

 EXCHANGE-TRADED FUNDS

 UNIT INVESTMENT TRUSTS

 CLOSED-END FUNDS

How Strong is the Core of Your Portfolio?

A Strategic Approach for Diversification and Equity Income in Today's Markets



Uncommon Solutions.

As intelligent investing requires informed decision-making, Guggenheim Funds brings you this timely series of actionable investment solutions that go beyond common thinking in the marketplace. From out of the box solutions in traditional markets to institutional-level investment strategies conveniently structured for individual investors, this series highlights the latest strategic thinking from Guggenheim Funds.



A slowly recovering U.S. economy is leaving investors at a loss about how their portfolios should be positioned. Coming out of the recent financial crisis, also referred to as the “Great Recession,” investors are understandably wary of moving back into equity markets. However, Guggenheim believes that a strategic approach to developing a strong core component in an investment portfolio can provide diversification, lower volatility and income potential for the long-term.

Given the uncertain global economic outlook, U.S. equities offer an attractive opportunity for growth over the long-term. In an extended period of low interest rates and low yields, we believe a core holding of large-capitalization/ broad market, income-producing stocks should be an essential component of an investor’s portfolio.

Flying at Minimum Speed

Although a severe contraction is unlikely, we believe the global economy is entering a period of more modest growth and greater uncertainty. Despite improving economic statistics over the past year, recent data suggests that economic headwinds may be on the horizon.

U.S.	EUROPE	EMERGING MARKETS
Troubles in unemployment and housing may lead to more quantitative easing, but the U.S. should remain an attractive market.	Fiscal and monetary issues are spreading fear with the possibility of the sovereign crisis posing as much of a threat as the subprime meltdown.	Inflation is crimping growth and suppressing the consumer.

The current U.S. economy is comparable to an airplane flying at minimum speed:

- Maintaining the slowest rate of speed to maintain flight
- The slightest turbulence can create significant disruptions
- More power must be applied or the trajectory must be corrected

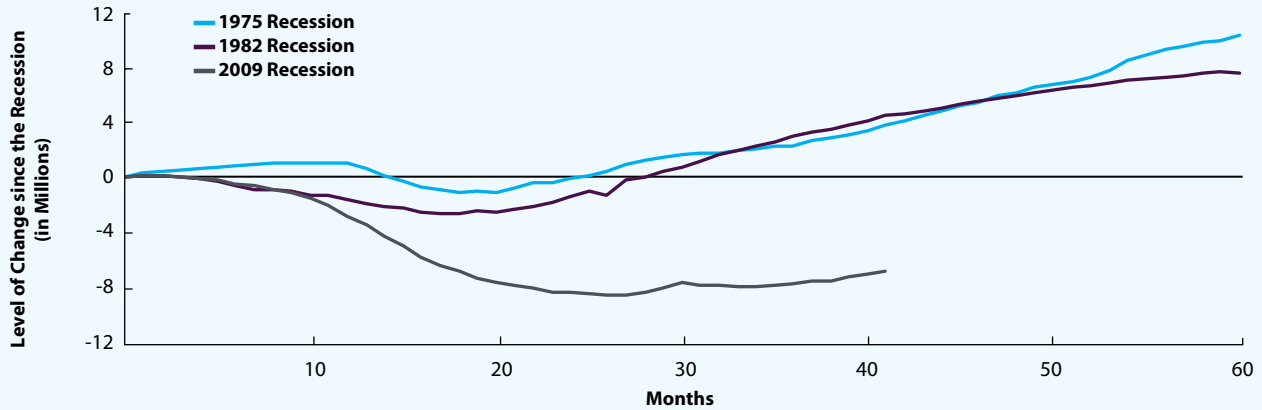
We believe that the U.S. economy will not fully recover until two sectors of paramount importance begin to improve at a more rapid pace – labor and housing

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Key Factors to Recovery

Housing and labor are the key variables that will force the U.S. economy into episodic periods of slower and greater volatility.

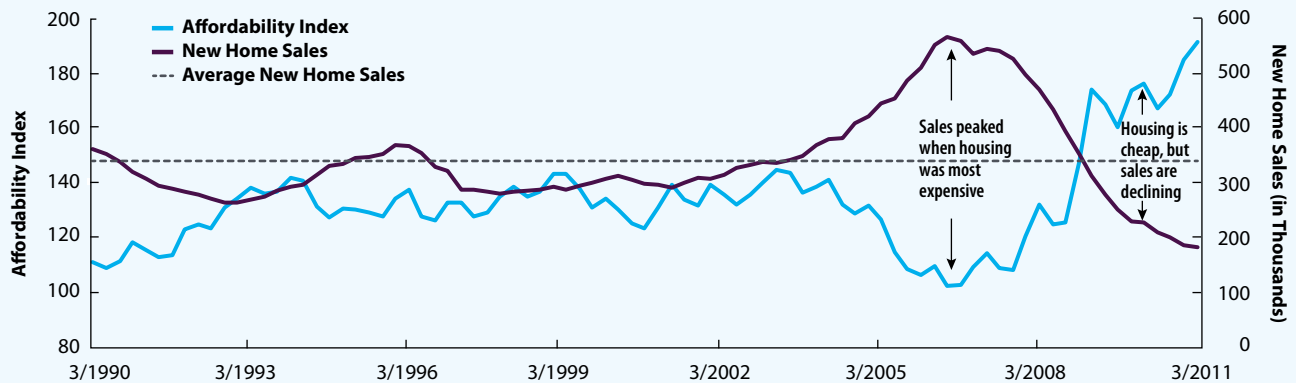
CHANGES ON NON-FARM PAYROLL SINCE RECESSION



Source: Guggenheim Funds Distributors, Inc. Bloomberg. 1975 Recession covers the period November 1973 – March 1975. 1982 Recession covers the period July 1981 – November 1982. 2009 Recession covers the period December 2007 – June 2009. Non-farm payroll data as of April 30, 2011.

The housing market has never been as affordable as it is currently, largely in part to the low-interest rate environment. However, new home sales continue to decline well below its twenty year average.*

HOUSING AFFORDABILITY INDEX VS. NEW HOME SALES 1990 TO PRESENT*



*Source: Guggenheim Funds Distributors, Inc. Bloomberg. Data as of 3/31/2011. See back page for index definitions.

As a result of these factors, it is anticipated that the Federal Reserve will maintain accommodative measures to support unemployment and housing. Overall, the U.S. economy should continue to grow, but at a slow pace.

Despite this minimum speed of growth, we believe that the U.S. should remain attractive for equity investors as Europe deals with a sovereign debt crisis and emerging markets fend off rising inflation and political instability.

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Equity Market Outlook

Given the issues affecting many regions of the world, we believe the U.S. equity markets should prove to be one of the more attractive places to invest during this post-recession period.

FOUR PRIMARY FACTORS DRIVING U.S. EQUITY RETURNS*

▶ Earnings Growth

Earnings growth has beat estimates for eight consecutive quarters. Resilient corporate profit margins and stronger-than-expected revenue growth should lead to continued profit levels exceeding expectations.

▶ Positive Portfolio Flows

Allocations to equities remain relatively low among retail and institutional investors. At a macro-level, we believe an asset-allocation shift toward equities is in its early stages. U.S. markets, in particular, are well-positioned to benefit from the influx of demand.

▶ Valuation Multiple Expansion

Currently, valuation multiples remain modest, with an average price earnings ratio for the S&P 500 that is 11% below its historic average. Guggenheim expects a low-yield, low-inflation environment over the next several years.*

▶ Increased Dividend Payments

Dividends paid to shareholders have accounted for 35 percent of total return over the past 20 years. Dividend payments may increase as economic prospects brighten and corporations seek to deploy some of the \$2.4 trillion in cash that is currently sitting on their balance sheets.*

Support for predictions of future equity market performance may be provided by the statistical principle of mean reversion. Based on historical returns, holding stocks for the long-term (i.e. 10 years or more) statistically suggests that U.S. equity returns would average roughly 11% per year in total return.* There is no assurance that past patterns will be repeated in the future or any method may be accurate of determining in advance when any such patterns may begin or end.

Mean Reversion –

A theory suggesting that prices and returns eventually move back towards the mean or average.

*Source: Guggenheim Funds Distributors, Inc.

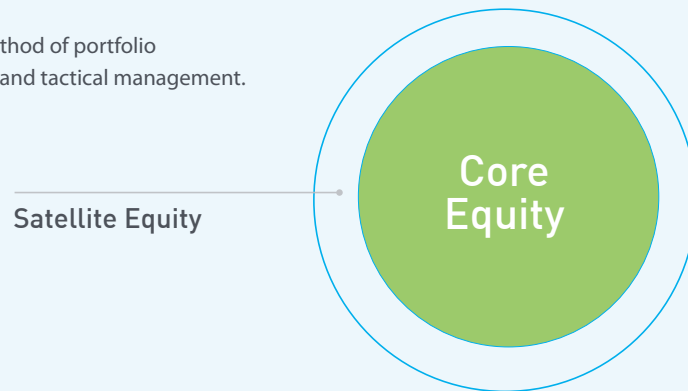
At the Core of the Solution

Given the current environment, Guggenheim Funds believes that a core allocation to large-capitalization, dividend-paying equities can provide investors with a compelling opportunity to earn attractive income. This may be achieved through a well-executed asset allocation strategy that includes both core and satellite equity investments.

Core/Satellite Equity Investing

The Blending of Strategic and Tactical in a Core/Satellite Equity Strategy

Core-Satellite investing refers to a method of portfolio construction that combines strategic and tactical management.



Core Equity Portfolio Options

- Large Cap
- Broad Market
- Dividend-Paying

A diversified portfolio may include an allocation with the level of equity exposure varying according to an investor's risk tolerance and investment objective.

Given the current economic and fundamental backdrops, a well-executed asset allocation strategy that includes both core and satellite equity investments may provide attractive upside potential while mitigating risk exposure.

Core – The core is the central part of your portfolio. It requires a strategic approach, which allocates a percentage of the portfolio to a combination of broad-based equities (usually large-capitalization securities) as a means to capture major market movements. The core provides the foundation for the rest of the investment portfolio.

Satellite Investing – These are investments that seek extra return (also known as “alpha”) in those segments of the market offering attractive risk/return potential. This is the segment of the portfolio that is actively managed and positioned to achieve outperformance.

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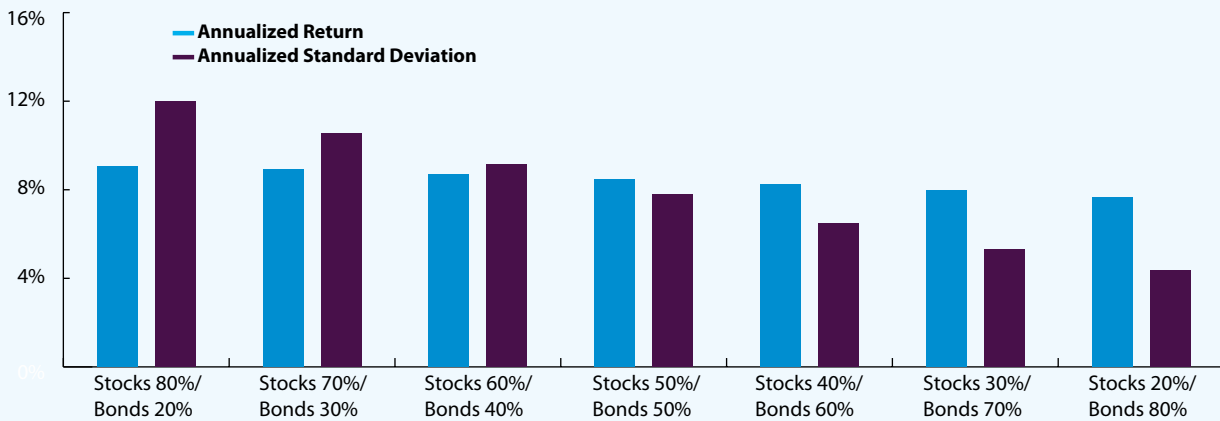
An Intelligent Approach to Core Equity

“An intelligent approach” to core equity should focus on building an allocation that offers exposure to the three primary features of a core strategy: diversification, high quality, and dividend potential.

Diversification

Exposure to a more diversified basket of securities may better position a portfolio to capture major market movements. Having a security’s performance spread across a greater number of securities or asset classes may help reduce downside risk.

ANNUALIZED STANDARD DEVIATION: INDEX VS. TOP TEN HOLDINGS



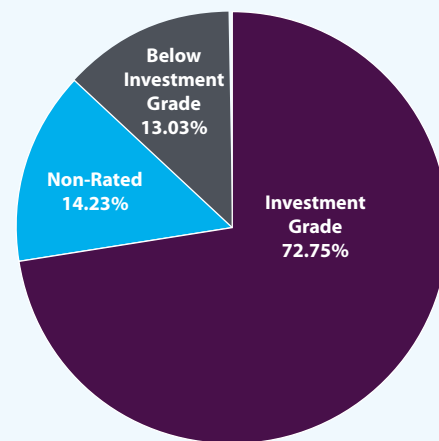
Source: Guggenheim Funds Distributors, Inc. Bloomberg. Data covers the period January 1990 – May 2011. Standard & Poor’s Top Ten Holdings as of June 6, 2011. Top Ten Holdings are not in order of index weighting percentage. See back page for index definitions.

Standard Deviation — A measure of historical volatility that indicates the degree to which an investment’s returns fluctuate around its average return. Generally, a higher standard deviation indicates a more risky investment.

High Quality for Lower Volatility Potential

As shown in the pie chart, the majority of large-cap securities, as represented by the S&P 500® Index, tend to be high-quality, investment-grade companies. Relative to small- and mid-cap securities, higher quality/large-cap securities have historically translated into lower volatility.

S&P 500 QUALITY BREAKDOWN



Source; S&P. Zephyr Style Advisor. Quality breakdown data as of March 31, 2011. Standard deviation data from January 31, 1994 – December 31, 2010. See back page for index definitions.

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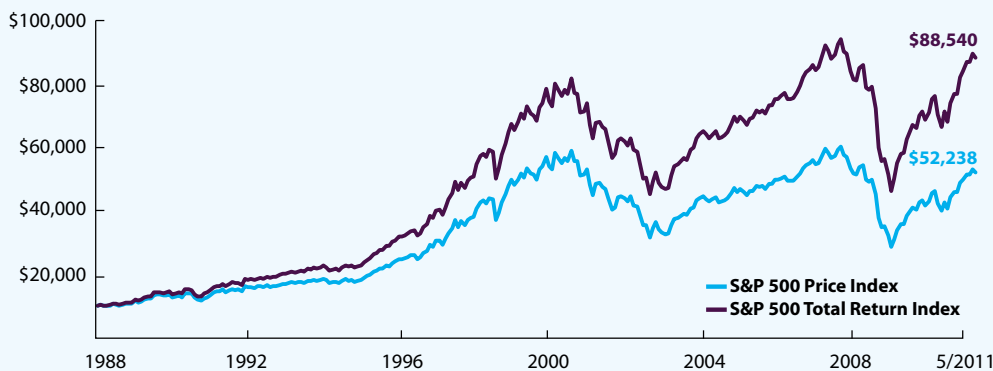


Dividend Potential

Dividends can be a significant portion of an equity portfolio's total return over the long- term. Since 1988, the income from dividend-paying stocks helped the S&P 500 Index's total return outpace its price return by 362%.

Dividends can also serve as a source of income, which can provide meaningful cash flow in times of need and during low interest rate periods.

S&P 500 PRICE VS. TOTAL RETURN: GROWTH OF \$10,000



Since 1988, the income from dividend-paying stocks helped the S&P 500 Index's total return outpace its price return by 362%.

Source: Bloomberg . Data covers the period January 29, 1988 – May 31, 2011. **Past performance is not indicative of future results.** See back page for index definitions.

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How Strong is Your Core?

In times of uncertainty, ensuring that the core of your portfolio is well positioned for the long-term is very important. Any investment portfolio is only as strong as the foundation upon which it is built.

SPEAK TO YOUR FINANCIAL ADVISOR ABOUT THE ROLE THAT CORE EQUITY CAN PLAY IN YOUR INVESTMENT PORTFOLIO. VISIT WWW.GUGGENHEIMFUNDS.COM/COREEQUITY TO LEARN MORE ABOUT THE CORE EQUITY SOLUTIONS OFFERED THROUGH GUGGENHEIM FUNDS.

ABOUT

Guggenheim Funds Distributors, Inc. offers strategic investment solutions for financial advisors and their valued clients. As an innovator in exchange-traded funds (ETFs), unit investment trusts (UITs) and closed-end funds (CEFs), Guggenheim Funds often leads its peers with creative investment strategy solutions. Guggenheim Funds and its affiliates provide supervision, management or servicing of assets with a commitment to consistently delivering exceptional service. Guggenheim Funds is a subsidiary of Guggenheim Partners, LLC, a global, diversified financial services firm with more than \$100 billion in assets under supervision. Guggenheim Partners, through its affiliates, provides investment management, investment advisory, insurance, investment banking, and capital markets services. The firm is headquartered in Chicago and New York with a global network of offices throughout the United States, Europe and Asia.

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INDEX DEFINITIONS **The Housing Affordability Index** is a standard established by the National Association of Realtors (NAR) to gauge the financial ability of consumers to buy a home. **The S&P 500 Index and The S&P 500 Price Index** represent a capitalization-weighted index of 500 stocks intended to be a representative sample of leading companies in leading industries within the U.S. economy. **The S&P Total Return Index** tracks both the capital gains of stocks in the S&P 500 over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index. The S&P 500 Index is a capitalization weighted index of 500 stocks, actively traded in the U.S., designed to measure the performance of the broad economy, representing all major industries.

RISKS AND CONSIDERATIONS **Past performance does not guarantee future results.** The illustration is not representative of any Guggenheim Funds product. There are risks associated with investing, including the entire loss of principal you invest. Focusing on an industry/sector may present more risks than investing in securities that

are more broadly diversified over numerous industries and sectors of the economy. Investors should consider the following risk factors and special considerations associated with investing, which may cause you to lose money, including the entire principal amount that you invest. **Equity Risk:** The value of the securities may fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities participate, or factors relating to specific companies in which a portfolio invests.

Investors should consider the investment objectives, risks, charges and ongoing expenses of any investment product carefully before investing. The prospectus contains this and other relevant information. Investors should read the prospectus carefully before investing. To obtain a prospectus, visit www.guggenheimfunds.com or contact a securities representative or Guggenheim Funds Distributors, Inc. 2455 Corporate West Drive, Lisle, IL 60532, 800-345-7999.