



A Global Macro Overview

Anne Mathias, CFA

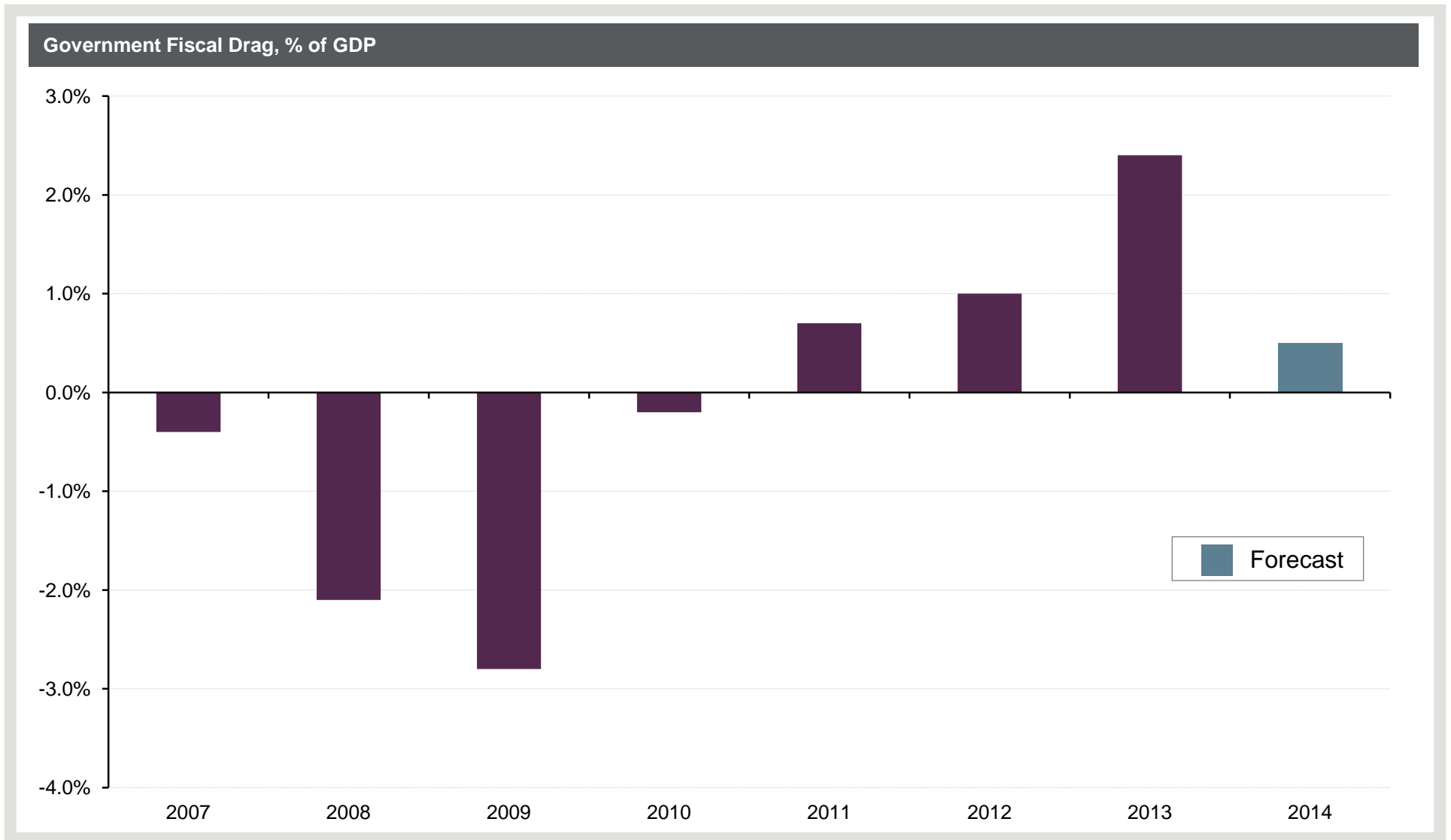
Head of Research – Macro Strategy and Investments

Guggenheim Investments (“Guggenheim”) represents the following affiliated investment management businesses of Guggenheim Partners, LLC: GS GAMMA Advisors, LLC, Guggenheim Aviation, Guggenheim Funds Distributors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Partners Investment Management, LLC, Guggenheim Partners Europe Limited, Guggenheim Partners India Management, Guggenheim Real Estate, LLC, Security Investors, LLC and Transparent Value Advisors, LLC. This material is intended to inform you of services available through Guggenheim Investments’ affiliate businesses. Please see disclosures and legal notice at end of document.



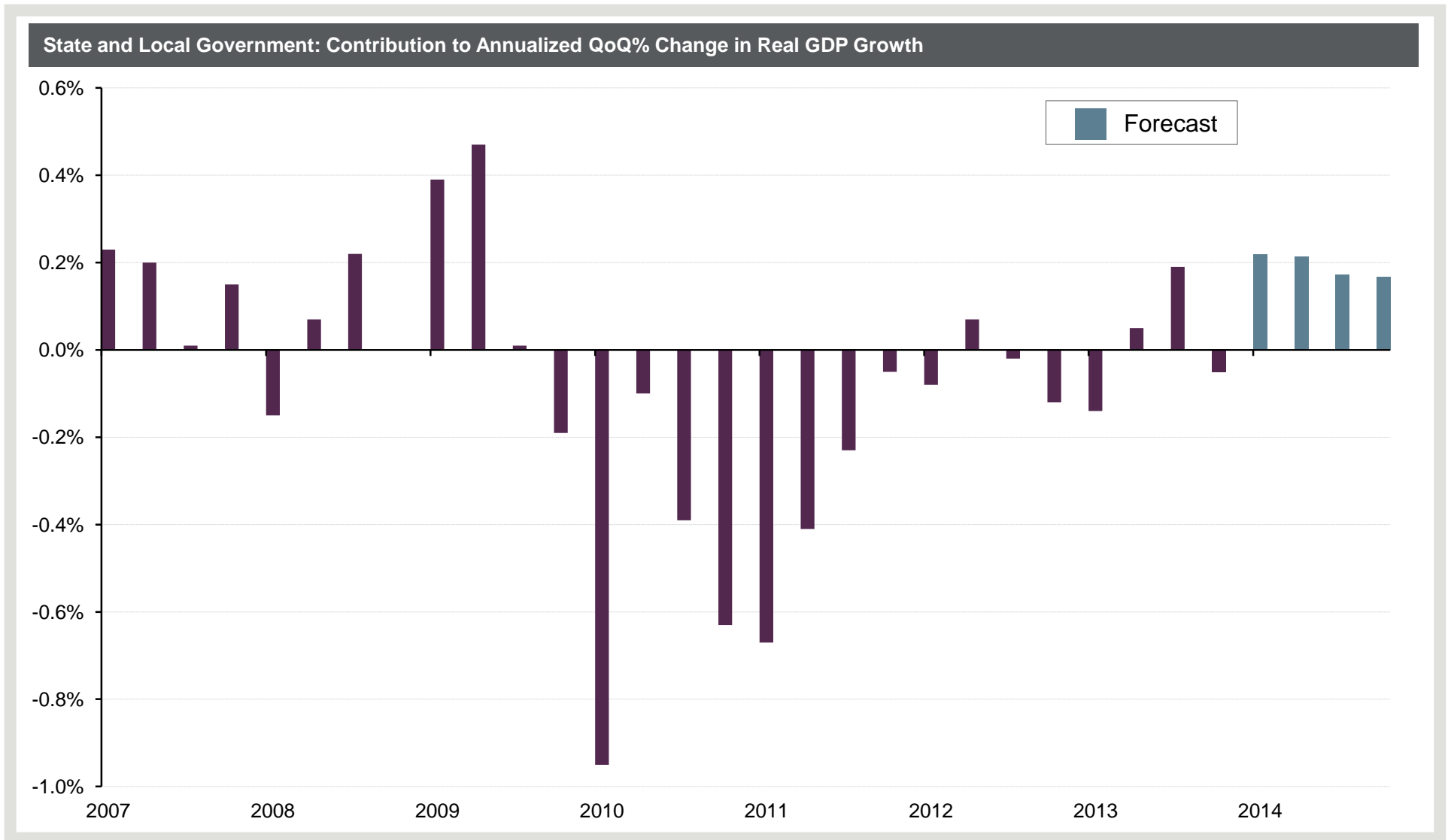
Can the U.S. Lead Global Growth in 2014?

Reduction in Fiscal Drag from the Federal Government



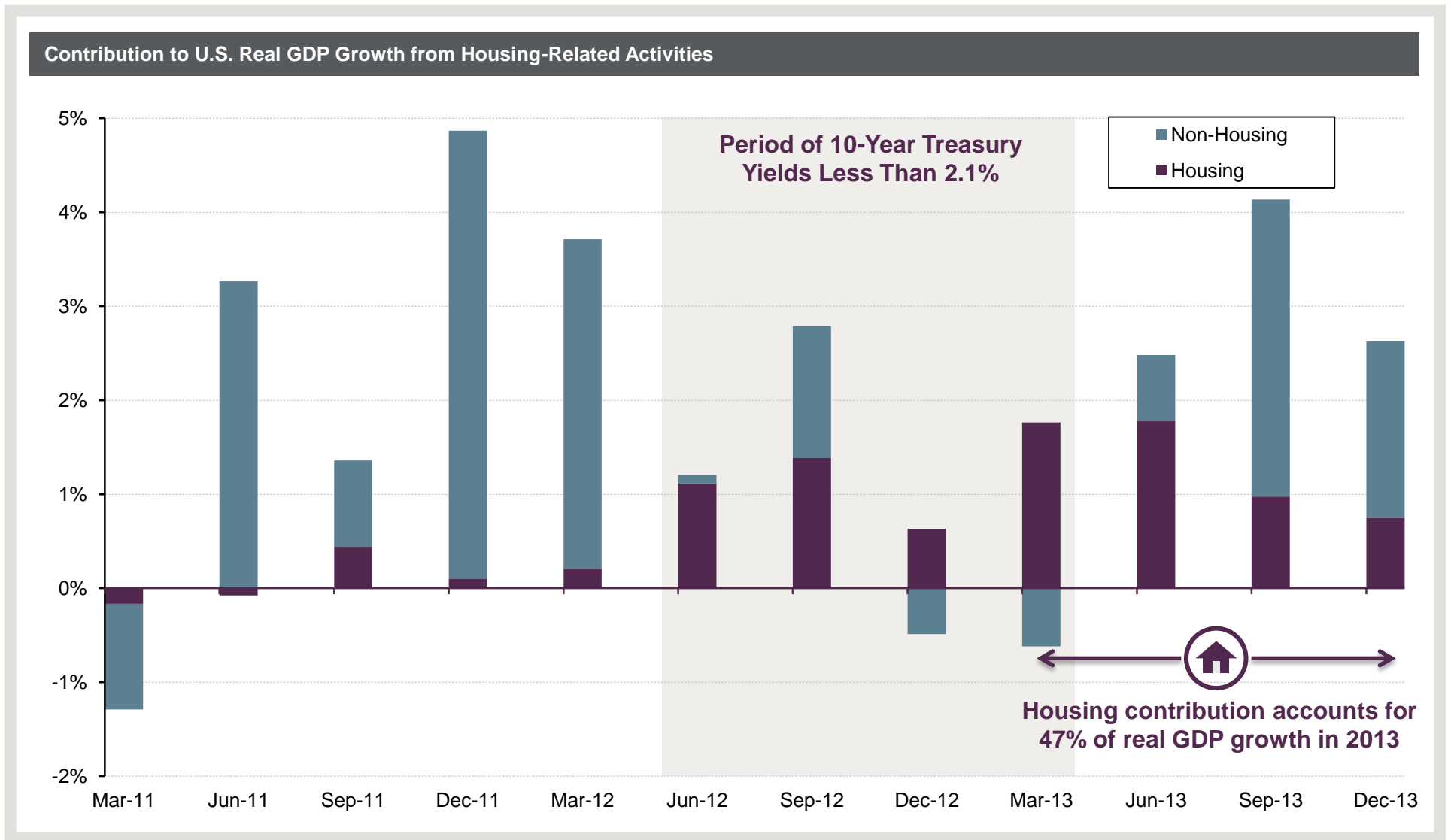
Source: Deutsche Bank, Guggenheim Investments. Actual data as of 4Q2013.

State and Local Government Is Now Adding to GDP Growth



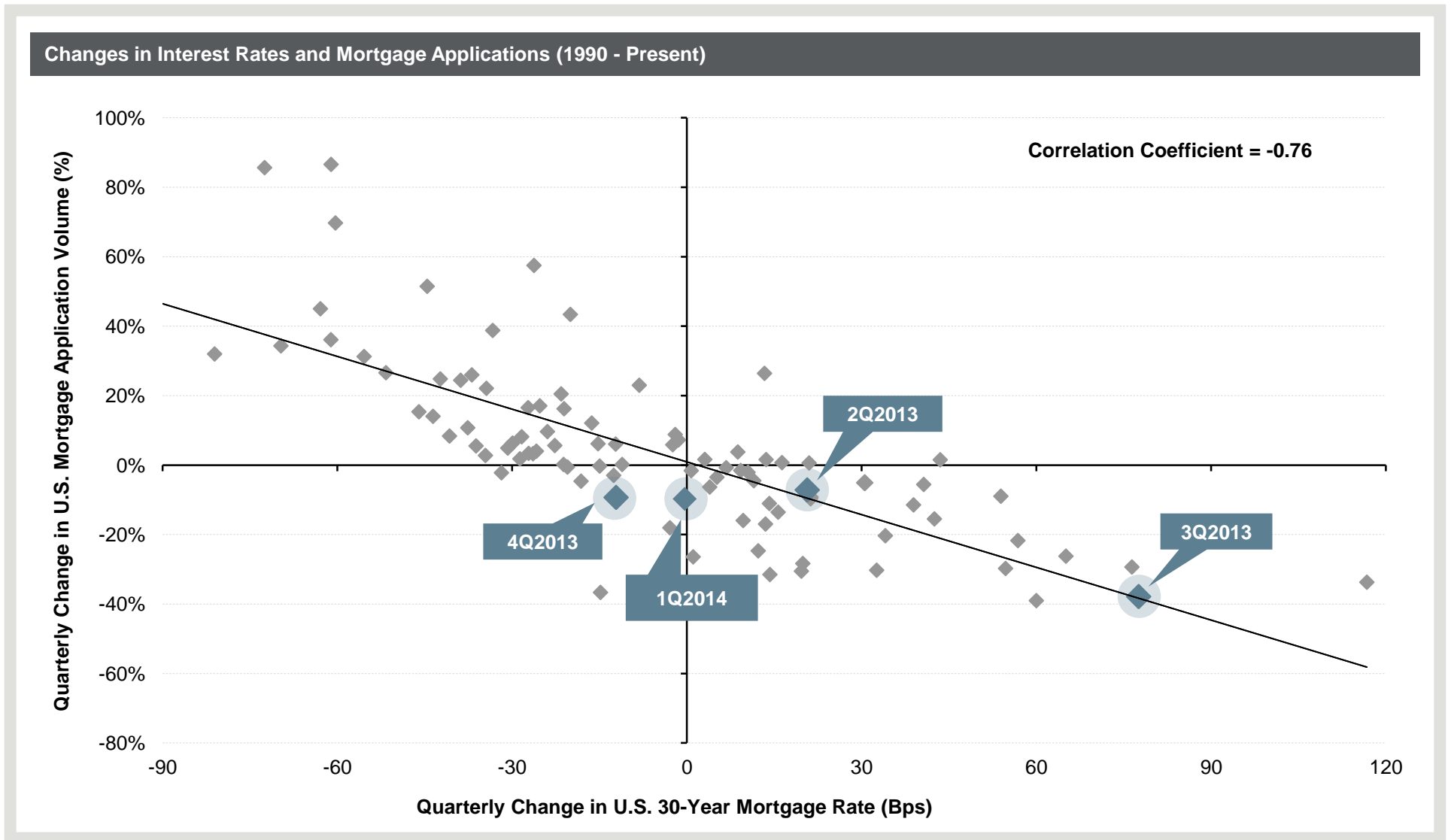
Source: Haver Analytics, Guggenheim Investments. Actual data as of 4Q2013.

Housing Remains Key Part of U.S. Economic Expansion



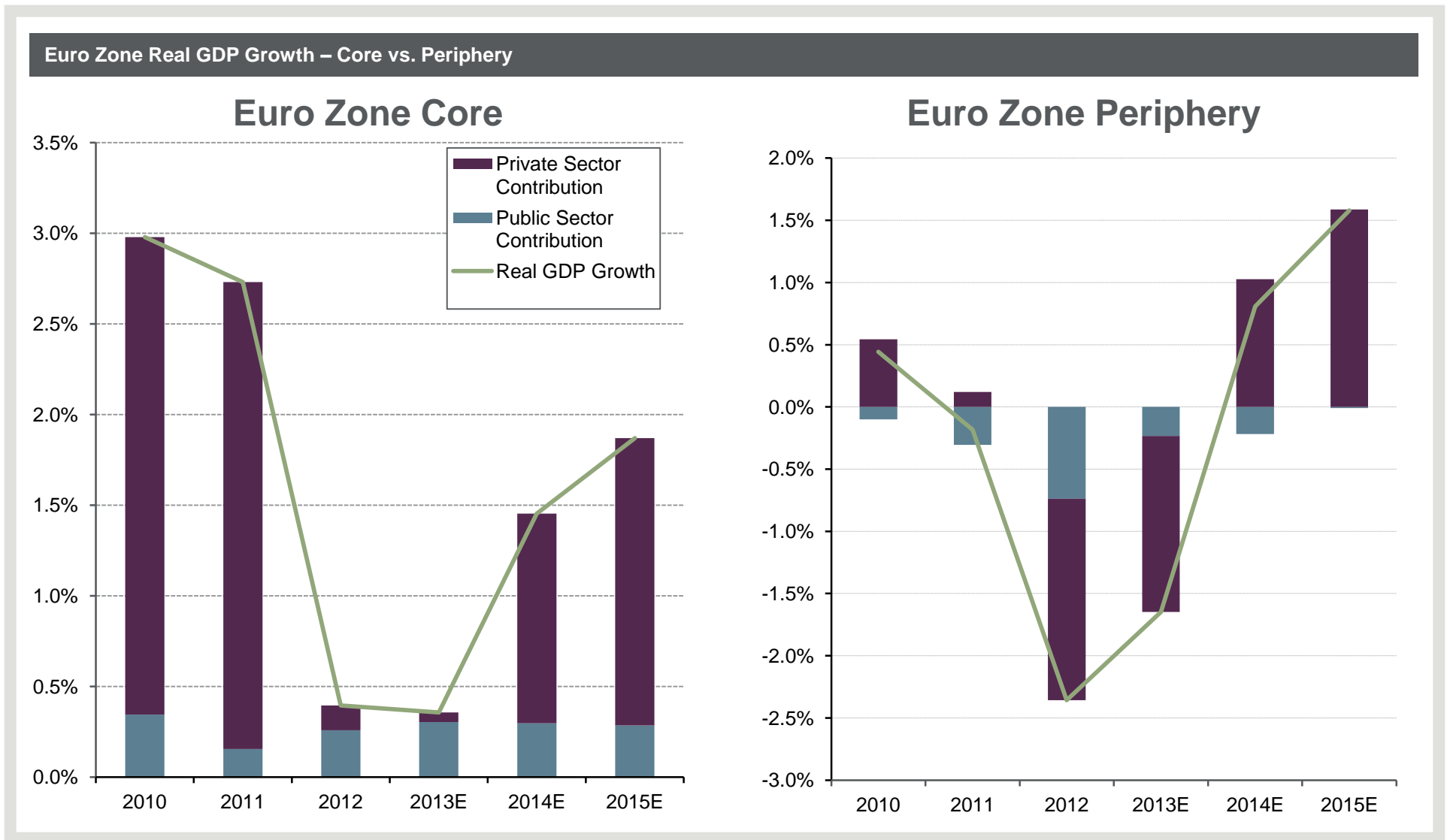
Source: Haver Analytics, Guggenheim Investments' estimates. Data as of 4Q2013. *Note: For simplicity, we don't consider the impact of the housing boom on job creation, which could potentially add additional growth to housing-related activities.

Change in Interest Rates and Mortgage Applications



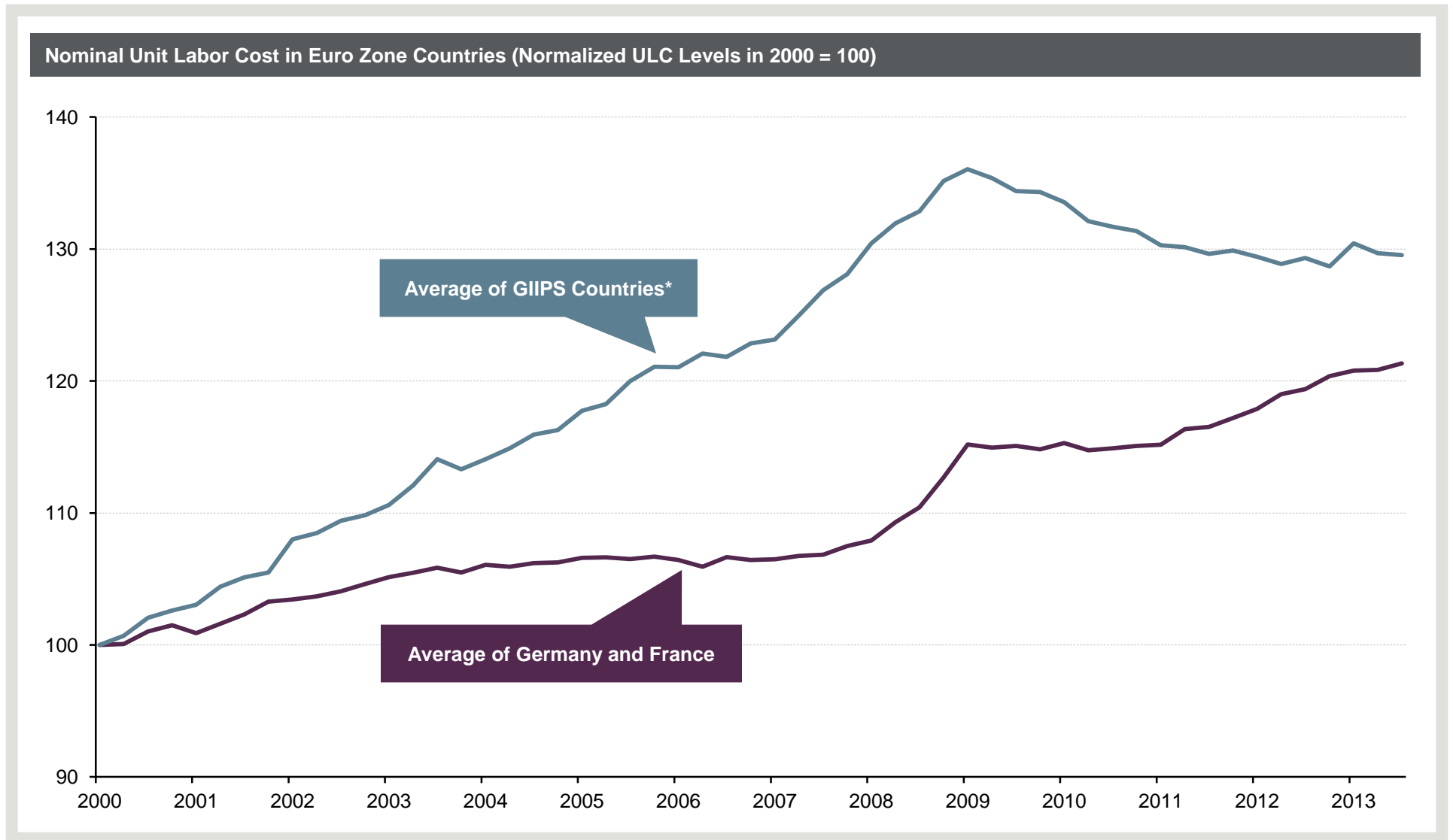
Source: Mortgage Banks Association, Bloomberg, Guggenheim Investments. Actual data as of 3/31/2014.

Europe Appears To Have Bottomed



Source: EU European Economic Forecast Winter 2014, Guggenheim Investments. *Note: 2013, 2014, and 2015 are projections. Core countries include Germany and France; Periphery refers to Italy, Spain, Ireland, Greece, and Portugal.

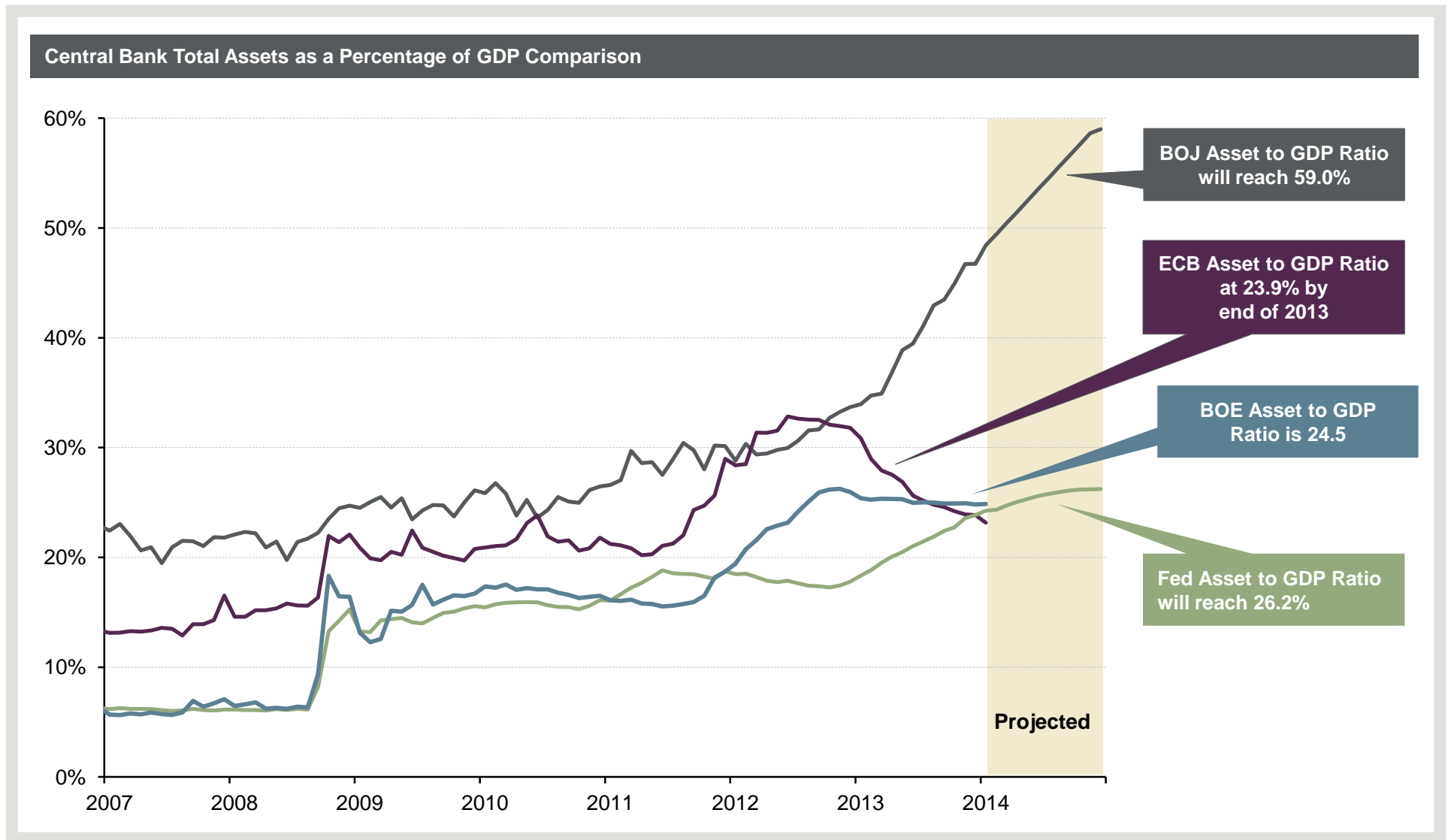
The Periphery Is Catching Up to the Core



Source: Eurostat, Guggenheim Investments. Data as of 3Q2013. *Note: GIIPS refers to Greece, Ireland, Italy, Portugal, and Spain.

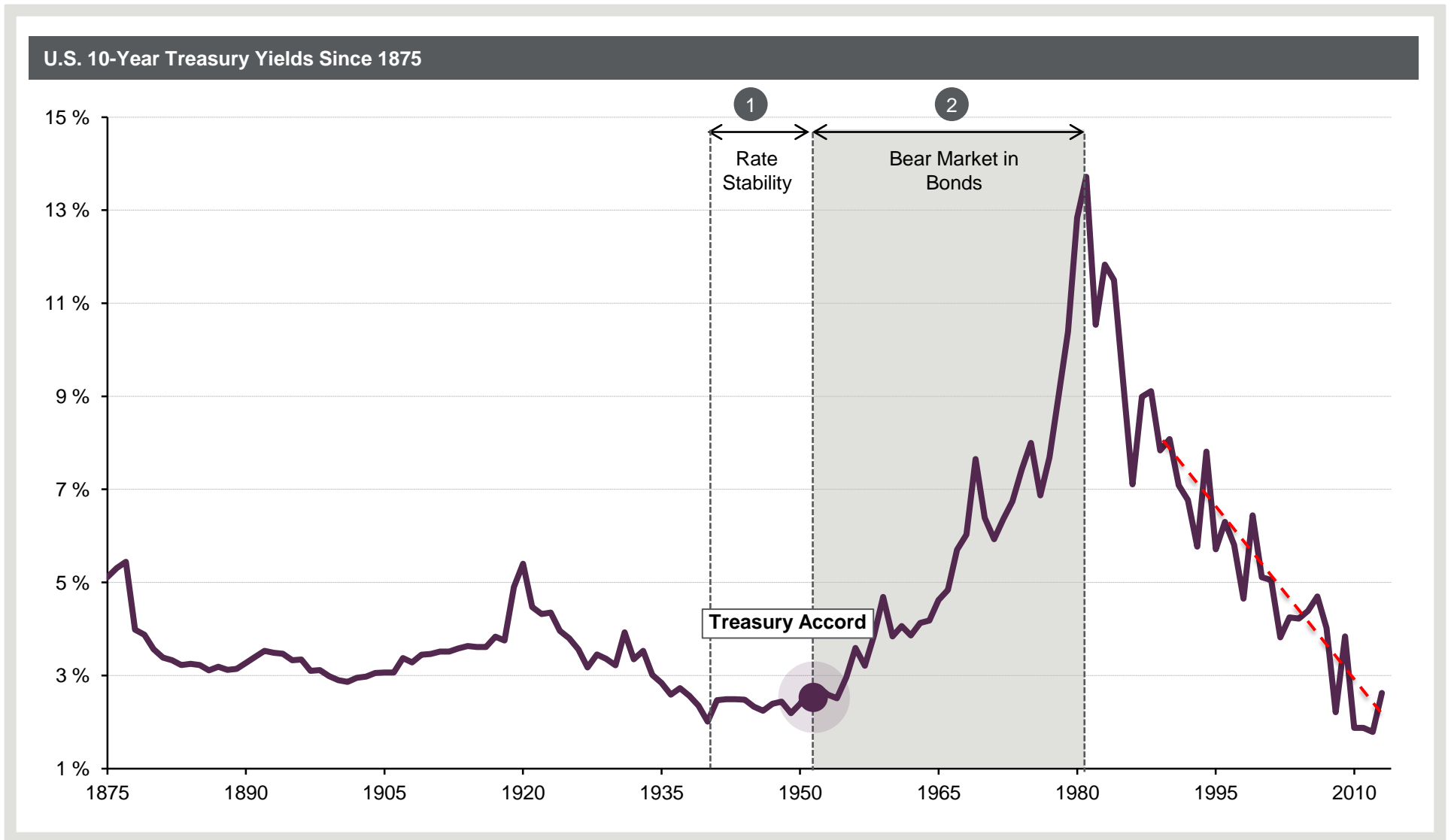
How Long Can Monetary Accommodation Continue?

Expansion of Global Central Banks' Balance Sheets



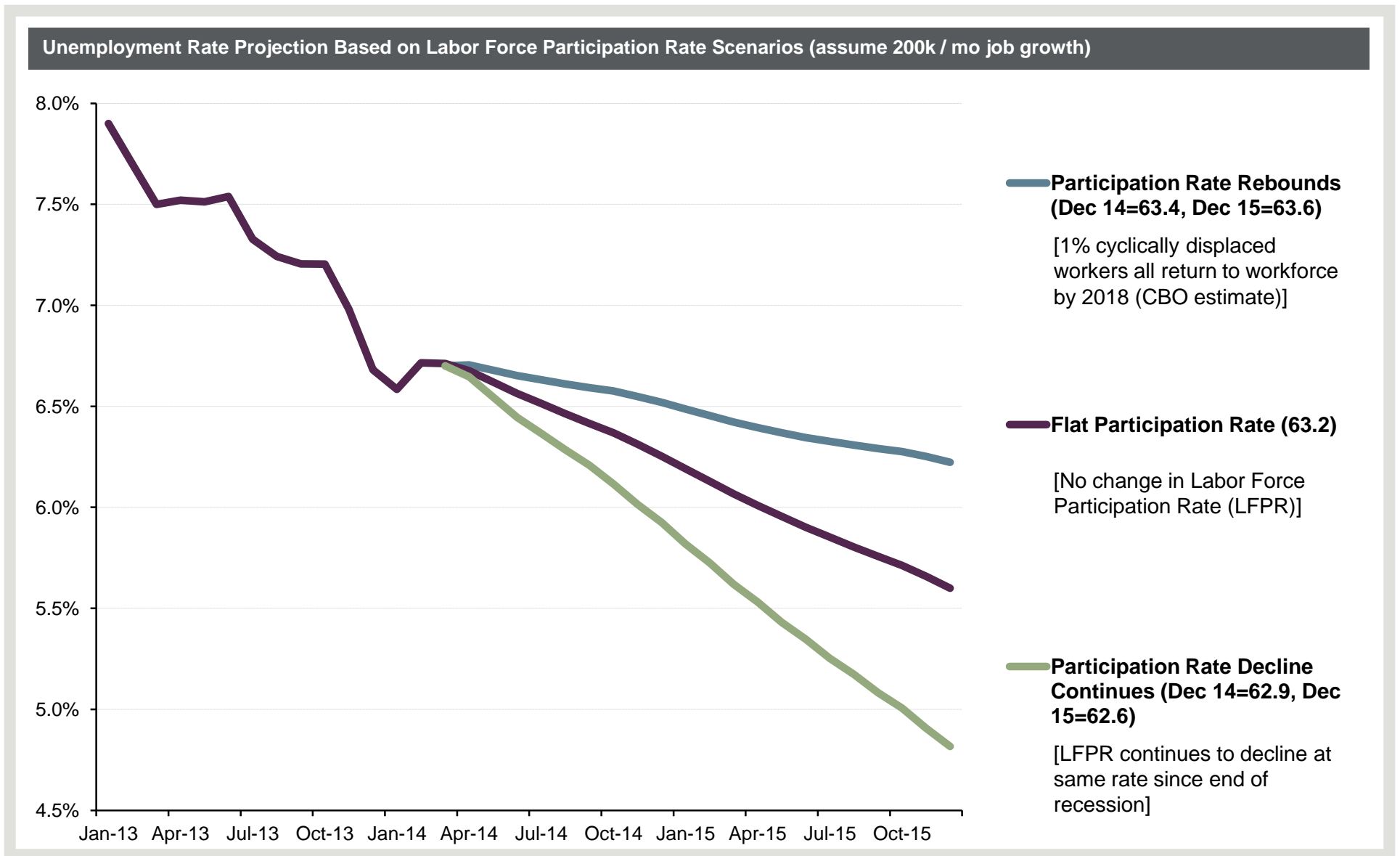
Source: Bloomberg, Guggenheim Investments. Actual data as of 3/31/2014. Note: Major central banks include ECB, BoJ, BoE, and Fed. Data is combined after converting to U.S. dollars.

Historically, the End of Fed Intervention Is Bad News for Longer Duration Bonds



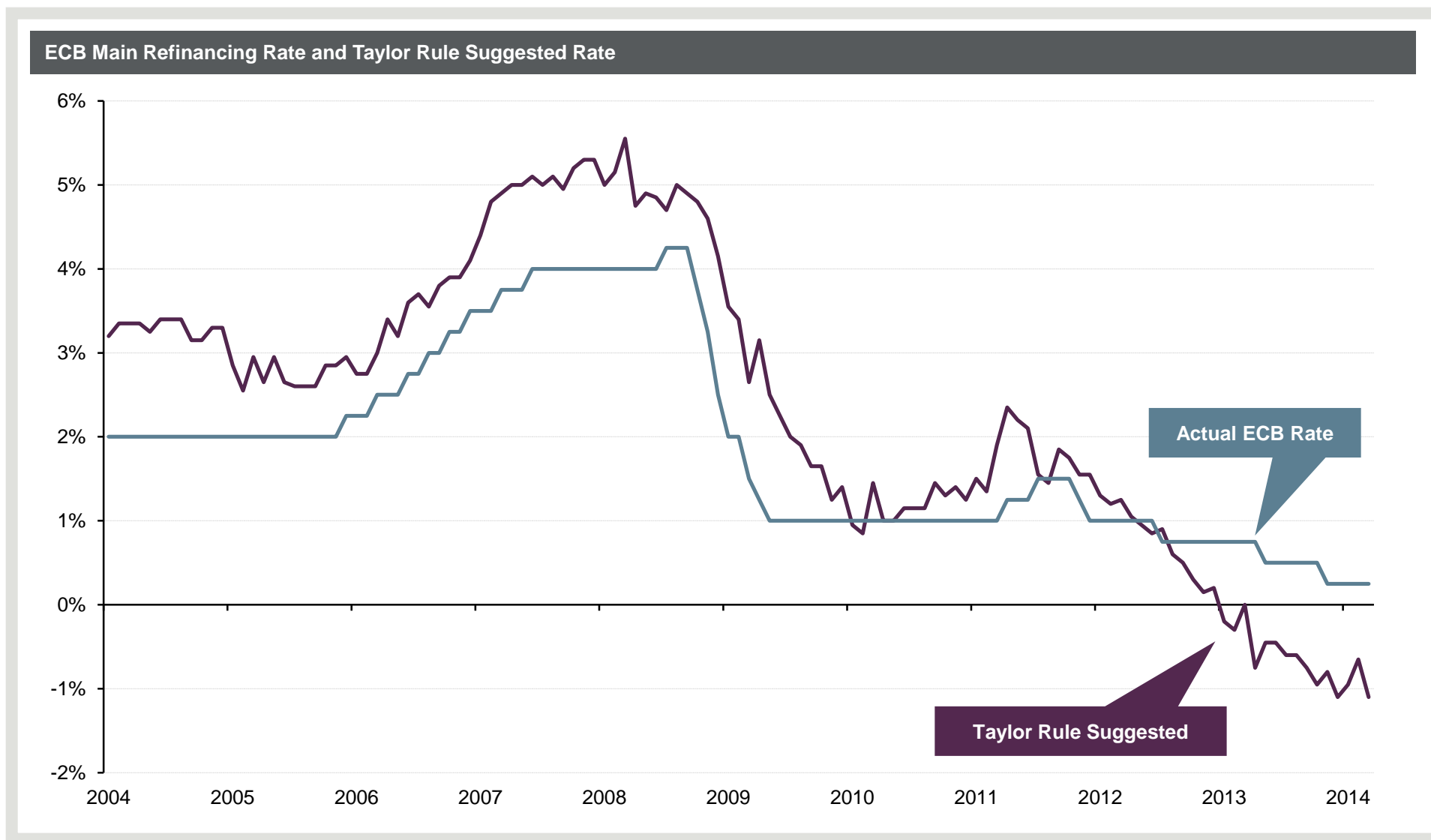
Source: Bloomberg, and Professor Robert Shiller, Guggenheim Investments. Data as of 4/11/2014.

Labor Force Participation Key to Unemployment Rate



Data sources for charts: Bloomberg, Haver Analytics. Actual data as of March 2014 .

Taylor Rule Suggests Further Euro Zone Monetary Accommodation

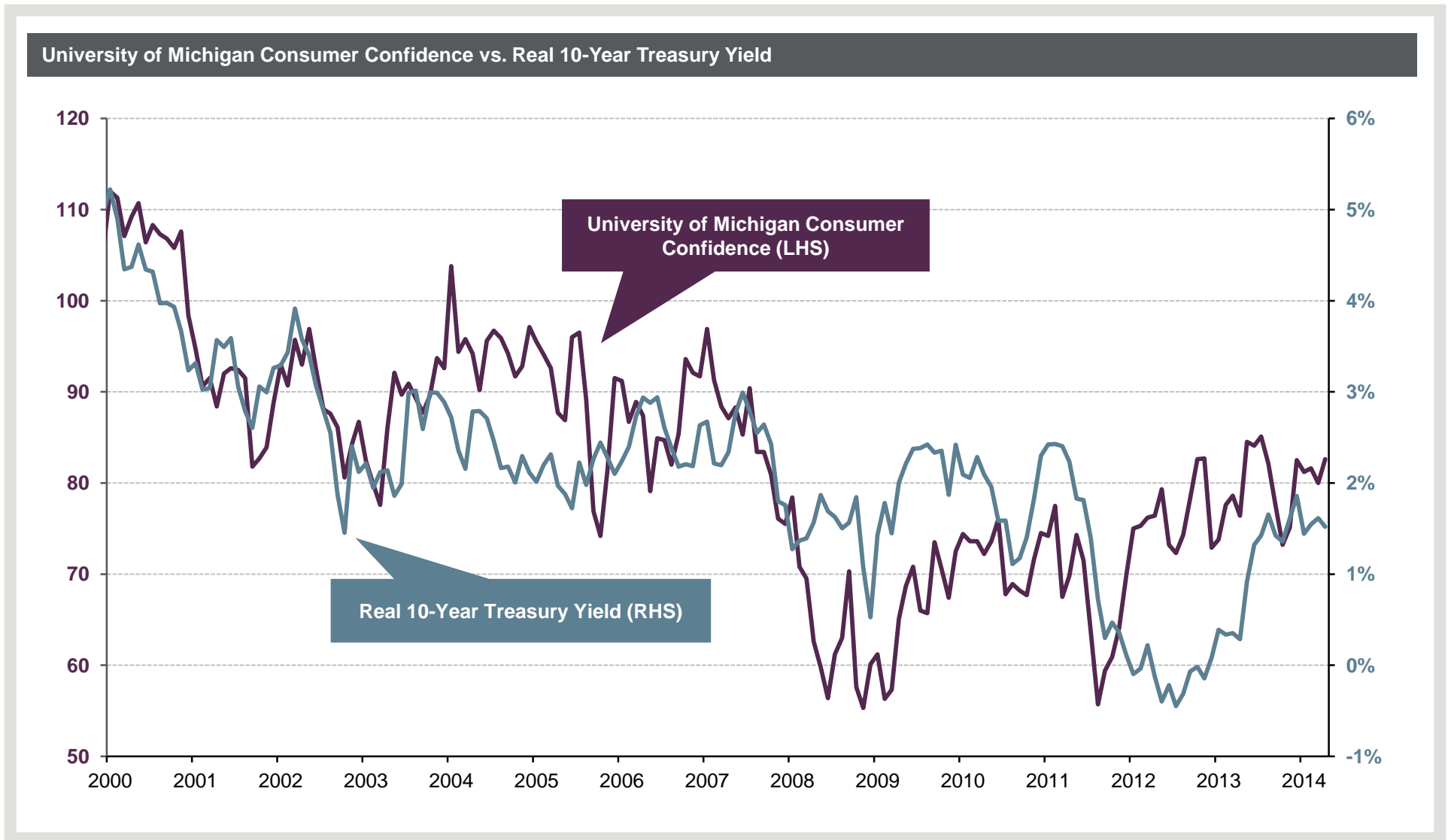


Source: Bloomberg, Guggenheim Investments. Data as of 4/16/2014.



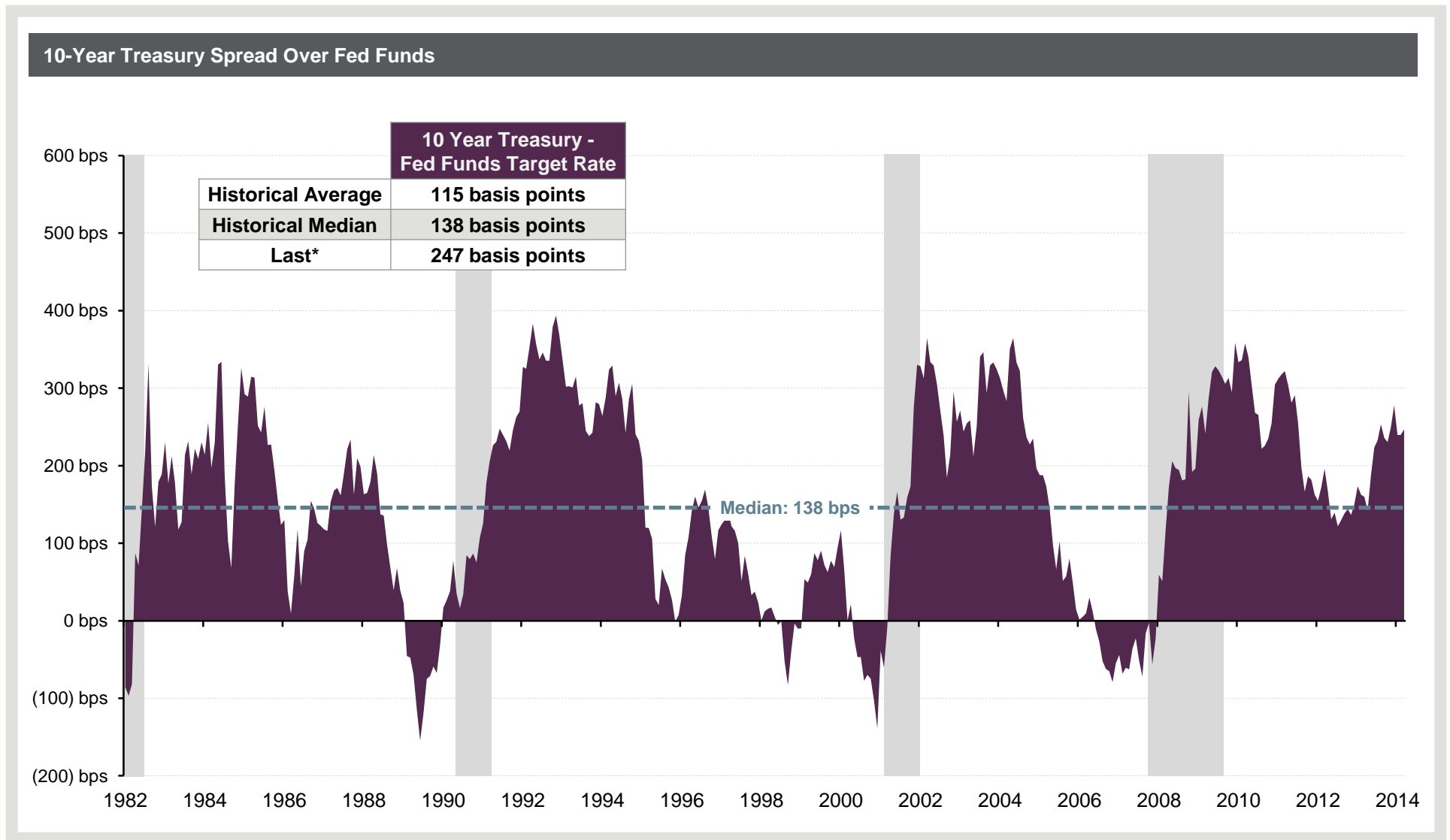
When Will Long-Term Interest Rates Rise?

Long-Term Rates Approximate Fair Value



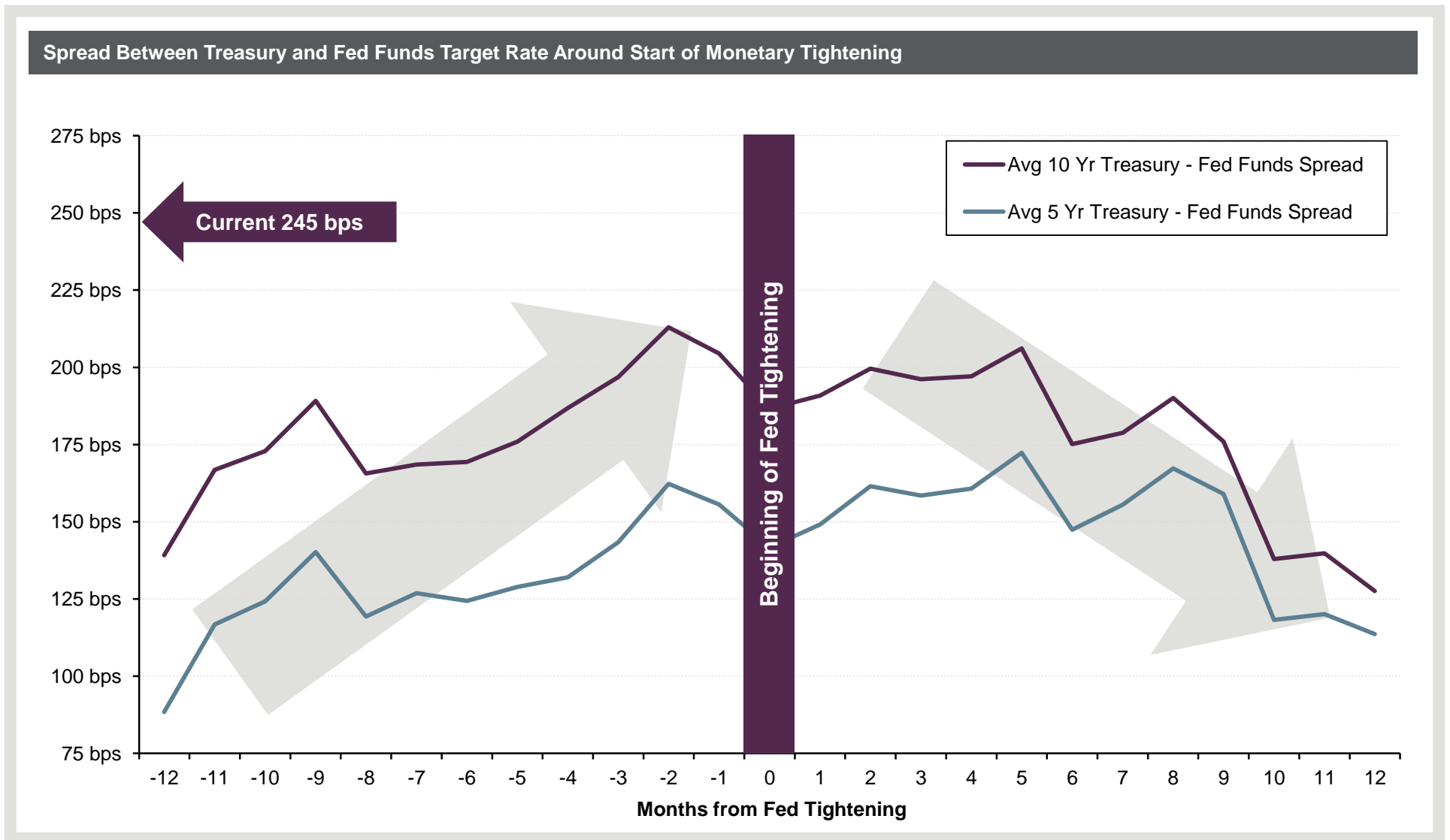
Source: Bloomberg, Haver Analytics, Guggenheim Investments. Data as of 4/11/2014.

10-Year Treasury Spread Over Fed Funds Target Rate



Source: Bloomberg, Guggenheim. Data as of 3/31/2014.

Spread Between Treasury and Fed Funds Target Rate Around Beginning of Monetary Tightening

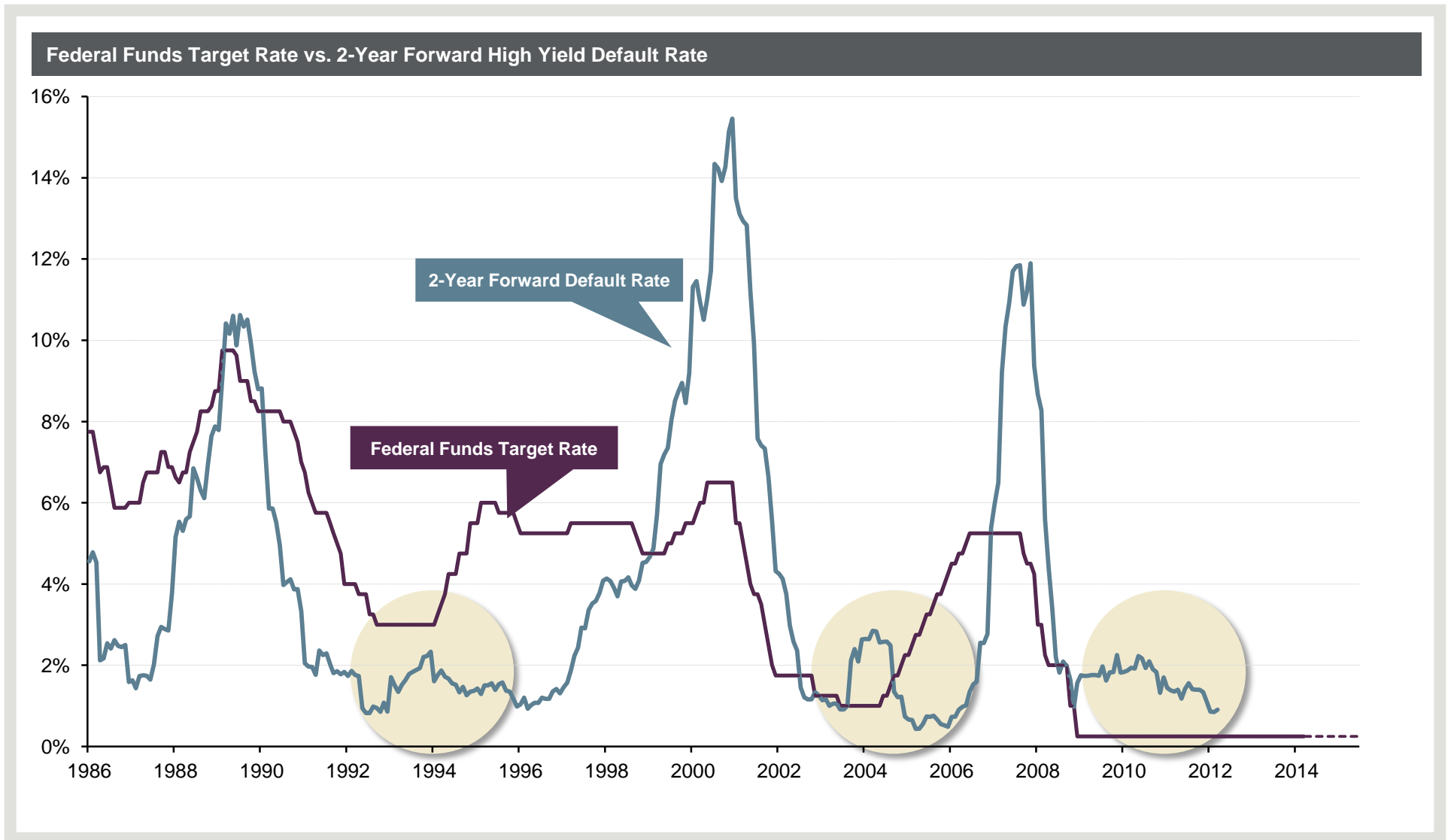


Source: Bloomberg, Guggenheim. Historical data between 1983 – 2013. Current as of 3/31/2014.



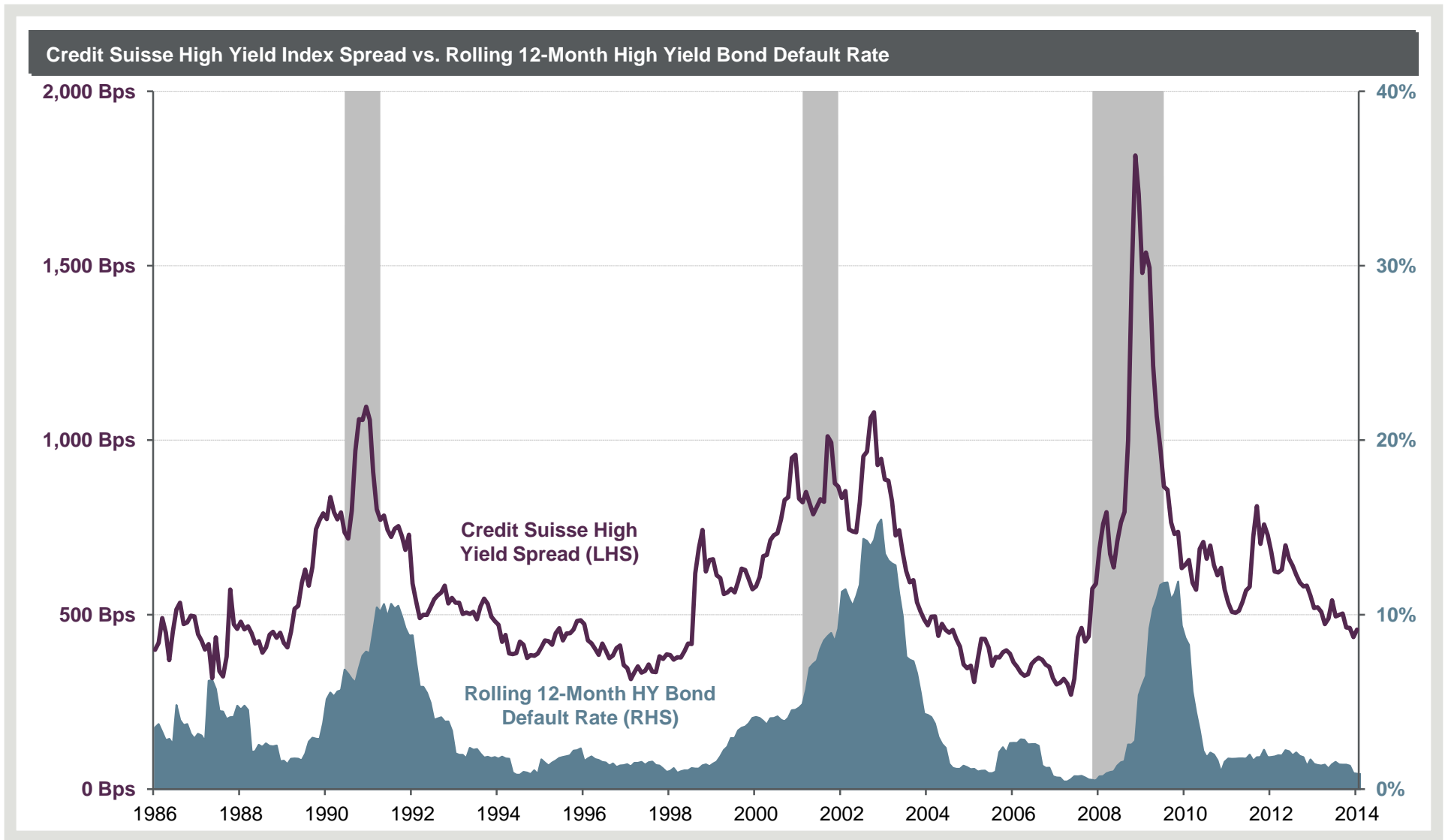
Where Are Opportunities Today?

Monetary Accommodation Leads to Low Default Rates in High Yield Bonds



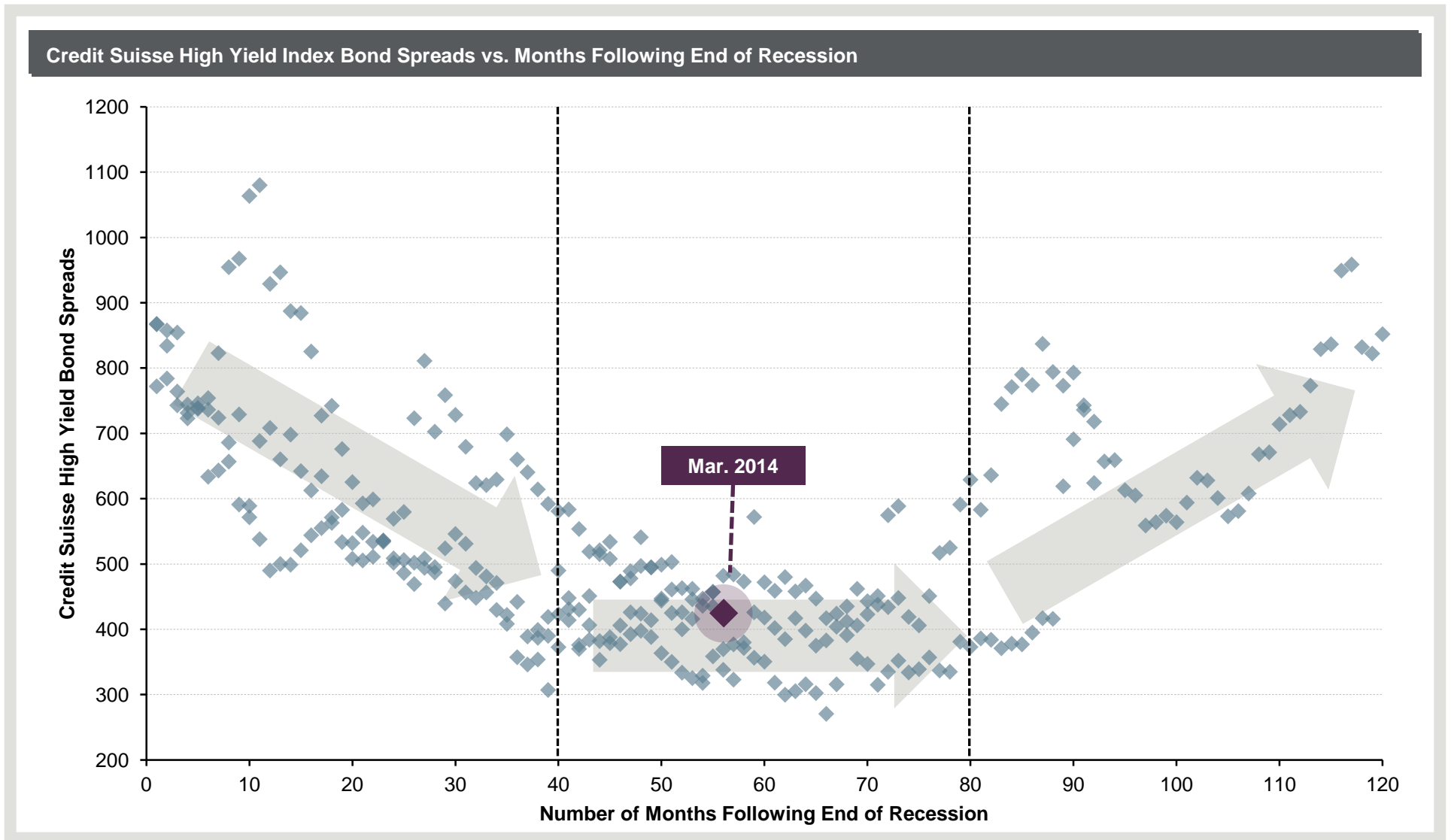
Source: Credit Suisse, Moody's. Data as of 3/31/2014.

Stabilizing Default Rates Should Drive Further Spread Compression



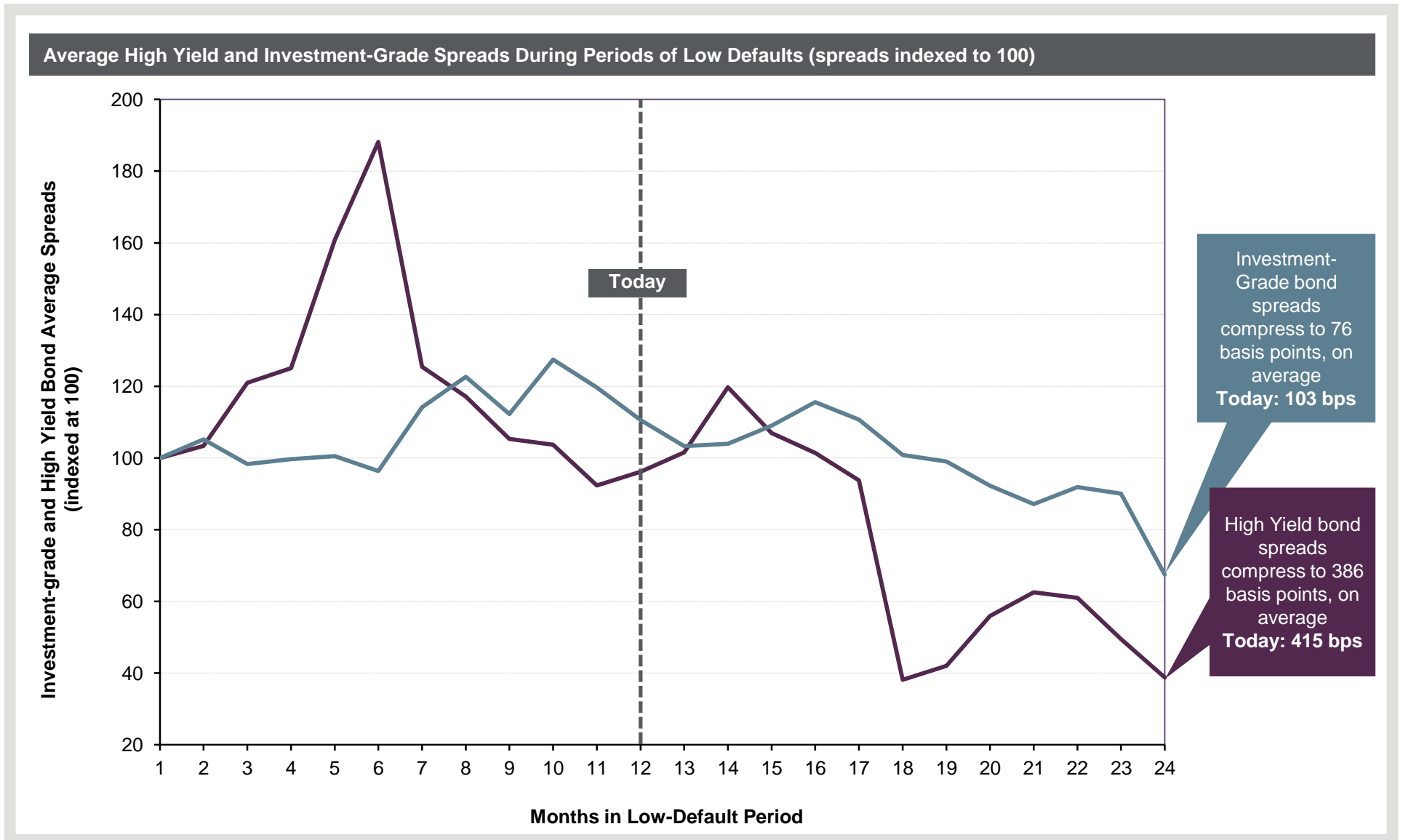
Source: Bloomberg, Credit Suisse. Guggenheim Investments. Data as of 3/31/2014.

High Yield Bond Spreads Following End of Recession



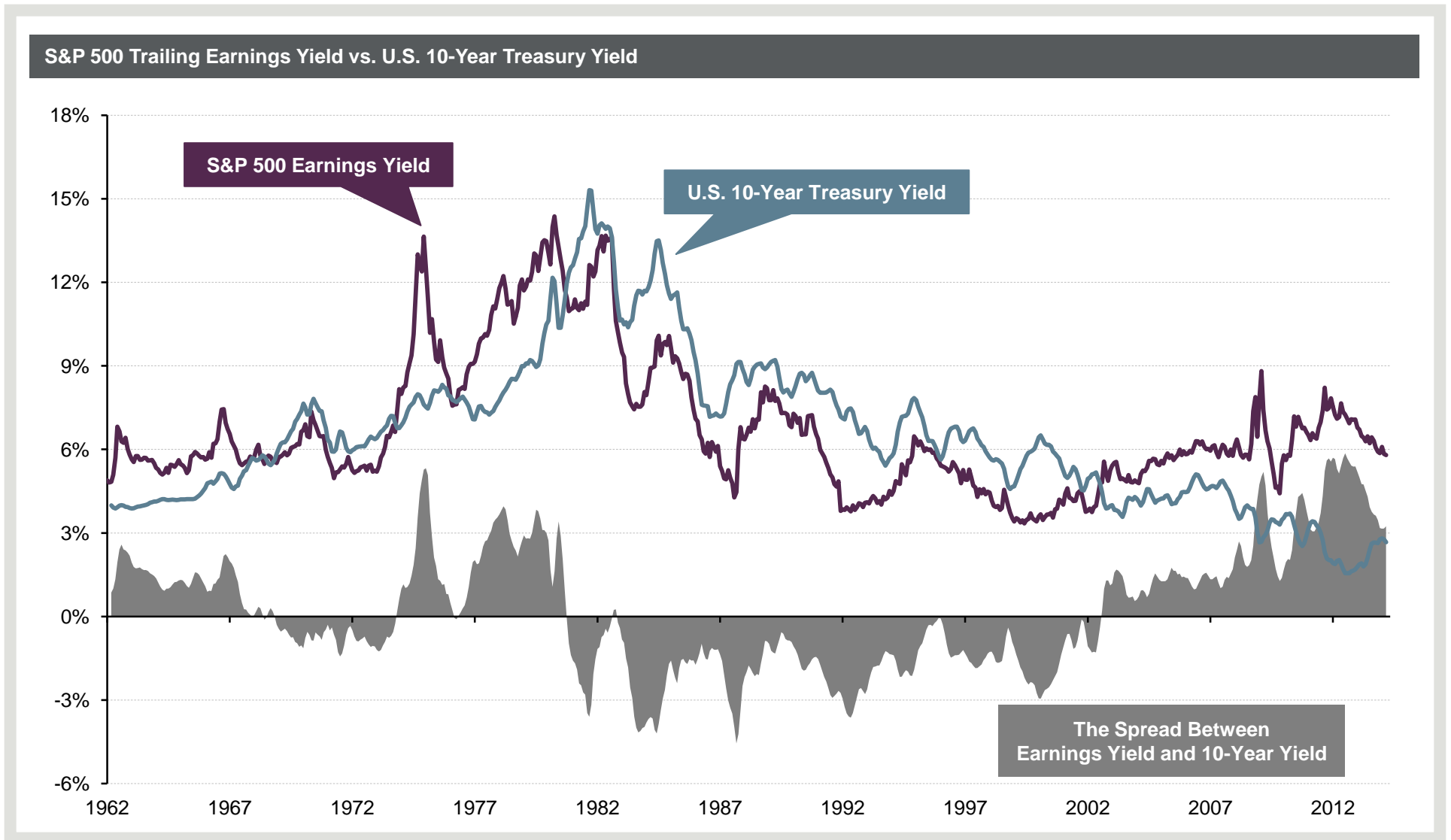
Source: Credit Suisse, Guggenheim Investments. Data as of 3/31/2014.

Spreads Tighten During Extended Periods of Low Default



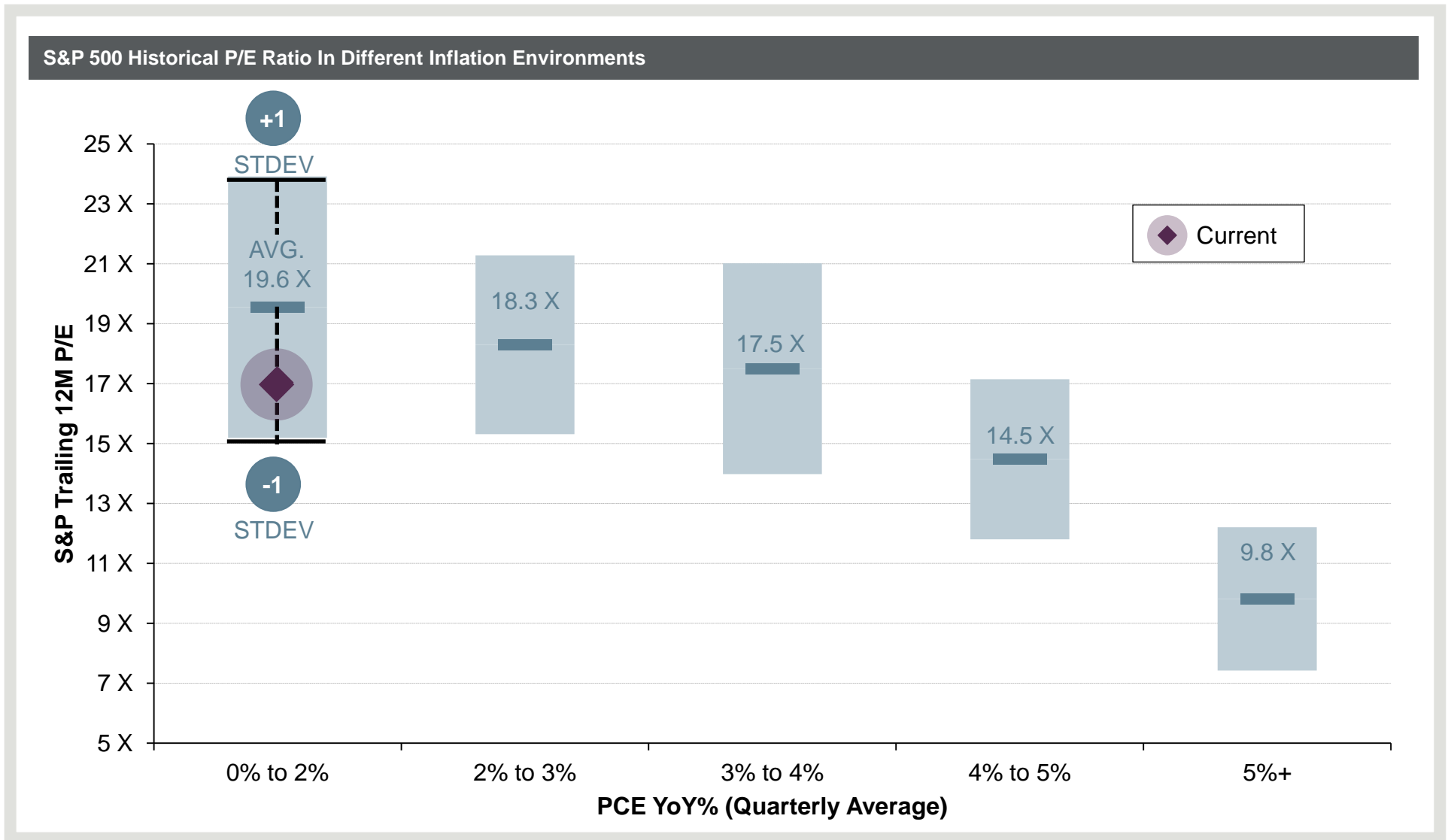
Source: Moody's, Credit Suisse, Barclays, Guggenheim Investments. Data as of 4/11/2014. High yield low default periods based on six-month moving average default rates below 3.25 percent; investment-grade low default period based on six-month moving average default rates below 1.75 percent.

S&P 500 Trailing Earnings Yield vs. U.S. 10-Year Treasury Yield



Source: Bloomberg, Guggenheim Investments. Data as of 3/31/2014.

Historical P/E Ratio in Different Inflation Environments



Source: Bloomberg, Guggenheim Investments. Data as of 3/31/2014.



Disclosures

Important Notices and Disclosures

Guggenheim Investments represents the following affiliated investment management businesses of Guggenheim Partners, LLC: GS GAMMA Advisors, LLC, Guggenheim Aviation, Guggenheim Funds Distributors, LLC, Guggenheim Funds Investment Advisors, LLC, Guggenheim Partners Investment Management, LLC, Guggenheim Partners Europe Limited, Guggenheim Partners India Management, Guggenheim Real Estate, LLC, Security Investors, LLC and Transparent Value Advisors, LLC.

The information presented herein has been prepared for informational purposes only and is not an offer to buy or sell, or a solicitation of an offer to buy or sell, any security or fund interest or any financial instrument.

Although the information presented herein has been obtained from and is based upon sources Guggenheim Investments believes to be reliable, no representation or warranty, expressed or implied, is made as to the accuracy or completeness of that information. No representation or warranty is made by Guggenheim Investments or any of their related entities or affiliates as to the sufficiency, relevance, importance, appropriateness, completeness, or comprehensiveness of the market data, information or summaries contained herein for any specific purpose. The views expressed in this presentation are subject to change based on market and other conditions. There is no guarantee that Guggenheim Investments will make the investments as discussed herein. Forward looking statements, estimates, and certain information contained herein are based upon proprietary and non-proprietary research and other sources.

The illustrations are intended solely as a tool to assist in consideration of various potential asset allocations for a client's account. Guggenheim Investments makes no warranty that the asset allocations discussed in this presentation will be used to manage your account. Asset allocations may differ between clients based on their investment objectives and financial situations. No assurance can be given that the investment objectives described herein will be achieved and investment results may vary substantially on a quarterly, annual or other periodic basis.

This data is for illustrative purposes only. Past performance of indices of asset classes does not represent actual returns or volatility of actual accounts or investment managers, and should not be viewed as indicative of future results. The information contained in this presentation has been gathered from sources we believe to be reliable, but we do not guarantee the accuracy or completeness of such information, and we assume no liability for damages resulting from or arising out of the use of such information.

The views expressed in this presentation are the views of Guggenheim Investments and are subject to change based on market and other conditions. In discussion of any strategy, results and risks are based solely on the hypothetical examples cited; actual results and risks will vary depending on specific circumstances. Investors are urged to consider carefully whether such services in general, as well as the products or strategies discussed in this material, are suitable to their needs.

The opinions, estimates, investment strategies and views expressed in this document constitute the judgment of the author and our investment strategists, and based on current market conditions and are subject to change without notice. The investment strategies and views stated here may differ from those expressed for other purposes or in other contexts by other entities affiliated with Guggenheim Investments that may use different investment philosophies. The investments discussed may fluctuate in price or value. Investors may get back less than they invested. Changes in rates of exchange may have an adverse effect on the value of investments. Numbers may not add to 100% due to rounding.

Past performance is not indicative of comparable future results. Given the inherent volatility of the securities markets, it should not be assumed that investors will experience returns comparable to those shown here. Market and economic conditions may change in the future producing materially different results than those shown here. All investments have inherent risks.

The information presented herein is not intended to be target, projected or estimated returns. Rather, these numbers are based upon historical results derived from calculations using the risk distribution assumptions stated. This information is presented solely to assist you in creating a portfolio structure and forming investment guidelines and sector allocations.

The comparisons herein of the performance of the market indicators, benchmarks or indices may not be meaningful since the constitution and risks associated with each market indicator, benchmark or index may be significantly different. Accordingly, no representation or warranty is made to the sufficiency, relevance, importance, appropriateness, completeness, or comprehensiveness of the market data, information or summaries contained herein for any specific purpose.

The information contained herein is given as of the date hereof and this does not purport to give information as of any other date. Neither the delivery of this document nor any sales made hereunder shall, under any circumstances, create an implication that there has been no change in the matters discussed herein since the date hereof.

© 2014 Guggenheim Partners, LLC. All Rights Reserved. No part of this document may be reproduced, stored, or transmitted by any means without the express written consent of Guggenheim Partners, LLC. The information contained herein is confidential and may not be reproduced in whole or in part.
GPIM#13124