



RYDCX

Very Dangerous Rating

Rydex Series Funds: Mid-Cap 1.5x Strategy Fund

Predictive Rating

Very Dangerous

Portfolio Management

Dangerous

Total Annual Costs

Very Dangerous

- [Predictive Ratings](#) are based on the aggregation of our models for the fund's holdings, all of the fund's expenses, & the fund's overall rank.
- Stock-picking ([Portfolio Management](#)) and fund expenses ([Total Annual Costs](#)) drive fund performance.

Investment Recommendation

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

Fund Rankings

- 1st percentile of the 7000+ equity funds we cover.
- 756 out of 764 All Cap Blend funds.
- All 56 ETFs in the same category rank better.
- See rankings for all US equity funds on our [fund screener](#).

Portfolio Management Rating Details

- RYDCX receives our Dangerous Portfolio Management rating because it overweights Dangerous-or-worse-rated stocks.
- IWV, RYDCX's benchmark, receives our Very Attractive 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

Quality of Earnings Components: Ratings & Values

Neutral	Economic vs Reported EPS	Neutral EE
Attractive	Return on Invested Capital (ROIC)	10.96%

Valuation Components: Ratings & Values

Neutral	Free Cash Flow Yield	1.08%
Very Dangerous	Price to Economic Book Value Ratio	3.71
Dangerous	Growth Appreciation Period	49 year(s)

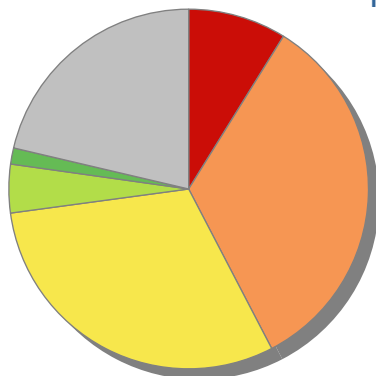
Fund Asset Allocation: Rating & Value

Very Attractive	Cash Allocation	0.00% cash
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Stock and Cash Rating Allocations vs Benchmark - iShares Russell 3000 ETF (IWV)

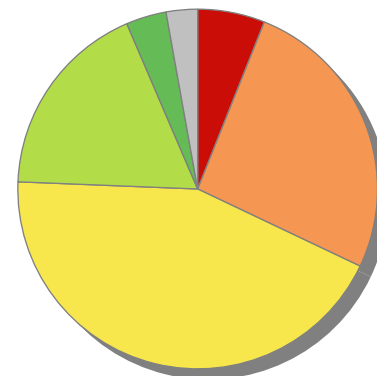
RYDCX Allocations

IWV Allocations



8.84%	Very Dangerous	6.05%
33.52%	Dangerous	26.01%
30.50%	Neutral	43.58%
4.36%	Attractive	17.92%
1.45%	Very Attractive	3.62%
21.33%	Unrated	2.82%
0.00%	Cash	--

Holdings as of 09/30/14.
Ratings as of 11/20/2014.



Active Management Commentary

- RYDCX allocates 42.36% of its value to Dangerous-or-worse-rated stocks while IWV allocates 32.06%.
- RYDCX allocates 5.81% of its value to Attractive-or-better-rated stocks while IWV allocates 21.54%.
- 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 RYDCX does not add value versus its ETF benchmark IWV.

Return - Annual

Year to Date	9.35%
1 Year	15.93%
3 Year	27.35%
5 Year	22.30%
Inception	8.03%

Top 5 Holdings

Guggenheim Strategy Fund I	-
Equinix Inc	EQIX
Skyworks Solutions Inc	SWKS
Hanesbrands Inc	HBI
Endo International PLC	ENDP

Key Mutual Fund Statistics

Net Assets(mm)	\$178.40	Category	All Cap Blend
NAV	\$55.68	Mgmt Co	Rydex Investments
Benchmark	IWV	Manager	Byrum/Dellapa/Harder
# of Holdings	401	Tenure	2001
Initial Min	\$2,500	Inception	08/20/2001

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
Very Dangerous	5.66%	0.56%	753 of 764

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	Annualized Values	
	RYDCX	Benchmark: IWV
Front-End Load	0.00%	--
Expense Ratio	2.73%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	2.93%	--
Total Annual Costs	5.66%	0.22%

- To justify its higher Total Annual Costs, RYDCX must outperform its ETF benchmark before all costs by 5.43% annually over 3 years or 5.43% 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 563%.

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. Finally, we rank the fund compared to all other funds to identify the best and worst funds in the market.

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

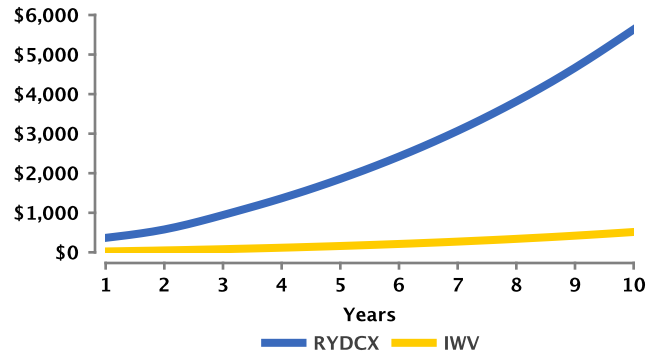
The figure below details the criteria that drive our Predictive Rating system for funds. The drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The Portfolio Management Rating (details [here](#)) is the same as our Stock Rating (details [here](#)) except that we 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.

Reported Costs vs Benchmark: as of 08/01/2014

	RYDCX	Benchmark: IWV
Front-End Load	0.00%	--
Expense Ratio	2.42%	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 \$943.11 for RYDCX and \$79.70 for IWV. 10-year Accumulated Total Costs are \$5,635.60 for RYDCX and \$514.10 for IWV.

Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Quality of Earnings		Valuation			Asset Allocation	
	Economic vs Reported EPS	Return on Invested Capital (ROIC)	FCF Yield	Price-to-EBV Ratio	Growth Appreciation Period (yrs)	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%

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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.

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

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