

WESTERN ASSET/CLAYMORE INFLATION-LINKED OPPORTUNITIES & INCOME FUND
Form DEF 14A
December 04, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Co-Registrants [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement
 [] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY
RULE 14A-6(E) (2))
 [X] Definitive Proxy Statement
 [] Definitive Additional Materials
 [] Soliciting Material Pursuant to ss.240.14a-12

CLAYMORE EXCHANGE-TRADED FUND TRUST
CLAYMORE EXCHANGE-TRADED FUND TRUST 2
FIDUCIARY/CLAYMORE MLP OPPORTUNITY FUND
MADISON/CLAYMORE COVERED CALL & EQUITY STRATEGY FUND
OLD MUTUAL/CLAYMORE LONG-SHORT FUND
TS&W/CLAYMORE TAX-ADVANTAGED BALANCED FUND
WESTERN ASSET/CLAYMORE INFLATION-LINKED OPPORTUNITIES & INCOME FUND

(Names of Co-Registrants As Specified in their Charters)

Payment of Filing Fee (Check the appropriate box):

- [X] No Fee Required
 [] Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.
 [] Fee paid previously with preliminary materials.
 [] Check box if any part of the fee is offset as provided by Exchange Act Rule
0-11(a) (2) and identify the filing for which the offsetting fee was paid
previously. Identify the previous filing by registration statement number, or
the Form or Schedule and the date of its filing.

CLAYMORE (R)

CLAYMORE GROUP
2455 CORPORATE WEST DRIVE
LISLE, ILLINOIS 60532

December 4, 2009

Dear Shareholder:

I am writing to inform you that Claymore Group Inc. ("Claymore Group") has merged with an indirect subsidiary of Guggenheim Partners, LLC (the "Transaction"). As a result of the Transaction, Claymore Group, and its associated entities, including Claymore Advisors, LLC (the "Adviser"), are now indirect subsidiaries of Guggenheim Partners, LLC. The Adviser is the investment adviser to each exchange-traded fund series (each, an "ETF" and, together, the "ETFs") of Claymore Exchange-Traded Fund Trust and Claymore Exchange-Traded Fund Trust 2 (each, a "Trust" and, together, the "Trusts"). The Adviser is also the investment adviser to certain closed-end funds (each, a "Closed-End Fund" and, together, the "Closed-End Funds"). With respect to each Closed-End Fund and certain ETFs (such as ETFs, together with the Closed-End Funds, the "Sub-Advised Funds"), one or more independent investment sub-advisers or investment managers (each, a "Sub-Adviser") was retained in connection with the management of each Sub-Advised Fund's investment portfolio. Upon the closing of the Transaction, each investment advisory agreement between the Adviser and (a) each Trust, on behalf of each respective ETF, and (b) each Closed-End Fund, automatically terminated pursuant to its terms. In addition, consummation of the Transaction and the termination of the advisory agreements resulted in the termination of each sub-advisory agreement of the Sub-Advised Funds pursuant to its terms.

The Adviser and the Sub-Advisers continue to provide services to the ETFs and Closed-End Funds (each, a "Fund" and, together, the "Funds") on an interim basis, as permitted by the Investment Company Act of 1940. However, in order for Claymore and the Sub-Advisers to continue to provide services to the Funds beyond the interim period, Shareholders of each Fund are being asked to approve a new investment advisory agreement between Claymore and their Fund and Shareholders of each Sub-Advised Fund are being asked to approve one or more new investment sub-advisory agreements or investment management agreements for their Fund. Important facts about the Transaction are:

- o The Transaction has no effect on the number of Fund Shares you own or the value of those Shares.

- o Subject to Shareholder approval, the Adviser will continue to provide investment advisory services to the Funds, and the Sub-Advisers will continue to provide investment sub-advisory or investment management services to the Sub-Advised Funds.

- o Your Fund's contractual advisory fee rate and, if applicable, sub-advisory fee rate(s), will not increase.

- o There are no material differences between the terms of each Fund's proposed new investment advisory agreement and the terms of such Fund's prior investment advisory agreement or between the terms of each Sub-Advised Fund's proposed new investment sub-advisory agreement(s) and terms of such Fund's prior investment sub-advisory agreement(s).

The enclosed Notice of Joint Special Meeting of Shareholders and Proxy Statement set forth information relating to the proposals to be addressed at the joint special meeting of Shareholders of the Funds. The Board of Trustees of each Fund believes that the proposals set forth in the Notice of Joint Special Meeting of Shareholders are important and recommends that you read the enclosed materials carefully. AFTER CAREFUL CONSIDERATION, THE BOARD OF TRUSTEES OF YOUR FUND HAS APPROVED EACH APPLICABLE PROPOSAL AND RECOMMENDS THAT YOU VOTE "FOR" EACH PROPOSAL APPLICABLE TO YOUR FUND.

Your vote is important. I encourage all Shareholders to participate in the governance of their Funds. Please take a moment now to vote—either by completing and returning the enclosed proxy card(s) in the enclosed postage-paid return envelope, by telephone or through the Internet.

The Adviser has retained The Altman Group, a professional proxy solicitation firm, on behalf of the Funds, to assist in the solicitation of proxies. As the meeting date approaches, if you do NOT vote, you may receive a phone call from them asking you to vote. If you have any questions concerning the proxy, please feel free to contact our proxy information line at (866) 796-1290.

Respectfully,
/s/ David C. Hooten
David C. Hooten
Chairman
Claymore Group Inc.

CLAYMORE (R)

CLAYMORE FUNDS
2455 CORPORATE WEST DRIVE
LISLE, ILLINOIS 60532

NOTICE OF JOINT SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 12, 2010

Notice is hereby given to Shareholders of:

Fiduciary/Claymore MLP Opportunity Fund ("FMO")
Madison/Claymore Covered Call & Equity Strategy Fund ("MCN")
Old Mutual/Claymore Long-Short Fund ("OLA")
TS&W/Claymore Tax-Advantaged Balanced Fund ("TYW")
Western Asset/Claymore Inflation-Linked Opportunities & Income Fund ("WIW")
Each series of Claymore Exchange-Traded Fund Trust
Claymore/Beacon Spin-Off ETF ("CSD")
Claymore/Zacks Multi-Asset Income Index ETF ("CVY")
Claymore/Zacks Mid-Cap Core ETF ("CZA")
Claymore/Sabrient Defensive Equity Index ETF ("DEF")
Claymore/BNY Mellon BRIC ETF ("EEB")
Claymore/Zacks Dividend Rotation ETF ("IRO")
Claymore/S&P Global Dividend Opportunities Index ETF ("LVL")
Claymore/Sabrient Insider ETF ("NFO")
Claymore/Ocean Tomo Patent ETF ("OTP")
Claymore/Ocean Tomo Growth Index ETF ("OTR")

Claymore/Raymond James SB-1 Equity ETF ("RYJ")
Claymore/Sabrient Stealth ETF ("STH")
Claymore U.S. Capital Markets Bond ETF ("UBD")
Claymore U.S. Capital Markets Micro-Term Fixed Income ETF ("ULQ")
Claymore/BNY Mellon International Small Cap LDRs ETF ("XGC")
Claymore/Zacks Sector Rotation ETF ("XRO")
Each series of Claymore Exchange-Traded Fund Trust 2
Claymore S&P Global Water Index ETF ("CGW")
Claymore/Zacks Country Rotation ETF ("CRO")
Claymore/Beacon Global Timber Index ETF ("CUT")
Claymore/BNY Mellon EW Euro-Pacific LDRs ETF ("EEN")
Claymore/SWM Canadian Energy Income Index ETF ("ENY")

Claymore/Beacon Global Exchanges, Brokers & Asset Managers Index ETF
("EXB")
Claymore/NYSE Arca Airline ETF ("FAA")
Claymore/BNY Mellon Frontier Markets ETF ("FRN")
Claymore/AlphaShares China Small Cap Index ETF ("HAO")
Claymore/Zacks International Multi-Asset Income Index ETF ("HGI")
Claymore/Robb Report Global Luxury Index ETF ("ROB")
Claymore/Delta Global Shipping Index ETF ("SEA")
Claymore/MAC Global Solar Energy Index ETF ("TAN")
Claymore/AlphaShares China Real Estate ETF ("TAO")
(each a "Fund" and, collectively, the "Funds")

that a joint special meeting of Shareholders of the Funds (the "Meeting") will be held at the offices of Claymore Securities, Inc., 2455 Corporate West Drive, Lisle, Illinois 60532, on January 12, 2010, at 11:30 a.m., Central time. The Meeting is being held for the following purposes:

1. For Shareholders of each Fund, to approve a new investment advisory agreement between your Fund and Claymore Advisors, LLC (the "Adviser").
2. For Shareholders of certain Funds, to approve one or more new investment sub-advisory agreements or investment management agreements for your Fund, in the following manner:
 - (a) For FMO, to approve a new investment sub-advisory agreement among the Fund, the Adviser and Fiduciary Asset Management, LLC.
 - (b) For MCN, to approve a new investment management agreement among the Fund, the Adviser and Madison Asset Management, LLC.
 - (c) For OLA, to approve a new investment sub-advisory agreement among the Fund, the Adviser and Analytic Investors LLC.
 - (d) For TYW, to approve (i) a new investment sub-advisory agreement among the Fund, the Adviser and Thompson, Siegel & Walmsley LLC; and (ii) a new investment sub-advisory agreement among the Fund, the Adviser and SMC Fixed Income Management, LP.
 - (e) For WIW, to approve (i) a new investment management agreement between the Adviser and Western Asset Management

Company ("Western"), (ii) a new investment management agreement among the Adviser, Western and Western Asset Management Company Pte. Ltd. (Singapore), (iii) a new investment management agreement among the Adviser, Western and Western Asset Management Company Limited (London), and (iv) a new investment management agreement among the Adviser, Western and Western Asset Management Company Ltd. (Japan).

(f) For each of UBD and ULQ, to approve a new investment sub-advisory agreement between the Adviser and Mellon Capital Management Corporation.

3. To transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

THE BOARD OF TRUSTEES OF EACH FUND (EACH A "BOARD" AND, COLLECTIVELY, THE "BOARDS"), INCLUDING THE INDEPENDENT TRUSTEES, RECOMMENDS THAT YOU VOTE FOR APPROVAL OF YOUR FUND'S NEW INVESTMENT ADVISORY AGREEMENT AND FOR YOUR FUND'S NEW INVESTMENT SUB-ADVISORY AGREEMENT(S) OR INVESTMENT MANAGEMENT AGREEMENT(S), IF APPLICABLE.

The Board of each Fund has fixed the close of business on November 13, 2009 as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting. We urge you to complete, sign, date and mail the enclosed proxy in the postage-paid envelope provided or record your voting instructions via telephone or the Internet so you will be represented at the Meeting.

/s/ Steven Hill

Steven M. Hill

on behalf of the Board of Trustees
of each Fund
Lisle, Illinois

December 4, 2009

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE MEETING IN PERSON OR BY PROXY. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE VOTE BY TELEPHONE, INTERNET OR MAIL. IF YOU ARE VOTING BY MAIL PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ACCOMPANYING POSTAGE-PAID ENVELOPE. IF YOU WISH TO ATTEND THE MEETING AND VOTE IN PERSON, YOU WILL BE ABLE TO DO SO AND YOUR VOTE AT THE MEETING WILL REVOKE ANY PROXY YOU MAY HAVE SUBMITTED. MERELY ATTENDING THE MEETING, HOWEVER, WILL NOT REVOKE ANY PREVIOUSLY SUBMITTED PROXY. YOUR VOTE IS EXTREMELY IMPORTANT. NO MATTER HOW MANY OR HOW FEW SHARES YOU OWN, PLEASE SEND IN YOUR PROXY CARD (OR VOTE BY TELEPHONE OR THROUGH THE INTERNET PURSUANT TO THE INSTRUCTIONS CONTAINED ON THE PROXY CARD) TODAY.

THIS PAGE INTENTIONALLY LEFT BLANK

CLAYMORE FUNDS

PROXY STATEMENT

FOR THE JOINT SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JANUARY 12, 2010

This joint proxy statement (the "Proxy Statement") is furnished to Shareholders of each of the funds listed below

CLOSED-END FUNDS

Fiduciary/Claymore MLP Opportunity Fund ("FMO")
Madison/Claymore Covered Call & Equity Strategy Fund ("MCN")
Old Mutual/Claymore Long-Short Fund ("OLA")
TS&W/Claymore Tax-Advantaged Balanced Fund ("TYW")
Western Asset/Claymore Inflation-Linked Opportunities & Income Fund ("WIW") (each closed-end fund listed above is sometimes referred to herein as a "Closed-End Fund," and collectively as the "Closed-End Funds")

EXCHANGE-TRADED FUNDS

Claymore Exchange-Traded Fund Trust
Claymore/Beacon Spin-Off ETF ("CSD")
Claymore/Zacks Multi-Asset Income Index ETF ("CVY")
Claymore/Zacks Mid-Cap Core ETF ("CZA")
Claymore/Sabrient Defensive Equity Index ETF ("DEF")
Claymore/BNY Mellon BRIC ETF ("EEB")
Claymore/Zacks Dividend Rotation ETF ("IRO")
Claymore/S&P Global Dividend Opportunities Index ETF ("LVL")
Claymore/Sabrient Insider ETF ("NFO")
Claymore/Ocean Tomo Patent ETF ("OTP")
Claymore/Ocean Tomo Growth Index ETF ("OTR")
Claymore/Raymond James SB-1 Equity ETF ("RYJ")
Claymore/Sabrient Stealth ETF ("STH")
Claymore U.S. Capital Markets Bond ETF ("UBD")
Claymore U.S. Capital Markets Micro-Term Fixed Income ETF ("ULQ")
Claymore/BNY Mellon International Small Cap LDRs ETF ("XGC")
Claymore/Zacks Sector Rotation ETF ("XRO")

1

Claymore Exchange-Traded Fund Trust 2

Claymore S&P Global Water Index ETF ("CGW")
Claymore/Zacks Country Rotation ETF ("CRO")
Claymore/Beacon Global Timber Index ETF ("CUT")
Claymore/BNY Mellon EW Euro-Pacific LDRs ETF ("EEN")
Claymore/SWM Canadian Energy Income Index ETF ("ENY")
Claymore/Beacon Global Exchanges, Brokers & Asset Managers Index ETF ("EXB")
Claymore/NYSE Arca Airline ETF ("FAA")
Claymore/BNY Mellon Frontier Markets ETF ("FRN")
Claymore/AlphaShares China Small Cap Index ETF ("HAO")
Claymore/Zacks International Multi-Asset Income Index ETF ("HGI")
Claymore/Robb Report Global Luxury Index ETF ("ROB")

Claymore/Delta Global Shipping Index ETF ("SEA")
Claymore/MAC Global Solar Energy Index ETF ("TAN")
Claymore/AlphaShares China Real Estate ETF ("TAO")
(each series of Claymore Exchange-Traded Fund Trust and Claymore Exchange-Traded Fund Trust 2 (each a "Trust," and, together, the "Trusts") listed above is sometimes referred to herein as an "ETF," and collectively as the "ETFs")

The Closed-End Funds together with the ETFs are sometimes referred to herein collectively as the "Funds" and each one as a "Fund." Each Share, common Share or preferred Share, as applicable (collectively, the "Shares"), of each Fund is entitled to vote on each Proposal pertaining to that Fund. Holders of Shares of the Funds are referred to herein as "Shareholders." The Proxy Statement is furnished in connection with the solicitation by the Board of Trustees of each Fund (each a "Board" and, collectively, the "Boards") of proxies to be voted at the joint special meeting of Shareholders of the Funds to be held on January 12, 2010, and any adjournments or postponements thereof (the "Meeting"). The Meeting will be held at the offices of Claymore Advisors, LLC., 2455 Corporate West Drive, Lisle, Illinois 60532, on January 12, 2010 at 11:30 a.m., Central time.

This Proxy Statement gives you information you need to vote on the matters listed on the accompanying Notice of Joint Special Meeting of Shareholders ("Notice of Meeting"). Much of the information in this Proxy Statement is required under rules of the Securities and Exchange Commission ("SEC"). If there is anything you don't understand, please contact our proxy information line at (866) 796-1290.

EACH FUND WILL FURNISH, WITHOUT CHARGE, A COPY OF THE FUND'S MOST RECENT ANNUAL REPORT AND SEMI-ANNUAL REPORT TO SHAREHOLDERS TO ANY SHAREHOLDER UPON REQUEST. REQUESTS SHOULD BE DIRECTED TO CLAYMORE SECURITIES, INC., 2455 CORPORATE WEST DRIVE, LISLE, ILLINOIS 60532, (800) 345-7999.

The Notice of Meeting, this Proxy Statement and the enclosed proxy card are first being sent to Shareholders on or about December 4, 2009.

2

INFORMATION TO HELP YOU UNDERSTAND
AND VOTE ON THE PROPOSALS

While we strongly encourage you to read the full text of this Proxy Statement, we are also providing you the following brief overview of the proposals addressed in this Proxy Statement (the "Proposals"), in a Question and Answer format, to help you understand and vote on the Proposals. Your vote is important.

Please vote--either by completing and returning the enclosed proxy card(s) in the enclosed postage-paid return envelope, by telephone or through the Internet.

o WHY ARE YOU SENDING ME THIS INFORMATION?

You are receiving these materials because on November 13, 2009 (the "Record Date") you owned Shares of one or more of the Funds and, as a result, have a right to vote on the Proposal(s) applicable to your Fund and are entitled to be present and to vote at the Meeting or any adjournments or postponements thereof. Each Share of each Fund is entitled to one vote on each Proposal pertaining to that Fund.

o WHY IS A SPECIAL MEETING OF SHAREHOLDERS BEING HELD?

Claymore Group Inc. ("Claymore Group") is the parent of Claymore Advisors, LLC ("Claymore" or the "Adviser"). The Adviser is the investment adviser to each of the ETFs and each of the Closed-End Funds. With respect to the Closed-End Funds and the following two ETFs: UBD and ULQ (such ETFs, the "Sub-Advised ETFs" and, together with the Closed-End Funds, the "Sub-Advised Funds"), one or more independent investment sub-advisers or investment managers (each, a "Sub-Adviser") was retained in connection with the management of each such Fund's investment portfolio, pursuant to an investment sub-advisory agreement or investment management agreement (each, a "Prior Sub-Advisory Agreement").

Claymore Group entered into an agreement and plan of merger pursuant to which Claymore Group would merge with an indirect wholly-owned subsidiary of Guggenheim Partners, LLC ("Guggenheim"), with Claymore Group being the surviving company and becoming an indirect subsidiary of Guggenheim (the "Transaction"). The Transaction was completed on October 14, 2009 (the "Closing Date"), at which time Claymore Group and its associated entities, including the Adviser, became indirect subsidiaries of Guggenheim. The Transaction constituted an "assignment," as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), of each investment advisory agreement between the Adviser and the respective Trusts, on behalf of each ETF, and each respective Closed-End Fund (each, a "Prior Advisory Agreement"), which resulted in the automatic termination of each Prior Advisory Agreement pursuant to its terms. The Transaction and the termination of the Prior Advisory Agreements also resulted in the termination of each Prior Sub-Advisory Agreement pursuant to its terms.

3

As permitted pursuant to Rule 15a-4 under the 1940 Act, each Board (including, with respect to each agreement, a majority of the trustees who are not parties to such agreement or interested persons of any such party (with respect to each respective agreement, the "Independent Trustees")) has approved an interim investment advisory agreement between the Adviser and (a) each respective Trust, on behalf of each ETF, and (b) each respective Closed-End Fund (each, an "Interim Advisory Agreement"), and each Board (including a majority of the Independent Trustees) of each Sub-Advised Fund has approved an interim investment sub-advisory agreement or investment management agreement for each Sub-Adviser to the respective Sub-Advised Fund (each an "Interim Sub-Advisory Agreement"). Each Interim Advisory Agreement and Interim Sub-Advisory Agreement became effective on the Closing Date. Pursuant to such agreements, the Adviser and the Sub-Adviser(s), if applicable, may continue to serve a Fund in such capacities on an interim basis for up to 150 days following the Closing Date, pending receipt of Shareholder approval of new agreement(s) for such Fund.

Therefore, in order for the Adviser to continue serving as a Fund's investment adviser and each Sub-Adviser to continue serving as investment sub-adviser or investment manager of the applicable

Sub-Advised Fund(s) following the expiration of the 150 day interim period, Shareholders must approve:

- (i) with respect to such Fund, a new investment advisory agreement between the Adviser and the respective Trust, on behalf of each ETF, or the respective Closed-End Fund (each, a "New Advisory Agreement");
- (ii) with respect to such Sub-Advised Fund, a new investment sub-advisory agreement or investment management agreement for each Sub-Adviser to the respective Sub-Advised Fund (each, a "New Sub-Advisory Agreement").

○ HOW DOES THE TRANSACTION AFFECT YOUR FUND?

Your investment in your Fund does not change as a result of the Transaction. You still own the same Shares in the Fund, and the net asset value of your investment does not change as a result of the Transaction. Further, the Transaction does not result in any change in your Fund's investment objectives or principal investment strategies.

○ HOW DOES YOUR FUND'S NEW ADVISORY AGREEMENT COMPARE WITH ITS PRIOR ADVISORY AGREEMENT?

Your Fund's New Advisory Agreement, if approved by Shareholders of your Fund, will still be with the Adviser and there will be no

4

material differences between the terms of your Fund's New Advisory Agreement and the terms of your Fund's Prior Advisory Agreement.

○ HOW DOES YOUR FUND'S NEW SUB-ADVISORY AGREEMENT(S) COMPARE WITH ITS PRIOR SUB-ADVISORY AGREEMENT(S)?

If you are a Shareholder of a Sub-Advised Fund, your Fund's New Sub-Advisory Agreement(s), if approved by Shareholders of your Fund, will still be with the same Sub-Adviser(s) and there will be no material differences between the terms of your Fund's New Sub-Advisory Agreement(s) and the terms of the corresponding Prior Sub-Advisory Agreement.

○ WILL YOUR FUND'S FEES FOR INVESTMENT ADVISORY SERVICES INCREASE?

No. The advisory fee rate currently payable by your Fund to the Adviser and the sub-advisory fee rates payable to your Fund's Sub-Adviser(s), if applicable, will not change.

○ WILL THE TRANSACTION RESULT IN ANY CHANGE IN THE SUB-ADVISER(S) TO YOUR FUND?

No. If you are a Shareholder of a Sub-Advised Fund, the Transaction does not affect the management or control of the Sub-Adviser(s) to your Fund.

- o WILL YOUR VOTE MAKE A DIFFERENCE?

YES! Your vote is important to ensure that the Proposal(s) can be acted upon with respect to your Fund. Additionally, your immediate response will help save on the costs of any future solicitations of Shareholder votes for the Meeting. We encourage all Shareholders to participate in the governance of their Funds.

- o WHO IS ASKING FOR YOUR VOTE?

The enclosed proxy is solicited by the Board of your Fund for use at the Meeting to be held on January 12, 2010, and, if the Meeting is adjourned or postponed, at any later meetings, for the purposes stated in the Notice of Meeting.

- o HOW DOES YOUR FUND'S BOARD RECOMMEND THAT SHAREHOLDERS VOTE ON THE PROPOSAL(S)?

Your Fund's Board, including the Independent Trustees of your Fund, recommends that you vote "FOR" approval of the New Advisory Agreement for your Fund and, with respect to the Sub-Advised Funds, "FOR" approval of each New Sub-Advisory Agreement for your Fund.

- o HOW DO YOU CAST YOUR VOTE?

Whether or not you plan to attend the Meeting, we urge you to complete, sign, date, and return the enclosed proxy card in the postage-paid envelope provided or record your voting instructions via

5

telephone or the Internet so your Shares will be represented at the Meeting. Information regarding how to vote via telephone or the Internet is included on the enclosed proxy card. The required control number for Internet and telephone voting is printed on the enclosed proxy card. The control number is used to match proxy cards with Shareholders' respective accounts and to ensure that, if multiple proxy cards are executed, Shares are voted in accordance with the proxy card bearing the latest date.

If you wish to attend the Meeting and vote in person, you will be able to do so. You may contact our proxy information line at (866) 796-1290 to obtain directions to the site of the Meeting.

All Shares represented by properly executed proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or otherwise as provided therein. IF NO SPECIFICATION IS MADE ON A PROPERLY EXECUTED PROXY CARD, IT WILL BE VOTED FOR THE PROPOSAL(S) APPLICABLE TO YOUR FUND. If any other business is brought before the Meeting, your Shares will be voted at the proxies' discretion.

Shareholders who execute proxies or record their voting instructions via telephone or the Internet may revoke them at any time before they are voted by filing with the Secretary of the appropriate Fund a written notice of revocation, by delivering (including via telephone or the Internet) a duly executed proxy bearing a later date or by attending the Meeting and voting in person. Merely attending the Meeting, however, will not revoke any previously submitted proxy.

Broker-dealer firms holding Shares in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their Shares on the Proposal. Under current interpretations of the New York Stock Exchange (the "NYSE"), broker-dealers that are members of the NYSE and that have not received instructions from a customer may not vote such customer's Shares on a Proposal. Broker-dealers who are not members of the NYSE may be subject to other rules, which may or may not permit them to vote your shares without instruction. Therefore, you are encouraged to contact your broker and record your voting instructions.

Preferred shares held in "street name" as to which voting instructions have not been received from the beneficial owners or persons entitled to vote as of one business day before the Meeting, or, if adjourned, one business day before the day to which the Meeting is adjourned, and that would otherwise be treated as "broker non-votes" may, pursuant to Rule 452 of the New York Stock Exchange, be voted by the broker on the Proposal in the same proportion as the votes cast by all preferred Shareholders of such Fund who have voted on that item.

6

Rule 452 permits proportionate voting of preferred shares with respect to a particular Proposal if, among other things, (i) common shareholders approve the proposal, (ii) a minimum of 30% of the preferred shares outstanding has been voted by the holders of such preferred shares with respect to such Proposal and (iii) less than 10% of the preferred shares outstanding has been voted by the holders of such preferred shares against such item. For the purpose of meeting the 30% test, abstentions will be treated as Shares voted and for the purpose of meeting the 10% test, abstentions will not be treated as Shares voted against the item.

Therefore, if you beneficially own Shares that are held in "street name" through a broker-dealer and if you have not given or do not give voting instructions for your Shares, your Shares may not be voted at all or may be voted in a manner that you may not intend. You are strongly encouraged to be sure your broker-dealer or service organization has instructions as to how your Shares are to be voted.

Shareholders of each Fund as of the close of business on the Record Date will be entitled to one vote on each matter to be voted on by such Fund for each Share of the Fund held and a fractional vote with respect to fractional Shares, with no cumulative voting. With respect to TYW, holders of common Shares and holders of preferred Shares will vote together as a single class.

- o WHAT VOTE IS REQUIRED TO APPROVE THE PROPOSALS?

To be approved with respect to a particular Fund, the New Advisory Agreement and a New Sub-Advisory Agreement, if applicable, must be approved by a vote of a majority of the outstanding voting securities of that Fund. The "vote of the majority of the outstanding voting securities" is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the voting securities of a Fund entitled to vote thereon present at the Meeting or represented by proxy if holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the outstanding voting securities of the Fund entitled to vote thereon. With respect to TYW, holders of common Shares and preferred Shares will vote together as a single class.

o WHY IS A JOINT MEETING BEING HELD?

The Proposals are similar for each Fund and management of the Funds has concluded that it is cost-effective to hold a joint special meeting and to have a joint proxy statement. Shareholders of each Fund will vote separately on the Proposals with respect to their Fund. An unfavorable vote on a Proposal by the Shareholders of one Fund will not affect the implementation of such Proposal by another Fund if such Proposal is approved by Shareholders of that Fund.

7

PROPOSAL 1: APPROVAL OF NEW ADVISORY AGREEMENTS

BACKGROUND AND THE TRANSACTION

The Adviser serves as the investment adviser for each Fund and is responsible for each Fund's management. The Adviser is a wholly-owned subsidiary of Claymore Group, a privately-held financial services company offering unique investment solutions for financial advisors and their valued clients. Based in Lisle, Illinois, Claymore Group entities have provided supervision, management or servicing on approximately \$13.3 billion in assets, as of September 30, 2009.

On July 17, 2009, Claymore Group entered into an agreement and plan of merger which governs the Transaction (the "Merger Agreement"), subsequently amended on August 18, 2009, with two newly formed, wholly-owned subsidiaries of Guggenheim, GuggClay Acquisition, Inc. ("Acquisition Corporation") and an intermediate holding company ("Holdings," Holdings and Acquisition Corporation being collectively referred to as the "Acquisition Subsidiaries"). On August 18, 2009, Guggenheim also agreed to arrange for substantial additional equity and debt financing to Claymore Group, in an aggregate of up to approximately \$37 million, which was intended to be available prior to and regardless of whether the Transaction was consummated. The equity financing, which closed in September 2009, consisted of approximately \$11.7 million for newly-issued common stock of Claymore Group representing, on a fully diluted basis, 24.9% of the outstanding common stock of Claymore Group. The debt financing consisted of up to \$25 million of subordinated loans, which was in addition to the up to \$20 million of subordinated loans to Claymore Group previously arranged by affiliates of Guggenheim as interim financing for working capital and for inventory purchases in connection with Claymore Group's investment supervisory business (all such subordinated loans being collectively referred to as the "Debt Financing"). The Debt Financing could be drawn upon by Claymore Group

pursuant to its terms and is due three years from the issuance date, provided, however, that any such Debt Financing drawn upon by Claymore Group shall become immediately due upon certain breaches of covenants and upon any change of control of Claymore Group.

On the Closing Date, October 14, 2009, the Transaction was consummated and Claymore Group and its associated entities, including the Adviser, became indirect subsidiaries of Guggenheim. Acquisition Corporation merged with and into Claymore Group, with Claymore Group being the surviving corporation. All Shares of Claymore Group common stock issued and outstanding immediately prior to the Transaction (except those held by the Acquisition Subsidiaries or dissenting stockholders or held in treasury) were cancelled and converted into the right to receive an aggregate cash payment of approximately \$39 million. All Shares of Claymore Group common stock held prior to the Transaction by the Acquisition Subsidiaries or held in treasury immediately prior to the Transaction were cancelled without payment. All Shares of Acquisition Corporation were converted into common stock of Claymore Group.

8

GUGGENHEIM

Guggenheim is a global, independent, privately held, diversified financial services firm with more than \$100 billion in assets under supervision and 800 dedicated professionals. Headquartered in Chicago and New York, the firm operates through offices in 20 cities in the U.S., Europe and Asia. Guggenheim operates businesses in investment management, capital markets, wealth management and merchant banking. Within the investment and wealth management businesses, Guggenheim specializes in fixed income and alternative investments, and in providing sophisticated wealth advisory and family office services. Within capital markets, it specializes in providing debt financing and structured finance solutions to clients. Merchant banking activities include its portfolio of investments in funds managed by it, joint venture business investments, and new business launch activities not integrated into other primary operating businesses. Guggenheim is a wholly-owned subsidiary of Guggenheim Capital, LLC, 227 West Monroe Street, 48th Floor, Chicago, Illinois 60606. Sage Assets, Inc., 5949 Sherry Lane, Suite 1900, Dallas, Texas 75225, a wholly-owned subsidiary of Sammons Enterprises, Inc., 5949 Sherry Lane, Suite 1900, Dallas, Texas 75225, is a control person of Guggenheim as a result of its equity ownership in excess of 25% (but less than 50%) of Guggenheim Capital, LLC.

PRIOR ADVISORY AGREEMENTS

The Adviser served as the investment adviser for each Fund pursuant to each Fund's respective Prior Advisory Agreement. The date of each Fund's Prior Advisory Agreement, the date such agreement was last approved by Shareholders of such Fund, the date the continuation of such agreement was last approved by the Board of such Fund and the advisory fee rate payable thereunder is set forth in Appendix C hereto.

Each Prior Advisory Agreement provided for its automatic termination in the event of an "assignment," as defined in the 1940 Act. The closing of the Transaction resulted in a change in control of Claymore Group and, ultimately, its subsidiary the Adviser, which was deemed an "assignment" of each Prior Advisory Agreement resulting in its termination. The Transaction is not, however, expected to result in a change in the persons responsible for the management of the Funds or in the operations of the Funds or in any changes in

the investment approach of the Funds.

INTERIM ADVISORY AGREEMENTS

Rule 15a-4 under the 1940 Act permits each Board (including a majority of the Independent Trustees) to approve and enter into an Interim Advisory Agreement pursuant to which the Adviser may serve as investment adviser to the Fund for up to 150 days following the Closing Date, pending receipt of Shareholder approval of the Fund's New Advisory Agreement.

Based upon the considerations described below under "--Board Considerations," each Board, including the Independent Trustees, approved the

9

Interim Advisory Agreement for the respective Fund on the date set forth in Appendix C. In approving the Interim Advisory Agreement, each Board, including a majority of the Independent Trustees, determined that the scope and quality of services to be provided to each respective Fund under the Interim Advisory Agreement would be at least equivalent to the scope and quality of services provided under the Prior Advisory Agreement. The compensation to be received by the Adviser under each Fund's Interim Advisory Agreement is not greater than the compensation the Adviser would have received under such Fund's Prior Advisory Agreement.

Each Fund's Interim Advisory Agreement became effective upon the Closing Date. There are no material differences between the terms of each Fund's Interim Advisory Agreement and the terms of such Fund's Prior Advisory Agreement and New Advisory Agreement, except for those provisions in the Interim Advisory Agreement which are necessary to comply with the requirements of Rule 15a-4 under the 1940 Act. The provisions of each Interim Advisory Agreement required by Rule 15a-4 under the 1940 Act include:

- (i) the Interim Advisory Agreement terminates upon the earlier of the 150th day following the Closing Date or the effectiveness of the New Advisory Agreement;
- (ii) the Board or a majority of the Fund's outstanding voting securities may terminate the Interim Advisory Agreement at any time, without the payment of any penalty, on not more than 10 calendar days' written notice to the Adviser;
- (iii) the compensation earned by the Adviser under the Interim Advisory Agreement will be held in an interest-bearing escrow account with the Fund's custodian or a bank;
- (iv) if a majority of the Fund's outstanding voting securities approve the Fund's New Advisory Agreement by the end of the 150-day period, the amount in the escrow account (including interest earned) will be paid to the Adviser; and
- (v) if a majority of the Fund's outstanding voting securities do not approve the Fund's New Advisory Agreement, the Adviser will be paid, out of the escrow account, the lesser of (a) any costs incurred in performing the Interim Advisory Agreement (plus interest earned on that amount while in escrow), or (b) the total amount in the escrow account (plus interest earned).

NEW ADVISORY AGREEMENTS

It is proposed that the Adviser and (a) each respective Trust, on behalf of each ETF, and (b) each respective Closed-End Fund enter into a New Advisory Agreement, to become effective upon the date of Shareholder approval. Under Section 15(a) of the 1940 Act, each New Advisory Agreement requires the approval of (i) the Board, including a majority of the Independent Trustees, of the

10

respective Fund and (ii) the Shareholders of the respective Fund. It was a condition of the Merger Agreement that the Boards, including a majority of the Independent Trustees, approve the New Advisory Agreements, on terms no less favorable to the Adviser, taken as a whole, than the Prior Advisory Agreements. In the event that the Shareholders of any Fund do not approve the respective New Advisory Agreement, the Adviser may continue to act as the investment adviser for such Fund pursuant to the Interim Advisory Agreement for a period of up to 150 days following the Closing Date. In such event, the respective Board will determine a course of action believed by such Board to be in the best interests of such Fund and its Shareholders.

Based upon the considerations described below under "--Board Considerations," each Board, including the Independent Trustees, approved the New Advisory Agreement on the date set forth in Appendix C.

There are no material differences between the terms of each Fund's New Advisory Agreement and the terms of such Fund's Prior Advisory Agreement. Forms of the New Advisory Agreements are attached in Appendix I hereto and the description of the New Advisory Agreements is qualified in its entirety by reference to Appendix I hereto.

Duties and Obligations. Each Fund's New Advisory Agreement provides that subject to the direction and control of the Fund's Board, the Adviser shall (i) act as investment adviser for and supervise and manage the investment and reinvestment of the Fund's assets, (ii) supervise the investment program of the Fund and the composition of its investment portfolio, and (iii) arrange for the purchase and sale of securities and other assets held in the investment portfolio of the Fund. Each Fund's New Advisory Agreement provides that in performing its duties, the Adviser may delegate some or all of its duties and obligations under the New Advisory Agreement to one or more investment sub-advisers or investment managers. In addition, each Fund's New Advisory Agreement provides that the Adviser shall furnish office facilities and equipment and clerical, bookkeeping, shareholder servicing and administrative services (other than such services, if any, provided by the Fund's other service providers), as described in the New Advisory Agreement, to the extent requested by the Fund. Each Trust's New Advisory Agreement also provides that the Adviser shall initially determine and make such modifications to the identity and number of Shares of the securities to be accepted pursuant to each ETF's benchmark index in exchange for "Creation Units" for each ETF and the securities that will be applicable that day to redemption requests received for each ETF as may be necessary as a result of rebalancing adjustments and corporate action events and may give directions to the Trust's custodian with respect to such designations. The duties and obligations of the Adviser under each Fund's New Advisory Agreement are identical to the duties and obligations of the Adviser under such Fund's Prior Advisory Agreement.

Compensation. Each Fund's New Advisory Agreement does not result in any change in the advisory fee rate paid by such Fund. Pursuant to each Fund's

New Advisory Agreement, each Fund pays to the Adviser as full compensation for all services rendered by the Adviser as such, a monthly fee at an annual rate equal to a specified percentage of the Fund's assets, as set forth in the respective agreement. The Adviser bears all costs and expenses of its employees and any overhead incurred in connection with its duties under the New Advisory Agreement and bears the costs of any salaries or trustees fees of certain officers or trustees of the Fund affiliated with the Adviser. Certain ETFs (specifically EEN, RYJ and XGC) pay to the Adviser a unitary management fee for the services and facilities it provides payable on a monthly basis at the annual rate equal to a specified percentage of the ETF's assets. For such ETFs, out of the unitary management fee, the Adviser pays substantially all expenses of the ETF, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for the fee payments under the advisory agreement, distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses and other extraordinary expenses. These provisions of each Fund's New Advisory Agreement are identical to provisions of such Fund's Prior Advisory Agreement. The advisory fee rate and the asset base on which such fee is payable is the same between each Fund's Prior Advisory Agreement, Interim Advisory Agreement and New Advisory Agreement. Each Fund's advisory fee rate under such Fund's Prior Advisory Agreement, Interim Advisory Agreement and New Advisory Agreement is set forth in Appendix C hereto. The amount of advisory fees paid by each Fund to the Adviser during the Fund's last fiscal year is set forth in Appendix E hereto.

Term and Termination. Assuming approval by Shareholders, each Fund's New Advisory Agreement shall continue for an initial term of one year, provided, however, that each Board intends to consider the continuation of the New Advisory Agreement during such one year term. Thereafter, each Fund's New Advisory Agreement shall continue in effect from year to year after the initial term if approved annually (i) by the Fund's Board or the holders of a majority of the outstanding voting securities of the Fund and (ii) by a majority of the trustees who are not "interested persons" of any party to the Fund's New Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. Each Fund's New Advisory Agreement may be terminated (i) by the Fund at any time, without the payment of any penalty, upon giving the Adviser 60 days' written notice, or (ii) by the Adviser on 60 days' written notice. Each Fund's New Advisory Agreement will also immediately terminate in the event of its assignment, as defined in the 1940 Act. The length of the initial term of each Prior Advisory Agreement was generally two years. Except with respect to the length of the initial term, these provisions of each Fund's New Advisory Agreement are identical to provisions of such Fund's Prior Advisory Agreement.

Limitation of Liability. Each Fund's New Advisory Agreement provides that the Adviser will not be liable for any error of judgment or mistake of law or for any loss suffered by the Adviser or by the Fund in connection with the performance of the New Advisory Agreement, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Adviser in the

performance of its duties or from reckless disregard by the Adviser of its duties under the New Advisory Agreement or, with respect to certain funds, a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services. These provisions of each Fund's New Advisory Agreement are identical to provisions of such Fund's Prior Advisory Agreement.

Use of the Name "Claymore." Each Fund's New Advisory Agreement provides that the Adviser has consented to the use by the Fund of the name or identifying word "Claymore" in the name of the Fund and that the Adviser may require the Fund to cease using "Claymore" in the name of the Fund if the Fund ceases to employ, for any reason, the Adviser, or, with respect to certain Funds, any successor thereto or any affiliate thereof as investment adviser of the Fund. These provisions of each Fund's New Advisory Agreement are identical to provisions of such Fund's Prior Advisory Agreement.

SECTION 15(F) OF THE 1940 ACT

Section 15(f) of the 1940 Act is a safe harbor that provides that, when a change in control of an investment adviser occurs, the investment adviser or any of its affiliated persons may receive any amount or benefit in connection with the change in control as long as two conditions are met. The first condition specifies that no "unfair burden" may be imposed on the investment company as a result of a transaction relating to the change in control, or any express or implied terms, conditions or understandings. The term "unfair burden," as defined in the 1940 Act, includes any arrangement during the two-year period after the change in control transaction whereby the investment adviser (or predecessor or successor adviser), or any interested person of any such investment adviser, receives or is entitled to receive any compensation, directly or indirectly, from the investment company or its security holders (other than fees for bona fide investment advisory or other services) or from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of the investment company (other than fees for bona fide principal underwriting services). The second condition specifies that, during the three-year period immediately following consummation of the change of control transaction, at least 75% of the investment company's board of directors or trustees must not be "interested persons" (as defined in the 1940 Act) of the investment adviser or predecessor adviser. If either condition of Section 15(f) is not met, the safe harbor is not available.

The Adviser is relying upon the safe harbor of Section 15(f). Consistent with the first condition of Section 15(f), the Adviser and the Acquisition Subsidiaries have agreed that they will use their reasonable best efforts to ensure that there is no "unfair burden" imposed on the Funds as a result of the Transaction. With respect to the second condition of Section 15(f), the Adviser and the Acquisition Subsidiaries have agreed that they will use their reasonable best efforts to comply with and cause each Fund to conduct its business to ensure that for a period of three years after the closing of the Transaction at least 75% of the trustees of each Fund will not be "interested persons" (as defined in the 1940 Act) of the Adviser or Guggenheim. The Funds currently meet this condition.

13

Therefore, the Adviser and the Acquisition Subsidiaries represented to each Board that that no unfair burden would be imposed on the respective Fund as a result of the Transaction.

BOARD CONSIDERATIONS

Prior Advisory Agreements. The date of each Fund's Prior Advisory Agreement and the date on which it was last approved by such Fund's Board,

including the Independent Trustees, is provided in Appendix C. As part of its review process, a Committee of each Board, consisting solely of the Independent Trustees (each sometimes referred to in this Section as the "Committee" and together as the "Committees"), was represented by independent legal counsel. Each Board reviewed materials received from the Adviser and independent legal counsel. Each Board also had previously received, throughout the year, Board meeting information regarding performance and operating results of each Fund it oversees.

In preparation for its review of the applicable Prior Advisory Agreements, each Committee communicated with independent legal counsel regarding the nature of information to be provided, and independent legal counsel, on behalf of each Committee, sent a formal request for information. The Adviser provided extensive information in response to each request. Among other information, the Adviser provided general information to assist the Committees in assessing the nature and quality of services provided by the Adviser and information comparing the investment performance, advisory fees and total expenses of each Fund to other funds, information about the profitability of Prior Advisory Agreement to the Adviser and the compliance program of the Adviser.

Based upon its review, each Committee and each Board concluded that it was in the best interest of the respective Fund to renew such Fund's Prior Advisory Agreement. In reaching this conclusion for each Fund, no single factor was determinative in the Board's analysis, but rather each Board considered a variety of factors, including the nature, extent and quality of services provided by the Adviser, advisory fees, performance, profitability, economies of scale and other benefits to the Adviser. In approving each Fund's Prior Advisory Agreement, each respective Board considered separately the best interests of each Fund overseen by such Board. The specific factors considered by each Board are described in further detail in each respective Fund's annual report or semi-annual report to Shareholders. Each Fund will furnish, without charge, a copy of such annual report and semi-annual report to Shareholders to any Shareholder upon request. Requests should be directed to Claymore Securities, Inc., 2455 Corporate West Drive, Lisle, Illinois 60532, (800) 345-7999.

Interim Advisory Agreements and New Advisory Agreements. Provided below is an overview of the primary factors the Boards considered in connection with the review of the respective Interim Advisory Agreements and the New Advisory Agreements. In determining whether to approve the Interim Advisory Agreement and the New Advisory Agreement for a Fund, each Board considered separately the best interests of each Fund overseen by such Board. Each Board,

14

including the Independent Trustees, approved the respective Fund's Interim Advisory Agreement and New Advisory Agreement.

Each Board reviewed materials received from the Adviser, Guggenheim and independent legal counsel. Each Board also had previously received, throughout the year, Board meeting information regarding performance and operating results of the respective Fund. Earlier this year, the Adviser informed the Boards that it was in discussions with Guggenheim concerning a strategic transaction, including a potential sale of a controlling interest in the Adviser. The Adviser provided periodic reports to representatives of each Board as to the status and nature of such discussions with Guggenheim and the Adviser's operating and financial results. In the spring of 2009, the Adviser

informed the Boards that Guggenheim had arranged up to \$20 million of subordinated loans to Claymore Group as interim financing for working capital and for inventory purchases in connection with its business of creating, distributing and supervising unit investment trusts and other investment products.

Following the execution of the Merger Agreement, a telephonic meeting was held on July 28, 2009 and attended by certain members of each Board, the chief executive officer of Claymore Group and the chief executive officer of Guggenheim. Such executive officers summarized the principal terms of the Merger Agreement, and described the Transaction, the business plans for the Adviser following the consummation of the Transaction and answered such questions as were raised at the meeting. Representatives of the Boards requested additional information regarding the Transaction, Guggenheim and the impact of the Transaction on the Shareholders of the Funds.

During the third quarter of 2009, the Committees received reports on the progress of the Transaction, including the Debt Financing and additional equity financing arranged by Guggenheim. As part of its review process, each respective Committee was represented by independent legal counsel. Each Committee reviewed materials received from the Adviser, Guggenheim and independent legal counsel. The Adviser and Guggenheim provided, among other information, information regarding the terms of the Transaction and potential benefits to the Adviser from the Transaction. The information provided regarding Guggenheim included (i) financial information, (ii) information regarding senior executives of the firm, (iii) information regarding other Guggenheim affiliated investment managers, (iv) information regarding litigation and regulatory matters and (v) potential conflicts of interest. The Adviser and Guggenheim also provided information regarding Guggenheim's and the Adviser's intentions for the business, operations and personnel of the Adviser following the closing of the Transaction. The Committees met and discussed the Transaction and the Interim Advisory Agreement and the New Advisory Agreement in September 2009. Additional supplemental information regarding the Transaction and Guggenheim was provided by the Adviser and Guggenheim and reviewed by the Committees.

15

Subsequent to these meetings, each Board met in person to consider the Interim Advisory Agreement and the New Advisory Agreement at meetings held in late September 2009. Each such Board meeting involved the Boards of one or more Funds, but not necessarily all Boards, and over the course of such meetings each Board met with representatives of the Adviser and Guggenheim to discuss the Transaction. Representatives from the Adviser and Guggenheim discussed the Transaction with, and answered questions from, the Boards. The date of each such meeting, and the date on which each Fund's Interim Advisory Agreement and New Advisory Agreement was approved by its Board, is set forth in Appendix C hereto. The Committees met in executive session to discuss the Transaction and the information provided at the Board meetings. The respective Committee for each Fund concluded that it was in the best interest of such Fund to approve the Fund's Interim Advisory Agreement and New Advisory Agreement and, accordingly, recommended to the respective Board the approval of such Fund's Interim Advisory Agreement and New Advisory Agreement. The respective Board subsequently approved each Fund's Interim Advisory Agreement and approved each Fund's New Advisory Agreement for a one-year term. Each Board also determined to consider the continuation of the agreement during the course of the one-year term by conducting a thorough review of the various information that is part of each Board's regular annual consideration of the continuation of each Fund's advisory agreements. In reaching the conclusion to approve the Interim Advisory Agreement and New Advisory Agreement for each Fund, no single factor was determinative in its Board's analysis, but rather each Board

considered a variety of factors. Provided below is an overview of the primary factors the Boards considered in connection with the review of the Interim Advisory Agreements and the New Advisory Agreements.

In connection with each Board's consideration of the Interim Advisory Agreement and the New Advisory Agreement, the respective Trustees considered, among other information, the following factors, in addition to other factors noted in this Proxy Statement:

- o within the last year, the Board had engaged in a thorough review of the various factors, including fees and performance, that are part of the decision whether to continue an advisory agreement;
- o Board approval of each Fund's New and Interim Advisory Agreement was a condition to the closing of the Transaction;
- o Claymore's statement to the Board that the manner in which the Funds' assets are managed will not change as a result of the Transaction;
- o the aggregate advisory fee rate payable by each Fund will not change under such Fund's Interim Advisory Agreement or New Advisory Agreement;

16

- o there are no material differences between the terms of each Fund's Interim Advisory Agreement and New Advisory Agreement and the terms of such Fund's Prior Advisory Agreement, except for those provisions in the Interim Advisory Agreement which are necessary to comply with Rule 15a-4 under the 1940 Act;
- o the capabilities of the Adviser's personnel who will provide advisory (if applicable), management, shareholder servicing and administrative services to the Funds are not expected to change, and the key personnel who currently provide advisory (if applicable), management, shareholder servicing and administrative services to the Funds are expected to continue to do so after the Transaction;
- o the assurance from the Adviser and Guggenheim that following the Transaction there will not be any diminution in the nature, quality and extent of services provided to the Funds;
- o the Adviser's current financial condition;
- o the impact of the Transaction on the Adviser's day-to-day operations;
- o the reputation, capabilities, experience, organizational structure and financial resources of Guggenheim;
- o the long-term business goals of Guggenheim and the Adviser with regard to the business and operations of the Adviser;

- o that Shareholders of the Funds will not bear any costs in connection with the Transaction, inasmuch as the Adviser will bear the costs, fees and expenses incurred by the Funds in connection with this Proxy Statement and any other costs of the Funds associated with the Transaction; and
- o that the Adviser and the Acquisition Subsidiaries have agreed to refrain from imposing or seeking to impose, for a period of two years after the Closing, any "unfair burden" (within the meaning of Section 15(f) of 1940 Act) on the Funds.

Nature, Extent and Quality of Services Provided by the Adviser. Each Board noted that key investment (if applicable) and management personnel servicing the Funds are expected to remain with the Adviser following the Transaction and that the services provided to the Funds by the Adviser are not expected to change. Each Board also considered the Adviser's and Guggenheim's representations to the Boards that Guggenheim intends for the Adviser to continue to operate following the closing of the Transaction in much the same manner as it operates today, and that the impact of the Transaction on the day-to-day operations of the Adviser would be neutral or positive. Each Board also considered Guggenheim's statement that the Adviser's compliance policies and procedures, disaster recovery plans, information security controls and insurance program would not change materially following consummation of the Transaction. Based on this

17

review, each Board concluded that the range and quality of services provided by the Adviser to the Funds were expected to continue under the Interim Advisory Agreement and the New Advisory Agreement at the same or improved levels.

Advisory Fees. Each Board also considered the fact that the advisory fee rates payable to the Adviser would be the same under each Fund's Interim Advisory Agreement and New Advisory Agreement as they are under such Fund's Prior Advisory Agreement, which had within the last year been determined to be reasonable. The Boards concluded that these factors supported approval of each Fund's Interim Advisory Agreement and New Advisory Agreement.

Performance. With respect to the performance of the Funds, the Boards considered that, for those Funds for which the Adviser has delegated responsibility for the management of the Funds' portfolios to sub-advisers, those sub-advisers would continue to manage the portfolios following the closing of the Transaction, subject to Shareholder approval of the respective New Sub-Advisory Agreement(s). For those ETFs for which the Adviser has retained responsibility for the management of the portfolios (i.e. all ETFs other than the Sub-Advised ETFs), the Boards considered that the portfolio management personnel currently responsible for the management of the portfolios were expected to continue to manage the portfolios following the closing of the Transaction with at least the same or improved resources. The Boards concluded that these factors supported approval of each Interim Advisory Agreement and New Advisory Agreement.

Profitability. Each Board noted that it was too early to predict how the Transaction may affect the Adviser's future profitability from its relationship with the Funds, but concluded that this matter would be given further consideration on an annual basis going forward. Each Board also noted

that Adviser's fee rates under each Fund's Interim Advisory Agreement and New Advisory Agreement are the same as those assessed under such Fund's Prior Advisory Agreement.

Economies of Scale. Each Board considered any potential economies of scale that may result from the Transaction. Each Board further noted Guggenheim's statement that such economies of scale could not be predicted in advance of the closing of the Transaction.

Other Benefits. Each Board noted its prior determination that the advisory fees were reasonable, taking into consideration other benefits to the Adviser (including the receipt by Claymore of an administrative fee, if applicable). Each Board also considered other benefits to the Adviser, Guggenheim and their affiliates expected to be derived from their relationships with the Funds as a result of the Transaction and noted that no additional benefits were reported by the Adviser or Guggenheim as a result of the Transaction. Therefore, the Boards concluded that the advisory fees continued to be reasonable, taking into consideration other benefits.

18

ADDITIONAL INFORMATION ABOUT THE ADVISER

Principal Executive Officer and Board of Directors. The Chairman and Chief Executive Officer of Claymore Group is David C. Hooten. The Board of Directors of Claymore Group consists of David C. Hooten, Michael J. Rigert, Vice Chairman of Claymore Group, Anthony J. DiLeonardi, Vice Chairman of Claymore Group, and Bruce R. Albelda, Chief Financial Officer of Claymore Group and Scott Miner, Chief Investment Officer of Guggenheim.

Relationships with the Fund. No Trustee of any Fund is an officer, employee, director, general partner or Shareholder of the Adviser or has any material direct or indirect interest in the Adviser any other person controlling, controlled by or under common control with the Adviser. Following the closing of the Transaction, Nicholas Dalmaso, a former equity owner of Claymore Group, resigned from the Board of each Fund for which he served as a trustee (WIW, TYW, OLA and each Trust).

Certain officers of the Funds, as identified on Appendix G, are employees or officers of the Adviser.

The Adviser also serves as administrator to certain Funds, as described under "Additional Information--Administrator." It is expected that the Adviser will continue to provide administrative services to such Funds following consummation of the Transaction.

SHAREHOLDER APPROVAL

To be approved with respect to a particular Fund, a New Advisory Agreement must be approved by a vote of a majority of the outstanding voting securities of such Fund. The "vote of the majority of the outstanding voting securities" is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the voting securities of a Fund entitled to vote thereon present at the Meeting or represented by proxy if holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the outstanding voting securities of the Fund entitled to vote thereon. The holders of the Shares of each Fund will have equal voting rights (i.e. one vote per Share). With respect to TYW, holders of common Shares and

preferred Shares will vote together as a single class.

Abstentions and "broker non-votes" (i.e. Shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owner or the persons entitled to vote and (ii) the broker does not have discretionary voting power on a particular matter) will have the same effect as votes against Proposal 1.

BOARD RECOMMENDATION

The Board of your Fund, including the Independent Trustees of your Board, recommends that you vote "FOR" approval of your Fund's New Advisory Agreement.

19

PROPOSAL 2: APPROVAL OF NEW SUB-ADVISORY AGREEMENTS

BACKGROUND

With respect to the Sub-Advised Funds, one or more independent Sub-Advisers was retained in connection with the management of each such Fund's investment portfolio, pursuant to investment sub-advisory agreements or investment management agreements. The Sub-Advised Funds, Sub-Advisers and Prior Sub-Advisory Agreements are:

FUND	SUB-ADVISER(S)	PRIOR SUB-ADVISORY AGREEMENT
UBD	Mellon Capital Management Corporation ("Mellon")	Investment Sub-Advisory Agreement between the Adviser and Mellon
ULQ	Mellon	Investment Sub-Advisory Agreement between the Adviser and Mellon
FMO	Fiduciary Asset Management, LLC ("FAMCO")	Investment Sub-Advisory Agreement among FMO, the Adviser and FAMCO
MCN	Madison Asset Management, LLC ("Madison")	Investment Management Agreement among MCN, the Adviser and Madison
OLA	Analytic Investors LLC ("Analytic")	Investment Sub-Advisory Agreement among OLA, the Adviser and Analytic
TYW	Thompson, Siegel & Walmsley LLC ("TS&W")	Investment Sub-Advisory Agreement among TYW, the Adviser and TS&W
	SMC Fixed Income Management, LP ("SMC")	Investment Sub-Advisory Agreement among TYW, the Adviser and SMC
WIW	Western Asset Management Company ("Western")	Investment Management Agreement between the Adviser and Western
	Western Asset Management Company Pte. Ltd. (Singapore) ("Western Singapore")	Investment Management Agreement between Western and Western Singapore
	Western Asset Management Company Limited (London) ("Western London")	Investment Management Agreement between Western and Western London
	Western Asset Management Company Ltd. (Japan) ("Western Japan" and collectively with Western Singapore and Western London, the "Western Affiliates")	Investment Management Agreement between Western and Western Japan

PRIOR SUB-ADVISORY AGREEMENTS

The Sub-Advisers served as investment sub-adviser or investment manager to one or more Sub-Advised Funds pursuant to the respective Prior Sub-Advisory Agreements. The date of each Sub-Advised Fund's Prior Sub-Advisory Agreement, the date such agreement was last approved by Shareholders of such Fund and the date such agreement was last approved by the Board of such Fund, and the sub-advisory fee rate payable thereunder is set forth in Appendix D hereto.

The consummation of the Transaction and the automatic termination of each Fund's Prior Advisory Agreement resulted in the termination of each Prior Sub-Advisory Agreement pursuant to its terms. The Transaction does not, however, involve any of the Sub-Advisers. The Transaction will not result in any change of the management or control of any Sub-Adviser or any change in the personnel of any Sub-Adviser responsible for providing portfolio management services to a Sub-Advised Fund.

20

INTERIM SUB-ADVISORY AGREEMENTS

Rule 15a-4 under the 1940 Act permits the Board (including a majority of the Independent Trustees) of each Sub-Advised Fund to approve and enter into an Interim Sub-Advisory Agreement pursuant to which the Sub-Adviser may serve as investment sub-adviser to a Sub-Advised Fund for up to 150 days following the Closing Date, pending receipt of Shareholder approval of the New Sub-Advisory Agreement.

Based upon the considerations described below under "--Board Considerations," the Board, including the Independent Trustees, of each Sub-Advised Fund approved each Interim Sub-Advisory Agreement for the respective Sub-Advised Fund on the date set forth in Appendix D. In approving the Interim Sub-Advisory Agreement(s), each Board, including a majority of the Independent Trustees, determined that the scope and quality of services to be provided to each respective Sub-Advised Fund under the respective Interim Sub-Advisory Agreement would be at least equivalent to the scope and quality of services provided under the corresponding Prior Sub-Advisory Agreement. The compensation to be received by the Sub-Adviser under each Sub-Advised Fund's Interim Sub-Advisory Agreement is not greater than the compensation such Sub-Adviser would have received under the corresponding Prior Sub-Advisory Agreement.

Each Interim Sub-Advisory Agreement became effective upon the Closing Date. There are no material differences between the terms of each Sub-Advised Fund's Interim Sub-Advisory Agreement and the terms of the corresponding Prior Sub-Advisory Agreement and New Sub-Advisory Agreement, except for those provisions in the Interim Sub-Advisory Agreement which are necessary to comply with the requirements of Rule 15a-4 under the 1940 Act. The provisions of each Interim Sub-Advisory Agreement required by Rule 15a-4 under the 1940 Act include:

- (i) the Interim Sub-Advisory Agreement terminates upon the earlier of the 150th day following the Closing Date or the effectiveness of the New Sub-Advisory Agreement;
- (ii) the Board or a majority of the Fund's outstanding voting

securities may terminate the Interim Sub-Advisory Agreement at any time, without the payment of any penalty, on not more than 10 calendar days' written notice to the Sub-Adviser;

- (iii) the compensation earned by the Sub-Adviser under the Interim Sub-Advisory Agreement will be held in an interest-bearing escrow account with the Fund's custodian or a bank;
- (iv) if a majority of the Fund's outstanding voting securities approve the New Sub-Advisory Agreement by the end of the 150-day period, the amount in the escrow account (including interest earned) will be paid to the Sub-Adviser; and

21

- (v) if a majority of the Fund's outstanding voting securities do not approve the New Sub-Advisory Agreement, the Sub-Adviser will be paid, out of the escrow account, the lesser of (a) any costs incurred in performing the Interim Sub-Advisory Agreement (plus interest earned on that amount while in escrow), or (b) the total amount in the escrow account (plus interest earned).

With respect to WIW, each of the Interim Sub-Advisory Agreements between Western and each Western Affiliate also differs from the corresponding Prior Sub-Advisory Agreements in that the Adviser, in its capacity as investment adviser to WIW, is a party to the Interim Sub-Advisory Agreements. In addition, the ability of Western and each Western Affiliate to delegate all or a portion of its investment management responsibility has been expressly clarified in the respective Interim Sub-Advisory Agreements.

NEW SUB-ADVISORY AGREEMENTS

It is proposed that New Sub-Advisory Agreements be entered into with each Sub-Adviser, to become effective upon the date of Shareholder approval. Under Section 15(a) of the 1940 Act, each New Sub-Advisory Agreement requires the approval of (i) the Board, including a majority of the Independent Trustees, of the respective Fund and (ii) the Shareholders of the respective Fund. In the event that the Shareholders of any Sub-Advised Fund do not approve the respective New Sub-Advisory Agreement, the Sub-Adviser may continue to act as the investment sub-adviser for such Fund pursuant to the Interim Sub-Advisory Agreement for a period of up to 150 days following the Closing Date. In such event, the respective Board will determine a course of action believed by such Board to be in the best interests of such Fund and its Shareholders.

Based upon the considerations described below under "--Board Considerations," each Board, including the Independent Trustees, approved the New Sub-Advisory Agreement on the date set forth in Appendix D.

There are no material differences in the terms of each Fund's New Sub-Advisory Agreement and the terms of such Fund's Prior Sub-Advisory Agreement. Forms of the New Sub-Advisory Agreements are attached in Appendix J hereto and the description of the New Sub-Advisory Agreements is qualified in its entirety by reference to Appendix J hereto.

Duties and Obligations. Under each New Sub-Advisory Agreement, the

Sub-Adviser is retained to provide investment sub-advisory services with respect to all or a portion of the Fund's investment portfolio. The services to be provided by the Sub-Adviser typically include certain of the day-to-day operations of the Fund subject to the oversight and supervision of the Adviser or a Sub-Adviser and the direction and control of the Board. Such services generally may include with respect to the portion of the Fund managed (i) managing the investment and reinvestment of the Fund's assets in accordance with the Fund's investment objective and policies, (ii) arranging for the purchase and sale of securities and other assets, (iii) providing investment research and credit analysis concerning the

22

Fund's assets, (iv) maintaining books and records required to support the Fund's investment operations, (v) monitoring on a daily basis the investment activities and portfolio holdings of the Fund and (vi) voting proxies relating to the Fund's portfolio securities in accordance with the Sub-Adviser's proxy voting policies and procedures. The services provided by each Sub-Adviser pursuant to the respective New Sub-Advisory Agreement are identical to the services provided by such Sub-Adviser pursuant to the corresponding Prior Sub-Advisory Agreement.

Compensation. Each New Sub-Advisory Agreement does not result in any change in the sub-advisory fee rate paid to the Sub-Adviser. Pursuant to each New Sub-Advisory Agreement, the Sub-Adviser receives, as full compensation for all services rendered by the Sub-Adviser as such, a monthly fee at an annual rate equal to a specified percentage of the Fund's assets or the assets managed by the Sub-Adviser, as set forth in the respective New Sub-Advisory Agreement. With respect to MCN, the sub-advisory fee is paid directly to the Sub-Adviser by the Fund. With respect to WIW, the sub-advisory fee is paid to Western by the Adviser and to each Western Affiliate by Western. With respect to all other Sub-Advised Funds, the sub-advisory fee is paid to the Sub-Adviser by the Adviser. The Sub-Adviser generally bears all costs and expenses incurred in providing services under the New Sub-Advisory Agreement, including for certain funds the costs of any salaries or trustees fees of certain officers or trustees of the Fund affiliated with the Sub-Adviser. The applicable provisions of each New Sub-Advisory Agreement are identical to provisions of the corresponding Prior Sub-Advisory Agreement. The sub-advisory fee rate and the asset base on which such fee is payable is the same between each corresponding Prior Sub-Advisory Agreement, Interim Sub-Advisory Agreement and New Sub-Advisory Agreement. The sub-advisory fee rates under each Sub-Advised Fund's Prior Sub-Advisory Agreement, Interim Sub-Advisory Agreement and New Sub-Advisory Agreement are set forth in Appendix D hereto. The amount of sub-advisory fees paid to each Sub-Adviser during the Fund's last fiscal year are set forth in Appendix E hereto.

Term and Termination. Assuming approval by Shareholders, each New Sub-Advisory Agreement shall continue for an initial term of one year, provided, however, that each Board intends to consider the continuation of the New Sub-Advisory Agreement during such one year term. Thereafter, each New Sub-Advisory Agreement shall continue in effect from year to year after the initial term if approved annually (i) by the Fund's Board or the holders of a majority of the outstanding voting securities of the Fund and (ii) by a majority of the trustees who are not "interested persons" of any party to the New Sub-Advisory Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. Each New Sub-Advisory Agreement may be terminated (i) by the Fund at any time, without the payment of any penalty, upon giving the Sub-Adviser 60 days' written notice, or (ii) by the Sub-Adviser

on 60 days' written notice. Each New Sub-Advisory Agreement will also immediately terminate in the event of its assignment, as defined in the 1940 Act. The New Sub-Advisory Agreements for each Sub-Advised Fund, except TYW and OLA, also terminate upon the

23

termination of such Fund's Advisory Agreement, or in the case of the Sub-Advisory Agreements of the Western Affiliates upon the termination of Western's Sub-Advisory Agreement. The length of the initial term of each Prior Sub-Advisory Agreement was generally two years. Except with respect to the length of the initial term, these provisions of each New Sub-Advisory Agreement are identical to provisions of the corresponding Prior Sub-Advisory Agreement.

Limitation of Liability. Each New Sub-Advisory Agreement provides that the Sub-Adviser will not be liable for any error of judgment or mistake of law or for any loss suffered by the Adviser, by the Fund, or, in certain cases, by another Sub-Adviser in connection with the performance of the New Sub-Advisory Agreement, except a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Sub-Adviser in the performance of its duties or from reckless disregard by the Sub-Adviser of its duties under the New Sub-Advisory Agreement or, with respect to certain Funds, a loss resulting from a breach of fiduciary duty with respect to the receipt of compensation for services. These provisions of each New Sub-Advisory Agreement are identical to provisions of the corresponding Prior Sub-Advisory Agreement.

Use of the Sub-Adviser's Name. The New Sub-Advisory Agreements generally provides that the Sub-Adviser has consented to the use by the Fund of the name of the Sub-Adviser or other identifying words subject to certain conditions and that the Sub-Adviser may require the Fund to cease using such name or words if the Fund ceases to employ, for any reason, the Sub-Adviser. These provisions of each New Sub-Advisory Agreement are identical to provisions of the corresponding Prior Sub-Advisory Agreement.

Other Matters. With respect to WIW, each of the New Sub-Advisory Agreements between Western and each Western Affiliate also differs from the corresponding Prior Sub-Advisory Agreement in that the Adviser, in its capacity as investment adviser to WIW, is a party to the New Sub-Advisory Agreements. In addition, the ability of Western and each Western Affiliate to delegate all or a portion of its investment management responsibility has been expressly clarified in the respective New Sub-Advisory Agreements.

BOARD CONSIDERATIONS

Prior Sub-Advisory Agreements. The date of each Prior Sub-Advisory Agreement and the date on which it was last approved by the applicable Board, including the Independent Trustees, is provided in Appendix D. As part of its review process, a Committee of each Board, consisting solely of the Independent Trustees (each sometimes referred to in this Section as the "Committee" and together as the "Committees"), was represented by independent legal counsel. Each Board reviewed materials regarding the Sub-Adviser. With respect to the approval of each Sub-Advisory Agreement, each Board also had previously received, throughout the year, Board meeting information regarding performance and operating results of each Sub-Advised Fund it oversees.

24

In preparation for its review of the continuance of the applicable Prior Sub-Advisory Agreements (for all Prior Sub-Advisory Agreements other than those of the Western Affiliates), each Committee communicated with independent legal counsel regarding the nature of information to be provided, and independent legal counsel, on behalf of each Committee, sent a formal request for information. Each Sub-Adviser provided extensive information in response to each applicable request. Among other information, each Committee received general information to assist the Committee in assessing the nature and quality of services provided by the Sub-Adviser and information comparing the investment performance, advisory fees and total expenses of the applicable Sub-Advised Fund to other funds, information about the profitability from the Prior Sub-Advisory Agreement to the Sub-Adviser and the compliance program of the Sub-Adviser.

In connection with its initial approval of the Prior Sub-Advisory Agreements for the Western Affiliates, the Committee for WIW drew on its knowledge of and experience with Western, its personnel, the quality of the services it had provided to WIW and its investment philosophy and performance, as well as additional information relating to each Western Affiliate. The Committee noted that the addition of the Western Affiliates as Sub-Advisers would provide WIW with greater global investment management and trading resources. The Committee noted that although the Western Affiliates are separate legal entities from Western, senior investment personnel at Western have supervisory oversight responsibility over the investment decisions made by each Western Affiliate. Finally, the Committee noted that the management fee paid by WIW would not change because Western would pay the sub-advisory fee of each Western Affiliate.

Based upon its review of the Prior Sub-Advisory Agreements, each Committee and each Board concluded that it was in the best interest of the respective Fund to approve or renew such Fund's Prior Sub-Advisory Agreement. In reaching this conclusion for each Fund, no single factor was determinative in the Board's analysis, but rather each Board considered a variety of factors, including, with respect to those Prior Sub-Advisory Agreements that were being renewed, rather than initially approved, the nature, extent and quality of services provided by the Sub-Adviser, advisory fees, performance, profitability, economies of scale and other benefits to the Sub-Adviser. In approving each Fund's Prior Sub-Advisory Agreement, each respective Board considered separately the best interests of each Fund overseen by such Board. The specific factors considered by each Board are described in further detail in each respective Fund's annual report or semi-annual report to Shareholders. Each Fund will furnish, without charge, a copy of such annual report and semi-annual report to Shareholders to any Shareholder upon request. Requests should be directed to Claymore Securities, Inc., 2455 Corporate West Drive, Lisle, Illinois 60532, (800) 345-7999.

New Sub-Advisory Agreement and Interim Sub-Advisory Agreements. In conjunction with the consideration of the Transaction and the approval of a New Advisory Agreement and Interim Advisory Agreement, each Board, including the Independent Trustees, also considered the respective Fund's New Sub-Advisory

Agreement and Interim Sub-Advisory Agreement. Each Board noted that while the closing of the Transaction would result in the termination of each Prior Sub-Advisory Agreement pursuant to its terms, no Sub-Adviser was a party to the Transaction and the operations of each Sub-Adviser and the services to be provided by each Sub-Adviser would be unaffected by the Transaction. Each Board determined that there were no material differences between the terms of each Interim Sub-Advisory Agreement and the corresponding Prior Sub-Advisory Agreement, except with respect to those provisions required to comply with Rule 15a-4 under the 1940 Act, and that there were no material differences between the terms of each New Sub-Advisory Agreement and the corresponding Prior Sub-Advisory Agreement. Each Board noted that the compensation to be received by the Sub-Adviser under each Sub-Advised Fund's Interim Sub-Advisory Agreement and New Sub-Advisory Agreement is not greater than the compensation such Sub-Adviser would have received under the corresponding Prior Sub-Advisory Agreement. Each Board noted that the scope and quality of services to be provided to each respective Sub-Advised Fund under the respective Interim Sub-Advisory Agreement and New Sub-Advisory Agreement would be at least equivalent to the scope and quality of services provided under the corresponding Prior Sub-Advisory Agreement. Each Board noted that, within the last year, it had engaged in a thorough review of the various factors, including fees and performance, that are part of the evaluation of the renewal or approval of a sub-advisory agreement. Each Board noted that the factors previously considered with respect to approval of each Prior Sub-Advisory Agreement continued to support the approval of the corresponding New Sub-Advisory Agreement and Interim Sub-Advisory Agreement. Each Board also determined to consider such factors again within one year of the execution of each New Sub-Advisory Agreement applicable to the Fund(s) it oversees. Based upon its review, each Board concluded that it was in the best interest of each Fund it oversees to approve each New Sub-Advisory Agreement and Interim Sub-Advisory Agreement.

ADDITIONAL INFORMATION ABOUT THE SUB-ADVISERS

Additional information regarding each Sub-Adviser is set forth in Appendix F hereto.

SHAREHOLDER APPROVAL

To be approved with respect to a particular Fund, a New Sub-Advisory Agreement must be approved by a vote of a majority of the outstanding voting securities of such Fund. The "vote of the majority of the outstanding voting securities" is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the voting securities of a Fund entitled to vote thereon present at the Meeting or represented by proxy if holders of more than 50% of the Fund's outstanding voting securities are present or represented by proxy; or (ii) more than 50% of the outstanding voting securities of the Fund entitled to vote thereon. The holders of the Shares of each Fund will have equal voting rights (i.e. one vote per Share). With respect to TYW, holders of common Shares and preferred Shares will vote together as a single class.

Abstentions and "broker non-votes" (i.e. Shares held by brokers or nominees as to which (i) instructions have not been received from the beneficial owner or the persons entitled to vote and (ii) the broker does not have discretionary voting power on a particular matter) will have the same effect as votes against Proposal 2.

BOARD RECOMMENDATION

The Board of your Fund, including the Independent Trustees of your Fund, recommends that you vote "FOR" approval of your Fund's New Sub-Advisory Agreement (s).

27

ADDITIONAL INFORMATION

FURTHER INFORMATION ABOUT VOTING AND THE MEETING

Whether or not you plan to attend the Meeting, we urge you to complete, sign, date, and return the enclosed proxy card in the postage-paid envelope provided or record your voting instructions via telephone or the Internet so your Shares will be represented at the Meeting. Information regarding how to vote via telephone or the Internet is included on the enclosed proxy card. The required control number for Internet and telephone voting is printed on the enclosed proxy card. The control number is used to match proxy cards with Shareholders' respective accounts and to ensure that, if multiple proxy cards are executed, Shares are voted in accordance with the proxy card bearing the latest date.

If you wish to attend the Meeting and vote in person, you will be able to do so. You may contact our proxy information line at (866) 796-1290 to obtain directions to the site of the Meeting.

Fifty percent (50%) of the Shares of each Fund (except WIW and OLA) entitled to vote on a proposal must be present in person or by proxy to have a quorum for that Fund to conduct business at the meeting with respect to such proposal. Thirty percent (30%) of the Shares of each of WIW and OLA entitled to vote on a proposal must be present in person or by proxy to have a quorum for that Fund to conduct business at the meeting with respect to such proposal. Abstentions and broker non-votes will be counted as Shares present at the Meeting for quorum purposes.

All Shares represented by properly executed proxies received prior to the Meeting will be voted at the Meeting in accordance with the instructions marked thereon or otherwise as provided therein. IF NO SPECIFICATION IS MADE ON A PROPERLY EXECUTED PROXY CARD, IT WILL BE VOTED FOR THE PROPOSAL(S) APPLICABLE TO YOUR FUND. If any other business is brought before the meeting, your Shares will be voted at the proxies' discretion.

Broker-dealer firms holding Shares in "street name" for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their Shares on the Proposals. Under current interpretations of the New York Stock Exchange (the "NYSE"), broker-dealers that are members of the NYSE and that have not received instructions from a customer may not vote such customer's Shares on a Proposal. Broker-dealers who are not members of the NYSE may be subject to other rules, which may or may not permit them to vote your shares without instruction. Therefore, you are encouraged to contact your broker and record your voting instructions.

Preferred Shares held in "street name" as to which voting instructions have not been received from the beneficial owners or persons entitled to vote as of one business day before the Meeting, or, if adjourned, one business day before the day to which the Meeting is adjourned, and that would otherwise be treated as "broker non-votes" may, pursuant to Rule 452 of the New York Stock Exchange,

be voted by the broker on a Proposal in the same proportion as the votes cast by all preferred Shareholders of such Fund who have voted on that item. Rule 452 permits proportionate voting of preferred Shares with respect to a particular Proposal if, among other things, (i) common shareholders approve the proposal, (ii) a minimum of 30% of the preferred Shares outstanding has been voted by the holders of such preferred Shares with respect to such Proposal and (iii) less than 10% of the preferred Shares outstanding has been voted by the holders of such preferred Shares against such item. For the purpose of meeting the 30% test, abstentions will be treated as Shares voted and for the purpose of meeting the 10% test, abstentions will not be treated as Shares voted against the item.

Therefore, if you beneficially own Shares that are held in "street name" through a broker-dealer and if you have not given or do not give voting instructions for your Shares, your Shares may not be voted at all or may be voted in a manner that you may not intend. You are strongly encouraged to be sure your broker-dealer or service organization has instructions as to how your Shares are to be voted.

Shareholders who execute proxies or record their voting instructions via telephone or the Internet may revoke them at any time before they are voted by filing with the Secretary of the appropriate Fund a written notice of revocation, by delivering (including via telephone or the Internet) a duly executed proxy bearing a later date or by attending the Meeting and voting in person. Merely attending the Meeting, however, will not revoke any previously submitted proxy.

If you hold Shares in more than one account, you will receive a proxy card for each account. To ensure that all of your Shares are voted, please sign, date and return the proxy card for each account. To ensure Shareholders have the Funds' latest proxy information and material to vote, the Board may conduct additional mailings prior to the date of the Meeting, each of which will include a proxy card regardless of whether you have previously voted. Only your latest dated proxy card will be counted.

The Board has fixed the close of business on November 13, 2009, as the Record Date for the determination of Shareholders of each Fund entitled to notice of, and to vote at, the Meeting. Shareholders of each Fund as of the close of business on the Record Date will be entitled to one vote on each matter to be voted on by such Fund for each Share of the Fund held and a fractional vote with respect to fractional Shares, with no cumulative voting rights. With respect to TYW, holders of common Shares and holders of preferred Shares will vote together as a single class.

ADVISER AND SUB-ADVISERS

Adviser. Claymore Advisors, LLC, a wholly-owned subsidiary of Claymore Group and indirect subsidiary of Guggenheim, acts as each Fund's investment adviser. As of September 30, 2009, Claymore entities have provided supervision, management or servicing on approximately \$13.3 billion in assets through closed-end funds, unit investment trusts and exchange-traded funds. The

Adviser and Claymore Group are located at 2455 Corporate West Drive, Lisle, Illinois 60532.

Sub-Advisers. The Sub-Advisers serve as investment sub-adviser to certain Funds. Additional information regarding each Sub-Adviser is set forth on Appendix F.

ADMINISTRATOR

Claymore Advisors, LLC. Claymore Advisors, LLC, located at 2455 Corporate West Drive, Lisle, Illinois 60532, serves as administrator to each Fund, except WIW. It is expected that Claymore Advisors, LLC will continue to provide administrative services to such Funds following consummation of the Transaction. The administrative fees paid by each Fund to Claymore Advisors, LLC during the Fund's last fiscal year are set forth on Appendix E.

Legg Mason Fund Adviser, Inc. Legg Mason Fund Adviser, Inc., 100 International Drive, 7th Fl., Baltimore, MD 21202, served as administrator to WIW until September 30, 2009. Since September 30, 2009, Legg Mason Partners Fund Advisor, LLC, 100 International Drive, 7th Fl., Baltimore, MD 21202, has served as administrator to WIW. Each entity is an affiliate of Western. It is expected that Legg Mason Partners Fund Advisor, LLC will continue to provide administrative services to WIW. The administrative fees paid by WIW during WIW's last fiscal year are set forth on Appendix E.

AFFILIATED BROKERS

Commissions, if any, paid to affiliated brokers of each Fund during the Fund's last fiscal year are set forth on Appendix E.

OUTSTANDING SHARES

The number of outstanding Shares of each Fund, as of the Record Date, are set forth in Appendix A.

PRINCIPAL SHAREHOLDERS

As of the Record Date, to the knowledge of the Funds, no person beneficially owned more than 5% of the voting securities of any class of securities of any Fund, except as set forth in Appendix B.

SECURITY OWNERSHIP OF MANAGEMENT

As of the Record Date, the Trustees and officers of each Fund owned, in the aggregate, less than 1% of such Fund's outstanding Shares.

DEADLINE FOR SHAREHOLDER PROPOSALS

ETFs. The ETFs do not hold regular annual meetings of Shareholders. Any Shareholder who wishes to submit a proposal for consideration at a meeting of the ETFs should send such proposal to the relevant ETF at 2455 Corporate West Drive, Lisle, Illinois 60532. To be considered for presentation at a Shareholder meeting, rules promulgated by the SEC require that, among other things, a

Shareholder's proposal must be received at the offices of the Fund a reasonable time before a solicitation is made. Timely submission of a proposal does not necessarily mean that such proposal will be included.

Closed-End Funds. Information regarding the deadline for timely submission of proposals intended to be presented at a Closed-End Fund's next scheduled annual meeting of Shareholders was provided in the proxy statement relating to each Closed-End Fund's previous annual meeting of Shareholders. The applicable deadlines are set forth in Appendix H.

EXPENSES OF PROXY SOLICITATION

The cost of soliciting proxies will be borne by the Adviser. Certain officers of the Fund and certain officers and employees of the Adviser or its affiliates (none of whom will receive additional compensation therefore) may solicit proxies by telephone, mail, e-mail and personal interviews. Brokerage houses, banks and other fiduciaries may be requested to forward proxy solicitation material to their principals to obtain authorization for the execution of proxies, and will be reimbursed by the Adviser for such out-of-pocket expenses. The Adviser has retained The Altman Group, Inc. ("The Altman Group"), on behalf of the Funds, as proxy solicitor. The Altman Group will receive a project management fee as well as fees charged on a per call basis and certain other expenses. The Altman Group has advised management of the Funds that approximately 110 of its employees will be involved in the solicitation of proxies by The Altman Group on behalf of the Funds. The Adviser estimates that the total fees payable to The Altman Group with respect to solicitation on behalf of all funds in the fund complex, including the Funds and certain funds not part of this Proxy Statement, will be approximately \$700,000.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE MEETING TO BE HELD ON JANUARY 12, 2010

This Proxy Statement is available on the Internet at
www.proxyonline.com/docs/claymorecombined2010.pdf.

OTHER MATTERS

The management of the Funds knows of no other matters which are to be brought before the Meeting. However, if any other matters not now known properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their judgment on such matters.

Failure of a quorum to be present at the Meeting with respect to a Fund will necessitate adjournment of the Meeting for such Fund. In the event that a quorum is present at the Meeting with respect to a Fund but sufficient votes to approve the Proposal by such Fund are not received, proxies may vote Shares (including abstentions and broker non-votes) in favor of one or more adjournments of the Meeting with respect to such Fund with respect to the Proposal to permit further solicitation of proxies, provided they determine that such an adjournment

and additional solicitation is reasonable and in the interest of Shareholders based on a consideration of all relevant factors, including the nature of the relevant proposal, the percentage of votes then cast, the percentage of negative votes then cast, the nature of the proposed solicitation activities and the nature of the reasons for such further solicitation.

One Proxy Statement may be delivered to two or more Shareholders of a Fund who Share an address, unless the Fund has received instructions to the contrary. To request a separate copy of the Proxy Statement, which will be delivered promptly upon written or oral request, or for instructions as to how to request a single copy if multiple copies are received, Shareholders should contact the applicable Fund at the address or telephone number set forth above.

WE URGE YOU TO VOTE PROMPTLY BY COMPLETING, SIGNING, DATING AND MAILING THE ENCLOSED PROXY IN THE POSTAGE-PAID ENVELOPE PROVIDED OR RECORDING YOUR VOTING INSTRUCTIONS VIA TELEPHONE OR THE INTERNET SO YOU WILL BE REPRESENTED AT THE MEETING.

Very truly yours,

/s/ Steven Hill

Steven M. Hill

on behalf of the Board of Trustees
of each Fund

December 4, 2009

APPENDIX A

OUTSTANDING SHARES

The table below sets forth the number of Shares outstanding of each Fund, as of the close of business on the Record Date.

FUND	SHARES
Exchange-Traded Funds	
Claymore Exchange-Traded Fund Trust	
CSD	500,000
CVY	9,200,800
CZA	200,000
DEF	800,000
EEB	22,950,800
IRO	200,000
LVL	800,000
NFO	2,550,800
OTP	300,000
OTR	100,000
RYJ	2,772,882
STH	250,800
UBD	100,000

ULQ	300,000
XGC	300,000
XRO	1,200,800

Claymore Exchange-Traded Fund Trust 2

CGW	11,880,000
CRO	400,000
CUT	5,240,000
EEN	252,000
ENY	4,120,000
EXB	240,000
FAA	500,000
FRN	1,360,000
HAO	9,440,000
HGI	2,000,000
ROB	320,000
SEA	6,960,000
TAN	19,680,000
TAO	4,440,000

A-1

FUND	SHARES	
	Common Shares	Preferred Shares
Closed-End Funds		
FMO	18,539,481	N/A
MCN	19,268,423	N/A
OLA	19,005,240	N/A
TYW	15,407,000	4,200
WIW	61,184,134	N/A

A-2

APPENDIX B

PRINCIPAL SHAREHOLDERS

As of the Record Date, to the knowledge of the Funds, no person beneficially owned more than 5% of the voting securities of any class of securities of any Fund, except as set forth below.

FUND	SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
Exchange-Traded Funds			
Claymore Exchange-Traded Fund Trust			
RIDER B3			
CSD	.....First Clearing, LLC 10700 Wheat First Drive	Shares	94,121

	MC WS1024 Glen Allen, VA 07302		
	Goldman Sachs 85 Broad Street New York, NY 10004	Shares	76,694
	Citigroup Inc. 39 Park Avenue New York, NY 10043	Shares	44,366
	Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	43,865
	National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	42,956
	Timber Hill LLC 209 South LaSalle Street Chicago, IL 60604	Shares	26,068
CVY	.....NBCN, Inc. 250 Yonge Street, Suite 1900 P.O. Box 19 Toronto, ON M5B 2L7	Shares	1,020,5
	National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	880,74
	Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	836,35
	Merrill Lynch 4 World Financial Center New York, NY 10080	Shares	524,46
	B-1		

FUND	SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
	Pershing LLC One Pershing Plaza Jersey City, NJ 07399	Shares	518,08
	First Clearing, LLC 10700 Wheat First Drive MC WS1024 Glen Allen, VA 07302	Shares	488,19
	TD Ameritrade 4211 South 102nd Street Omaha, NE 68127	Shares	418,82

CZA	.....	Goldman Sachs 85 Broad Street New York, NY 10004	Shares	59,495
		Timber Hill LLC 209 South LaSalle Street Chicago, IL 60604	Shares	49,002
		Merrill Lynch, Pierce, Fenner & Smith 250 Vasey Street New York, NY 10080	Shares	25,978
		Citigroup Inc. 39 Park Avenue New York, NY 10043	Shares	12,015
DEF	.....	American Enterprise Investment Service 70400 AXP Financial Center, Minneapolis, MN 55474	Shares	181,79
		Merrill Lynch, Pierce, Fenner & Smith 250 Vasey Street New York, NY 10080	Shares	145,64
		Goldman Sachs 85 Broad Street New York, NY 10004	Shares	120,44
		Merrill Lynch 4 World Financial Center New York, NY 10080	Shares	73,860
		Timber Hill LLC 209 South LaSalle Street Chicago, IL 60604	Shares	55,304
		FOLIOfn Investments, Inc. PO Box 3068 Merrifield, VA 22116-3068	Shares	53,829

B-2

FUND		SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
EEB	.....	Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	4,348,1
		National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	3,467,0
		TD Ameritrade 4211 South 102nd Street Omaha, NE 68127	Shares	3,158,3

IRO	.....	Timber Hill LLC 209 South LaSalle Street Chicago, IL 60604	Shares	41,836
		National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	37,039
		Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	28,836
		First Clearing, LLC 10700 Wheat First Drive MC WS1024 Glen Allen, VA 07302	Shares	12,575
		TD Ameritrade 4211 South 102nd Street Omaha, NE 68127	Shares	10,551
LVL	.....	National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	111,98
		Pershing LLC One Pershing Plaza Jersey City, NJ 07399	Shares	67,290
		Stifel, Nicolaus & Co., Inc. 501 North Broadway 7th Floor St. Louis, MO 63102	Shares	61,435
		Oppenheimer & Co, Inc. 125 Broad Street New York, NY 10004	Shares	58,682
		First Clearing, LLC 10700 Wheat First Drive MC WS1024 Glen Allen, VA 07302	Shares	56,412

B-3

FUND	SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
	Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	55,621
	Citigroup Inc. 39 Park Avenue New York, NY10043	Shares	54,817

		Merrill Lynch, Pierce, Fenner & Smith 250 Vasey Street New York, NY 10080	Shares	50,496
		Merrill Lynch 4 World Financial Center New York, NY 10080	Shares	46,627
NFO	.....	National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	532,08
		Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	367,82
		TD Ameritrade 4211 South 102nd Street Omaha, NE 68127	Shares	319,77
		Merrill Lynch 4 World Financial Center New York, NY 10080	Shares	297,91
		Pershing LLC One Pershing Plaza Jersey City, NJ 07399	Shares	254,58
OTP	.....	Merrill Lynch 4 World Financial Center New York, NY 10080	Shares	53,681
		Timber Hill LLC 209 South LaSalle Street Chicago, IL 60604	Shares	48,814
		Goldman Sachs 85 Broad Street New York, NY 10004	Shares	33,694
		American Enterprise Investment Service 70400 AXP Financial Center Minneapolis, MN 55474	Shares	21,421

B-4

FUND	SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
	National Financial Services LLC 200 Liberty Street New York, NY 10281	Shares	21,062
	Charles Schwab 120 Kearny Street San Francisco, CA 94108	Shares	20,277

		Pershing LLC	Shares	16,249
		One Pershing Plaza		
		Jersey City, NJ 07399		
		TD Ameritrade	Shares	15,772
		4211 South 102nd Street		
		Omaha, NE 68127		
OTR	.....	Merrill Lynch	Shares	23,261
		4 World Financial Center		
		New York, NY 10080		
		Goldman Sachs	Shares	19,391
		85 Broad Street		
		New York, NY 10004		
		American Enterprise Investment Service	Shares	13,371
		70400 AXP Financial Center		
		Minneapolis, MN 55474		
		Timber Hill LLC	Shares	12,033
		209 South LaSalle Street		
		Chicago, IL 60604		
		UBS Financial Services, Inc.	Shares	7,200
		1285 Avenue of the Americas		
		New York, NY 10019		
		First Clearing, LLC	Shares	5,025
		10700 Wheat First Drive		
		MC WS1024		
		Glen Allen, VA 07302		
RYJ	.....	Raymond James Financial, Inc.	Shares	2,219,9
		880 Carillon Parkway		
		St. Petersburg, FL 33716		
STH	.....	Timber Hill LLC	Shares	70,885
		209 South LaSalle Street		
		Chicago, IL 60604		
		National Financial Services LLC	Shares	36,682
		200 Liberty Street		
		New York, NY 10281		

B-5

FUND	SHAREHOLDER NAME AND ADDRESS	CLASS OF SHARES	SHARE HOLDING
	Charles Schwab	Shares	21,343
	120 Kearny Street		
	San Francisco, CA 94108		
	American Enterprise Investment Service	Shares	16,338