Annual Report
December 31, 2007

CLAYMORE ETFs
Access to Innovation

CLAYMORE FUNDAMENTAL INDEX ETFs
Claymore Canadian Fundamental Index ETF
Claymore US Fundamental Index ETF C$ hedged
Claymore International Fundamental Index ETF
Claymore Japan Fundamental Index ETF C$ hedged
Claymore Europe Fundamental Index ETF

CLAYMORE GROWTH & INCOME ETFs
Claymore CDN Dividend & Income Achievers ETF
Claymore Global Monthly Yield Hog ETF
Claymore S&P/TSX CDN Preferred Share ETF

CLAYMORE SECTOR ETFs
Claymore Oil Sands Sector ETF
Claymore S&P/TSX Global Mining ETF
Claymore S&P Global Water ETF

CLAYMORE INTERNATIONAL GROWTH ETFs
Claymore BRIC ETF

CLAYMORE *COREPORTFOLIO*™ ETFs
Claymore Global Balanced Income ETF
Claymore Global Balanced Growth ETF
Claymore Global All Equity ETF

CLAYMORE®

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CLAYMORE CANADIAN FUNDAMENTAL INDEX ETF (CRQ)

Management Discussion & Analysis

Fund Overview

The Claymore Canadian Fundamental Index ETF (the "Fund") has been designed to replicate the performance of the FTSE RAFI Canada Index (the "Index"), which comprises those Canadian companies with the highest fundamental weightings. The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index.

The Index weights constituents using four accounting factors, rather than market capitalization. These four factors include:

- **Total cash dividends** (five-year average of all regular and special distributions)
- **Free cash flow** (five-year average of operating income plus depreciation)
- **Total sales** (five-year average total sales)
- **Book equity value** (current period book equity value)

By using these factors rather than market cap to weight stocks, Fundamental Indexation seeks to take advantage of price movements by reducing the Index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind. In addition, Fundamental Indexation decreases exposure to high P/E stocks during episodes of P/E expansion with the intention of avoiding over-exposure to more overvalued stocks. The Claymore Canadian Fundamental Index ETF offers the advantages of an active management strategy with the highlights of a passive investment: transparent rules-based selection and the potential for lower turnover costs.

Merger of Claymore Canadian Fundamental 100 Monthly Income ETF into the Fund

On October 1, 2007, the Claymore Canadian Fundamental 100 Monthly Income ETF was merged into the Fund. The merger provides unitholders of the two funds, which had similar underlying index exposure, with the opportunity to continue their investment in a single fund with a larger market capitalization, increased liquidity for the units and a lower management expense ratio.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. On an NAV basis, the Fund's Common Units generated a total return of 7.48%, representing a change in NAV to $11.80 on December 31, 2007, from $11.16 on December 31, 2006.The Fund's Advisor Class Units generated a total return, on an NAV basis, of 6.57%, representing a change in NAV to $11.80 on December 31, 2007, from $11.15 on December 31, 2006. On a market price basis, the Fund's Common Units generated a total return of 6.76%, representing a change in market price to $11.74 on December 31, 2007, from $11.17 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on a market price basis, of 6.58%, representing a change in market price to $11.73 on December 31, 2007, from $11.09 on December 31, 2006. For the 12 month period ended December 31, 2007, the FTSE RAFI Canada Index returned 8.29%, and the S&P/TSX 60 Index returned 11.15%. However, over 70% of the return of the S&P/TSX 60 Index was represented by the performance of three companies: Research in Motion Limited, Potash Corp. and Rio Tinto Alcan. The remainder of the index did not have as strong performance during the year. The FTSE RAFI Canada Index was underweight these three companies as their stock prices appreciated more aggressively during the year than their underlying fundamentals of sales, cash flow, dividends and book equity value. The S&P/TSX 60 Index comprises the 60 largest companies on the Toronto Stock Exchange as measured by market capitalization.

During 2007, the Fund's Common Units paid quarterly dividends of $0.0436 on March 30 and June 29, $0.0475 on September 28, and $0.0515 on December 31. During 2007, the Fund's Advisor Class Units paid quarterly dividends of $0.0208 on March 30, $0.0184 on June 29, $0.0232 on September 28, and $0.0281 on December 31.

Economic and Market Overview

Economic growth in Canada remained solid throughout 2007, although somewhat slower in the last half of the year than in the first half; it now appears that real GDP growth for the year was similar to the 2.8% pace of the prior year. Strong employment trends supported solid gains in domestic demand. Residential and business investment continued to grow, and businesses continued to accumulate inventory. Real imports rose more than real exports, reflecting the pronounced strength of the Canadian dollar.

At year-end 2007, the economic weakness developing in the U.S. is an important influence on economic and market trends in Canada. Although considerable manufacturing activity continues, Canadian manufacturing has been hurt by the strength of the Canadian dollar. The Bank of Canada has begun decreasing interest rates, not because of weakness in the economy, but because of concerns that further currency appreciation could stifle growth.

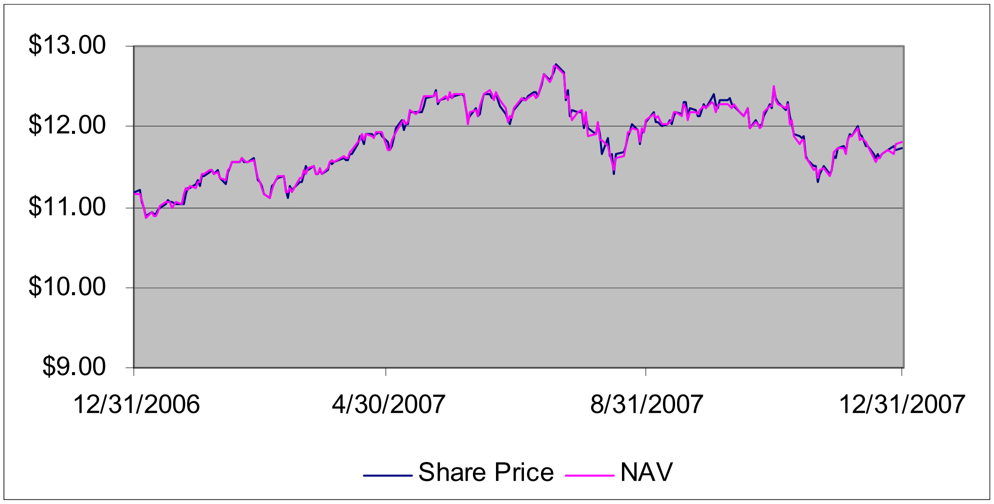
The Canadian stock market delivered a positive return during 2007, after generating a return of more than 17% in 2006. For the 12 months ended December 31, 2007, the S&P/TSX Composite index produced a total return of 9.83%, and the S&P/TSX 60 index returned 11.15%. However, in the last half of the year, the major Canadian indices declined in an environment of considerable volatility. The best-performing sector in the S&P/TSX 60 index was information technology, followed by materials and utilities. The health care, consumer staples and financials sectors had negative returns.

Performance Attribution

For the 12 months ended December, 2007, the energy and telecommunications sectors contributed most to the Fund's returns. The consumer staples and consumer discretionary sectors were the greatest detractors from returns. Holdings that contributed significantly to the Fund's returns were BCE Inc. (7.15% of net assets), a provider of telephone and other communications services, and Alcan Inc. (not held in the portfolio at period end), a leading mining and refining company. Both of these stocks rose on news that they had reached agreements to be acquired. In the energy sector, natural gas producer EnCana Corporation (4.74% of net assets) was a significant contributor. Holdings that detracted from performance included George Weston Ltd. (1.77% of net assets), a leading producer of baked goods, and supermarket operator Loblaw Companies Limited (1.64% of net assets), which reported a sharp drop in earnings; George Weston owns a significant stake in Loblaw.

Performance Highlights *as at December 31, 2007*

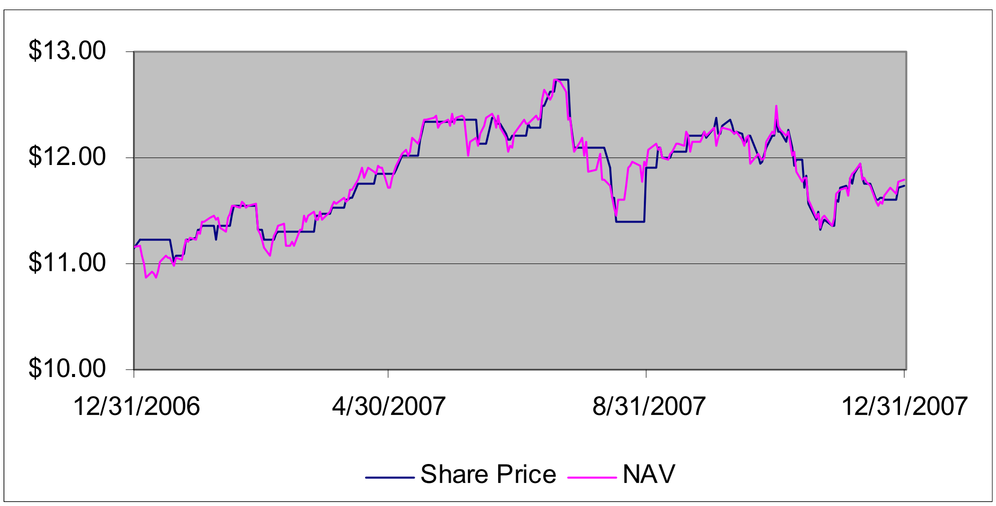
Claymore Canadian Fundamental Index ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class

Inception (2/22/06)	**Market**	**NAV**
One Year	6.76%	7.48%
Since Inception - annualized	10.61%	10.94%

Claymore Canadian Fundamental Index ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class

Inception (9/8/06)	**Market**	**NAV**
One Year	6.58%	6.57%
Since Inception - annualized	13.70%	14.19%

Sector Mix	% of Fund's Net Assets
Financials	38.6
Energy	25.2
Telecommunication Services	8.9
Consumer Discretionary	7.4
Materials	5.5
Industrials	5.5
Consumer Staples	4.5
Information Technology	2.3
Utilities	1.9
Health Care	0.2
Net Other Assets	0.0
	100.0

Top 25 Issuers	% of Fund's Net Assets
BCE Inc.	7.2
Royal Bank of Canada	5.4
EnCana Corp.	4.7
Bank of Nova Scotia	4.5
Manulife Financial Corp.	4.4
Toronto-Dominion Bank	3.9
Imperial Oil Ltd.	3.5
Sun Life Financial Inc.	3.5
Petro-Canada	3.1
Power Financial Corp.	3.1
TransCanada Corp.	3.0
Bank of Montreal	2.9
Husky Energy Inc.	2.8
Great-West Lifeco Inc.	2.8
Thomson Corp.	2.7
Power Corp. of Canada	2.6
Magna International Inc., Class A	2.4
Canadian Imperial Bank of Commerce	2.3
Bombardier Inc.	2.3
Canadian Natural Resources Ltd.	2.2
Suncor Energy Inc.	1.8
George Weston Ltd.	1.8
Canadian National Railway Co.	1.7
Enbridge Inc.	1.6
Loblaw Cos. Ltd.	1.6
	77.8
Total Net Assets	**$47,390,558**

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Canadian Common Stocks			
	Energy			
14,663	Canadian Natural Resources Ltd.	$ 1,014,188	$ 1,064,241	
19,483	Enbridge Inc.	714,872	779,515	
33,265	EnCana Corp.	1,993,686	2,245,387	
29,911	Husky Energy Inc.	1,180,947	1,331,937	
30,090	Imperial Oil Ltd.	1,370,971	1,642,312	
14,173	Nexen Inc.	435,142	454,386	
27,222	Petro-Canada	1,432,653	1,449,572	
8,034	Suncor Energy Inc.	739,514	866,949	
35,758	Talisman Energy Inc.	704,473	656,517	
35,368	TransCanada Corp.	1,300,983	1,432,758	
		10,887,429	11,923,574	25.16%
	Materials			
4,574	Agrium Inc.	204,566	327,819	
13,519	Barrick Gold Corp.	509,384	563,337	
3,739	Cameco Corp.	167,362	147,952	
7,331	Goldcorp Inc.	218,713	247,421	
6,581	NOVA Chemicals Corp.	212,171	211,645	
5,389	Potash Corp. of Saskatchewan	433,459	771,112	
9,337	Teck Cominco Ltd., Class B	396,336	330,810	
		2,141,991	2,600,096	5.49
	Industrials			
	Capital Goods			
180,060	Bombardier Inc., Class B	873,585	1,073,157	
8,013	Bombardier Inc., Class A	38,971	47,918	
8,557	Finning International Inc.	230,220	245,244	
		1,142,776	1,366,319	2.88
	Transportation			
17,333	Canadian National Railway Co.	921,232	808,584	
6,847	Canadian Pacific Railway Ltd.	437,037	439,714	
		1,358,269	1,248,298	2.63
	Total Industrials	2,501,045	2,614,617	5.51
	Consumer Discretionary			
	Automobiles & Components			
14,323	Magna International Inc., Class A	1,271,525	1,143,692	2.41
	Media			
11,167	Rogers Communications Inc., Class B	432,551	502,403	
10,493	Shaw Communications Inc.	224,752	247,530	

Claymore Canadian Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
32,294	Thomson Corp.	1,385,050	1,300,802	
		2,042,353	2,050,735	4.33
	Retailing			
4,541	Canadian Tire Corp. Ltd., Class A, Non-Voting Shares	338,646	335,898	0.71
	Total Consumer Discretionary	3,652,524	3,530,325	7.45
	Consumer Staples			
	Food & Staples Retailing			
15,514	George Weston Ltd.	838,997	837,601	
22,895	Loblaw Cos. Ltd.	780,033	777,743	
5,064	Shoppers Drug Mart Corp.	258,185	269,709	
		1,877,215	1,885,053	3.98
	Food Beverage & Tobacco			
8,781	Saputo Inc.	203,538	261,937	0.55
	Total Consumer Staples	2,080,753	2,146,990	4.53
	Health Care			
	Pharmaceuticals Biotechnology & Life Sciences			
6,452	Biovail Corp.	84,908	86,134	0.18
	Financials			
	Banks			
24,247	Bank of Montreal	1,575,320	1,363,894	
42,687	Bank of Nova Scotia	2,143,505	2,141,180	
15,373	Canadian Imperial Bank of Commerce	1,396,581	1,084,565	
7,988	National Bank of Canada	456,604	416,734	
50,229	Royal Bank of Canada	2,607,338	2,546,107	
26,769	Toronto-Dominion Bank	1,876,332	1,859,107	
		10,055,680	9,411,587	19.86
	Diversified Financials			
9,859	IGM Financial Inc.	498,642	493,246	1.04
	Insurance			
37,391	Great-West Lifeco Inc.	1,261,160	1,326,632	
51,519	Manulife Financial Corp.	2,032,306	2,083,944	
30,996	Power Corp. of Canada	1,144,348	1,242,320	
35,475	Power Financial Corp.	1,366,612	1,446,316	
29,443	Sun Life Financial Inc.	1,495,189	1,636,736	
		7,299,615	7,735,948	16.32
	Real Estate			
13,514	Brookfield Asset Management Inc., Class A	471,539	478,936	

Claymore Canadian Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
8,851	Brookfield Properties Corp.	166,753	169,408	
		638,292	648,344	1.37
	Total Financials	18,492,229	18,289,125	38.59
	Information Technology			
	Software & Services			
25,133	CGI Group Inc., Class A	250,842	289,030	0.61
	Technology Hardware & Equipment			
67,809	Celestica Inc.	506,943	389,902	
6,764	Nortel Networks Corporation	101,122	101,325	
2,908	Research In Motion Ltd.	216,858	327,324	
		824,923	818,551	1.73
	Total Information Technology	1,075,765	1,107,581	2.34
	Telecommunication Services			
85,613	BCE Inc.	3,038,095	3,390,274	
8,871	TELUS Corp.	474,055	438,494	
7,676	TELUS Corp., Non-Voting Shares	401,330	367,911	
		3,913,480	4,196,679	8.86
	Utilities			
8,317	Canadian Utilities Ltd., Class A, Special Shares	383,746	383,913	
14,973	TransAlta Corp.	428,660	498,601	
		812,406	882,514	1.86
	Total Investments	$45,642,530	47,377,635	99.97%
	Other assets less liabilities		12,923	0.03
	Net Assets		$47,390,558	100.00%

Statement of Net Assets *as at December 31, 2007*

		2007		2006
Assets				
Investments, at fair value (note 2)	$	47,377,635	$	19,951,044
Cash		-		160,699
Dividends receivable		149,487		52,945
Due from brokers		2,255,111		-
		49,782,233		20,164,688
Liabilities				
Bank indebtedness		96,860		-
Distributions payable		-		55,500
Due to brokers		2,213,381		22,147
Accrued management fees		27,314		5,252
Accrued service fees		54,120		2,355
		2,391,675		85,254
Net assets representing unitholders' equity	$	47,390,558	$	20,079,434
Net assets representing unitholders' equity				
Advisor Class	$	24,565,266	$	7,807,467
Common		22,825,292		12,271,967
	$	47,390,558	$	20,079,434
Units outstanding (note 4)				
Advisor Class		2,085,055		700,000
Common		1,936,000		1,100,000
		4,021,055		1,800,000
Net assets per unit				
Advisor Class	$	11.78	$	11.15
Common	$	11.79	$	11.16

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations

	For the Year Ended December 31, 2007	For the period February 22, 2006* to December 31, 2006
Income		
Dividends	$ 648,215	$ 515,132
Interest	1,529	861
	649,744	515,993
Expenses		
Management fees (note 5)	192,332	151,561
Service fees (note 5)	101,615	17,966
	293,947	169,527
Net investment income	355,797	346,466
Net realized gain on sale of investments	280,253	165,221
Net realized loss on foreign exchange	(128)	(880)
Change in unrealized appreciation (depreciation) in value of investments	(99,024)	1,848,329
Change in unrealized appreciation on foreign exchange	64	8
Net gain on investments	181,165	2,012,678
Increase in net assets from operations	$ 536,962	$ 2,359,144
Increase (decrease) in net assets from operations		
Advisor Class	$ (136,450)	$ 818,667
Common	673,412	1,540,477
	$ 536,962	$ 2,359,144
Increase (decrease) in net assets from operations per unit		
Advisor Class	$ (0.13)	$ 1.17
Common	$ 0.50	$ 1.40

**Commencement of Operations*

Statement of Changes in Net Assets

	For the Year Ended December 31, 2007	For the period February 22, 2006* to December 31, 2006
Net assets, beginning of the period (Transactional NAV)		
Advisor Class	$ 7,807,467	$ -
Common	12,271,967	-
	20,079,434	-
Opening NAV Section 3855 Adjustment (note 3)		
Advisor Class	(5,522)	-
Common	(8,679)	-
	(14,201)	-
Net assets, beginning of the period (GAAP NAV)		
Advisor Class	7,801,945	-
Common	12,263,288	-
	20,065,233	-
Increase (decrease) in net assets from operations		
Advisor Class	(136,450)	818,667
Common	673,412	1,540,477
	536,962	2,359,144
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class	-	7,027,650
Common	10,164,285	30,000,000
Units issued on acquisition of RFI (note 1):		
Advisor Class	19,357,661	-
Common	-	-
Payment on redemption of units:		
Advisor Class	(2,360,260)	-
Common	-	(19,075,050)
	27,161,686	17,952,600
Distribution to unitholders		
From net investment income:		
Advisor Class	(67,212)	(34,241)
Common	(189,798)	(170,509)
From return of capital:		
Advisor Class	(30,418)	(4,609)
Common	(85,895)	(22,951)
	(373,323)	(232,310)

Claymore Canadian Fundamental Index ETF
Statement of Changes in Net Assets (continued)

	For the Year Ended December 31, 2007	For the period February 22, 2006* to December 31, 2006
Increase in net assets for the period		
Advisor Class	16,763,321	7,807,467
Common	10,562,004	12,271,967
	27,325,325	20,079,434
Net assets, end of the period (GAAP NAV)		
Advisor Class	24,565,266	7,807,467
Common	22,825,292	12,271,967
	$ 47,390,558	$ 20,079,434

**Commencement of Operations*

Statement of Cash Flows

	For the Year Ended December 31, 2007	For the period February 22, 2006* to December 31, 2006
Cash flows from operating activities		
Increase in net assets from operations	$ 536,962	$ 2,359,144
Items not affecting cash:		
Net realized gain on sale of investments	(280,253)	(165,221)
Change in unrealized (appreciation) depreciation in value of investments	99,024	(1,848,329)
Change in non-cash working capital items	(22,715)	(45,338)
	333,018	300,256
Cash flows from investing activities		
Purchase of investments	(35,773,830)	(41,543,878)
Proceeds from sale of investments	8,450,390	23,628,531
	(27,323,440)	(17,915,347)
Cash flows from financing activities		
Issuance of units for cash	10,164,285	37,027,650
Units issued on acquisition of RFI (note 1)	19,357,661	-
Payment on redemption of units	(2,360,260)	(19,075,050)
Distribution to unitholders	(428,823)	(176,810)
	26,732,863	17,775,790
Net increase (decrease) in cash	(257,559)	160,699
Cash, beginning of the period	160,699	-
Bank indebtedness, end of the period	$ (96,860)	$ 160,699

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Canadian Fundamental Index ETF (the "Claymore ETF"), formerly known as ClaymorETF FTSE RAFI Canadian Index Fund, an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated February 15, 2006, has been designed to replicate, to the extent possible, the performance of the FTSE RAFI Canada Index, a fundamental factor-based Canadian equity index provided by FTSE International Limited. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the FTSE RAFI Canada Index in the same proportion as they are reflected in the FTSE RAFI Canada Index. Claymore Investments, Inc. (the "Manager"), a registered investment counsel and portfolio manager, is the trustee and manager of the Claymore ETF and is responsible for the administration of the Claymore ETF.

The Claymore ETF commenced investment operations on February 22, 2006 with one Class of Common units. On September 8, 2006, the Claymore ETF launched the Advisor Class units. Effective August 9, 2006 the Claymore ETF changed its name from "ClaymorETF FTSE RAFI Canadian Index Fund" to "Claymore Canadian Fundamental Index ETF."

At a special meeting of the unitholders of the Claymore Canadian Fundamental 100 Monthly Income ETF ("RFI") (the "Unitholders") held on September 24, 2007, the Unitholders approved the merger of the RFI (the "Merger") with the Claymore ETF. A meeting of Claymore ETF unitholders was not required to implement the Merger.

On October 1, 2007 the Merger was implemented. Pursuant to the Merger, all of the assets of RFI were transferred to the Claymore ETF in consideration for the issuance of 1,585,055 Advisor Class units (the "Units") of the Claymore ETF to RFI. The exchange ratio used to determine the Units was 0.8615, calculated based on the relative net asset value ("NAV") of each of the Advisor Class units of Claymore ETF and RFI on September 28, 2007. As at September 28, 2007, the NAV per unit of each of the Advisor Class units of Claymore ETF and RFI were $12.2126 and $10.5209, respectively.

Pursuant to the Merger, all of the units of RFI were redeemed on October 1, 2007 and RFI unitholders received their Units on such date. The Claymore ETF is continuing its operations and will continue to trade under the symbols CRQ and CRQ.A. The comparative figures for 2006 are those of continuing fund. The units of RFI ceased to trade on October 1, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Prior to January 1, 2007, fair value was based on the last trading price for the day when available.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ''Transaction costs'' in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on the Net Asset Value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF adopted this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The adoption of section 3865 did not have impact on the Claymore ETF's financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class' proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class' proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class' pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the year-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the year divided by the weighted average number of units outstanding per class during the year.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the "GAAP NAV") and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Adoption of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit		
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV	Opening NAV Section 3855 Adjustment
As at Dec 31, 2007						
Claymore Canadian Fundamental Index ETF						
Advisor Class	$ 24,596,184	$ (30,918)	$ 24,565,266	$ 11.80	$ 11.78	$ (5,522)
Common	22,854,018	(28,726)	22,825,292	$ 11.80	$ 11.79	(8,679)
Total Net Asset Value	**$ 47,450,202**	**$ (59,644)**	**$ 47,390,558**			**$ (14,201)**

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the periods ended December 31, 2007 and 2006 were as follows:

	December 31, 2007				December 31, 2006			
	Advisor Class Units		Common Units		Advisor Class Units		Common Units	
	Units	Value	Units	Value	Units	Value	Units	Value
Units outstanding, beginning of period	700,000	$ 7,027,650	1,100,000	$ 10,924,950	-	$ -	-	$ -
Units issued for cash	-	-	836,000	10,164,285	700,000	7,027,650	3,000,000	30,000,000
Units issued on acquisition of RFI	1,585,055	19,357,661	-	-	-	-	-	-
Units redeemed	(200,000)	(2,360,260)	-	-	-	-	(1,900,000)	(19,075,050)
Units outstanding, end of period	2,085,055	$ 24,025,051	1,936,000	$ 21,089,235	700,000	$ 7,027,650	1,100,000	$ 10,924,950

5. Expenses

A monthly management fee equal to one-twelfth of 0.65% of the net asset value ("NAV") per Common unit of the Claymore ETF, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.65% of the NAV per Advisor Class unit of the Claymore ETF, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$11,201,079
Market Value of Collateral Held	$12,041,370

7. Financial Instruments and Credit Risk

The Claymore ETF’s investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $1,099,649 [2006: nil] which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the year ended December 31, 2007 were nil [2006: nil].

There were no soft dollar amounts during the year ended December 31, 2007 [2006: nil].

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore Canadian Fundamental Index ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and 2006, the statement of investments as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007 and 2006, their investments as at December 31, 2007 and the results of their operations, changes in their net assets, and cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE US FUNDAMENTAL INDEX ETF C$ hedged (CLU)

Management Discussion & Analysis

Fund Overview

The Claymore U.S. Fundamental Index ETF C$ hedged (the "Fund") has been designed to replicate, net of expenses, the performance of the FTSE RAFI US 1000 Canadian Dollar Hedged Index (the "Index"), which comprises the largest 1,000 U.S.-listed companies by fundamental value. The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. Claymore may use a sampling methodology in selecting investments for the Fund. Sampling means that Claymore will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics.

The Index weights constituents using four accounting factors, rather than market capitalization. These four factors include:

• **Total cash dividends** (five-year average of all regular and special distributions)

• **Free cash flow** (five-year average of operating income plus depreciation)

• **Total sales** (five-year average total sales)

• **Book equity value** (current period book equity value)

By using these factors rather than market capitalization to weight stocks, Fundamental Indexation seeks to take advantage of price movements by reducing the index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind. (FTSE International Limited calculates and publishes the FTSE RAFI Index Series. Information concerning the methodology of the Index is available on its website at www.ftse.com.) In addition, Fundamental Indexation seeks to decrease exposure to high P/E stocks during episodes of what the provider of the Index considers unsustainable P/E expansion. Therefore, this approach seeks to avoid over-exposure to the more overvalued stocks. The Fund offers the advantages of an active management strategy with the highlights of a passive investment: lower turnover costs and transparent rules-based selection. The Fund hedges its exposure to U.S. currency as it seeks to eliminate foreign currency return risk for Canadian investors.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. On a market price basis, the Fund's Common Units generated a total return of -2.67% for 2007, representing a change in market price to $21.05 on December 31, 2007, from $22.06 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on a market price basis, of -4.18% for the year, representing a change in market price to $21.00 on December 31, 2007, from $22.18 on December 31, 2006. On an NAV basis, the Fund's Common Units generated a total return of -2.77%, representing a change in NAV to $20.97 on December 31, 2007 from $22.00 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on an NAV basis, of -3.64%, representing a change in NAV to $20.94 on December 31, 2007 from $21.99 on December 31, 2006. The Fund provided strong protection against the rising Canadian dollar due to the currency hedge strategy. Over the same period, the Index returned 1.43%; the Russell 1000 Index returned -10.04% in $CAD, and the S&P 500 Index returned -10.28% in $CAD.

During 2007, the Fund's Common Units paid quarterly dividends of $0.0799 on March 30, $0.0889 on June 29, $0.0880 on September 28, and $0.1800 on December 31. The Fund's Advisor Units paid quarterly dividends of $0.0351 on March 30, $0.0418 on June 29, $0.0435 on September 28, and $0.140 on December 31.

Economic and Market Overview

As 2007 progressed, what began as a correction in the U.S. housing market accelerated into a crisis in the subprime mortgage market with profound implications for the entire economy. By mid-summer, there had been pronounced changes in attitudes toward risk in financial markets, as demonstrated by wider credit spreads, severe dislocation in short-term credit markets, overall tightening of financial conditions and an increasingly volatile equity market. Beginning in September, the Federal Reserve reduced interest rates three times, striving to strike a balance between providing liquidity to financial markets and keeping inflation at a moderate level. Even with this stimulus, by the end of the year, many economists were forecasting a recession in the U.S.

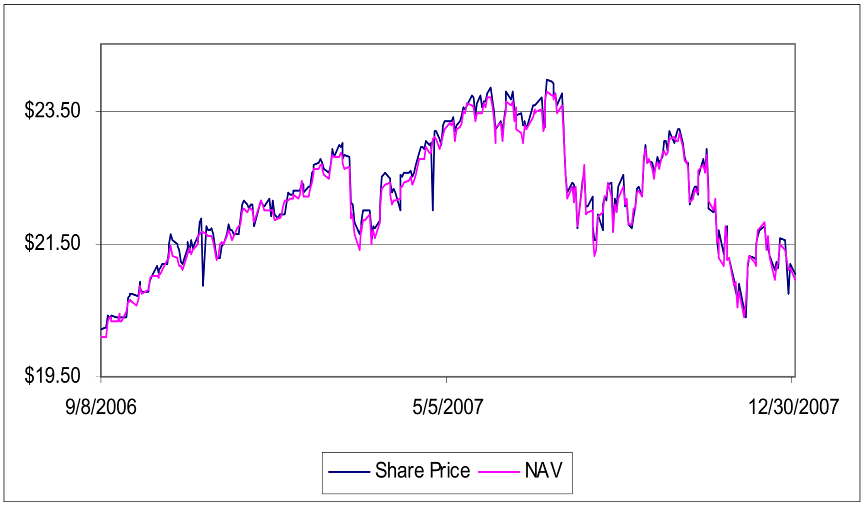
Despite these issues, the U.S. equity market posted positive returns for the year, although all major indices were down in the fourth quarter. Large-cap stocks regained leadership after a long period of outperformance by small-cap stocks, and growth stocks performed better than value stocks in all size categories. Eight of the 10 industry sectors within the S&P 500 Index had positive returns; energy was the strongest sector. Sectors with negative returns were financials and consumer discretionary.

Performance Attribution

The energy sector contributed most to the Fund's return, while the financials and consumer discretionary sectors were the biggest detractors. Relative to the S&P 500 Index, performance was strongest in the telecommunication services sector, as overweights relative to the S&P 500 Index in Verizon Communications Inc. and AT&T Inc. (3.6% and 2.8% of net assets, respectively) contributed to performance. Other significant contributors to the Fund's return were Exxon Mobil Corp. and Merck & Co. Inc. (7.1% and 2.2% of net assets, respectively). Positions that detracted from return included Citigroup Inc., Freddie Mac and General Motors Corporation (2.5%, 0.5% and 1.9% of net assets, respectively).

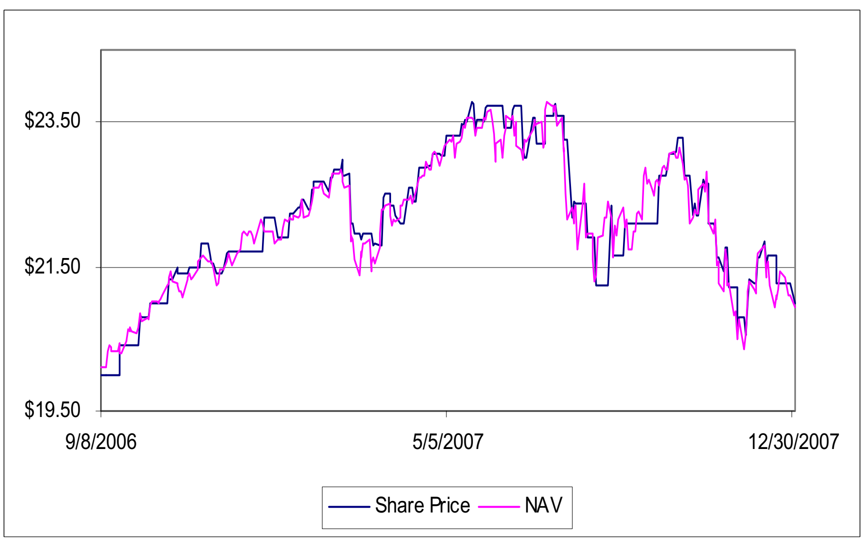
Performance Highlights as at December 31, 2007

Claymore US Fundamental Index ETF C$ hedged
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (09/08/06)	Market	NAV
One year	-2.67%	-2.77%
Since inception - annualized	5.82%	5.52%

Claymore US Fundamental Index ETF C$ hedged
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (09/08/06)	Market	NAV
One year	-4.18%	-3.64%
Since inception - annualized	4.83%	4.61%

Sector Mix	% of Fund's Net Asset Value
Real Estate Investment Trusts	0.3
Financials	16.4
Consumer Staples	13.8
Industrials	11.0
Energy	11.0
Information Technology	9.5
Consumer Discretionary	9.5
Health Care	9.2
Utilities	7.2
Telecommunication Services	6.3
Materials	4.0
Cash and Cash Equivalents	2.7
Net Other Assets	(0.8)
	100.0

Top 25 Issuers	% of Fund's Net Asset Value
Exxon Mobil Corp.	7.1
General Electric Co.	5.7
Kraft Foods Inc., Class A	4.5
Microsoft Corp.	4.0
Chevron Corp.	3.9
Verizon Communications Inc.	3.6
Wal-Mart Stores Inc.	3.0
AT&T Inc.	2.8
Bank of America Corp.	2.7
Cash and Cash Equivalents	2.7
Altria Group Inc.	2.6
Citigroup Inc.	2.5
Pfizer Inc.	2.3
Merck & Co. Inc.	2.2
Ford Motor Co.	2.1
JP Morgan Chase & Co.	2.1
General Motors Corp.	1.9
International Business Machines Corp.	1.8
Reliant Energy Inc.	1.8
Wells Fargo & Co.	1.4
Bristol-Myers Squibb Co.	1.0
Time Warner Inc.	1.0
United Parcel Service Inc., Class B	0.9
US Bancorp	0.8
Dow Chemical Co.	0.8

Total Net Asset Value	***$21,060,610***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio as at December 31, 2007

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Real Estate Investment Trusts			
391	Apartment Investment & Management Co., Real Estate Investment Trust	$ 14,025	$ 13,364	
400	Hospitality Properties Trust	13,259	12,688	
1,158	HRPT Properties Trust	8,866	8,800	
709	Plum Creek Timber Co. Inc., Real Estate Investment Trust	31,063	32,160	
		67,213	67,012	0.32%
	Common Stocks			
	Energy			
8,873	Chevron Corp.	707,868	816,524	
16,103	Exxon Mobil Corp.	1,327,030	1,488,211	
		2,034,898	2,304,735	10.95
	Materials			
892	AbitibiBowater Inc.	21,259	18,021	
3,265	Alcoa Inc.	119,116	117,682	
845	Crown Holdings Inc.	20,728	21,341	
4,112	Dow Chemical Co.	168,441	159,574	
459	Eastman Chemical Co.	31,431	27,620	
3,109	EI Du Pont de Nemours & Co.	158,098	135,165	
1,857	Huntsman Corp.	47,916	46,919	
2,691	International Paper Co., with Rights	88,426	85,998	
599	Louisiana-Pacific Corp.	9,982	8,087	
1,085	MeadWestvaco Corp.	35,358	33,517	
1,112	Owens-Illinois Inc.	31,088	54,304	
702	PPG Industries Inc.	49,997	48,561	
2,173	Smurfit-Stone Container Corp.	23,133	22,605	
941	Weyerhaeuser Co., with PFD. Rights	69,234	68,289	
		874,207	847,683	4.03
	Industrials			
	Capital Goods			
32,718	General Electric Co.	1,285,794	1,194,125	
2,303	Honeywell International Inc.	129,945	139,809	
1,677	Masco Corp.	36,504	35,684	
1,342	Northrop Grumman Corp.	107,826	104,158	
1,447	Raytheon Co.	84,131	86,558	
230	SPX Corp.	19,936	23,347	
275	Tecumseh Products Co., Class A	6,751	6,354	
882	Textron Inc.	49,235	61,970	
473	Timken Co.	15,477	15,335	
1,509	Tyco International Ltd.	60,929	59,051	

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
391	URS Corp.	22,950	20,912	
		1,819,478	1,747,303	8.31
	Commercial Services & Supplies			
3,543	Allied Waste Industries Inc.	39,124	38,465	
325	Deluxe Corp.	11,094	10,550	
880	IKON Office Solutions Inc.	11,963	11,265	
383	Kelly Services Inc., Class A	7,588	7,054	
331	Manpower Inc.	18,733	18,549	
642	PHH Corp.	11,858	11,158	
749	Pitney Bowes Inc., with PFD. Rights	28,696	28,120	
923	RR Donnelley & Sons Co.	37,300	34,334	
177	United Stationers Inc.	10,346	8,072	
1,738	Waste Management Inc.	58,129	55,920	
		234,831	223,487	1.06
	Transportation			
558	Continental Airlines Inc., Class B	13,160	12,254	
155	Overseas Shipholding Group	11,496	11,356	
364	Ryder System Inc.	16,913	16,888	
828	Union Pacific Corp.	89,887	102,656	
2,815	United Parcel Service Inc., Class B	221,102	196,174	
388	YRC Worldwide Inc.	6,569	6,544	
		359,127	345,872	1.64
	Total Industrials	2,413,436	2,316,662	11.01
	Consumer Discretionary			
	Automobiles & Components			
3,665	Avis Budget Group Inc.	49,971	47,023	
67,876	Ford Motor Co.	457,674	449,506	
16,570	General Motors Corp.	438,356	407,046	
1,654	Goodyear Tire & Rubber Co.	45,349	45,953	
2,558	TRW Automotive Holdings Corp.	57,003	52,714	
		1,048,353	1,002,242	4.76
	Consumer Durables & Apparel			
2,555	Eastman Kodak Co.	67,032	54,997	0.26
	Consumer Services			
1,186	H&R Block Inc.	24,288	21,702	
828	Royal Caribbean Cruises Ltd.	32,432	34,674	
656	United Rentals Inc.	11,667	11,887	
425	Wendy's International Inc.	11,210	10,801	
		79,597	79,064	0.38

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Media			
563	Belo Corp., Class A	9,667	9,691	
3,843	CBS Corp., Class B	100,750	103,166	
4,179	Charter Communications Inc., Class A	5,395	4,784	
504	Clear Channel Outdoor Holdings Inc.	15,301	13,694	
920	Gannet Co. Inc., with PFD. Rights	35,969	35,412	
1,616	Idearc Inc.	28,677	28,007	
705	New York Times Co., Class A	12,357	12,190	
2,249	Regal Entertainment Group	40,536	40,020	
361	Scholastic Corp.	12,704	12,431	
13,290	Time Warner Inc.	219,212	216,030	
		480,568	475,425	2.26
	Retailing			
465	Asbury Automotive Group Inc.	7,051	6,907	
2,346	Autonation Inc.	36,064	36,259	
2,761	Blockbuster Inc., Class A	10,501	10,627	
1,629	Blockbuster Inc., Class B	5,419	5,402	
998	Circuit City Stores Inc.	4,708	4,127	
547	Dillard's Inc., Class A	10,571	10,117	
2,829	Gap Inc.	55,920	59,416	
245	Group 1 Automotive Inc.	6,372	5,740	
1,007	IAC/InterActiveCorp.	27,490	26,715	
708	JC Penney Co. Inc.	30,830	30,669	
2,214	Liberty Media Corp.	43,730	41,692	
1,439	Limited Brands Inc.	26,236	26,885	
1,070	Office Depot Inc.	13,909	14,647	
404	OfficeMax Inc.	8,429	8,238	
705	Penske Automotive Group	12,693	12,149	
488	Rent-A-Center Inc.	7,221	6,993	
965	Saks Inc.	19,325	19,743	
470	Sears Holdings Corp.	47,607	47,338	
444	Sonic Automotive Inc.	8,779	8,484	
		382,855	382,148	1.82
	Total Consumer Discretionary	2,058,405	1,993,876	9.48
	Consumer Staples			
	Food & Staples Retailing			
553	BJ's Wholesale Club Inc.	20,552	18,464	
1,498	Costco Wholesale Corp.	92,894	103,152	
607	Great Atlantic & Pacific Tea Co.	19,465	18,667	
5,105	Kroger Co.	143,926	134,475	
210	Longs Drug Stores Corp.	10,418	9,741	
236	Nash Finch Co.	8,854	8,217	
406	Performance Food Group Co.	10,966	10,771	
5,687	Rite Aid Corp.	16,829	15,604	

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
2,293	Safeway Inc.	82,115	77,307	
1,240	Supervalu Inc.	48,696	45,918	
1,979	Sysco Corp., with PFD. Rights	70,464	60,861	
13,572	Wal-Mart Stores Inc.	696,977	636,259	
		1,222,156	1,139,436	5.42
	Food Beverage & Tobacco			
7,388	Altria Group Inc.	516,569	550,662	
2,883	Coca-Cola Enterprises Inc.	75,554	74,065	
3,086	ConAgra Foods Inc.	73,978	72,397	
29,435	Kraft Foods Inc., Class A	1,054,974	946,480	
4,607	Sara Lee Corp.	81,062	72,887	
2,917	Tyson Foods Inc., Class A	44,436	44,134	
		1,846,573	1,760,625	8.37
	Total Consumer Staples	3,068,729	2,900,061	13.79
	Health Care			
	Health Care Equipment & Services			
1,165	AmerisourceBergen Corp.	51,540	51,523	
209	Apria Healthcare Group Inc.	4,788	4,449	
157	Beckman Coulter Inc.	11,282	11,245	
1,428	Cardinal Health Inc.	83,028	81,321	
367	Community Health Systems Inc.	13,299	13,348	
1,509	Covidien Ltd.	67,313	65,753	
209	DaVita Inc.	11,787	11,603	
816	Express Scripts Inc.	44,817	58,694	
693	Health Management Associates Inc., Class A	4,184	4,083	
486	Health Net Inc.	23,412	23,163	
230	Henry Schein Inc.	14,133	13,940	
190	Hillenbrand Industries Inc.	10,506	10,424	
352	Hospira Inc.	15,013	14,803	
543	Humana Inc.	35,507	40,290	
314	Kindred Healthcare Inc.	8,085	7,741	
204	LifePoint Hospitals Inc.	6,047	5,988	
226	Lincare Holdings Inc.	8,154	7,842	
170	Magellan Health Services Inc.	8,223	7,820	
1,681	McKesson Corp.	104,387	108,685	
1,203	Medco Health Solutions Inc.	92,265	120,167	
243	Owens & Minor Inc.	9,110	10,154	
5,640	Tenet Healthcare Corp.	29,796	28,277	
191	Universal Health Services Inc., Class B	9,867	9,627	
		666,543	710,940	3.38
	Pharmaceuticals Biotechnology & Life Sciences			
8,391	Bristol-Myers Squibb Co.	243,239	219,626	

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
179	Charles River Laboratories International Inc.	11,936	11,609	
140	Invitrogen Corp.	11,238	12,893	
734	King Pharmaceuticals Inc.	7,704	7,418	
7,921	Merck & Co. Inc.	399,452	454,206	
634	Mylan Inc.	8,500	8,735	
21,911	Pfizer Inc.	505,672	490,890	
476	Watson Pharmaceuticals Inc.	14,422	12,736	
		1,202,163	1,218,113	5.78
	Total Health Care	1,868,706	1,929,053	9.16
	Financials			
	Banks			
14,164	Bank of America Corp.	589,627	575,104	
2,039	BB&T Corp.	64,673	61,720	
692	Comerica Inc.	30,374	29,709	
2,376	Countrywide Financial Corp.	20,693	20,870	
1,999	Fifth Third Bancorp	53,717	49,422	
545	First Horizon National Corp.	10,711	9,730	
440	FirstMerit Corp.	9,307	8,690	
2,929	Freddie Mac	90,051	98,402	
1,373	Huntington Bancshares Inc.	20,465	20,001	
1,627	Keycorp	37,904	37,655	
2,789	National City Corp.	48,136	45,225	
1,320	New York Community Bancorp Inc.	25,309	22,851	
1,158	PNC Financial Services Group Inc.	91,165	74,894	
1,318	Popular Inc.	13,494	13,763	
1,121	SunTrust Banks Inc.	69,052	69,005	
491	UnionBanCal Corp.	24,599	23,663	
5,664	US Bancorp	181,563	177,038	
4,340	Washington Mutual Inc.	60,812	58,297	
10,196	Wells Fargo & Co.	307,500	303,097	
		1,749,152	1,699,136	8.08
	Diversified Financials			
738	Allied Capital Corp.	16,387	15,660	
701	CIT Group Inc.	16,554	16,598	
18,204	Citigroup Inc.	546,662	526,777	
10,383	JP Morgan Chase & Co.	454,810	447,305	
328	Lazard Ltd., Class A	13,195	13,140	
		1,047,608	1,019,480	4.85
	Insurance			
289	Allied World Assurance Holdings Ltd.	14,250	14,227	
2,134	Allstate Corp.	109,964	109,941	
133	American National Insurance	16,298	15,798	
1,137	AON Corp.	50,419	53,426	

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
1,102	Cigna Corp.	55,195	58,318	
1,262	Conseco Inc.	15,791	15,607	
419	First American Corp.	14,513	14,110	
3,156	Genworth Financial Inc., Class A	78,759	79,148	
2,623	Marsh & McLennan Co. Inc.	68,271	68,525	
468	MBIA Inc.	9,309	8,540	
229	Mercury General Corp.	11,361	11,233	
548	Montpelier Re Holdings Ltd.	10,570	9,194	
456	Nationwide Financial Services	20,898	20,257	
1,176	Old Republic International Corp., with Rights	17,961	17,886	
215	PartnerRe Ltd.	17,558	17,481	
586	Phoenix Cos. Inc.	7,187	6,865	
378	Safeco Corp.	20,874	20,746	
667	Thornburg Mortgage Inc.	6,379	6,076	
344	Unitrin Inc.	16,951	16,239	
1,950	Unum Group	46,673	45,708	
600	XL Capital Ltd.	29,887	29,721	
		639,068	639,046	3.04
	Real Estate			
2,007	Annaly Capital Management Inc.	32,290	35,912	
587	Duke Realty Corp.	15,389	15,080	
226	First Industrial Realty Trust Inc.	8,140	7,689	
1,728	Friedman Billings Ramsey Group Inc.	5,663	5,355	
514	iStar Financial Inc.	13,531	13,215	
351	Mack-Cali Realty Corp.	11,799	11,778	
193	Redwood Trust Inc.	7,070	6,461	
		93,882	95,490	0.45
	Total Financials	3,529,710	3,453,152	16.42
	Information Technology			
	Software & Services			
388	Affiliated Computer Services Inc., Class A	17,793	17,251	
596	BEA Systems Inc.	8,228	9,282	
513	Cadence Design Systems Inc.	8,737	8,612	

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
487	Check Point Software Technologies	10,702	10,555	
1,095	Computer Sciences Corp.	62,486	53,344	
835	Compuware Corp.	8,121	7,302	
131	DST Systems Inc.	10,091	10,666	
2,731	Electronic Data Systems Corp.	57,413	55,875	
858	Fidelity National Information Services Inc.	36,016	35,159	
24,045	Microsoft Corp.	756,171	844,596	

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
1,006	Novell Inc.	6,973	6,821	
429	Perot Systems Corp., Class A	6,160	5,716	
293	Synopsys Inc.	7,472	7,487	
1,890	Unisys Corp.	9,553	8,786	
		1,005,916	1,081,452	5.14
	Technology Hardware & Equipment			
741	Arrow Electronics Inc.	27,852	28,727	
602	Avnet Inc.	20,522	20,777	
220	Diebold Inc.	6,443	6,292	
2,859	Ingram Micro Inc., Class A	60,501	50,875	
384	Insight Enterprises Inc.	8,161	6,913	
3,586	International Business Machines Corp.	373,938	382,235	
309	Lexmark International Inc., Class A	10,764	10,619	
6,172	Motorola Inc.	109,411	97,707	
462	NCR Corp.	11,470	11,436	
7,147	Sanmina-SCI Corp.	12,633	12,908	
485	SYNNEX Corp.	10,906	9,363	
1,046	Tech Data Corp.	41,778	38,940	
1,147	Tellabs Inc.	7,928	7,404	
1,036	Vishay Intertechnology Inc.	12,047	11,636	
444	Western Digital Corp.	9,745	13,225	
3,216	Xerox Corp.	58,267	51,292	
		782,366	760,349	3.61
	Semiconductor & Semiconductor Equipment			
1,861	Advanced Micro Devices Inc.	14,396	13,720	
589	Amkor Technology Inc.	5,171	4,959	
1,350	Atmel Corp.	6,086	5,756	
423	Fairchild Semiconductor International Inc.	6,301	6,008	
6,851	Flextronics International Ltd.	81,599	81,545	
180	International Rectifier Corp.	5,945	6,017	
268	Intersil Corp., Class A	7,866	6,475	
1,514	LSI Corp.	8,254	7,905	
2,683	Micron Technology Inc.	20,063	19,092	
274	Novellus Systems Inc.	7,496	7,439	
		163,177	158,916	0.76
	Total Information Technology	1,951,459	2,000,717	9.51
	Telecommunication Services			
14,129	AT&T Inc.	564,217	578,703	
17,368	Verizon Communications Inc.	729,701	748,050	
		1,293,918	1,326,753	6.31

Claymore US Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Utilities			
1,163	Ameren Corp.	64,731	62,201	
2,576	American Electric Power Co. Inc.	119,818	118,069	
3,183	Centerpoint Energy Inc.	56,879	53,688	
1,616	Consolidated Edison Inc.	83,061	77,912	
2,259	Dominion Resources Inc.	103,727	105,635	
1,154	DTE Energy Co.	58,274	50,068	
5,204	Duke Energy Corp.	101,092	103,493	
1,824	Exelon Corp.	142,037	146,716	
1,311	FirstEnergy Corp.	88,362	93,600	
2,004	NiSource Inc.	37,573	37,302	
1,647	Progress Energy Inc.	84,273	78,577	
14,703	Reliant Energy Inc.	362,794	380,774	
3,626	Southern Co.	139,516	138,674	
2,992	Xcel Energy Inc.	71,219	66,530	
		1,513,356	1,513,239	7.19
	Total Common Stocks	20,606,824	20,585,931	97.85
	Total Investments	$20,674,037	20,652,943	98.17%
	Other assets less liabilities		381,508	1.81
	Net Assets		$21,034,451	99.97%

Foreign Currency Forward Contracts # of Contracts	Forwards	Forward Value	Fair Value	Unrealized gain (loss)
(21,100,000)	US Dollar Forward @ 1.01365	(20,815,863)	(20,816,068)	(205)

***Statement of Net Assets** as at December 31, 2007*

	2007	2006
Assets		
Investments, at fair value (note 2)	$ 20,652,943	$ 9,133,090
Cash	384,543	15,106
Dividends receivable	34,918	13,153
Due from brokers	10,431	-
	21,082,835	9,161,349
Liabilities		
Distribution payable	3,057	19,984
Accrued management fees	36,564	2,358
Accrued service fees	8,558	1,340
Forward agreement, at fair value (note 2)	205	213
	48,384	23,895
Net assets representing unitholders' equity	$ 21,034,451	$ 9,137,454
Net assets representing unitholders' equity		
Advisor Class	$3,213,841	$4,403,366
Common	17,820,610	4,734,088
	$ 21,034,451	$ 9,137,454
Units outstanding (note 4)		
Advisor Class	153,659	200,209
Common	850,854	215,187
	1,004,513	415,396
Net assets per unit		
Advisor Class	$20.92	$ 21.99
Common	$ 20.94	$ 22.00

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Income		
Dividends	$ 501,444	$ 63,506
Interest	142	10
Other	-	-
	501,586	63,516
Expenses		
Management fees (note 5)	126,926	18,368
Service fees (note 5)	33,700	10,298
Interest and bank charges	2,910	-
	163,536	28,666
Net investment income	338,050	34,850
Net realized gain (loss) on sale of investments	(2,777,719)	35,300
Net realized gain on foreign exchange	66,248	753
Net realized gain (loss) on settlement of forward agreements	2,885,180	(437,439)
Change in unrealized appreciation (depreciation) in value of investments	(1,191,429)	1,189,329
Change in unrealized appreciation (depreciation) on forward agreements	8	(213)
Net gain (loss) on investments	(1,017,712)	787,730
Increase (decrease) in net assets from operations	$ (679,662)	$ 822,580
Increase (decrease) in net assets from operations		
Advisor Class	$ (89,420)	$ 404,243
Common	(590,242)	418,337
	$ (679,662)	$ 822,580
Increase (decrease) in net assets from operations per unit		
Advisor Class	$ (0.48)	$ 2.02
Common	$ (0.93)	$ 2.05

**Commencement of Operations*

Statement of Changes in Net Assets

	For the Year Ended December 31, 2007	September 8, 2006* to December 31, 2006
Net assets, beginning of the period (Transactional NAV)		
Advisor Class	$ 4,403,366	$ -
Common	4,734,088	-
	9,137,454	-
Opening NAV Section 3855 Adjustment (note 3)		
Advisor Class	(9,154)	-
Common	(9,841)	-
	(18,995)	-
Net assets, beginning of the period (GAAP NAV)		
Advisor Class	4,394,212	-
Common	4,724,247	-
	9,118,459	-
Increase (decrease) in net assets from operations		
Advisor Class	(89,420)	404,243
Common	(590,242)	418,337
	(679,662)	822,580
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class	-	4,004,308
Common	14,013,895	4,330,551
Payment on redemption of units:		
Advisor Class	(1,043,233)	-
Common	-	-
	12,970,662	8,334,859
Distribution to unitholders		
From net investment income:		
Advisor Class	(47,092)	(5,185)
Common	(322,999)	(14,800)

Claymore US Fundamental Index ETF C$ hedged
Statement Changes in Net Assets (continued)

	For the Year Ended December 31, 2007	September 8, 2006* to December 31, 2006
From return of capital:		
Advisor Class	(626)	-
Common	(4,291)	-
	(375,008)	(19,985)
Increase (decrease) in net assets for the period		
Advisor Class	(1,180,371)	4,403,366
Advisor Class	(1,180,371)	4,403,366
Common	13,096,363	4,734,088
	11,915,992	9,137,454
Net assets, end of the period (GAAP NAV)		
Advisor Class	3,213,841	4,403,366
Common	17,820,610	4,734,088
	$ 21,034,451	$ 9,137,454

**Commencement of Operations*

Statement of Cash Flows

		For the Year Ended December 31, 2007		For the period September 8, 2006* to December 31, 2006
Cash flows from operating activities				
Increase (decrease) in net assets from operations	$	(679,662)	$	822,580
Items not affecting cash:				
Net realized (gain) loss on sale of investments		2,777,719		(35,300)
Net realized (gain) loss on settlement of forward agreements		(2,885,180)		437,439
Change in unrealized (appreciation) depreciation in value of investments		1,191,429		(1,189,329)
Change in unrealized (appreciation) depreciation on forward agreements		(8)		213
Change in non-cash working capital items		19,659		(9,455)
		423,957		26,148
Cash flows from investing activities				
Purchase of investments		(36,643,103)		(8,283,549)
Proceeds from sale of investments		21,124,676		375,087
Receipts (payments) for settlement of forward agreements		2,885,180		(437,439)
		(12,633,247)		(8,345,901)
Cash flows from financing activities				
Distribution to unitholders		(391,935)		-
Issuance of units for cash		14,013,895		8,334,859
Payment on redemption of units		(1,043,233)		-
		12,578,727		8,334,859
Net increase in cash		369,437		15,106
Cash, beginning of the period		15,106		-
Cash, end of the period	$	384,543	$	15,106

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore US Fundamental Index ETF C$ Hedged (the “Claymore ETF”) was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated August 15, 2006 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the FTSE RAFI US 1000 Canadian Dollar Hedged Index provided by FTSE International Limited. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the FTSE RAFI US 1000 Canadian Dollar Hedged Index in the same proportion as they are reflected in the FTSE RAFI US 1000 Canadian Dollar Hedged Index.

The Claymore ETF commenced investment operations on September 8, 2006.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 (“NI 81-106”), issued by the Canadian Securities Administrators (“CSA”) in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the “Transactional NAV”) until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as “Net Assets” in the proposal) and one for the purchase and redemption price of an investment fund (referred to as “Net Asset Value” in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Prior to January 1, 2007, fair value was based on the last trading price for the day when available.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF adopted this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The adoption of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

f) The value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on forward agreements. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on forward agreements.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the "GAAP NAV") and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Adoption of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit		
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV	Opening NAV Section 3855 Adjustment
As at December 31, 2007						
Claymore US Fundamental Index ETF C$ Hedged						
Advisor Class	$ 3,217,838	$ (3,997)	$ 3,213,841	$ 20.94	$ 20.92	$ (9,154)
Common	17,842,772	(22,162)	17,820,610	$ 20.97	$ 20.94	(9,841)
Total Net Asset Value	**$ 21,060,610**	**$ (26,159)**	**$ 21,034,451**			**$ (18,995)**

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the periods ended December 31, 2007 and 2006 were as follows:

	December 31, 2007				December 31, 2006			
	Advisor Class Units		Common Units		Advisor Class Units		Common Units	
	Units	Value	Units	Value	Units	Value	Units	Value
Units outstanding, beginning of period	200,209	$ 4,004,308	215,187	$ 4,330,551	-	$ -	-	$ -
Units issued for cash	-	-	635,667	14,013,895	200,209	4,004,308	215,187	4,330,551
Units redeemed	(46,550)	(1,043,233)	-	-	-	-	-	-
Units outstanding, end of period	153,659	$ 2,961,075	850,854	$ 18,344,446	200,209	$ 4,004,308	215,187	$ 4,330,551

5. Expenses

A monthly management fee equal to one-twelfth of 0.65% of the NAV per Common unit of the Claymore ETF plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.65% of the NAV per Advisor Class unit of the Claymore ETF plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter. The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$610,605
Market Value of Collateral Held	$656,412

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in U.S. dollars. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the U.S dollar may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets. As a result, the Claymore ETF entered into a foreign exchange forward contract to hedge the currency risk.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $241,060 [2006: $252,443], which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the year ended December 31, 2007 were nil [2006: nil].

There were no soft dollar amounts during the year ended December 31, 2007 [2006: nil].

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore US Fundamental Index ETF C$ Hedged (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and 2006, the statement of investments as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007 and 2006, their investments as at December 31, 2007 and the results of their operations, changes in their net assets, and cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE INTERNATIONAL FUNDAMENTAL INDEX ETF (CIE)

Management Discussion & Analysis

Fund Overview

The Claymore International Fundamental Index ETF (the "Fund") has been designed to replicate, net of expenses, the performance of the FTSE RAFI Developed ex US 1000 Index (the "Index"), which comprises the top 1,000 non-U.S. listed companies with the largest fundamental value. The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. Claymore may use a sampling methodology in selecting investments for the Fund. Sampling means that Claymore will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics.

The Index weights constituents using four accounting factors, rather than market capitalization. These four factors include:

- **Total cash dividends** (five-year average of all regular and special distributions)
- **Free cash flow** (five-year average of operating income plus depreciation)
- **Total sales** (five-year average total sales)
- **Book equity value** (current period book equity value)

The Index represents 25 separate country/regional indices from Europe, Australasia and the Far East. The Claymore International Fundamental Index ETF seeks to offer the advantages of an active investment strategy with the highlights of a passive investment: lower turnover costs and transparent rules-based selection, while retaining high investment capacity. By using these factors rather than market capitalization to weight stocks, Fundamental Indexation™ seeks to take advantage of price movements by reducing the index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind. In addition, Fundamental Indexation™ seeks to decrease exposure to high P/E stocks during episodes of P/E expansion with the intention of avoiding over-exposure to more overvalued stocks.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. The inception date of this Fund is February 14, 2007, for both the Common Units and the Advisor Units. This report discusses an abbreviated annual fiscal period from the Fund's inception through December 31, 2007.

On a market price basis, the Fund's Common Units generated a total return of -3.77% from the inception date of February 14, 2007 through December 31, 2007, representing a change in market price to $18.86 on December 31, 2007, from a fund inception price of $20.00 on February 14, 2007. For the same period, the Fund's Advisor Class Units generated a total return, on a market price basis, of -4.11%, representing a change in market price to $18.95 on December 31, 2007, from $20.00 on February 14, 2007. On an NAV basis, the Fund's Common Units generated a total return of -4.33%, representing a change in NAV to $18.75 on December 31, 2007, from $20.00 on February 14, 2007. The Fund's Advisor Class Units generated a total return, on an NAV basis, of -5.20%, representing a change in NAV to $18.73 on December 31, 2007, from $20.00 on February 14, 2007. For the same period the FTSE RAFI Developed World ex US Index returned -7.23%, and the MSCI EAFE Index, which tracks performance of markets in 21 developed countries in Europe and the Pacific Basin, returned –8.73%. Claymore believes the Fund's focus on fundamental weighting factors contributed to its outperformance relative to the MSCI EAFE Index.

The Fund's Common Units paid quarterly dividends of $0.1602 on June 29, 2007, $0.0812 on September 28, 2007, and $0.1550 on December 31, 2007. The Fund's Advisor Units paid quarterly dividends of $0.0704 on June 29, 2007, $0.0435 on September 28, 2007, and $0.1200 on December 31, 2007.

Economic and Market Overview

After several years of robust growth, the global economy faces increased risks from the U.S. housing slump and related tightening of credit conditions around the world. Sluggish near-term growth in the U.S. is likely to spill over to other regions. However, the global economy continues to rebalance, becoming less dependent on U.S. demand and more reliant on other regions.

Strong growth in business investment and exports and continued improvement in labor markets enabled Europe's economy to grow at a rate of approximately 2.5% during 2007. Growth at a more modest pace appears likely in 2008, as credit conditions tighten and strong currencies limit exports. Powerful domestic demand, especially in China and India, as well as export gains continue to drive growth of Asian economies. Trade within the region, as well as trade with Europe, should mitigate the impact on Asian economies of a slowdown in the U.S.

Trends in world equity markets were generally positive in 2007, with emerging markets much stronger than developed markets. For Canadians, the movement of the Canadian dollar relative to the U.S. dollar and other global currencies continued to be a major issue during 2007. Canadians investing outside Canada were impacted negatively by the rising dollar, and their investment returns were generally below the returns achieved in each market. Return of the MSCI EAFE Index, which tracks performance of markets in 21 developed countries in Europe and the Pacific Basin, was 3.97% for the year in local currency, but was -5.06% in Canadian dollar terms. Meanwhile the return of the MSCI Emerging Market Index was 33.55% in local currency, but was 18.88% in Canadian dollar terms.

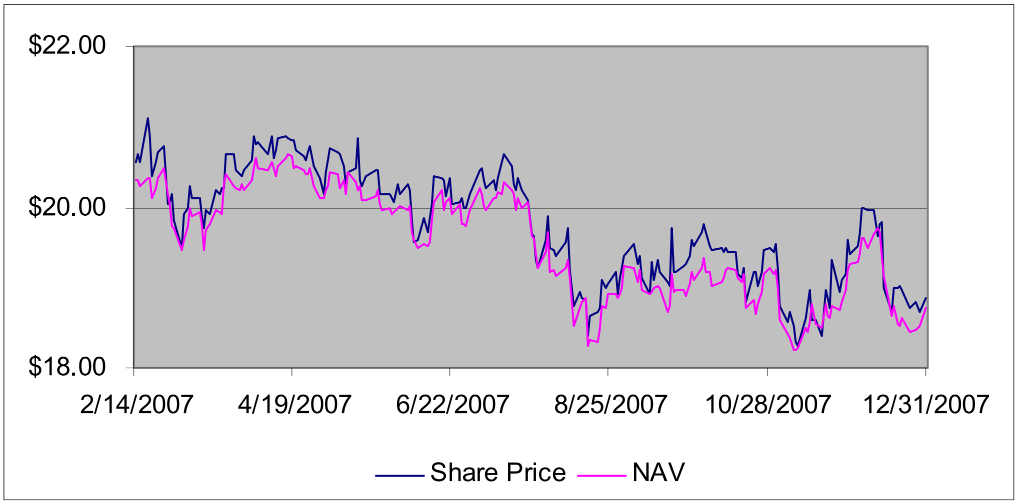
Performance Attribution

Among the 10 sectors into which the Fund's holdings are divided, five produced positive returns and five produced negative returns from the Fund's inception date of February 14, 2007 to December 31, 2007. The sector with the strongest positive impact on the Fund's return was telecommunications, followed by consumer goods. The financials sector had the strongest negative effect on returns.

Holdings that made the greatest contributions to the Fund's returns include China Netcom Group Corp. (Hong Kong) Ltd. (0.3% of net assets), which provides telecommunications services in the growing Chinese market; German automobile manufacturer Volkswagen AG (1.8% of net assets), which reported very strong earnings and is building its business in Russia and India; and German-based E.ON AG (1.7% of net assets), one of the largest public utility companies in Europe. Holdings that detracted from performance include ING Groep N.V. (1.4% of net assets), a diversified global financial institution headquartered in the Netherlands; Swiss bank UBS AG (not held in the portfolio at period end); and HSBC Holdings (2.0% of net assets), a London-based financial services group with substantial involvement in the U.S. mortgage market.

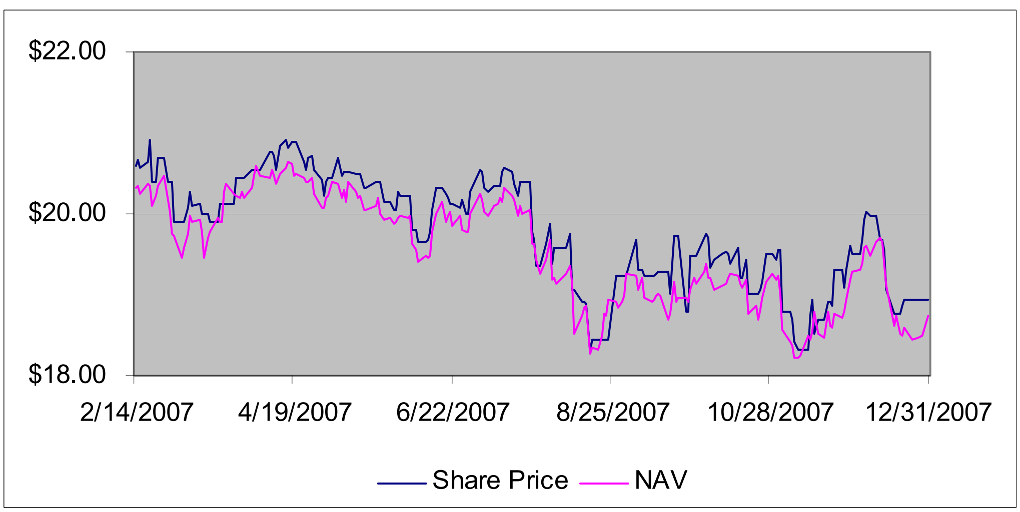
Performance Highlights *as at December 31, 2007*

Claymore International Fundamental Index ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (02/14/07)	Market	NAV
Since inception - annualized	-3.77%	-4.33%

Claymore International Fundamental Index ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (02/14/07)	Market	NAV
Since inception - annualized	-4.11%	-5.20%

Sector Mix	% of Fund's Net Asset Value
ETFs	24.8
Energy	16.5
Financials	15.6
Telecommunication Services	13.3
Consumer Discretionary	9.8
Consumer Staples	6.5
Utilities	5.4
Industrials	3.6
Materials	2.6
Information Technology	1.3
Net Other Assets	0.4
Cash and Cash Equivalents	0.3
Health Care	0.1
Real Estate Investment Trusts	0.1
Forward Contracts	(0.3)
	100.0

Top 25 Issuers	% of Fund's Net Asset Value
1 Claymore Japan Fundamental Index ETF C$ Hedged (Canada) *	20.2
2 Claymore Canadian Fundamental Index ETF (Canada) *	4.8
3 BP PLC (Britian)	3.8
4 Vodafone Group PLC (Britain)	2.9
5 Royal Dutch Shell PLC, Class A (Netherlands)	2.8
6 DaimlerChrysler AG (Germany)	2.6
7 Total SA (France)	2.5
8 ENI SpA (Italy)	2.2
9 Royal Dutch Shell PLC, Class B (Netherlands)	2.1
10 HSBC Holdings PLC (Britain)	2.0
11 StatoilHydro ASA (Norway)	1.9
12 Deutsche Telekom AG (Germany)	1.8
13 E.ON AG (Germany)	1.7
14 Telefonica SA (Spain)	1.6
15 Nestle SA (Switzerland)	1.5
16 China Mobile Ltd. (Hong Kong)	1.5
17 ING Groep NV (Netherlands)	1.4
18 Volkswagen AG (Germany) (Common)	1.3
19 France Telecom SA (France)	1.3
20 Enel SpA (Italy)	1.3
21 Nokia OYJ (Finland)	1.3
22 Allianz AG (Germany)	1.2
23 Unilever PLC (Britain)	1.2
24 Suez SA (France)	1.1
25 Unilever NV (Netherlands)	1.1
	67.1
Total Net Asset Value	***$23,740,252***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Real Estate Investment Trusts			
2,267	Mirvac Group (Australia)	$ 11,498	$ 11,729	0.05%
	Common Stocks			
	Energy			
74,770	BP PLC (Britian)	924,108	902,675	
656	Caltex Australia Ltd. (Australia)	13,822	10,943	
14,567	ENI SpA (Italy)	549,328	525,918	
3,600	Norsk Hydro ASA (Norway)	127,515	50,647	
4,782	Repsol YPF SA (Spain)	185,396	168,092	
16,078	Royal Dutch Shell PLC, Class A (Netherlands)	643,765	666,179	
12,383	Royal Dutch Shell PLC, Class B (Netherlands)	497,987	508,214	
2,088	Santos Ltd. (Australia)	22,361	25,495	
14,437	StatoilHydro ASA (Norway)	466,370	443,216	
7,365	Total SA (France)	600,904	603,114	
		4,031,556	3,904,493	16.46
	Materials			
489	Acerinox SA (Spain)	14,351	11,876	
3,625	Amcor Ltd. (Australia)	24,287	21,236	
1,627	BASF AG (Germany)	208,483	237,191	
2,371	BlueScope Steel Ltd. (Australia)	22,096	19,787	
1,705	Boral Ltd. (Australia)	12,798	9,043	
340	Ciba Specialty Chemicals AG (Switzerland)	23,712	15,516	
997	Clariant AG (Switzerland)	17,509	9,143	
500	Holmen AB (Sweden)	23,084	18,286	
840	James Hardie Industries NV (Netherlands)	6,463	4,666	
519	Lafarge SA (France)	92,444	93,201	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
93	Lonza Group AG (Switzerland)	9,898	11,123	
2,912	OneSteel Ltd. (Australia)	16,858	15,494	
2,992	PaperlinX Ltd. (Australia)	10,304	6,845	
255	Solvay SA (Belgium)	44,059	35,214	
3,790	Stora Enso OYJ (Finland)	72,027	55,892	
2,600	Svenska Cellulosa AB, Class B (Sweden)	51,389	45,261	
		649,762	609,774	2.57
	Industrials			
	Capital Goods			
1,237	Cie de Saint-Gobain (France)	138,015	115,095	
9,000	Citic Pacific Ltd. (Hong Kong)	43,808	49,554	
2,993	European Aeronautic Defence and Space Co. NV (Netherlands)	103,111	94,194	
13,000	Hutchison Whampoa Ltd. (Hong Kong)	146,527	145,542	
1,071	Lend Lease Corp. Ltd. (Australia)	18,393	15,982	
84	Schindler Holding AG (Switzerland)	5,716	5,335	
122	Schindler Holding AG, Registered Shares (Switzerland)	8,539	7,732	
5,000	Shanghai Industrial Holdings Ltd. (Hong Kong)	23,628	21,549	
1,400	Skanska AB (Sweden)	34,002	26,082	
3,500	Swire Pacific Ltd., Class A (Hong Kong)	42,038	47,579	
3,600	Volvo AB (Sweden)	77,537	59,646	
1,360	Wesfarmers Ltd. (Australia)	49,437	47,508	
10,000	Wharf Holdings Ltd. (Hong Kong)	45,435	51,516	
		736,186	687,314	2.90
	Commercial Services & Supplies			
509	Adecco SA (Switzerland)	38,051	27,067	
4,151	Experian Group Ltd. (Jersey)	52,885	32,132	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
1,200	Securitas AB (Sweden)	18,862	16,400	
40	Wing Fat Printing Co. Ltd. (Hong Kong)	-	-	
		109,798	75,599	0.32
	Transportation			
11,000	Cathay Pacific Airways Ltd. (Hong Kong)	32,435	28,264	
4,151	Macquarie Airports (Australia)	15,089	14,461	
7,608	Macquarie Infrastructure Group (Australia)	24,953	19,779	
7,172	Qantas Airways Ltd. (Australia)	35,353	33,624	
		107,830	96,128	0.41
	Total Industrials	953,814	859,041	3.63
	Consumer Discretionary			
	Automobiles & Components			
2,656	Bayerische Motoren Werke AG (Germany)	181,992	163,688	
6,502	DaimlerChrysler AG (Germany)	585,265	621,293	
3,503	Fiat SpA (Italy)	108,856	89,520	
2,094	Peugeot SA (France)	171,648	156,670	
1,053	Renault SA (France)	153,920	147,403	
1,200	Scania AB (Sweden)	29,655	28,220	
516	Valeo SA (France)	31,545	20,982	
1,414	Volkswagen AG (Germany)	241,537	318,543	
674	Volkswagen AG, Preference Shares (Germany)	74,853	96,975	
		1,579,271	1,643,294	6.93
	Consumer Durables & Apparel			
563	AGFA-Gevaert NV (Belgium)	13,891	8,522	
557	Christian Dior SA (France)	76,281	72,136	
1,800	Electrolux AB (Sweden)	45,871	29,754	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
		136,043	110,412	0.47
	Consumer Services			
1,307	Carnival PLC (Britain)	70,817	56,543	
7,847	Compass Group PLC (Britain)	56,833	47,560	
4,884	Ladbrokes PLC (Britain)	44,768	30,849	
1,188	TABCORP Holdings Ltd. (Australia)	18,059	15,216	
		190,477	150,168	0.63
	Media			
3,956	Consolidated Media Holdings Ltd. (Australia)	14,440	14,330	
3,956	Crown Ltd. (Australia)	45,525	46,110	
3,058	Fairfax Media Ltd. (Australia)	13,524	12,243	
83,409	Seat Pagine Gialle SpA (Italy)	56,294	32,497	
4,445	Vivendi SA (France)	205,208	201,209	
		334,991	306,389	1.29
	Retailing			
10,148	Kingfisher PLC (Britain)	53,870	28,849	
499	PPR SA (France)	90,351	79,148	
		144,221	107,997	0.46
	Total Consumer Discretionary	2,385,003	2,318,260	9.78
	Consumer Staples			
	Food & Staples Retailing			
2,175	Carrefour SA (France)	164,249	167,218	
608	Casino Guichard Perrachon SA (France)	65,371	65,230	
527	Delhaize Group (Belgium)	53,473	45,688	
7,398	J Sainsbury PLC (Britain)	89,474	61,480	
7,419	Koninklijke Ahold NV (Netherlands)	110,403	101,809	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
1,548	Metcash Ltd. (Australia)	6,963	5,822	
1,370	Metro AG (Germany)	115,362	113,374	
		605,295	560,621	2.36
	Food Beverage & Tobacco			
622	Altadis SA (Spain)	43,345	44,616	
2,622	AWB Ltd. (Australia)	8,036	6,612	
1,639	Coca-Cola Amatil Ltd. (Australia)	13,377	13,422	
4,034	Goodman Fielder Ltd. (Australia)	8,946	6,537	
1,518	Lion Nathan Ltd. (Australia)	12,115	12,642	
792	Nestle SA (Switzerland)	343,666	357,640	
7,074	Unilever NV (Netherlands)	234,847	256,722	
7,367	Unilever PLC (Britain)	253,701	273,549	
		918,033	971,740	4.10
	Total Consumer Staples	1,523,328	1,532,361	6.46
	Health Care **Health Care Equipment & Services**			
2,683	Symbion Health Ltd. (Australia)	9,687	9,184	0.04
	Pharmaceuticals Biotechnology & Life Sciences			
147	Novartis AG, Registered Shares (Switzerland)	7,904	7,926	0.03
	Total Health Care	17,591	17,110	0.07
	Financials **Banks**			
10,871	Banco Santander SA (Spain)	228,013	231,849	
2,224	BNP Paribas (France)	275,917	238,058	
2,724	Commonwealth Bank of Australia (Australia)	137,865	139,276	
4,273	Credit Agricole SA (France)	185,011	142,123	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
3,428	Dexia SA (Belgium)	116,365	85,229	
200	DnB NOR ASA (Norway)	2,969	3,017	
6,000	Hang Seng Bank Ltd. (Hong Kong)	97,770	122,271	
28,800	HSBC Holdings PLC (Britain)	569,759	475,851	
698	KBC Groep NV (Belgium)	96,180	96,893	
20,598	Lloyds TSB Group PLC (Britain)	247,873	190,926	
4,297	National Australia Bank Ltd. (Australia)	158,034	140,386	
6,400	Nordea Bank AB (Sweden)	114,109	105,255	
1,700	Svenska Handelsbanken AB (Sweden)	55,685	53,607	
		2,285,550	2,024,741	8.54
	Diversified Financials			
4,468	Fortis, (Belgium)	117,316	116,566	
4,677	Fortis NV, (Belgium)	187,548	121,546	
5,077	IFIL - Finanziaria di Partecipazioni SpA (Italy)	56,185	47,326	
800	Industrivarden AB, Class A (Sweden)	18,310	13,743	
1,600	Investor AB, Class B (Sweden)	43,750	35,855	
172	Pargesa Holding SA, Class B (Switzerland)	20,427	18,968	
		443,536	354,004	1.49
	Insurance			
1,298	Allianz AG (Germany)	313,858	277,109	
9,653	Aviva PLC (Britain)	157,264	127,537	
148	Baloise Holding AG (Switzerland)	17,183	14,347	
542	CNP Assurances (France)	70,497	69,215	
8,475	ING Groep NV (Netherlands)	412,963	327,133	
3,793	Insurance Australia Group Ltd. (Australia)	20,354	13,477	
27,190	Legal & General Group PLC (Britain)	89,669	69,711	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
19,415	Old Mutual PLC (Britain)	71,492	63,928	
7,742	Prudential PLC (Britain)	121,160	108,069	
116	Swiss Life Holding (Switzerland)	33,069	28,517	
960	Swiss Reinsurance AG (Switzerland)	93,909	67,243	
457	Zurich Financial Services AG (Switzerland)	147,379	131,966	
		1,548,797	1,298,252	5.47
	Real Estate			
4,467	CFS Retail Property Trust (Australia)	9,573	9,020	
5,251	Commonwealth Property Office Fund (Australia)	7,040	6,985	
5,191	General Property Trust Group (Australia)	23,668	17,994	
		40,281	33,999	0.14
	Total Financials	4,318,164	3,710,996	15.64
	Information Technology **Technology Hardware & Equipment**			
7,727	Nokia OYJ (Finland)	224,623	295,696	1.25
	Semiconductor & Semiconductor Equipment			
88,000	Semiconductor Manufacturing International Corp. (China)	12,556	9,022	0.04
	Total Information Technology	237,179	304,718	1.29
	Telecommunication Services			
1,191	Belgacom SA (Belgium)	59,456	57,968	
26,103	BT Group PLC (Britain)	182,338	139,900	
12,565	Cable & Wireless PLC (Britain)	49,807	45,891	
20,000	China Mobile Ltd. (Hong Kong)	252,628	348,840	
21,500	China Netcom Group Corp. Hong Kong Ltd. (Hong Kong)	62,888	63,544	
40,000	China Unicom Ltd. (Hong Kong)	69,254	90,425	

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
19,170	Deutsche Telekom AG (Germany)	379,423	415,759	
8,920	France Telecom SA (France)	283,407	316,894	
19,000	PCCW Ltd. (Hong Kong)	12,944	11,111	
175	Swisscom AG (Switzerland)	71,275	67,239	
1,300	Tele2 AB (Sweden)	25,051	25,658	
56,119	Telecom Italia SpA (Italy)	184,840	172,484	
24,796	Telecom Italia SpA, Non-Convertible Savings Shares (Italy)	59,363	58,000	
9,000	TeliaSonera AB (Sweden)	77,819	82,803	
11,480	Telefonica SA (Spain)	307,228	367,918	
49,193	Telstra Corp. Ltd. (Australia)	202,622	199,937	
188,294	Vodafone Group PLC (Britain)	638,445	694,357	
		2,918,788	3,158,728	13.32
	Utilities			
7,500	CLP Holdings Ltd. (Hong Kong)	59,316	50,503	
1,939	E.ON AG (Germany)	323,451	407,128	
420	Enagas (Spain)	11,458	12,066	
26,568	Enel SpA (Italy)	320,807	311,872	
77	Fortum OYJ (Finland)	3,301	3,423	
8,000	HongKong Electric Holdings (Hong Kong)	44,629	45,415	
9,603	Snam Rete Gas SpA (Italy)	65,695	60,416	
3,904	Suez SA (France)	233,860	262,347	
1,298	Veolia Environnement (France)	107,572	116,949	
		1,170,089	1,270,119	5.35
	Total Common Stock	18,205,274	17,685,600	74.57

Claymore International Fundamental Index ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Exchange Traded Funds (Canada)			
96,034	Claymore Canadian Fundamental Index ETF (Common)	1,134,517	1,127,439	
271,560	Claymore Japan Fundamental Index ETF C$ Hedged (Common)	5,258,237	4,787,603	
		6,392,754	5,915,042	24.92
		24,609,526	23,612,371	99.54%
	Transaction costs (note 3)	(17,391)	-	
	Total Investments	$24,592,135	23,612,371	99.54%
	Other assets less liabilities		109,075	0.46
	Net Assets		$23,721,446	100.00%

Foreign Currency Forward Contracts

# of Contracts	Forwards	Maturity Date	Forward Value	Fair Value	Unrealized gain (loss)
506,000,000	JPY Forward @ 111.52550	7-Jan-08	4,537,079	4,473,440	(63,639)
(24,000,000)	JPY Forward @ 110.49200	7-Jan-08	(217,210)	(212,178)	5,032
(482,000,000)	JPY Forward @ 113.19000	7-Jan-08	(4,258,327)	(4,261,261)	(2,934)
509,300,000	JPY Forward @ 112.87000	4-Feb-08	4,512,271	4,515,291	3,020
			4,573,813	4,515,292	(58,521)

**Commencement of Operations*

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	23,612,371
Dividends receivable		42,045
Due from brokers		662,306
		24,316,722
Liabilities		
Bank indebtedness		103,882
Accrued management fees		10,779
Accrued service fees		12,037
Forward agreement, at fair value (note 2)		58,521
Due to brokers		403,896
Distribution payable		6,161
		595,276
Net assets representing unitholders' equity	$	23,721,446
Net assets representing unitholders' equity		
Advisor Class	$	5,614,869
Common		18,106,577
	$	23,721,446
Units outstanding (note 4)		
Advisor Class		300,000
Common		966,672
		1,266,672
Net assets per unit		
Advisor Class	$	18.72
Common	$	18.73

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations *for the period from February 14, 2007* to December 31, 2007*

Income		
Dividends	$	453,454
Interest		18
Other		6,596
		460,068
Expenses		
Management fees (note 5)		80,613
Service fees (note 5)		26,470
Interest and bank charges		2,889
		109,972
Net investment income		350,096
Net realized loss on sale of investments		(165,004)
Net realized loss on foreign exchange		(61,765)
Net realized loss on settlement of forward agreements		(203,798)
Transaction costs (note 2)		(20,927)
Change in unrealized depreciation in value of investments		(979,764)
Change in unrealized appreciation in value of currency		7
Change in unrealized depreciation on forward agreements		(58,522)
Net loss on investments		(1,489,773)
Decrease in net assets from operations	$	(1,139,677)
Decrease in net assets from operations		
Advisor Class	$	(236,428)
Common		(903,249)
	$	(1,139,677)
Decrease in net assets from operations per unit		
Advisor Class	$	(1.18)
Common	$	(1.27)

**Commencement of Operations*

Statement of Changes in Net Assets *for the period from February 14, 2007* to December 31, 2007*

Net assets, beginning of the period	
Advisor Class	$ -
Common	-
	-
Decrease in net assets from operations	
Advisor Class	(236,428)
Common	(903,249)
	(1,139,677)
Capital unit transactions (note 4)	
Issuance of units for cash:	
Advisor Class	5,915,565
Common	20,296,730
Amounts paid for redemption of units:	
Advisor Class	-
Common	(978,000)
	25,234,295
Distribution to unitholders	
From net investment income:	
Advisor Class	(58,226)
Common	(279,865)
From return of capital:	
Advisor Class	(6,042)
Common	(29,039)
	(373,172)
Increase in net assets for the period	
Advisor Class	5,614,869
Common	18,106,577
	$ 23,721,446
Net assets, end of the period	
Advisor Class	5,614,869
Common	18,106,577
	$ 23,721,446

**Commencement of Operations*

Statement of Cash Flows *for the period from February 14, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(1,139,677)
Items not affecting cash:		
Net realized loss on sale of investments		165,004
Net realized loss on settlement of forward agreements		203,798
Transaction costs (note 2)		20,927
Change in unrealized depreciation in value of investments		979,764
Change in unrealized depreciation on forward agreements		58,522
Change in non-cash working capital items		(19,229)
		269,109
Cash flows from investing activities		
Purchase of investments		(29,147,927)
Proceeds from sale of investments		4,111,450
Payments for settlement of forward agreements		(203,798)
		(25,240,275)
Cash flows from financing activities		
Distribution to unitholders		(367,011)
Issuance of units for cash		26,212,295
Amounts paid for redemption of units		(978,000)
		24,867,284
Net decrease in cash		(103,882)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(103,882)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore International Fundamental Index ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated August 15, 2006 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the FTSE RAFI Developed ex US 1000 Index provided by FTSE International Limited. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the FTSE RAFI Developed ex US 1000 Index in the same proportion as they are reflected in the FTSE RAFI Developed ex US 1000 Index.

The Claymore ETF commenced investment operations on February 14, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 (“NI 81-106”), issued by the Canadian Securities Administrators (“CSA”) in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the “Transactional NAV”) until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as “Net Assets” in the proposal) and one for the purchase and redemption price of an investment fund (referred to as “Net Asset Value” in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Claymore ETF invests in units of underlying investment funds. The underlying funds will be valued at their net asset value as reported by the fund manager on the valuation date.

3. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

f) The value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on forward agreements. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on forward agreements.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore International Fundamental Index ETF					
Advisor Class	$ 5,619,321	$ (4,452)	$ 5,614,869	$ 18.73	$ 18.72
Common	18,120,931	(14,354)	18,106,577	$ 18.75	$ 18.73
Total Net Asset Value	**$ 23,740,252**	**$ (18,806)**	**$ 23,721,446**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	300,000	$ 5,915,565	1,016,672	$ 20,296,730
Units redeemed	-	-	(50,000)	(978,000)
Units outstanding, end of period	300,000	$ 5,915,565	966,672	$ 19,318,730

5. Expenses

A monthly management fee equal to one-twelfth of 0.65% of the NAV per Common unit of the Claymore ETF plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.65% of the NAV per Advisor Class unit of the Claymore ETF plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and

(iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$2,692,440
Market Value of Collateral Held	$2,894,424

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in currencies other than its reporting currency. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets. As a result, the Claymore ETF entered into a foreign exchange forward contract to hedge the currency risk.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $274,960 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were $20,927.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore International Fundamental Index ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from February 14, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on theses financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from February 14, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE JAPAN FUNDAMENTAL INDEX ETF C$ HEDGED (CJP)

Management Discussion & Analysis

Fund Overview

The Claymore Japan Fundamental Index ETF C$ Hedged Fund (the "Fund") has been designed to replicate the performance of the FTSE RAFI Japan Canadian Dollar Hedged Index (the "Index"), which contains approximately 350 large and mid cap stocks capturing 90% of the Japanese market. The Index is hedged to Canadian dollars. The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. Claymore may use a sampling methodology in selecting investments for the Fund. Sampling means that Claymore will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics.

The Index weights constituents using four accounting factors, rather than market capitalization. These four factors include:

• **Total cash dividends** (five-year average of all regular and special distributions)

• **Free cash flow** (five-year average of operating income plus depreciation)

• **Total sales** (five-year average total sales)

• **Book equity value** (current period book equity value)

The Fund offers the advantages of an active management strategy with the highlights of a passive investment: lower turnover costs and transparent rules-based selection, while retaining high investment capacity. By using these factors rather than market cap to weight stocks, Fundamental Indexation™, which is designed to overcome the limitations of traditional indices based on market capitalization, seeks to take advantage of price movements by reducing the index's holdings in constituents whose prices have risen relative to other constituents, and increasing holdings in companies whose prices have fallen behind. In addition, Fundamental Indexation™ seeks to decrease exposure to high P/E stocks during episodes of P/E expansion with the intention of avoiding over-exposure to more overvalued stocks.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. The inception date of this Fund is February 14, 2007, for both the Common Units and the Advisor Units. This report discusses an abbreviated annual fiscal period from the Fund's inception date of February 14, 2007, through December 31, 2007.

On a market price basis, the Fund's Common Units generated a total return of -10.85% from the inception date through December 31, 2007, representing a change in market price to $17.63 on December 31, 2007, from a closing price of

$20.00 on February 14, 2007. For the same period, the Fund's Advisor Class Units generated a total return, on a market price basis, of -8.86%, representing a change in market price to $18.12 on December 31, 2007, from $20.00 on February 14, 2007. On an NAV basis, the Fund's Common Units generated a total return of -13.22%, representing a change in NAV to $17.16 on December 31, 2007 from $20.00 on February 14, 2007. The Fund's Advisor Class Units generated a total return, on an NAV basis, of -13.87%, representing a change in NAV to $17.12 on December 31, 2007 from $20.00 on February 14, 2007. The FTSE RAFI Japan Canadian Dollar Hedged Index returned -11.64% over the period. Although the Fund's return was negative, the Fund did provide significant outperformance relative to unhedged Japanese stock market benchmarks, including the MSCI Japan Index, which returned -21.41% in Canadian dollars.

The Fund's Common Units made distributions of ordinary income of $0.0495 on June 29, 2007, and $0.0859 on December 31, 2007, and a capital gains distribution of $0.0714 on December 31, 2007. The Fund's Advisor Units made a distribution of ordinary income of $0.0362 and a capital gains distribution of $0.0713 on December 31, 2007.

Economic and Market Overview

Japan's economy continued to expand at a moderate rate of approximately 2% in 2007, consistent with the pace of recent years and a bit faster than most estimates of the nation's long-term growth rate. Positive trends in consumer spending were supported by improving labor markets and rising disposable income. Business investment grew steadily, supported by strong profits and solid global growth, especially in other Asian markets. Net exports have contributed to growth in recent years, and the housing-related slowdown in the U.S. should not have a great effect on Japan's economy, since many of its exports go to other parts of Asia with rapidly expanding economies.

Despite the strength of the Japanese economy, Japan's equity market declined in 2007 in local Yen currency, particularly during the last half of the year. The return of the Nikkei-225 Stock Average (which tracks the 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange) was -11.13% for the year, and the return of the Tokyo Stock Price Index (which tracks all domestic companies of the Tokyo Stock Exchange's First Section, which consists of approximately 1,600 companies) was -12.22% over the same period.

Performance Attribution

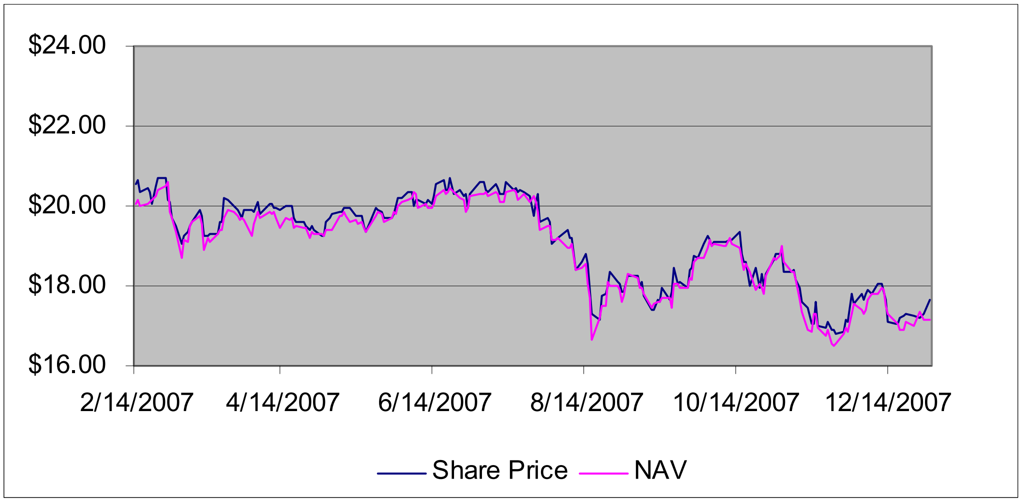
The oil & gas sector was the only one of the 10 industry sectors that produced a positive return for the Fund for the period from the Fund's inception date of February 14, 2007, to December 31, 2007. The weakest sectors were financials, consumer services and utilities, each of which was down more than 30% over the same period.

Holdings that made the greatest positive contributions to the Fund's returns include Mitsubishi Corporation (3.63% of net assets), a diversified manufacturing, energy, materials and services company; Inpex Holdings Inc. (1.30% of net assets), a holding company engaged in the exploration, development, supply and shipping of natural resources; and Mitsui & Co., Ltd. (2.90% of net assets), a diversified trading company.

Positions that detracted from performance include automotive manufacturer Toyota Motor Corp. (7.77% of net assets), utility Tokyo Electric Power Co. Inc. (not held in the portfolio at period end), and Mitsubishi UFJ Financial Group Inc. (1.90% of net assets), a bank holding company.

Performance Highlights *as at December 31, 2007*

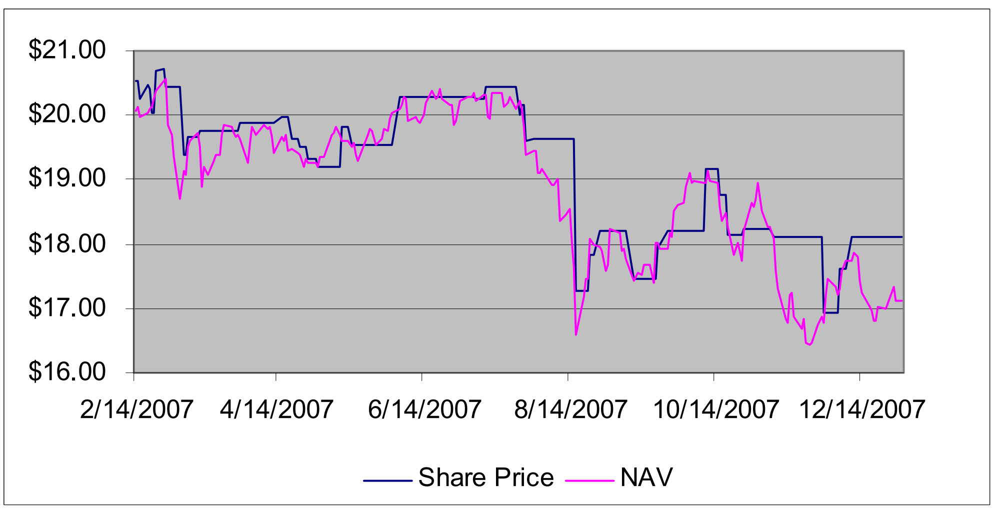
Claymore Japan Fundamental Index ETF C$ hedged
Share Price & NAV Performance - Common Class



Total Returns - Common Class

Inception (02/14/07)	Market	NAV
Since inception - cumulative	-10.85%	-13.22%

Claymore Japan Fundamental Index ETF C$ hedged
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class

Inception (02/14/07)	Market	NAV
Since inception - cumulative	-8.86%	-13.87%

Sector Mix	% of Fund's Net Asset Value
Industrials	28.5
Consumer Discretionary	26.5
Telecommunication Services	9.0
Utilities	8.0
Materials	6.3
Financials	6.2
Information Technology	5.5
Energy	2.9
Health Care	2.6
ETFs	1.5
Forwards	1.4
Consumer Staples	1.0
Net Other Assets	0.4
Cash and Cash Equivalents	0.2
	100.0

Top 25 Issuers	% of Fund's Net Asset Value
1 Nippon Telegraph & Telephone Corp.	9.0
2 Toyota Motor Corp.	7.8
3 Sony Corp.	3.8
4 Nissan Motor Co. Ltd.	3.7
5 Hitachi Ltd.	3.7
6 Mitsubishi Corp.	3.6
7 Matsushita Electric Industrial Co. Ltd.	3.4
8 Honda Motor Co. Ltd.	3.4
9 Tokyo Electric Power Co. Inc.	3.2
10 Mitsui & Co. Ltd.	2.9
11 Toshiba Corp.	2.2
12 Canon Inc.	2.2
13 East Japan Railway Co.	2.1
14 Mitsubishi UFJ Financial Group Inc.	1.9
15 Kansai Electric Power Co. Inc.	1.8
16 Fujitsu Ltd.	1.8
17 Marubeni Corp.	1.8
18 ITOCHU Corp.	1.8
19 Chubu Electric Power Co. Inc.	1.7
20 Nippon Oil Corp.	1.6
21 Takeda Pharmaceutical Co. Ltd.	1.5
22 Powershares FTSE RAFI Japan Portfolio	1.5
23 FUJIFILM Holdings Corp.	1.5
24 NEC Corp.	1.5
25 Nippon Steel Corp.	1.4
	70.8
Total Net Asset Value	***$11,487,707***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Common Stocks			
	Energy			
14	Inpex Holdings Inc.	$ 135,326	$ 148,421	
23,000	Nippon Oil Corp.	197,419	184,704	
		332,745	333,125	2.91%
	Materials			
10,000	Asahi Kasei Corp.	81,966	65,552	
10,000	Dainippon Ink and Chemicals Inc.	46,744	49,474	
2,900	JFE Holdings Inc.	194,100	144,498	
7,000	Mitsui Chemicals Inc.	68,981	45,206	
7,000	Nippon Light Metal Co. Ltd.	18,532	11,997	
19	Nippon Paper Group Inc.	76,947	56,064	
26,000	Nippon Steel Corp.	183,226	158,722	
14,000	OJI Paper Co. Ltd.	82,669	67,655	
10,000	Showa Denko KK	37,416	35,250	
10,000	Teijin Ltd.	60,656	42,229	
2,600	Toyo Seikan Kaisha Ltd.	53,448	45,365	
		904,685	722,012	6.31
	Industrials			
	Capital Goods			
7,000	Hino Motors Ltd.	44,432	44,959	
57,000	Hitachi Ltd.	429,218	417,964	
21,000	ITOCHU Corp.	241,166	201,110	
12,000	Kajima Corp.	38,396	38,483	
29,000	Marubeni Corp.	213,086	202,657	
15,400	Mitsubishi Corp.	413,237	414,959	

Claymore Japan Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
26,000	Mitsubishi Heavy Industries Ltd.	166,853	109,796	
16,000	Mitsui & Co. Ltd.	344,357	331,473	
68,000	Sanyo Electric Co. Ltd.	118,236	92,515	
9,000	Shimizu Corp.	57,410	38,722	
11,300	Sumitomo Corp.	217,354	158,431	
17,000	Taisei Corp.	64,461	45,206	
35,000	Toshiba Corp.	267,790	255,716	
2,700	Toyota Tsusho Corp.	82,093	71,798	
		2,698,089	2,423,789	21.18
	Commercial Services & Supplies			
7,000	Dai Nippon Printing Co. Ltd.	115,767	101,112	
9,000	Toppan Printing Co. Ltd.	102,260	87,144	
		218,027	188,256	1.65
	Transportation			
13	Central Japan Railway Co.	164,034	109,222	
29	East Japan Railway Co.	245,195	235,450	
33,000	Japan Airlines System Corp.	80,441	74,051	
12,000	Nippon Express Co. Ltd.	76,580	60,852	
10,000	Nippon Yusen KK	98,259	78,186	
19	West Japan Railway Co.	98,388	93,160	
		762,897	650,921	5.69
	Total Industrials	3,679,013	3,262,966	28.52
	Consumer Discretionary			
	Automobiles & Components			
7,200	Bridgestone Corp.	165,084	126,009	

Claymore Japan Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
13,000	Fuji Heavy Industries Ltd.	75,238	59,722	
11,700	Honda Motor Co. Ltd.	382,305	384,515	
60,000	Mitsubishi Motors Corp.	105,635	99,654	
39,100	Nissan Motor Co. Ltd.	472,331	424,880	
16,700	Toyota Motor Corp.	1,178,543	889,649	
		2,379,136	1,984,429	17.34
	Consumer Durables & Apparel			
4,100	FUJIFILM Holdings Corp.	200,609	170,604	
19,000	Matsushita Electric Industrial Co. Ltd.	410,064	388,588	
8,000	Sony Corp.	434,815	437,487	
		1,045,488	996,679	8.71
	Retailing			
10,600	Daiei Inc.	54,725	56,188	0.49
	Total Consumer Discretionary	3,479,349	3,037,296	26.54
	Consumer Staples **Food & Staples Retailing**			
6,300	Aeon Co. Ltd.	94,034	90,833	
3,000	UNY Co. Ltd.	25,969	25,417	
		120,003	116,250	1.02
	Health Care **Health Care Equipment & Services**			
500	Alfresa Holdings Corp.	33,781	29,772	
1,000	Suzuken Co. Ltd.	34,505	35,162	
		68,286	64,934	0.57

Claymore Japan Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Pharmaceuticals Biotechnology & Life Sciences			
2,100	Daiichi Sankyo Co. Ltd.	61,745	63,821	
3,000	Takeda Pharmaceutical Co. Ltd.	222,881	173,599	
		284,626	237,420	2.07
	Total Health Care	352,912	302,354	2.64
	Financials			
	Banks			
3,000	77th Bank Ltd.	22,085	18,473	
3,000	Gunma Bank Ltd.	22,696	19,560	
3,000	Hachijuni Bank Ltd.	23,556	19,931	
3,000	Hiroshima Bank Ltd.	19,095	15,982	
23,600	Mitsubishi UFJ Financial Group Inc.	220,415	217,252	
1,000	San-In Godo Bank Ltd.	7,577	7,889	
		315,424	299,087	2.61
	Diversified Financials			
2,020	Acom Co. Ltd.	40,876	40,778	
2,200	Aiful Corp.	61,282	38,600	
1,200	Credit Saison Co. Ltd.	40,169	32,334	
900	Hitachi Capital Corp.	18,313	11,330	
4,300	Mitsubishi UFJ Lease & Finance Co. Ltd.	141,305	139,798	
6,000	Orient Corp.	9,755	10,177	
2,000	Promise Co. Ltd.	69,322	49,120	
2,140	Takefuji Corp.	49,227	51,235	
		430,249	373,372	3.26

Claymore Japan Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Insurance			
5,000	Aioi Insurance Co. Ltd.	35,972	23,191	
3,000	Nissay Dowa General Insurance Co. Ltd.	19,827	14,418	
		55,799	37,609	0.33
	Total Financials	801,472	710,068	6.20
	Information Technology **Software & Services**			
31,000	Fujitsu Ltd.	237,554	205,130	
37,000	NEC Corp.	192,328	168,016	37,000
		429,882	373,146	3.26
	Technology Hardware & Equipment			
5,500	Canon Inc.	316,697	252,668	2.21
	Total Information Technology	746,579	625,814	5.47
	Telecommunication Services			
209	Nippon Telegraph & Telephone Corp.	1,210,119	1,032,150	9.02
	Utilities			
7,600	Chubu Electric Power Co. Inc.	272,612	195,049	
9,500	Kansai Electric Power Co. Inc.	298,500	209,821	
6,200	Tohoku Electric Power Co. Inc.	136,722	137,483	
14,500	Tokyo Electric Power Co. Inc.	366,775	368,931	
		1,074,609	911,284	7.96
	Total Common Stocks	12,701,486	11,053,319	96.59
	Exchange Traded Funds			
3,500	Powershares FTSE RAFI Japan Portfolio (United States)	171,708	170,990	1.49
		12,873,194	11,224,309	98.08
	Transaction costs (note 2)	(4,431)	-	
	Total Investments	$12,868,763	11,224,309	98.08%

Claymore Japan Fundamental Index ETF C$ hedged
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Other assets less liabilities		219,274	1.92
	Net Assets		$11,443,583	100.00%

Foreign Currency Forward Contracts

# of Contracts	Forwards	Forward Value	Fair Value	Unrealized gain (loss)
(1,336,000,000)	JPY Forward @ 111.52550	(11,979,323)	(11,811,296)	168,027
61,800,000	JPY Forward @ 110.49200	559,317	546,361	(12,956)
1,274,200,000	JPY Forward @ 113.19000	11,257,178	11,264,935	7,757
(1,256,100,000)	JPY Forward @ 112.87000	(11,128,732)	(11,136,181)	(7,449)
		(11,291,560)	(11,136,181)	155,379

**Commencement of Operations*

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	11,224,309
Dividend receivable		6,685
Due from brokers		99,108
Forward agreements, at fair value (note 2)		155,379
		11,485,481
Liabilities		
Bank indebtedness		30,580
Accrued management fees		6,797
Accrued service fees		4,501
Distribution payable		20
		41,898
Net assets representing unitholders' equity	$	11,443,583
Net assets representing unitholders' equity		
Advisor Class	$	1,068,992
Common		10,374,591
	$	11,443,583
Units outstanding (note 4)		
Advisor Class		62,687
Common		607,055
		669,742
Net assets per unit		
Advisor Class	$	17.05
Common	$	17.09

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations *for the period from February 14, 2007* to December 31, 2007*

Income		
Dividends	$	129,422
Interest		194
Other		2,864
		132,480
Expenses		
Management fees (note 5)		61,664
Service fees (note 5)		10,356
Interest and bank charges		3,690
		75,710
Net investment income		56,770
Net realized loss on sale of investments		(887,315)
Net realized loss on foreign exchange		(56,203)
Net realized gain on settlement of forward agreements		760,087
Transaction costs (note 2)		(9,171)
Change in unrealized depreciation in value of investments		(1,644,456)
Change in unrealized depreciation in foreign exchange loss		(1,464)
Change in unrealized appreciation on forward agreements		155,379
Net loss on investments		(1,683,143)
Decrease in net assets from operations	$	(1,626,373)
Decrease in net assets from operations		
Advisor Class	$	(117,849)
Common		(1,508,524)
	$	(1,626,373)
Decrease in net assets from operations per unit		
Advisor Class	$	(1.53)
Common	$	(3.23)

**Commencement of Operations*

Statement of Changes in Net Assets *for the period from February 14, 2007* to December 31, 2007*

Net assets, beginning of the period	
Advisor Class	$ -
Common	-
	-
Decrease in net assets from operations	
Advisor Class	(117,849)
Common	(1,508,524)
	(1,626,373)
Capital unit transactions (note 4)	
Issuance of units for cash:	
Advisor Class	3,245,196
Common	11,954,561
Payments on redemption of units:	
Advisor Class	(2,056,083)
Common	-
Reinvested capital gains distributions (note 4):	
Advisor Class	4,471
Common	43,372
	13,191,517
Distribution to unitholders	
From net investment income:	
Advisor Class	(2,272)
Common	(71,446)
From net realized gain:	
Advisor Class	(4,471)
Common	(43,372)
	(121,561)
Increase in net assets for the period	
Advisor Class	1,068,992
Common	10,374,591
	$ 11,443,583
Net assets, end of the period	
Advisor Class	$ 1,068,992
Common	10,374,591
	$ 11,443,583

**Commencement of Operations*

Statement of Cash Flows *for the period from February 14, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(1,626,373)
Items not affecting cash:		
Net realized loss on sale of investments		887,315
Net realized gain on settlement of forward agreements		(760,087)
Transaction costs (note 2)		9,171
Change in unrealized depreciation in value of investments		1,644,456
Change in unrealized appreciation on forward agreements		(155,379)
Change in non-cash working capital items		4,613
		3,716
Cash flows from investing activities		
Purchase of investments		(19,250,043)
Proceeds from sale of investments		5,385,684
Receipts for settlement of forward agreements		760,087
		(13,104,272)
Cash flows from financing activities		
Issuance of units for cash		15,199,757
Payment on redemption of units		(2,056,083)
Distribution to unitholders		(73,698)
		13,069,976
Net decrease in cash		(30,580)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(30,580)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Japan Fundamental Index ETF C$ Hedged (the "Claymore ETF") was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated August 15, 2006 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the FTSE RAFI Japan Canadian Dollar Hedged Index provided by FTSE International Limited. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the FTSE RAFI Japan Canadian Dollar Hedged Index in the same proportion as they are reflected in the FTSE RAFI Japan Canadian Dollar Hedged Index.

The Claymore ETF commenced investment operations on February 14, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Claymore ETF invests in units of underlying investment funds. The underlying funds will be valued at their net asset value as reported by the fund manager on the valuation date.

3. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

f) The value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on forward agreements. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on forward agreements.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore Japan Fundamental Index ETF C$ Hedged					
Advisor Class	$ 1,073,114	$ (4,122)	$ 1,068,992	$ 17.12	$ 17.05
Common	10,414,593	(40,002)	10,374,591	$ 17.16	$ 17.09
Total Net Asset Value	**$11,487,707**	**($44,124)**	**$11,443,583**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	165,000	$ 3,245,196	607,055	$ 11,954,561
Reinvested capital gains distributions [1]	-	4,471	-	43,372
Units redeemed	(102,313)	(2,056,083)	-	-
Units outstanding, end of period	62,687	$ 1,193,584	607,055	$ 11,997,933

[1] The Claymore ETF had capital gains distributions during the period. The final annual capital gains distributions were not paid in cash but reinvested and used to increase the investors' adjusted cost base of the Claymore ETF.

5. Expenses

A monthly management fee equal to one-twelfth of 0.65% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.65% of the NAV per Advisor Class unit of the Claymore ETF, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.
The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$1,040,367
Market Value of Collateral Held	$1,118,414

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in Japanese Yen. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the Japanese Yen may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets. As a result, the Claymore ETF entered into a foreign exchange forward contract to hedge the currency risk.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were $9,171.

There were no soft dollar amounts during the period ended December 31, 2007.

11. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore Japan Fundamental Index ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from February 14, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from February 14, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE EUROPE FUNDAMENTAL INDEX ETF

Statement of Net Assets *as at December 31, 2007*

		2007
Assets		
Cash	$	20
Net assets representing unitholders' equity	$	20
Net assets representing unitholders' equity		
Common	$	20
Units outstanding (note 1)		
Common		1
Net assets per unit		
Common	$	20.00

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Changes in Net Assets *for the period from April 5, 2007* to December 31, 2007*

Net assets, beginning of the period	
Common	$ -
Capital unit transactions (note 1)	
Issuance of units for cash:	
Common	20
Net assets, end of the period	
Common	$ 20

*Commencement of Operations

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Europe Fundamental Index ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on February, 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated April 5, 2007 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate the performance of the FTSE RAFI Europe Index, net of expenses. The investment strategy of the Claymore ETF is to invest in and hold the Constituent Securities of the FTSE RAFI Europe Index in the same proportion as they are reflected in the FTSE RAFI Europe Index.

On April 5, 2007 the Claymore ETF issued 1 Common unit for $20.00 cash.

2. Commitments

A monthly management fee equal to one-twelfth of 0.65% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.65% of the NAV per Advisor Class unit of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The monthly management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Common unit for each Common unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

AUDITORS' REPORT

To the Unitholders of
Claymore Europe Fundamental Index ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and the changes in net assets for the period from April 5, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007, and the changes in their net assets for the period from April 5, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE CDN DIVIDEND & INCOME ACHIEVERS ETF (CDZ)

Management Discussion & Analysis

Fund Overview

The Claymore CDN Dividend & Income Achievers ETF (the "Fund") has been designed to replicate, net of expenses, the performance of Mergent's Canadian Dividend & Income Achievers™ Index (the "Index"). The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. Claymore may use a sampling methodology in selecting investments for the Fund. Sampling means that Claymore will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics.

The Index consists of some of the issuers in Mergent's Dividend Achievers and a group of Canadian income trusts and real estate investment trusts ("REITs"). Mergent's Canadian Dividend Achievers™ constitutes 70% of the total weight of the index and Canadian income trusts and REITs constitute the remaining 30%. The constituents are weighted using a modified yield weighting system. The Index provider, Mergent, Inc., ("Mergent") identifies, on a yearly basis, companies with a stream of increases in dividend payments, designated the "Dividend Achievers." The Index seeks to identify and select a diversified group of dividend and distribution paying companies that have consistently increased their annual dividends and payments to shareholders. The Index represents a diversified portfolio of leading high-yield equity securities in Canada weighted based on yield and quality and selected by Mergent using a rules-based methodology including consistent growth of dividend and distribution payments.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. On an NAV basis, the Fund's Common Units generated a total return of 6.62%, representing a change in NAV to $21.59 on December 31, 2007, from $21.00 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on an NAV basis, of 5.79%, representing a change in NAV to $21.59 on December 31, 2007, from $20.99 on December 31, 2006. On a market price basis, the Fund's Common Units generated a total return of 5.63%, representing a change in market price to $21.44 on December 31, 2007, from $21.05 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on a market price basis, of 5.07%, representing a change in market price to $21.50 on December 31, 2007, from $21.05 on December 31, 2006. For the 12-month period ended December 31, 2007, the Index returned 7.12% and the DJ Canada Select Dividend Index returned -0.41%. Claymore believes that the outperformance of the Fund and the Index relative to the DJ Canada Select Dividend Index demonstrates the advantages of the structure of the Fund and Index focusing on companies that grow their dividends as opposed to the DJ Canada Select Dividend Index, which focuses only on companies that pay high dividend yields.

On March 30, 2007, the Fund's Common Units paid a quarterly dividend of $0.2127, and the Fund's Advisor Units paid a quarterly dividend of $0.1692. Beginning in the second calendar quarter of 2007, the Fund's dividends are paid monthly.

On the last day of the months April through August 2007, the Fund paid dividends of $0.070 on the Common Units and $0.055 on the Advisor Units. On the last day of the months September through November 2007, the Fund paid dividends of $0.060 on the Common Units and $0.0455 on the Advisor Units. On December 31, 2007, the Fund paid dividends of $0.061 on the Common Units and $0.0455 on the Advisor Units.

Economic and Market Overview

Economic growth in Canada remained solid throughout 2007, although somewhat slower in the last half of the year than in the first half; it now appears that real GDP growth for the full year 2007 was similar to the 2.8% pace of the prior year. Strong employment trends supported solid gains in domestic demand. Residential and business investment continued to grow, and businesses continued to accumulate inventory. Real imports rose more than real exports, reflecting the pronounced strength of the Canadian dollar.

At year-end 2007, the economic weakness developing in the U.S. is an important influence on economic and market trends in Canada. Although considerable manufacturing activity continues, Canadian manufacturing has been hurt by the strength of the Canadian dollar. The Bank of Canada has begun decreasing interest rates, not because of weakness in the economy, but because of concerns that further currency appreciation could stifle growth.

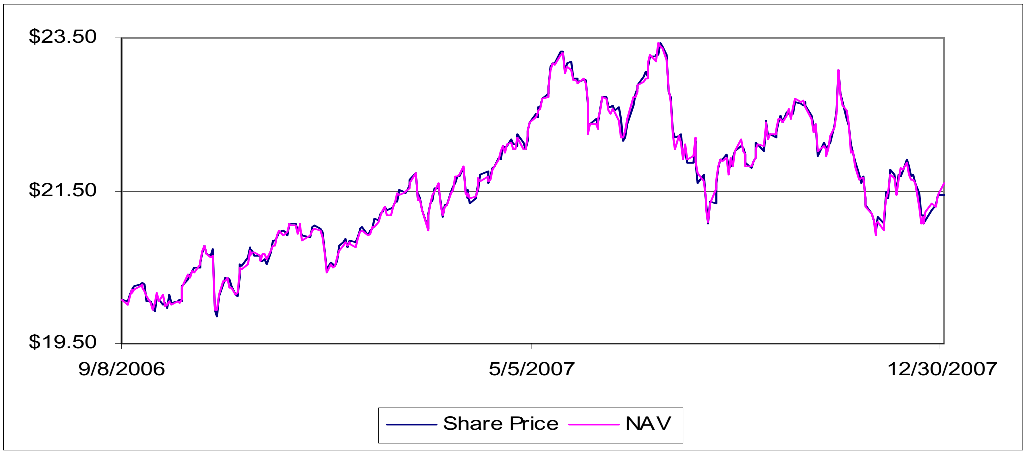
The Canadian stock market moved up during 2007, after generating a return of more than 17% in 2006. For the 12 months ended December 31, 2007, the S&P/TSX Composite Index (the “S&P/TSX”) produced a total return of 9.83%. (The S&P/TSX is a widely used measure of the overall Canadian stock market. Companies included in the S&P/TSX represent approximately 71% of market value of Canadian-based companies listed on the Toronto Stock Exchange.) However, in the last half of the year, the S&P/TSX declined in an environment of considerable volatility. The best-performing sectors in the market were information technology, materials and telecommunication services. Since information technology and telecommunication are relatively small sectors, the materials sector, which has a weight of almost 17% in the S&P/TSX as of December 31, 2007, and posted a return of more than 30%, was a major driver of the strong return of the S&P/TSX. Sectors with negative returns for the year were consumer staples, health care and financials. The financial sector is very large, representing approximately 29.5% of the S&P/TSX as of December 31, 2007. Within the financial sector, insurance and diversified financials, with returns of 9.3% and 11.7%, respectively, contributed to returns. However the large banks sub-sector had a negative return of -6.8%, and the real estate investment trusts sub-sector sector had a negative return of -8.6%.

Performance Attribution

For the 12 months ended December 31, 2007, the Fund’s strongest gains came from the consumer staples sector, followed by the utilities sector. Only the consumer discretionary sector had a negative return, and this sector represented less than 2% of the fund’s assets. Among the strongest contributors to the Fund’s return were Fording Canadian Coal Trust (not held in the portfolio at period end), a royalty trust that controls some of Canada’s senior metallurgical coal mining properties; Energy Savings Income Fund (5.7% of net assets), a limited-purpose trust established to hold the securities and distribute the income of several utility companies; and Saputo Inc. (2.6% of net assets), a cheese maker that reported strong earnings on favorable pricing and demand trends, helped by a large acquisition. Most of the detractors from the Fund's performance were in the financial sector; these holdings include Canadian Imperial Bank of Commerce, National Bank of Canada and Bank of Montreal (2.2%, 2.7% and 2.8% of net assets, respectively).

Performance Highlights *as at December 31, 2007*

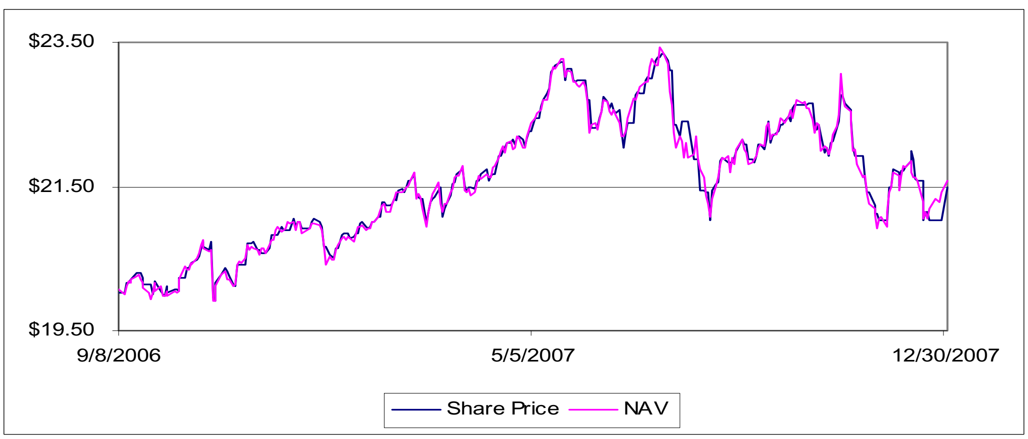
Claymore CDN Dividend & Income Achievers ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class

Inception (09/08/06)	Market	NAV
One year	5.63%	6.62%
Since inception - annualized	9.28%	9.87%

Claymore CDN Dividend & Income Achievers ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class

Inception (09/08/06)	Market	NAV
One year	5.07%	5.79%
Since inception - annualized	8.67%	9.02%

Sector Mix	% of Fund's Net Assets
Financials	45.6%
Energy	16.4%
Utilities	12.4%
Real Estate Investment Trusts	10.9%
Industrials	6.3%
Consumer Staples	4.7%
Consumer Discretionary	1.9%
Materials	1.5%
Cash and Cash Equivalents	0.6%
Net Other Assets	-0.3%
	100%

Top 25 Issuers	% of Fund's Net Assets
Energy Savings Income Fund	5.7%
AltaGas Income Trust	5.3%
CI Financial Income Fund	4.0%
Cominar Real Estate Investment Trust	3.8%
RioCan Real Estate Investment Trust	3.6%
H&R Real Estate Investment Trust	3.6%
TransCanada Corp.	3.5%
Enbridge Inc.	3.3%
Bank of Nova Scotia	3.0%
IGM Financial Inc.	3.0%
Great-West Lifeco Inc.	3.0%
First Capital Realty Inc.	2.9%
Bank of Montreal	2.8%
Power Financial Corp.	2.8%
Sun Life Financial Inc.	2.7%
National Bank of Canada	2.7%
Toronto-Dominion Bank	2.7%
Saputo Inc.	2.6%
Fortis Inc.	2.5%
Canadian Utilities Ltd., Class A	2.5%
Royal Bank of Canada	2.5%
Power Corp. of Canada	2.3%
Canadian Imperial Bank of Commerce	2.2%
AGF Management Ltd., Class B, Non-Voting Shares	2.0%
Manulife Financial Corp.	2.0%
	77.0%
Total Net Assets	**$39,400,758**

The summary of investment portfolio may change due to ongoing portfoliotransactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Real Estate Investment Trusts			
72,695	Cominar Real Estate Investment Trust	$ 1,579,298	$ 1,478,616	
70,789	H&R Real Estate Investment Trust	1,573,968	1,400,914	
64,978	RioCan Real Estate Investment Trust	1,498,887	1,417,820	
	Total Real Estate Investment Trusts	4,652,153	4,297,350	10.93%
	Income Trusts			
	Energy			
79,435	AltaGas Income Trust	2,107,045	2,089,141	
		2,107,045	2,089,141	5.31
	Financials			
	Diversified Financials			
55,399	CI Financial Income Fund	1,524,091	1,547,848	3.94
		1,524,091	1,547,848	3.94
	Utilities			
135,209	Energy Savings Income Fund	1,979,907	2,251,230	
		1,979,907	2,251,230	5.72
	Total Income Trusts	5,611,043	5,888,219	14.97
	Canadian Common Stocks			
	Energy			
2,601	Canadian Natural Resources Ltd.	168,408	188,781	
32,036	Enbridge Inc.	1,177,559	1,281,760	
30,754	Ensign Energy Services Inc.	572,289	468,999	
15,837	Husky Energy Inc.	645,413	705,222	
6,231	Imperial Oil Ltd.	275,650	340,088	
33,938	TransCanada Corp.	1,315,920	1,374,828	
		4,155,239	4,359,678	11.08
	Materials			
14,825	CCL Industries, Class B, Non-Voting Shares	531,562	572,393	1.46
		531,562	572,393	1.46
	Industrials			
	Capital Goods			
16,911	Finning International Inc.	450,080	484,669	
9,528	SNC-Lavalin Group Inc.	347,780	458,678	
24,482	Toromont Industries Ltd.	636,248	689,903	
		1,434,108	1,633,250	4.15
	Commercial Services & Supplies			
24,322	Transcontinental Inc., Class A	509,807	381,855	0.97
	Transportation			
9,586	Canadian National Railway Co.	487,880	447,187	1.14
	Total Industrials	2,431,795	2,462,292	6.26

Claymore CDN Dividend & Income Achievers ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Consumer Discretionary			
	Media			
18,847	Thomson Corp.	827,986	759,157	1.93
		827,986	759,157	1.93
	Consumer Staples			
	Food & Staples Retailing			
11,658	Empire Co. Ltd., Class A	497,927	500,128	
11,921	Metro Inc., Class A	404,884	314,118	
		902,811	814,246	2.07
	Food Beverage & Tobacco			
34,272	Saputo Inc.	729,051	1,022,334	
		729,051	1,022,334	2.60
	Total Consumer Staples	1,631,862	1,836,580	4.67
	Financials			
	Banks			
19,747	Bank of Montreal	1,305,005	1,110,769	
23,751	Bank of Nova Scotia	1,176,758	1,191,350	
12,339	Canadian Imperial Bank of Commerce	1,092,537	870,516	
13,607	Canadian Western Bank	344,228	426,172	
9,052	Home Capital Group Inc.	319,915	378,645	
20,027	National Bank of Canada	1,038,600	1,044,809	
19,487	Royal Bank of Canada	1,021,370	987,796	
15,009	Toronto-Dominion Bank	1,020,196	1,042,375	
		7,318,609	7,052,432	17.93
	Diversified Financials			
27,278	AGF Management Ltd., Class B, Non-Voting Shares	782,734	793,517	
23,848	IGM Financial Inc.	1,209,357	1,193,115	
		1,992,091	1,986,632	5.05
	Insurance			
33,132	Great-West Lifeco Inc.	1,085,626	1,175,523	
17,356	Industrial Alliance Insurance and Financial Services Inc.	634,260	738,151	
19,466	Manulife Financial Corp.	747,717	787,400	
22,826	Power Corp. of Canada	823,264	914,866	
26,637	Power Financial Corp.	1,001,328	1,085,990	
19,298	Sun Life Financial Inc.	942,037	1,072,776	
		5,234,232	5,774,706	14.68
	Real Estate			
21,327	Brookfield Properties Corp.	401,801	408,199	
47,994	First Capital Realty Inc.	1,245,621	1,152,816	
		1,647,422	1,561,015	3.97
	Total Financials	16,192,354	16,374,785	41.63

Claymore CDN Dividend & Income Achievers ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description		Average Cost		Fair Value	% of Net Assets
	Utilities					
11,775	Atco Ltd., Class I		599,472		645,859	
21,384	Canadian Utilities Ltd., Class A		954,849		987,085	
34,562	Fortis Inc.		906,885		999,533	
			2,461,206		2,632,477	6.69
	Total Canadian Common Stocks		28,232,004		28,997,362	73.72
	Total Investments	$	38,495,200		39,182,931	99.62%
	Other assets less liabilities				147,932	0.38
	Net Assets			$	39,330,863	100.00%

Statement of Net Assets *as at December 31, 2007*

		2007		2006
Assets				
Investments, at fair value (note 2)	$	39,182,931		$ 16,736,957
Cash		148,369		-
Interest receivable		-		9,151
Dividends receivable		149,478		63,927
Due from brokers		1,373,288		-
		40,854,066		16,810,035
Liabilities				
Bank indebtedness		-		4,320
Accrued management fees		58,039		4,086
Accrued service fees		24,763		2,552
Due to brokers		1,440,401		-
		1,523,203		10,958
Net assets representing unitholders' equity	$	39,330,863	$	16,799,077
Net assets representing unitholders' equity				
Advisor Class	$	12,930,553	$	8,397,854
Common		26,400,310		8,401,223
	$	39,330,863	$	16,799,077
Units outstanding (note 4)				
Advisor Class		600,000		400,000
Common		1,224,800		400,000
		1,824,800		800,000
Net assets per unit				
Advisor Class	$	21.55	$	20.99
Common	$	21.55	$	21.00

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Income		
Interest	$ 623,272	$ 111,202
Dividends	663,731	161,644
Other	1,474	-
	1,288,477	272,846
Expenses		
Management fees (note 5)	186,163	32,497
Service fees (note 5)	79,671	19,648
Interest and bank charges	829	-
	266,663	52,145
Net investment income	1,021,814	220,701
Net realized loss on sale of investments	(57,126)	-
Net realized loss on foreign exchange	(80)	(1)
Change in unrealized appreciation (depreciation) in value of investments	(12,885)	738,377
Net gain (loss) on investments	(70,091)	738,376
Increase in net assets from operations	$ 951,723	$ 959,077
Increase in net assets from operations		
Advisor Class	$ 405,168	$ 469,414
Common	546,555	489,663
	$ 951,723	$ 959,077
Increase in net assets from operations per unit		
Advisor Class	$ 0.87	$ 1.17
Common	$ 0.63	$ 1.22

*Commencement of Operations

Statement of Changes in Net Assets

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Net assets, beginning of the period (Transactional NAV)		
Advisor Class	$ 8,397,854	$ -
Common	8,401,223	-
	16,799,077	-
Opening NAV Section 3855 Adjustment (note 3)		
Advisor Class	(18,879)	-
Common	(18,883)	-
	(37,762)	-
Net assets, beginning of the period (GAAP NAV)		
Advisor Class	8,378,975	-
Common	8,382,340	-
	16,761,315	-
Increase in net assets from operations		
Advisor Class	405,168	469,414
Common	546,555	489,663
	951,723	959,077
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class	4,441,640	8,000,000
Common	18,196,420	8,000,000
	22,638,060	16,000,000
Distribution to unitholders		
From net investment income:		
Advisor Class	(265,065)	(59,648)
Common	(650,927)	(73,718)
From return of capital:		
Advisor Class	(30,165)	(11,912)
Common	(74,078)	(14,722)
	(1,020,235)	(160,000)
Increase in net assets for the period		
Advisor Class	4,551,578	8,397,854
Common	18,017,970	8,401,223
	22,569,548	16,799,077
Net assets, end of the period (GAAP NAV)		
Advisor Class	12,930,553	8,397,854
Common	26,400,310	8,401,223
	$ 39,330,863	$ 16,799,077

*Commencement of Operations

Statement of Cash Flows

		For the Year Ended December 31, 2007		For the period September 8, 2006* to December 31, 2006
Cash flows from operating activities				
Increase in net assets from operations	$	951,723	$	959,077
Items not affecting cash:				
Net realized loss on sale of investments		57,126		-
Change in unrealized (appreciation) depreciation in value of investments		12,885		(738,377)
Change in non-cash working capital items		(236)		(66,440)
		1,021,498		154,260
Cash flows from investing activities				
Purchase of investments		(38,824,555)		(15,998,582)
Proceeds from sale of investments		16,337,921		2
		(22,486,634)		(15,998,580)
Cash flows from financing activities				
Issuance of units for cash		22,638,060		16,000,000
Distribution to unitholders		(1,020,235)		(160,000)
		21,617,825		15,840,000
Net increase (decrease) in cash		152,689		(4,320)
Bank indebtedness, beginning of the period		(4,320)		-
Cash (bank indebtedness), end of the period	$	148,369	$	(4,320)

*Commencement of Operations

1. Establishment of Fund

Claymore CDN Dividend & Income Achievers ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated August 15, 2006 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the Mergent's Canadian Dividend & Income Achievers Index provided by Mergent Inc. ("Mergent"). The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the Mergent's Canadian Dividend & Income Achievers Index in the same proportion as they are reflected in the Mergent's Canadian Dividend & Income Achievers Index.

The Claymore ETF commenced investment operations on September 8, 2006.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Prior to January 1, 2007, fair value was based on the last trading price for the day when available.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on the Net Asset Value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF adopted this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The adoption of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the year-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the year divided by the weighted average number of units outstanding per class during the year.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Adoption of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value						Net Asset Value Per Unit					
		Transactional NAV		Section 3855 Adjustment		GAAP NAV		Transactional NAV		GAAP NAV		Opening NAV Section 3855 Adjustment
As at December 31, 2007												
Claymore CDN Dividend & Income Achievers ETF												
Advisor Class	$	12,953,533	$	(22,980)	$	12,930,553	$	21.59	$	21.55	$	(18,879)
Common		26,447,225		(46,915)		26,400,310	$	21.59	$	21.55		(18,883)
Total Net Asset Value	**$**	**39,400,758**	**$**	**(69,895)**	**$**	**39,330,863**					**$**	**(37,762)**

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the periods ended December 31, 2007 and 2006 were as follows:

	December 31, 2007				December 31, 2006			
	Advisor Class Units		Common Units		Advisor Class Units		Common Units	
	Units	Value	Units	Value	Units	Value	Units	Value
Units outstanding, beginning of period	400,000	$ 8,000,000	400,000	$ 8,000,000	-	$ -	-	$ -
Units issued for cash	200,000	4,441,640	824,800	18,196,420	400,000	8,000,000	400,000	8,000,000
Units outstanding, end of period	600,000	$ 12,441,640	1,224,800	$ 26,196,420	400,000	$ 8,000,000	400,000	$ 8,000,000

5. Expenses

A monthly management fee equal to one-twelfth of 0.60% of the net asset value ("NAV") per Common unit of the Claymore ETF, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.60% of the NAV per Advisor Class unit of the Claymore ETF, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such

agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$4,670,502
Market Value of Collateral Held	$5,020,878

7. Financial Instruments and Credit Risk

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Fund will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder's proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carry Forwards

The Claymore ETF has capital losses of $53,460 [2006: nil] which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the year ended December 31, 2007 were nil [2006: nil].

There were no soft dollar amounts during the year ended December 31, 2007 [2006: nil].

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, "Financial Instruments – Disclosure" and Section 3863, "Financial Instruments – Presentation". The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore CDN Dividend & Income Achievers ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and 2006, the statement of investments as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007 and 2006, their investments as at December 31, 2007 and the results of their operations, changes in their net assets, and cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE GLOBAL MONTHLY YIELD HOG ETF

Statement of Net Assets *as at December 31, 2007*

		2007
Assets		
Cash	$	20
Net assets representing unitholders' equity	$	20
Net assets representing unitholders' equity		
Common	$	20
Units outstanding (note 1)		
Common		1
Net assets per unit		
Common	$	20.00

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Changes in Net Assets ***for the period from April 5, 2007* to December 31, 2007***

Net assets, beginning of the period	
Common	$ -
Capital unit transactions (note 1)	
Issuance of units for cash:	
Common	20
Net assets, end of the period	
Common	$ 20

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Global Monthly Yield Hog ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on February, 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated April 5, 2007 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate the performance of the Zacks Global Yield Hog Index, net of expenses. The investment strategy of the Claymore ETF is to invest in and hold the Constituent Securities of the Zacks Global Yield Hog Index in the same proportion as they are reflected in the Zacks Global Yield Hog Index.

On April 5, 2007 the Claymore ETF issued 1 Common unit for $20.00 cash.

2. Commitments

A monthly management fee equal to one-twelfth of 0.60% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.60% of the NAV per Advisor Class unit of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The monthly management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be

AUDITORS' REPORT

To the Unitholders of
Claymore Global Monthly Yield Hog ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and the changes in net assets for the period from April 5, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007, and the changes in their net assets for the period from April 5, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE S&P/TSX PREFERRED SHARE INDEX ETF (CPD)

Management Discussion & Analysis

Fund Overview

The Claymore S&P/TSX CDN Preferred Share ETF (the “Fund”) has been designed to replicate, to the extent possible, the performance of the S&P/TSX Preferred Share Index™ (the “Index”). S&P/TSX Preferred Share Index™ is a trademark of Standard and Poor’s (“S&P”), a division of The McGraw-Hill Companies, Inc. The investment strategy of the Fund is to invest in and hold a proportionate share of the constituents of the Index in the same proportion as they are reflected in the Index.

The Index is designed to serve the investment community’s need for an investable benchmark representing the Canadian preferred share market. The Index measures the performance of a selected group of preferred shares listed on the Toronto Stock Exchange. The Index is comprised of preferred shares issued by Canadian entities that meet criteria relating to minimum size, liquidity, issuer rating and exchange listing determined by S&P. The Index is based on a float capitalization weighted scheme and calculated by the divisor methodology used in S&P’s equity indices. The Index is rebalanced twice a year, in January and July, when Index shares and constituents are reviewed.

Preferred shares are a class of equity security which pays a specified dividend that must be paid before any dividends can be paid to common share holders, and which takes precedence over common shares in the event of the company’s liquidation. Although preferred shares represent a share ownership interest in a company, preferred shares generally do not carry voting rights and have economic characteristics similar to fixed income securities. Preferred shares generally are issued with a fixed par value and pay dividends based on a percentage of that par value at a fixed or variable rate. Additionally, preferred shares often have a liquidation value that generally equals the original purchase price of the preferred share at the date of issuance.

Fund Performance

All Fund returns cited – whether based on net asset value (“NAV”) or market price – assume the reinvestment of all distributions. For the abbreviated annual period from the Fund’s inception date of April 10, 2007, through December 31, 2007, the Fund’s Common Units generated a total return on a market price basis of -6.35%, representing a change in market price to $18.10 on December 31, 2007, from $20.00 on April 10, 2007. The Fund’s Advisor Class Units generated a total return, on a market price basis, of -8.22%, representing a change in market price to $17.80 on December 31, 2007, from $20.00 on April 10, 2007. On an NAV basis, the Fund’s Common Units generated a total return of -7.09%, representing a change in NAV to $17.95 on December 31, 2007, from $20.00 on April 10, 2007. The Fund’s Advisor Class Units generated a total return, on an NAV basis, of -7.44%, representing a change in NAV to $17.95 on December 31, 2007, from $20.00 on April 10, 2007. For the period from April 10, 2007, through December 31, 2007, the Index generated a total return of -6.95%. For the full year 2007, the total return of the Index was -6.56%.

The Fund's Common Units paid quarterly dividends of $0.1998 on June 29, 2007, $0.2185 on September 28, 2007, and $0.2219 on December 31, 2007. The Fund's Advisor Class Units paid quarterly dividends of $0.1790 on June 29, 2007, $0.1930 on September 28, 2007, and $0.1978 on December 31, 2007.

Economic and Market Overview

Economic growth in Canada remained solid throughout 2007, although somewhat slower in the last half of the year than in the first half; it now appears that real GDP growth for the year was similar to the 2.8% pace of the prior year. Strong employment trends supported solid gains in domestic demand. Residential and business investment continued to grow, and businesses continued to accumulate inventory. Real imports rose more than real exports, reflecting the pronounced strength of the Canadian dollar.

At year-end 2007, the economic weakness developing in the U.S. is an important influence on economic and market trends in Canada. Although considerable manufacturing activity continues, Canadian manufacturing has been hurt by the strength of the Canadian dollar. The Bank of Canada has begun decreasing interest rates, not because of weakness in the economy, but because of concerns that further currency appreciation could stifle growth.

The Canadian stock market posted positive returns for 2007, after generating a return of more than 17% in 2006. For the 12 months ended December 31, 2007, the S&P/TSX Composite Index produced a total return of 9.83%. (The S&P/TSX index is a widely used measure of the overall Canadian stock market.) However, in the last half of the year, the S&P/TSX Composite Index declined in an environment of considerable volatility.

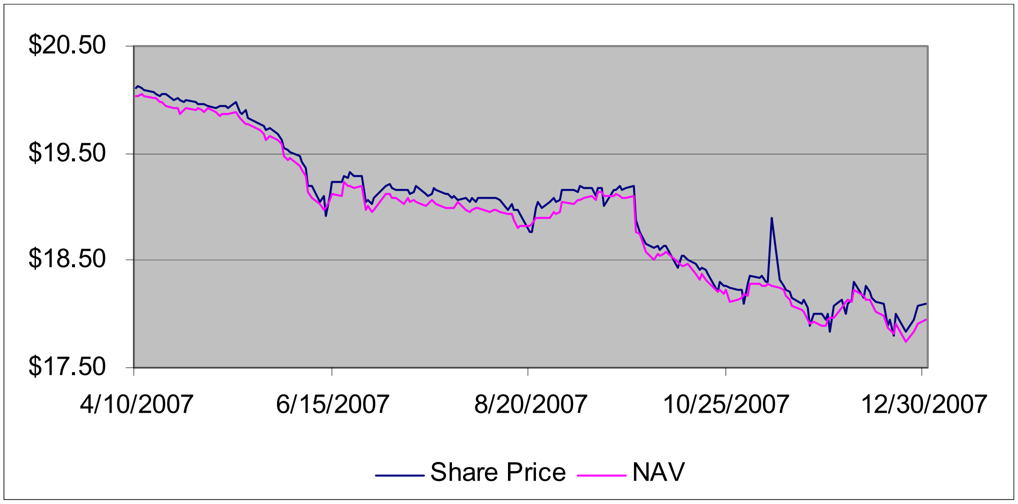
Bond returns were also positive in 2007, although bond returns were negative in the last quarter; the main bond index, the Scotia Capital Universe Index, returned 3.7%. Bond yields increased approximately 50 basis points during the first half of the year, pushing prices down. The Bank of Canada increased the overnight interest rate target by 0.25% in July, but lowered it by 0.25% in December, citing lower than expected inflation and the strength of the Canadian dollar.

Performance Attribution

For the period from the inception date of April 10, 2007, through December 31, 2007, total returns were negative in nine of the Fund's 10 industry sectors; only the telecommunications services sector had a positive return. The worst performing sector was financials. Among the holdings that made positive contributions to performance were three preferred issues of BCE Inc., a telecommunications company that is in the process of a leveraged buy-out by the Ontario Teachers' Pension Plan. (Securities of this issuer represent 7.9% of net assets.) Positions that detracted from performance were more focused on straight (perpetual) preferred shares, which are issued without a maturity date. These included three preferred issues of Sun Life Financial Inc., an international life insurance company (securities of this issuer represent 5.3% of net assets), and other straight preferred shares issued by several of the largest Canadian financial services companies in Canada, including Royal Bank of Canada, Canadian Imperial Bank of Commerce, Toronto Dominion Bank, and Bank of Nova Scotia (securities of these issuers represent 5.1%, 6.6%, 5.8% and 5.1% of net assets, respectively).

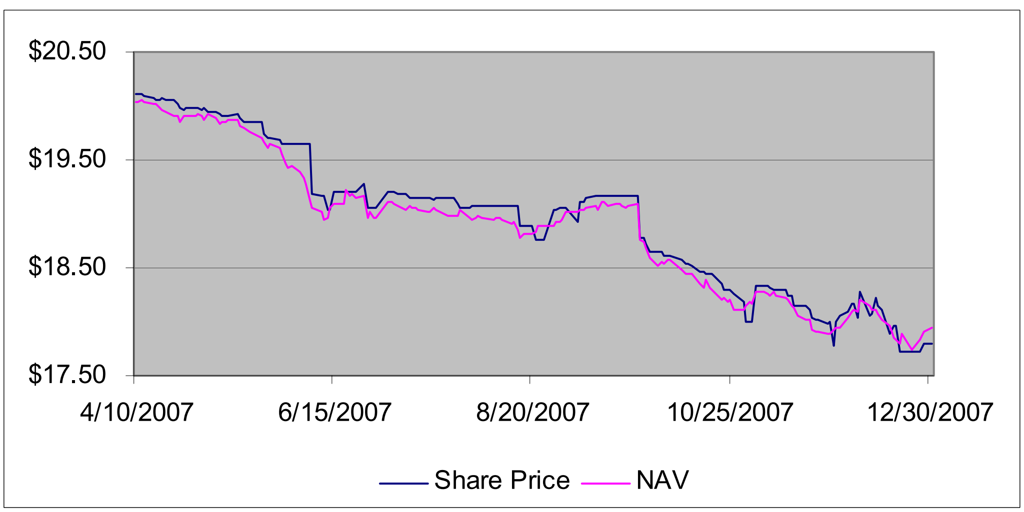
Performance Highlights *as at December 31, 2007*

Claymore S&P/TSX CDN Preferred Share ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (04/10/07)	Market	NAV
Since inception - non-annualized	-6.35%	-7.09%

Claymore S&P/TSX CDN Preferred Share ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (04/10/07)	Market	NAV
Since inception - non-annualized	-8.22%	-7.44%

Sector Mix	% of Fund's Net Asset Value
Preferred Shares	
Financials	77.1
Telecommunication Services	7.9
Utilities	4.9
Energy	3.9
Consumer Staples	3.6
Consumer Discretionary	2.4
Cash and Cash Equivalents	0.9
Net Other Assets	(0.7)
	100.0

Top 25 Issuers	% of Fund's Net Asset Value
1 Great-West Lifeco Inc., Series E, 4.80%	3.4
2 BCE Inc., Series AC, 5.54%	2.9
3 BCE Inc., Series AA, 5.45%	2.9
4 Canadian Imperial Bank of Commerce, Series 23, 5.30%	2.4
5 Toronto-Dominion Bank, Series O, 4.85%	2.3
6 IGM Financial Inc., Series A, 5.75%	2.3
7 Toronto Dominion Bank, Series M, 4.70%	2.2
8 Canadian Imperial Bank of Commerce, Series 31, 4.70%	2.2
9 Manulife Financial Corp., Class A, Series 1, 4.10%	2.1
10 Sun Life Financial Inc, Series 1, 4.75%.	2.1
11 BCE Inc., Series 16, 4.40%	2.1
12 Canadian Imperial Bank of Commerce, Class A, Series 30, 4.80%	2.0
13 Manulife Financial Corp., Series 2, 4.65%	1.9
14 Royal Bank of Canada, Series N, 4.70%	1.8
15 Bank of Nova Scotia, Class J, Series 12, 5.25%	1.8
16 Bank of Nova Scotia, Series 14, 4.50%	1.8
17 Bank of Montreal, Series 13, 4.50%	1.8
18 Sun Life Financial Inc., Class A,Series 2, 4.80%	1.7
19 Premium Income Corp., Series A, 5.75%	1.7
20 Great-West Lifeco Inc., Series G, 5.20%	1.7
21 Royal Bank of Canada, Series W, 4.90%	1.7
22 YPG Holdings Inc., Series 1, 4.25%	1.6
23 Bank of Nova Scotia, Series 13, 4.80%	1.6
24 George Weston Ltd., Series II, 5.15%	1.6
25 Great-West Lifeco Inc., Series H, 4.85%	1.6
	51.2

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio as at December 31, 2007

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Preferred Stocks			
	Energy			
13,263	Enbridge Inc., Series A, 5.50%	$ 333,497	$ 334,758	
10,611	TransCanada Pipelines Ltd., Series X, 5.60%	556,197	532,884	
10,611	TransCanada Pipelines Ltd., Series Y, 5.60%	555,401	534,370	
15,916	Westcoast Energy Inc., Series 7, 5.50%	405,055	359,861	
		1,850,150	1,761,873	3.93%
	Consumer Discretionary Media			
15,916	Thomson Corp., Series B, 4.38%	403,619	371,002	
31,832	YPG Holdings Inc., Series 1, 4.25%	771,010	728,953	
		1,174,629	1,099,955	2.46
	Consumer Staples Food & Staples Retailing			
24,935	George Weston Ltd., Series I, 5.80%	606,291	491,220	
28,118	George Weston Ltd., Series II, 5.15%	723,396	711,385	
21,221	George Weston Ltd., Series IV, 5.20%	490,565	394,074	
		1,820,252	1,596,679	3.56
	Financials Banks			
37,137	Bank of Montreal, Series 13, 4.50%	824,608	785,448	
21,221	Bank of Montreal, Series 5, 5.30%	549,245	526,281	
26,527	Bank of Montreal, Series 6, 4.75%	671,859	667,685	
31,832	Bank of Nova Scotia, Class J, Series 12, 5.25%	821,656	789,434	
31,832	Bank of Nova Scotia, Series 13, 4.80%	783,181	724,815	
36,607	Bank of Nova Scotia, Series 14, 4.50%	817,328	788,881	

Claymore S&P/TSX Preferred Share ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
42,443	Canadian Imperial Bank of Commerce, Class A, Series 30, 4.80%	1,007,072	893,000	
42,443	Canadian Imperial Bank of Commerce, Series 23, 5.30%	1,102,583	1,084,842	
47,748	Canadian Imperial Bank of Commerce, Series 31, 4.70%	1,138,851	974,537	
18,569	HSBC Bank Canada, Series C, 5.10%	472,920	437,486	
18,569	HSBC Bank Canada, Series D, 5.00%	468,635	437,486	
21,221	National Bank of Canada, Series 15, 5.85%	553,455	527,554	
21,221	National Bank of Canada, Series 16, 4.85%	512,138	460,708	
31,832	Royal Bank of Canada, Series AB, 4.70%	768,828	709,854	
31,832	Royal Bank of Canada, Series N, 4.70%	801,719	804,713	
31,832	Royal Bank of Canada, Series W, 4.90%	791,717	749,962	
37,137	Toronto Dominion Bank, Series M, 4.70%	988,101	977,074	
21,221	Toronto-Dominion Bank, Series N, 4.60%	561,250	554,080	
45,096	Toronto-Dominion Bank, Series O, 4.85%	1,123,163	1,045,325	
		14,758,309	13,939,165	31.12
	Diversified Financials			
37,403	5Banc Split Inc., Series B, 4.75%	379,421	373,656	
14,265	Allbanc Split Corp. II, 4.25%	356,965	356,625	
21,221	BAM Split Corp., Series 3, 4.35%	487,883	396,833	
27,267	Dividend 15 Split Corp., 5.25%	286,390	282,486	
16,513	DundeeWealth Inc., Series 1, 4.75%	389,339	379,799	
46,327	Faircourt Income & Growth Split Trust, 6.25%	465,643	451,688	
38,199	IGM Financial Inc., Series A, 5.75%	1,044,625	1,031,754	
31,832	Life & Banc Split Corp., 5.25%	334,689	320,548	
50,595	Premium Income Corp., Series A, 5.75%	792,456	767,526	
31,832	ROC Pref II Corp., 4.65%	753,875	699,349	

Claymore S&P/TSX Preferred Share ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
27,485	ROC Pref III Corp., 4.40%	523,240	389,188	
38,323	World Financial Split Corp., 5.25%	395,229	381,314	
		6,209,755	5,830,766	13.02
	Insurance			
10,646	E-L Financial Corp. Ltd., Series 1, 5.30%	263,588	219,308	
59,108	Great-West Lifeco Inc., Series E, 4.80%	1,601,177	1,541,536	
31,832	Great-West Lifeco Inc., Series G, 5.20%	799,066	759,193	
31,832	Great-West Lifeco Inc., Series H, 4.85%	771,249	713,672	
13,307	Industrial Alliance Insurance and Financial Services Inc., Series A, 4.60%	311,098	275,455	
37,137	Manulife Financial Corp., Class A, Series 1, 4.10%	965,989	958,877	
37,137	Manulife Financial Corp., Series 2, 4.65%	893,661	839,668	
31,832	Manulife Financial Corp., Series 3, 4.50%	747,428	705,397	
21,221	Power Corp. of Canada, Series B, 5.35%	521,260	498,694	
15,916	Power Corp. of Canada, Series C, 5.80%	409,681	402,834	
26,527	Power Corp. of Canada., Series D, 5.00%	649,825	619,671	
21,221	Power Financial Corp., Series E, 5.25%	521,052	513,973	
21,221	Power Financial Corp., Series I, 6.00%	552,131	545,380	
26,527	Power Financial Corp., Series K, 4.95%	647,013	624,711	
42,443	Sun Life Financial Inc, Series 1, 4.75%.	1,033,233	935,868	
34,485	Sun Life Financial Inc., Class A,Series 2, 4.80%	840,853	773,154	
31,832	Sun Life Financial Inc., Series 4, 4.45%	732,662	662,424	
		12,260,966	11,589,815	25.88
	Real Estate			
26,527	Brookfield Asset Management Inc., Series 10, 5.75%	707,246	682,274	
26,524	Brookfield Asset Management Inc., Series 13, 4.025%	645,771	480,084	

Claymore S&P/TSX Preferred Share ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
27,761	Brookfield Asset Management Inc., Series 2, 4.025%	677,122	499,698	
21,221	Brookfield Properties Corp., Series F, 6.00%	552,507	518,005	
21,221	Brookfield Properties Corp., Series H, 5.75%	553,383	522,037	
21,221	Brookfield Properties Corp., Series J, 5.00%	531,277	468,984	
		3,667,306	3,171,082	7.08
	Total Financials	36,896,336	34,530,828	77.10
	Telecommunication Services			
37,365	BCE Inc., Series 16, 4.40%	950,434	921,047	
53,054	BCE Inc., Series AA, 5.45%	1,295,239	1,294,518	
53,054	BCE Inc., Series AC, 5.54%	1,304,207	1,313,086	
		3,549,880	3,528,651	7.88
	Utilities			
15,916	Atco Ltd., Series 3, 5.75%	432,263	423,366	
15,916	Canadian Utilities Ltd., Series W, 5.80%	413,517	410,792	
15,916	Canadian Utilities Ltd., Series X, 6.00%	420,491	413,816	
12,247	CU Inc., Series 1, 4.60%	277,000	252,043	
13,307	Fortis Inc., 4.90%	316,622	282,907	
14,324	Nova Scotia Power Inc., Series D, 5.90%	432,544	393,194	
		2,292,437	2,176,118	4.86
	Total Preferred Stocks	47,583,684	44,694,104	99.79
	Total Investments	$47,583,684	44,694,104	99.79%
	Other assets less liabilities		95,714	0.21
	Net Assets		$44,789,818	100.00%

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	44,694,104
Dividends receivable		148,183
Due from brokers		142,292
		44,984,579
Liabilities		
Bank indebtedness		134,953
Accrued management fees		18,229
Accrued service fees		5,059
Due to brokers		36,520
		194,761
Net assets representing unitholders' equity	$	44,789,818
Net assets representing unitholders' equity		
Advisor Class	$	5,371,295
Common		39,418,523
	$	44,789,818
Units outstanding (note 4)		
Advisor Class		300,000
Common		2,201,500
		2,501,500
Net assets per unit		
Advisor Class	$	17.90
Common	$	17.91

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations *for the period from April 10, 2007* to December 31, 2007*

Income		
Dividends	$	1,169,115
Interest		52
Securities lending		147
		1,169,314
Expenses		
Management fees (note 5)		105,551
Service fees (note 5)		11,886
Interest and bank charges		99
		117,536
Net investment income		1,051,778
Net realized loss on sale of investments		(333,169)
Change in unrealized depreciation in value of investments		(2,889,580)
Net loss on investments		(3,222,749)
Decrease in net assets from operations	$	(2,170,971)
Decrease in net assets from operations		
Advisor Class	$	(231,805)
Common		(1,939,166)
	$	(2,170,971)
Decrease in net assets from operations per unit		
Advisor Class	$	(1.39)
Common	$	(1.32)

**Commencement of Operations*

Statement of Changes in Net Assets *for the period from April 10, 2007* to December 31, 2007*

Net assets, beginning of the period *		
Advisor Class	$	-
Common		-
		-
Decrease in net assets from operations		
Advisor Class		(231,805)
Common		(1,939,166)
		(2,170,971)
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class		5,718,940
Common		42,613,129
Amounts paid for redemption of units:		
Advisor Class		-
Common		(155,402)
		48,176,667
Distribution to unitholders		
From net investment income:		
Advisor Class		(66,615)
Common		(632,593)
From return of capital:		
Advisor Class		(49,225)
Common		(467,445)
		(1,215,878)
Increase in net assets for the period		
Advisor Class		5,371,295
Common		39,418,523
	$	44,789,818
Net assets, end of the period		
Advisor Class	$	5,371,295
Common		39,418,523
	$	44,789,818

**Commencement of Operations*

Statement of Cash Flows *for the period from April 10, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(2,170,971)
Items not affecting cash:		
Net realized loss on sale of investments		333,169
Change in unrealized depreciation in value of investments		2,889,580
Change in non-cash working capital items		(124,895)
		926,883
Cash flows from investing activities		
Purchase of investments		(56,325,926)
Proceeds from sale of investments		8,303,301
		(48,022,625)
Cash flows from financing activities		
Distribution to unitholders		(1,215,878)
Issuance of units for cash		48,332,069
Amounts paid for redemption of units		(155,402)
		46,960,789
Net decrease in cash		(134,953)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(134,953)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore S&P/TSX CDN Preferred Share ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on February 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated April 5, 2007 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the S&P/TSX Preferred Share Index provided by Standard & Poor's. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the S&P/TSX Preferred Share Index in the same proportion as they are reflected in the S&P/TSX Preferred Share Index.

The Claymore ETF commenced investment operations on April 10, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore S&P/TSX CDN Preferred Share ETF					
Advisor Class	$ 5,385,542	$ (14,247)	$ 5,371,295	$ 17.95	$ 17.90
Common	39,523,074	(104,551)	39,418,523	$ 17.95	$ 17.91
Total Net Asset Value	**$ 44,908,616**	**$ (118,798)**	**$ 44,789,818**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	300,000	$ 5,718,940	2,210,000	$ 42,613,129
Units redeemed	-	-	(8,500)	(155,402)
Units outstanding, end of period	300,000	$ 5,718,940	2,201,500	$ 42,457,727

5. Expenses

A monthly management fee equal to one-twelfth of 0.45% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.45% of the NAV per Advisor Class unit of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 0.50% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.50% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such

agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$2,138,203
Market Value of Collateral Held	$2,298,609

7. Financial Instruments and Credit Risk

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash, amounts due from brokers and investments in preferred stocks. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder's proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $115,252 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were nil.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, "Financial Instruments – Disclosure" and Section 3863, "Financial Instruments – Presentation". The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore S&P/TSX CDN Preferred Share ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from April 10, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from April 10, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE OIL SANDS SECTOR ETF (CLO)

Management Discussion & Analysis

Fund Overview

The Claymore Oil Sands Sector ETF (the "Fund") has been designed to replicate the performance, net of expenses, of the Sustainable Wealth Oil Sands Sector Index™ (the "Index"). The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index.

The Index was designed to give investors the maximum exposure to one of the fastest growing industries in the Canadian energy sector and one of the largest reserves of oil in the world. The Index is restricted to companies that are highly focused on oil sands production and are expected to increase their oil sands production in the next 10 years. The weightings in the Index are based on a proprietary mathematical formula that focuses on five key factors. By focusing on the following five factors, the Index is designed to invest in the companies that best represent the current and future production of oil sands:

- Current oil sands production measured in barrels per day
- Projected 10-year forward oil sands production measured in barrels per day
- Oil sands production as a percentage of total production
- Market liquidity
- Market capitalization

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. On a market price basis, the Fund's Common Units generated a total return of 22.54%, representing a change in market price to $24.39 on December 31, 2007, from $20.35 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on a market price basis, of 19.31%, representing a change in market price to $23.71 on December 31, 2007, from $20.25 on December 31, 2006. On an NAV basis, the Fund's Common Units generated a total return of 22.70%, representing a change in NAV to $24.33 on December 31, 2007, from $20.27 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on an NAV basis, of 21.80%, representing a change in NAV to $24.20 on December 31, 2007, from $20.24 on December 31, 2006. For the 12 month period ended December 31, 2007, the Index returned 21.65%, substantially higher than the broader S&P/TSX Energy Index, which returned 8.21%.

During 2007 the Fund's Common Units made distributions of ordinary income of $0.0162 on March 30, $0.0239 on June 29, $0.0451 on September 28, and $0.0781 on December 31, and a capital gains distribution of $0.3742 on December 31. The Fund's Advisor Class Units made a distribution of ordinary income of $0.0766 and a capital gains distribution of $0.373 on December 31, 2007.

Economic and Market Overview

Economic growth in Canada remained solid throughout 2007, although somewhat slower in the last half of the year than in the first half; it now appears that real GDP growth for the year was similar to the 2.8% pace of the prior year. Strong employment trends supported solid gains in domestic demand. Residential and business investment continued to grow, and businesses continued to accumulate inventory. Real imports rose more than real exports, reflecting the pronounced strength of the Canadian dollar.

At year-end 2007, the economic weakness developing in the U.S. is an important influence on economic and market trends in Canada. Although considerable manufacturing activity continues, Canadian manufacturing has been hurt by the strength of the Canadian dollar. The Bank of Canada has begun decreasing interest rates, not because of weakness in the economy, but because of concerns that further currency appreciation could stifle growth.

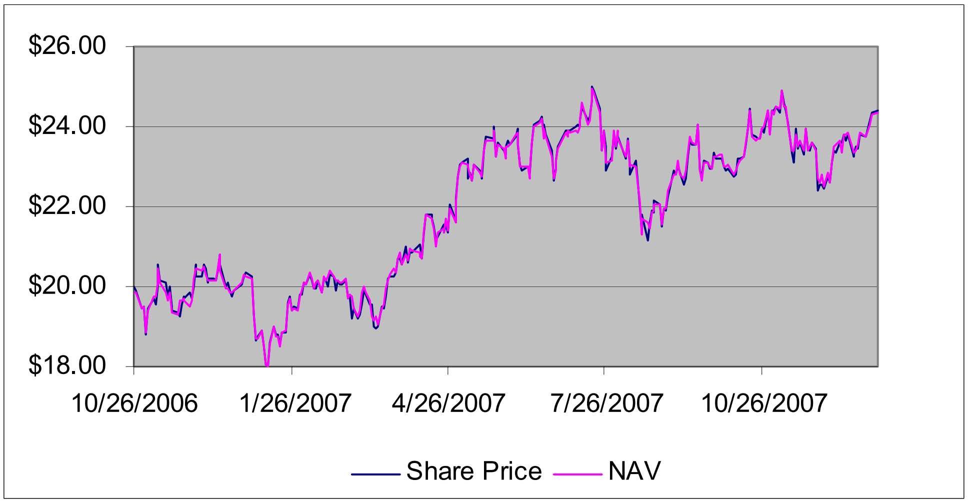
Oil prices rose significantly during 2007; the return for the year of the generic front month light sweet crude oil futures contract, which is considered a good measure of world oil prices, was 56.83%. With an estimated 1.7 to 2.5 trillion barrels of bitumen in place, more than the known reserves of the Middle East, Alberta’s oil sands remain an attractive area for investment.

Performance Attribution

The strongest contributor by far to the Fund’s return during 2007 was Petrobank Energy & Resources Ltd. (10.30% of net assets); the stock price of this rapidly growing Calgary-based exploration and production company was up significantly for the year. Other positives included Canadian Oil Sands Trust and Imperial Oil Ltd. (10.75% and 9.84% of net assets, respectively). Positions that detracted from returns included Synenco Energy Inc. (5.65% of net assets), a development-state company that is undergoing a restructuring program, and OPTI Canada Inc. (6.79% of net assets), an oil sands development company that is not currently profitable.

Performance Highlights *as at December 31, 2007*

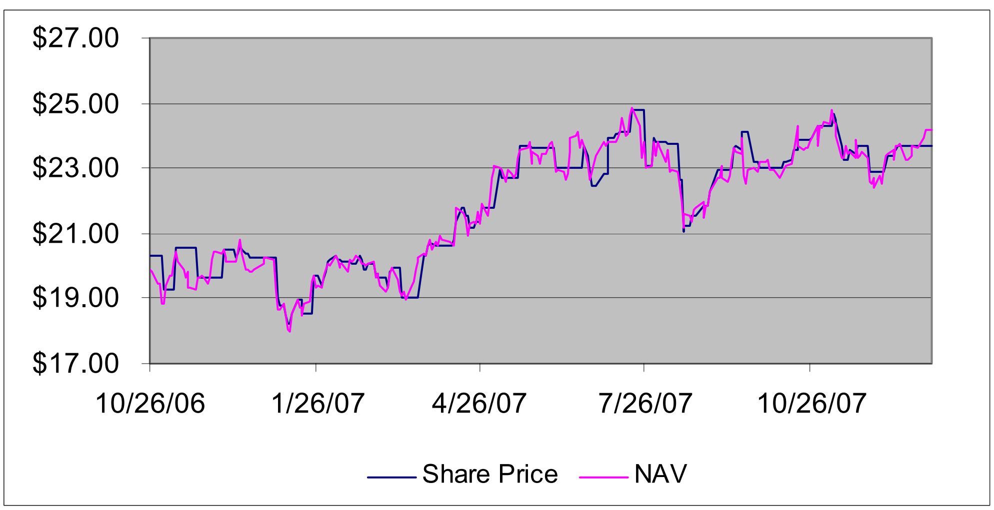
Claymore Oil Sands Sector ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class

Inception (10/26/06)	Market	NAV
One year	22.54%	22.70%
Since inception - annualized	20.54%	20.27%

Claymore Oil Sands Sector ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class

Inception (10/26/06)	Market	NAV
One year	19.31%	21.80%
Since inception - annualized	17.35%	19.38%

Sector Mix	% of Fund's Net Asset Value
Equities	
Energy	83.8
Income Trusts	
Energy	16.1
Cash and Cash Equivalents	0.6
Net Other Assets	(0.5)
	100.0

Top Issuers	% of Fund's Net Asset Value
1 Suncor Energy Inc.	12.6
2 Canadian Oil Sands Trust	10.7
3 Petrobank Energy & Resources Ltd.	10.3
4 Imperial Oil Ltd.	9.8
5 UTS Energy Corp.	7.4
6 OPTI Canada Inc.	6.8
7 Connacher Oil and Gas Ltd.	6.6
8 Canadian Natural Resources Ltd.	6.3
9 EnCana Corp.	6.0
10 Synenco Energy Inc., Class A	5.7
11 Husky Energy Inc.	5.0
12 Nexen Inc.	4.2
13 Petro-Canada	3.1
14 Enerplus Resources Fund	2.8
15 Penn West Energy Trust	2.6
16 Cash and Cash Equivalents	0.6
	100.5
Total Net Asset Value	***$21,896,323***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Income Trusts			
	Energy			
60,734	Canadian Oil Sands Trust	$ 1,943,007	$ 2,351,013	
15,147	Enerplus Resources Fund	793,705	602,245	
22,492	Penn West Energy Trust	580,925	580,519	
		3,317,637	3,533,777	16.16%
	Canadian Common Stocks			
	Energy			
18,908	Canadian Natural Resources Ltd.	1,209,047	1,372,343	
385,322	Connacher Oil and Gas Ltd.	1,591,217	1,448,811	
19,598	EnCana Corp.	1,195,309	1,322,865	
24,733	Husky Energy Inc.	973,046	1,101,360	
39,447	Imperial Oil Ltd.	1,734,599	2,153,017	
28,474	Nexen Inc.	918,248	912,876	
89,485	OPTI Canada Inc.	1,705,995	1,485,451	
38,694	Petrobank Energy & Resources Ltd.	915,152	2,252,765	
12,793	Petro-Canada	626,047	681,227	
25,455	Suncor Energy Inc.	2,330,638	2,746,849	
147,112	Synenco Energy Inc., Class A	1,809,022	1,235,741	
299,271	UTS Energy Corp.	1,436,554	1,610,078	
		16,444,874	18,323,383	83.77
	Total Investments	$ 19,762,511	21,857,160	99.93%
	Other assets less liabilities		15,178	0.07
	Net Assets		$ 21,872,338	100.00%

Statement of Net Assets as at December 31, 2007

	2007	2006
Assets		
Investments, at fair value (note 2)	$ 21,857,160	$ 14,174,176
Cash	69,130	3,254
Dividend receivable	22,005	10,633
Due from brokers	1,750,027	-
	23,698,322	14,188,063
Liabilities		
Accrued management fees	11,441	3,421
Accrued service fees	10,617	1,746
Due to brokers	1,803,926	-
	1,825,984	5,167
Net assets representing unitholders' equity	$ 21,872,338	$ 14,182,896
Net assets representing unitholders' equity		
Advisor Class	$ 3,626,586	$ 5,060,646
Common	18,245,752	9,122,250
	$ 21,872,338	$ 14,182,896
Units outstanding (note 4)		
Advisor Class	150,000	250,000
Common	750,878	450,000
	900,878	700,000
Net assets per unit		
Advisor Class	$ 24.18	$ 20.24
Common	$ 24.30	$ 20.27

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations

	For the Year Ended December 31, 2007	October 26, 2006* to December 31, 2006
Income		
Dividends	$ 85,670	$ 16,585
Interest	156,456	14,118
	242,126	30,703
Expenses		
Management fees (note 5)	115,402	15,532
Service fees (note 5)	35,851	9,466
Interest and bank charges	422	-
	151,675	24,998
Net investment income	90,451	5,705
Net realized gain on sale of investments	1,036,705	495
Net realized gain on foreign exchange	142	-
Change in unrealized appreciation in value of investments	1,920,337	174,312
Change in unrealized appreciation on foreign currency	41	4
Net gain on investments	2,957,225	174,811
Increase in net assets from operations	$ 3,047,676	$ 180,516
Increase in net assets from operations		
Advisor Class	$ 957,090	$ 51,806
Common	2,090,586	128,710
	$ 3,047,676	$ 180,516
Increase in net assets from operations per unit		
Advisor Class	$ 4.59	$ 0.15
Common	$ 3.49	$ 0.35

**Commencement of Operations*

Statement of Changes in Net Assets

	For the Year Ended December 31, 2007	For the period October 26, 2006* to December 31, 2006
Net assets, beginning of the period		
Advisor Class	$ 5,060,646	$ -
Common	9,122,250	-
	14,182,896	-
Increase in net assets from operations		
Advisor Class	957,090	51,806
Common	2,090,586	128,710
	3,047,676	180,516
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class	-	7,000,000
Common	7,145,880	8,993,540
Payment on redemption of units:		
Advisor Class	(2,379,660)	(1,991,160)
Common	-	-
Reinvested capital gains distributions:		
Advisor Class	55,957	-
Common	280,979	-
	5,103,156	14,002,380
Distribution to unitholders		
From net investment income:		
Advisor Class	(11,490)	-
Common	(112,964)	-
From net realized gain:		
Advisor Class	(55,957)	-
Common	(280,979)	-
	(461,390)	-
Increase in net assets for the period		
Advisor Class	(1,434,060)	5,060,646
Common	9,123,502	9,122,250
	7,689,442	14,182,896
Net assets, end of the period		
Advisor Class	3,626,586	5,060,646
Common	18,245,752	9,122,250
	$ 21,872,338	$ 14,182,896

**Commencement of Operations*

Statement of Cash Flows

		For the Year Ended December 31, 2007		For the period October 26, 2006* to December 31, 2006
Cash flows from operating activities				
Increase in net assets from operations	$	3,047,676	$	180,516
Items not affecting cash:				
Net realized gain on sale of investments		(1,036,705)		(495)
Change in unrealized appreciation in value of investments		(1,920,337)		(174,312)
Change in non-cash working capital items		5,519		(5,466)
		96,153		243
Cash flows from investing activities				
Purchase of investments		(13,775,986)		(14,037,015)
Proceeds from sale of investments		9,103,943		37,646
		(4,672,043)		(13,999,369)
Cash flows from financing activities				
Issuance of units for cash		7,145,880		15,993,540
Payment on redemption of units		(2,379,660)		(1,991,160)
Distribution to unitholders		(124,454)		-
		4,641,766		14,002,380
Net increase in cash		65,876		3,254
Cash, beginning of the period		3,254		-
Cash, end of the period	$	69,130	$	3,254

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Oil Sands Sector ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated August 15, 2006 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the Sustainable Wealth Oil Sands Sector Index provided by Sustainable Wealth Management Ltd. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the Sustainable Wealth Oil Sands Sector Index in the same proportion as they are reflected in the Sustainable Wealth Oil Sands Sector Index.

The Claymore ETF commenced investment operations on October 26, 2006.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF adopted this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The adoption of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Adoption of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	**Section 3855 Adjustment**	**GAAP NAV**	**Transactional NAV**	**GAAP NAV**
As at December 31, 2007					
Claymore Oil Sands Sector ETF					
Advisor Class	$3,630,563	($3,977)	$3,626,586	$24.20	$24.18
Common	18,265,760	(20,008)	18,245,752	$24.33	$24.30
Total Net Asset Value	**$21,896,323**	**($23,985)**	**$21,872,338**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the periods ended December 31, 2007 and December 31, 2006 were as follows:

	December 31, 2007				December 31, 2006			
	Advisor Class Units		Common Units		Advisor Class Units		Common Units	
	Units	Value	Units	Value	Units	Value	Units	Value
Units outstanding, beginning of period	250,000	$ 5,008,840	450,000	$ 8,993,540	-	$ -	-	$ -
Units issued for cash	-	-	300,878	7,145,880	350,000	7,000,000	450,000	8,993,540
Reinvested capital gains distributions (1)	-	55,957	-	280,979	-	-	-	-
Units redeemed	(100,000)	(2,379,660)	-	-	(100,000)	(1,991,160)	-	-
Units outstanding, end of period	150,000	$ 2,685,137	750,878	$ 16,420,399	250,000	$ 5,008,840	450,000	$ 8,993,540

(1) The Claymore ETF had capital gains distributions during the year. The final annual capital gains distributions were not paid in cash but reinvested and used to increase the investors' adjusted cost base of the Claymore ETF.

5. Expenses

A monthly management fee equal to one-twelfth of 0.60% of the NAV per Common unit of the Claymore ETF plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.60% of the NAV per Advisor Class unit of the Claymore ETF plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$7,145,184
Market Value of Collateral Held	$7,681,207

7. Financial Instruments and Credit Risk

The Claymore ETF’s investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Non-Capital Losses

The Claymore ETF had non-capital losses of $2,178 at December 31, 2006, which were fully applied against net income during the year ended December 31, 2007.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the year ended December 31, 2007 were nil [2006: nil].

There were no soft dollar amounts during the year ended December 31, 2007 [2006: nil].

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore Oil Sands Sector ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and 2006, the statement of investments as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007 and 2006, their investments as at December 31, 2007 and the results of their operations, changes in their net assets, and cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE S&P/TSX GLOBAL MINING ETF (CMW)

Management Discussion & Analysis

Fund Overview

The Claymore S&P/TSX Global Mining ETF (the "Fund") has been designed to replicate, to the extent possible, the performance of the S&P/TSX Global Mining Index (the "Index"). The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index. Claymore may use a sampling methodology in selecting investments for the Fund. Sampling means that Claymore will use quantitative analysis to select securities from the Index to obtain a representative sample of securities that resemble the Index in terms of key risk factors, performance attributes, industry weightings, market capitalization and other appropriate financial characteristics.

The Index comprises stocks selected based on the relative importance of the global mining industry within their business model and has a balanced representation from different segments of the mining industry consisting of five subindustries including: Aluminum, Diversified Metals & Mining, Gold, Precious Metals & Minerals, and Coal & Consumable Fuels. To ensure investability, a developed market listing and a minimum market capitalization of US$ 300 million are required.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. For the abbreviated annual period from the Fund's inception date of June 12, 2007, through December 31, 2007, the Fund's Common Units generated a total return of 11.31% on a market price basis, representing a change in market price to $22.07 on December 31, 2007, from $20.00 at inception. On an NAV basis, the Fund's Common Units generated a total return of 11.23%, representing a change in NAV to $22.05 on December 31, 2007, from $20.00 on the inception date of June 12, 2007. For the same period, the Fund's Advisor Class Units generated a total return, on a market price basis, of 11.25% representing a change in market price to $22.12 on December 31, 2007, from $20.00 at inception. (Since the Fund's Advisor Class Units did not trade on December 31, 2007, performance for these units was computed using the bid/ask midpoint at the end of the day on December 31, 2007.) The Fund's Advisor Class Units generated a total return, on an NAV basis, of 10.73%, representing a change in NAV to $22.02 on December 31, 2007, from $20.00 on the inception date of June 12, 2007. For the same period the Index returned 12.45%.

The Fund's Common Units paid a quarterly dividend of $0.1915 on December 31, 2007. The Fund's Advisor Class Units paid a quarterly dividend of $0.1308 on December 31, 2007.

Economic and Market Overview

After several years of robust growth, the global economy faces increased risks from the U.S. housing slump and related tightening of credit conditions around the world. Sluggish near-term growth in the U.S. is likely to spill over to other regions. However, the global economy continues to rebalance, becoming less dependent on U.S. demand and more reliant on other regions.

Strong growth in business investment and exports and continued improvement in labor markets enabled Europe's economy to grow at a rate of approximately 2.5% during 2007. Growth at a more modest pace appears likely in 2008, as credit conditions tighten and strong currencies limit exports. Powerful domestic demand, especially in China and India, as well as export gains continue to drive growth of Asian economies. Trade within the region, as well as trade with Europe, should mitigate the impact on Asian economies of a slowdown in the U.S.

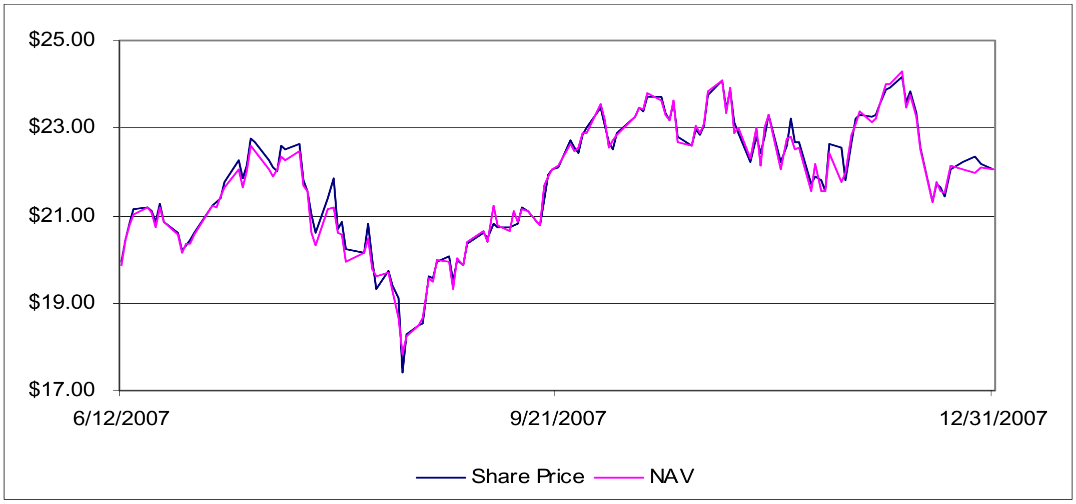
Trends in world equity markets were generally positive in 2007, with emerging markets much stronger than developed markets. For Canadians, the movement of the Canadian dollar relative to the U.S. dollar and other global currencies continued to be a major issue during 2007. Canadians investing outside Canada were impacted negatively by the rising dollar, and their investment returns were generally below the returns achieved in each market. Return of the MSCI EAFE Index, which tracks performance of markets in 21 developed countries in Europe and the Pacific Basin, was 3.97% for the year in local currency, but was -5.06% in Canadian dollar terms. Meanwhile the return of the MSCI Emerging Market Index was 33.55% in local currency, but was 18.88% in Canadian dollar terms.

Performance Attribution

For the period from the Fund's inception date of June 12, 2007, through December 31, 2007, the materials sector, in which the Fund's holdings are concentrated, was among the best performing sectors in the S&P/TSX 60 Index, which represents the large cap equity universe for Canada, with a return of more than 30%. Within materials, the diversified metals & mining sub-sector contributed most to the Fund's return. The position that contributed most to the Fund's return for the period was Rio Tinto PLC (12.6% of net assets), a London-based diversified international mining company with operations in Australia, New Zealand, Brazil, the U.K., Canada and the U.S. Rio Tinto's stock, already strong, moved up further when rival mining company BHP Billiton Ltd. (14.1% of net assets), also a strong contributor to the Fund's return, made an offer in December 2007 to acquire Rio Tinto. Other contributors to the Fund's return included Barrick Gold Corporation (4.4% of net assets), a gold mining company based in Toronto, and Mechel AOA (not held in the portfolio at period end), a Russian integrated mining and steel company. Positions that detracted from returns included Anglo American PLC, a diversified mining and natural resource company based in London; Teck Cominco Ltd., a miner of zinc, copper and metallurgical coal headquartered in British Columbia; and Cameco Corp., a Saskatchewan company engaged in the exploration and development of uranium (9.7%, 1.9% and 1.7% of net assets, respectively).

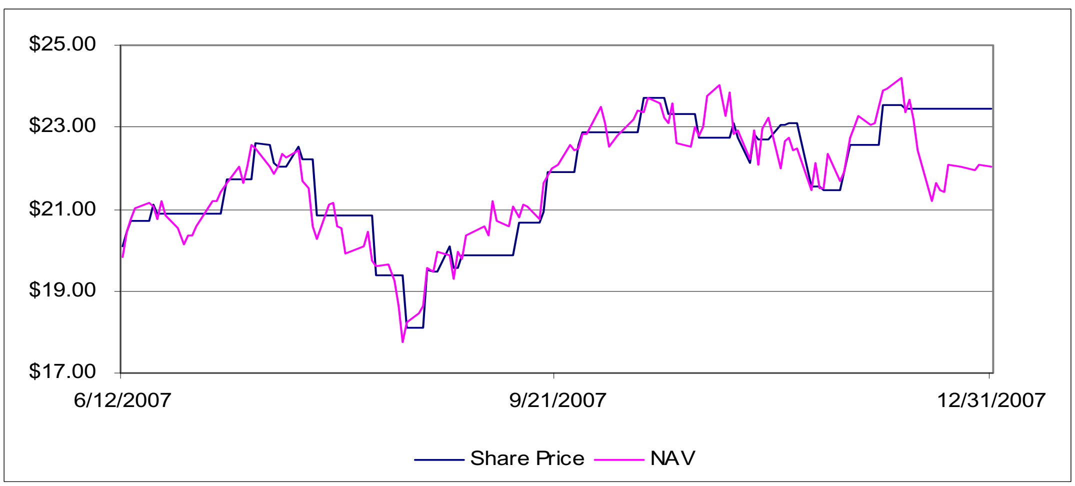
Performance Highlights *as at December 31, 2007*

Claymore S&P/TSX Global Mining ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (06/12/07)	Market	NAV
Since inception	11.31%	11.23%

Claymore S&P/TSX Global Mining ETF
Share Price & NAV Performance - Common Class



Total Returns - Advisor Class		
Inception (06/12/07)	Market	NAV
Since inception	11.25%	10.73%

Sector Mix	% of Fund's Net Assets
Materials	93.7%
Energy	6.5%
Cash and Cash Equivalents	0.1%
Net Other Assets	-0.3%
	100%

Top 25 Issuers	% of Fund's Net Assets
BHP Billiton Ltd., ADR	14.1%
Rio Tinto PLC, ADR	12.6%
Anglo American PLC	9.7%
BHP Billiton PLC, Sponsored ADR	8.3%
Cia Vale do Rio Doce, ADR	5.6%
Freeport-McMoRan Copper & Gold Inc., Class B	4.7%
Barrick Gold Corp.	4.4%
Alcoa Inc.	3.7%
Goldcorp Inc.	2.9%
Newmont Mining Corp.	2.5%
Peabody Energy Corp.	2.0%
Teck Cominco Ltd.	1.9%
Cameco Corp.	1.7%
Consol Energy Inc.	1.6%
Kinross Gold Corp.	1.3%
AngloGold Ashanti Ltd., ADR	1.2%
Yamana Gold Inc.	1.0%
Aluminum Corp. of China Ltd., ADR	1.0%
Gold Fields Ltd., ADR	1.0%
Agnico-Eagle Mines Ltd.	0.9%
WMC Ltd., ADR	0.8%
Arch Coal Inc.	0.8%
Lihir Gold Ltd., ADR	0.7%
First Quantum Minerals Ltd.	0.7%
Cia de Minas Buenaventura SA, ADR	0.6%
	85.7%
Total Net Assets	**$26,169,381**

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Income Trusts			
	Energy			
3,788	Fording Canadian Coal Trust	$ 118,902	$ 145,383	0.56%
	Canadian Common Stocks			
	Energy			
1,724	CIC Energy Corp.	24,136	24,550	0.09
	Materials			
4,538	Agnico-Eagle Mines Ltd.	188,775	246,595	
2,968	Alamos Gold Inc.	17,765	15,998	
2,264	Anvil Mining Ltd.	37,659	34,503	
1,806	Aquiline Resources Inc.	18,092	16,435	
4,614	Aurizon Mines Ltd.	15,926	17,441	
994	Aurora Energy Resources Inc.	15,674	13,449	
27,703	Barrick Gold Corp.	912,812	1,154,384	
9,969	Breakwater Resources Ltd.	25,191	17,047	
11,069	Cameco Corp.	585,652	438,000	
2,157	Centerra Gold Inc.	23,115	26,768	
8,293	Crystallex International Corp.	20,650	18,410	
5,345	Denison Mines Corp.	47,517	47,357	
21,456	Eastern Platinum Ltd.	52,490	61,364	
11,050	Eldorado Gold Corp.	65,169	63,869	
18,129	Equinox Minerals Ltd.	66,862	98,984	
4,528	European Goldfields Ltd.	27,621	24,406	
2,166	First Quantum Minerals Ltd.	211,547	184,110	
2,692	FNX Mining Co. Inc.	94,070	81,110	
2,670	Fronteer Development Group Inc.	31,850	26,246	

Claymore S&P/TSX Global Mining ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
2,020	Frontera Copper Corp.	12,828	12,282	
6,595	Gabriel Resources Ltd.	9,233	12,794	
3,745	Gammon Gold Inc.	29,810	29,436	
3,182	Gold Eagle Mines Ltd.	23,024	26,252	
22,505	Goldcorp Inc.	613,091	759,544	
7,394	Golden Star Resources Ltd.	23,365	22,921	
6,518	Great Basin Gold Ltd.	17,650	17,012	
1,625	Guyana Goldfields Inc.	13,650	11,733	
1,874	Harry Winston Diamond Corp.	80,225	60,811	
9,489	High River Gold Mines Ltd.	24,866	26,569	
4,088	HudBay Minerals Inc.	101,182	79,716	
9,428	Iamgold Corp.	75,702	75,895	
1,361	Inmet Mining Corp.	112,779	109,397	
2,235	International Royalty Corp.	12,203	12,069	
8,774	Ivanhoe Mines Ltd.	130,919	93,882	
1,741	Jaguar Mining Inc.	14,523	20,544	
19,215	Kinross Gold Corp.	285,686	351,058	
1,578	Kirkland Lake Gold Inc.	20,059	19,488	
1,867	Laramide Resources Ltd.	14,660	11,799	
10,685	Lundin Mining Corp.	135,368	101,508	
758	Major Drilling Group International	32,252	47,451	
5,770	Mega Uranium Ltd.	19,214	19,387	
2,322	Mercator Minerals Ltd.	18,410	21,014	
2,971	Metallica Resources Inc.	14,787	15,657	
1,533	Minefinders Corp.	18,282	17,093	

Claymore S&P/TSX Global Mining ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
7,126	Miramar Mining Corp.	34,928	44,395	
8,004	Northgate Minerals Corp.	26,233	23,612	
3,345	Novagold Resources Inc.	27,095	26,626	
2,459	PAN American Silver Corp.	71,835	85,376	
1,764	Quadra Mining Ltd.	25,529	30,958	
5,279	Red Back Mining Inc.	32,674	36,847	
7,500	Sherritt International Corp., Restricted Voting Shares	112,621	99,000	
5,862	Shore Gold Inc.	27,701	26,965	
2,003	Silver Standard Resources Inc.	77,563	72,048	
3,679	Silver Wheaton Corp.	46,950	61,807	
4,740	Silvercorp Metals Inc.	33,293	44,129	
1,290	Skye Resources Inc.	10,062	9,998	
4,472	Taseko Mines Ltd.	23,120	22,539	
13,914	Teck Cominco Ltd.	492,973	492,973	
3,638	Thompson Creek Metals Company Inc.	69,681	61,773	
4,617	UEX Corp.	33,367	30,241	
14,884	Uranium One Inc.	131,426	131,128	
2,952	Ur-Energy Inc.	12,487	10,332	
4,162	Western Goldfields Inc.	14,900	15,816	
21,214	Yamana Gold Inc.	280,407	271,751	
		5,897,050	6,160,102	23.59
	Total Canadian Stocks	5,921,186	6,184,652	23.68
	Foreign Common Stocks			
	Energy			
2,106	Alpha Natural Resources Inc.	44,910	67,510	

Claymore S&P/TSX Global Mining ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
4,563	Arch Coal Inc.	180,699	201,800	
5,786	Consol Energy Inc.	288,533	407,673	
2,704	Evergreen Energy Inc.	13,290	5,898	
1,451	Foundation Coal Holdings Inc.	63,234	75,184	
3,999	International Coal Group Inc.	24,689	21,116	
2,555	Massey Energy Co.	74,708	90,149	
8,477	Peabody Energy Corp.	448,659	514,617	
1,249	Yanzhou Coal Mining Co. Ltd.	97,637	119,634	
		1,236,359	1,503,581	5.76
	Materials			
27,046	Alcoa Inc.	1,097,143	974,833	
674	Alliance Resource Partners LP	23,164	24,120	
5,031	Aluminum Corp. of China Ltd., ADR	212,585	251,297	
598	AMCOL International Corp.	17,174	21,229	
2,603	Anatolia Minerals Development Ltd.	15,117	12,859	
84,438	Anglo American PLC	2,833,011	2,530,923	
7,297	AngloGold Ashanti Ltd., ADR	313,294	308,309	
1,888	Apex Silver Mines Ltd.	36,356	28,286	
53,509	BHP Billiton Ltd., ADR	3,407,930	3,692,006	
36,056	BHP Billiton PLC, Sponsored ADR	2,113,233	2,181,395	
655	Brush Engineered Materials Inc.	33,185	24,048	
1,016	Century Aluminum Co.	54,857	54,088	
2,851	Cia de Minas Buenaventura SA, ADR	112,505	159,261	
45,638	Cia Vale do Rio Doce, ADR	1,190,603	1,471,540	
17,327	Coeur dAlene Mines Corp.	71,968	83,966	

Claymore S&P/TSX Global Mining ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
1,038	Compass Minerals International Inc.	36,714	41,952	
12,179	Freeport-McMoRan Copper & Gold Inc., Class B	1,064,952	1,228,454	
2,073	General Moly Inc.	16,222	23,876	
17,656	Gold Fields Ltd., ADR	301,086	247,444	
10,717	Harmony Gold Mining Co. Ltd., ADR	109,614	108,839	
3,874	Hecla Mining Co.	32,453	35,673	
482	Kaiser Aluminum Corp.	34,877	37,781	
964	Katanga Mining Ltd.	16,445	15,896	
6,075	Lihir Gold Ltd., ADR	181,678	186,228	
13,809	Newmont Mining Corp.	608,541	664,678	
19,218	Paladin Resources Ltd.	123,285	111,272	
853	Patriot Coal Corp.	28,154	34,984	
2,225	Randgold Resources Ltd., ADR	58,651	81,383	
7,946	Rio Tinto PLC, ADR	2,480,984	3,282,015	
827	Royal Gold Inc.	22,941	24,894	
741	RTI International Metals Inc.	61,950	50,411	
1,337	Stillwater Mining Co.	16,078	12,747	
2,146	Titanium Metals Corp.	71,800	55,915	
1,647	Uranium Resources Inc.	16,660	20,319	
3,522	USEC Inc.	30,876	31,284	
9,314	WMC Ltd., ADR	248,486	202,234	
		17,094,572	18,316,439	70.12
	Total Foreign Stocks	18,330,931	19,820,020	75.88
	Total Investments	$24,371,019	26,150,055	100.12%
	Liabilities less other assets		(30,317)	(0.12)
	Net Assets		$ 6,119,738	100.00%

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	26,150,055
Dividend receivable		3,672
Due from brokers		1,084,796
		27,238,523
Liabilities		
Distribution payable		12
Bank indebtedness		169,577
Accrued management fees		37,187
Accrued service fees		9,305
Due to brokers		902,704
		1,118,785
Net assets representing unitholders' equity	$	26,119,738
Net assets representing unitholders' equity		
Advisor Class	$	4,106,964
Common		22,012,774
	$	26,119,738
Units outstanding (note 4)		
Advisor Class		186,900
Common		1,000,000
		1,186,900
Net assets per unit		
Advisor Class	$	21.97
Common	$	22.01

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations ***for the period from June 12, 2007* to December 31, 2007***

Income		
Dividends	$	336,524
Interest		3,725
Securities lending		1,619
		341,868
Expenses		
Management fees (note 5)		73,599
Service fees (note 5)		19,028
Interest and bank charges		994
		93,621
Net investment income		248,247
Net realized loss on sale of investments		(100,207)
Net realized loss on foreign exchange		(2,892)
Change in unrealized appreciation in value of investments		1,779,035
Change in unrealized appreciation in foreign exchange		1,253
Net gain on investments		1,677,189
Increase in net assets from operations	$	1,925,436
Increase in net assets from operations		
Advisor Class	$	374,195
Common		1,551,241
	$	1,925,436
Increase in net assets from operations per unit		
Advisor Class	$	1.96
Common	$	1.81

**Commencement of Operations*

Statement of Changes in Net Assets *for the period from June 12, 2007* to December 31, 2007*

Net assets, beginning of the period *	
Advisor Class	$ -
Common	-
	-
Increase in net assets from operations	
Advisor Class	374,195
Common	1,551,241
	1,925,436
Capital unit transactions (note 4)	
Issuance of units for cash:	
Advisor Class	4,013,476
Common	20,653,045
Amounts paid for redemptioin of units:	
Advisor Class	(256,260)
Common	-
	24,410,261
Distribution to unitholders	
From net investment income:	
Advisor Class	(24,447)
Common	(191,512)
	(215,959)
Increase in net assets for the period	
Advisor Class	4,106,964
Common	22,012,774
	$ 26,119,738
Net assets, end of the period	
Advisor Class	$ 4,106,964
Common	22,012,774
	$ 26,119,738

**Commencement of Operations*

Statement of Cash Flows *for the period from June 12, 2007* to December 31, 2007*

Cash flows from operating activities		
Increase in net assets from operations	$	1,925,436
Items not affecting cash:		
Net realized loss on sale of investments		100,207
Change in unrealized appreciation in value of investments		(1,779,035)
Change in non-cash working capital items		42,820
		289,428
Cash flows from investing activities		
Purchase of investments		(32,762,066)
Proceeds from sale of investments		8,108,747
		(24,653,319)
Cash flows from financing activities		
Distribution to unitholders		(215,947)
Issuance of units for cash		24,666,521
Amounts paid for redemption of units		(256,260)
		24,194,314
Net decrease in cash		(169,577)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(169,577)

**Commencement of Operations*

1. Establishment of Fund

Claymore S&P/TSX Global Mining ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on June 7, 2007 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated June 7, 2007 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the S&P/TSX Global Mining Index provided by Standard & Poor’s. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the S&P/TSX Global Mining Index in the same proportion as they are reflected in the S&P/TSX Global Mining Index.

The Claymore ETF commenced investment operations on June 12, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards:

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 (“NI 81-106”), issued by the Canadian Securities Administrators (“CSA”) in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the “Transactional NAV”) until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as “Net Assets” in the proposal) and one for the purchase and redemption price of an investment fund (referred to as “Net Asset Value” in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments:

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs:

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value					Net Asset Value Per Unit			
		Transactional NAV		Section 3855 Adjustment		GAAP NAV		Transactional NAV		GAAP NAV
As at December 31, 2007										
Claymore S&P/TSX Global Mining ETF										
Advisor Class	$	4,114,770	$	(7,806)	$	4,106,964	$	22.02	$	21.97
Common		22,054,611		(41,837)		22,012,774	$	22.05	$	22.01
Total Net Asset Value	**$**	**26,169,381**	**$**	**(49,643)**	**$**	**26,119,738**				

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007					
	Advisor Class Units			Common Units		
	Units		Value	Units		Value
Units issued for cash	200,000	$	4,013,476	1,000,000	$	20,653,045
Units redeemed	(13,100)		(256,260)	-		-
Units outstanding, end of period	186,900	$	3,757,216	1,000,000	$	20,653,045

5. Expenses

A monthly management fee equal to one-twelfth of 0.55% of the NAV of the Common units of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.55% of the NAV of the Advisor Class units of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV of the Advisor Class units of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETFpursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such

agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$1,920,450
Market Value of Collateral Held	$2,064,520

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in U.S. dollars. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the U.S. dollar may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $152,967 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were nil.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore S&P/TSX Global Mining ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from June 12, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from June 12, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE S&P GLOBAL WATER ETF (CWW)

Management Discussion & Analysis

Fund Overview

The Claymore Global Water ETF (the "Fund") has been designed to replicate, to the extent possible, the performance of the S&P Global Water Index (the "Index"), net of expenses. The investment strategy of the Fund is to invest in and hold the Constituent Securities of the Index in the same proportion as they are reflected in that Index.

The S&P Global Water Index comprises 50 stocks selected based on the relative importance of the global water industry within their business model and has a balanced representation from different segments of the water industry consisting of 25 water utilities and infrastructure companies (which includes: water supply; water utilities; waste water treatment; water, sewer and pipeline construction; water purification; water well drilling; and water testing companies) (the "Utilities Industry Group") and 25 water equipment, instruments and materials companies (which includes: water treatment chemicals; water treatment appliances; pumps and pumping equipment; fluid power pumps and motors; totalizing fluid meters; and counting devices companies) (the "Equipment Industry Group" and, together with the Utilities Industry Group, the "Water Industry Groups"). To ensure investability, a developed market listing and a minimum market capitalization of $250 million is required. The S&P Global Water Index is equal weighted (50%) to each of the Water Industry Groups and rebalanced annually.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. For the abbreviated annual period from the Fund's inception date of June 4, 2007, through December 31, 2007, the Fund's Common Units generated a total return of -1.66% on a market price basis, representing a change in market price to $19.54 on December 31, 2007, from $20.00 at inception. On an NAV basis, the Fund's Common Units generated a total return of -6.63%, representing a change in NAV to $18.55 on December 31, 2007, from $20.00 on the inception date of June 4, 2007. For the same period, the Fund's Advisor Class Units generated a total return, on a market price basis of -4.75%, representing a change in market price to $19.01 on December 31, 2007, from $20.00 at inception. (Since the Fund's Advisor Class Units did not trade on December 31, 2007, performance for these units was computed using the bid/ask midpoint at the end of the day on December 31, 2007.) The Fund's Advisor Class Units generated a total return, on an NAV basis, of -7.05%, representing a change in NAV to $18.55 on December 31, 2007, from $20.00 on the inception date of June 4, 2007. For the period from June 4, 2007, through December 31, 2007, the Index produced a return of -5.56%.

The Fund's Common Units paid quarterly dividends of $0.0735 on September 28, 2007, and $0.0527 on December 31, 2007. The Fund's Advisor Units paid quarterly dividends of $0.0252 on September 28, 2007, and $0.0156 on December 31, 2007.

Economic and Market Overview

After several years of robust growth, the global economy faces increased risks from the U.S. housing slump and related tightening of credit conditions around the world. Sluggish near-term growth in the U.S. is likely to spill over to other regions. However, the world economy continues to rebalance, becoming less dependent on U.S. demand and more reliant on other regions. Strong growth in business investment and exports and continued improvement in labor markets enabled Europe's economy to grow at a rate of approximately 2.5% during 2007. Growth at a more modest pace appears likely in 2008, as credit conditions tighten and strong currencies limit exports. Powerful domestic demand, especially in China and India, as well as export gains, continue to drive growth of Asian economies. Trade within the region, as well as trade with Europe, should mitigate the impact on Asian economies of a slowdown in the U.S.

Trends in world equity markets were generally positive in 2007, with emerging markets much stronger than developed markets. For Canadians, the appreciation of the Canadian dollar relative to the U.S. dollar and other global currencies continued to be a major issue during 2007. Canadians investing outside Canada were impacted negatively by the rising dollar, and their investment returns were generally below the returns achieved in foreign markets in local currency terms.

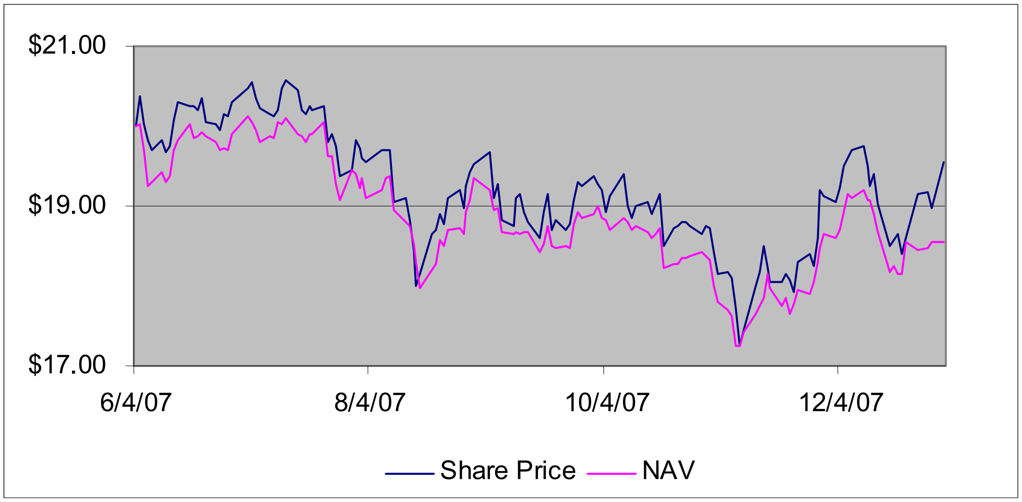
Claymore believes water is an attractive area for investment because continued world economic growth is expected to result in substantial long-term growth in demand for water. Less than 1% of the world's fresh water is readily accessible for direct human use, and severe water shortages are expected to affect four billion people by 2050. Accordingly, companies involved in water infrastructure, treatment and distribution have the opportunity for significant long-term growth.

Performance Attribution

For the period from the Fund's inception date of June 4, 2007, through December 31, 2007, Index constituents in the Utilities Industry Group made the strongest contributions to the Fund's return, while the main detractors from performance were holdings in the Equipment Industry Group. Holdings that contributed to performance include SUEZ SA, a French energy and environment company that is engaged in merger negotiations with Gaz de France SA; Itron Inc., a U.S. company that provides solutions to gas, electric and water utilities worldwide to assist them in optimizing the delivery and use of energy and water; and Veolia Environnement S.A., a French environmental services company (9.80%, 3.48% and 9.68% of net assets, respectively). Holdings that detracted from performance include Mitsubishi Heavy Industries Ltd., a diversified Japanese manufacturer (not held in the portfolio at period end); Uponor Oyj a Finnish supplier of specialty housing and environmental technology (2.08% of net assets); Kubota Corp., a Japanese manufacturer of farm equipment, and producer of pipes, principally ductile iron pipes, and related equipment for water supply and other utilities (not held in the portfolio at period end); and Mueller Water Products, Inc., a U.S.-based manufacturer of a range of water infrastructure and flow control products. (0.95% of net assets).

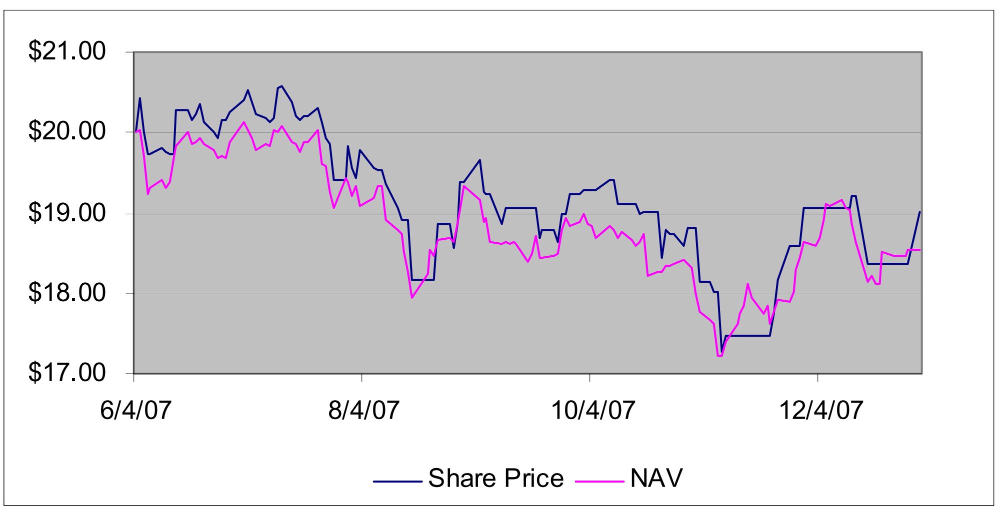
Performance Highlights *as at December 31, 2007*

Claymore S&P Global Water ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (06/04/07)	Market	NAV
Since inception - cumulative	-1.66%	-6.63%

Claymore S&P Global Water ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (06/04/07)	Market	NAV
Since inception - cumulative	-4.75%	-7.05%

Sector Mix	**% of Fund's Net Asset Value**
Utilities	52.0
Industrials	41.8
Materials	6.6
Cash and Cash Equivalents	0.2
Net Other Assets	(0.6)
	100.0

Top 25 Issuers	**% of Fund's Net Asset Value**
1 Suez SA	9.8
2 Veolia Environnement	9.7
3 United Utilities PLC	5.6
4 Geberit AG, Registered Shares	5.1
5 Danaher Corp.	5.1
6 ITT Corp.	4.7
7 Kurita Water Industries Ltd.	4.2
8 Nalco Holding Co.	4.0
9 Itron Inc.	3.5
10 Pentair Inc.	3.1
11 Ciba Specialty Chemicals AG, Registered Shares	3.1
12 Severn Trent PLC	2.9
13 Kemira OYJ	2.6
14 IDEX Corp.	2.6
15 Valmont Industries Inc.	2.4
16 Sociedad General de Aguas de Barcelona SA	2.4
17 Kelda Group PLC	2.4
18 ASM SpA	2.2
19 Cia de Saneamento Basico do Estado de Sao Paulo, ADR	2.2
20 Uponor OYJ	2.1
21 Pennon Group PLC	2.0
22 ACEA SpA	1.9
23 Hera SpA	1.8
24 Guangdong Investment Ltd.	1.5
25 Northumbrian Water Group PLC	1.5
	88.4
Total Net Asset Value	***$31,699,599***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Canadian Common Stocks			
	Industrials			
	Capital Goods			
7,228	GLV Inc.	$ 77,087	$ 87,965	
		77,087	87,965	0.28%
	Foreign Common Stocks			
	Materials			
7,629	Arch Chemicals Inc.	290,915	276,708	
21,227	Ciba Specialty Chemicals AG, Registered Shares	1,149,475	968,716	
40,155	Kemira OYJ	939,350	834,378	
		2,379,740	2,079,802	6.57
	Industrials			
	Capital Goods			
3,960	Badger Meter Inc.	121,788	175,093	
18,578	Danaher Corp.	1,463,984	1,605,832	
12,332	Flow International Corp.	144,862	113,435	
6,265	Franklin Electric Co. Inc.	310,230	236,324	
11,878	Geberit AG, Registered Shares	1,663,135	1,617,393	
23,162	IDEX Corp.	874,631	822,495	
22,882	ITT Corp.	1,609,922	1,488,927	
30,761	Mueller Water Products Inc.	484,175	301,775	
26,000	Organo Corp.	296,498	237,968	
28,530	Pentair Inc.	1,127,908	980,171	
26,535	Uponor OYJ	974,183	659,345	
8,772	Valmont Industries Inc.	693,271	771,561	
9,257	Watts Water Technologies Inc., Class A	363,117	272,259	

Claymore S&P Global Water ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
		10,127,704	9,282,578	29.30
	Commercial Services & Supplies			
130,000	Bio-Treat Technology Ltd.	62,345	69,524	
5,233	BWT AG	363,537	274,106	
14,272	Calgon Carbon Corp.	174,075	223,401	
5,240	Christ Water Technology AG	105,465	86,198	
74,000	Epure International Ltd.	98,956	106,042	
80,000	Hyflux Ltd.	160,921	174,428	
45,000	Kurita Water Industries Ltd.	1,430,996	1,343,737	
2,631	Layne Christensen Co.	124,082	127,211	
4,900	Maezawa Kyuso Industries Co. Ltd.	89,515	88,310	
53,457	Nalco Holding Co.	1,447,441	1,273,087	
152,000	Sinomem Technology Ltd.	132,096	91,191	
		4,189,429	3,857,235	12.18
	Total Industrials	14,317,133	13,139,813	41.48
	Utilities			
29,182	ACEA SpA	632,265	599,212	
2,208	American States Water Co.	83,784	82,003	
17,716	Aqua America Inc.	423,729	369,979	
95,798	ASM SpA	631,855	694,284	
2,744	California Water Service Group	105,743	100,257	
146,000	China Water Affairs Group Ltd.	101,404	88,519	
14,905	Cia de Saneamento Basico do Estado de Sao Paulo, ADR	695,614	690,218	
1,797	Consolidated Water Co. Inc.	52,944	44,587	
860,000	Guangdong Investment Ltd.	550,357	484,401	

Claymore S&P Global Water ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
129,833	Hera SpA	600,153	576,559	
11,638	Itron Inc.	861,685	1,102,326	
35,695	Kelda Group PLC	724,155	758,080	
69,252	Northumbrian Water Group PLC	477,498	461,635	
46,952	Pennon Group PLC	631,571	620,338	
2,469	Pico Holdings Inc.	117,621	81,827	
31,010	Severn Trent PLC	962,342	929,691	
2,192	SJW Corp.	73,900	74,637	
19,221	Sociedad General de Aguas de Barcelona SA	744,516	763,559	
46,163	Suez SA	2,718,885	3,102,135	
119,126	United Utilities PLC	1,867,802	1,769,336	
34,039	Veolia Environnement	2,871,391	3,066,904	
		15,929,214	16,460,487	51.98
	Total Common Stocks	32,626,087	31,680,102	100.03
		32,703,174	31,768,067	100.31%
	Transaction costs (note 2)	(7,850)	-	
	Total Investments	$32,695,324	31,768,067	100.31%
	Liabilities less other assets		(99,455)	(0.31)
	Net Assets		$31,668,612	100.00%

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	31,768,067
Dividends receivable		87,982
		31,856,049
Liabilities		
Bank indebtedness		8,924
Accrued management fees		17,249
Accrued service fees		3,805
Due to brokers		157,459
		187,437
Net assets representing unitholders' equity	$	31,668,612
Net assets representing unitholders' equity		
Advisor Class	$	2,650,035
Common		29,018,577
	$	31,668,612
Units outstanding (note 4)		
Advisor Class		143,000
Common		1,566,000
		1,709,000
Net assets per unit		
Advisor Class	$	18.53
Common	$	18.53

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations *for the period from June 4, 2007* to December 31, 2007*

Income		
Dividends	$	252,328
Interest		327
Securities lending		2,780
		255,435
Expenses		
Management fees (note 5)		106,249
Service fees (note 5)		12,696
Interest and bank charges		5,553
		124,498
Net investment income		130,937
Net realized loss on sale of investments		(1,055,809)
Net realized loss on foreign exchange		(15,565)
Transaction costs (note 2)		(15,225)
Change in unrealized depreciation in value of investments		(927,256)
Change in unrealized depreciation in foreign exchange loss		(190)
Net loss on investments		(2,014,045)
Decrease in net assets from operations	$	(1,883,108)
Decrease in net assets from operations		
Advisor Class	$	(246,912)
Common		(1,636,196)
	$	(1,883,108)
Decrease in net assets from operations per unit		
Advisor Class	$	(1.66)
Common	$	(1.17)

**Commencement of Operations*

Statement of Change in Net Assets ***for the period from June 4, 2007* to December 31, 2007***

Net assets, beginning of the period *		
Advisor Class	$	-
Common		-
		-
Decrease in net assets from operations		
Advisor Class		(246,912)
Common		(1,636,196)
		(1,883,108)
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class		3,796,161
Common		30,848,727
Payment on redemption of units:		
Advisor Class		(892,120)
Common		-
		33,752,768
Distribution to unitholders		
From net investment income:		
Advisor Class		(3,363)
Common		(91,939)
From return of capital:		
Advisor Class		(3,731)
Common		(102,015)
		(201,048)
Increase in net assets for the period		
Advisor Class		2,650,035
Common		29,018,577
	$	31,668,612
Net assets, end of the period		
Advisor Class	$	2,650,035
Common		29,018,577
	$	31,668,612

**Commencement of Operations*

Statement of Cash Flows *for the period from June 4, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(1,883,108)
Items not affecting cash:		
Net realized loss on sale of investments		1,055,809
Transaction costs (note 2)		15,225
Change in unrealized depreciation in value of investments		927,256
Change in non-cash working capital items		(66,928)
		48,254
Cash flows from investing activities		
Purchase of investments		(45,841,736)
Proceeds from sale of investments		12,232,838
		(33,608,898)
Cash flows from financing activities		
Distribution to unitholders		(201,048)
Issuance of units for cash		34,644,888
Payment on redemption of units		(892,120)
		33,551,720
Net decrease in cash		(8,924)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(8,924)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore S&P Global Water ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on February 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated April 5, 2007 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the S&P Global Water Index provided by Standard & Poor's ("S&P"). The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the S&P Global Water Index in the same proportion as they are reflected in the S&P Global Water Index.

The Claymore ETF commenced investment operations on June 4, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF's financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class' proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class' proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class' pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the "GAAP NAV") and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore S&P Global Water ETF					
Advisor Class	$ 2,652,628	$ (2,593)	$ 2,650,035	$ 18.55	$ 18.53
Common	29,046,971	(28,394)	29,018,577	$ 18.55	$ 18.53
Total Net Asset Value	**$ 31,699,599**	**$ (30,987)**	**$ 31,668,612**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	193,000	$ 3,796,161	1,566,000	$ 30,848,727
Units redeemed	(50,000)	(892,120)	-	-
Units outstanding, end of period	143,000	$ 2,904,041	1,566,000	$ 30,848,727

5. Expenses

A monthly management fee equal to one-twelfth of 0.60% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.60% of the NAV per Advisor Class unit of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under “Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager.” Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$3,244,472
Market Value of Collateral Held	$3,487,869

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in currencies other than its reporting currency. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder's proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $1,064,564 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were $15,225.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore S&P Global Water ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from June 4, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from June 4, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

CLAYMORE BRIC ETF (CBQ)

Management Discussion & Analysis

Fund Overview

The Claymore BRIC ETF (the "Fund") has been designed to replicate, to the extent possible, the performance of the BNY BRIC Select ADR Index (the "Index"), which tracks the performance of companies from Brazil, Russia, India and China which trade as American Depositary Receipts ("ADRs") and/or Global Depositary Receipts ("GDRs") on a U.S stock exchange. The Fund's investment strategy is to invest in and hold the constituent securities of the Index in the same proportion as they are reflected in the Index.

By utilizing U.S.-traded ADRs and/or GDRs to obtain exposure to each of the four BRIC countries, the Manager believes the Fund minimizes certain risks associated with emerging markets investing by limiting its investments to securities that are able to meet U.S. listing requirements. Given that the ADRs and/or GDRs underlying the Index are U.S.-dollar denominated, the Fund seeks to reduce currency risk by hedging its exposure to U.S. dollars. Companies are selected for the Index using a proprietary methodology developed by the Bank of New York ("BNY") which includes several criteria, including maintaining a listing on a U.S. stock exchange and meeting minimum requirements for liquidity, share price and market capitalization.

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. The Fund provided very strong performance in 2007, and was the #1 ranked publicly-traded mutual fund in Canada for best one-year return as of December 31, 2007, according to Morningstar.ca.[1] On a market price basis, the Fund's Common Units generated a total return of 71.29%, representing a change in market price to $42.05 on December 31, 2007, from $25.92 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on a market price basis, of 72.03%, representing a change in market price to $42.00 on December 31, 2007, from $25.65 on December 31, 2006. On an NAV basis, the Fund's Common Units generated a total return of 71.20%, representing a change in NAV to $41.97 on December 31, 2007, from $25.89 on December 31, 2006. The Fund's Advisor Class Units generated a total return, on an NAV basis, of 69.84%, representing a change in NAV to $41.83 on December 31, 2007, from $25.88 on December 31, 2006. For the 12-month period ended December 31, 2007, the Index returned 44.63% and the MSCI Emerging Markets Index returned 18.88%, each in Canadian dollar terms. The BRIC markets continued to outperform the broader MSCI Emerging Markets Index during this period. In addition, the Fund's decision to hedge its U.S. dollar exposure provided positive results during the year, accounting for a substantial portion of the positive difference between the returns of the Fund and the returns of the Index.

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[1] The Fund was ranked by Morningstar.ca as the second best performing fund for one-year return as of December 31, 2007, but the top performing fund for best one-year return as of December 31, 2007 is restricted to accredited investors.

The Fund’s Common Units paid quarterly dividends of $0.0443 on March 30, 2007, $0.0487 on June 29, 2007, $0.0515 on September 28, 2007, and $0.1564 on December 31, 2007, plus a capital gains distribution of $1.9876 on December 31, 2007. The Fund’s Advisor Units paid a distribution of $0.1415 December 31, 2007, and a capital gains distribution of $1.9841 on December 31, 2007.

Economic and Market Overview

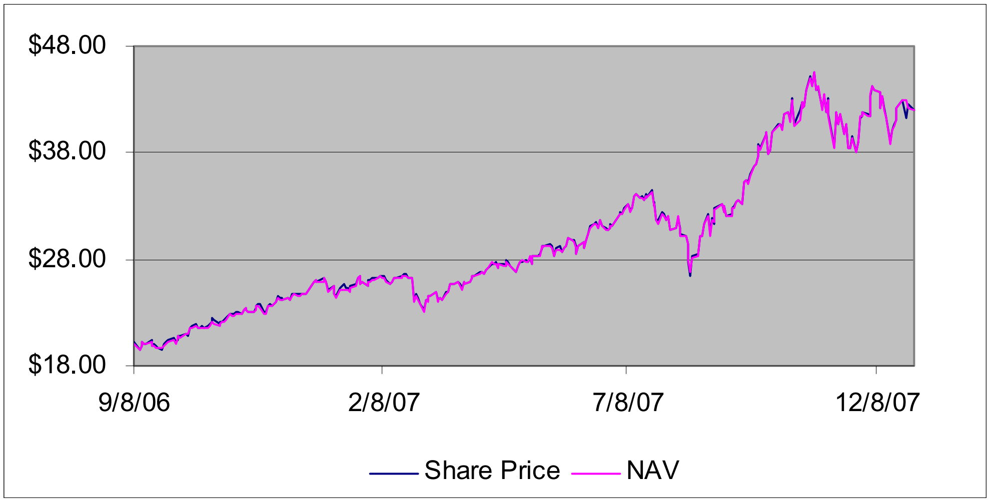
Economies in the BRIC markets – Brazil, Russia, India and China – continued to trend upward in 2007. The Chinese market was among the strongest in the world, up more than 150% for the year ended December 31, 2007. Markets in Brazil, India and Russia were also up sharply over the same time period. Market strength was driven by an environment of strong global growth trends, well-contained inflation and expanding demand for goods and services from both emerging markets and developed countries.

Performance Attribution

The Fund’s extraordinary gains were broadly based during 2007, with positive returns in every sector except information technology. The strongest sector was basic materials, followed by oil & gas. Among the strongest contributors to returns were China Mobile Ltd. (8.77% of net assets), a leading provider of mobile telecommunications services in China, which is benefiting from rapidly expanding demand; Companhia Vale do Rio Doce (common shares 4.77% of net assets; preference shares 6.40% of net assets), a diversified metals and mining company based in Brazil, and Petroleo Brasileiro, which is responsible for all hydrocarbon activities in Brazil (common shares 7.79% of net assets; preference shares 9.02% of net assets). Infosys Technologies Ltd. (2.45% of net assets), a global technology services firm, and vehicle manufacturer Tata Motors Ltd. (0.51% of net assets), both headquartered in India, produced negative absolute returns and detracted from the Fund’s performance.

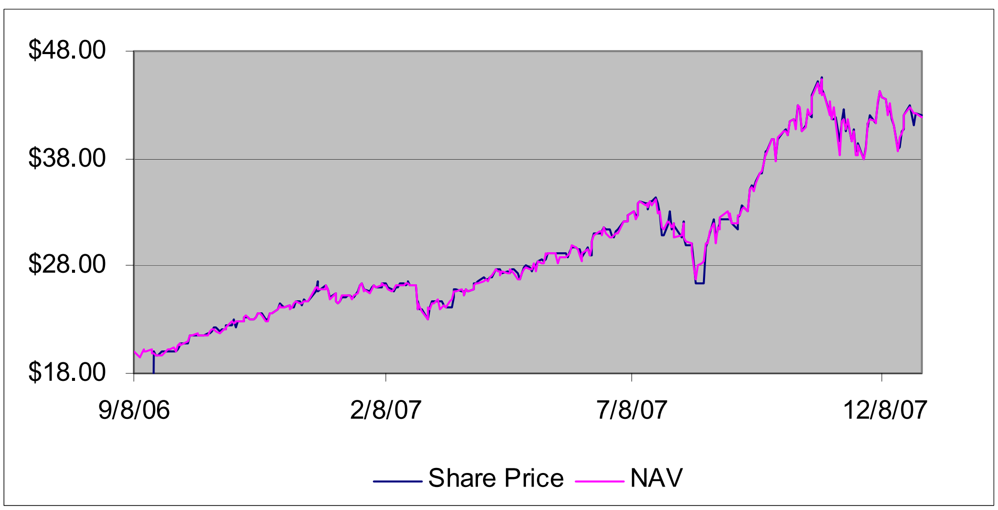
Performance Highlights *as at December 31, 2007*

Claymore BRIC ETF C$
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (09/08/06)	Market	NAV
One year	71.29%	71.20%
Since inception - annualized	83.83%	83.58%

Claymore BRIC ETF C$
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (09/08/06)	Market	NAV
One year	72.03%	69.84%
Since inception - annualized	82.75%	82.22%

Sector Mix	% of Fund's Net Asset Value
Equities	
Energy	18.6
Telecommunication Services	17.8
Financials	10.9
Materials	8.4
Information Technology	5.7
Consumer Discretionary	2.6
Utilities	1.9
Industrials	1.5
Consumer Staples	0.8
Health Care	0.8
Preferred Shares	
Energy	9.0
Materials	8.6
Financials	6.8
Consumer Staples	2.0
Telecommunication Services	1.9
Utilities	0.8
Consumer Discretionary	0.5
Industrials	0.2
Cash and Cash Equivalents	2.1
Net Other Assets	(0.9)
	100.0

Top 25 Issuers	% of Fund's Net Asset Value
1 Petroleo Brasileiro SA, Preference Shares, ADR	9.0
2 China Mobile Ltd., ADR	8.8
3 Petroleo Brasileiro SA, ADR	7.8
4 Cia Vale do Rio Doce, Preference Shares, ADR	6.4
5 Cia Vale do Rio Doce, ADR	4.8
6 China Life Insurance Co., ADR	4.4
7 PetroChina Co. Ltd., ADR	4.0
8 Banco Bradesco SA, Preference Shares, ADR	3.9
9 China Petroleum & Chemical Corp., ADR	3.0
10 ICICI Bank Ltd., ADR	3.0
11 CNOOC Ltd., ADR	3.0
12 Banco Itau Holding Financeira SA, Preference Shares, ADR	2.9
13 Infosys Technologies Ltd., ADR	2.4
14 Mobile Telesystems OJSC, ADR	2.4
15 Cash and Cash Equivalents	2.1
16 Unibanco - Uniao de Bancos Brasileiros SA, GDR	1.8
17 China Unicom Ltd., ADR	1.8
18 Vimpel-Communications OAO, ADR	1.6
19 Cia de Bebidas das Americas, Preference Shares, ADR	1.4
20 HDFC Bank Ltd., ADR	1.4
21 Cia Siderurgica Nacional SA, ADR	1.4
22 China Telecom Corp. Ltd., ADR	1.3
23 Gerdau SA, Preference Shares, ADR	1.1
24 Aluminum Corp. of China Ltd., ADR	1.0
25 Satyam Computer Services Ltd., ADR	1.0
	81.7
Total Net Asset Value	***$178,624,554***

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Common Stock			
	Energy			
37,014	China Petroleum & Chemical Corp., ADR (China)	$ 4,148,099	$ 5,406,962	
32,131	CNOOC Ltd., ADR (China)	4,106,007	5,309,502	
6,832	LDK Solar Co. Ltd., ADR (China)	306,185	313,880	
41,006	PetroChina Co. Ltd., ADR (China)	6,806,861	7,101,442	
122,891	Petroleo Brasileiro SA, ADR (Brazil)	8,102,987	13,899,556	
9,021	Yanzhou Coal Mining Co. Ltd., ADR (China)	631,266	864,065	
6,805	Yingli Green Energy Holding Co. Ltd. (China)	175,495	259,917	
		24,276,900	33,155,324	18.59%
	Materials			
35,707	Aluminum Corp. of China Ltd., ADR (China)	1,603,839	1,783,553	
27,804	Cia Siderurgica Nacional SA, ADR (Brazil)	1,457,156	2,440,074	
263,929	Cia Vale do Rio Doce, ADR (Brazil)	6,209,452	8,510,057	
10,524	Mechel OAO, ADR (Russia)	493,384	1,008,963	
5,401	Sinopec Shanghai Petrochemical Co. Ltd., ADR (China)	338,756	324,096	
34,226	Sterlite Industries India Ltd. (India)	652,515	869,820	
		10,755,102	14,936,563	8.38
	Industrials			
	Capital Goods			
3,252	China Digital TV Holding Co. Ltd., ADR (China)	91,521	86,594	
28,326	Empresa Brasileira de Aeronautica SA, ADR (Brazil)	1,290,281	1,272,017	
4,269	Solarfun Power Holdings Co. Ltd., ADR (China)	121,923	137,564	
		1,503,725	1,496,175	0.84
	Transportation			
4,421	China Eastern Airlines Corp. Ltd., ADR (China)	276,882	425,249	
6,312	China Southern Airlines Co. Ltd., ADR (China)	252,869	406,484	
7,172	Guangshen Railway Co. Ltd., ADR (China)	270,001	251,284	
		799,752	1,083,017	0.61
	Total Industrials	2,303,477	2,579,192	1.45
	Consumer Discretionary			
	Automobiles & Components			
48,889	Tata Motors Ltd., ADR (India)	896,703	905,674	0.51
	Consumer Services			
15,639	Ctrip.com International Ltd., ADR (China)	660,130	884,577	
5,106	Home Inns & Hotels Management, Inc., ADR (China)	177,468	179,503	
25,678	Melco PBL Entertainment Macau Ltd., ADR (China)	310,329	292,965	
7,076	New Oriental Education & Technology Group, ADR (China)	421,215	561,138	
		1,569,142	1,918,183	1.08

Claymore BRIC ETF
Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Media			
3,871	AirMedia Group Inc., ADR (China)	83,148	84,700	
27,098	Focus Media Holding Ltd., ADR (China)	1,309,045	1,499,026	
13,678	Giant Interactive Group Inc., ADR (China)	139,497	175,224	
14,858	Xinhua Finance Media Ltd., ADR (China)	92,955	87,985	
		1,624,645	1,846,935	1.04
	Total Consumer Discretionary	4,090,490	4,670,792	2.63
	Consumer Staples			
	Food & Staples Retailing			
5,577	China Nepstar Chain Drugstore Ltd., ADR (China)	99,080	96,489	0.05
	Food, Beverage & Tobacco			
16,017	Perdigao SA, ADR (Brazil)	615,257	770,483	
4,681	Wimm-Bill-Dann Foods OJSC, ADR (Russia)	393,384	603,362	
		1,008,641	1,373,845	0.77
	Total Consumer Staples	1,107,721	1,470,334	0.82
	Health Care			
	Health Care Equipment & Services			
5,757	China Medical Technologies Inc., ADR (China)	195,643	251,537	
13,526	Mindray Medical International Ltd., ADR (China)	463,455	572,694	
		659,098	824,231	0.46
	Pharmaceuticals Biotechnology & Life Sciences			
25,852	Dr. Reddys Laboratories Ltd., ADR (India)	458,764	463,092	
3,982	WuXi PharmaTech Cayman Inc., ADR (China)	109,851	114,915	
		568,615	578,007	0.32
	Total Health Care	1,227,713	1,402,238	0.78
	Financials			
	Banks			
19,113	HDFC Bank Ltd., ADR (India)	1,831,049	2,460,760	
88,516	ICICI Bank Ltd., ADR (India)	4,417,745	5,372,707	
23,674	Unibanco - Uniao de Bancos Brasileiros SA, GDR (Brazil)	2,756,639	3,262,704	
		9,005,433	11,096,171	6.22
	Insurance			
103,254	China Life Insurance Co. Ltd., ADR (China)	6,387,235	7,795,870	4.37
	Real Estate			
3,738	E-House China Holdings Ltd., ADR (China)	85,748	87,435	
12,335	Gafisa SA, ADR (Brazil)	426,215	455,188	
		511,963	542,623	0.30
	Total Financials	15,904,631	19,434,664	10.89

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Information Technology			
	Software & Services			
2,832	Baidu.com, ADR (China)	588,670	1,087,554	
97,948	Infosys Technologies Ltd., ADR (India)	4,390,637	4,363,685	
14,101	Netease.com, ADR (China)	268,297	264,006	
9,079	Patni Computer Systems Ltd., ADR (India)	156,696	145,788	
2,929	Perfect World Co. Ltd., ADR (China)	80,686	80,451	
67,559	Satyam Computer Services Ltd., ADR (India)	1,824,160	1,777,623	
6,549	Shanda Interactive Entertainment Ltd., ADR (China)	186,886	214,784	
3,884	The9 Ltd., ADR (China)	92,607	81,381	
60,861	Wipro Ltd., ADR (India)	909,591	885,987	
		8,498,230	8,901,259	4.99

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Semiconductor & Semiconductor Equipment			
18,395	Actions Semiconductor Co. Ltd., ADR (China)	77,270	74,072	
8,328	JA Solar Holdings Co. Ltd., ADR (China)	356,803	571,080	
10,770	O2Micro International Ltd., ADR (China)	128,510	121,920	
70,089	Semiconductor Manufacturing International Corp., ADR (China)	382,295	358,324	
4,457	Trina Solar Ltd., ADR (China)	217,760	236,658	
		1,162,638	1,362,054	0.76
	Total Information Technology	9,660,868	10,263,313	5.75
	Telecommunication Services			
182,362	China Mobile Ltd., ADR (China)	11,500,875	15,635,091	
22,059	China Netcom Group Corp. Hong Kong Ltd., ADR (China)	1,184,488	1,293,208	
30,859	China Telecom Corp. Ltd., ADR (China)	1,927,642	2,375,901	
146,772	China Unicom Ltd., ADR (China)	2,448,986	3,244,797	
21,497	Hutchison Telecommunications International Ltd., ADR (China)	482,242	473,341	
21,241	Mahanagar Telephone Nigam, ADR (India)	166,622	201,043	
41,957	Mobile Telesystems OJSC, ADR (Russia)	2,679,774	4,210,111	
17,672	Rostelecom, ADR (Russia)	982,818	1,199,970	
6,292	Videsh Sanchar Nigam Ltd., ADR (India)	149,035	233,865	
71,306	Vimpel-Communications OAO, ADR (Russia)	1,593,431	2,890,327	
		23,115,913	31,757,654	17.82
	Utilities			
12,479	Cia de Saneamento Basico do Estado de Sao Paulo, ADR (Brazil)	536,290	577,875	
6,337	CPFL Energia SA, ADR (Brazil)	337,327	354,370	
17,390	Huaneng Power International Inc., ADR (China)	701,472	708,665	
21,485	Suntech Power Holdings Co. Ltd., ADR (China)	907,998	1,742,600	
		2,483,087	3,383,510	1.90
	Total Common Stock	94,925,902	123,053,584	69.01

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
	Preference Shares			
	Energy			
169,348	Petroleo Brasileiro SA, Preference Shares, ADR (Brazil)	9,833,048	16,082,060	9.02
	Materials			
10,254	Aracruz Celulose SA, Preference Shares, ADR (Brazil)	742,524	752,336	
18,749	Braskem SA, Preference Shares, ADR (Brazil)	302,181	296,995	
413,193	Cia Vale do Rio Doce, Preference Shares, ADR (Brazil)	8,261,192	11,410,295	
68,520	Gerdau SA, Preference Shares, ADR (Brazil)	1,576,299	1,961,830	
8,011	Ultrapar Participacoes SA, Preference Shares, ADR (Brazil)	250,752	272,220	
21,068	Votorantim Celulose e Papel SA, Preference Shares, ADR (Brazil)	519,241	615,268	
		11,652,189	15,308,944	8.58
	Industrials			
	Transportation			
15,087	Gol Linhas Aereas Inteligentes SA, Preference Shares, ADR (Brazil)	382,044	369,276	
15,602	Tam SA, Preference Shares, ADR (Brazil)	378,817	371,256	
		760,861	740,532	0.42
	Consumer Discretionary			
	Media			
48,282	NET Servicos de Comunicacao SA, Preference Shares, ADR (Brazil)	601,727	570,871	0.32
	Consumer Staples			
	Food & Staples Retailing			
12,291	Cia Brasileira de Distribuicao Grupo Pao de Acucar, Preference Shares, ADR (Brazil)	448,066	448,348	0.25
	Food, Beverage & Tobacco			
35,865	Cia de Bebidas das Americas, Preference Shares, ADR (Brazil)	2,318,732	2,514,253	
9,943	Sadia SA, Preference Shares (Brazil)	470,369	561,025	
		2,789,101	3,075,278	1.72
	Total Consumer Staples	3,237,167	3,523,626	1.97
	Financials			
	Banks			
219,096	Banco Bradesco SA, Preference Shares, ADR (Brazil)	5,624,093	6,915,270	
203,677	Banco Itau Holding Financeira SA, Preference Shares, ADR (Brazil)	4,585,458	5,198,365	
		10,209,551	12,113,635	6.79
	Telecommunication Services			
10,546	Brasil Telecom Participacoes SA, Preference Shares, ADR (Brazil)	607,223	775,426	
13,080	Brasil Telecom SA, Preference Shares, ADR (Brazil)	281,778	390,249	
57,613	Tele Norte Leste Participacoes SA, Preference Shares, ADR (Brazil)	1,085,892	1,096,286	

Claymore BRIC ETF

Statement of Investment Portfolio as at December 31, 2007 (continued)

Number of Shares/Units	Description	Average Cost	Fair Value	% of Net Assets
13,145	Tim Participacoes SA, Preference Shares, ADR (Brazil)	507,836	453,034	
113,752	Vivo Participacoes SA, Preference Shares, ADR (Brazil)	563,670	614,105	
		3,046,399	3,329,100	1.87
	Utilities			
60,656	Cia Energetica de Minas Gerais, Preference Shares, ADR (Brazil)	1,105,100	1,103,304	
23,613	Cia Paranaense de Energia, Preference Shares, Class B, ADR (Brazil)	349,447	350,040	
	Total Utilities	1,454,547	1,453,344	0.81
	Total Preference Shares	40,795,489	53,122,112	29.78
	Total Investments	$ 135,721,391	176,175,696	98.79%
	Other assets less liabilities		2,153,832	1.21
	Net Assets		$178,329,528	100.00%

Foreign Currency Forward Contracts

# of Contracts	Forwards	Forward Value	Fair Value	Unrealized gain (loss)
(182,800,000)	US Dollar Forward @ 1.01365	(180,338,381)	(180,340,160)	(1,779)

Statement of Net Assets *as at December 31, 2007*

	2007	2006
Assets		
Investments, at fair value (note 2)	$ 176,175,696	$ 39,746,679
Cash	3,140,227	19,674
Dividend receivable	353,656	76,606
	179,669,579	39,842,959
Liabilities		
Distribution payable	36	53,262
Accrued management fees	95,034	9,186
Accrued service fees	22,731	1,516
Forward agreements, at fair value (note 2)	1,779	892
Due to brokers	1,220,471	-
	1,340,051	64,856
Net assets representing unitholders' equity	$ 178,329,528	$ 39,778,103
Net assets representing unitholders' equity		
Advisor Class	$ 12,528,240	$ 5,176,111
Common	165,801,288	34,601,992
	$ 178,329,528	$ 39,778,103
Units outstanding (note 4)		
Advisor Class	300,000	200,000
Common	3,956,995	1,336,644
	4,256,995	1,536,644
Net assets per unit		
Advisor Class	$ 41.76	$ 25.88
Common	$ 41.90	$ 25.89

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Operations

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Income		
Dividends	$ 1,756,412	$ 100,441
Interest	1,023	14
Other	(18,581)	62,234
	1,738,854	162,689
Expenses		
Management fees (note 5)	624,570	33,322
Service fees (note 5)	60,301	10,728
Interest and bank charges	5,883	-
	690,754	44,050
Net investment income	1,048,100	118,639
Net realized gain on sale of investments	615,599	54,342
Net realized gain (loss) on foreign exchange	(334,743)	1,091
Net realized gain (loss) on forward agreements	12,401,501	(1,080,825)
Change in unrealized appreciation in value of investments	34,828,861	5,757,728
Change in unrealized depreciation on forward agreements	(887)	(892)
Net gain on investments	47,510,331	4,731,444
Increase in net assets from operations	$ 48,558,431	$ 4,850,083
Increase in net assets from operations		
Advisor Class	$ 3,363,799	$ 1,176,111
Common	45,194,632	3,673,972
	$ 48,558,431	$ 4,850,083
Increase in net assets from operations per unit		
Advisor Class	$ 15.33	$ 5.88
Common	$ 16.58	$ 6.67

**Commencement of Operations*

Statement of Change in Net Assets

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Net assets, beginning of the period (Transactional NAV)		
Advisor Class	$ 5,176,111	$ -
Common	34,601,992	-
	39,778,103	-
Opening NAV Section 3855 Adjustment (note 3)		
Advisor Class	(17,260)	-
Common	(115,024)	-
	(132,284)	-
Net assets, beginning of the period (GAAP NAV)		
Advisor Class	5,158,851	-
Common	34,486,968	-
	39,645,819	-
Increase in net assets from operations		
Advisor Class	3,363,799	1,176,111
Common	45,194,632	3,673,972
	48,558,431	4,850,083
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class	4,048,040	4,000,000
Common	88,090,848	30,981,282
Payment on redemption of units:		
Advisor Class	-	-
Common	(969,968)	-
Reinvested capital gains distributions:		
Advisor Class	595,230	-
Common	7,864,923	-
	99,629,073	34,981,282

Claymore BRIC ETF
Statement of Change in Net Assets

	For the Year Ended December 31, 2007		For the period September 8, 2006* to December 31, 2006
Distribution to unitholders			
From net investment income:			
Advisor Class		(42,450)	-
Common		(1,001,192)	(53,262)
From net realized gain:			
Advisor Class		(595,230)	-
Common		(7,864,923)	-
		(9,503,795)	(53,262)
Increase in net assets for the period			
Advisor Class		7,369,389	5,176,111
Common		131,314,320	34,601,992
		138,683,709	39,778,103
Net assets, end of the period (GAAP NAV)			
Advisor Class		12,528,240	5,176,111
Common		165,801,288	34,601,992
	$	78,329,528	$ 39,778,103

**Commencement of Operations*

Statement of Cash Flows

	For the Year Ended December 31, 2007	For the period September 8, 2006* to December 31, 2006
Cash flows from operating activities		
Increase in net assets from operations	$ 48,558,431	$ 4,850,083
Items not affecting cash:		
Net realized gain on sale of investments	(615,599)	(54,342)
Net realized (gain) loss on forward agreements	(12,401,501)	1,080,825
Change in unrealized appreciation in value of investments	(34,828,861)	(5,757,728)
Change in unrealized depreciation on forward agreements	887	892
Change in non-cash working capital items	(169,987)	(65,904)
	543,370	53,826
Cash flows from investing activities		
Purchase of investments	(145,309,341)	(34,637,650)
Proceeds from sale of investments	45,412,971	703,041
Receipts (payments) for settlement of forward agreements	12,401,501	(1,080,825)
	(87,494,869)	(35,015,434)
Cash flows from financing activities		
Distribution to unitholders	(1,096,868)	-
Issuance of units for cash	92,138,888	34,981,282
Payment on redemption of units	(969,968)	-
	90,072,052	34,981,282
Net increase in cash	3,120,553	19,674
Cash, beginning of the period	19,674	-
Cash, end of the period	$ 3,140,227	$ 19,674

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore BRIC ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on August 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated August 15, 2006 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the BNY BRIC Select ADR Index (the "BNY BRIC Index") provided by the Bank of New York ("BNY"). The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the BNY BRIC Index in the same proportion as they are reflected in the BNY BRIC Index.

The Claymore ETF commenced investment operations on September 8, 2006.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.
The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Prior to January 1, 2007, fair value was based on the last trading price for the day when available.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operation. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Prior to the adoption of Section 3855, transaction costs were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF adopted this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The adoption of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the year-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the year divided by the weighted average number of units outstanding per class during the year.

e) The value of a forward contract is the gain or loss that would be realized if, on the valuation date, the positions were closed out. The forward contract is valued using an interpolation of the forward exchange rate based on the length of the forward contract. It is reflected in the Statement of Operations as change in unrealized appreciation (depreciation) on forward agreements. When the forward contracts are closed out, any gains or losses realized are included in net realized gain or loss on forward agreements.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the “GAAP NAV”) and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Adoption of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the adoption of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit		
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV	Opening NAV Section 3855 Adjustment
As at December 31, 2007						
Claymore BRIC ETF						
Advisor Class	$ 12,548,968	$ (20,728)	$ 12,528,240	$ 41.83	$ 41.76	$ (17,260)
Common	166,075,586	(274,298)	165,801,288	$ 41.97	$ 41.90	$ (115,024)
Total Net Asset Value	**$ 178,624,554**	**$ (295,026)**	**$ 178,329,528**			**$ (132,284)**

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the periods ended December 31, 2007 and 2006 were as follows:

	December 31, 2007				December 31, 2006			
	Advisor Class Units		Common Units		Advisor Class Units		Common Units	
	Units	Value	Units	Value	Units	Value	Units	Value
Units outstanding, beginning of period	200,000	$ 4,000,000	1,336,644	$ 30,981,282	-	$ -	-	$ -
Units issued for cash	100,000	4,048,040	2,647,351	88,090,848	200,000	4,000,000	1,336,644	30,981,282
Reinvested capital gains distributions (1)	-	595,230	-	7,864,923	-	-	-	-
Units redeemed	-	-	(27,000)	(969,968)	-	-	-	-
Units outstanding, end of period	300,000	$ 8,643,270	3,956,995	$ 125,967,085	200,000	$ 4,000,000	1,336,644	$ 30,981,282

(1) The Claymore ETF had capital gains distributions during the year. The final annual capital gains distributions were not paid in cash but reinvested and used to increase the investors' adjusted cost base of the Claymore ETF.

5. Expenses

A monthly management fee equal to one-twelfth of 0.60% of the NAV per Common unit of the Claymore ETF plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.60% of the NAV per Advisor Class unit of the Claymore ETF plus applicable taxes, plus an additional service fee of one-quarter of 0.75% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 0.75% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Financial Instruments

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in U.S. dollars. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the U.S. dollar may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash, amounts due from brokers and investments in preference shares. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

7. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

The Claymore ETF has entered into a securities lending program with RBC Dexia Investor Services Trust. The aggregate market value of all securities loaned by the Claymore ETF cannot exceed 50% of the net asset value of the Claymore ETF. The Claymore ETF will receive collateral of at least 105% of the value of securities on loan.

Balances as at December 31, 2007:

Market Value of Securities Loaned	$9,638,117
Market Value of Collateral Held	$10,361,158

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder’s proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF had capital losses of $379,194 which were fully applied against capital gains realized in 2007.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the year ended December 31, 2007 were nil [2006: nil].

There were no soft dollar amounts during the year ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore BRIC ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and 2006, the statement of investments as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007 and 2006, their investments as at December 31, 2007 and the results of their operations, changes in their net assets, and cash flows for the periods then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE GLOBAL BALANCED INCOME ETF (CBD)

Management Discussion & Analysis

Fund Overview

The Claymore Global Balanced Income ETF (the "Fund") seeks investment results that correspond generally to the price and yield, before fees and expenses, of an index which allocates amongst multiple asset class exchange-traded funds called the Sabrient Global Balanced Income Index (the "Index"). The objective of the Fund is to balance current income and long-term capital appreciation, while providing strong defensive characteristics. The Fund is part of the Claymore CorePortfolios™ Wrap Program, which seeks to provide investors with access to a range of diversified investment solutions targeted to varying risk tolerances.

The Manager will seek to match the performance of the Index, which is diversified by asset class, geography and strategy. The Index comprises a mixture of approximately five to ten existing exchange-traded funds ("ETFs") selected, based on investment and other criteria, from a defined set of ETFs (and other designated products, as deemed appropriate) trading on the Toronto Stock Exchange (the "TSX"). The selection methodologies used to construct the Index were developed by Sabrient Systems, LLC as a quantitative approach to selecting diversified investment portfolios comprised of ETFs. The Index weightings are adjusted and rebalanced quarterly to the optimal asset class mix depending on economic conditions and relative value of income and equity securities. The asset classes represented by the ETFs and the range of percentages allocated to each strategy by the Fund are as follows:

- Dividend Focused Equity 25 – 50%
- Large Cap Canadian Equity 0 – 10%
- U.S. Equity 0 – 5%
- Real Estate Investment Trusts 0 – 20%
- International Equity 5 – 10%
- Intermediate Fixed-Income 0 – 20%
- Canadian Preferred Shares 5 – 15%
- Short Fixed-Income 0 – 35%
- Cash 0 – 5%

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. For the abbreviated annual period from the Fund's inception date of June 21, 2007, through December 31, 2007, the Fund's Common Units generated a total return of -1.24% on a market price basis, representing a change in market price to $19.24 on December 31, 2007, from $20.00 at inception. On an NAV basis, the Fund's Common Units generated a total return of -1.67%, representing a change in NAV to $19.15 on December 31, 2007, from $20.00 on the inception date of June 21, 2007. For the same period, the Fund's Advisor Class Units generated a total return of -1.75% on a market price basis, representing a change in market price to $19.24 on December 31, 2007, from $20.00 at inception. The Fund's Advisor Class Units generated a total return, on an NAV basis, of -2.46%, representing a change in NAV to $19.10 on December 31, 2007, from $20.00 on the inception date of June 21, 2007. For the same period the Index returned -1.36%.

The Fund's Common Units paid quarterly dividends of $0.195 on September 28, 2007, and $0.320 on December 31, 2007. The Fund's Advisor Units paid quarterly dividends of $0.136 on September 28, 2007, and $0.2765 on December 31, 2007.

Economic and Market Overview

After several years of robust growth, the global economy faces increased risks from the U.S. housing slump and related tightening of credit conditions around the world. Sluggish near-term growth in the U.S. is likely to spill over to other regions. However, the global economy continues to rebalance, becoming less dependent on U.S. demand and more reliant on other regions.

Strong growth in business investment and exports and continued improvement in labor markets enabled Europe's economy to grow at a rate of approximately 2.5% during 2007. Growth at a more modest pace appears likely in 2008, as credit conditions tighten and strong currencies limit exports. Powerful domestic demand, especially in China and India, as well as export gains continue to drive growth of Asian economies. Trade within the region, as well as trade with Europe, should mitigate the impact on Asian economies of a slowdown in the U.S.

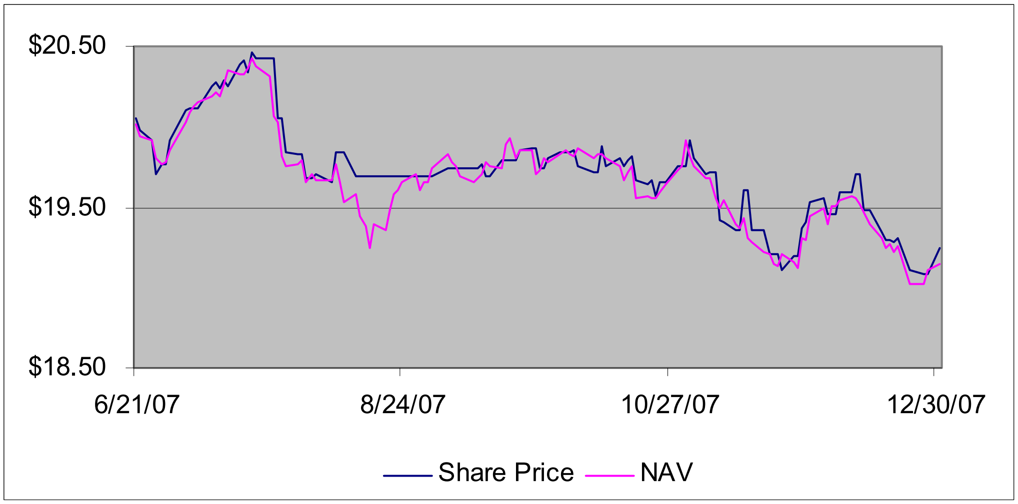
Trends in world equity markets were generally positive in 2007, with emerging markets much stronger than developed markets. For Canadians, the movement of the Canadian dollar relative to the U.S. dollar and other global currencies continued to be a major issue during 2007. Canadians investing outside Canada were impacted negatively by the rising dollar, and their investment returns were generally below the returns achieved in each market. Return of the MSCI EAFE Index, which tracks performance of markets in 21 developed countries in Europe and the Pacific Basin, was 3.97% for the year in local currency, but was -5.06% in Canadian dollar terms. Meanwhile the return of the MSCI Emerging Market Index was 33.55% in local currency, but was 18.88% in Canadian dollar terms.

Performance Attribution

For the period from the Fund's inception date of June 21, 2007, through December 31, 2007, the Fund's strongest returns came from bond funds, particularly the iShares CDN Government Bond Index Fund and the iShares CDN Scotia Capital Short Term Bond Index Fund (10.0% and 25.4% of net assets, respectively). The positions that detracted most from returns were Claymore CDN Dividend & Income Achievers ETF and iShares CDN S&P/TSX Capped REIT Index Fund and (28.3% and 3.0% of net assets, respectively).

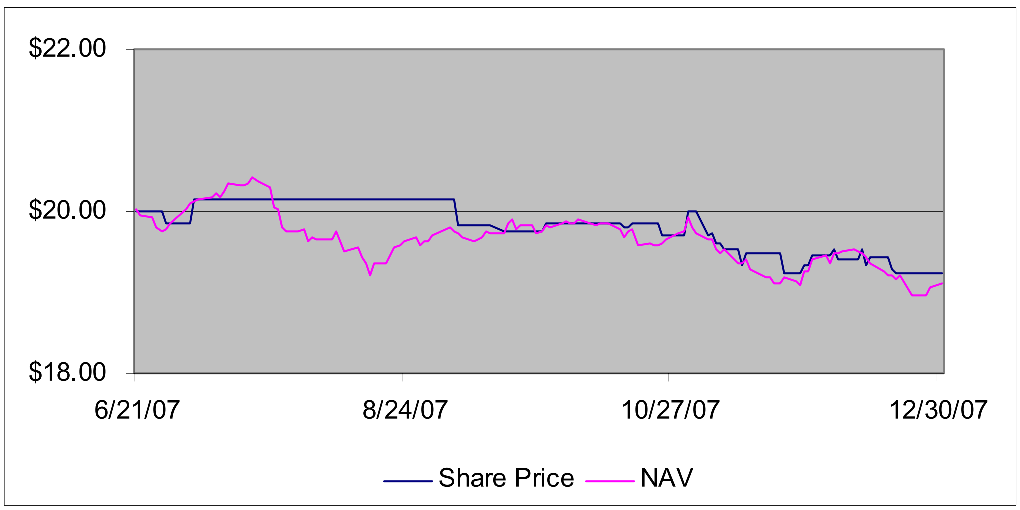
Performance Highlights as at December 31, 2007

Claymore Global Balanced Income ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (06/21/07)	Market	NAV
Since inception - annualized	-1.24%	-1.67%

Claymore Global Balanced Income ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (06/21/07)	Market	NAV
Since inception - annualized	-1.75%	-2.46%

Sector Mix	% of Fund's Net Asset Value
ETFs	100.1
Cash and Cash Equivalents	0.5
Net Other Assets	(0.6)
	100.0

Top Issuers	% of Fund's Net Asset Value
1 Claymore CDN Dividend & Income Achievers ETF *	28.3
2 iShares CDN Scotia Capital Short Term Bond Index Fund	25.3
3 Claymore S&P/TSX CDN Preferred Share ETF *	11.3
4 iShares CDN Government Bond Index Fund *	10.0
5 Claymore Canadian Fundamental Index ETF *	6.1
6 iShares CDN Corporate Bond Index Fund *	4.7
7 Claymore US Fundamental Index ETF *	4.6
8 iShares CDN S&P/TSX Capped REIT Index Fund *	3.0
9 Claymore Oil Sands Sector ETF *	2.5
10 Claymore International Fundamental Index ETF *	2.2
11 Claymore S&P Global Water ETF *	0.5
12 Claymore BRIC ETF *	0.5
13 Claymore Japan Fundamental Index ETF C$ Hedged *	0.5
14 Cash and Cash Equivalents	0.5
	100.0
Total Net Asset Value	**$5,740,437**

** The prospectus and other information about the underlying fund is available on the Internet at www.sedar.com.*

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio *as at December 31, 2007*

Number of Units	Description	Average Cost	Fair Value	% of Net Assets
	Exchange Traded Funds			
693	Claymore BRIC ETF (Common)	$ 24,345	$ 29,141	
29,910	Claymore Canadian Fundamental Index ETF (Common)	362,237	351,143	
75,696	Claymore CDN Dividend & Income Achievers ETF (Common)	1,684,574	1,622,922	
6,577	Claymore International Fundamental Index ETF (Common)	130,052	124,042	
1,595	Claymore Japan Fundamental Index ETF C$ Hedged (Common)	30,459	28,120	
6,254	Claymore Oil Sands Sector ETF (Common)	146,757	152,535	
1,548	Claymore S&P Global Water ETF (Common)	30,429	30,248	
35,798	Claymore S&P/TSX CDN Preferred Share ETF (Common)	674,708	647,944	
12,910	Claymore US Fundamental Index ETF C$ Hedged (Common)	289,536	271,756	
14,464	iShares CDN Corporate Bond Index Fund	282,477	281,903	
28,695	iShares CDN Government Bond Index Fund	569,073	573,326	
11,963	iShares CDN S&P/TSX Capped REIT Index Fund	191,327	170,114	
52,182	iShares CDN Scotia Capital Short Term Bond Index Fund	1,461,117	1,459,009	
		5,877,091	5,742,203	100.10
	Total Investments	$ 5,877,091	5,742,203	100.10%
	Liabilities less other assets		(5,821)	(0.10)
	Net Assets		$ 5,736,382	100.00%

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	5,742,203
Due from brokers		65,280
		5,807,483
Liabilities		
Bank indebtedness		63,702
Accrued management fees		1,750
Accrued service fees		5,649
		71,101
Net assets representing unitholders' equity	$	5,736,382
Net assets representing unitholders' equity		
Advisor Class	$	1,908,451
Common		3,827,931
	$	5,736,382
Units outstanding (note 4)		
Advisor Class		100,000
Common		200,000
		300,000
Net assets per unit		
Advisor Class	$	19.08
Common	$	19.14

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

**Commencement of Operations*

Statement of Operations *for the period from June 21, 2007* to December 31, 2007*

Income		
Dividends	$	91,669
Interest		38,137
		129,806
Expenses		
Management fees (note 5)		10,406
Service fees (note 5)		11,185
Interest and bank charges		77
		21,668
Net investment income		108,138
Net realized loss on sale of investments		(138,861)
Change in unrealized depreciation in value of investments		(134,888)
Net loss on investments		(273,749)
Decrease in net assets from operations	$	(165,611)
Decrease in net assets from operations		
Advisor Class	$	(47,256)
Common		(118,355)
	$	(165,611)
Decrease in net assets from operations per unit		
Advisor Class	$	(0.47)
Common	$	(0.83)

**Commencement of Operations*

Statement of Changes in Net Assets *for the period from June 21, 2007* to December 31, 2007*

Net assets, beginning of the period *		
Advisor Class	$	-
Common		-
		-
Decrease in net assets from operations		
Advisor Class		(47,256)
Common		(118,355)
		(165,611)
Capital unit transactions (note 4)		
Issuance of units for cash:		
Advisor Class		2,000,000
Common		5,950,720
Amounts paid for redemption of units:		
Advisor Class		-
Common		(1,923,960)
		6,026,760
Distribution to unitholders		
From net investment income:		
Advisor Class		(28,075)
Common		(51,009)
From return of capital:		
Advisor Class		(16,218)
Common		(29,465)
		(124,767)
Increase in net assets for the period		
Advisor Class		1,908,451
Common		3,827,931
	$	5,736,382
Net assets, end of the period		
Advisor Class	$	1,908,451
Common		3,827,931
	$	5,736,382

**Commencement of Operations*

Statement of Cash Flows *for the period from June 21, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(165,611)
Items not affecting cash:		
Net realized loss on sale of investments		138,861
Change in unrealized depreciation in value of investments		134,888
Change in non-cash working capital items		7,399
		115,537
Cash flows from investing activities		
Purchase of investments		(9,386,768)
Proceeds from sale of investments		3,305,536
		(6,081,232)
Cash flows from financing activities		
Distribution to unitholders		(124,767)
Issuance of units for cash		7,950,720
Amounts paid for redemption of units		(1,923,960)
		5,901,993
Net decrease in cash		(63,702)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(63,702)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Global Balanced Income ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on February 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated April 5, 2007 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the Sabrient Global Balanced Income Index provided by Sabrient Systems, LLC. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the Sabrient Global Balanced Income Index in the same proportion as they are reflected in the Sabrient Global Balanced Income Index.

The Claymore ETF commenced investment operations on June 21, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants (“CICA”) issued Section 3855, “Financial Instruments – Recognition and Measurement” of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 (“NI 81-106”), issued by the Canadian Securities Administrators (“CSA”) in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the “Transactional NAV”) until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as “Net Assets” in the proposal) and one for the purchase and redemption price of an investment fund (referred to as “Net Asset Value” in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.

The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Claymore ETF invests in units of underlying investment funds. The underlying funds will be valued at their net asset value as reported by the fund manager on the valuation date.

3. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ‘‘Transaction costs’’ in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF’s financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class’ proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class’ proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class’ pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the "GAAP NAV") and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument.
Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore Global Balanced Income ETF					
Advisor Class	$ 1,909,800	$ (1,349)	$ 1,908,451	$ 19.10	$ 19.08
Common	3,830,637	(2,706)	3,827,931	$ 19.15	$ 19.14
Total Net Asset Value	**$ 5,740,437**	**$ (4,055)**	**$ 5,736,382**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	100,000	$ 2,000,000	300,000	$ 5,950,720
Units redeemed	-	-	(100,000)	(1,923,960)
Units outstanding, end of period	100,000	$ 2,000,000	200,000	$ 4,026,760

5. Expenses

A monthly management fee equal to one-twelfth of 0.70% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.70% of the NAV per Advisor Class unit of the Claymore ETF, plus applicable taxes, plus an additional service fee of one-quarter of 1.00% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 1.00% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore

ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark to market the collateral on a daily basis.

Currently the Claymore ETF is not engaged in any such securities lending arrangements.

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in Japanese Yen. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the Japanese Yen may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder's proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $114,312 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were nil.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore Global Balanced Income ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from June 21, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from June 21, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE GLOBAL BALANCED GROWTH ETF (CBN)

Management Discussion & Analysis

Fund Overview

The Claymore Global Balanced Growth ETF (the "Fund") seeks investment results that correspond generally to the price and yield, before fees and expenses, of an index which allocates amongst multiple asset class exchange-traded funds called the Sabrient Global Balanced Growth Index (the "Index"). The objective of the Fund is to balance strong long-term capital appreciation potential and current income, with a bias towards capital appreciation. The Fund is part of the Claymore CorePortfolios™ Wrap Program, which seeks to provide investors with access to a range of diversified investment solutions targeted to varying risk tolerances.

The Manager will seek to match the performance of the Index, which is diversified by asset class, geography and strategy. The Index comprises a mixture of exchange-traded funds ("ETFs") selected, based on investment and other criteria, from a defined set of ETFs (and other designated products, as deemed appropriate) trading on the Toronto Stock Exchange (the "TSX"). The selection methodologies used to construct the Index were developed by Sabrient Systems, LLC as a quantitative approach to selecting diversified investment portfolios comprised of ETFs. The Index weightings are adjusted and rebalanced quarterly to the optimal asset class mix depending on economic conditions and relative value of income and equity securities. The asset classes represented by the ETFs and the range of percentages allocated to each strategy by the Fund are as follows:

- Dividend Focused Equity 0 – 15%
- Large Cap Canadian Equity 10 – 30%
- U.S. Equity 15 – 40%
- Real Estate Investment Trusts 0 – 20%
- International Equity 20 – 45%
- Intermediate Fixed-Income 0 – 15%
- Short Fixed-Income 0 – 25%
- Canadian Preferred Shares 5 – 10%
- Cash 0 – 5%

Fund Performance

All Fund returns cited – whether based on net asset value ("NAV") or market price – assume the reinvestment of all distributions. For the abbreviated annual period from the Fund's inception date of June 21, 2007, through December 31, 2007, the Fund's Common Units generated a total return of -3.70% on a market price basis, representing a change in market price to $18.84 on December 31, 2007, from $20.00 at inception. On an NAV basis, the Fund's Common Units generated a total return of -3.69%, representing a change in NAV to $18.84 on December 31, 2007, from $20.00 on the inception date of June 21, 2007. For the same period, the Fund's Advisor Class Units generated a total return, on a market price basis of -4.19%, representing a change in market price to $18.84 on December 31, 2007, from $20.00 at inception. The Fund's Advisor Class Units generated a total return, on an NAV basis, of -4.21%, representing a change in NAV to $18.84 on December 31, 2007, from $20.00 on the inception date of June 21, 2007. For the same period the Index returned -3.39%.

The Fund's Common Units paid quarterly dividends of $0.112 on September 28, 2007, and $0.311 on December 31, 2007. The Fund's Advisor Units paid quarterly dividends of $0.0542 on September 28, 2007, and $0.270 on December 31, 2007.

Economic and Market Overview

After several years of robust growth, the global economy faces increased risks from the U.S. housing slump and related tightening of credit conditions around the world. Sluggish near-term growth in the U.S. is likely to spill over to other regions. However, the global economy continues to rebalance, becoming less dependent on U.S. demand and more reliant on other regions.

Strong growth in business investment and exports and continued improvement in labor markets enabled Europe's economy to grow at a rate of approximately 2.5% during 2007. Growth at a more modest pace appears likely in 2008, as credit conditions tighten and strong currencies limit exports. Powerful domestic demand, especially in China and India, as well as export gains continue to drive growth of Asian economies. Trade within the region, as well as trade with Europe, should mitigate the impact on Asian economies of a slowdown in the U.S.

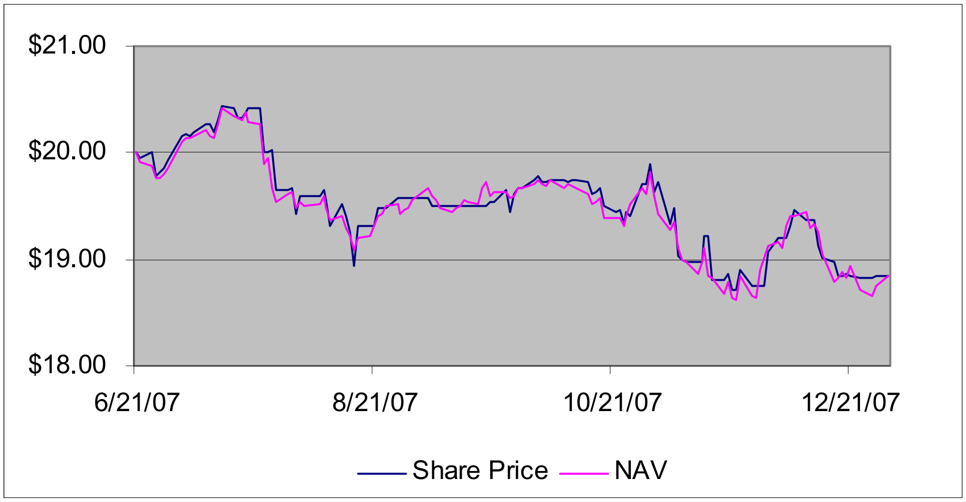
Trends in world equity markets were generally positive in 2007, with emerging markets much stronger than developed markets. For Canadians, the movement of the Canadian dollar relative to the U.S. dollar and other global currencies continued to be a major issue during 2007. Canadians investing outside Canada were impacted negatively by the rising dollar, and their investment returns were generally below the returns achieved in each market. Return of the MSCI EAFE Index, which tracks performance of markets in 21 developed countries in Europe and the Pacific Basin, was 3.97% for the year in local currency, but was -5.06% in Canadian dollar terms. Meanwhile the return of the MSCI Emerging Market Index was 33.55% in local currency, but was 18.88% in Canadian dollar terms.

Performance Attribution

For the period from the Fund's inception date of June 21, 2007, through December 31, 2007, the Fund's strongest returns came from bond funds, particularly the CDN Scotia Capital Short Term Bond Index Fund and the CDN Scotia Capital All Government Bond Index Fund (7.27% and 6.01% of net assets, respectively). The position that detracted most from returns was Claymore ETF US Fundamental Index Fund, followed by the CDN S&P/TSX Capped REIT Index Fund and the Claymore Japan Fundamental Index (10.29%, 8.72% and 2.35% of net assets, respectively).

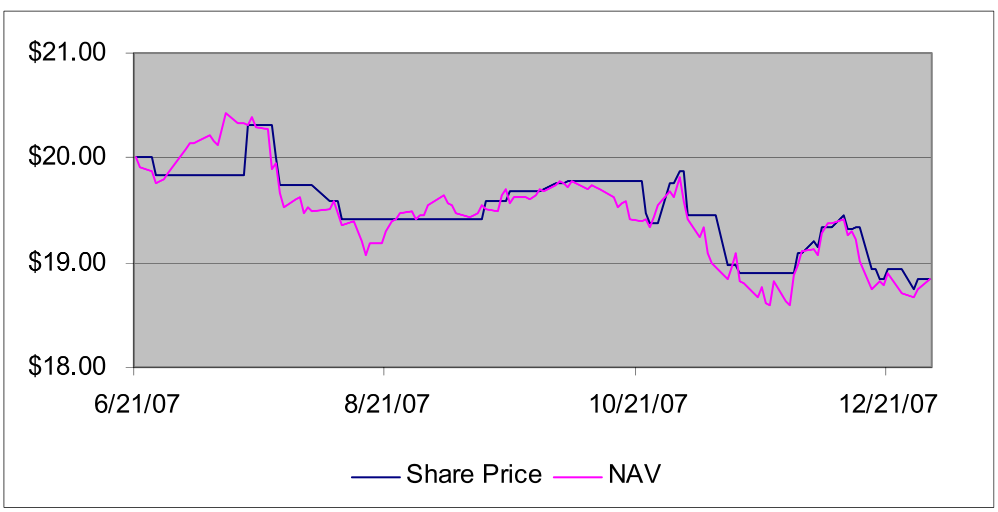
Performance Highlights *as at December 31, 2007*

Claymore Global Balanced Growth ETF
Share Price & NAV Performance - Common Class



Total Returns - Common Class		
Inception (06/21/07)	Market	NAV
Since inception - cumulative	-3.70%	-3.69%

Claymore Global Balanced Growth ETF
Share Price & NAV Performance - Advisor Class



Total Returns - Advisor Class		
Inception (06/21/07)	Market	NAV
Since inception - cumulative	-4.19%	-4.21%

Sector Mix	% of Fund's Net Asset Value
ETFs	100.1
Cash and Cash Equivalents	0.7
Net Other Assets	(0.8)
	100.0

Top Issuers	% of Fund's Net Asset Value
1 Claymore International Fundamental Index ETF *	18.2
2 Claymore CDN Dividend & Income Achievers ETF *	12.9
3 Claymore Canadian Fundamental Index ETF *	10.9
4 Claymore US Fundamental Index ETF C$ Hedged *	10.3
5 iShares CDN S&P/TSX Capped REIT Index Fund	8.7
6 iShares CDN Scotia Capital Short Term Bond Index Fund	7.3
7 Claymore Oil Sands Sector ETF *	7.2
8 iShares CDN Government Bond Index Fund	6.0
9 Claymore S&P/TSX CDN Preferred Share ETF *	5.1
10 Claymore BRIC ETF *	5.1
11 Claymore S&P Global Water ETF *	3.8
12 iShares CDN Corporate Bond Index Fund	2.3
13 Claymore Japan Fundamental Index ETF C$ Hedged *	2.3
14 Cash and Cash Equivalents	0.7
	100.8
Total Net Asset Value	**$5,651,751**

** The prospectus and other information about the underlying fund is available on the Internet at www.sedar.com.*

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund.

Statement of Investment Portfolio ***as at December 31, 2007***

Number of Units	Description	Average Cost	Fair Value	% of Net Assets
	Exchange Traded Funds			
6,813	Claymore BRIC ETF (Common)	$ 286,867	$ 286,487	
52,425	Claymore Canadian Fundamental Index ETF (Common)	644,728	615,470	
33,901	Claymore CDN Dividend & Income Achievers ETF (Common)	759,742	726,837	
54,547	Claymore International Fundamental Index ETF (Common)	1,052,460	1,028,756	
7,533	Claymore Japan Fundamental Index ETF C$ Hedged (Common)	149,731	132,807	
16,694	Claymore Oil Sands Sector ETF (Common)	400,218	407,167	
10,966	Claymore S&P Global Water ETF (Common)	208,656	214,276	
15,835	Claymore S&P/TSX CDN Preferred Share ETF (Common)	299,244	286,614	
27,626	Claymore US Fundamental Index ETF C$ Hedged (Common)	631,090	581,528	
6,852	iShares CDN Corporate Bond Index Fund	133,714	133,545	
16,981	iShares CDN Government Bond Index Fund	334,070	339,280	
34,634	iShares CDN S&P/TSX Capped REIT Index Fund	555,501	492,495	
14,689	iShares CDN Scotia Capital Short Term Bond Index Fund	408,922	410,704	
	Total Investments	$ 5,864,943	$ 5,655,966	100.13%
	Liabilities less other assets		(7,197)	(0.13)
	Net Assets		$ 5,648,769	100.00%

**Commencement of Operations*

Statement of Net Assets *as at December 31, 2007*

Assets		
Investments, at fair value (note 2)	$	5,655,966
Due from brokers		49,124
		5,705,090
Liabilities		
Bank indebtedness		50,058
Accrued management fees		1,208
Accrued service fees		5,055
		56,321
Net assets representing unitholders' equity	$	5,648,769
Net assets representing unitholders' equity		
Advisor Class	$	1,882,513
Common		3,766,256
	$	5,648,769
Units outstanding (note 4)		
Advisor Class		100,000
Common		200,000
		300,000
Net assets per unit		
Advisor Class	$	18.83
Common	$	18.83

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

**Commencement of Operations*

Statement of Operations *for the period from June 21, 2007* to December 31, 2007*

Income		
Dividends	$	86,004
Interest		35,572
		121,576
Expenses		
Management fees (note 5)		8,819
Service fees (note 5)		10,556
Interest and bank charges		268
		19,643
Net investment income		101,933
Net realized loss on sale of investments		(189,439)
Change in unrealized depreciation in value of investments		(208,977)
Net loss on investments		(398,416)
Decrease in net assets from operations	$	(296,483)
Decrease in net assets from operations		
Advisor Class	$	(85,087)
Common		(211,396)
	$	(296,483)
Decrease in net assets from operations per unit		
Advisor Class	$	(0.85)
Common	$	(1.32)

**Commencement of Operations*

Statement of Changes in Net Assets ***for the period from June 21, 2007* to December 31, 2007***

Net assets, beginning of the period *	
Advisor Class	$ -
Common	-
	-
Decrease in net assets from operations	
Advisor Class	(85,087)
Common	(211,396)
	(296,483)
Capital unit transactions (note 4)	
Issuance of units for cash:	
Advisor Class	2,000,000
Common	5,959,250
Amounts paid for redemption of units:	
Advisor Class	-
Common	(1,908,140)
	6,051,110
Distribution to unitholders	
From net investment income:	
Advisor Class	(20,310)
Common	(46,047)
From return of capital:	
Advisor Class	(12,090)
Common	(27,411)
	(105,858)
Increase in net assets for the period	
Advisor Class	1,882,513
Common	3,766,256
	$ 5,648,769
Net assets, end of the period	
Advisor Class	$ 1,882,513
Common	3,766,256
	$ 5,648,769

*Commencement of Operations

Statement of Cash Flows *for the period from June 21, 2007* to December 31, 2007*

Cash flows from operating activities		
Decrease in net assets from operations	$	(296,483)
Items not affecting cash:		
Net realized loss on sale of investments		189,439
Change in unrealized depreciation in value of investments		208,977
Change in non-cash working capital items		6,263
		108,196
Cash flows from investing activities		
Purchase of investments		(11,453,090)
Proceeds from sale of investments		5,349,584
		(6,103,506)
Cash flows from financing activities		
Distribution to unitholders		(105,858)
Issuance of units for cash		7,959,250
Amounts paid for redemption of units		(1,908,140)
		5,945,252
Net decrease in cash		(50,058)
Cash, beginning of the period		-
Bank indebtedness, end of the period	$	(50,058)

**Commencement of Operations*

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Global Balanced Growth ETF (the "Claymore ETF") was established under the laws of the Province of Ontario on February 15, 2006 pursuant to an amended and restated master declaration of trust (the "Declaration of Trust") dated April 5, 2007 by Claymore Investments, Inc. (the "Manager"), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate, to the extent possible, the performance of the Sabrient Global Balanced Growth Index provided by Sabrient Systems, LLC. The investment strategy of the Claymore ETF is to invest in and hold a proportionate share of the constituent securities of the Sabrient Global Balanced Growth Index in the same proportion as they are reflected in the Sabrient Global Balanced Growth Index.

The Claymore ETF commenced investment operations on June 21, 2007.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could vary from these estimates.

a) Adoption of new accounting standards

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes standards for the fair valuation of investments as well as the accounting treatment of transaction costs. Section 3855 applies to fiscal years beginning on or after October 1, 2006. Additionally, Section 14.2 of National Instrument 81-106 ("NI 81-106"), issued by the Canadian Securities Administrators ("CSA") in 2005, requires the daily net asset value of an investment fund to be calculated in accordance with Canadian GAAP.

The CSA had originally granted relief to investment funds from complying on an interim basis with Section 3855 only for the purposes of calculating and reporting of net asset value used for the purchase and redemption price (the "Transactional NAV") until September 30, 2007. The relief period has been extended to September 30, 2008 to permit further review of the suitability of this new pronouncement. Depending on the outcome of such review, the application of Section 3855 to the Transactional NAV of an investment fund may result in an adjustment to the Transactional NAV on the date of such change.

On June 1, 2007, the CSA issued a notice and request for comments to the proposed amendments to NI 81-106. The proposed amendments permit investment funds to have two different net asset values: one for financial statements prepared in accordance with Section 3855 (referred to as "Net Assets" in the proposal) and one for the purchase and redemption price of an investment fund (referred to as "Net Asset Value" in the proposal). Net Assets require a bid price (for long securities) or ask price (for securities held short) to be used in the fair valuation of investments whereas Net Asset Value uses closing sale prices. The CSA will require reconciliation between the Net Assets and the Net Asset Value.
The amended accounting policies for the Claymore ETF are as follows:

Valuation of investments

1. Securities listed on a recognized exchange or on an over-the-counter market are valued at their closing bid price. If a closing bid price on a recognized exchange or over-the-counter market is not available, then the price of the most recent transaction is used. The fair value of any security for which a market quotation is not readily available will be determined by the Manager using the valuation techniques commonly used by market participants.

2. Claymore ETF invests in units of underlying investment funds. The underlying funds will be valued at their net asset value as reported by the fund manager on the valuation date.

3. Short-term notes, treasury bills and bonds are valued at the average bid quotations from recognized investment dealers.

Transaction costs

In accordance with Section 3855, transaction costs are expensed and are included in ''Transaction costs'' in the Statement of Operations. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. There is no impact on the net asset value of the Claymore ETF in using either of these methods. The cost of investments for each security is determined on an average cost basis.

The CICA reissued Section 3860 (as section 3861) of the CICA Handbook, Financial Instruments – Disclosure and Presentation, which establishes standards for presentation of financial instruments and non-financial derivatives, and identifies the information that should be disclosed about them. These revisions come into effect for fiscal years beginning on or after October 1, 2006. The Claymore ETF applied this new section effective January 1, 2007.

The CICA issued section 3865 of the CICA Handbook, Hedges. The section is effective for fiscal years beginning on or after October 1, 2006. This Section establishes standards for when and how hedge accounting may be applied. The application of section 3865 did not have impact on the Claymore ETF's financial statements.

b) Investment transactions are recorded on the trade date. Interest income is accrued daily at the interest rate of the debt security. Dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

c) The unit value of a class is based on the market value of the class' proportionate share of the assets of the Claymore ETF, less any liabilities attributable to that class and less that class' proportionate share of the common liabilities and expenses of the Claymore ETF, divided by the total outstanding units of that class. Other income, realized and unrealized gains and losses are allocated to each class of the Claymore ETF based on the class' pro-rated share of total net assets of the Claymore ETF. The unit value of a class is the basis for all purchases and redemptions and for reinvestments of distributions.

d) Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the period-end date. Purchases and sales of investments and income and expense transactions are translated at the rate of exchange prevailing on the date of the transactions.

e) Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations by class for the period divided by the weighted average number of units outstanding per class during the period.

3. Reconciliation of Net Asset Value

In accordance with the relief granted by the CSA, a reconciliation between the net asset value calculated in accordance with Section 3855 (the "GAAP NAV") and the Transactional NAV of an investment fund is required for financial reporting periods ending prior to September 30, 2008. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices to be used in the fair valuation of investments, rather than the use of closing prices currently used for the purpose of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires the use of valuation techniques commonly used by market participants to price the instrument. Application of new accounting policies accounts for the difference between Transactional NAV and GAAP NAV.

The impact of the application of Section 3855 on the Net Asset Value of the Claymore ETF is as follows:

	Net Asset Value			Net Asset Value Per Unit	
	Transactional NAV	Section 3855 Adjustment	GAAP NAV	Transactional NAV	GAAP NAV
As at December 31, 2007					
Claymore Global Balanced Growth ETF					
Advisor Class	$1,883,507	($994)	$1,882,513	$18.84	$18.83
Common	3,768,244	(1,988)	3,766,256	$18.84	$18.83
Total Net Asset Value	**$5,651,751**	**($2,982)**	**$5,648,769**		

4. Capital Unit Transactions

The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units. Unit transactions of the Claymore ETF for the period ended December 31, 2007 were as follows:

	December 31, 2007			
	Advisor Class Units		Common Units	
	Units	Value	Units	Value
Units issued for cash	100,000	$ 2,000,000	300,000	$ 5,959,250
Units redeemed	-	-	(100,000)	(1,908,140)
Units outstanding, end of period	100,000	$ 2,000,000	200,000	$ 4,051,110

5. Expenses

A monthly management fee equal to one-twelfth of 0.70% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.70% of the NAV per Advisor Class unit of the Claymore ETF, plus applicable taxes, plus an additional service fee of one-quarter of 1.00% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 1.00% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

The Manager is responsible for all costs and expenses of the Claymore ETF except the management fee, brokerage expenses and commissions, income taxes and withholding taxes and extraordinary expenses. These costs and expenses include the service fee, the fees payable to the Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers retained by the Manager as described in the prospectus under "Management of the Claymore ETF – The Trustee and Manager – Powers and Duties of the Trustee and Manager." Costs and expenses of the Claymore ETF paid by the Manager will be offset by any securities lending revenue earned by the Claymore ETF.

6. Securities Lending

The Claymore ETF may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to the Claymore ETF pursuant to the terms of a securities lending agreement between the Claymore ETF and any such borrower under which: (i) the borrower will pay to the Claymore ETF a negotiated securities lending fee and will make compensation payments to the Claymore ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Income Tax Act (Canada); and (iii) the Claymore ETF will receive collateral security. If a securities lending agent is appointed for the Claymore ETF, such agent will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Currently the Claymore ETF is not engaged in any such securities lending arrangements.

7. Financial Instruments and Risk Management

The Claymore ETF's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests directly. The following is a summary of the main risks:

Currency risk

The Claymore ETF invests in securities denominated in Japanese Yen. The Claymore ETF's reporting currency is the Canadian dollar. Consequently, the Claymore ETF is exposed to risks that the exchange rate of the Canadian dollar relative to the Japanese Yen may change in a manner which has an adverse effect on the reported value of that portion of the Claymore ETF's assets.

Credit risk

Financial assets which potentially expose the Claymore ETF to credit risk consist principally of cash and amounts due from brokers. The Claymore ETF seeks to mitigate its exposure to credit risk by placing its cash and transacting its securities activity with large financial institutions.

8. Income Taxes

The Claymore ETF qualifies as a mutual fund trust under the Income Tax Act (Canada). Distributions of all net taxable income and sufficient amounts of net realized capital gains for each taxation year will be paid to Unitholders so that the Claymore ETF will not be liable for income taxes under Part I of the Income Tax Act (Canada).

9. Distribution of Income and Capital Gains

Net investment income and aggregate net realized capital gains on the disposition of investments are distributed to Unitholders quarterly and annually at the end of the calendar year, respectively. All distributions are distributed to Unitholders of the Claymore ETF according to each Unitholder's proportionate share of the Claymore ETF less any tax required to be deducted.

10. Income Tax Loss Carryforwards

The Claymore ETF has capital losses of $138,322 which may be carried forward indefinitely and applied against capital gains realized in a future period.

11. Brokerage Commissions on Securities Transactions

The total fees paid to brokers in connection with investment portfolio transactions for the period ended December 31, 2007 were nil.

There were no soft dollar amounts during the period ended December 31, 2007.

12. Adoption of Future Accounting Standards

In October 2006, the Accounting Standards Board issued CICA Handbook Section 3862, “Financial Instruments – Disclosure” and Section 3863, “Financial Instruments – Presentation”. The new standards enhance existing disclosure and presentation of financial instruments. The new standards are effective for interim and annual financial statements relating to fiscal years beginning on or after October 1, 2007.

The Claymore ETF intends to adopt these new standards effective January 1, 2008.

AUDITORS' REPORT

To the Unitholders of
Claymore Global Balanced Growth ETF (the "Fund")

We have audited the statement of net assets, and the statement of investments of the Fund as at December 31, 2007 and the statement of operations, changes in net assets, and cash flows for the period from June 21, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund and their investments as at December 31, 2007, and the results of their operations, changes in their net assets, and cash flows for the period from June 21, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants

CLAYMORE GLOBAL ALL EQUITY ETF

Statement of Net Assets *as at December 31, 2007*

		2007
Assets		
Cash	$	20
Net assets representing unitholders' equity	$	20
Net assets representing unitholders' equity		
Common	$	20
Units outstanding (note 1)		
Common		1
Net assets per unit		
Common	$	20.00

Approved on behalf of the Fund Manager:

Som Seif
President & CEO

Nicholas Dalmaso
Secretary

Statement of Changes in Net Assets *for the period from April 5, 2007* to December 31, 2007*

Net assets, beginning of the period	
Common	$ -
Capital unit transactions (note 1)	
Issuance of units for cash:	
Common	20
Net assets, end of the period	
Common	$ 20

*Commencement of operations

Notes to Financial Statements

For the period ended December 31, 2007

1. Establishment of Fund

Claymore Global All Equity ETF (the “Claymore ETF”) was established under the laws of the Province of Ontario on February, 15, 2006 pursuant to an amended and restated master declaration of trust (the “Declaration of Trust”) dated April 5, 2007 by Claymore Investments, Inc. (the “Manager”), as trustee and manager. The Claymore ETF is authorized to issue an unlimited number of Common units and an unlimited number of Advisor Class units.

The Claymore ETF has been designed to replicate the performance of the Sabrient Global Balanced Index, net of expenses. The investment strategy of the Claymore ETF is to invest in and hold the Constituent Securities of the Sabrient Global Balanced Indices in the same proportion as they are reflected in the Sabrient Global Balanced Indices.

On April 5, 2007 the Claymore ETF issued 1 Common unit for $20.00 cash.

2. Commitments

A monthly management fee equal to one-twelfth of 0.70% of the NAV per Common unit of the Claymore ETF at month end, plus applicable taxes, will be paid to the Manager. A monthly management fee equal to one-twelfth of 0.70% of the NAV per Advisor Class unit of the Claymore ETF at month end, plus applicable taxes, plus an additional service fee of one-quarter of 1.00% of the NAV per Advisor Class unit of the Claymore ETF at the end of each calendar quarter, plus applicable taxes, will be paid to the Manager. The monthly management fee will be paid monthly in arrears and the service fee will be paid at the end of each calendar quarter.

The Manager will pay to the registered dealers a service fee equal to 1.00% per annum of the NAV per Advisor Class unit for each Advisor Class unit held by clients of the registered dealer. The service fee will be calculated and paid at the end of each calendar quarter.

AUDITORS' REPORT

To the Unitholders of
Claymore Global All Equity ETF (the "Fund")

We have audited the statement of net assets of the Fund as at December 31, 2007 and the changes in net assets for the period from April 5, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Fund's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets of the Fund as at December 31, 2007, and the changes in their net assets for the period from April 5, 2007 (date of inception) to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
March 11, 2008

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants