

SECURITIES AND EXCHANGE COMMISSION

FORM N-Q

Quarterly schedule of portfolio holdings of registered management investment company filed on Form N-Q

Filing Date: **2008-08-29** | Period of Report: **2008-06-30**
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FILER

SECURITY MID CAP GROWTH FUND

CIK: **88676** | IRS No.: **480720145** | State of Incorporation: **KS** | Fiscal Year End: **0930**
Type: **N-Q** | Act: **40** | File No.: **811-01316** | Film No.: **081047163**

Mailing Address
SECURITY INVESTORS, LLC
ONE SECURITY BENEFIT
PLACE
TOPEKA KS 66636-0001

Business Address
SECURITY INVESTORS, LLC
ONE SECURITY BENEFIT
PLACE
TOPEKA KS 66636-0001
7854383127

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-01316

SECURITY MID CAP GROWTH FUND

(Exact name of registrant as specified in charter)

ONE SECURITY BENEFIT PLACE, TOPEKA, KANSAS 66636-0001
(Address of principal executive offices) (Zip code)

RICHARD M. GOLDMAN, PRESIDENT
SECURITY MID CAP GROWTH FUND
ONE SECURITY BENEFIT PLACE
TOPEKA, KANSAS 66636-0001
(Name and address of agent for service)

Registrant's telephone number, including area code: (785) 438-3000

Date of fiscal year end: September 30

Date of reporting period: June 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. §3507.

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Schedule of Investments
June 30, 2008 (Unaudited)

Security Mid Cap Growth Fund

| | Shares | Value |
|---|---------|------------------|
| COMMON STOCK – 92.7% | | |
| Aerospace & Defense – 6.4% | | |
| Goodrich Corporation | 52,570 | \$2,494,972 |
| Precision Castparts Corporation | 25,215 | 2,429,970 |
| Rockwell Collins, Inc. | 42,690 | <u>2,047,412</u> |
| | | <u>6,972,354</u> |
| Apparel Retail – 3.0% | | |
| TJX Companies, Inc. | 104,460 | <u>3,287,356</u> |
| Apparel, Accessories & Luxury Goods – 2.1% | | |
| Phillips-Van Heusen Corporation | 61,010 | <u>2,234,186</u> |
| Asset Management & Custody Banks – 1.6% | | |
| T. Rowe Price Group, Inc. | 29,710 | <u>1,677,724</u> |
| Biotechnology – 7.1% | | |
| Genzyme Corporation * | 54,320 | 3,912,126 |
| Gilead Sciences, Inc. * | 72,130 | <u>3,819,284</u> |
| | | <u>7,731,410</u> |
| Casinos & Gaming – 1.3% | | |
| WMS Industries, Inc. * | 47,065 | <u>1,401,125</u> |
| Coal & Consumable Fuels – 2.1% | | |
| Peabody Energy Corporation | 26,280 | <u>2,313,954</u> |
| Commodity Chemicals – 2.8% | | |
| Celanese Corporation | 66,670 | <u>3,044,152</u> |
| Communications Equipment – 2.7% | | |
| Ciena Corporation * | 83,140 | 1,926,354 |
| Foundry Networks, Inc. * | 84,920 | <u>1,003,754</u> |
| | | <u>2,930,108</u> |
| Consumer Finance – 1.4% | | |
| SLM Corporation * | 78,745 | <u>1,523,716</u> |
| Data Processing & Outsourced Services – 1.5% | | |
| Alliance Data Systems Corporation * | 29,155 | <u>1,648,715</u> |
| Electrical Components & Equipment – 2.4% | | |
| Ametek, Inc. | 54,300 | <u>2,564,046</u> |
| Electronic Manufacturing Services – 2.1% | | |
| Tyco Electronics, Ltd. | 64,365 | <u>2,305,554</u> |
| Fertilizers & Agricultural Chemicals – 6.1% | | |

| | | |
|--|---------|------------------|
| Agrium, Inc. | 31,855 | 3,425,687 |
| Mosaic Company | 21,985 | <u>3,181,229</u> |
| | | <u>6,606,916</u> |
| Home Entertainment Software – 4.2% | | |
| Activision, Inc. * | 133,360 | <u>4,543,575</u> |
| Hotels, Resorts & Cruise Lines – 1.8% | | |
| Marriott International, Inc. | 28,070 | 736,557 |
| Royal Caribbean Cruises, Ltd. | 52,540 | <u>1,180,574</u> |
| | | <u>1,917,131</u> |
| Industrial Gases – 3.9% | | |
| AirGas, Inc. | 34,735 | 2,028,177 |
| Praxair, Inc. | 23,505 | <u>2,215,111</u> |
| | | <u>4,243,288</u> |
| Industrial Machinery – 0.6% | | |
| Thermoenergy Corporation * (1) | 545,000 | <u>675,800</u> |
| IT Consulting & Other Services – 2.4% | | |
| Cognizant Technology Solutions Corporation * | 81,585 | <u>2,652,328</u> |
| Leisure Facilities – 1.8% | | |
| Life Time Fitness, Inc. * | 67,450 | <u>1,993,148</u> |
| Life Sciences Tools & Services – 3.1% | | |
| Thermo Fisher Scientific, Inc. * | 60,660 | <u>3,380,582</u> |
| Multi-Line Insurance – 4.2% | | |
| Assurant, Inc. | 49,565 | 3,269,308 |
| HCC Insurance Holdings, Inc. | 60,630 | <u>1,281,718</u> |
| | | <u>4,551,026</u> |
| Oil & Gas Equipment & Services – 6.5% | | |
| National Oilwell Varco, Inc. * | 43,860 | 3,891,259 |
| Weatherford International, Ltd. * | 64,230 | <u>3,185,166</u> |
| | | <u>7,076,425</u> |
| Oil & Gas Storage & Transportation – 2.6% | | |
| Williams Companies, Inc. | 70,310 | <u>2,834,196</u> |
| Pharmaceuticals – 3.2% | | |
| Teva Pharmaceutical Industries, Ltd. ADR | 75,325 | <u>3,449,885</u> |
| Railroads – 2.9% | | |
| Union Pacific Corporation | 41,810 | <u>3,156,655</u> |
| Restaurants – 3.7% | | |
| Darden Restaurants, Inc. | 126,620 | <u>4,044,243</u> |
| Semiconductor Equipment – 2.6% | | |
| MEMC Electronic Materials, Inc. * | 45,410 | <u>2,794,531</u> |
| Semiconductors – 5.4% | | |
| Fairchild Semiconductor International, Inc. * | 113,600 | 1,332,528 |
| National Semiconductor Corporation | 87,785 | 1,803,104 |
| ON Semiconductor Corporation * | 296,660 | <u>2,720,372</u> |

The accompanying notes are an integral part of the financial statements.

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Schedule of Investments
June 30, 2008 (Unaudited) – continued

Security Mid Cap Growth Fund

| | Shares | Value |
|---|-------------------------|-----------------------------|
| COMMON STOCK (continued) | | |
| Steel – 1.2% | | |
| Nucor Corporation | 17,725 | \$ 1,323,526 |
| TOTAL COMMON STOCK (Cost 93,811,828) | | \$ 100,733,659 |
| WARRANTS – 0.1% | | |
| Warrants – 0.1% | | |
| Lime Energy Company \$1.00, 3/19/2009 | 2,967 | 6,224 |
| Nova Biosource Fuels, Inc. \$2.40, 7/5/2011 | 208,050 | 63,919 |
| ThermoEnergy Corporation \$0.75, 7/14/2008 (1) | 545,000 | 60,219 |
| | | 130,362 |
| TOTAL WARRANTS (Cost \$646,339) | | \$ 130,362 |
| | Principal Amount | Value |
| REPURCHASE AGREEMENT – 6.3% | | |
| UMB Financial Corp, 1.89%, dated 6/30/08, matures 7/1/08; repurchase amount \$6,855,405 (Collateralized by FNMA, 5.20%, 9/18/12 with a value of \$6,992,888) | \$6,855,000 | \$6,855,000 |
| TOTAL REPURCHASE AGREEMENT (Cost \$6,855,000) | | \$6,855,000 |
| Total Investments (Security Mid Cap Growth Fund) (Cost \$101,313,167) – 99.1% | | \$107,719,021 |
| Other Assets in Excess of Liabilities – 0.9% | | 964,353 |
| TOTAL NET ASSETS – 100.0% | | <u>\$108,683,374</u> |

Footnotes

Percentages are stated as a percent of net assets.

For federal income tax purposes the identified cost of investments owned at 6/30/2008 was \$101,313,167.

* – Non-income producing security

1 – Security is deemed illiquid. The total market value of illiquid securities is \$736,019 (cost \$654,000), or 0.7% of total net assets.

Glossary:

ADR – American Depositary Receipt

See notes to financial statements.

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Unrealized Appreciation/Depreciation on Investments

For federal income tax purposes, the amount of unrealized appreciation (depreciation) on investments at June 30, 2008, was as follows:

| | <u>Gross unrealized appreciation</u> | <u>Gross unrealized (depreciation)</u> | <u>Net unrealized appreciation (depreciation)</u> |
|------------------------------|--|--|---|
| Security Mid Cap Growth Fund | \$ 12,154,918 | \$ (5,749,064) | \$ 6,405,854 |

2. Security Valuation

Security Valuation – Valuations of the Fund’s securities are supplied by pricing services approved by the Board of Directors. The Fund’s officers, under the general supervision of the Board of Directors, regularly review procedures used by, and valuations provided by, the pricing services. Each security owned by a Fund that is listed on a securities exchange is valued at its last sale price on that exchange on the date as of which assets are valued. Where the security is listed on more than one exchange, the Fund will use the price of that exchange that it generally considers to be the principal exchange on which the stock is traded. Fund securities listed on the Nasdaq Stock Market, Inc. (“Nasdaq”) will be valued at the Nasdaq Official Closing Price. Securities for which market quotations are not readily available are valued by a pricing service considering securities with similar yields, quality, type of issue, coupon, duration and rating. If there is no bid price or if the bid price is deemed to be unsatisfactory by the Board of Directors or by the Fund’s investment manager, then the securities are valued in good faith by such method as the Board of Directors determines will reflect the fair value. If events occur that will affect the value of a fund’s portfolio securities before the NAV has been calculated (a “significant event”), the security will generally be priced using a fair value procedure. If the Valuation Committee determines a significant event has occurred, it will evaluate the impact of that event on an affected security or securities, to determine whether a fair value adjustment would materially affect the fund’s NAV per share. Some of the factors which may be considered by the Board of Directors in determining fair value are fundamental analytical data relating to the investment; the nature and duration of any restrictions on disposition; trading in similar securities of the same issuer or comparable companies; information from broker-dealers; and an evaluation of the forces that influence the market in which the securities are purchased and sold. The Fund generally will value short-term debt securities at prices based on market quotations for such securities or securities of similar type, yield, quality and duration, except those securities purchased with 60 days or less to maturity are valued on the basis of amortized cost which approximates market value.

Generally, trading in foreign securities markets is substantially completed each day at various times prior to the close of the New York Stock Exchange. The values of foreign securities are determined as of the close of such foreign markets or the close of the New York Stock Exchange, if earlier. All investments quoted in foreign currency are valued in U.S. dollars on the basis of the foreign currency exchange rates prevailing at the close of business. Investments in foreign securities may involve risks not present in domestic investments. The Valuation Committee will determine the current value of such foreign securities by taking into consideration certain factors which may include those discussed above, as well as the following factors, among others: the value of the securities traded on other foreign markets, ADR trading, closed-end fund trading, foreign currency exchange activity, and the trading prices of financial products that are tied to foreign securities such as WEBS. In addition, the Board of Directors has authorized the Valuation Committee and Administrator to use prices and other information supplied by IDC’s Fair Value Information Service in valuing such securities. Since foreign securities may be denominated in a foreign currency and involve settlement and pay interest or foreign dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Funds. Foreign investments may also subject the Series to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which could affect the market and/or credit risk of the investments.

Please refer to the Fund’s most recent semi-annual or annual financial statements for information regarding the Fund’s significant accounting policies.

Item 2. Controls and Procedures.

- The registrant's President and Treasurer have concluded that the registrant's disclosure controls and procedures (as defined in rule (a) 30a-3(c) under the Investment Company Act of 1940) are effective based on their evaluation of these disclosure controls and procedures within 90 days of the filing date of this report on Form N-Q.
- (b) There were no significant changes in the registrant's internal controls, or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Item 3. Exhibits.

- (a) Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached hereto.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SECURITY MID CAP GROWTH FUND

By: /s/ Richard M. Goldman
Richard M. Goldman, President

Date: August 28, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Richard M. Goldman
Richard M. Goldman, President

Date: August 28, 2008

By: /s/ Brenda M. Harwood
Brenda M. Harwood, Treasurer

Date: August 28, 2008

CERTIFICATIONS

I, Richard M. Goldman, certify that:

1. I have reviewed this report on Form N-Q of Security Mid Cap Growth Fund;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to

2. make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as

4. defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our

(a) supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under

(b) our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about

(c) the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's

(d) most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 28, 2008

Date

/s/ Richard M. Goldman

Richard M. Goldman, President

CERTIFICATIONS

I, Brenda M. Harwood, certify that:

1. I have reviewed this report on Form N-Q of Security Mid Cap Growth Fund;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 28, 2008

Date

/s/ Brenda M. Harwood

Brenda M. Harwood, Treasurer