

Guggenheim Investments Announces Share Splits for Select Rydex Mutual Funds

Rydex Funds

In late October and early November, Guggenheim will conduct share splits and reverse share splits for select Rydex mutual funds. The share splits will be executed in two phases. Share splits will apply to all classes of shares and will not impact the aggregate value of assets as a result of the share splits.

October Share Splits

Phase I will include share splits and reverse share splits for 10 mutual funds. The record date is October 28, 2016, and the effective date is October 31, 2016. Listed below are the affected mutual funds, their share split ratios, record date, and effective date.

Share splits:

Mutual Fund	Split Ratio (new to old)	Record Date	Effective Date
Financial Services	2:1	10.28.2016	10.31.2016
S&P 500 [®] Pure Value	2:1	10.28.2016	10.31.2016
Russell 2000 [®] 2x Strategy	3:1	10.28.2016	10.31.2016
NASDAQ-100 [®] 2x Strategy	5:1	10.28.2016	10.31.2016

Reverse share splits:

Mutual Fund	Split Ratio (new to old)	Record Date	Effective Date
Commodities Strategy	1:12	10.28.2016	10.31.2016
Inverse S&P 500 [®] Strategy	1:6	10.28.2016	10.31.2016
Weakening Dollar 2x Strategy	1:6	10.28.2016	10.31.2016
Europe 1.25x Strategy	1:6	10.28.2016	10.31.2016
Inverse NASDAQ-100 [®] 2x Strategy	1:6	10.28.2016	10.31.2016
Inverse Emerging Markets 2x Strategy	1:6	10.28.2016	10.31.2016

November Share Splits

Phase II will include a reverse share split affecting seven mutual funds. The record date is November 4, 2016, and the effective date is November 7, 2016. Listed below are the relevant mutual funds, their share split ratios, record date, and effective date.

Reverse share splits:

Mutual Fund	Split Ratio (new to old)	Record Date	Effective Date
Inverse High Yield Strategy	1:4	11.4.2016	11.7.2016
Energy	1:4	11.4.2016	11.7.2016
Inverse S&P 500 [®] 2x Strategy PM	1:4	11.4.2016	11.7.2016
Emerging Markets Bond Strategy	1:4	11.4.2016	11.7.2016
Inverse Russell 2000 [®] 2x Strategy	1:4	11.4.2016	11.7.2016
Inverse NASDAQ-100 [®] Strategy	1:4	11.4.2016	11.7.2016
Japan 2x Strategy	1:4	11.4.2016	11.7.2016

Definitions

Effective Date: For splits, the date that the share price changes to reflect the split

Date of Record: Date on which an individual must own the shares in order to be eligible to receive the split price

What are the details regarding the share splits?

Guggenheim has announced share splits and reverse share splits for a total of 17 Rydex mutual funds. The share splits will occur in two phases. In the first phase, shareholders of record on October 28, 2016 for 10 mutual funds will see share splits and reverse share splits. Phase II will include a reverse share split for seven Rydex funds for shareholders of record on November 4, 2016.

After the close of business on those dates, each fund will have a share split or reverse share split of its issued and outstanding shares as indicated in the tables above.

Why are fund shares splitting?

The primary reason a firm elects to perform a share split is either to increase or decrease the Net Asset Value (NAV) of the fund.

What is the difference between a share split and a reverse share split?

A regular share split is the process by which the number of shares of a fund is increased and the price per share of the fund is decreased by a predetermined ratio.

For example, after a two-for-one split, a shareholder would own double the number of shares previously held but the value of each share is reduced by half.

A reverse share split is the process by which the number of shares of a fund is reduced and the price per share of the fund is increased by a predetermined ratio.

For example, if a fund were to go through a one-for-four reverse share split, the total shares would be divided by four and the price per share would be multiplied by four.

Is a share split or reverse share split a taxable event?

No. Shares were not purchased or sold; therefore, a share split is not a taxable event.

How will shareholders be notified?

Shareholders will be notified via a supplement to the fund's prospectus and notification on the Guggenheim website.

Will a share split or reverse share split have a negative impact on fund's performance?

No. Performance of the funds is based on each fund's holdings. The split will have no impact on a fund's holding or its performance.

What is the difference between the record date and the effective date?

The record date is the date the split is happening after the market closes and the effective date is the first business date after the record date, when the shareholder account reflects the split.

If I own shares of the fund on the day it performs a share split, will the split impact my dollar value in that fund?

No, share splits do not change the total value of an investment in the funds. This is because the dollar value is calculated by multiplying the number of shares in a fund by the NAV per share of that fund.

Illustration of a Reverse Share Split

If you held 1,000 shares of a fund and the NAV was \$2 per share, your total dollar value for that fund would be \$2,000.

$$1,000 \text{ shares} \times \$2.00 \text{ per share} = \$2,000$$

If the fund went through a one-for-four reverse split, the shares would be divided by four and the NAV would be multiplied by four.

$$\text{New share balance } 1,000 \text{ shares} / 4 = 250 \text{ shares}$$

$$\text{New NAV: } \$2 \text{ per share} \times 4 = \$8 \text{ per share}$$

$$250 \text{ shares} \times \$8 = \$2,000$$

The dollar value did not change as a result of the reverse split.

Illustration of a Share Split

If you held 1,000 shares of a fund and the NAV was \$2 per share, your total dollar value for that fund would be \$2,000.

$$1,000 \text{ shares} \times \$2.00 \text{ per share} = \$2,000$$

If that fund went through a two-for-one split, the shares would be multiplied by the new number of shares

$$\text{Share balance } 1,000 \times 2 = 2,000 \text{ shares}$$

$$\text{New NAV: } \$2 \text{ per share} / 2 = \$1 \text{ per share}$$

$$2,000 \text{ shares} \times \$1 = \$2,000$$

The dollar value did not change as a result of the share split.

These examples are hypothetical and for illustration purposes only. It is not meant to represent an investment in any particular fund.

For additional information about the share splits of Rydex mutual funds, individual investors can call 800 820 0888, and financial professionals can call 800 345 7999.

There can be no assurance that any investment product will achieve its investment objective (s). There are risks associated with investing, including the entire loss of principal invested. Investing involves market risk. Please see a prospectus for more information.

Read the fund's prospectus and summary prospectus (if available) carefully before investing. It contains the fund's investment objectives, risks, charges, expenses and other information, which should be considered carefully before investing. To download a prospectus and summary prospectus (if available) visit GuggenheimInvestments.com or call 800 820 0888.

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

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