



In 2010, depositary receipts further cemented their position as an innovative instrument for global investment. As a testament to the growing popularity of DRs, trading volume increased 9% year-over-year to reach an all-time high of 147 billion DRs. ”

BNY MELLON, THE WORLD'S LARGEST DEPOSITARY FOR ADRs AND GDRs

ADRs and GDRs

Overcoming the Obstacles of International Investing

Do you want to diversify your portfolio internationally but are concerned about the inefficiency and risk of buying foreign securities?

There are often significant road blocks associated with individuals purchasing international securities on a local exchange. If an internationally diversified portfolio is your goal, learn more about depositary receipts and why using them to obtain international exposure may help avoid some of the common challenges of foreign investing.

Source for DR industry information including statistical data contained herein: BNY Mellon, *The Depositary Receipt Market 2010 Yearbook*, February 2011. There is no guarantee that these trends and projections will continue and they are subject to change.

A Look Under the Hood

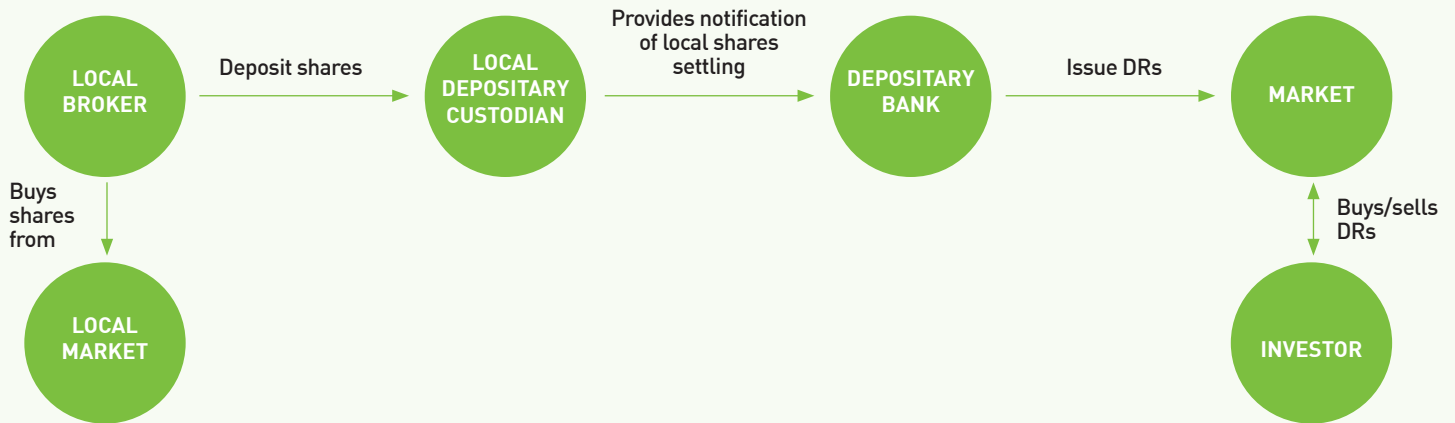
WHAT ARE ADRs/GDRs?

American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”) are negotiable securities that represent publically-traded equities or debts of a foreign company. ADRs are typically denominated in U.S. dollars and may be listed on a stock exchange or traded over the counter (“OTC”) in the U.S. market, while GDRs can be denominated in either U.S. dollars or euros and trade on the London Stock Exchange or OTC.

HOW DO THEY WORK?

When a non-U.S. company wants to list its publically-traded stock on a foreign stock exchange, shares are deposited into a local depositary custodian bank. (This is often done by a broker who has purchased the shares in the open market.) This process gives investors from other countries the opportunity to own and trade the company's stock.

The depositary bank issues depositary receipts (“DRs”) representing the publically traded shares on deposit at the custodian bank. The DRs, which entitle the shareholders to all dividends and capital gains, may be used to raise capital in a public offering or may be listed on an exchange, allowing for trading in the secondary market. The process for canceling DRs is the reverse—the receipts are canceled by the local custodian bank and the underlying securities are released back into the local market for trading.



An Open Road to International Investing

DEPOSITARY RECEIPT INVESTING

Many investors understand the importance of diversifying their portfolios internationally, but find the obstacles involved in owning securities from non-U.S. companies trading in their local markets to be daunting. Some of the many hurdles include:

- Inefficient trade settlements
- Limits placed on foreign ownership
- Fees and surcharges placed on foreign owners of local market securities
- High foreign taxes and costly currency conversion
- Information flow on trading activity in the local market
- Unfamiliar market practices

DRs have benefits and advantages that aid in alleviating many of the issues associated with cross-border investing.

GROWTH IN DR TRADING VOLUME

In 2010, DR trading volume reached 147 billion DRs, a 9% increase from 2009.



Source: BNY Mellon, *The Depositary Receipt Market 2010 Yearbook*, February 2011.

BENEFITS AND ADVANTAGES OF ADRs AND GDRs

Access	Investors have increased access to foreign markets through ADRs, trading in the U.S., and GDRs, trading primarily in London.
Cost Effectiveness	Investors may potentially save 10 to 40 basis points annually (compared to the costs associated with trading and holding ordinary shares outside the United States) due to the elimination or reduction of custody safekeeping charges.
Competitive Exchange Rates	U.S. dollar/foreign exchange rate conversions are competitive for dividends and other cash distributions.
Convenience	<ul style="list-style-type: none"> • Any dividends and/or notifications are in the investor’s home currency and language • Quoted and traded in U.S. dollars or euros • Investor has the ability to acquire the underlying securities directly upon cancellation
Diversification	By avoiding many of the obstacles that may arise with purchasing and holding securities outside their local market, investors can more readily diversify their portfolios.

The Comforts of Home

Investing in ADRs brings some additional comforts since ADRs are treated in the same manner as other U.S.-listed securities. For exchange-listed ADRs, the companies underlying the ADR must file with the Securities and Exchange Commission ("SEC"). The SEC seeks to offer investors transparency and protection through U.S. securities regulations, which strive to maintain fair dealings, protect against fraud and ensure that investors receive regular, audited financial statements. ADRs that are not exchange-listed may not have the same financial reporting standards as in the U.S. and may not be under obligation to distribute shareholder communications or pass through to investors any voting rights.

Ease of trade is also increased with ADRs due to familiar U.S. trade, clearance, settlement and ownership procedures, eliminating the common problems of settlement delays and high transaction costs of international investing. Additionally, shareholders pay the standard U.S. taxes, which often provides greater tax efficiency.

Gaining International Exposure

Through the geographical variety of companies with sponsored DRs (see pie chart on right), investors may diversify their portfolios through exposure to international markets and avoid some of the common inefficiencies and limitations that accompany international investing. Of course, DRs will not make investors immune to risks of foreign markets and may have greater market volatility risk than U.S. securities. Even though DRs are U.S. or euro-dollar denominated, currency risk remains. Political, economic and social conditions in the home market may also impact stock prices.

A Way Forward with Guggenheim Funds ETFs

If you are seeking to gain international exposure through an ETF, consider the following Guggenheim funds offering international portfolios consisting primarily of ADRs and GDRs or in underlying securities representing such ADRs and GDRs:

EEN Guggenheim EW Euro-Pacific LDRs ETF¹

An equal-weighted strategy, EEN consists of securities of issuers from the developed markets in Europe and the Asia-Pacific region.

EEB Guggenheim BRIC ETF²

EEB is comprised of securities selected, based on liquidity, from a universe of all listed DRs of companies from Brazil, Russia, India and China currently trading on U.S. exchanges.

FRN Guggenheim Frontier Markets ETF³

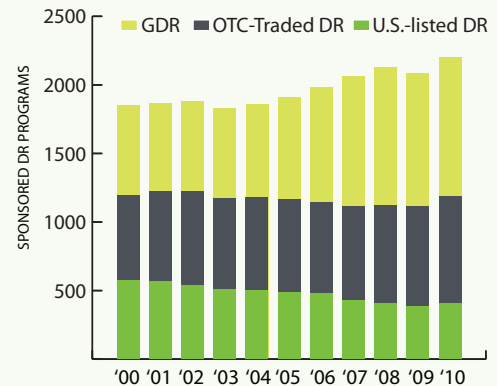
FRN contains securities of issuers from countries in the early stages of their economic development, known as frontier markets.

XGC Guggenheim International Small Cap LDRs ETF

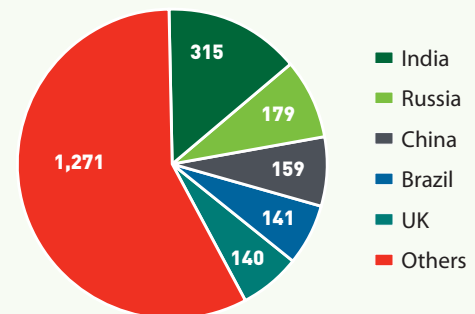
XGC consists of selected securities, based on liquidity, from all listed DRs of companies worldwide, excluding the U.S. and Canada.⁴

TOTAL SPONSORED DR PROGRAMS

A total of 2,205 sponsored DR programs from 74 countries were available to investors by the end of 2010, an increase of over 5% from 2009.



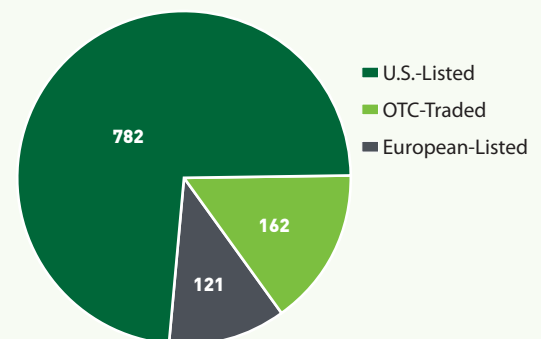
Sponsored DR Receipts by Country, 2010



VALUE OF OUTSTANDING DRs

Outstanding values of U.S.-listed DRs reached \$782 billion in 2010, representing an increase of 10% from year-end 2009.

By Market, 2010 (\$bb)



All data above is as of 12/31/2010 and subject to change. These illustrations do not represent the performance of any Guggenheim Funds product.

Source: BNY Mellon, *The Depositary Receipt Market 2010 Yearbook*, February 2011.

Do International Investments Make Sense For You?

Despite the growth potential offered through international investing, there are also significant risks. Your financial advisor can help you decide if international investing has a place in your portfolio and the most appropriate way to gain exposure to international markets.

FOR MORE INFORMATION ON GUGGENHEIM FUNDS AND INVESTMENT SOLUTIONS THAT EMPLOY THE USE OF ADRs AND GDRs, VISIT WWW.GUGGENHEIMFUNDS.COM/ETF.

¹ Prior to 9/24/2010, the Fund's name was Claymore/BNY Mellon EW Euro-Pacific LDRs ETF. ² Prior to 9/24/2010, the Fund's name was Claymore/BNY Mellon BRIC ETF. ³ Prior to 9/24/2010, the Fund's name was Claymore/BNY Mellon Frontier Markets ETF. ⁴ Prior to 9/24/2010, the Fund's name was Claymore/BNY Mellon International Small Cap LDRs ETF.

RISK CONSIDERATIONS An investment in the various Guggenheim Funds ETFs is subject to certain risks and other considerations including the entire loss of principal you invest. There can be no assurance that an ETF will achieve its investment objectives. Below are some general risks and considerations associated with investing in an ETF. Please refer to the individual ETF prospectus for a more detailed discussion of the Fund-specific risks and considerations. **Equity Risk:** The value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests. **Foreign Investment Risk:** Investing in non-U.S. issuers, including ADRs and GDRs, may involve unique risks such as currency, political, and economic risk, as well as less market liquidity, generally greater market volatility and less complete financial information than for U.S. issuers. In addition, adverse political, economic or social developments could undermine the value of the ETF's investments or prevent the Fund from realizing the full value of its investments. Financial reporting standards for companies based in foreign markets differ from those in the United States. The value of the currency of the country in which the ETF has invested could decline relative to the value of the U.S. dollar, which may affect the value of the investment to U.S. investors. **Emerging Markets Risk:** Emerging market countries are countries that major international financial institutions, such as the World Bank, generally consider to be less economically mature than developed nations. Frontier countries generally have smaller economies or less developed capital markets than traditional emerging markets, and, as a result, the risks of investing in emerging market countries are magnified in frontier countries. The economies of frontier countries are less correlated to global economic cycles than those of their more developed counterparts and their markets have low trading volumes and the potential for extreme price volatility and illiquidity. This volatility may be further heightened by the actions of a few major investors. **Risks of Investing in China:** As a result, political, economic or social developments in China may have a significant impact on the securities issued by Chinese companies. **Risk of Investing in Brazil, Russia and India:** Brazil has experienced substantial economic instability, which has led to a high degree of price volatility in both the Brazilian equity and foreign currency markets. Securities of Russian companies are exposed to the absence of developed legal structures governing private or foreign investments and private property; the possibility of the loss of all or a substantial portion of the Fund's assets invested in Russia as a result of expropriation. Securities of Indian companies risk greater price volatility, substantially less liquidity and significantly smaller market capitalization of securities markets, more substantial governmental involvement, wealth distribution, rate of inflation, growth rate allocation of resources and capital reinvestment, among others.

Additionally, investing in an ETF may subject you to the following: Risk of Investing in Frontier Securities, Financial Services Sector Risk, Oil/Energy Sector Risk, Technology Sector Risk, Concentration Risk, Micro-, Small-, or Medium-Sized Company Risk, Non-U.S. Issuers Risk, Licensing, Custody and Settlement Risk, Political Risk, Non-Correlation Risk, Replication Management Risk, Issuer-Specific Changes, and Non-Diversified Fund Risk. **Please refer to the individual ETF prospectuses for a more detailed discussion of the Fund-specific risks and considerations.**

Guggenheim Funds Investment Advisors, LLC, an affiliate of Guggenheim Funds Distributors, Inc., serves as the investment adviser.

The Guggenheim EW Euro-Pacific LDRs ETF, Guggenheim BRIC ETF, Guggenheim Frontier Markets ETF and Guggenheim International Small Cap LDRs ETF and their Shares are not sponsored, endorsed, sold, recommended or promoted by BNY Mellon or any of its subsidiaries or affiliates. None of the BNY Mellon or any of its subsidiaries or affiliates make any representation or warranty, express or implied, to the shareholders of the Funds or any member of the public regarding the advisability of investing in securities generally or in the Funds particularly, the ability of any data supplied by BNY Mellon to track general stock market performance or the suitability or appropriateness of the Funds for the shareholders or members of the public. BNY Mellon's only relationship to the Investment Adviser is the licensing of certain trademarks and trade names of BNY Mellon and of the data supplied by BNY Mellon, which is determined, composed and calculated by BNY Mellon without regard to the Investment Adviser, Funds or their Shares. Neither BNY Mellon nor any of its subsidiaries or affiliates has any obligation to take the needs of the Investment Adviser or the shareholders of the Funds into consideration in determining, composing or calculating the data supplied by BNY Mellon. BNY Mellon and any of its subsidiaries or affiliates are not responsible for and have not participated in the determination of the timing of, prices at, or quantities of the Shares to be issued or in the determination or calculation of the equation by which the products are to be converted to cash, prices of the Shares of the Funds or the timing of the issuance or sale of such Shares. BNY Mellon has no obligation or liability in connection with the administration, marketing or trading of the Funds or their Shares.

Consider the investment objectives, risks, charges and ongoing expenses of any ETF carefully before investing. The prospectus or summary prospectus, if available, contains this and other relevant information. Please read the prospectus carefully before investing. To obtain a prospectus, visit www.guggenheimfunds.com or contact a securities representative or Guggenheim Funds Distributors, Inc. 2455 Corporate West Drive, Lisle, IL 60532, 800-345-7999.