

TS&W/Claymore

Tax-Advantaged Balanced Fund

2010 TAX INFORMATION

January 2011

Dear Shareholder:

The following information is provided by the TS&W/Claymore Tax-Advantaged Balanced Fund (the "Fund") to assist in the preparation of your 2010 income tax returns. **Please retain this information in your files for tax purposes.**

Under the Internal Revenue Code, 52.48% of the distributions made by the Fund in 2010 are exempt from Federal income tax. Consistent with the Fund's investment objective, the Fund did not invest in any municipal securities the income from which is considered a tax preference item for purposes of the Alternative Minimum Tax.

Many states do not tax income from a mutual fund which has been earned from interest on municipal obligations issued by or within that state or U.S. possessions and territories. The following listing represents the percentage of the tax-exempt income which may be exempt from state and local taxes in each state. Please note that if income earned on obligations of the Commonwealth of Puerto Rico is exempt from tax in your state, you will need to combine Puerto Rico's percentage with your state's percentage for this calculation. *Please consult your tax advisor concerning the application of the state and local taxes to these distributions.*

Alabama	5.78%	Montana	- %
Alaska	-	Nebraska	.*
Arizona	2.46	Nevada	-
Arkansas	-	New Hampshire	0.03
California	7.27	New Jersey	2.70
Colorado	-	New Mexico	-
Connecticut	0.03	New York	19.56
Delaware	-	North Carolina	-
District of Columbia	0.80	North Dakota	-
Florida	0.45	Ohio	1.68
Georgia	0.4	Oklahoma	0.01
Hawaii	-	Oregon	-
Idaho	-	Pennsylvania	2.67
Illinois	0.65	Puerto Rico	3.76
Indiana	0.01	Rhode Island	7.31
Iowa	-	South Carolina	0.03
Kansas	-	South Dakota	-
Kentucky	3.66	Tennessee	0.44
Louisiana	4.39	Texas	14.52
Maine	-	Utah	-
Maryland	0.21	Vermont	-
Massachusetts	1.14	Virginia	-
Michigan	17.83	Washington	-
Minnesota	0.05	West Virginia	0.04
Mississippi	-	Wisconsin	1.91
Missouri	0.21	Wyoming	-

*Represents less than 0.01%

Additional Information:

This information is provided as a guide to assist you in your preparation of your 2010 income tax returns. Please consult your tax advisor or your state/local tax authorities regarding your particular tax situation. Please contact Guggenheim Funds Investment Advisors, LLC at (800) 345-7999, if you need further information.