New Constructs®

PREDICTIVE FUND RATING

02/01/12
NAV as of 01/31/12: $24.67

RYTSX - Very Dangerous Rating

★☆☆☆☆

Rydex Series Funds: Transportation Fund

★☆☆☆☆	**Predictive Rating**	Very Dangerous
★★★☆☆	**Portfolio Management**	Neutral
★☆☆☆☆	**Total Annual Costs**	Very Dangerous

- Predictive Ratings are based on aggregating our stock ratings on each of the fund's holdings and all of the fund's expenses.
- Stock-picking (Portfolio Management) and fund expenses (Total Annual Costs) drive fund performance.

Investment Recommendation

- We strongly recommend investors avoid RYTSX.
- Despite mediocre past performance, we expect the fund to significantly underperform the market.
- RYTSX's Portfolio Management rating does not justify its high Total Annual Costs.

Fund Rankings

- 3rd percentile of the 7000+ equity funds we cover.
- 18 out of 18 Industrials funds.
- All 17 ETFs in the same category rank better.
- See rankings for all US equity funds on our free fund screener.

Portfolio Management Rating Details

- RYTSX receives our Neutral rating because it overweights Neutral-or-worse-rated stocks.
- XLI, RYTSX's benchmark, receives our Neutral rating and holds better stocks than the fund.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings.
- Our top-ranked stock ratings leverage key data from the financial footnotes for unrivaled research quality.

Portfolio Management Rating Breakdown

Business Strength

★★★★☆	Quality of Earnings	Attractive
★★★☆☆	Return on Invested Capital (ROIC)	10.48%

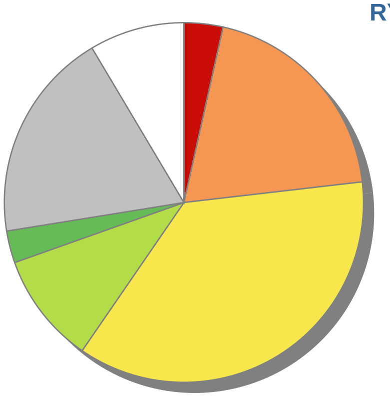
Valuation

★★★☆☆	Free Cash Flow Yield	2.46%
★★★☆☆	Price to Economic Book Value	2.26
★★☆☆☆	Market-Implied Duration of Growth	38 year(s)

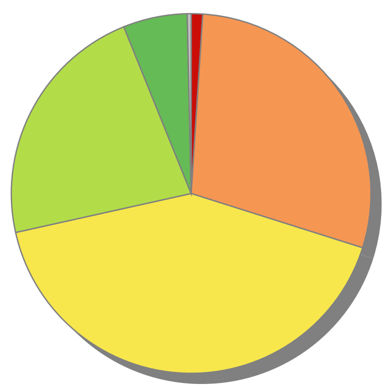
Fund Asset Allocation

★★☆☆☆	Cash Allocation	8.55% cash

Stock and Cash Rating Allocations vs Benchmark - Industrial Select Sector SPDR (XLI)



RYTSX Allocations		XLI Allocations
3.50%	Very Dangerous ★☆☆☆☆	1.03%
19.67%	Dangerous ★★☆☆☆	28.85%
36.42%	Neutral ★★★☆☆	41.64%
9.99%	Attractive ★★★★☆	22.37%
2.88%	Very Attractive ★★★★★	5.76%
18.99%	Unrated	0.35%
8.55%	Cash	--



Holdings as of 11/30/11. Cash as of 12/31/11.
Ratings as of 01/31/12.

Active Management Commentary

- RYTSX allocates 23.17% of its value to Dangerous-or-worse-rated stocks while XLI allocates 29.88%.
- RYTSX allocates 12.87% of its value to Attractive-or-better-rated stocks while XLI allocates 28.13%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Dangerous and Very Dangerous stocks than alternative funds with lower costs.
- Active portfolio management of RYTSX does not add value versus its ETF benchmark XLI.

Return - Annual

Year to Date	9.55%
1 Year	-1.20%
3 Year	18.58%
5 Year	-2.44%
Inception	3.88%

Top 5 Holdings

United Parcel Service Inc	UPS
Union Pacific Corp	UNP
Ford Motor Co	F
General Motors Co	GM
FedEx Corp	FDX

Key Mutual Fund Statistics

Net Assets(mm)	$8.40	Category	Industrials
NAV	$24.67	Mgmt Co	Rydex/SGI Funds
Benchmark	XLI	Manager	Byrum/Dellapa/Harder
# of Holdings	52	Tenure	1998
Initial Min	$2,500	Inception	09/01/04

Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Details on Total Annual Costs Rating are on page 2.

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★☆☆☆☆	5.98%	0.40%	18 of 18

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Total Annual Costs Breakdown

All Cost Types	RYTSX (Annualized Values)	Benchmark: XLI (Annualized Values)
Front-End Load	1.83%	--
Expense Ratio	1.83%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	2.31%	--
Total Annual Costs	5.98%	0.22%

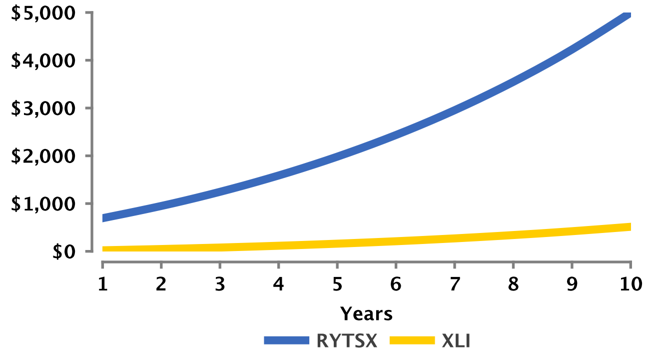
- To justify its higher Total Annual Costs, RYTSX must outperform its ETF benchmark by 6.17% annually over 3 years or 4.85% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 1217%.

Reported Costs vs Benchmark: as of 08/01/11

	RYTSX	Benchmark: XLI
Front-End Load	4.75%	--
Expense Ratio	1.64%	0.20%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a $10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are $1,245.80 for RYTSX and $79.70 for XLI. 10-year Accumulated Total Costs are $4,997.41 for RYTSX and $514.10 for XLI.

Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Overview of Our Predictive Mutual Fund Rating System

New Constructs' Predictive Fund Ratings enable smarter investing by assessing the key drivers of future fund performance. We start by analyzing every fund holding based on New Constructs' stock ratings, which are regularly featured as among the best by Barron's. Next, we measure and rank the all-in costs of investing in a fund.

Intuitively, there are two drivers of future fund performance.
1) New stock-picking (Portfolio Management Rating) and
2) Fund expenses (Total Annual Costs Rating) drive investment performance

The figure below details the criteria that drive our Predictive Rating system for funds. The two drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The Portfolio Management Rating (details here) is the same as our Stock Rating (details here) except that we incorporate Asset Allocation (details here) in the Portfolio Management Rating. The Total Annual Costs Rating (details here) captures the all-in cost of being in a fund over a 3-year holding period, the average period for all mutual fund investors.

Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Business Strength		Valuation			Asset Allocation	
	Quality of Earnings	Return on Invested Capital	FCF Yield	Price to Econ Book Value	Mkt-Imp Duration of Growth	Cash %	
Very Dangerous ★☆☆☆☆	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50	> 20%	> 4%
Dangerous ★★☆☆☆	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50	8% < 20%	2% < 4%
Neutral ★★★☆☆	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20	2.5% < 8%	1% < 2%
Attractive ★★★★☆	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10	1% < 2.5%	0.5% < 1%
Very Attractive ★★★★★	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3	< 1%	< 0.5%

New Constructs® - Profile

Incorporated in July 2002, New Constructs is an independent publisher of investment research that provides clients with consulting, advisory and research services. We specialize in quality-of-earnings, forensic accounting and discounted cash flow valuation analyses for all U.S. public companies.

How New Constructs Creates Value for Clients

1. **Superior Recommendations** - Our stock-picks consistently outperform. See our track record in our stock-picking accolades and Proof Is In Performance reports.
2. **More Accurate Research** - Our patented Research Platform for reversing accounting distortions and discounted cash flow analysis leverages better data to deliver smarter research.
3. **Time Savings** - We check the fine print in thousands of corporate filings so you don't have to. As reported by Barron's, our expertise in analyzing SEC filings delivers Hidden Gems and Red Flags that drive long-term stock-picking success.
4. **Transparency** - We are proud to share the results of our analysis of over 50,000 10-Ks. See the Corporate Disclosure Transgressions report we provided to the SEC. Our reports detail all data and assumptions. Company Models enable users to change them.
5. **Objectivity** - New Constructs is an independent research firm, not tied to Wall Street or investment banking services. See our presentation to the Senate Banking Committee, the SEC and many others in DC.

Our Philosophy About Research

Accounting data is not designed for equity investors, but for debt investors. Accounting data must be translated into economic earnings to understand the profitability and valuation relevant to equity investors. Respected investors (e.g. Adam Smith, Warren Buffett and Ben Graham) have repeatedly emphasized that accounting results should not be used to value stocks. Economic earnings are what matter because they are:

1. Based on the complete set of financial information available.
2. Standard for all companies.
3. A more accurate representation of the true underling cash flows of the business.