



CLAYMORE ETFs

## EXCHANGE-TRADED FUNDS:

# The Claymore Advantage

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Focused on performance and risk management, Claymore's family of intelligent ETFs utilize, what we believe is, the most appropriate index methodology for each specific asset class. Claymore ETFs track indices based on fundamental indexing, multi-factor and equal-weighting models, as well as the traditional market capitalization strategy.

Taking the benefits of index investing to the next level, Claymore ETFs cover:

- **Canadian, US, and global core equity markets**
- **Canadian and global sectors**
- **Dividend and income strategies**
- **Fixed income strategies**
- **Commodities, and**
- **Balanced wrap portfolios.**

### THE CLAYMORE ETF INDEX METHODOLOGY

An ETFs index methodology – the parameters that guide the selection of assets for the underlying portfolio – defines its investment philosophy. Traditional ETFs rely on passive market capitalization indices that were created to be benchmarks, not investments. By combining fundamental investment research with the discipline of index investing, Claymore believes we have created better, more intelligent ETFs.

## INDEXING: A POWERFUL TOOL FOR INVESTORS

Inexpensive to manage, completely transparent and a naturally well-diversified investment strategy, indexing has become increasingly popular with both institutional and retail investors over the past 30 years.

The reason is simple: performance. According to the Standard & Poor's Index Versus Active Report\*, on average, 80% of managers fail to outperform the benchmark in most categories over most five-year periods.

\*As of 12/31/09

## NOT ALL INDEX STRATEGIES ARE CREATED EQUAL

While investing in indices with ETFs has many advantages, there are some disadvantages with traditional market capitalization indices as investment strategies. As a stock's price increases, so does the weight of the stock in the index. This results in allocations that are overweight in over-valued stocks and underweight in under-valued stocks.

To build intelligent ETFs that overcome this growth bias, Claymore has partnered with a diverse group of what we believe to be "best-in-class" index specialists and investment professionals. By isolating historically significant factors that contribute to superior investment performance, our partners' indices are designed to best capture the investment potential of the asset class and market in which they are invested.

## OUR RESEARCH AND INDEX PARTNERS

Claymore strives to bring you best-in-class index providers. We believe that strategy-driven indices based on independent and academic research provide a more disciplined investment approach, and improve the potential for better risk-adjusted returns over various market cycles.

Index Provider	Description
	Research Affiliates engages in quantitative investment research designed to support the creation of investment products. The RAFI Fundamental Index™ methodology was developed to address the structural return drag created by traditional capitalization-based indexing strategies.
	MFC Global Investment Management provides comprehensive asset management solutions across a full range of asset classes including equity, fixed income and asset allocation strategies.
	Standard & Poor's Index Services, the world's leading index provider, maintains a wide variety of investable and benchmark indices including the S&P 500 and the S&P Global 1200, a composite index comprised of seven regional and country headline indices.
	A leading manager of income-oriented equity portfolios, Cohen & Steers specializes in U.S. and international real estate securities, large cap value stocks, listed infrastructure and utilities, and preferred securities.
	Zacks Investment Research has more than 25 years of experience in providing institutional and individual investors with the analytical tools, financial information and brokerage research necessary to the success of investment processes.
	A unit of TSX Inc., PC Bond has been providing benchmark performance standards for Canadian fixed income investments since 1947. Its flagship DEX Universe Bond Index, Canada's leading fixed income index, measures the performance of marketable government and corporate bonds outstanding in the Canadian market.
	A Calgary-based registered portfolio manager and investment counsel, Auspice Capital Advisors Ltd. is focused on managing commodity risk, providing trading expertise and creating unique structured products, funds and indices.
	The Bank of New York Mellon is the leading depository bank in the world, issuing depository receipts for over 1,200 programs in 60 countries and acting as depository for 64% of all sponsored depository receipt programs.
	A Calgary-based index provider, Sustainable Wealth Management Ltd. specializes in the North American energy sector with indices based on unconventional natural gas, North American energy infrastructure and unconventional oil such as Canada's oil sands.
	An independent equity research firm, Sabrient's proprietary methodologies employ multi-factor modeling and filters to identify stocks that appear poised to outperform or underperform the market.



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03/10

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