THE 100 YEAR DOW JONES CHART

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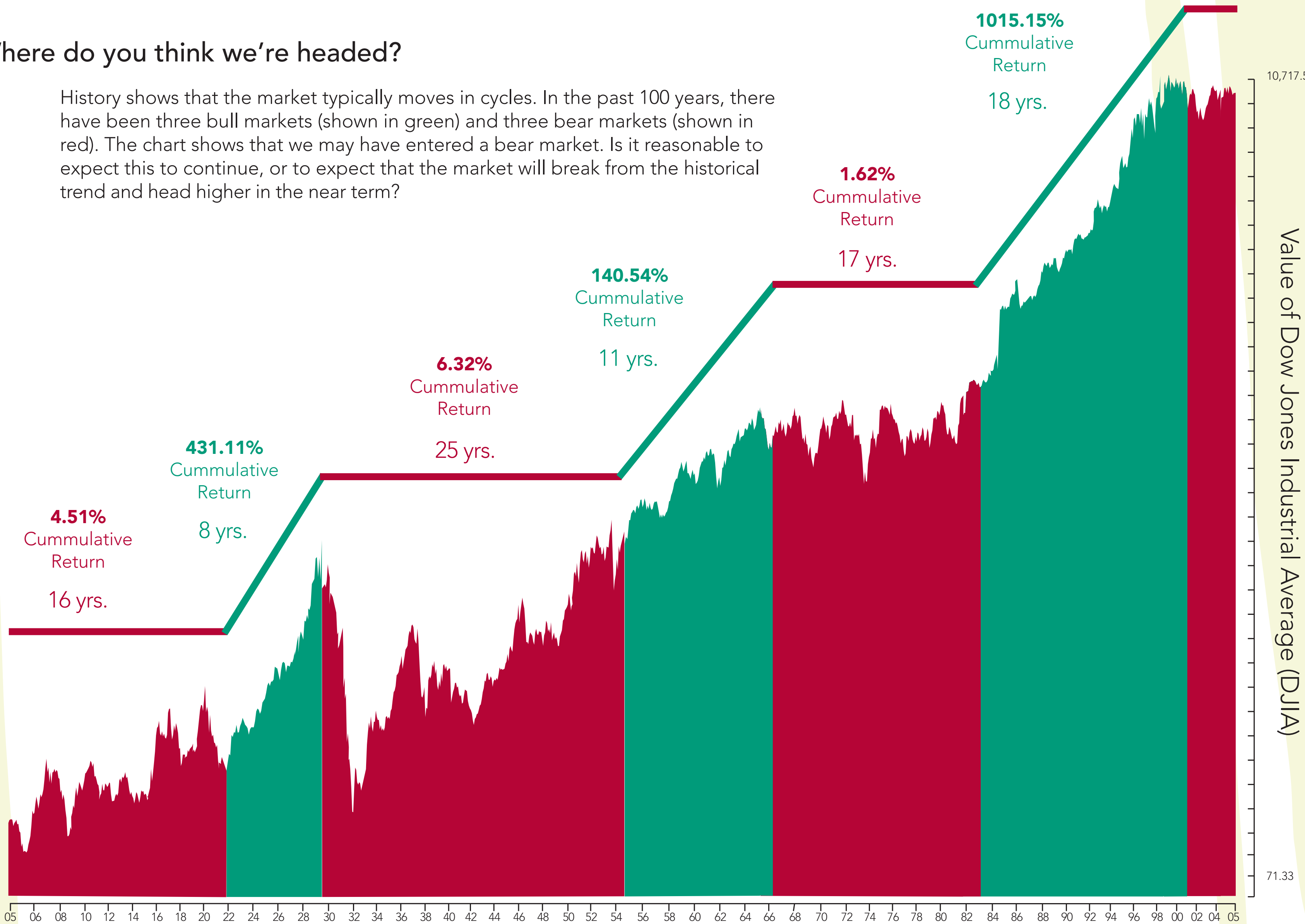
Where do you think we're headed?

History shows that the market typically moves in cycles. In the past 100 years, there have been three bull markets (shown in green) and three bear markets (shown in red). The chart shows that we may have entered a bear market. Is it reasonable to expect this to continue, or to expect that the market will break from the historical trend and head higher in the near term?



Source data used to create the chart: www.dowjones.com 1/30/2006.

The Dow Jones Industrial Average is unmanaged and unavailable for direct investment. Returns do not reflect any dividends, management fees, transaction costs or expenses. ***Performance displayed represents past performance, which is no guarantee of future results.*** *Contact your financial advisor to discuss this concept further. Rydex Distributors, Inc., is an affiliate of Rydex Investments.*

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Over the last 100 years, the stock market has rewarded investors with long-term growth. But for most investors, a realistic time horizon is 10 to 20 years—not more than a century.

History shows that the equity market enters long periods of high returns, followed by lengthy periods of lower ones. These periods are called secular trends. There are two kinds of secular trends:

A secular bull market, or upwards trending market, occurs when each successive high point is higher than the previous one.

Start	End	Years	Months	Annualized Return	Cumulative Return	Annualized Std. Dev.
10/1921	8/1929	8	94	22.59%	431.11%	15.1%
1/1955	1/1966	11	131	7.95%	140.54%	10.7%
11/1982	8/2000	18	212	13.95%	1015.15%	16.2%

A secular bear market, or downward-trending market, occurs when a trend does not rise above the previous high.

Start	End	Years	Months	Annualized Return	Cumulative Return	Annualized Std. Dev.
1/1905	10/1921	16	198	0.28%	4.51%	19.11%
9/1929	12/1954	25	300	0.23%	6.32%	23%
2/1966	10/1982	17	199	0.09%	1.62%	13.7%

Current market environment. Please discuss current market conditions and appropriate investments with your financial advisor.

Start	End	Years	Months	Annualized Return	Cumulative Return	Annualized Std. Dev.
9/2000	12/2005	5	64	-0.85%	-4.44%	15.15%

Having a thorough understanding of these trends and the current market environment may help you better prepare for upcoming financial goals. **Contact your financial advisor to discuss this concept further.**

Data source: Ibbotson Associates and Bloomberg. Calculated by Rydex Distributors, Inc. using information and data presented in Ibbotson Investment Analysis Software, ©2006 Ibbotson Associates, Inc. All rights reserved. Used with permission.

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Some strategies to consider during various secular cycles include:

Secular Bull Market

- Relative Returns[1]
- Wealth Accumulation
- Correlating Assets[2]
- Buy and Hold

Secular Bear Market

- Real Returns[1]
- Wealth Preservation
- Non-Correlating Assets[2]
- Dynamic/Alternative Approach[3]

[1] Real returns are what you actually make. Hypothetically, if your portfolio returned 12% last year, this should be your real return. Relative returns are returns compared to a benchmark. For example, if an index made 28% last year, compared to your portfolio which made 12%, your portfolio underperformed relative to the benchmark S&P 500.

[2] Correlating assets mean that there is a relationship to one another. An asset class that has a high correlation, or beta, is potentially more sensitive to market movements; one with a low correlation is potentially less sensitive to market movements. Negatively correlated assets should move in the opposite direction of positively correlated ones.

[3] A dynamic/alternative approach is one that incorporates specialized investments in conjunction with a core strategy to potentially take advantage of changing market conditions. Specialized investment strategies may help you achieve greater diversification, lower volatility and potentially better returns. There are various risks associated with these types of investments, so you should educate yourself thoroughly with the help of your advisor to gain a better understanding.

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