



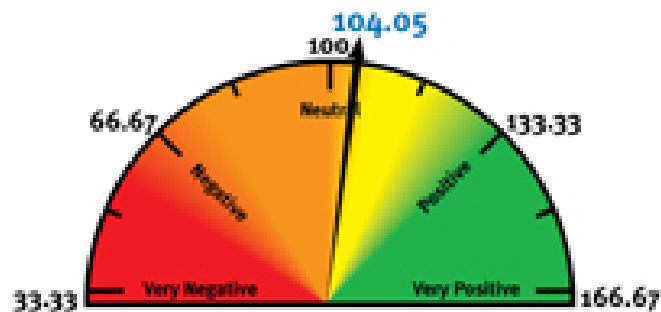
Advisor Confidence Index Bounces Back in August

Advisors feel more positive due to the stock market surge, but remain concerned about slower consumer spending and excess government spending

August 31, 2009 ... Rockville, MD ... In August, advisor confidence in the economy and the stock market increased, 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 104.05 in August, up nearly 9% from 95.51 in July.

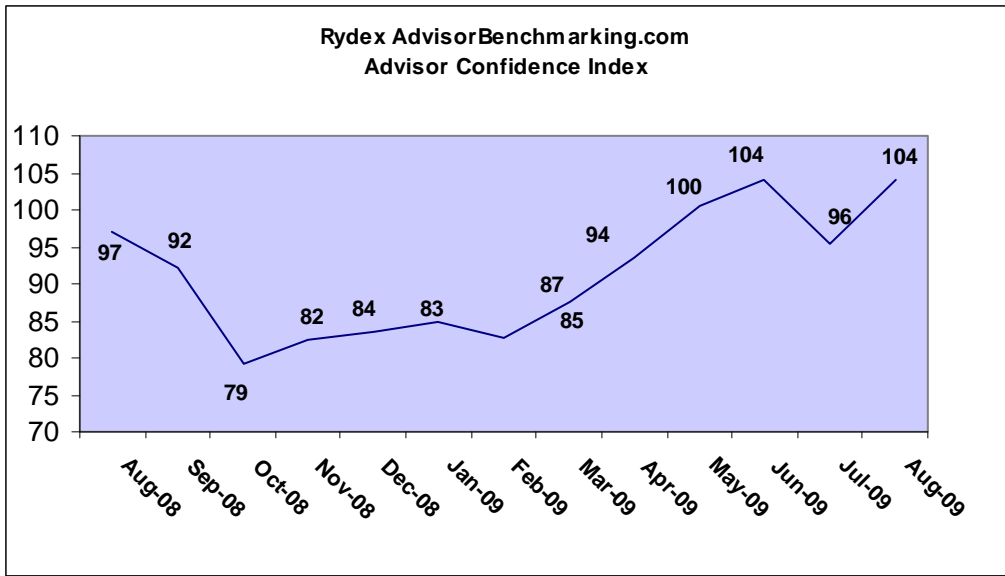
Economic Market Outlook Is Optimistic

The ACI bounced back after the July dip, continuing its upward path that started in February 2009, when the index hit an all-time low. Advisor confidence appears to be back on the mend. “The recession is over,” said Bill Ramsay from Financial Symmetry. “The eye of the storm has passed. The market (acted) as a leading indicator to correctly forecast (the recovery) just like in all other recessions,” added Kenny Landgraf, Kenjol Capital Management. However, “there are still many problems and we will continue to see more banks fail and problems in the commercial real estate area,” warned Mr. Landgraf.



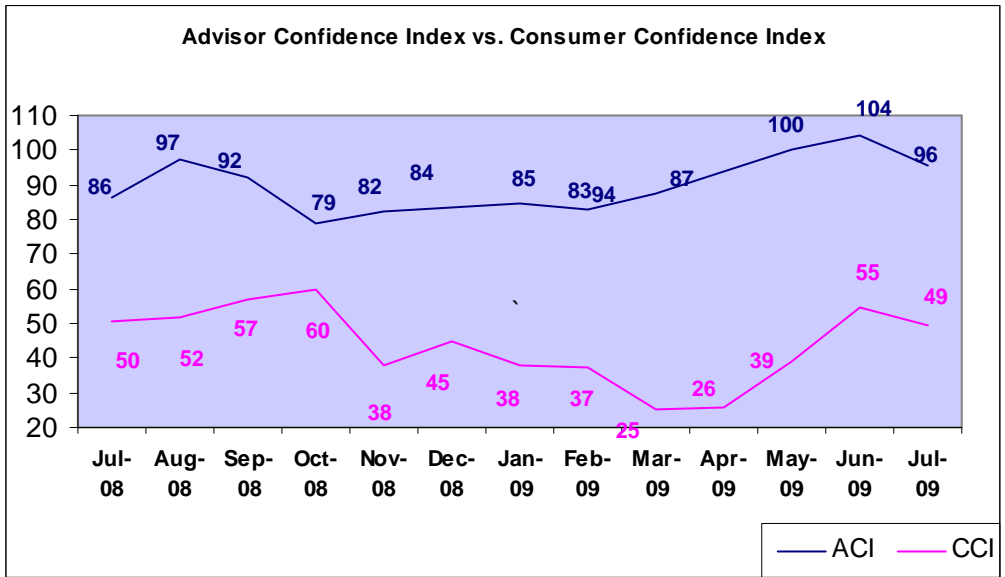
All four measures in the ACI improved in August, with the most enthusiastic forecasts centering on the current economic outlook and the six-month economic outlook. A closer look at the components reveals the following:

Current economic outlook	+10.86%
Six-month economic outlook	+10.91%
12-month economic outlook	+6.90%
Stock market outlook	+7.71%



Advisor vs. Consumer Confidence

The Conference Board Consumer Confidence Index® declined in July. The index now stands at 49 (1985=100), down from 55 in June.



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. AdvisorBenchmarking can facilitate such interviews for reporters.

“The recession is over. However it is still uncertain whether we will have a typical self-reinforcing upturn. It does appear the recovery will be stronger than many expect, but bad debt and retrenching U.S. consumers will continue to be a headwind. It is possible that Asian consumers will step up, though we do not yet know if China and India are trusted enough for them to sufficiently expand their own currencies without continued

large scale accumulation of U.S. dollar reserves. And sufficient dollar reserve accumulation will be very difficult to do if U.S. consumers are unwilling or unable to expand borrowing. We could see the first major test of whether Asia is ready to be the home of the next major global reserve currency. While success would likely lead to a declining U.S. dollar, U.S. manufacturing, tourism (to the U.S.) and purchases of U.S. properties (real estate and companies) by foreigners would see a significant boost from a lower dollar and likely prevent a collapse.”

—Bill Ramsay, Financial Symmetry, Inc.

“My positive view on the market is based on my belief that the President's healthcare initiative will either be defeated or significantly diluted so as not to cause additional stress on an already stressed economy. Additionally this President does not seem to know a limit to his search for power and authority which is extremely unhealthy for what used to be and should be a capitalist economy.”

—David Cramer, Cramer Financial Services

“The economy and the markets have hit a bit of a wall— a point where they need to take a reality check and build a new floor. When I say a reality check, I literally mean a check of what the reality of the U.S. and world markets have to look forward to in the future. There is an undeniable shift in the world economy that needs to be fully understood as we move forward, which will present both opportunity and danger for investors. The American investor will be forced to take a larger world view or run the risk of being left behind. In the short run, the U.S. market will need to see stronger numbers particularly from the consumer side of the economy before markets can build any long term momentum. Investors should maintain a cautious stance — slowly taking positions along the way as the market bounces along. Value in the global bond, high yield and municipal bond markets should not be overlooked to bolster a portfolio in the meantime.”

—George Cheatham, American Financial Consultants Inc

“While some consolidation of the historic rally from the March low is possible, if not likely, we see a growing opportunity in mid and late cycle sectors. In particular, we believe that energy and other commodity related sectors are likely to assume leadership from technology and financial stocks during any correction.”

—James Dailey, TEAM Financial Mangers

“The ‘green shoots’ of our struggling economy have helped boost our stock market to higher levels as investors on the sideline hurry back in so they don't miss out on the run-up.”

—Jim Elder, ElderAdo Financial

“Government policies and likely heavy tax increases at the federal, state and local levels are likely to continue to put a damper on consumer spending, thus causing a delayed and subdued recovery.”

—Kent Hickey, Journey Financial Advisors, Inc.

“The commercial real estate shoe has yet to drop. Banks are playing ‘extend and pretend’ with business loans. Extend beyond current terms since businesses cannot get loans refinanced and pretend that there is not really a problem. The extending shows the depth of the problem and pretending will not go well. Once the commercial side of real estate falls apart, businesses who cannot currently get loans will be in even worse shape to go

buy the then foreclosed properties. Remember Houston in the late 80s/early 90s? This time it is much bigger.”

—Ken Graves, Capital Research

“The eye of the storm has passed. The market as a leading indicator correctly forecast just like in all other recessions. There are still many problems and we will continue to see more banks fail (regional) and problems in the commercial real estate area. Given that at the end of the day though, 1% on money market is not a long-term investment plan. So, investors must allocate to other asset classes including investment grade bonds, high-yield bonds, and stocks. Those that missed the move since mid-March while listening to the ‘scare TV’ talking heads will be looking for entry points as we get closer to the fourth quarter. With big moves, market consolidation is healthy. My sense is, we've entered the profit taking phase and the outlook for earnings in October will be more bullish given that 72% of earnings in the current cycle are ahead of expectations.”

—Kenny Landgraf, Kenjol Capital Management LLC

“The markets have indicated we are moving out of recession. This is exciting but patience must be considered. There can be a tendency for the market to move upward too fast considering the kind of recession we have experienced. Companies are trimming their employee ranks and finding ways to reduce expenses. But, consumption of their products must also start to improve.”

—Len Neisler, The Financial Group, Inc.

“Increasing unemployment and reluctant consumers will hold back any recovery. The recent stimulus is nothing more than tax dollars poorly applied and will prove illusionary.”

—Peter Weeler, Wheeler/Frost Associates, Inc.

“Additional volatility in the short run is to be expected. Looking out one to three years, the picture looks positive, but bumpy, as the world makes painful adjustments.”

—Rob Siegmann, Financial Management Group

“Historically, the market tends to lead the economy by six to nine months. We will see bad economic news for the balance of '09; however, the market will have quietly begun to recover. That being said, I believe we may be range bound for the next few months.”

—Paul Bennett, c5 Wealth Management

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, 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.

The analysis on Rydex|SGI AdvisorBenchmarking.com is based on the number of completed surveys and reflects only information from those surveys. This information is intended to be general in nature, and these overviews are no substitute for professional, legal or consulting advice. This information should not be construed as advice from Rydex|SGI Advisorbenchmarking, Inc. or any of its affiliates.

###