Market Review

The third quarter of 2019 ushered in the first U.S. rate cuts since 2008, with the Federal Reserve (Fed) explicitly stating that its focus is now on sustaining the economic expansion. This not-so-subtle shift implies that policymakers will do whatever it takes to ensure that the expansion continues. Although there has been considerable dissent among Fed policymakers about whether monetary easing is warranted at this stage, Chair Powell seems to have the full support of Vice Chair Clarida and New York Fed President Williams, adding credibility to Powell’s focus on supporting growth.

The Federal Open Market Committee (FOMC) delivered two rate cuts of 25 basis points (bps) each in the third quarter. These cuts were positioned as an effort to guard against downside risks and came even as unemployment sits at a 50-year low and inflation is moving back toward the Fed’s 2 percent target. The market seems convinced that the Fed’s commitment will not waver, with futures putting the fed funds rate another 65 basis points lower by December 2020. But the FOMC has been reluctant to commit to more easing, so it is still unclear whether the Fed will deliver the aggressive and preemptive policy action that may be needed to prolong the current expansion.

Market Review continued on page 2.

Average Annual Total Returns

<table>
<thead>
<tr>
<th></th>
<th>3-Month</th>
<th>YTD</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>Since Fund Inception</th>
<th>Gross/Net Expense Ratio</th>
<th>Fund Inception Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>0.69%</td>
<td>2.01%</td>
<td>2.30%</td>
<td>2.10%</td>
<td>1.70%</td>
<td>1.53%</td>
<td>0.45%/0.33%</td>
<td>3.11.2014</td>
</tr>
<tr>
<td>A Class</td>
<td>0.63%</td>
<td>1.92%</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1.89%</td>
<td>0.73%/0.58%</td>
<td>11.30.2018</td>
</tr>
<tr>
<td>Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index</td>
<td>0.54%</td>
<td>1.76%</td>
<td>2.33%</td>
<td>1.49%</td>
<td>0.94%</td>
<td>0.84%¹</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Performance displayed represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate so that when shares are redeemed, they may be worth more or less than original cost. Current performance may be lower or higher than the performance data quoted. For up-to-date fund performance, including performance current to the most recent month end, please visit our website at GuggenheimInvestments.com. Under certain circumstances, there may be a CDSC of 1% for redemptions within 12 months of purchase.

The Guggenheim Ultra Short Duration Fund (the “Fund”) is newly organized. On 11.30.2018, the Guggenheim Strategy Fund I (the “Predecessor Fund”) which also was an investment company registered under the Investment Company Act of 1940, reorganized with and into the Fund, which has adopted the Predecessor Fund’s performance history. Accordingly, the performance information shown below for Institutional Class shares of the Fund reflects the performance of the Predecessor Fund and not of the Fund, however the Predecessor Fund’s policies, guidelines and investment objectives were the same as the Fund’s in all material respects. The returns shown for the Predecessor Fund have been restated to reflect the fees and expenses applicable to the Institutional Class shares of the Fund, exclusive of any applicable expense limitation agreement.

Unless otherwise noted, data is as of 9.30.2019. Data is subject to change on a daily basis. Partial year returns are cumulative, not annualized. Returns reflect the reinvestment of dividends. The referenced index is unmanaged and not available for direct investment. Index performance does not reflect transaction costs, fees, or expenses. Index data source: FundStation.

¹ Past performance is no guarantee of future results. The Institutional Class was rated, based on its risk-adjusted returns, 4 stars for the Overall, 3-year, and 5-year periods among 154, 154, and 130 Ultrashort Bond Funds, respectively. The Morningstar Rating for funds, or “star rating,” is calculated for managed products with at least three-year history and does not include the effect of sales charges. Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics.

Symbols and CUSIP Numbers

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<thead>
<tr>
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<th>Symbol</th>
<th>CUSIP</th>
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<tbody>
<tr>
<td>Institutional</td>
<td>GIYIX</td>
<td>401691253</td>
</tr>
<tr>
<td>A Class</td>
<td>GIYAX</td>
<td>401691549</td>
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There is no up-front sales charge, no redemption fee, and no minimum holding period. No contingent deferred sales charge is imposed on redemptions of Class A shares of the Fund unless you acquire Class A shares of the Fund by exchanging Class A shares of another fund in the Guggenheim family of funds that was subject to a contingent deferred sales charge.

SEC 30-Day Yield²

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<tr>
<td>Institutional</td>
<td>2.10%</td>
</tr>
<tr>
<td>A Class</td>
<td>1.85%</td>
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² SEC 30-day yield is based on net investment income for the 30-day period ended 9.30.2019, is annualized, and is divided by the offering price at month-end. The fund has contracted to agree to waive fees and expenses through 11.30.2020 to limit the ordinary operating expenses of the fund. The fund may have net expenses greater than the expense cap as a result of any acquired fund fees and expenses or other expenses that are excluded from the calculation. Since inception returns are as of the fund’s oldest share class.
Market Review (Continued)

Recent economic data have been mixed, and with monetary and trade policy in flux, uncertainty about the economic outlook is higher than usual. On the positive side, we saw a pickup in the housing market as measured by housing starts and home sales. Additionally, the unemployment rate fell to a new cycle low of 3.5 percent in September, despite a continued moderation in payroll gains.

On the negative side, the ISM manufacturing index and most major subcomponents fell below 50 in August and plunged further in September to 47.8, the weakest reading since June 2009. The ISM non-manufacturing index also came in well below expectations at 52.6 last month, the lowest since August 2016. The non-manufacturing survey’s employment component is now barely above 50 while the manufacturing employment sub-index stands at 46.3, well into contraction territory. Combined, the outlook for output and hiring has dimmed, potentially signaling trouble ahead for the labor market and consumers.

Much of the weakness in manufacturing data is owed to the ongoing trade dispute between the United States and China. A second-order effect of this trade dispute is its impact on consumer sentiment. Sentiment surveys show that fewer consumers believe now is a good time to buy homes, vehicles, and household durables, and headline consumer confidence measures have fallen over the past year. In addition to trade policy, we believe political concerns also weigh on sentiment, and both are set to ramp up further. Additional U.S. tariffs on China are due to take effect on Dec. 15, and the U.S. House of Representatives is pressing forward with its impeachment inquiry into President Trump. If both issues are resolved favorably, consumer spending is likely to power ahead with help from still-solid income growth, a year-to-date rally in the equity market, and lower borrowing costs. Alternatively, if these continue to weigh on sentiment, and the equity market fails to rally in the fourth quarter when seasonal trends are favorable, it will be a sign of more trouble brewing.

Our recession forecasting tools indicate that the economy remains in a vulnerable place. Our U.S. Recession Dashboard continues to point to a recession beginning sometime in the first half of 2020. Our Recession Probability Model indicates a 50 percent chance that a recession will come before mid-2020, and a 70 percent chance that it will arrive by mid-2021. Avoiding a recession now may take more policy action than has been delivered at this stage. It is difficult to say whether the Fed will succeed in its efforts to keep the expansion going, but we judge that risk assets are not compensating investors for the possibility that it will not.

Summary:

- The third quarter of 2019 ushered in the first U.S. rate cuts since 2008, with the Fed explicitly stating that its focus is now on sustaining the economic expansion. These cuts were positioned as an effort to guard against downside risks and came even as unemployment sits at a 50-year low and inflation is moving back toward the Fed’s 2 percent target.

- The FOMC has been reluctant to commit to more easing, so it is still unclear whether the Fed will deliver the aggressive and preemptive policy action that may be needed to prolong the current expansion.

- Recent economic data have been mixed, and with monetary and trade policy in flux, uncertainty about the economic outlook is higher than usual.

Commentary continued on page 3.
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It is difficult to say whether the Fed will succeed in its efforts to keeping the expansion going, but we judge that risk assets are not compensating investors for the possibility that it will not.

Performance Review
The fund finished the third quarter up 0.69 percent, while the benchmark (Bloomberg Barclays U.S. Aggregate 1-3 Month U.S. Treasury Bill Index) returned 0.54 percent. Outperformance relative to the benchmark was driven by the Fund’s carry advantage.

Strategy and Positioning
The Federal Open Market Committee (FOMC) delivered two rate cuts of 25 bps each in the third quarter. These cuts were positioned as an effort to guard against downside risks and came even as unemployment sits at a 50-year low and inflation is moving back toward the Fed’s 2 percent target. The market seems convinced that the Fed’s commitment will not waver, with futures putting the fed funds rate another 65 bps lower by December 2020.

Over the quarter all credit sectors contributed to total return with no negative performers. Within our credit exposure we continue to favor structured credit over corporate credit given generally a compelling spread pickup to similarly rated corporates while providing defensive positioning in the event of another December-like swoon.

Collateralized loan obligations (CLOs), which constituted 13% of the Fund over the quarter, contributed to performance as income outpaced minor spread widening. We continue to favor senior CLOs with short spread durations, as they offer a compelling spread pickup to similarly rated corporates while providing defensive positioning in the event of another December-like swoon.

Non-agency residential mortgage-backed securities (RMBS) were also positive contributors as lower rates and improving credit fundamentals drove higher prepayments for discounted dollar price holdings.

Shorter maturity investment grade corporate bonds, which constituted 22% of the fund over the quarter, added to performance driven by carry.

Below investment grade credit remains near lows of the fund since inception. Late-cycle signals suggest that the risk-reward of owning credit are broadly skewed toward the negative.
One basis point is equal to 0.01%.

Risk Considerations

This Guggenheim Ultra Short Duration Fund may not be suitable for all investors. Investments in fixed-income instruments are subject to the possibility that interest rates could rise, causing the value of the Fund’s holdings and share price to decline. • Investors in asset-backed securities, including collateralized loan obligations (“CLOs”), generally receive payments that are part interest and part return of principal. These payments may vary based on the rate loans are repaid. Some asset-backed securities may have structures that make their reaction to interest rates and other factors difficult to predict, making their prices volatile and they are subject to liquidity and valuation risk. • High yield unrated debt securities are at a greater risk of default than investment grade bonds and may be less liquid, which may increase volatility. • When market conditions are deemed appropriate, the fund will leverage to the full extent permitted by its investment policies and restrictions and applicable law. Leveraging will exaggerate the effect on net asset value of any increase or decrease in the market value of the fund’s portfolio. • The fund may invest in derivative instruments, which may be more volatile and less liquid, increasing the risk of loss when compared to traditional securities. Certain of the derivative instruments are also subject to the risks of counterparty default and adverse tax treatment. • Instruments and strategies (such as borrowing transactions and reverse repurchase agreements) may provide leveraged exposure to a particular investment, which will magnify any gains or losses on those investments. • Investments in reverse repurchase agreements expose the fund to the many of the same risks as investments in derivatives. • The fund’s investments in foreign securities carry additional risks when compared to U.S. securities, due to the impact of diplomatic, political, or economic developments in the country in question (investments in emerging markets securities are generally subject to an even greater level of risks). • Investments in syndicated bank loans generally offer a floating interest rate and involve special types of risks. • The fund’s investments in municipal securities can be affected by events that affect the municipal bond market. • The fund’s investments in real estate securities subject the fund to the same risks as direct investments in real estate, which is particularly sensitive to economic downturns. • The fund’s investments in restricted securities may involve financial and liquidity risk. • You may have a gain or loss when you sell your shares. • It is important to note that the fund is not guaranteed by the U.S. government. • Please read the prospectus for more detailed information regarding these and other risks.

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Index Definition

Bloomberg Barclays 1-3 Month U.S. Treasury Index measures the U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury with maturities of one to three months.

The referenced fund is offered in multiple share classes. Please read the prospectus for information on fees, expenses and holding periods that may apply to each class.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax, and/or legal professional regarding your specific situation.

Read the fund’s prospectus and summary prospectus (if available) carefully before investing. It contains the fund’s investment objectives, risks, charges, expenses, and other information, which should be considered carefully before investing. Obtain a prospectus and summary prospectus (if available) at GuggenheimInvestments.com.

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