



**Advisor Confidence Improves Slightly in April.**  
*Advisors are most optimistic about the current economic outlook.*

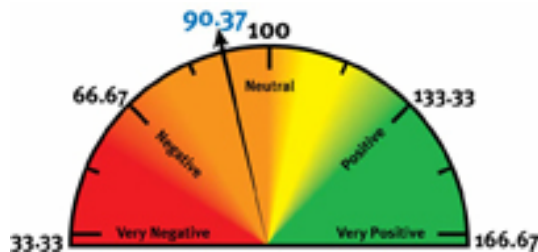
**April 28, 2008...Rockville, MD...** Advisor confidence in the economy and stock market improved in April, according to Rydex AdvisorBenchmarking. The Advisor Confidence Index (ACI)—a benchmark that gauges advisors’ views on the U.S. economy and stock market—was up nearly 4% compared to March.

**Economic and market outlook is more optimistic**

The ACI rose in April to 90.37, from 86.90. Advisors feel slightly more optimistic and believe that “capital markets, the job market and the housing markets must begin to stabilize,” according to survey participant George Cheatham with American Financial Consultants. Also, a number of indicators confirm the Conference Board economic forecast that the U.S. economy is not presently falling into a deep recession, but may instead be stabilizing at a slow but positive rate of growth for the first and second quarter. However, advisors continue to believe that “the current credit bubble deflation is in the early stages,” says James Dailey, TEAM Financial Managers.

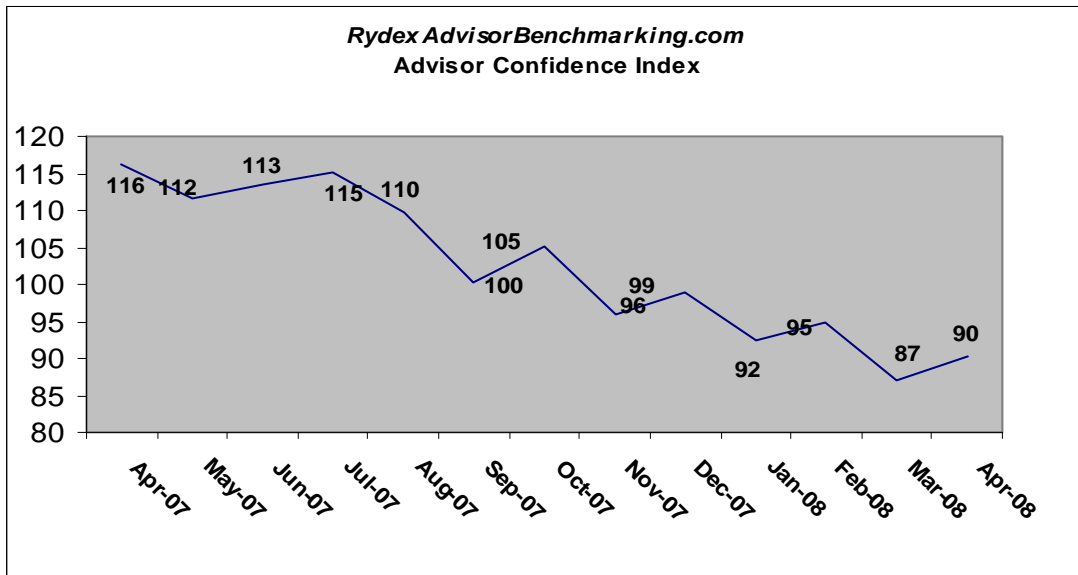
**Advisor Pulsepoint**

This month, we asked advisors if their clients have been affected by the housing market decline. Nearly one-fourth (22%) of advisors said that their clients have been affected adversely because they either can't sell their home or they can't get the price they want for their home. Given challenging market conditions, advisors are increasing allocation to alternative investments (39%), increasing allocation to money markets (27%) and to commodities (22%).



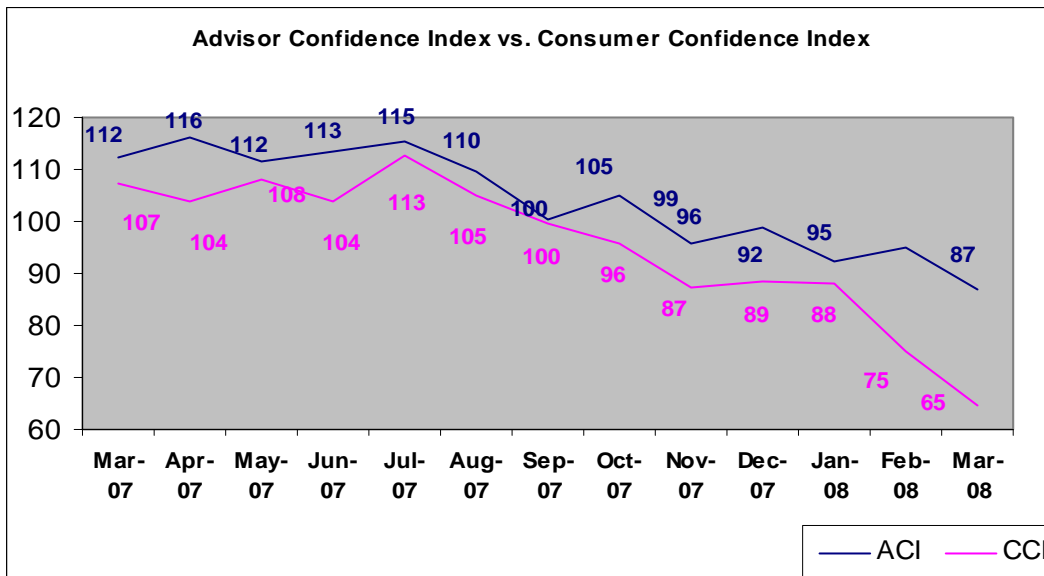
All four economic elements used to calculate the ACI increased in April. Advisors were most optimistic about the six-month economic outlook, which was up 7.14%. A closer look at the components reveals the following:

Current economic outlook	+5.95%
Six-month economic outlook	+7.14%
12-month economic outlook	+1.90%
Stock market outlook	+2.09%



**Advisor vs. consumer confidence**

The Conference Board Consumer Confidence Index, which has declined since the summer, posted a further decrease in March. The Consumer Confidence Index stood at 75, down 14.68%, compared to a 2.62% increase for the advisor index.



**Notable comments from participating advisors**

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

“Interesting to see so many stories about the likelihood of a sideways U.S. stock market for the next many years, especially considering that it’s been sideways for almost 10

years. We think we'll do decently well with U.S. blue chips over the next three to five years."

-- Bill Ramsay, Financial Symmetry, Inc.

"In the challenging market environment that we face, we have been integrating principal protected notes or partially principal protected notes into client portfolios. This allows us to decrease the equity exposure in client portfolios and still have a portfolio with attractive return characteristics."

-- Frederick Wright, Smith & Howard

"As the tug of war continues in the stock market, it is highly expected (that) volatility (will) continue over the summer, before the market surges to the previous highs of 2008."

--Gary Clemmons, Texas Capital Management

"The official arrival of 'Stagflation' is here and has been for a while. The difference between now and the late 1970s is that global competition is the driving force behind both increased cost and stagnate wages. The world's economy is not purely a numbers game anymore. You may be able to slow the tide but it cannot be stopped. The important lesson to learn is that a "Rising tide doesn't necessarily raise all ships." As for the capital markets, the job and housing markets must begin to stabilize. That, along with more clarity on the political front, may give more stability to the markets as we go forward—but not before Q4 2008 at best. In the meantime, investors should be very selective and concentrate on companies with solid earnings, especially those with international exposure. Sector opportunities may present themselves along the way, mostly depending on the direction of the merger and acquisitions environment, but cash is still king!"

-- George Cheatham, American Financial Consultants, Inc

"It is alarming that so many in the mainstream business media are already calling for an end to the recession and bear market when so few predicted it to begin with. We continue to believe that the current credit bubble deflation is in the early stages and that most market participants remain far too complacent as to the eventual impact of the credit bust. Return of capital remains our priority over return on capital."

--James Dailey, TEAM Financial Managers

"Our weak economy will finally be saved next month when millions of waiting taxpayers will receive the long awaited Holy Grail - An Economic Stimulus check! Then Americans will run out in the streets celebrating and waiving their checks in the air and searching for a retailer willing to trade their cheap China-made products. Our government will be lauded for being geniuses. Or not."

-- Jim Elder, ElderAdo Financial

"The current market environment is extremely challenging, both for seasoned investors and advisors. In Q1 2008, there were not many places to hide unless you were long foreign currencies and long commodities. We think the worst passed when the Fed stepped in and saved Bear Stearns. There will be other dead carcasses and layoffs along the way as banks try to mop up their subprime mess. Our favorite sector moving forward is energy. During the first quarter of 2008, the movement in energy stocks has not followed the move in energy commodity prices as investors don't believe that these prices will hold. If they do, energy stocks have a way to go. With sentiment readings a

historic lows, we believe the risks of increasing equity allocations probably makes sense since the average investor will wait for a big market move up before allocating back in. This will be the value of the advisor to hold the investor's hand and help that client make smart investment decisions, even when it doesn't feel comfortable."

-- Kenny Landgraf, Kenjol Capital Management LLC

"As long-term investors, we look past the current noise and invest in global mega-trends that are in place...thus increasing our allocation to metals, grains, and energy.

-- Larry A. Harvey, Harvey Financial Group

"We prematurely saw energy prices turning into overall inflation back in early 2006. We turned defensive while the market ignored the risk. At this point, we believe the markets and the economy are in for some very tough times."

-- Lee Anke, Prudent Investors Network Inc.

"A good portfolio structure—and a wise planner—anticipates the present economic and market conditions."

-- Paul Byron, Private Wealth Advisors

"We started migrating out of equities in July of last year and have continued to do so through March. Specifically, we've gone to cash, short funds, TIPs and gold tactically over that time frame. These moves have dampened volatility and preserved capital for our clients."

-- Paul Bennett, c5 Wealth Management

### **About Rydex AdvisorBenchmarking, Inc., an affiliate of Rydex Investments**

The 2008 Rydex AdvisorBenchmarking survey is now open. All advisors who take the survey will receive a \$5 Starbucks gift card and a free copy of the 2008 study when it is published this summer. Visit [www.advisorbenchmarking.com](http://www.advisorbenchmarking.com) to see how your firm stacks up to the rest of the industry by viewing dynamic charts that instantly reveal industry comparisons versus your firm.

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