

## **Claymore Provides Update on Auction-Rate Preferred Securities Market**

Lisle, IL – March 20, 2008 – Claymore Securities, a leading financial services company offering unique investment solutions for financial advisors and their valued clients, today provided an update on developments in the market for auction-rate preferred shares (“ARPS”) issued by closed-end funds, including several funds serviced or advised by Claymore. The entire closed-end fund ARPS market continues to experience an unprecedented lack of liquidity and Claymore recognizes the urgency and uncertainty this lack of liquidity has created for both common and preferred shareholders of its closed-end funds serviced or advised by Claymore.

Claymore believes that a lack of liquidity, and not concerns about the credit quality of closed-end funds, is the primary cause of the failed auctions that continue to occur in the ARPS market. The senior management team at Claymore, in collaboration with each Claymore closed-end fund’s portfolio management team, is diligently examining potential changes to the ARPS structure, as well as reviewing alternative forms of leverage in an attempt to restore liquidity to preferred shareholders without adversely affecting the interests of common shareholders. Each alternative is being carefully assessed based on its potential short- and long-term impact to both common and preferred shareholders. Claymore continues to believe that the use of leverage by closed-end funds can add value for common shareholders by potentially enhancing income and returns over time, particularly during periods of relatively low short-term interest rates when borrowing costs can reasonably be expected to be less than the expected returns on leveraged assets.

There have been discussions within the closed-end fund industry of a structural change to existing ARPS which may result in additional demand from institutional investors, including money market funds subject to Rule 2a-7 under the Investment Company Act of 1940, as amended. Claymore believes this structural change, if successfully implemented, would be the optimal long-term solution as it would potentially allow closed-end funds to continue to employ leverage in the form of preferred equity while providing liquidity to ARPS holders. In the case of municipal closed-end funds, which generally seek to pass through tax-exempt income to shareholders, debt leverage is generally a less advantageous form of leverage than leverage achieved through issuing preferred equity, as the use of debt financing limits the ability of municipal closed-end funds to pass through tax-exempt income to shareholders. The proposed structural changes to ARPS would potentially allow municipal closed-end funds to continue to employ leverage and pass through tax-exempt income to shareholders. In the case of taxable closed-end funds, debt leverage may be a viable alternative to leverage achieved through the issuance of preferred equity and Claymore is actively evaluating such alternative forms of leverage as bank financing, lines of credit, commercial paper conduits and repurchase agreements.

Recent events in the equity and debt markets have resulted in an overall lack of liquidity that has made it more challenging for most borrowers, including those with safe and stable credit profiles, to obtain financing. It is Claymore’s intention to continue to work towards a resolution to the lack of liquidity in the ARPS market as soon as practicable. Any resolution will be subject to execution risk and dependent on both economic and market functions

beyond Claymore's control and, therefore, Claymore cannot provide a definitive timeline for resolution.

Claymore is committed to providing updates on the ARPS situation as new developments occur via its website at [www.claymore.com/CEFs](http://www.claymore.com/CEFs).

**Investors should consider the investment objectives and policies, risk considerations, charges and expenses of any investment before they invest. For this and more information, please contact a securities representative or Claymore Securities, Inc., 2455 Corporate West Drive, Lisle, Illinois 60532, 800-345-7999.**

**(NYSE: AGC, AVK, DCS, FFC, FLC, MZF, TYW)**

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