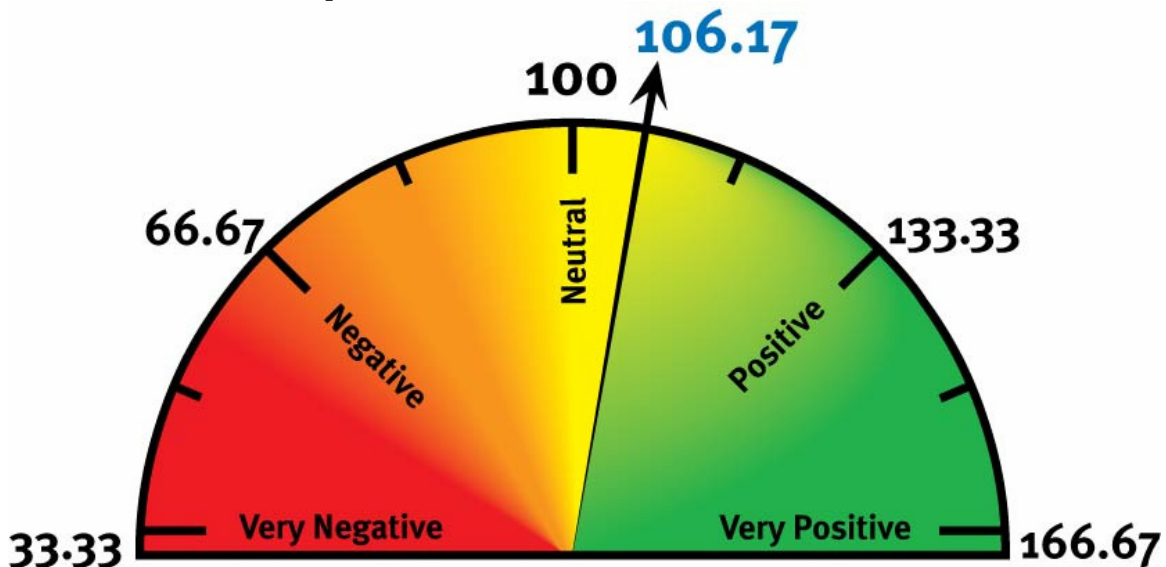


Advisor Confidence Sinks in August

August 28, 2006 -- Rockville, Md -- The Advisor Confidence Index (ACI), which had improved in July, declined in August, according to Rydex AdvisorBenchmarking, Inc., an affiliate of Rydex Investments. Advisors' assessment of the current economy decreased the most—down 7.14%.

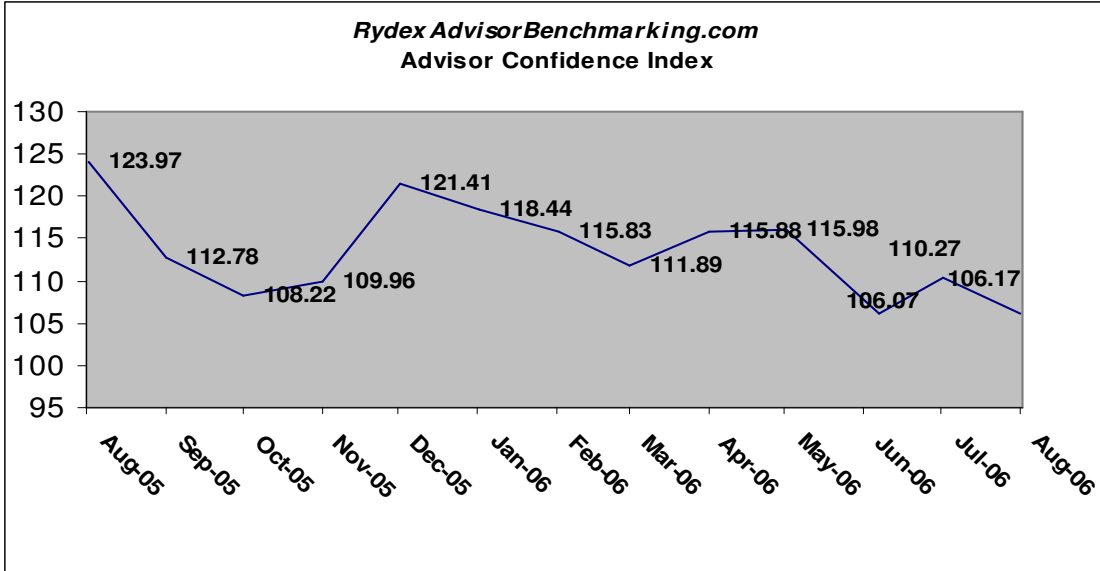
Advisor Confidence Declined in August

The ACI—a benchmark that gauges advisors' views on the U.S. economy and markets—weakened in August to 106.17, down from 110.27 in July. The loss in advisors' confidence this month was a result of the heightened concerns about rising inflation, skyrocketing fuel prices, real estate bubbles and the war in Iraq.



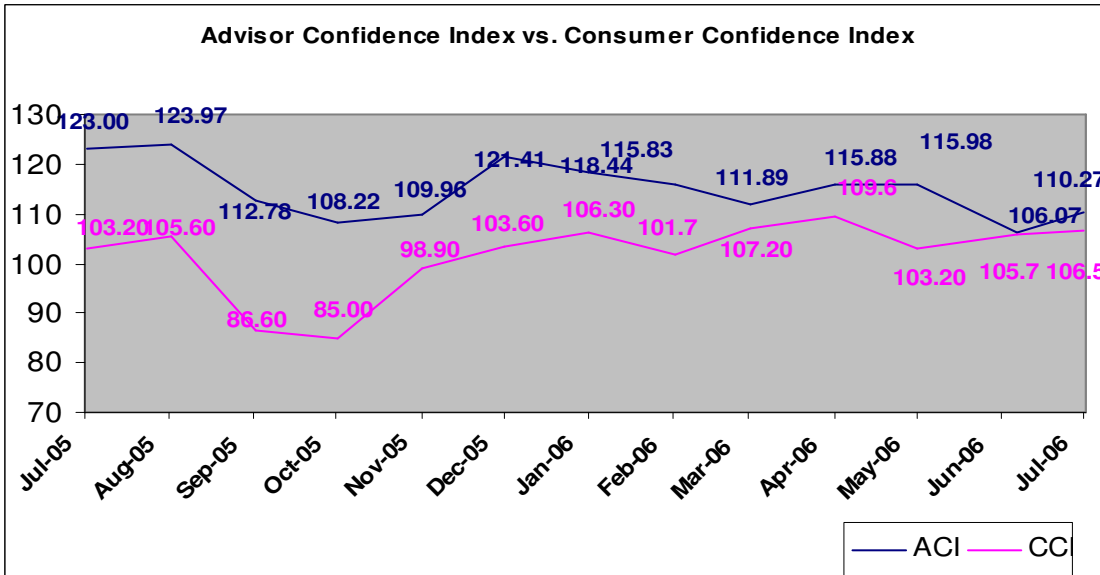
All four elements used to calculate the ACI decreased in August, with the current economic outlook decreasing the most—down 7.14%. A closer look at the components reveals the following:

Current economic outlook	-7.14%
Six-month economic outlook	-2.93%
12-month economic outlook	-1.77%
Stock market outlook	-2.69%



Advisor vs. Consumer Confidence

The Conference Board Consumer Confidence Index, which had increased moderately in June, posted another slight increase in July. The CCI stood at 106.5, up 0.76% compared to a 3.96% increase for the advisor index.



Notable Comments from Participating Advisors

Most of the advisors who participated in the survey have 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.

“Inflation pressures seem to be abating, but inflation numbers continue to look bad. Bernanke preaches the importance of looking ahead instead of looking at lagging indicators, but having Fed Funds above the entire yield curve says the bond market believes he has gone too far already. I still think the primary key to whether we have a soft landing or recession will be the extent of the damage from the popping real estate bubbles. We are likely to see a significant corporate financial failure as a result of the bursting. And if they have not already begun to ease, it should be the green light for the Fed to ease up off the brakes, and a signal that the worst is behind us.”

-- Bill Ramsay, Financial Symmetry Inc.

“While I am not opposed to healthy growth, I don't think we are experiencing healthy growth. After 17 consecutive increases the Fed finally paused its ‘anti-inflationary’ rate increases. I believe that right or wrong, it will increase rates again. If not at the next FOMC meeting then the one after that, because it will realize that inflation is no longer a threat but rather a reality. The inflation that I have been witnessing, and worries I have been hearing from my clients, cause me to focus on the nasty ‘S’ word, stagflation. I don't see any real sustainable growth occurring, as long as fuel prices are skyrocketing, because of the additional costs that will pass through to all goods and many services--and ultimately to the consumer. As a result--despite a very good earnings season--I believe the economy, especially the retail sector, should brace itself for a rollercoaster ride over the next six to 12 months.”

-- David Cramer, Cramer Financial Services

“Our number one concern is inflation. We believe that housing rental rates will continue to trend upward and lift the CPI to higher levels than we have experienced over the last decade.”

-- Frederick Wright, Smith & Howard

“The US stock market has been in a long term bear market since 2000. Though the 45 month cyclical bull market that started in October 2002 was largely successful at doing what such markets always do, it lasted long enough to make most forget that we are in a long term bear market. The market has behaved in a classic cyclical bear market sense since the peak in May, as rallies have been dominated by selling exhaustion rather than massive new demand. We expect a fall low at least 15% below current levels, a 4th quarter rally and then at least one more low sometime next year. Cash and hedged positions are king.”

-- James Dailey, TEAM Financial Managers

“Inflation will be a major topic. Someone has to pay for the budget deficit and the war in Iraq.”

-- Joe Ludwig, Tandem Financial

“For several years, Full Life Financial LLC clients have been heavily over weighted to small and mid cap with a focus on the value style. But we're beginning to see leadership change to large cap, and some growth sectors seem to be awakening from a multi-year slumber.”

-- Keith Newcomb, Full Life Financial LLC

“Generally, the market will make little progress until the fall. In the October, November timeframe, seasonal forces will take the market higher. Additionally, the presidential four cycle reflects that from the second year low into the third year, it is pretty bullish. Investors need to remain patient, get their sails out and get ready for the coming tail wind.”

-- Kenny Landgraf, Kenjol Capital Management LLC

“In the election cycle, the pre-election year (2007) has been the best year with an average gain of 11.2%. There has not been a down pre-election year since 1936. The mid-term election year (this year) usually produces a correction and a bottom near the November elections. This raises the probability of a further market correction with a potential low later this year.”

-- Michael Sadoff, Sadoff Investment Management LLC

“Great concern over the global affairs has permeated the client population. Fear of another greater war, higher gas prices and higher inflation is curbing the thinking of our clients. Many are looking at the worst possible scenario. Fewer are flying and taking their vacations at or near home. Car purchases are downsizing. They want to buy American and cannot find what they think they need.”

-- Pat Raskob, Raskob Kambourian Financial

“We are dealing with a confluence of events right now; oil and gold prices, the Middle East conflict, the Fed's continued tightening and now potential easing and inflation rearing its ugly head. Investors should be buckling down for the long term but tactically allocated to take advantage of market inefficiencies.”

-- Paul Bennett, CFP, Private Wealth Advisers LLC

“We are tactically shifting a portion of client equities to fixed income to help dampen expected volatility in these uncertain times. Between political turmoil, tightening money supply and fiscal irresponsibility of the government and the general public, we are headed for difficult times.”

-- Rob Siegmann, Financial Management Group

“It appears that the US consumer is finally running out of steam based on preliminary retail figures. The housing market looks like it is on track for a soft landing, and the Fed may be able to pause its never ending credit tightening if inflation numbers follow the latest GDP report for the second quarter. Bonds may finally hold on to their coupon for the foreseeable future. Stocks should increase

at their earnings growth rate at current P/E levels if interest rates hold steady. The wildcard is global instability, which could change the entire landscape for investors as a further flight to safety is not to be ruled out. Risk premiums are coming back, which could bode well for adaptive hedge fund managers.”

-- Gregory Horn, Persimmon Capital Management

About Rydex AdvisorBenchmarking, Inc., an Affiliate of Rydex Investments

Rydex 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 on 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 Investments.

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