

A FUND PROVIDING INTERNATIONAL EXPOSURE VIA COUNTRY ROTATION

FUND HIGHLIGHTS & APPLICATIONS³

- Attempts to generate returns, before fees and expenses, in excess of the MSCI World Ex-U.S. Index
- Employs a rotation strategy based on a quantitative investment model
- Sub advised by Scotland-based Valu-Trac Investment Management Limited
- Innovative approach to international investing that provides exposure at the country level

INVESTMENT STRATEGY

Seeks to provide long-term capital appreciation by identifying countries in the MSCI World Ex-U.S. Index with the most promising risk and return characteristics—rotating the fund's exposure from less attractive countries to more attractive countries

INCOME DISTRIBUTION FREQUENCY

Annual, if applicable

FUND TYPE

International Equity

TRADING HOURS

PHONE: 8:30 A.M.–4:00 P.M. ET
WEB: 8:30 A.M.–4:00 P.M. ET

PORTFOLIO MANAGER

Team managed

BENCHMARK COMPARISON

MSCI World Ex-U.S. Index

REDEMPTION FEE

1% redemption fee on shares redeemed within 30 days of purchase

For information, call 800.820.0888 or visit us at www.rydexinvestments.com

Rydex International Rotation Fund is based on a quantitative and multifactor investment model, which applies a set of economic factors to analyze the potential future growth and value—or intrinsic value—of the 22 developed countries and their currencies in the MSCI World Ex-U.S. Index. These factors, which include free cash earnings, interest rate movement and other technical indicators, are used to create a ranking of those countries that demonstrate the greatest potential for return. The same factors are also used to determine individual country weightings within the fund's profile. Rebalanced on at least a monthly basis, the fund's exposure rotates from less attractive countries to more attractive countries. In addition, the fund attempts to capture returns in excess of the index (before fees and expenses) by overweighting those countries with the most promising risk and return characteristics.

FUND BENEFITS:

- Offers a disciplined and quantitative approach to international investing
- Attempts to generate returns before fees and expenses in excess of the MSCI World ex-U.S. Index
- Provides exposure to international marketplace at the country level
- Adds a rotation strategy to your portfolio
- Potential to enhance overall portfolio diversification¹

FUND GUIDELINES:

- Minimum investment for any country: 5%*
- Maximum investment for any country: index weight, plus 20%
- Minimum country exposure: 6
- Maximum country exposure: 15
- Rebalances on at least a monthly basis

*If the model allocation is less than 5%, the country's allocation is set to zero and is distributed pro-rata to the other allocations within the fund's portfolio.

MSCI WORLD EX-U.S. EXPOSURE² (AS OF 08/01/2007)

The Morgan Stanley Capital International (MSCI) World Ex-U.S. Index is a free float-adjusted, market capitalization index that is designed to measure international market equity performance.

Country	Weight	Country	Weight
United Kingdom	21.14%	Hong Kong	1.74%
Japan	19.88%	Finland	1.56%
France	9.42%	Belgium	1.12%
Germany	7.60%	Singapore	1.03%
Canada	7.35%	Norway	0.98%
Switzerland	6.11%	Denmark	0.82%
Australia	5.73%	Ireland	0.72%
Spain	3.85%	Greece	0.65%
Italy	3.50%	Austria	0.57%
Netherlands	3.28%	Portugal	0.36%
Sweden	2.43%	New Zealand	0.15%

¹ Diversification neither assures a profit nor eliminates the risk of experiencing investment losses.

² Source: MSCI, August 1, 2007. The MSCI World Ex-U.S. Index is unmanaged and is not available for direct investment. Composition is subject to change and does not reflect the country composition of Rydex International Rotation Fund.

³ **Rydex International Rotation Fund is subject to a number of risks and may not be suitable for all investors.** The fund's investment in foreign instruments may be volatile due to the impact of diplomatic, political or economic developments on the country in question. Additionally, the fund's direct or indirect exposure to foreign currencies subjects the fund to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of short positions, that the U.S. dollar will decline in value relative to the currency being hedged. Since the fund invests in ETFs, in addition to directly bearing the expenses associated with its own operations, it will bear a pro-rata portion of the ETFs' expenses. Due to these additional expenses, the performance of the fund may differ than if it invested directly in the underlying investments of an ETF. The fund's use of derivatives such as futures, options and swap agreements may expose the fund to additional risks that it would not be subject to if it invested directly in the securities underlying those derivatives. See the prospectus for more details.

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

ANNUAL COUNTRY RETURNS VS. MSCI WORLD EX-U.S. INDEX RETURNS 2006 (AS OF 12/31/2006)

Country	Annual Returns
Spain	50.17%
Ireland	47.56%
Portugal	48.37%
Singapore	46.73%
Norway	46.33%
Sweden	44.64%
Denmark	39.52%
Austria	37.14%
Belgium	37.81%
Germany	36.79%
France	35.42%
Greece	35.05%
Netherlands	32.45%
Italy	34.07%
Finland	31.04%
Australia	32.57%
Hong Kong	30.35%
United Kingdom	30.66%
Switzerland	28.23%
MSCI World Ex-U.S. Index	26.23%
Canada	18.35%
New Zealand	17.75%
Japan	6.33%

MSCI WORLD EX-U.S. INDEX AVERAGE ANNUAL TOTAL RETURNS (AS OF 08/01/2007)

The MSCI World Ex-U.S. Index is comprised of 22 developed countries and excludes exposure to the U.S.

Index	YTD	1 Year	3 Year	5 Year	10 Year
MSCI World Ex-U.S. Index	6.16%	20.25%	19.93%	17.87%	5.57%

Performance displayed represents past performance, which is no guarantee of future results. Performance shown is not meant to represent the performance on any Rydex fund.

Source: Calculated by Rydex Investments using information from www.msicbarra.com.⁴

The information shown is intended to be general in nature and does not represent actual investments within the International Rotation Fund. Individual country returns shown are based on the MSCI country indices. Each MSCI country index captures 85% of the total country market capitalization of the market. The MSCI World Ex-U.S. Index, which is comprised of MSCI country indices, is designed to measure global market equity performance of the entire developed world less the United States. The indices listed are unmanaged and not available for direct investment. Index returns do not reflect any management fees, transaction costs or expenses.

RYDEX INTERNATIONAL ROTATION FUND

SYMBOL & CUSIP NUMBER

	Symbol	Cusip #	Inception
A-Class ⁵	RYFRX	783-56A-42-6	8/31/2007
C-Class	RYFWX	783-56A-41-8	8/31/2007
H-Class	RYFHX	783-56A-39-2	8/31/2007



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⁵ The maximum sales charge for A-shares is 4.75%. A-share investors may be eligible for a reduction in sales charges. Using certain circumstances, there may be a CDSC of 1% for redemptions within 18 months of purchase. See the prospectus for details.

For more complete information regarding Rydex funds, call 800.820.0888 for a prospectus. Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The fund's prospectus contains this and other information about the fund. Read the prospectus carefully before you invest or send money. This fund is considered nondiversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in a more diversified fund. Rydex funds are offered in multiple share classes. Read the prospectus for information on fees, expenses and holding periods that may apply to each class. Each class invests in the same underlying portfolio. Not all funds and all share classes are available at all firms offering Rydex funds.

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