

AdvisorBenchmarking Introduces New Advisor Confidence Index™ April Index Data Shows Advisors Are Cautiously Optimistic

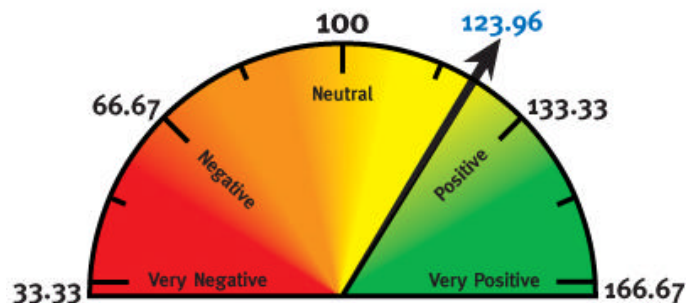
April 26, 2004....Rockville, MD... AdvisorBenchmarking, Inc., an affiliate of Rydex Investments, today debuted its Advisor Confidence Index — a benchmark that gauges advisors' views on the U.S. economy. Modeled after the Consumer Confidence Index, it captures the sentiments of 150 independent registered investment advisors (RIAs), who participate in a monthly survey covering their outlook on the economy for various time periods, as well as their outlook on the U.S. stock market for the subsequent six months. The index's results are released on the last Monday of every month.

"Due to the fragmented nature of the advisor marketplace, the new Advisor Confidence Index will allow advisors to learn how their peers view economic conditions and benchmark those views against their own," commented Dawn Kahler, spokeswoman for Rydex Investments, the parent company of AdvisorBenchmarking. "In the months to come, it will be interesting to see how advisors' outlook compares to those of individuals, as measured by the Consumer Confidence Index."

"The Advisor Confidence Index provides me with the ability to quickly take the pulse of other advisors and gauge their sentiment on issues that directly impact my clients and my practice," commented Paul Bennett, CFP®, president of Private Wealth Advisors, LLC, and a participant in the index. "I believe that the index will be common nomenclature in our industry very soon due to its much needed benchmarking value."

Advisors cautiously optimistic on the U.S. economy

The Advisor Confidence Index's initial survey was completed in March. Its second survey, in April, shows a reading of 123.96, which is an increase of 1.56% from its March reading. A perfectly "neutral" reading of the index would be 100. As the meter chart at right shows, the April reading of 123.96 is in positive territory.



"Advisors' optimism on the economy for the near term has been strong and climbing, triggered by employment growth, satisfactory corporate earnings and the election year," commented Ramy Shaalan, vice president of research at AdvisorBenchmarking. "For the next 12-month period, however, advisors are more cautious and their long-term outlook has not changed from last month,

as the increased violence in Iraq, global terrorism and potentially rising interest rates are causing uncertainty.”

Below are notable comments from participating advisors:

- **On Jobs:** “We need to see a few more months of jobs growth to continue the recovery,” Terrence Beaton of Beaton Management Company.
- **On Elections:** “Bipartisan election year politics will dampen consumers respect for the economic recovery. I believe that will result in lower than expected gains in GDP. Add in higher interest rates from continued business led expansion and that creates a less than stellar environment for the equity markets,” Terry Siman of Executive Financial Services.
- **On the Stock Market:** “I feel there will be some short term volatility and erosion of profits in the second quarter, but we will end 2004 with a positive result close to the long term historical average,” Rob Siegmann of Financial Management Group.

Most of the advisors who participate in the index have elected to have their names made available to reporters who would like to interview them on their sentiments on the economy.

AdvisorBenchmarking can facilitate such interviews for reporters.

About Advisor Confidence Index’s methodology

The Advisor Confidence Index is a benchmark that gauges advisors’ view on the economy. Modeled after the Consumer Confidence Index, it captures the sentiments of 150 independent registered investment advisors (RIAs). The participating advisors answer four multiple-choice questions every month reflecting their views of the economy. Three questions gauge their views on the economy for the “current” time period, the “subsequent six -month” period and the “subsequent 12-month” period. The fourth question gauges their outlook on the stock market for the subsequent six months. For each question, five multiple-choice answers are offered, ranging from “very positive” to “very negative,” each carrying a specific weighting. For each question, the mean is calculated. Those four means are then aggregated and the resulting mean is calculated. Using a deduced factor, the new mean is converted to a base where a “neutral” stance is equal to 100. A “Very Negative” stance is 33.33; Negative is 66.67; Positive is 133.33 and Very Positive is 166.67. Every month, the change in the index’s value from the preceding month is also calculated and reported as a percent change.

About AdvisorBenchmarking, Inc., an affiliate of Rydex Investments

AdvisorBenchmarking is a research and analysis center focused on the RIA marketplace. Through its survey web site, www.AdvisorBenchmarking.com, the firm conducts multiple surveys every year 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 in the form of 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, as well as learning best practices of the most successful advisors in the business.

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