

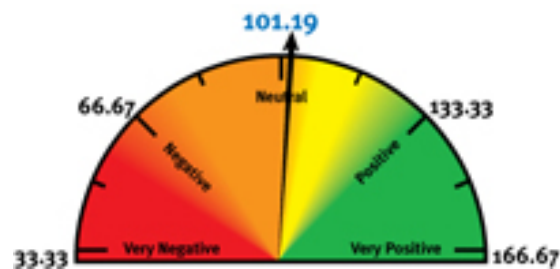
Advisor Confidence Index Decreased To 10-month Low in May

Advisors think proposed financial reform legislation will have little impact on the U.S. economy

May 24, 2010...Rockville, MD... In May, advisor confidence in the economy and the stock market declined to its lowest level since last summer, according to Rydex|SGI AdvisorBenchmarking. The Advisor Confidence Index (ACI)—a benchmark that gauges advisor views on the U.S. economy and stock market—was 101.19 in May, down nearly 6% from 108.59 in April.

In May, Rydex|SGI also surveyed advisors on their opinion regarding the impact the proposed financial reform legislation will have on the U.S. economy. Almost half of advisors (about 48%) think it will have very little impact on the U.S. economy. Advisors were evenly split between those who believe the proposed legislation will have a negative impact on the U.S. economy (18%) and positive impact on the U.S. economy (18%). About one fourth (23%) of financial professionals think the proposed legislation will result in unintended consequences for the financial industry and investors. The survey also found that more than half of the advisors (61%) agreed with proposals to close regulatory loopholes for derivatives and other complex investment packages and (57%) think that bank supervision should be strengthened. About half (52%) of financial professionals agreed that credit rating agencies should be regulated.

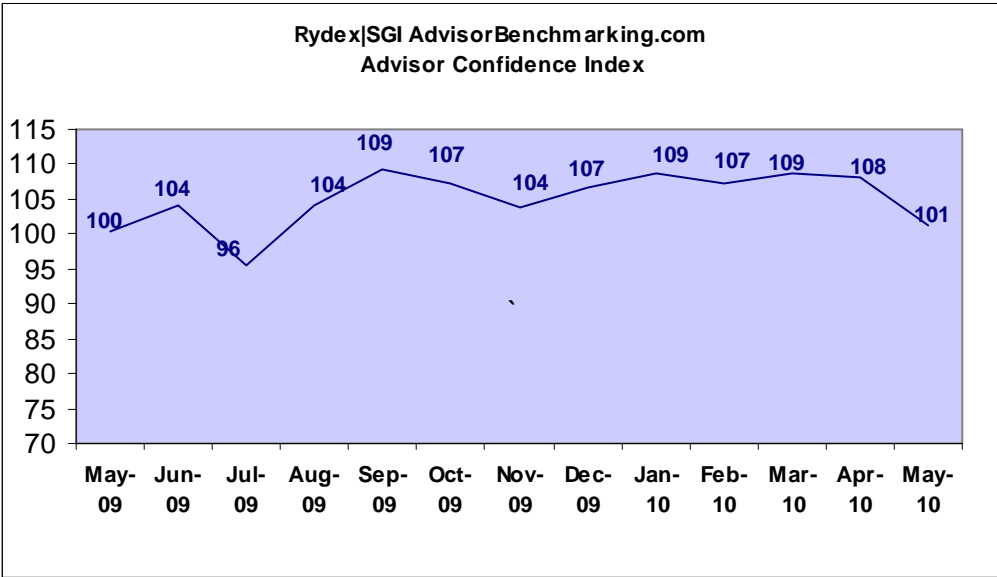
Overall, advisor confidence levels decreased significantly in May. The Advisor Confidence Index, which had improved in March and April, decreased in May. “The peripheral European countries and related euro contagion coupled with a potential China slowdown may have very negative implications for the U.S. recovery,” said Gregory Horn of Persimmon Capital Management.



All four measures in the ACI decreased in May, with the most pessimistic forecast centering on the stock market outlook. A closer look at the components reveals the following:

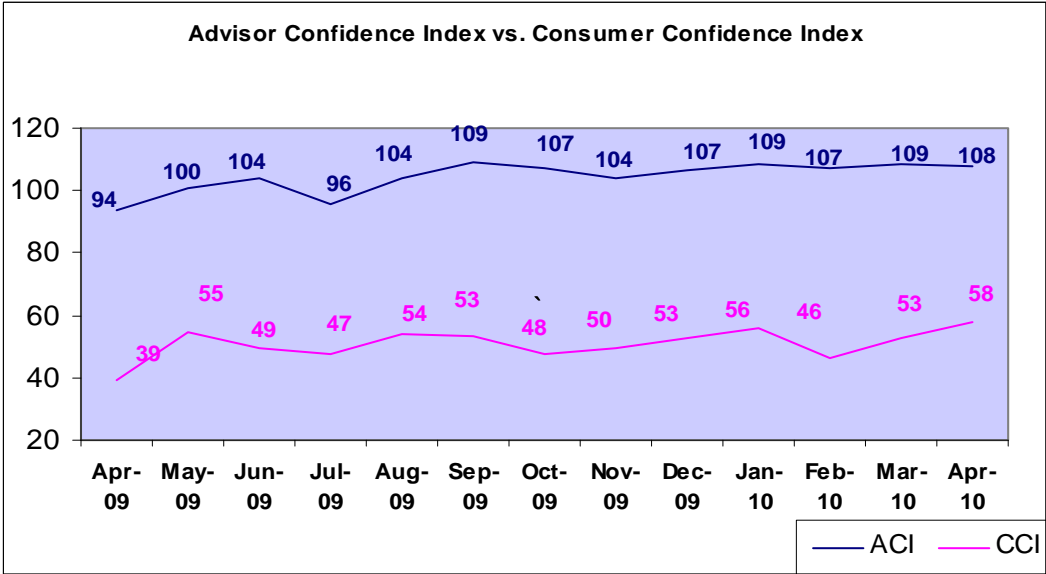
Current economic outlook	-7.80%
Six-month economic outlook	-9.63%
12-month economic outlook	-0.37%

Stock market outlook	-10.62%
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Advisor vs. consumer confidence

The Conference Board Consumer Confidence Index®, which had rebounded in March, increased further in April. The index stood at 57.9 (1985=100), up from 52.5 in March.



Notable comments from participating advisors

Most of the advisors who participated in the survey elected to have their names made available to reporters who would like to interview them about their economic sentiments. Rydex|SGI AdvisorBenchmarking can facilitate such interviews for reporters.

“The U.S. economy has good momentum and is unlikely to be pushed into recession due to the problems with the euro. However, concerns about the euro have caused the dollar

to rise in a flight to quality which will likely have a small negative impact on our manufacturing sector. The U.S. dollar is still the primary reserve currency, and euro trouble only extends the dollar's reign. Even so, we are using the weakness in the foreign markets to slightly increase exposure to foreign equities for the first time in a couple of years.”

-- Bill Ramsay, Financial Symmetry, Inc.

“Economics 101: You cannot have a sustained economic recovery without job and real wage growth. Capitalism is a great economic system. However, you cannot base long-term recovery entirely on cost cutting. Ringing waste and inefficiency out of the marketplace is great as long as those dollars are invested back into the business to grow long term. To date, we still are not seeing a strong trend towards business investment. That ultimately has to change in order to create jobs and raise incomes in the long term. The consumer has hit a point where their spending has stabilized. We may see some increased spending on a seasonal basis, but not at any long-term trend until we see job growth. For investors with a five year or longer time horizon, this may be a nice opportunity to pick up some nice bargains, particularly within the international markets. With the euro currently at a four-year low, there may not be a better time. Just don't expect things to change overnight. However, this change in currency rates will have a slowdown effect on companies with a large market exposure to the international markets. So focus on companies and sectors that have already cleaned up their books and are ready to either start shopping or will be targets for merger in the near term.”

-- George Cheatham, American Financial Consultants, Inc.

“The peripheral European countries and related euro contagion coupled with a potential China slowdown may have very negative implications for the U.S. recovery. The "sick men" of Europe cannot possibly implement enough austerity measures to offset such large debt to GDP levels and the U.S. is setting itself up for the same structural problems as spending is currently 150% of receipts.”

-- Gregory Horn, Persimmon Capital Management

About Rydex|SGI AdvisorBenchmarking, an affiliate of Rydex|SGI:

Rydex|SGI AdvisorBenchmarking is a research and analysis center focused on the registered investment advisor (RIA) marketplace. Every year through its survey web site, www.AdvisorBenchmarking.com, the firm conducts multiple surveys of advisors, covering a host of business management and investment management practices. The findings and analysis of the data are then released to the marketplace as annual studies, quarterly research notes, monthly newsletters and a confidence index. The service is aimed at helping advisors grow and enhance their firms by comparing how their businesses fare against other advisors. Advisors also learn best practices of the most successful advisors in the business. AdvisorBenchmarking is an affiliate of Rydex|SGI.

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