

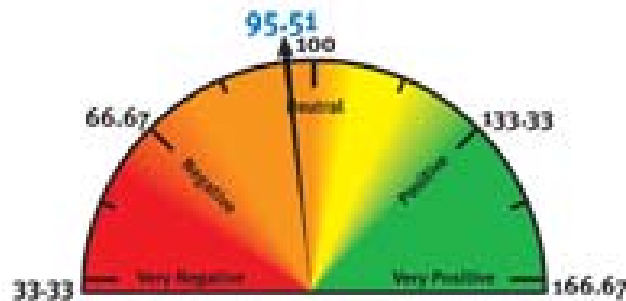


**Advisor Confidence Index Declines in July**  
*Advisors feel more negative due to mixed economic signals*

July 27, 2009 ... Rockville, MD ... In July, advisor confidence in the economy and the stock market decreased, 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 95.51 in July, down nearly 8% from 104.02 in June.

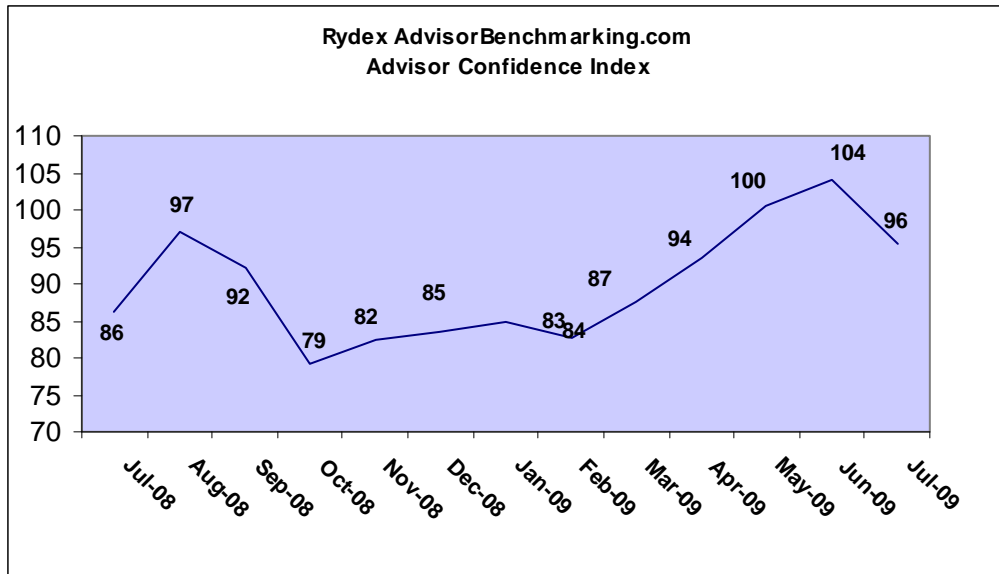
**Economic market outlook is pessimistic**

The Advisor Confidence Index, which had been climbing since February 2009 and improved considerably in June, retreated in July. The index decreased almost 9% due to a less-favorable assessment of business conditions and employment. “The economy is still slowly improving on many fronts, however employers are holding off hiring new staff until they have better visibility going forward,” said Jim Elder from ElderAdo Financial. “We continue to be cautious, uncertain of the side effects from extraordinary levels of government spending,” added Frederick Wright from Smith & Howard. However, expectations continue to suggest hope for less negative conditions in the months ahead. “Our sense is that the market will start looking into 2010 as we get into the fall and past the unfavorable summer months. Get ready to set your sails in the fall,” added Kenny Landgraf from Kenjoy Capital Management.



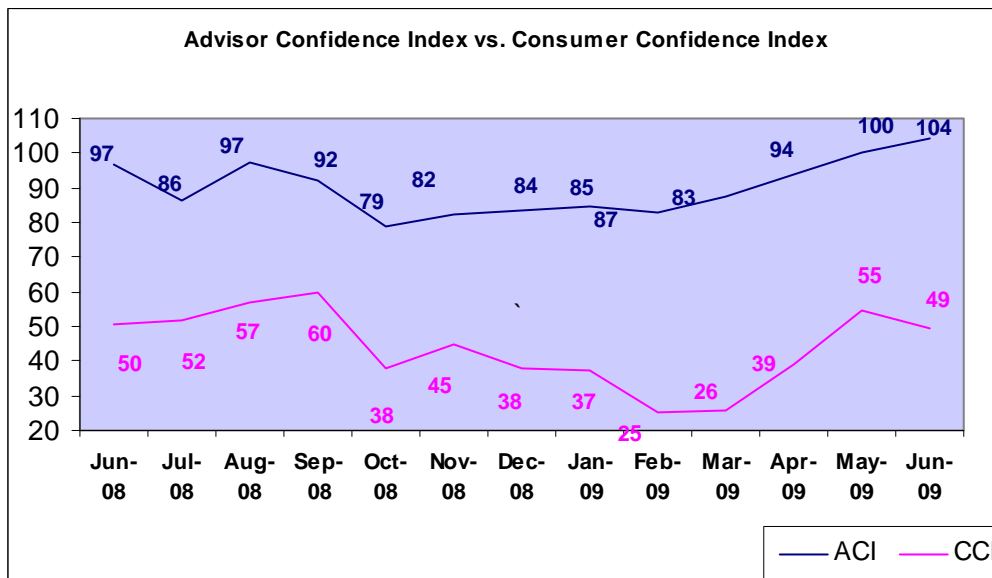
Of the four measures in the ACI, advisors are most concerned about the six-month economic outlook (-10%). A closer look at the components reveals the following:

Current economic outlook	-9.38%
Six-month economic outlook	-10.01%
12-month economic outlook	-5.71%
Stock market outlook	-8.01%



**Advisor vs. consumer confidence**

The Conference Board Consumer Confidence Index™, which had improved considerably in May, retreated in June. The index stands at 49.3 (1985=100), down from 54.9 in May.



**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.

“We continue to be cautious, uncertain of the side effects from extraordinary levels of government spending.”

-- Frederick Wright, Smith & Howard

“Wall Street is doing what it is famous for, looking at the short term and turning its back on the long term. Wall Street does a good job talking about the long term, but continues to focus on the short term.”

-- Gary Clemmons, Texas Capital Management

“We've never witnessed or read historical accounts of a market and economic environment with so many mixed signals. We see what are typically effective leading economic indicators pointing towards a recovery starting this summer. However, we question whether they are equipped to forecast given the unprecedented nature of the credit bubble and government reaction to its popping. Some segments of the stock market, like large-cap pharmaceuticals, are trading at insanely low valuations, but who can predict what the outcome of government reform of healthcare will be? The Chinese government appears determined to inflate yet another bubble, as they command Chinese banks to lend no matter what. Given this backdrop, we remain in an opportunistic posture, with our timeframes compressed. We expect the combination of major economic/financial imbalances, the legacy of the credit bubble and the continued march of global governments into the private sector to produce ample opportunities to harvest gains using a flexible strategy designed to navigate volatility.”

-- James Dailey, TEAM Financial Managers

“As the markets muddle through the dog days of summer, investors are looking for opportunities to capture back losses. The economy is still slowly improving on many fronts, however employers are holding off hiring new staff until they have better visibility going forward.”

-- Jim Elder, ElderAdo Financial

“It's a two-sided coin. On one side, the media loves to report bad news. That's what sells. We have problems with unemployment, more banks are teetering (CIT & Regional Banks), and the next 'kick-the-can-down-the-street' bank problem of commercial real estate loans being rolled over in a frozen market for commercial real estate. On the flip side of the coin, we do see a healing in the credit markets with three month-LIBOR down to 0.4% (below the long-term average of 0.6% and below the EKG highs of 4.6% from last October). Credit spreads on corporate debt and high yield are coming down as investors gobble up quality and high yield debt (1% in money market doesn't work long-term). Business will have to rebuild some inventory and purchase equipment at some point. Our guess is that businesses that survive will have better budgets for 2010, including adding 'contract' jobs. The question is whether the market will look ahead to 2010 or look at the current problems. The last month the market has refocused on the problem issues. Our sense is that the market will start looking into 2010 as we get into the fall and past the unfavorable summer months. Invest carefully. Get ready to set your sails in the fall.”

-- Kenny Landgraf, Kenjol Capital Management LLC

“Green shoots will wilt with the growing debt, national healthcare and increasing unemployment. The consumer will not be the engine for this recovery.”

-- Peter Wheeler, Wheeler/Frost Associates, Inc.

“The massive global government spending and stimulus programs worldwide are going to help the U.S. and other economies and investment markets to rebound and recover at

varying intervals. While this will be happening, we do expect unemployment statistics to continue increasing in the U.S. and elsewhere.”

-- Rob Siegmann, Financial Management Group

**About Rydex|SGI AdvisorBenchmarking, Inc., 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](http://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 and monthly newsletters. 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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