

RYDEX VARIABLE TRUST
MULTI-HEDGE STRATEGIES FUND
SUPPLEMENT DATED AUGUST 1, 2009
TO THE
RYDEX VARIABLE TRUST PROSPECTUS DATED MAY 1, 2009,
AND ALL SUPPLEMENTS THERETO

This supplement provides new and additional information beyond that contained in the Rydex Variable Trust Prospectus dated May 1, 2009 (the "Prospectus") and should be read in conjunction with the Prospectus.

1. Effective August 1, 2009, the "Fund Objective" and "Principal Investment Strategy" of the Multi-Hedge Strategies Fund is revised as follows:

FUND OBJECTIVE

The Multi-Hedge Strategies Fund seeks long-term capital appreciation with less risk than traditional equity funds. The investment objective of the Fund is non-fundamental and may be changed without shareholder approval.

PRINCIPAL INVESTMENT STRATEGY

The Multi-Hedge Strategies Fund pursues multiple investment styles or mandates that correspond to investment strategies widely employed by hedge funds. The allocation to these strategies is based on a proprietary evaluation of their risk and return characteristics. These investment strategies include, but are not limited to, those described below.

Long/Short Equity — Pursuant to a long/short equity investment strategy, portfolio managers seek to profit from investing on both the long and short sides of equity markets. The Advisor seeks to execute this investment strategy by creating portfolios that may include, but are not limited to, one or more of the following directional and/or non-directional positions: long equity, market neutral value, market neutral capitalization, market neutral growth and market neutral momentum.

Equity Market Neutral — Pursuant to an equity market neutral investment strategy, portfolio managers seek to profit from exploiting pricing relationships between different equities or related securities while typically hedging exposure to overall equity market movements. The Advisor seeks to execute this strategy by creating portfolios that may include, but are not limited to, one or more of the following directional and/or non-directional positions: market neutral value, market neutral capitalization, market neutral growth, market neutral momentum and market neutral illiquidity premiums.

Fixed Income Arbitrage — Pursuant to a fixed income arbitrage investment strategy, portfolio managers seek to profit from relationships between different fixed income securities or fixed income and equity securities; leveraging long and short positions in securities that are related mathematically or economically. The Advisor seeks to execute this strategy by creating portfolios that may include, but are not limited to, one or more of the following directional and/or non-directional positions: long fixed income, duration neutral default spreads and convertible arbitrage.

Merger Arbitrage — Pursuant to a merger arbitrage investment strategy, portfolio managers invest simultaneously in long and short positions in both companies involved in a merger or acquisition. Risk arbitrageurs typically invest in long positions in the stock of the company to be acquired and short the stock of the acquiring company. The Advisor seeks to execute this investment strategy by creating a portfolio consisting primarily of instruments that provide exposure to merger arbitrage spreads.

Global Macro — Pursuant to a global macro strategy, portfolio managers seek to profit from changes in currencies, commodity prices, and market volatility. The Advisor seeks to execute this strategy by creating portfolios that include, but are not limited to, one or more of the following directional and/or non-directional positions: directional currency trades, directional commodity trades, currency spread trades, and volatility arbitrage spread trades.

Each of these investment strategies may incorporate one or more directional and/or non-directional positions. In general, directional positions seek to benefit from market movement in one direction or the other. In contrast, non-directional positions seek to benefit from both upward and downward movement in one or more markets. The Fund will predominately have a long exposure to directional and non-directional positions. However, there may be times that the Fund will have a short exposure to directional and/or non-directional positions. For more information about directional and non-directional positions, see “Advisor’s Investment Methodology.”

The Fund may use moderate leverage subject to internally imposed investment constraints designed to limit the amount of loss resulting from such leverage. The Fund’s use of directional and non-directional positions and internal investment controls result in a portfolio of assets designed to provide appropriate hedge fund portfolio characteristics as well as providing risk diversification.

The Fund may be long or short in a broad mix of financial assets including small, mid, and large-capitalization U.S. and foreign common stocks, currencies, commodities, futures, options, swap agreements, high yield securities, securities of other investment companies, American Depositary Receipts (“ADRs”), exchange-traded funds, and corporate debt. The Fund may hold U.S. government securities or cash equivalents to collateralize its derivative positions. The Fund is non-diversified and, therefore, may invest a greater percentage of its assets in a particular issuer in comparison to a diversified fund.

The Fund may also invest up to 25% of its total assets in a wholly-owned and controlled Cayman Islands subsidiary (the “Subsidiary”). It is expected that the Subsidiary will invest in commodity futures, option and swap contracts, fixed income securities, foreign securities, pooled investment vehicles, including those that are not registered pursuant to the Investment Company Act of 1940, and other investments intended to serve as margin or collateral for the Subsidiary’s derivative positions. Investment in the Subsidiary is expected to provide the Fund with exposure to the investment returns of commodities markets within the limitations of the federal tax requirements that apply to the Fund. For more information about applicable federal tax requirements, please see “Tax Information.” To the extent they are applicable to the investment activities of the Subsidiary, the Subsidiary will be subject to the same fundamental and certain other investment restrictions and will follow the same compliance policies and procedures as the Fund. However, the Subsidiary, unlike the Fund, may invest without limitation in commodity-linked derivative instruments. To the extent the Subsidiary invests in such commodity-linked derivative instruments, it will comply with the same asset coverage requirements that are applicable to the Fund’s transactions in derivatives under the Investment Company Act of 1940. Please refer to

“Investment Policies, Techniques, and Risk Factors” in the Fund’s Statement of Additional Information (the “SAI”) for more information about the operation and management of the Subsidiary.

2. Effective August 1, 2009, the following risks, which are described in more detail below, have been added under the heading “Principal Risks” as additional principal risks applicable to investing in the Multi-Hedge Strategies Fund:

- Emerging Markets Risk
- Foreign Issuer Exposure Risk

EMERGING MARKETS RISK —Emerging markets, which consist of countries that have an emerging stock market as defined by Standard & Poor’s , countries or markets with low- to middle-income economies as classified by the World Bank, and other countries or markets with similar characteristics as determined by the Advisor, can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Emerging markets can be subject to greater social, economic, regulatory, and political uncertainties and can be extremely volatile. As a result, the securities of emerging market issuers may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in securities of developed foreign countries. In addition, the risks associated with investing in a narrowly defined geographic area are generally more pronounced with respect to investments in emerging market countries. The Fund may also be subject to this risk with respect to its investments in derivatives or other securities or financial instruments whose returns are related to the returns of emerging market securities.

FOREIGN ISSUER EXPOSURE RISK — The Fund may invest in securities of foreign companies directly, or in financial instruments, such as American Depositary Receipts and exchange-traded funds, which are indirectly linked to the performance of foreign issuers. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market or economic developments and can perform differently from the U.S. market. Investing in securities of foreign companies directly, or in financial instruments that are indirectly linked to the performance of foreign issuers, may involve risks not typically associated with investing in U.S. issuers. The value of securities denominated in foreign currencies, and of dividends from such securities, can change significantly when foreign currencies strengthen or weaken relative to the U.S. Dollar. Foreign securities markets generally have less trading volume and less liquidity than U.S. markets, and prices in some foreign markets may fluctuate more than those of securities traded on U.S. markets. Many foreign countries lack accounting and disclosure standards comparable to those that apply to U.S. companies, and it may be more difficult to obtain reliable information regarding a foreign issuer’s financial condition and operations. Transaction costs and costs associated with custody services are generally higher for foreign securities than they are for U.S. securities. Some foreign governments levy withholding taxes against dividend and interest income. Although in some countries portions of these taxes are recoverable, the non-recovered portion will reduce the income received by the Fund.

3. Effective August 1, 2009, under the heading “Fund Fees and Expenses,” the “Shareholder Fees,” “Annual Fund Operating Expenses” and “Example” charts for the Multi-Hedge Strategies Fund is replaced with the following:

	Multi-Hedge Strategies Fund
SHAREHOLDER FEES <i>(fees paid directly from your investment)</i>	N/A
ANNUAL FUND OPERATING EXPENSES <i>(expenses that are deducted from Fund assets)</i>	
MANAGEMENT FEES OF THE FUND AND THE SUBSIDIARY ⁽¹⁾	1.44%
DISTRIBUTION (12b-1) AND SHAREHOLDER SERVICE FEES	NONE
OTHER EXPENSES ⁽²⁾	
OTHER EXPENSES OF THE SUBSIDIARY ⁽³⁾	0.01%
SHORT DIVIDEND EXPENSES ⁽⁴⁾	0.66%
REMAINING OTHER EXPENSES	NONE
TOTAL OTHER EXPENSES	0.67%
ACQUIRED FUND FEES AND EXPENSES ⁽⁵⁾	0.16%
TOTAL ANNUAL FUND OPERATING EXPENSES ⁽¹⁾	2.27%
LESS MANAGEMENT FEE WAIVER ⁽⁶⁾	0.29%
NET TOTAL OPERATING EXPENSES	1.98%

- (1) The Fund may invest in a Subsidiary. The Subsidiary has entered into a separate advisory agreement with the Advisor for the management of the Subsidiary's portfolio pursuant to which the Subsidiary pays the Advisor a management fee at the same rate that the Fund pays the Advisor for services provided to the Fund. "Management Fee" reflects an estimate of the gross management fees to be paid to the Advisor by the Fund and the Subsidiary during the Fund's current fiscal year.
- (2) The Advisor has contractually agreed to pay all operating expenses of the Fund, excluding interest expense and taxes (estimated to be de minimis), brokerage commissions and other expenses connected with the execution of portfolio transactions, short dividend expense, and extraordinary expenses.
- (3) "Total Other Expenses" include transfer agent fees, custodial fees, and accounting and legal expenses that the Fund and the Subsidiary pay, as indicated. This includes "Other Expenses of the Subsidiary" which are estimated to be 0.01% of the Fund's average daily net assets for the Subsidiary's first fiscal year of operations. Because the Subsidiary is new, "Other Expenses of the Subsidiary," and therefore "Total Other Expenses," is based on estimated amounts for the current fiscal year.
- (4) Short Dividend Expense occurs because the Fund short-sells an equity security to gain the inverse exposure necessary to meet its investment objective. The Fund must pay out the dividend rate of the equity security to the lender of the securities sold short and records this as an expense of the Fund and reflects the expense in its financial statements. However, any such dividend on a security sold short generally has the effect of reducing the market value of the shorted security – thus increasing the Fund's unrealized gain or reducing the Fund's unrealized loss on its short sale transaction. Short Dividend Expense is not a fee charged to the shareholder by the Advisor or other service provider, rather it is more similar to the transaction costs or capital expenditures associated with the day-to-day management of any mutual fund. If these costs had been treated as transaction costs or capital items rather than as expenses, the net expense ratio for the Fund would have equaled 1.32%.
- (5) As a shareholder in certain funds (the "Acquired Funds"), the Fund will indirectly bear its proportionate share of the fees and expenses of the Acquired Funds. "Acquired Fund Fees and Expenses" are based upon (i) the approximate allocation of the Fund's assets among the Acquired Funds and the (ii) net expenses (excluding interest, taxes and extraordinary expenses) of the Acquired Funds during their most recently completed fiscal year. "Acquired Fund Fees and Expenses" will vary with changes in the expenses of the Acquired Funds, as well as allocation of the Fund's assets, and may be higher or lower than those shown.

- (6) The Fund’s Subsidiary has entered into a separate advisory agreement with the Advisor for the management of the Subsidiary’s portfolio. The Advisor has contractually agreed to waive the management fee it receives from the Fund in an amount equal to the management fee paid to the Advisor by the Subsidiary. This undertaking will continue in effect for so long as the Fund invests in the Subsidiary, and may not be terminated by the Advisor unless the Advisor first obtains the prior approval of the Fund’s Board of Trustees for such termination.

EXAMPLE

Multi-Hedge Strategies	1 Year	3 Years	5 Years	10 Years
	\$201	\$621	\$1,168	\$2,306

4. Effective August 1, 2009, under the heading “Advisor’s Investment Methodology,” and specifically the sub-heading “Multi-Hedge Strategies and Hedged Equity Funds,” the first and second paragraphs have been deleted and replaced with the following:

Multi-Hedge Strategies Fund. As the result of market observations and internal and external research, the Advisor believes that many hedge fund strategies can be replicated through systematic directional and non-directional positions. These hedge fund strategies can be combined with the objective of creating a returns stream which is differentiated from traditional systematic sources of equity and bond returns (i.e. Beta). The Advisor utilizes several proprietary quantitative models and market insights to allocate between its five investment strategies with the intent of generating capital appreciation while managing risk.

5. Effective August 1, 2009, under the heading “The Advisor,” the sub-section titled “Management of the Subsidiaries,” is replaced with the following:

MANAGEMENT OF THE SUBSIDIARIES

As with the Commodities Strategy Fund, Managed Futures Strategy Fund and Multi-Hedge Strategies Fund, the Advisor is responsible for the selection of each Subsidiary’s investments and the administration of each Subsidiary’s investment program pursuant to an investment advisory agreement between the Advisor and each Subsidiary. Under the advisory agreements, the Advisor provides each Subsidiary with the same type of management, under the same terms, as are provided to the Commodities Strategy Fund, Managed Futures Strategy Fund and Multi-Hedge Strategies Fund. Each Subsidiary has also entered into separate contracts for the provision of custody, transfer agency, and audit services with the same service providers that provide those services to the Commodities Strategy Fund, Managed Futures Strategy Fund and Multi-Hedge Strategies Fund.

The Commodities Strategy Fund’s Subsidiary will pay the Advisor a fee at an annualized rate of 0.75%, the Managed Futures Strategy Fund’s Subsidiary will pay the Advisor at an annualized rate of 0.90%, and the Multi-Hedge Strategies Fund will pay the Advisor at an annualized rate of 1.15% based on the average daily net assets of each Subsidiary’s portfolio. As stated above, the Advisor has contractually agreed to waive the management fee it receives from the Commodities Strategy Fund, Managed Futures Strategy Fund, and Multi-Hedge Strategies Fund in an amount equal to the management fee paid to the Advisor by each Fund’s respective Subsidiary. This undertaking will continue in effect for so long as the Commodities Strategy Fund, Managed Futures Strategy Fund, and Multi-Hedge Strategies Fund invest in their respective Subsidiaries, and may not be terminated by the Advisor unless the Advisor first obtains the prior approval of the Commodities Strategy Fund’s, Managed Futures Strategy Fund’s, and Multi-Hedge Strategies

Fund's Board of Trustees for such termination. The rate of the management fee paid directly or indirectly by the Commodities Strategy Fund, Managed Futures Strategy Fund, and Multi-Hedge Strategies Fund, calculated by aggregating the fees paid to the Advisor by the Commodities Strategy Fund, Managed Futures Strategy Fund, and Multi-Hedge Strategies Fund (after waivers) and each Subsidiary, may not increase without the prior approval of the Board and a majority of the Commodities Strategy Fund's, Managed Futures Strategy Fund's, and Multi-Hedge Strategies Fund's shareholders. Each Fund's Subsidiary will also bear the fees and expenses incurred in connection with the custody, transfer agency, and audit services that it receives. The Commodities Strategy Fund, Managed Futures Strategy Fund, and Multi-Hedge Strategies Fund expect that the expenses borne by the Subsidiaries will not be material in relation to the value of the Commodities Strategy Fund's and Managed Futures Strategy Fund's assets. Therefore, it is expected that the Commodities Strategy Fund's, Managed Futures Strategy Fund's, and Multi-Hedge Strategies Fund's investment in their respective Subsidiaries will not result in the Commodities Strategy Fund's, Managed Futures Strategy Fund's, and Multi-Hedge Strategies Fund's paying duplicative fees for similar services provided to the Commodities Strategy Fund, Managed Futures Strategy Fund, Multi-Hedge Strategies Fund and Subsidiaries. Please see the SAI for more information about the organization and management of the Subsidiaries.

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PLEASE RETAIN THIS SUPPLEMENT FOR FUTURE REFERENCE.

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