



Claymore Global Monthly Advantaged Dividend ETF

has been designed to replicate the performance of the Zacks Global Yield Hog Index, net of expenses. The Zacks Global Multi-Asset Income Index selection methodology is designed to identify global companies with potentially high income and superior risk-return profiles as determined by Zacks Investment Research, Inc. ("Zacks"). The Fund, through a Forward Agreement with the National Bank of Canada (NBF), will receive exposure to the securities that comprise the Index.

Summary of the Zacks Global Multi-Asset Income Strategy:

1. Zacks Investment Research has created the Zacks Global Multi-Asset Income Index, the first yield oriented index to combine global equities, Global REITs, US preferred stocks, US master limited partnerships (MLPs), US and Canadian income trusts and US closed-end funds.
2. The objective of the Zacks Global Multi-Asset Income Index is to outperform passive dividend benchmarks using a proprietary model based on dividend growth, the capacity to increase the current dividend, liquidity, and dividend yield.
3. Zacks believes that a strategy focused on high dividend yielding common stocks that have shown sustainable dividend growth and low payout ratios continues to be an effective means of generating alpha.
4. Through the use of different asset classes as significant portions of the index, the Zacks Global Multi-Asset Income Index makes use of the lower correlation between these asset classes to minimize risk through greater diversification.

Zacks Global Multi-Asset Income Index™ - Intelligent Indexing by Zacks

Zacks Investment Research continues to develop innovative "semi-active" indices whose constituents are chosen based on merit.

The Zacks Global Multi-Asset Income Index is the first yield-oriented index that combines common stocks, REITs, preferred stocks, master limited partnerships (MLPs), and closed-end funds to maximize yield and minimize risk through diversification.

The objective of the Zacks Global Multi-Asset Income Index is to select a group of securities with the potential to outperform, on a risk-adjusted basis, both passive yield-oriented benchmarks and active income fund managers. Zacks' approach to creating indices is designed to integrate portfolio management techniques and fundamental investment approaches in the constituent selection process. Therefore, deviation from passive market benchmarks or the universe is not only possible, but anticipated.

The Global Multi-Asset Income Index seeks to:

- Focus on securities that have the potential to grow their income distributions at a sustainable growth rate in the near term.
- Take advantage of less than perfect correlations between different asset classes to provide diversification benefits and minimize both "stock-specific" and "asset-specific" risks.
- Target securities with high yields and liquidity.
- Strategically weight the index based on liquidity to ensure the investability of the index.

The Zacks Global Multi-Asset Income Index contains securities that are weighted on a liquidity basis within each asset class. A proprietary quantitative methodology ranks securities in each asset type and selects those securities with the most favorable risk/return characteristics. Strict risk controls maintain broad asset diversification, while ensuring that the weights of each security and asset class remain in-line with the model's tolerance levels.

The Zacks Global Multi-Asset Income Index is a strategic index. It is not designed to replicate the income-yielding market or indicate how the average stock that pays a dividend performed. Rather, the Zacks Global Multi-Asset Income Index emphasizes constituent selection and asset diversification. The Index is rebalanced semi-annually.

Benefits of Multiple Asset Classes

The benefits of diversification for holding different asset classes in a portfolio are well documented. This is true, irrespective of the type of assets that make up the portfolio. A rule of thumb for measuring the benefits of diversification is correlation. However, Statman and Scheid (2004) shows that Standard Deviation can be a better measure of diversification since the benefits of diversification that arise are not only a function of correlations between asset returns but also depend on standard deviation of asset returns.¹

The lower the correlation among the different asset classes, the greater the benefit from diversification. An example of a study of non-equity instruments providing diversification benefits when included in equity portfolios is by Hoesli, Lekander and Witkiewicz (2004)². According to Hoesli, Lekander and Witkiewicz (2004), who published a study of non-equity instruments providing diversification benefits when included in equity portfolios, real estate was found to be an effective asset investment class to diversify an equity portfolio. Additionally, the use of both domestic and international real estate assets further increased diversification.

1. Meir Statman and Jonathan Scheid, Dispersion, Correlation and the Benefits of Diversification – May 20, 04.

2. Martin Hoesli, Jon Lekander and Witold Witkiewicz, International Evidence on Real Estate as a Portfolio Diversifier – 2004.

Zacks Global Multi-Asset Income Index™ Methodology Overview

The Zacks Global Multi-Asset Income Index combines two distinct methodologies into one product to ensure global exposure to the Index. These methodologies are split into i) a Domestic Model focused on equity-based investment products in the United States and ii) an International Model focused on exposure to foreign based sources of income.

US Securities Model:

The US securities model has two primary components that are equally weighted in the overall Index:

- i. a Common Stock sleeve focused on identifying those stocks with sustainable dividends and the opportunity to grow their dividends over time; and
- ii. an Alternative Asset sleeve focused on attempting to identify other equity-based asset classes that bring a combination of high dividends and low correlation to both common equity sleeve and the other alternative asset classes chosen for the index. These asset classes include preferred stocks, ADRs, REITs, master limited partnerships (MLPs), and closed-end funds. Each of these alternative asset classes chosen for the Index has a unique constituent selection criterion that attempts to identify the most attractive options for that particular asset class.

The Developed Markets investment strategy concentrates on targeting stocks with the potential to have sustainable dividend growth in their distributions to stockholders, as well as the capacity to maintain dividends should revenues fall. Zacks defines Developed Markets as those countries whose economies have high income levels, strong legal protection, and sophisticated stock exchanges.

International Model:

The International model has three primary components in an attempt to harness global exposure to dividend paying stocks:

- i. Common stocks traded on Developed foreign exchanges,
- ii. ADRs whose underlying foreign countries reside in countries determined by Zacks to be Emerging Markets, and
- iii. an Alternative Asset class sleeve comprised of Canadian Royalty Trusts and closed-end funds focused on international markets. Each of these asset sleeves has a unique constituent selection criterion focused on different investment factors.

The Emerging Markets asset sleeve invests in ADRs as opposed to the underlying common stocks to ensure investability and liquidity while buffering against the foreign currency exposure to those markets deemed by Zacks to not be a part of the Developed Market universe. The Emerging Market sleeve attempts to target those ADRs that have a strong track record of consistent dividend payment over the last three years while increasing that dividend yield over the same period. The alternative asset sleeve adds liquid high dividend paying assets to the Index while diversifying the international exposure to increase diversification of the Index.

Zacks Global Multi-Asset Income Index™ Asset Class Range

The following table shows the approximate allocation constraints on December 31, 2008:

Asset Class	Allocation Constraint
Foreign Equities	Min 30%
US Common Stocks	Min 20%
American Depository Receipts (ADR)	Max 16%
US Closed-end Funds	Max 10%
Canadian Royalty Trusts	Max 10%
US Preferred Stock	Max 5%
US Master Limited Partnerships (MLP)	Max 5%
US REITs	Max 5%

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The Indices presented are for comparative purposes only and an investor cannot invest directly in an Index. The Zacks Global Multi-Asset Income Index™ is designed to identify companies from the universe of small cap stocks with potentially superior risk-return profiles as determined by Zacks Investment Research. The Zacks Global Multi-Asset Income Index™ is a modified equal-dollar weighted index (subject to modification), comprised of approximately 275-300 securities selected quarterly from a universe of the income-generating listed securities by asset type. Zacks Investment Research's only relationship to Claymore Securities is Zacks' licensing to Claymore certain Zacks trademarks, Indices and trade names, which is composed by Zacks without regard to Claymore, any product or any investor. The Zacks Global Multi-Asset Income Index™ was created by, and is a trademark of, Zacks Investment Research and has been licensed for use by the Dow Jones & Company, Inc. Index Products traded on any exchange that are based on the Index are not sponsored by Zacks and Zacks does not guarantee the accuracy or completeness of the Index, or the results to be obtained by any person from the use of the Index or the trading of Index Provider Index products.

