

June 17, 2009



## CBSX Trader News Update

### CBSX to Add New Stocks for Trading

TO: Members

SUBJECT: Claymore Exchange-Traded Fund Trust 2

Compliance and supervisory personnel should note that, among other things, this Information Bulletin discusses the need to deliver a prospectus to customers purchasing shares ("Shares") of the three (3) exchange-traded funds ("Funds") listed below issued by Claymore. Please forward this Information Bulletin to other interested persons within your organization.

The following securities have been approved for trading on CBSX:

Exchange-Traded Funds	Symbol
Claymore U.S. Capital Markets Bond ETF	UBD
Claymore U.S. Capital Markets Micro-Term Fixed Income ETF	ULQ
Claymore US-1 - The Capital Markets Index ETF	UEM

### **Background Information on the Funds**

The Claymore Exchange-Traded Fund Trust (the "Trust") is a management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Trust consists of several exchange-traded funds (each, a "Fund" and collectively, the "Funds"). This circular refers only to the three Funds listed above. The shares of each of the Funds listed above are referred to herein as "Shares." Claymore Advisors, LLC (the "Adviser") serves as the investment adviser for the Funds.

UBD, using a low cost "passive" or "indexing" investment approach, seeks investment results that correspond generally to the performance, before fees and

expenses, of a fixed income securities index called CPMKTB - The Capital Markets Bond Index (the "CPMKTB Index"). The CPMKTB Index is a total return index comprised of approximately 6,146 long-term U.S. investment grade fixed income securities as of January 1, 2008. Securities eligible for inclusion in the CPMKTB Index, as determined by Dorchester Capital Management Company ("Dorchester") are long-term fixed income securities (defined as those with redemption dates greater than one year from the start of the month as determined by yield to worst calculation), including U.S. Treasury securities, U.S. federal agency and other government sponsored entities' fixed income securities, investment grade U.S. corporate fixed income securities and U.S. agency mortgage pass-through securities such as those issued by the Government National Mortgage Association ("GNMA"), the Federal National Mortgage Association ("FNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC") that are backed by pools of mortgages. The CPMKTB Index may also include U.S. registered, dollar-denominated bonds of foreign corporations, governments, agencies and supra-national agencies.

UBD will normally invest at least 80% of its total assets in fixed income securities that comprise the Index. UBD also will normally invest at least 80% of its net assets in U.S. fixed income securities. UBD has adopted a policy that requires it to provide shareholders with at least 60 days notice prior to any material change in these policies or the CPMKTB Index. The Board of Trustees of the Trust may change UBD's investment strategy and other policies without shareholder approval, except as otherwise indicated.

ULQ, using a low cost "passive" or "indexing" investment approach, seeks investment results that correspond generally to the performance, before fees and expenses, of a money market and micro-term fixed income securities index called CPMKTL - The Capital Markets Liquidity Index (the "CPMKTL Index"). ULQ is not a money market fund and thus does not seek to maintain a stable net asset value of \$1.00 per share. The CPMKTL Index is a total return index comprised of 1,893 micro-term U.S. investment grade fixed income securities and money market instruments as of January 1, 2008. The CPMKTL Index includes micro-term U.S. Treasury fixed income securities, micro-term U.S. federal agency and other government sponsored entities fixed income securities, short-term investment grade U.S. corporate fixed income securities, commercial paper, bankers acceptances, large time deposits, and U.S. federal agency discount notes as determined by Dorchester. The CPMKTL Index may also include U.S. registered, dollar-denominated bonds of foreign corporations, governments, agencies and supra-national agencies. Dorchester defines "micro-term" fixed income securities as those with a redemption date of less than a year from the start of the month, as determined by yield to worst calculation.

ULQ will normally invest at least 80% of its total assets in fixed income securities that comprise the CPMKTL Index. ULQ also will normally invest at least 80% of its net assets in U.S. fixed income securities. ULQ has adopted a policy that requires it to provide shareholders with at least 60 days notice prior to any material change in these policies or the CPMKTL Index. The Board of Trustees of the Trust may change ULQ's investment strategy and other policies without shareholder approval, except as otherwise indicated.

UEM, using a low cost "passive" or "indexing" investment approach, seeks investment results that correspond generally to the performance, before fees and expenses, of the CPMKTS - The Capital Markets Index (the "CPMKTS Index") which includes equity, fixed income and money market securities. The CPMKTS Index is a total return index that includes common stock equity securities, micro-term investment grade fixed income securities and money market instruments, and long-term investment grade fixed income securities. The number of securities included in the CPMKTS Index has ranged from approximately 5,700 to 7,800 long-term U.S. investment grade fixed income securities selected monthly; approximately 1,000 to 2,350 micro-term U.S. investment grade fixed income securities and money market instruments selected monthly; and 2,000 equity securities selected quarterly, based on market capitalization of the common stock of actively-traded United States corporations, generally with market capitalizations between \$300 million and \$500 billion, for the previous ten year period. The CPMKTS Index may also include U.S. registered, dollar-denominated bonds of foreign corporations, governments, agencies and supra-national agencies. Dorchester defines "actively traded" as common stocks that are listed on a major U.S. exchange and have been traded within the past 45 days. During each quarter, the number of equity securities may decrease as the common stocks are either delisted or not actively traded for any reason including, but not limited to, mergers, acquisitions and bankruptcies. Once removed, an equity security will not be returned to or replaced in the Index for any reason before the start of the next quarter.

UEM will normally invest at least 80% of its total assets in equity, fixed income and money market securities that comprise the CPMKTS Index. UEM also will normally invest at least 80% of its net assets in U.S. securities. UEM has adopted a policy that requires it to provide shareholders with at least 60 days notice prior to any material change in these policies or the CPMKTS Index. The Board of Trustees of the Trust may change UEM's investment strategy and other policies without shareholder approval, except as otherwise indicated.

The Adviser seeks a correlation over time of 0.95 or better between each Fund's performance and the performance of the total return of the underlying indexes less any expenses or distributions. A figure of 1.00 would represent perfect correlation.

For more information regarding each Fund's investment strategy, please read the prospectus for the Funds.

As described more fully in the Trust's prospectus and Statement of Additional Information ("SAI"), the Funds issue and redeem Shares at net asset value ("NAV") only in large blocks of 100,000 Shares for UBD and ULQ and 200,000 Shares for UEM (each block of Shares called a "Creation Unit") or multiples thereof. As a practical matter, only broker-dealers or large institutional investors with creation and redemption agreements (called Authorized Participants) can purchase or redeem these Creation Units. Except when aggregated in Creation Units, the Shares may not be redeemed with the Funds.

Income dividends, if any, are distributed to shareholders quarterly for UEM and monthly for UBD and ULQ. Net capital gains are distributed at least annually. Shares are held in book-entry form, which means that no Share certificates are issued. The Depository Trust Company or its nominee is the record owner of all outstanding Shares of the Funds and is recognized as the owner of all Shares for all purposes.

The NAV per Share for each Fund is computed by dividing the value of the net assets of the Fund (i.e., the value of its total assets less total liabilities) by the total number of Shares outstanding. Expenses and fees are accrued daily and taken into account for purposes of determining NAV. The NAV of each Fund is determined each business day after the close of trading (ordinarily 4:00 p.m., Eastern Time or "ET") of the New York Stock Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources.

The registration statement for the Funds describes the various fees and expenses for the Funds' Shares. For a more complete description of the Funds and the underlying indexes, visit the Funds' website at [www.claymore.com](http://www.claymore.com).

### **Exchange Rules Applicable to Trading the Shares**

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities.

### **Purchases and Redemptions in Creation Unit Size**

CBSX members are hereby informed that procedures for purchases and redemptions of Shares in Creation Unit Size are described in the Trust's

prospectus and SAI, and that Shares are not individually redeemable but are redeemable only in Creation Unit Size aggregations or multiples thereof.

### **Principal Risks**

Interested persons are referred to the discussion in the prospectus for the Funds of the principal risks of an investment in the Funds. These include tracking error risk (factors causing a Fund's performance to not match the performance of its underlying index), market trading risk (for example, trading halts, trading above or below net asset value), investment style risk, sector risk, investment approach risk, non-diversification risk, issuer-specific risk, management risk, derivatives risk, credit risk, call risk, interest rate risk, default risk, high-yield bond risk, bankruptcy risk and small and medium-sized company risk.

### **Trading Hours**

The values of each index underlying the Shares are disseminated to data vendors every 15 seconds. The Shares will trade on the CBSX from 8:15 a.m. CT until 3:00 p.m. CT. The trading increment for the Fund's Shares will be \$0.01.

### **Extended Hours Trading**

Members are reminded that trading in the Fund's Shares prior to 8:30 a.m. may result in additional trading risks which include: (1) that the current underlying index value may not be updated, (2) the intraday indicative value may not be updated, (3) lower liquidity may impact pricing, (4) higher volatility may impact pricing, (5) wider spreads may occur, and (6), since the intraday indicative value is not calculated or widely disseminated, an investor who is unable calculate an implied value for an ETF in those sessions may be at a disadvantage to market professionals.

### **Trading Halts**

The Exchange will halt trading in the Shares based on Rule 52.3 and/or because dissemination of the intraday indicative value of the Shares and/or the underlying value of the index has ceased.

### **Suitability**

Members are reminded of their obligation under Rule 53.6 whereby the Member shall use due diligence to learn the essential facts relative to every customer prior to trading the Shares or recommending a transaction in the Shares that an investment in the Shares is suitable for the customer. Members should adopt appropriate procedures for the opening and maintaining of accounts, including

the maintaining of records prescribed by any applicable regulatory organization and by the rules and regulations of the Commission.

### **Delivery of a Prospectus**

Consistent with the requirements of the Securities Act and the rules thereunder, investors purchasing Shares in the initial public offering and anyone purchasing Shares directly from a Fund (by delivery of the designated securities) must receive a Prospectus. In addition, Members are required to deliver a Prospectus to all purchasers of newly-issued Shares (i.e. during the initial public offering). Members purchasing shares from a Fund for resale to investors will deliver a Prospectus to such investors.

Prospectuses may be obtained through the Fund's website. The Prospectus does not contain all of the information set forth in the Registration Statement (including the exhibits to the Registration Statement), parts of which have been omitted in accordance with the rules and regulations of the Commission. For further information about a Fund, please refer to the Registration Statement.

In the event that a Fund relies upon an order by the Commission exempting the Shares from certain Prospectus delivery requirements under Section 24(d) of the 1940 Act and makes available a written product description, the Exchange requires that Members provide to all purchasers of Shares a written description of the terms and characteristics of such securities, in a form prepared by the Trust, no later than the time a confirmation of the first transaction in the Shares, is delivered to such purchaser. In addition, ETP Holders shall include such a written description with any sales material relating to the Shares that is provided to customers or the public. Any other written materials provided by a Member to customers or the public making specific reference to the Shares as an investment vehicle must include a statement in substantially the following form: "A circular describing the terms and characteristics of Shares of the Fund has been prepared by the Trust and is available from your broker. It is recommended that you obtain and review such circular before purchasing Shares of the Fund. In addition, upon request you may obtain from your broker a prospectus for Shares of the Fund."

A Member carrying an omnibus account for a non-Member is required to inform such non-Member that execution of an order to purchase Shares for such omnibus account will be deemed to constitute agreement by the non-Member to make such written description available to its customers on the same terms as are directly applicable to Members under this rule.

Upon request of a customer, Members shall also provide a copy of the Prospectus.

This Information Bulletin is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Inquiries regarding this Information Bulletin should be directed to David Reed, 866.458.2279.

