RYDEX SECTOR ROTATION FUND

RydexInvestments
Essential for modern markets®

A MULTI-SECTOR FUND USING A MOMENTUM STRATEGY

SECOND QUARTER 2007

FUND HIGHLIGHTS & APPLICATIONS[6]

- May complement existing value and growth portfolio holdings with a momentum approach that strives to invest in the economy's best-performing sectors exhibiting the highest price momentum
- Provides a disciplined way to potentially achieve growth stock exposure

INVESTMENT STRATEGY

Seeks to provide long-term capital appreciation by investing in different sectors or industries using a momentum strategy

TOTAL ASSETS

$301,224,812 (AS OF 6/30/07)

DISTRIBUTION/DIVIDEND FREQUENCY

Annual, if applicable

FUND TYPE

Domestic Equity

TRADING HOURS[7]

PHONE: 8:30 A.M.-3:45 P.M. ET
WEB: 8:30 A.M.-3:50 P.M. ET

PORTFOLIO MANAGER

Team managed

BENCHMARK COMPARISON

S&P 500® Index

REDEMPTION FEE

1% on redemptions made within 30 days of the date of purchase

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

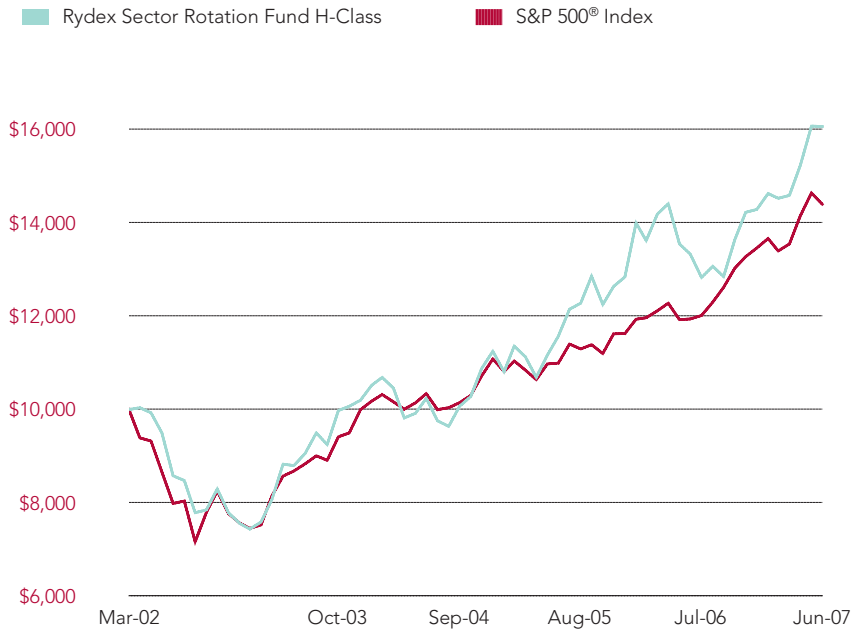
AVERAGE ANNUAL TOTAL RETURNS (AS OF 06/30/2007)

Class	YTD[1]	1-Year	3-Year	5-Year	10-Year	SI	Total Expense Ratio[2]	Inception Date
A-Share Class (w/load)	7.11%	14.80%	14.25%	N/A	N/A	12.35%	1.64%	3/31/2004
A-Share Class (NAV)	12.47%	20.51%	16.11%	N/A	N/A	14.04%	1.64%	3/31/2004
C-Share Class (w/load)	11.00%	18.64%	15.33%	10.26%	N/A	8.58%	2.39%	3/22/2002
C-Share Class (NAV)	12.00%	19.64%	15.33%	10.26%	N/A	8.58%	2.39%	3/22/2002
H-Share Class	12.44%	20.53%	16.21%	11.09%	N/A	9.39%	1.65%	3/22/2002
S&P 500® Index[3]	6.96%	20.59%	11.68%	10.71%	N/A	7.14%[4]	—	—

Performance displayed represents past performance, which is no guarantee of future results. *Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Returns reflect the reinvestment of all dividends. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month end, visit our web site at www.rydexinvestments.com. Class A-share with load performance reflects a maximum sales charge of 4.75%. Class C-share with load performance reflects a maximum contingent deferred sales charge (CDSC) of 1% for shares redeemed within 12 months of purchase. For additional information, see the fund's prospectus.*

GROWTH OF $10,000[5]

(Since Inception 03/22/02-06/30/07)



[1] Partial year returns are cumulative, not annualized. Performance results are short-term and may not provide an adequate basis for evaluating the performance potential of the fund over varying market conditions or economic cycles. [2] Total expense ratio is as of fiscal year ended 03/31/07. Total annual operating expenses vary by share class. See the prospectus for information on the fees and expenses that apply to each share class. [3] The index is unmanaged and not available for direct investment. [4] Returns are for the period 3/22/02-6/30/07 (since inception of Rydex Sector Rotation Fund H Class). [5] Figure includes reinvestment of dividends and capital gains, but does not reflect the effect of any sales charges or redemption fees. [6] **The Rydex Sector Rotation Fund may not be suitable for all investors.** The fund is subject to the risk that the Advisor's use of a price momentum-driven investment strategy may cause the fund to underperform other types of mutual funds that use different investment strategies during the periods when price momentum investing is out of favor. The 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. The fund may invest in American Depositary Receipts ("ADRs") therefore subjecting the value of the fund's portfolio to fluctuations in foreign exchange rates. [7] Cut off times will change to market close as of 8/1/07.

SECTOR ROTATION FUND (AS OF 06/30/2007)

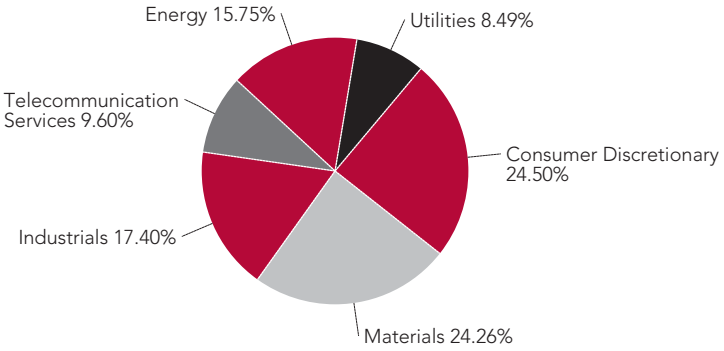
TOP 10 INDUSTRIES[8]

1. Internet & Catalog Retail
2. Wireless Telecommunication Services
3. Marine
4. Metals & Mining
5. Construction & Engineering
6. Energy Equipment & Services
7. Independent Power Producers & Energy Traders
8. Auto Components
9. Containers & Packaging
10. Construction Materials

TOP 10 COMPANIES[8]

1.	Amazon.com, Inc.	3.90
2.	Liberty Media Holding Corp. Interactive Series A	2.45
3.	Cemex S.A. B. De CV. (Ads)	2.21
4.	Expedia Inc.	2.19
5.	Iac Interactive Corp.	1.99
6.	TXU Corp.	1.83
7.	Alexander & Baldwin Inc.	1.63
8.	China Mobile Ltd. (Ads)	1.59
9.	Kirby Corp.	1.50
10.	Johnson Controls Inc.	1.49

SECTOR BREAKDOWNS[8]



THREE YEAR FUND DATA[9] (AS OF 06/30/2007)

Standard Deviation[10]	12.64
R-Squared[11]	61.86
Beta[12]	1.38
Sharpe Ratio[13]	1.06

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

[11] **R-Squared:** A measurement of how closely an investment's performance correlates with the performance of a benchmark, such as the S&P 500, and thus a measurement of what portion of its performance may be explained by the performance of the overall market or index. Values for R-squared range from 0 to 100, where 0 indicates no correlation and 100 indicates perfect correlation.

[12] **Beta:** Beta is a statistical measure of volatility relative to the overall market, usually the S&P 500. A positive beta indicates movement in the same direction as the market, while a negative beta indicates movement inverse to the market. Beta for the market is generally considered to be 1. A beta above 1 or below -1 indicates more volatility than the market. A beta between 1 to -1 indicates less volatility than the market.

[13] **Sharpe Ratio:** A risk-adjusted measure developed by William F. Sharpe, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the fund's risk-adjusted performance.

RYDEX SECTOR ROTATION FUND SYMBOL & CUSIP NUMBER

	Symbol	Cusip #	Inception
H-Class	RYSRX	783-55E-83-3	3/22/2002
C-Class	RYISX	783-55E-82-5	3/22/2002
A-Class[14]	RYAMX	783-55E-51-0	3/31/2004

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[8] Data is for informational purposes only and is not a solicitation or recommendation to buy individual securities. Composition is subject to change. [9] Source data: FactSet as of 6/30/07. [14] The maximum sales charge for A-shares is 4.75%. A-share investors may be eligible for a reduction in sales charges. Under 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 or visit www.rydexinvestments.com 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. Rydex funds are distributed by Rydex Distributors, Inc., an affiliate of Rydex Investments. QTR-FSSR-0607 x0907