



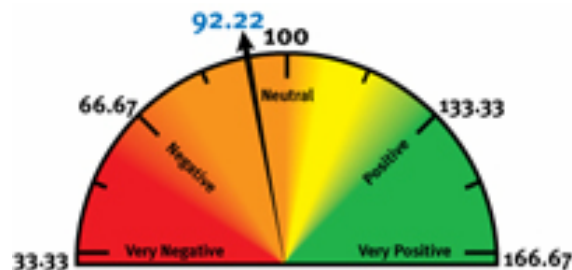
Financial Crisis: Advisor Confidence Down in September

Stock market the main focus of advisors' pessimistic outlook

September 29, 2008...Rockville, MD... Advisor confidence in the economy and stock market diminished in September according to Rydex AdvisorBenchmarking. The Advisor Confidence Index (ACI)—a benchmark that gauges advisors' views on the U.S. economy and stock market—was down almost 5% in September compared to August.

Market outlook sees crisis

With the economy and financial markets facing a moment of great challenge, the ACI decreased to 92.22, from 97.06 in August. "The financial crisis of the past 15 months has now transitioned into a burgeoning economic crisis," says James Dailey, TEAM Financial Managers in Harrisburg, PA. Looking further down the road, advisors expect a difficult investment environment. "There will be considerable pain and second-guessing over the next six to 12 months as the financial crisis finally unwinds and we get an opportunity to see who the survivors may be," according to Mark Danielson from Intelligent Financial Strategies in Austin, TX

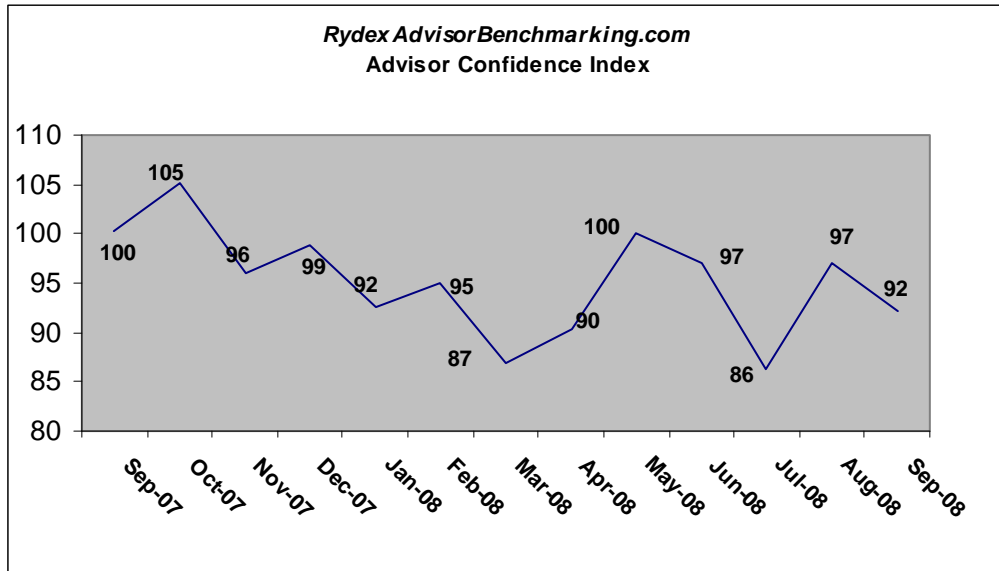


Stance on Fannie and Freddie.

In this month's survey, we asked advisors about their clients' positions in Fannie Mae and Freddie Mac and their investment recommendations for these stocks. The advisors said that less than 20% of their clients have large positions in Fannie or Freddie. Only 3% of advisors recommended buying Fannie or Freddie stock at a low price. Advisors were nearly evenly split on whether clients should continue to hold Fannie or Freddie stock (54%) or sell it (43%).

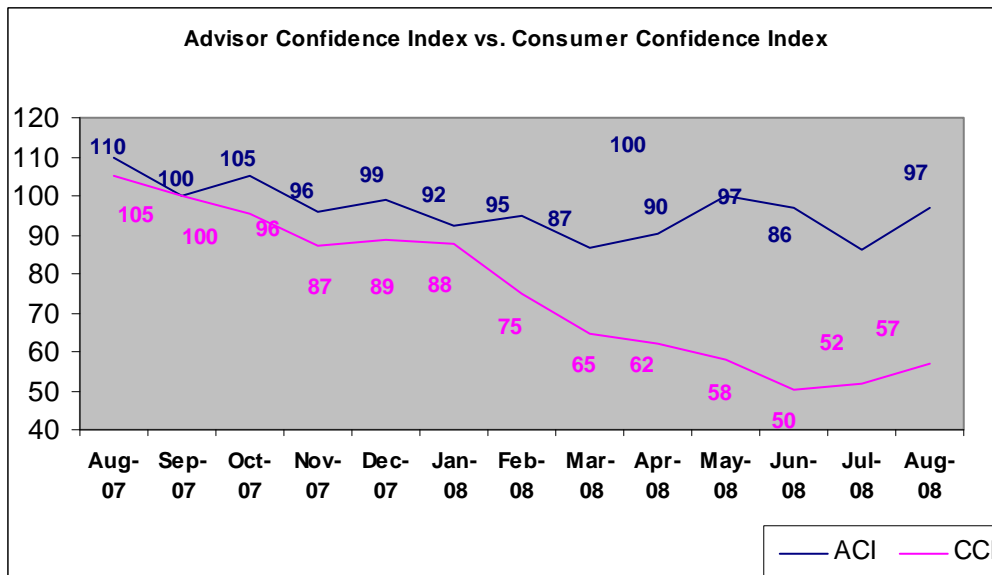
Each of the four economic elements used to calculate the ACI decreased in September. Advisors are most pessimistic about the stock market outlook (-10.41%). A closer look at the components reveals the following:

Current economic outlook	-0.83%
Six-month economic outlook	-2.86%
12-month economic outlook	-4.88%
Stock market outlook	-10.41%



Advisor vs. consumer confidence

The Conference Board Consumer Confidence Index, which had improved moderately in July, made further gains in August. The Consumer Confidence Index was 56.9, up 9%, compared to a 12% 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.

“Well, it’s time to reap what we have sown! The American consumer and the Federal Government have been “credit junkies” for way too long. And the American Financial Industry, thanks to a public policy of deregulation and a willingness to look the other way as long as it meant turning a profit, has played the part of the addict’s unscrupulous “credit pusher”—finding more and more creative ways to make their product (free credit) available to everyone. Guess what? The famous Gordon Gekko line from the movie “Wall Street,” (“Greed is good”) has been proven wrong.”

-- George Cheatham, American Financial Consultants Inc.

“There is a silver lining. The American public will have the opportunity to buy some truly wonderful companies at valuations not seen in a generation, but they will have to have at least a three- to five-year time horizon in order to see the benefit. That raises the always present problem we have created in this country—a culture of instant gratification. There will be considerable pain and second-guessing over the next six to 12 months as our financial crisis finally unwinds and we get an opportunity to see who the survivors may be.”

-- Mark Danielson, Intelligent Financial Strategies

“The financial crisis of the past 15 months has now transitioned into a burgeoning economic crisis. With our major trading partners falling into recession and the renewed strength of the U.S. dollar, the last remaining leg of the economic table, exports, is likely to get knocked out. We believe credit markets have been pricing in the increased possibility of a global recession, while commodity markets are beginning to move in that direction. We suspect the July lows in the stock market will be violated and usher in a violent decline as equity investors finally wake up to reality. We continue to stress return of capital over return on capital.”

-- James Dailey, TEAM Financial Managers

“As the economy muddles through this recession, the markets are still volatile. Once the commercial bank problems subside and better economic news appears, expect a difficult investment environment.”

-- Jim Elder, ElderAdo Financial

“Freddie/Fannie get bailed, Lehman gets taken out, Merrill Lynch gets what they never wanted—to be owned by a bank. Banks will notoriously create a bigger mess in the investment business. The very reason that Gramm- Leach-Bliley was passed in 1999 was to keep it all separate. If that regulation gets torn apart, watch the wheels really come off of this thing a few years further down the road.”

-- Ken Graves, Capital Research

“The equity markets are unlikely to recover until more positive than negative signs emerge from our financial system and housing markets. With a huge inventory of homes and banks and GSE’s failing, we expect the recovery to be slow and painful. Inflation has temporarily eased up, but as it reemerges, an increasing interest rate environment will slow the recovery as businesses and consumers will borrow and spend less. The environment is good for cautious investing with an eye on preservation of capital for retiring clients.”

-- Rob Siegmann, Financial Management Group

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