senior vice president and the senior international equity salesman at HSBC in San Francisco from January 2003. Prior to HSBC, he was a vice president at JP Morgan and their senior European equity salesman in San Francisco from May 2001 to October 2002. Before his work in international equity sales, Mr. Whittall spent seven years at Montgomery Asset Management where he was a senior analyst, portfolio manager and principal. Mr. Whittall graduated from UC Berkeley with a Bachelor of Arts degree in Asian Studies. He spent one year as a UC Regent’s scholar at Beijing University in the People’s Republic of China.

Mark Kress, Portfolio/Risk Manager at SGI, joined SGI in June 2007. He has been a co-manager of Global Institutional Fund since July 2008 and a co-manager of a portion of Alpha Opportunity Institutional Fund since November 2008. Along with Mr. Perullo, Mr. Kress is jointly responsible for risk management analysis and the implementation of quantitative research methods for the Funds. Mr. Kress was a senior quantitative analyst at Avera from August 2001 until he joined SGI in June 2007. Mr. Kress holds a Bachelor of Science degree in Managerial Economics from the University of California at Davis and an MBA from the University of California at Berkeley Haas School of Business. He is a Chartered Financial Analyst charterholder.

Yon Perullo, Senior Quantitative Analyst, joined SGI in June 2007. He has been co-manager of Global Institutional Fund since July 2008 and a co-manager of a portion of Alpha Opportunity Institutional Fund since November 2008. Along with Mr. Kress, Mr. Perullo is jointly responsible for risk management analysis and the implementation of quantitative research methods for the Funds. From 2004 to 2007, Mr. Perullo was co-founder and portfolio manager at Nascent Strategies, LLC, a hedge fund that specialized in quantitative market neutral

investing, where he was directly responsible for building the quantitative screening and risk management models employed by the fund. From 1998 to 2004, Mr. Perullo served as Vice President of Quantitative Analytics at FactSet Research Systems where he directed the global sales and development of FactSet's suite of quantitative products, including alpha modeling, portfolio simulation and risk analysis. Mr. Perullo holds a Bachelor of Arts in Chemistry from the University of Rhode Island and is a Chartered Financial Analyst charterholder.

Alpha Opportunity Institutional Fund

William H. Jenkins, Manager of Mainstream, has been a co-manager of a portion of the Alpha Opportunity Institutional Fund since its inception in November 2008. He has more than 35 years of investment experience. Prior to co-founding Mainstream in July 1997, Mr. Jenkins spent the most recent 15 years with Providian Corporation as their equity portfolio manager. From 1988 to 1991, he was head of new asset and liability strategies for Providian, in addition to his equity portfolio management responsibilities. Prior to Providian, Mr. Jenkins worked as a portfolio manager/analyst at McGlinn Capital, Delaware Investment Advisors and Mellon Bank and Trust. Mr. Jenkins holds a Bachelor's degree from Grove City College and an MBA from New York University. He is a Chartered Financial Analyst charterholder.

Charles F. Craig, Portfolio Manager at Mainstream, has been a co-manager of a portion of Alpha Opportunity Institutional Fund since its inception in November 2008. Mr. Craig has primary responsibility for the international long/short strategy portion of the Alpha Opportunity Institutional Fund that is managed by Mainstream. He has a long history with the firm and its personnel dating back over 11 years ago when he began an internship with William Jenkins at Providian Corporation. In addition to his experience in equity analysis, trading and portfolio management with Mainstream, Mr. Craig worked in futures trading for RQSI and financial planning with American Express. Mr. Craig holds a Bachelor's degree from the University of Louisville and an MBA from the Kelley School of Business at Indiana University. He is a Chartered Financial Analyst charterholder.

The Funds' Statement of Additional Information provides information about the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Fund shares.

BUYING SHARES

Shares of the Funds discussed in this prospectus are offered primarily for direct investment by institutions such as pension and profit sharing plans, employee benefit trusts, endowments, foundations, and corporations. Shares may also be offered through certain financial intermediaries (such as broker/dealers, banks and other intermediaries that have an agreement with the Funds' distributor, Rydex Distributors, Inc. or with the Investment Manager, which also serves as the Funds' transfer agent ("authorized financial intermediaries")) that charge their customers transaction or other fees in connection with an investment in the Funds. The minimum initial investment is \$2 million. Specific eligibility requirements that apply to these prospective investors include:

- Employee benefit plan programs that have at least \$25 million in plan assets.
- Broker/dealer managed account or wrap programs that charge an asset-based fee, have program assets of at least \$50 million, and invest in the Funds via omnibus accounts.
- Registered investment adviser mutual fund wrap programs that charge an asset-based fee, have program assets of at least \$50 million, and invest in the Funds via omnibus accounts.
- Internal Revenue Code Section 529 college savings plan accounts.
- Funds of Funds advised by the Investment Manager, Security Global Investors, LLC, Rydex Investments, or their affiliates.
- Funds of Funds advised by unaffiliated investment advisers.
- Institutions that invest the minimum initial investment amount in a Fund.

The Funds reserve the right to waive the minimum initial investment amount of \$2 million or to grant other investors eligibility to invest in the shares of the Funds at their discretion.

The Funds may be made available to other investors in the future.

Shares are priced at the net asset value per share (NAV) next determined after receipt and acceptance of a purchase order by the Funds' transfer agent, Distributor or an authorized financial intermediary. Authorized financial intermediaries of the Funds may also designate further intermediaries to accept purchase and redemption orders on behalf of the Funds. A broker/dealer or other financial intermediary may charge fees in connection with an investment in the Fund. Fund shares purchased directly from the Fund are not assessed such additional charges.

The authorized financial intermediaries can provide investors with detailed information on how to participate in a program, a plan or an account, elect a Fund as an investment option, elect different investment options, alter the amounts contributed to the plan or change allocations among investment options. For questions about participant accounts or to obtain an application to participate in a program, a plan or an account, participants should contact their financial intermediary, employee benefits office, the plan administrator, or the organization that provides recordkeeping services for the program/plan/ account.

Financial intermediaries may provide some of the shareholder servicing and account maintenance services required by programs, plans or accounts and their participants, including transfers of registration, dividend payee charges and generation of confirmation statements and may arrange for administrators to provide other investment or administrative services. Financial service firms may charge programs, plans or accounts and participants transaction fees and/or other additional amounts for such services. Similarly, programs, plans or accounts may charge participants for certain expenses. These fees and additional amounts could reduce the return of investments in the Funds.

The Funds reserve the right to reject any order to purchase shares in whole or in part.

The Funds offer you the option to submit purchase orders through your financial intermediary or send purchase orders by mail and send proceeds by check, wire transfer or ACH. The Funds do not accept cash or cash equivalents (such as traveler's checks, money orders or bearer bonds), government checks, third-party checks, starter checks or checks drawn on a line of credit (including credit card convenience checks), cashiers checks, and bank checks. The Funds reserve the right to refuse other payment instructions if, in the sole discretion of Fund management, it is deemed to be in the best interests of the Funds. Retirement contributions will be coded for the year in which they are received unless otherwise instructed in writing at the time of the contribution.

All Fund shares are issued in non-certificate form.

The Funds may offer other classes of shares in a different prospectus.

Minimum Account Balance — The Funds have a minimum account balance of \$1 million. Due to the relatively high cost of maintaining accounts below the minimum account balance, the Funds reserve the right to redeem shares if an account balance falls below the minimum account balance for any reason. Investors will be given 60 days' advance notice to reestablish the minimum account balance. If the account balance is not increased, the account may be closed, and the proceeds sent to the investor. Fund shares will be redeemed at NAV on the day the account is closed.

Customer Identification and Verification — To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify and record information that identifies each person that opens an account, and to determine whether such person's name appears on government lists of known or suspected terrorists and terrorist organizations.

What this means for you: The Fund must obtain the following information for each person/entity that opens an account:

- Name;
- Date of birth (for individuals);
- Residential or business street address (although post office boxes are still permitted for mailing); and
- Social security number, taxpayer identification number, or other identifying number.

You may also be asked to show your driver's license, passport or other identifying documents in order to verify your identity. In addition, it may be necessary to verify your identity by cross-referencing your identification informa-

tion with a consumer report or other electronic database. Additional information may be required to open accounts for corporations, plans and other entities.

Federal law prohibits the Fund and other financial institutions from opening accounts unless they receive the minimum identifying information listed above. They may be required to close your account if they are unable to verify your identity within a reasonable time. If your account is closed for this reason, your shares will be redeemed at the NAV next calculated after your account is closed, and you bear the risk of any loss.

Market Timing/Short-Term Trading —Some investors try to profit from various short-term or frequent trading strategies known as market timing, for example, transferring money into mutual funds when they expect prices to rise and taking money out when they expect prices to fall, or transferring from one Fund to another and then back again after a short period of time. As money is transferred in and out, a Fund incurs expenses for buying and selling securities, and increased portfolio turnover may result in adverse tax consequences, such as short-term capital gains (taxed as ordinary income to investors). Excessive purchases, redemptions or exchanges of a Fund's shares disrupt portfolio management, hurt Fund performance and drive Fund expenses higher. These costs are borne by all shareholders, including long-term investors who do not generate these costs. Investors may be more likely to attempt to engage in market timing with respect to Funds that invest a significant portion of their assets in the securities of foreign issuers, securities that are thinly traded and/or securities such as certain high yield securities that do not routinely have readily available market quotations.

The Board of Directors has adopted policies and procedures against market timing, and the Funds discourage market timing or excessive trading. If you wish to engage in such practices, we request that you do not purchase shares of any of the Funds. Each Fund reserves the right to reject any request to purchase shares, including purchases in connection with an exchange transaction, that it reasonably determines to be market timing or excessive trading by a shareholder or accounts under common control. Transactions placed through the same broker/dealer or other financial intermediary on an omnibus basis may be rejected in whole or in part by a Fund. Transactions accepted by a financial intermediary in violation of the market timing/short-term trading policies and procedures are not deemed accepted by the Funds and may be cancelled or revoked by the Funds by the close of business on the next business day following receipt.

The policies and procedures of the Funds are intended to restrict transactions that are disruptive to the Funds or potentially disadvantageous to other shareholders. Although the Funds have adopted policies and procedures, the Funds may be dependant upon authorized financial intermediaries that offer the Funds' shares to assist in implementing these policies and procedures or may rely on the policies and procedures of such financial intermediaries. When considering if certain restrictions or limitations should be applied to shareholder transactions, the Funds' policies and procedures take into account, among other things, the following factors:

- the total dollar amount being transferred;
- the number of transfers made within the previous 12 months;
- transfers to and from (or from and to) the same Fund;
- whether a shareholder's transfers appear to follow a pattern designed to take advantage of short-term market fluctuations; and
- whether a shareholder's transfers appear to be part of a group of transfers made by a third party on behalf of individual shareholders in the group.

If it is determined that a shareholder's transfer patterns among the Fund and others are disruptive or potentially disadvantageous to other shareholders, the Fund will send the shareholder a letter notifying the shareholder that the Fund is prohibiting the shareholder from making any additional purchases for a 90-day period that begins on the date of the letter. This restriction will be applied after the shareholder makes four "round trip transfers" during any prior 12-month period. A "round trip transfer" is a transfer (1) from the Fund followed by a transfer to the Fund or (2) to the Fund followed by a transfer from the Fund.

In their sole discretion, the Funds may revise their market timing procedures at any time without prior notice as they deem necessary or appropriate, including changing the criteria for monitoring market timing and other harmful trading (including, without limitation, imposing dollar or percentage limits on transfers). For purposes of applying the

criteria used to detect potential market timing and other potentially harmful trading activity, the Funds may aggregate transfers made in two or more transactions that the Funds believe are connected (for example, two transactions by the same owner, or by spouses, or by different partnerships or corporations that are under common control, etc.).

Shareholders who seek to engage in programmed, frequent, or high volume transfer activity may deploy a variety of strategies to avoid detection, and the Funds' or a financial intermediary's ability to detect and deter harmful trading activity may be limited by operational and information systems capabilities. Furthermore, the identification of investors determined to engage in harmful trading activity involves judgments that are inherently subjective. Accordingly, despite their best efforts, neither the Funds nor the financial intermediaries that sell the Funds' shares can guarantee that the policies and procedures will detect every potential market timer. The Funds apply the policies and procedures adopted by the Board of Directors consistently to all investors without special arrangement, waiver, or exception.

Because the Funds cannot guarantee that all harmful trading activity will be detected and because the cooperation of broker/dealers and other financial intermediaries cannot be assured, shareholders bear the risks associated with such activity, including potential disruption of portfolio management, potentially lower performance, and higher expenses. Due to the risk that the Funds or a financial intermediary implementing the policies and procedures may not detect all harmful trading activity, it is possible that some shareholders may inadvertently be treated differently than shareholders who are not permitted to engage in harmful trading activity. Those shareholders that do not engage in harmful trading activity nonetheless will bear the costs associated with such activity.

Revenue Sharing Payments — The Investment Manager, Distributor or their affiliates may, out of their own resources and at no additional costs to the Funds or shareholders, make payments to financial intermediaries (including payments to affiliates of the Investment Manager or Distributor). Such payments, commonly referred to as “revenue sharing,” do not increase Fund expenses and are not reflected in the fees and expenses listed in the expense table of this prospectus. Such compensation may be paid to intermediaries for (without limitation) marketing support and/or access to sales meetings, sales representatives and management representatives of the intermediary. Such compensation may also be paid to intermediaries for inclusion of the Funds on a sales list, including a preferred or select sales list, or in other sales programs. Revenue sharing may also be paid to intermediaries that provide services to the Funds or to shareholders, including (without limitation) shareholder servicing, sub-administration or sub-transfer agency services. The compensation received by such intermediaries via these payments may be more or less than the overall compensation received by the intermediaries in connection with the sale of other investment products and may influence the products offered or recommended by the intermediary. Additional information about these arrangements is provided in the Statement of Additional Information. These payments may create a conflict of interest by influencing the broker/dealer or other intermediary and your sales person to recommend the Fund over another investment. Shareholders should inquire of an intermediary how the intermediary will be compensated for investments made in the Funds.

SELLING SHARES

Direct investors may sell (or “redeem”) shares at any time through an authorized financial intermediary or directly through the Fund’s transfer agent. Investors who invest in the Funds through employee benefit plans, managed accounts, wrap programs, or 529 college savings plan accounts should refer to their plan/account/program documents for information on how to redeem shares of the Funds.

Shares will be redeemed at the NAV next determined after the order is received in good order by the Funds’ transfer agent or an authorized financial intermediary less any applicable redemption charge, in the case of Global Institutional Fund. A Fund’s NAV is generally calculated as of the close of trading on each day the NYSE is open (usually 4:00 p.m. Eastern Standard Time).

When redeeming recently purchased shares, if the Fund has not collected payment for the shares, it may delay sending the proceeds until it has collected payment, which may take up to 15 days. The Funds have reserved the right to redeem in kind, which would result in a shareholder receiving redemption proceeds in liquid securities with a market value equal to the redemption price. A shareholder receiving an in kind redemption would be at risk that the value of the securities would decline in value prior to their sale, that it would be difficult to sell the securities, and that brokerage fees could be incurred. For more information, please see the Funds’ Statement of Additional Information.

For direct investments only:

By Mail — To sell shares by mail, send a letter of instruction that includes:

- The name and signature of the account owner(s)
- The name of the Fund
- The dollar amount or number of shares to sell
- Where to send the proceeds
- A signature guarantee if
 - The check will be mailed to a payee or address different than that of the account owner, or
 - The sale of shares is more than \$100,000.

A signature guarantee helps protect against fraud. Banks, brokers, credit unions, national securities exchanges and savings associations provide signature guarantees. A notary public is not an eligible signature guarantor. For joint accounts, both signatures must be guaranteed.

Mail your request to:

Security Investors, LLC
P.O. Box 750525
Topeka, KS 66675-0525

Signature requirements vary based on the type of account you have:

- **Individual or Joint Tenants:** Written instructions must be signed by an individual shareholder, or in the case of joint accounts, all of the shareholders, exactly as the name(s) appears on the account.
- **UGMA or UTMA:** Written instructions must be signed by the custodian as it appears on the account.
- **Sole Proprietor or General Partner:** Written instructions must be signed by an authorized individual as it appears on the account.
- **Corporation or Association:** Written instructions must be signed by the person(s) authorized to act on the account. A certified resolution dated within six months of the date of receipt, authorizing the signer to act, must accompany the request if not on file with the Funds.
- **Trust:** Written instructions must be signed by the trustee(s). If the name of the current trustee(s) does not appear on the account, a certified certificate of incumbency dated within 60 days must also be submitted.
- **Retirement:** Written instructions must be signed by the account owner.

By Telephone — If you selected this option on your account application, you may make redemptions from your account by calling 1-800-888-2461 on weekdays (except holidays) between 8:00 a.m. and 7:00 p.m. Eastern Standard Time. The Funds require that requests for redemptions over \$100,000 be in writing with signatures guaranteed. You may not by telephone redeem shares for which a certificate has been issued. If you would like to establish this option on an existing account, please call 1-800-888-2461.

By Broker — You may redeem your shares through your broker. Brokers may charge a commission upon the redemption of shares.

Payment of Redemption Proceeds — Payments may be made by check. Redemption proceeds (less any redemption charge payable with respect to Global Institutional Fund) will be sent to the shareholder(s) of record at the address on our records generally within seven days after receipt of a valid redemption request. For a charge of \$20 deducted from redemption proceeds, the Investment Manager will, upon the shareholder's request, send the

redemption proceeds by express mail or send the proceeds by wire transfer to the shareholder's bank account upon receipt of appropriate wire transfer instructions.

In addition, redemption proceeds can be sent by electronic funds transfer, free of charge, to the shareholder's bank account.

The Funds may suspend the right of redemption during any period when trading on the NYSE is restricted or the NYSE is closed for a reason other than weekend or holiday or any emergency is deemed to exist by the Securities and Exchange Commission.

Redemption Charge (Global Institutional Fund) — The Global Institutional Fund, like all of the Funds, is intended for long-term investors. Investors who engage in frequent, short-term trading in the Global Institutional Fund's shares can disrupt the Fund's investment program. Accordingly, the Global Institutional Fund imposes a 2% charge on redemptions (including exchanges) of shares that have been held for 30 days or less, which charge is paid to Global Institutional Fund to protect the Fund's long-term shareholders. The Global Institutional Fund uses the "first-in, first-out" method to determine the 30-day holding period, under which, shares that have been held the longest will be the first to be redeemed to satisfy a redemption or exchange order. If any of the shares redeemed have been held for 30 days or less, the redemption charge will be charged against the redemption of those shares.

The redemption charge does not apply to (1) shares held in retirement plans purchased from the Investment Manager or an affiliate or that are administered by the Investment Manager or an affiliate, such as 401(k), 403(b), 457, Keogh, SIMPLE IRA, SEP-IRA and money purchase pension accounts, (2) shares purchased through the reinvestment of dividends or capital gains distributions, (3) redemptions in an amount less than \$10,000, or (4) redemptions and/or exchanges made through pre-approved asset allocation programs. The Global Institutional Fund reserves the right to waive the redemption charge in its discretion.

DIVIDENDS AND TAXES

Each Fund pays its shareholders dividends from its net investment income, and distributes any net capital gains that it has realized, at least annually. Your dividends and distributions will be reinvested in the Fund, unless you instruct the Investment Manager otherwise. There are no fees or sales charges on reinvestments.

Tax on Distributions — Fund dividends and distributions are taxable to shareholders (unless your investment is in a tax-advantaged retirement account) whether you reinvest your dividends or distributions or take them in cash.

In addition to federal tax, dividends and distributions may be subject to state and local taxes. If a Fund declares a dividend or distribution in October, November or December but pays it in January, you may be taxed on that dividend or distribution as if you received it in the previous year.

Current tax law generally provides for a maximum tax rate for individual taxpayers of 15% on long-term gains and from certain qualifying dividends on corporate stock. These rate reductions do not apply to corporate taxpayers or to foreign shareholders. The following are guidelines for how certain distributions by the Funds are generally taxed to individual taxpayers:

- Distributions of earnings from qualifying dividends and qualifying long-term capital gains will be taxed at a maximum rate of 15%.
- Distributions of earnings from dividends paid by certain "qualified foreign corporations" can also qualify for the lower tax rates on qualifying dividends.
- A shareholder will also have to satisfy a more than 60-day holding period with respect to any distributions of qualifying dividends in order to obtain the benefit of the lower tax rate.
- Distributions of earnings from non-qualifying dividends, interest income, other types of ordinary income and short-term capital gains will be taxed at the ordinary income tax rate applicable to the taxpayer.

The favorable tax treatment for qualified dividends and the lower rates on long-term capital gains are currently scheduled to expire after 2010.

Tax-deferred retirement accounts generally do not generate a tax liability unless you are taking a distribution or making a withdrawal.

A Fund has “short-term capital gains” when it sells assets within one year after buying them. Your share of a Fund’s net short-term capital gains will be taxed at ordinary income rates. A Fund has “long-term capital gains” when it sells assets that it has owned for more than one year. Distributions designated by a Fund as long-term capital gain distributions will be taxable to you at your long-term capital gains rate no matter how long you have held your Fund shares.

The Funds will mail you information concerning the tax status of the distributions for each calendar year early the following year.

Taxes on Sales or Exchanges — You may be taxed on any sale or exchange of Fund shares. The amount of gain or loss will depend primarily upon how much you pay for the shares, how much you sell them for, and how long you hold them. “Short-term capital gains” applies to Fund shares sold or exchanged up to one year after buying them. “Long-term capital gains” applies to shares held for more than one year.

If your tax basis in your shares exceeds the amount of proceeds you received from a sale, exchange or redemption of shares, you will recognize a taxable loss on the sale of shares of a Fund. Any loss recognized on shares held for six months or less will be treated as long-term capital loss to the extent of any long-term capital gain distributions that were received with respect to the shares. Additionally, any loss realized on a sale, redemption or exchange of shares of a Fund may be disallowed under “wash sale” rules to the extent the shares disposed of are replaced with other shares of that Fund within a period of 61 days beginning thirty days before and ending thirty days after shares are disposed of, such as pursuant to a dividend reinvestment in shares of that Fund. If disallowed, the loss will be reflected in an adjustment to the tax basis of the shares acquired.

Back-up Withholding — As with all mutual funds, a Fund may be required to withhold U.S. federal income tax at the rate of 28% (currently scheduled to increase to 31% after 2010) of all taxable distributions payable to you if you fail to provide the Fund with your correct taxpayer identification number or to make required certifications, or if you have been notified by the Internal Revenue Service that you are subject to back-up withholding. Back-up withholding is not an additional tax; rather, it is a way in which the Internal Revenue Service ensures it will collect taxes otherwise due. Any amounts withheld may be credited against your U.S. federal income tax liability.

If more than 50% of the value of a Fund’s total assets at the close of its taxable year consists of securities of foreign corporations, that Fund will be eligible and may elect to treat a proportionate amount of certain foreign taxes paid by it as a distribution to each shareholder which would generally permit each shareholder (1) to credit this amount or (2) to deduct this amount for purposes of computing its U.S. federal income tax liability. The Fund will notify you if it makes this election.

Foreign Shareholders — Shareholders other than U.S. persons may be subject to different U.S. federal income tax treatment, including withholding tax at the rate of 30% on amounts treated as ordinary dividends from a Fund, as discussed in more detail in the SAI.

You should consult your tax professional about federal, state and local tax consequences to you of an investment in the Fund. Please see the Statement of Additional Information for additional tax information.

DETERMINATION OF NET ASSET VALUE

The NAV of each Fund is computed as of the close of regular trading hours on the NYSE (normally 4:00 p.m. Eastern Standard Time) on days when the NYSE is open. The NYSE is open Monday through Friday, except on observation of the following holidays: New Year’s Day, Martin Luther King, Jr. Day, Presidents’ Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Foreign securities are valued based on quotations from the primary market in which they are traded and are converted from the local currency into U.S. dollars using current exchange rates. Foreign securities may trade in their primary markets on weekends or other days when the Funds do not price their shares. Therefore, the NAV of Funds holding foreign securities may change on days when shareholders will not be able to buy or sell shares of the Funds.

Portfolio securities and other investments are generally valued at market value when market quotations are readily available. Securities traded on a domestic securities exchange are valued at the last sale price on that exchange on the day the valuation is made, provided, however, that securities listed on NASDAQ will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If no sale is reported, the last current bid price is used. Securities traded over-the-counter are valued at the last current bid price. Market quotations for securities prices may be obtained from automated pricing services. Investments in securities maturing in 60 days or less may be valued at amortized cost.

When a market quotation for a security is not readily available (which may include closing prices deemed to be unreliable because of the occurrence of a subsequent event), the Investment Manager, in good faith, establishes a fair value for the security in accordance with the Funds' valuation procedures. The types of securities for which such fair value pricing may be required include, but are not limited to: foreign securities, where a significant event occurs after the close of the foreign market on which such security principally trades, but before the close of the NYSE, that is likely to have changed the value of such security or the closing value is otherwise deemed unreliable; securities of an issuer that has entered into a restructuring; securities whose trading has been halted or suspended; fixed-income securities that have gone into default and for which there is no current market value quotation; and securities that are restricted as to transfer or resale.

Valuing securities at fair value involves greater reliance on judgment than valuing securities that have readily available market quotations. Fair value determinations can also involve reliance on quantitative models employed by a fair value pricing service with the goal of accurately reflecting the current value of each Fund's portfolio holdings in the Fund's net asset value per share. There can be no assurance that a Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset value per share.

For further information about valuation of investments, see the Statement of Additional Information.

SHAREHOLDER SERVICES

Exchange Privilege—Shareholders of the Funds may exchange their shares for shares of another Fund offered in this prospectus or for Institutional Class shares of other mutual funds distributed by the Funds' Distributor. Shareholders of the Funds may exchange their shares for Class A shares of other mutual funds distributed by the Funds' Distributor. Class A shares will be subject to all of the Class A share conditions, including applicable sales charges. Class A shares are offered in a different prospectus, which shareholders may request from the Funds' Distributor and which shareholders should consult prior to making an exchange.

An exchange is two transactions: a sale of shares of one fund and the purchase of shares of another fund. In general, the same policies that apply to purchases and sales apply to exchanges, including a Fund's right to reject any order to purchase shares.

Exchanges may be made only in those states where shares of the Fund into which an exchange is to be made are qualified for sale. Any applicable redemption charge will be imposed on an exchange of Global Institutional Fund held for 30 days or less. For tax purposes, an exchange is a sale of shares that may result in a taxable gain or loss. Special rules may apply to determine the amount of gain or loss on an exchange occurring within 90 days after purchase of the exchanged shares. Exchanges are made upon receipt of a properly completed Exchange Authorization form. Before exchanging your shares for shares of another mutual fund that is distributed by the Distributor and offered through another prospectus, you should request the prospectus of the mutual fund into which you are contemplating exchanging your shares and review it carefully, as the other mutual fund may be subject to fees, charges or expenses that are different from the shares that you are exchanging. A current prospectus of the Fund into which an exchange is made will be given to each shareholder exercising this privilege.

The terms of an employee-sponsored retirement plan may affect a shareholder's right to exchange shares as described above. Contact your plan sponsor or administrator to determine if all of the exchange options discussed above are available under your plan.

To exchange shares by telephone, a shareholder must hold shares in non-certificate form and must either have completed the Telephone Exchange section of the application or a Telephone Transfer Authorization form, which may be obtained from the Investment Manager. Once authorization has been received by the Investment Manager, a shareholder may exchange shares by telephone by calling the Funds at 1-800-888-2461, on weekdays (except

holidays) between the hours of 8:00 a.m. and 7:00 p.m. Eastern Standard Time. Exchange requests received by telephone after the close of the NYSE (normally 4:00 p.m. Eastern Standard Time) will be treated as if received on the next business day. The exchange privilege, including telephone exchanges, may be changed or discontinued at any time by either the Investment Manager or the Funds upon 60 days' notice to shareholders.

The exchange privilege is not intended as a vehicle for short-term or excessive trading. Because excessive trading by a shareholder can hurt a Fund's performance and its other shareholders, the Funds reserve the right to limit the amount or number of exchanges or discontinue this privilege if (1) a Fund or its Investment Manager believes that the Fund would be harmed or unable to invest effectively, or (2) a Fund receives or anticipates simultaneous orders that may significantly affect the Fund. The Funds also may reject future investments from a shareholder if the shareholder engages in, or is suspected of engaging in, short-term or excessive trading.

GENERAL INFORMATION

The Rydex | SGI Small Cap Value Fund Institutional Share Class, Rydex | SGI All Cap Value Fund Institutional Share Class and Rydex | SGI Alpha Opportunity Fund Institutional Share Class, which are referred to in this prospectus as Small Cap Value Institutional Fund, All Cap Value Institutional Fund and Alpha Opportunity Institutional Fund, respectively, also offer additional classes of shares in a separate prospectus.

Shareholder Inquiries — Shareholders who have questions concerning their account or wish to obtain additional information may call the Funds (see back cover for address and telephone numbers) or contact their securities dealer. Client requests for historical account transcripts or the retrieval of a significant amount of documentation may be honored to the extent that those records are readily available. The Fund reserves the right, upon notice, to charge you a fee to cover the costs of special requests for information that require extensive research or employee resources.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the financial performance of the Funds for the period since commencement of the Funds. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in a Fund assuming reinvestment of all dividends and distributions. The information for the fiscal years ended September 30 has been derived from financial statements that have been audited by Ernst & Young LLP, whose report, along with the Funds' financial statements, are included in the annual report, which is available upon request.

FINANCIAL HIGHLIGHTS

Rydex | SGI Large Cap Value Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)}	2008 ^{(a)(b)(c)}
Net asset value beginning of period	\$ 9.61	\$ 10.00
Income from Investment Operations:		
Net investment income	0.09	0.03
Net gain (loss) on securities (realized and unrealized)	(0.76)	(0.42)
Total from investment operations	(0.67)	(0.39)
Less Distributions:		
Dividends (from net investment income)	(0.05)	—
Distributions (from realized gains)	—	—
Total distributions	(0.05)	—
Net asset value end of period	\$ 8.89	\$ 9.61
Total return^(a)	(6.89)%	(3.90)%
Net assets end of period (thousands)	\$ 2,718	\$ 2,878
Ratio of expenses to average net assets	0.98%	0.98%
Ratio of net investment income (loss) to average net assets	1.22%	1.17%
Portfolio turnover rate	45%	35%

Rydex | SGI All Cap Value Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)(d)}
Net asset value beginning of period	\$ 10.00
Income from Investment Operations:	
Net investment income	0.07
Net gain (loss) on securities (realized and unrealized)	0.17
Total from investment operations	0.24
Less Distributions:	
Dividends (from net investment income)	—
Distributions (from realized gains)	—
Total distributions	—
Net asset value end of period	\$ 10.24
Total return^(a)	2.40%
Net assets end of period (thousands)	\$ 291
Ratio of expenses to average net assets	1.10%
Ratio of net investment income (loss) to average net assets	0.82%
Portfolio turnover rate	17%

FINANCIAL HIGHLIGHTS

Rydex | SGI Alpha Opportunity Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)(e)}
Net asset value beginning of period	\$ 10.00
Income from Investment Operations:	
Net investment income	(0.01)
Net gain (loss) on securities (realized and unrealized)	<u>1.74</u>
Total from investment operations	1.73
Less Distributions:	
Dividends (from net investment income)	—
Distributions (from realized gains)	<u>—</u>
Total distributions	<u>—</u>
Net asset value end of period	<u>\$ 11.73</u>
Total return^(a)	17.30%
Net assets end of period (thousands)	\$ 2,155
Ratio of expenses to average net assets	1.73%
Ratio of net investment income (loss) to average net assets	(0.07)%
Portfolio turnover rate	422%

Rydex | SGI Global Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)}	2008 ^{(a)(b)(c)}
Net asset value beginning of period	\$ 8.67	\$ 10.00
Income from Investment Operations:		
Net investment income	0.17	0.02
Net gain (loss) on securities (realized and unrealized)	<u>(0.25)</u>	<u>(1.35)</u>
Total from investment operations	(0.08)	(1.33)
Less Distributions:		
Dividends (from net investment income)	(0.03)	—
Distributions (from realized gains)	<u>—</u>	<u>—</u>
Total distributions	<u>(0.03)</u>	<u>—</u>
Net asset value end of period	<u>\$ 8.56</u>	<u>\$ 8.67</u>
Total return (a)	(0.90)%	(13.30)%
Net assets end of period (thousands)	\$ 4,910	\$ 7,382
Ratio of expenses to average net assets	1.15%	1.15%
Ratio of net investment income (loss) to average net assets	2.34%	0.87%
Portfolio turnover rate	379%	325%

FINANCIAL HIGHLIGHTS

Rydex | SGI Mid Cap Value Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)}	2008 ^{(a)(b)(c)}
Net asset value beginning of period	\$ 10.68	\$ 10.00
Income from Investment Operations:		
Net investment income	0.08	0.04
Net gain (loss) on securities (realized and unrealized)	<u>0.27</u>	<u>0.64</u>
Total from investment operations	0.35	0.68
Less Distributions:		
Dividends (from net investment income)	(0.06)	—
Distributions (from realized gains)	<u>(0.48)</u>	<u>—</u>
Total distributions	<u>(0.54)</u>	<u>—</u>
Net asset value end of period	<u>\$ 10.49</u>	<u>\$ 10.68</u>
Total return^(a)	5.30%	6.80%
Net assets end of period (thousands)	\$ 317,455	\$ 17,436
Ratio of expenses to average net assets	0.91%	1.10%
Ratio of net investment income (loss) to average net assets	0.82%	1.81%
Portfolio turnover rate	76%	63%

Rydex | SGI Small Cap Value Institutional Fund

Fiscal period ended September 30

	2009 ^{(b)(c)}	2008 ^{(a)(b)(c)}
Net asset value beginning of period	\$ 11.49	\$ 10.00
Income from Investment Operations:		
Net investment income	(0.01)	—
Net gain (loss) on securities (realized and unrealized)	<u>2.43</u>	<u>1.49</u>
Total from investment operations	2.42	1.49
Less Distributions:		
Dividends (from net investment income)	—	—
Distributions (from realized gains)	<u>(0.63)</u>	<u>—</u>
Total distributions	<u>(0.63)</u>	<u>—</u>
Net asset value end of period	<u>\$ 13.28</u>	<u>\$ 11.49</u>
Total return^(a)	24.40%	14.90%
Net assets end of period (thousands)	\$ 630	\$ 383
Ratio of expenses to average net assets	1.30%	1.30%
Ratio of net investment income (loss) to average net assets	(0.14)%	0.06%
Portfolio turnover rate	58%	86%

Notes to Financial Highlights

- (a) Each Fund was initially capitalized on July 11, 2008 with a net asset value of \$10 per share. Percentage amounts for the period, except total return have been annualized.
- (b) Net investment income (loss) was computed using average shares outstanding throughout the period.
- (c) Fund expenses were reduced by the Investment Manager during the period. An expense reimbursement lowers the expense ratio and increases overall returns to investors. Expense ratios absent such reimbursement would have been as follows:

	Class	2009	2008
Large Cap Value Institutional Fund	—	2.37%	2.33%
All Cap Value Fund	Institutional	8.19%	N/A
Alpha Opportunity	Institutional	3.94%	N/A
Global Institutional Fund	—	2.76%	1.97%
Mid Cap Value Institutional Fund	—	0.98%	1.19%
Small Cap Value Fund	Institutional	5.44%	5.90%

- (d) All Cap Value Fund was initially capitalized on October 3, 2008 with a net asset value of \$10 per share. Percentage amounts for the period, except total return, have been annualized.
- (e) The Institutional Class of Alpha Opportunity Series was initially capitalized on November 7, 2008 with a net asset value of \$10 per share. Percentage amounts for the period, except total return, have been annualized.

FOR MORE INFORMATION

By Telephone — Call 1-800-888-2461

By Mail — Write to:
Security Investors, LLC
One Security Benefit Place
Topeka, KS 66636-0001

On the Internet — Reports and other information about the Funds can be viewed online or downloaded from:

SEC: On the EDGAR Database at <http://www.sec.gov>

Security Investors, LLC: <http://www.rydex-sgi.com>

Additional information about the Funds (including the Statement of Additional Information) can be reviewed and copied at the Securities and Exchange Commission's Public Reference Room in Washington, DC. Information about the operation of the Public Reference Room may be obtained by calling the Commission at 1-202-551-8090. Copies may be obtained, upon payment of a duplicating fee, by electronic request at the following e-mail address: publicinfo@sec.gov or by writing the Public Reference Section of the Commission, Washington, DC 20549-1520.

Annual/Semi-Annual Report — Additional information about the Funds' investments is available in the Funds' annual and semi-annual reports to shareholders. In the Funds' annual reports, you will find a discussion of the market conditions and investment strategies that significantly affected each Fund's performance during its last fiscal year.

Statement of Additional Information — The Funds' Statement of Additional Information and the Funds' annual or semi-annual reports are available, without charge, upon request by calling the Funds' toll-free telephone number 1-800-888-2461. Shareholder inquiries should be addressed to Security Investors, LLC, One Security Benefit Place, Topeka, Kansas 66636-0001, or by calling the Funds' toll-free telephone number listed above. The Funds' Statement of Additional Information is incorporated into this prospectus by reference.

Each Fund's Investment Company Act file number is listed below:

Security Equity Fund.....	811-01136
• Security Alpha Opportunity Series (Institutional Class) (d/b/a Rydex SGI Alpha Opportunity Institutional Fund)	
• Security All Cap Value Series (Institutional Class) (d/b/a Rydex SGI All Cap Value Institutional Fund)	
• Security Global Institutional Series (d/b/a Rydex SGI Global Institutional Fund)	
• Security Mid Cap Value Institutional Series (d/ba/ Rydex SGI Mid Cap Value Institutional Fund)	
• Security Small Cap Value Series (Institutional Class) (d/b/a Rydex SGI Small Cap Value Institutional Fund)	
Security Large Cap Value Fund.....	811-00487
• Security Large Cap Value Institutional Series (d/b/a Rydex SGI Large Cap Value Institutional Fund)	

Rydex | SGI Funds, for disclosure purposes in this prospectus, include—Series of Security Equity Fund: Rydex | SGI Large Cap Core Fund, Rydex | SGI All Cap Value Fund, Rydex | SGI Alpha Opportunity Fund, Rydex | SGI Global Fund, Rydex | SGI Global Institutional Fund, Rydex | SGI Mid Cap Value Fund, Rydex | SGI Mid Cap Value Institutional Fund, Rydex | SGI Small Cap Growth Fund, Rydex | SGI Small Cap Value Fund, Rydex | SGI Large Cap Concentrated Growth Fund; Series of Security Large Cap Value Fund: Rydex | SGI Large Cap Value Fund and Rydex | SGI Large Cap Value Institutional Fund; Security Mid Cap Growth Fund (aka "Rydex | SGI Mid Cap Growth Fund"); Series of Security Income Fund: Rydex | SGI High Yield Fund and Rydex | SGI U.S. Intermediate Bond Fund.

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