

**\*FOR IMMEDIATE RELEASE\***

## **Guggenheim Partners Announces Definitive Agreement to Acquire Security Benefit Corporation**

*Guggenheim Partners Continues Growth as a Global Diversified Financial Services Firm  
and Aims to Build Robust Retirement Services and Asset Management Platform*

*Substantial Investment Materially Strengthens Security Benefit's Capital Position*

*Howard R. Fricke Appointed Interim Chairman and CEO of Security Benefit;  
Kris A. Robbins Announces Retirement;  
Todd Boehly to be Named Chairman Upon Closing*

**Chicago / Topeka, KS – February 16, 2010** – Guggenheim Partners, LLC and Security Benefit Corporation today announced that they have reached a definitive agreement whereby Guggenheim and a group of investors, including certain shareholders of Guggenheim Partners, will acquire Security Benefit Corporation.

“Guggenheim Partners is committed to expanding its presence as a global diversified financial services firm that provides fresh perspectives and innovative solutions in recognition of the evolving landscape for financial products,” said Todd Boehly, managing partner in the office of the CEO of Guggenheim Partners.

“Security Benefit has built an impressive portfolio of businesses that complement Guggenheim’s expertise,” Boehly continued. “This transaction enables us to accelerate Security Benefit’s growth given the marketplace’s increasing demand for robust retirement programs and investment strategies. We believe that Guggenheim Partners brings resources and product development capabilities that will be advantageous to Security Benefit’s current and future clients. I look forward to working with Security Benefit’s management team and the State of Kansas as we further build this company.”

Security Benefit’s four primary businesses will immediately benefit from continued capital investments in technology, product development and support as well as anticipated favorable improvements in the firm’s financial strength ratings. The four businesses include:

- Security Financial Resources – a leading provider of retirement plan services for more than 135,000 accounts throughout the nation, primarily in the education marketplace;
- Security Benefit Life – providing fixed and variable annuities to approximately 200,000 policyholders;

- se<sup>2</sup> – an award-winning and nationally recognized provider of administrative services for the insurance and financial services industry with more than 700,000 policies and \$30 billion in third-party assets under administration; and
- SGI|Security Global Investors and Rydex|SGI – an asset management company with approximately \$22 billion in assets under management, offering institutional investors and financial intermediaries a broad spectrum of traditional and alternative investment strategies in separate accounts, mutual funds and ETFs.

Guggenheim Partners and Security Benefit began working together in June 2009 when Guggenheim became the investment advisor for Security Benefit’s general account. Since then, Guggenheim has improved the quality of the portfolio while increasing investment income.

As part of the transaction, Howard R. Fricke, who served as Security Benefit’s president and chief executive officer from 1988 to 2000 and chairman from 1996 to 2006, will serve as interim chairman of the board, president and chief executive officer effective immediately and will lead the organization through the transition until Guggenheim identifies a permanent chief executive officer and president for Security Benefit. Todd Boehly, who has spent the last eight years building out Guggenheim’s credit investment management business, will serve as chairman following the close of the transaction. Kris A. Robbins, who has been with Security Benefit for the past 12 years, most recently serving as chairman of the board, president and chief executive officer, today announced his retirement from the organization effective immediately.

“We thank Kris for his vision in identifying a strategic partnership with Guggenheim Partners,” said Fricke. “During Kris’ 12-year tenure, the company has grown AUM from \$7 billion to more than \$30 billion today; developed numerous innovative products and services to help people save for their retirement; launched se<sup>2</sup>, an innovative and award-winning business processing solution; and acquired a highly regarded and well-positioned asset management complex in Rydex Investments, which today operates as SGI|Security Global Investors and Rydex|SGI. On behalf of the board and all our associates, we wish Kris and his family the very best.

“This is a great moment for our organization,” said Fricke. “We remain a private company, with capital to grow, and are now affiliated with a market-leading and highly prestigious global financial services firm. I am especially pleased at the long-term approach Guggenheim brings to investing in complementary companies by supporting their growth and enabling them to become stronger competitors. This is an exciting next chapter for our organization and our associates. Guggenheim’s focus on innovation and community support are closely aligned with the values of Security Benefit, and our associates are eager and focused to move our businesses forward.”

Upon the closing of the transaction, and following regulatory and policyholder approval for demutualization, Guggenheim Partners will control Security Benefit Corporation. It is also expected upon close that Security Benefit Life’s credit ratings and outlook should improve as it strives to return to investment grade over time. Security Benefit retains its network of

offices and will continue to occupy its Topeka-based corporate headquarters and maintain its commitment to community stewardship and business leadership.

The Boards of the Security Funds and the Rydex Funds have approved the new investment advisory agreements between the funds and their investment advisers that will be effective after completion of the transaction, subject to approval by each fund's shareholders. The Guggenheim-led group will make an investment of approximately \$400 million in Security Benefit. Additional terms of the transaction were not disclosed. The transaction is expected to close in the late second quarter or early third quarter of 2010.

### **About Guggenheim Partners**

Guggenheim Partners, LLC is a diversified financial services firm with more than \$100 billion in assets under supervision. The firm's businesses include 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. For more information, please visit [www.guggenheimpartners.com](http://www.guggenheimpartners.com).

### **About Security Benefit**

Security Benefit fosters strong partnerships to provide insightful and customized retirement solutions for employers and individual investors nationwide. Through a broad advisor network and its nationally recognized money managers, Security Benefit provides mutual funds, annuities, exchange traded funds, broad retirement plans and programs. As an industry leader in service technology, Security Benefit affiliates also offer business processing and broker/dealer solutions tailored to the financial services marketplace. For more information about us, visit [www.securitybenefit.com](http://www.securitybenefit.com).

*This press release includes "forward-looking statements." Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "contemplate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. Forward-looking statements in this press release include, without limitation, forecasts of market growth, future revenue, benefits of the proposed acquisition, expectations that the acquisition will successfully be consummated, and other matters that involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to differ materially from results expressed or implied by this press release. Such risk factors include, among others: uncertainties as to the timing of the acquisition; the satisfaction of other closing conditions to the transaction; the ability to attract and retain clients and employees; whether certain market segments grow as anticipated; the competitive environment in the financial services industry and competitive responses to the proposed acquisition; and whether the companies can successfully develop new products and the degree to which these gain market acceptance. Actual results may differ materially from those contained in the forward-looking statements in this press release. Security Benefit and*

*Guggenheim undertake no obligation and do not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.*

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