

## Rydex Sector Focus

### TOOLS FOR TARGETING OPPORTUNITIES

Sector investing can be a powerful tool in providing investors with diversification and risk management. By allocating assets across sectors, investors can potentially create a diversified portfolio.

Different sectors tend to perform differently in certain market conditions, which is why it is rare for any single sector to be a consistent top or bottom performer over any given period. Because there are so many factors that can affect how a specific sector will perform, it can make sense to diversify your holdings across different sectors. By including one or more sector groupings in your portfolio, you may improve return and reduce risk, particularly if the sectors you choose are varied. Of course, there is the risk that the opposite may be true—the overall market may be strong, and one or more sectors may underperform.

For example, Energy, with an annual total return of 18.40% in 2020, was one of eight sectors that underperformed the S&P 500® Index. However, three of the 11 individual sectors outperformed the S&P 500®, with Technology leading the way at 43.89%.

### Sector Performance vs S&P 500®

| S&P 500®            | 2013          | 2014          | 2015         | 2016          | 2017          | 2018          | 2019          | 2020          |
|---------------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| Technology          | 28.43%        | 9.83%         | -1.53%       | 6.03%         | 21.03%        | -8.38%        | 29.37%        | 13.45%        |
| Consumer Staples    | 26.14%        | 9.68%         | -2.53%       | 5.38%         | 13.49%        | -12.53%       | 11.06%        | 10.75%        |
| Materials           | 25.60%        | 6.91%         | -4.85%       | 3.39%         | 12.11%        | -13.03%       | 27.94%        | 10.75%        |
| Energy              | 25.07%        | 2.99%         | -8.38%       | -2.69%        | 10.85%        | -13.29%       | 27.61%        | 0.48%         |
| Utilities           | 13.21%        | -7.78%        | -21.12%      |               | -1.01%        | -14.70%       | 26.35%        | -1.69%        |
| Comm. Services      | 11.47%        |               |              |               | -1.25%        | -18.10%       | 24.58%        | -2.17%        |
| Real Estate         | 1.60%         |               |              |               |               |               | 20.82%        | -33.68%       |
|                     |               |               |              |               |               |               | 11.81%        |               |
| <b>S&amp;P 500®</b> | <b>32.39%</b> | <b>13.69%</b> | <b>1.38%</b> | <b>11.96%</b> | <b>21.83%</b> | <b>-4.38%</b> | <b>31.49%</b> | <b>18.40%</b> |

Source: FactSet, 12.31.2019.

**Performance displayed is past performance and is no guarantee of future results.** Sector returns are based on the Global Industry Classification Standard (GICS) Sector Indices. Index performance is for illustration purposes only and is not meant to represent any particular fund. Returns do not reflect any management fees, transaction costs, or expenses. The referenced indices are unmanaged and not available for direct investment. Diversification neither assures a profit nor eliminates the risk of experiencing investment losses. The GICS is an industry taxonomy developed by MSCI and Standard & Poor's (S&P) for use by the global financial community. The GICS structure consists of 11 sectors, 24 industry groups, 69 industries, and 158 sub-industries into which S&P has categorized all major public companies, according to the definition of the companies' principal business activity.

\* In September 2018, GICS created a new Communication Services sector, which combined the now defunct Telecommunication Services sector with parts of the Information Technology and Consumer Discretionary sectors.

## Average Annual Total Returns As of 12.31.2020

|                          | Class    | Symbol | CUSIP     | YTD*    | 1-Year  | 3-Year  | 5-Year  | 10-Year | Since Inception | Total Expense Ratio | Inception |
|--------------------------|----------|--------|-----------|---------|---------|---------|---------|---------|-----------------|---------------------|-----------|
| Rydex Banking            | Investor | RYKIX  | 783554868 | -7.86%  | -7.86%  | -1.45%  | 6.50%   | 5.61%   | 0.21%           | 1.48%               | 4.1.1998  |
|                          | A Class  | RYBIX  | 78355E379 | -12.84% | -12.84% | -3.43%  | 5.12%   | 4.78%   | -1.03%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYKIX  | 783554314 | -10.05% | -10.05% | -2.58%  | 5.35%   | 4.51%   | 0.16%           | 2.48%               | 3.30.2001 |
|                          | H Class  | RYKAX  | 783554876 | -8.50%  | -8.50%  | -1.85%  | 6.15%   | 5.19%   | -0.28%          | 1.74%               | 4.1.1998  |
| Rydex Basic Materials    | Investor | RYBIX  | 783554843 | 20.56%  | 20.56%  | 6.72%   | 14.19%  | 4.13%   | 4.76%           | 1.48%               | 4.1.1998  |
|                          | A Class  | RYBMX  | 78355E361 | 14.54%  | 14.54%  | 4.74%   | 12.81%  | 3.36%   | 6.80%           | 1.73%               | 9.1.2004  |
|                          | C Class  | RYBCX  | 783554298 | 18.35%  | 18.35%  | 5.65%   | 13.06%  | 3.09%   | 5.86%           | 2.47%               | 5.3.2001  |
|                          | H Class  | GILIX  | 783554850 | 20.25%  | 20.25%  | 6.46%   | 13.92%  | 3.75%   | 4.08%           | 1.72%               | 4.14.1998 |
| Rydex Biotechnology      | Investor | RYOIX  | 783554827 | 22.09%  | 22.09%  | 11.58%  | 7.73%   | 17.36%  | 12.13%          | 1.48%               | 4.1.1998  |
|                          | A Class  | RYBOX  | 78355E353 | 16.01%  | 16.01%  | 9.51%   | 6.42%   | 16.50%  | 12.29%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYCFX  | 783554280 | 19.86%  | 19.86%  | 10.47%  | 6.65%   | 16.18%  | 8.61%           | 2.48%               | 3.30.2001 |
|                          | H Class  | RYOAX  | 783554835 | 21.78%  | 21.78%  | 11.30%  | 7.45%   | 16.93%  | 11.62%          | 1.73%               | 4.1.1998  |
| Rydex Consumer Products  | Investor | RYCIX  | 783554793 | 8.29%   | 8.29%   | 5.45%   | 6.79%   | 10.42%  | 6.39%           | 1.46%               | 7.6.1998  |
|                          | A Class  | RYPDIX | 78355E346 | 2.87%   | 2.87%   | 3.49%   | 5.49%   | 9.61%   | 8.41%           | 1.72%               | 9.1.2004  |
|                          | C Class  | RYCPX  | 783554272 | 6.24%   | 6.24%   | 4.39%   | 5.72%   | 9.32%   | 7.91%           | 2.47%               | 7.24.2001 |
|                          | H Class  | RYCAX  | 783554819 | 8.02%   | 8.02%   | 5.18%   | 6.51%   | 10.01%  | 6.62%           | 1.72%               | 8.17.1998 |
| Rydex Electronics        | Investor | RYSEX  | 783554777 | 56.84%  | 56.84%  | 29.94%  | 29.15%  | 17.74%  | 8.05%           | 1.48%               | 4.1.1998  |
|                          | A Class  | RYELX  | 78355E338 | 49.01%  | 49.01%  | 27.54%  | 27.60%  | 16.87%  | 11.06%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYSCX  | 783554264 | 54.26%  | 54.26%  | 28.66%  | 27.88%  | 16.55%  | 4.83%           | 2.48%               | 3.26.2001 |
|                          | H Class  | RYSEX  | 783554785 | 56.44%  | 56.44%  | 29.61%  | 28.81%  | 17.29%  | 7.58%           | 1.73%               | 4.2.1998  |
| Rydex Energy             | Investor | RYEIX  | 783554751 | -34.24% | -34.24% | -19.43% | -8.45%  | -7.88%  | 0.96%           | 1.48%               | 4.21.1998 |
|                          | A Class  | RYENX  | 78355E320 | -37.52% | -37.52% | -20.91% | -9.56%  | -8.55%  | -0.96%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYECX  | 783554256 | -35.53% | -35.53% | -20.23% | -9.36%  | -8.80%  | -0.76%          | 2.48%               | 4.19.2001 |
|                          | H Class  | RYEAX  | 783554769 | -34.41% | -34.41% | -19.65% | -8.72%  | -8.23%  | 0.51%           | 1.72%               | 5.5.1998  |
| Rydex Energy Services    | Investor | RYVIX  | 783554736 | -36.94% | -36.94% | -30.08% | -19.28% | -15.41% | -4.74%          | 1.48%               | 4.1.1998  |
|                          | A Class  | RYESX  | 78355E130 | -40.06% | -40.06% | -31.38% | -20.26% | -16.03% | -5.73%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYVCX  | 783554249 | -38.21% | -38.21% | -30.77% | -20.08% | -16.25% | -5.92%          | 2.48%               | 3.30.2001 |
|                          | H Class  | RYVAX  | 783554744 | -37.09% | -37.09% | -30.22% | -19.47% | -15.73% | -5.09%          | 1.72%               | 4.2.1998  |
| Rydex Financial Services | Investor | RYFIX  | 783554710 | 0.27%   | 0.27%   | 4.22%   | 8.73%   | 8.24%   | 2.93%           | 1.48%               | 4.2.1998  |
|                          | A Class  | RYFNX  | 78355E312 | -4.73%  | -4.73%  | 2.29%   | 7.40%   | 7.44%   | 2.81%           | 1.72%               | 9.1.2004  |
|                          | C Class  | RYFCX  | 783554231 | -1.73%  | -1.73%  | 3.18%   | 7.64%   | 7.17%   | 2.15%           | 2.47%               | 4.19.2001 |
|                          | H Class  | RYFAX  | 783554728 | 0.01%   | 0.01%   | 3.95%   | 8.45%   | 7.85%   | 2.31%           | 1.72%               | 4.6.1998  |
| Rydex Health Care        | Investor | RYHIX  | 783554686 | 18.93%  | 18.93%  | 14.03%  | 10.66%  | 14.22%  | 8.24%           | 1.47%               | 4.17.1998 |
|                          | A Class  | RYHEX  | 78355E296 | 12.97%  | 12.97%  | 11.90%  | 9.31%   | 13.38%  | 9.76%           | 1.73%               | 9.1.2004  |
|                          | C Class  | RYHCX  | 783554223 | 16.74%  | 16.74%  | 12.90%  | 9.57%   | 13.10%  | 7.79%           | 2.48%               | 3.30.2001 |
|                          | H Class  | RYHAX  | 783554694 | 18.66%  | 18.66%  | 13.74%  | 10.37%  | 13.82%  | 7.82%           | 1.72%               | 5.11.1998 |

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\* For periods under one year, returns are cumulative, not annualized. Total annual operating expenses vary by share class. Funds are offered in multiple share classes. Read the prospectus for information on fees, expenses, and holding periods that may apply to each class. Each class invests in the same underlying portfolio.

## Average Annual Total Returns As of 12.31.2020

|                          | Class    | Symbol | CUSIP     | YTD*   | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception | Total Expense Ratio | Inception |
|--------------------------|----------|--------|-----------|--------|--------|--------|--------|---------|-----------------|---------------------|-----------|
| Rydex Internet           | Investor | RYIIX  | 783554496 | 61.14% | 61.14% | 25.39% | 22.66% | 17.29%  | 1.05%           | 1.47%               | 4.6.2000  |
|                          | A Class  | RYINX  | 78355E288 | 53.11% | 53.11% | 23.06% | 21.17% | 16.43%  | 12.87%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYICX  | 783554215 | 58.54% | 58.54% | 24.14% | 21.44% | 16.12%  | 7.04%           | 2.47%               | 4.19.2001 |
|                          | H Class  | RYIAX  | 783554488 | 60.74% | 60.74% | 25.06% | 22.35% | 16.86%  | 0.59%           | 1.71%               | 4.6.2000  |
| Rydex Leisure            | Investor | RYLIX  | 783554660 | 21.26% | 21.26% | 10.95% | 12.57% | 13.30%  | 5.94%           | 1.48%               | 4.1.1998  |
|                          | A Class  | RYLSX  | 78355E270 | 15.22% | 15.22% | 8.89%  | 11.21% | 12.46%  | 8.79%           | 1.73%               | 9.01.2004 |
|                          | C Class  | RYLCX  | 783554199 | 19.05% | 19.05% | 9.84%  | 11.45% | 12.17%  | 5.98%           | 2.48%               | 5.3.2001  |
|                          | H Class  | RYLAX  | 783554678 | 20.96% | 20.96% | 10.67% | 12.29% | 12.89%  | 5.82%           | 1.72%               | 6.3.1998  |
| Rydex Precious Metals    | Investor | RYPMX  | 783554207 | 34.25% | 34.25% | 19.61% | 24.71% | -3.86%  | 0.71%           | 1.38%               | 12.1.1993 |
|                          | A Class  | RYMNX  | 78355E262 | 27.56% | 27.56% | 17.40% | 23.19% | -4.58%  | 2.32%           | 1.63%               | 9.1.2004  |
|                          | C Class  | RYZCX  | 783554181 | 31.96% | 31.96% | 18.43% | 23.47% | -4.81%  | 4.60%           | 2.38%               | 4.27.2001 |
|                          | H Class  | RYMPX  | 78355E858 | 33.90% | 33.90% | 19.31% | 24.36% | -4.23%  | 3.26%           | 1.63%               | 8.1.2003  |
| Rydex Real Estate        | A Class  | RYREX  | 78355E254 | -9.78% | -9.78% | 1.24%  | 3.87%  | 5.78%   | 4.34%           | 1.72%               | 9.1.2004  |
|                          | C Class  | RYCRX  | 78355E809 | -6.85% | -6.85% | 2.11%  | 4.10%  | 5.48%   | 4.10%           | 2.47%               | 2.20.2004 |
|                          | H Class  | RYHRX  | 78355E387 | -5.27% | -5.27% | 2.92%  | 4.90%  | 6.28%   | 4.89%           | 1.72%               | 2.20.2004 |
| Rydex Retailing          | Investor | RYRIX  | 783554645 | 44.72% | 44.72% | 20.72% | 14.82% | 13.85%  | 7.59%           | 1.47%               | 4.1.1998  |
|                          | A Class  | RYRTX  | 78355E247 | 37.54% | 37.54% | 18.48% | 13.45% | 13.02%  | 9.64%           | 1.72%               | 9.1.2004  |
|                          | C Class  | RYRCX  | 783554173 | 42.26% | 42.26% | 19.49% | 13.68% | 12.71%  | 7.35%           | 2.48%               | 5.9.2001  |
|                          | H Class  | RYRAX  | 783554652 | 44.36% | 44.36% | 20.41% | 14.55% | 13.47%  | 7.20%           | 1.72%               | 4.21.1998 |
| Rydex Technology         | Investor | RYTIX  | 783554629 | 49.85% | 49.85% | 27.57% | 25.23% | 16.80%  | 8.42%           | 1.47%               | 4.14.1998 |
|                          | A Class  | RYTHX  | 78355E239 | 42.37% | 42.37% | 25.21% | 23.71% | 15.93%  | 11.55%          | 1.73%               | 9.1.2004  |
|                          | C Class  | RYCHX  | 783554165 | 47.35% | 47.35% | 26.31% | 23.98% | 15.62%  | 6.56%           | 2.48%               | 4.18.2001 |
|                          | H Class  | RYTAX  | 783554637 | 49.47% | 49.47% | 27.26% | 24.91% | 16.37%  | 7.60%           | 1.72%               | 4.29.1998 |
| Rydex Telecommunications | Investor | RYMIX  | 783554595 | 10.05% | 10.05% | 5.75%  | 8.06%  | 4.03%   | -0.73%          | 1.48%               | 4.1.1998  |
|                          | A Class  | RYTLX  | 78355E221 | 4.55%  | 4.55%  | 3.80%  | 6.75%  | 3.27%   | 3.11%           | 1.73%               | 9.1.2004  |
|                          | C Class  | RYCSX  | 783554157 | 7.94%  | 7.94%  | 4.69%  | 6.98%  | 3.06%   | -1.22%          | 2.48%               | 4.18.2001 |
|                          | H Class  | RYMAX  | 783554611 | 9.76%  | 9.76%  | 5.57%  | 7.84%  | 3.68%   | -1.13%          | 1.73%               | 4.1.1998  |
| Rydex Transportation     | Investor | RYPIX  | 783554579 | 41.24% | 41.24% | 11.49% | 14.37% | 12.60%  | 4.90%           | 1.48%               | 4.2.1998  |
|                          | A Class  | RYTSX  | 78355E213 | 34.19% | 34.19% | 9.41%  | 12.98% | 11.77%  | 9.12%           | 1.73%               | 9.1.2004  |
|                          | C Class  | RYCNX  | 783554140 | 38.84% | 38.84% | 10.37% | 13.23% | 11.48%  | 6.86%           | 2.48%               | 5.14.2001 |
|                          | H Class  | RYPAX  | 783554587 | 40.92% | 40.92% | 11.20% | 14.08% | 12.19%  | 4.77%           | 1.72%               | 6.9.1998  |
| Rydex Utilities          | Investor | RYUIX  | 783554470 | -4.55% | -4.55% | 5.85%  | 9.04%  | 9.16%   | 5.12%           | 1.48%               | 4.3.2000  |
|                          | A Class  | RYUTX  | 78355E197 | -9.32% | -9.32% | 3.88%  | 7.70%  | 8.36%   | 7.32%           | 1.73%               | 9.1.2004  |
|                          | C Class  | RYCUX  | 783554132 | -6.43% | -6.43% | 4.79%  | 7.95%  | 8.07%   | 3.07%           | 2.47%               | 4.27.2001 |
|                          | H Class  | RYAUX  | 783554462 | -4.76% | -4.76% | 5.57%  | 8.77%  | 8.77%   | 4.66%           | 1.73%               | 4.3.2000  |

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## Balanced Exposure to Sectors with 18 Rydex Sector Funds

Many sector funds use a traditional market-cap weighted approach, but this can lead to domination by a few large companies and can be problematic in sectors that contain too few stocks. Rydex takes a different approach to sector investing: a modified cap-weighted approach, which seeks to capture the influences of both larger- and smaller cap-weighted companies, not just the largest companies in the sector. In a modified cap-weighted approach, where stocks are generally more equally distributed, smaller companies can have more influence over the fund's performance, while larger companies will still remain powerful performance drivers.

Rydex's modified cap-weighted sector funds may help investors take advantage of a broad market rally by giving them exposure to a range of market capitalizations. The potential benefits of this approach include the ability to:

- Exploit market opportunities by more equally weighting the stocks within the sector
- Potentially capture larger-cap influences without ignoring the smaller-cap stocks that sometimes outperform large-cap stocks
- Gain direct exposure to larger and smaller stocks in the sector
- Provide the opportunity to outperform during broad market rallies by offering exposure to a range of market caps

### **Risk Considerations Investing in mutual funds involves risk and does not assure a profit. Sector funds may not be suitable for all investors.**

Investing in sector funds is more volatile than investing in broadly nondiversified funds, as there is a greater risk due to the concentration of the fund's holdings in issuers of the same or similar offerings. These funds are considered nondiversified and can invest a greater portion of their assets in securities of individual issuers than a diversified fund. As a result, changes in the market value of a single security could cause greater fluctuations in the value of fund shares than would occur in a more diversified fund. The funds are offered in multiple share classes. Read the prospectus for information on fees, expenses, and holding periods that may apply to each class. Each class invests in the same underlying portfolio. Not all funds and all share classes are available at all firms offering the funds. The maximum sales charge for A-Shares is 4.75%. Class A investors may be eligible for a reduction in sales charges. Please read the prospectus for more detailed information regarding these and other risks. Neither Guggenheim Investments nor its affiliates guarantees the sequence, accuracy, completeness, or timeliness of the data contained in this document. Although Guggenheim Investments believes the information contained in this document is reliable, it cannot and does not guarantee or warrant its

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*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. Obtain a prospectus and summary prospectus (if available) at [GuggenheimInvestments.com](http://GuggenheimInvestments.com).*

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