ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND
Form N-CSR
January 04, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-21309
Advent Claymore Convertible Securities and Income Fund
(Exact name of registrant as specified in charter)

888 Seventh Ave, 31st Floor, New York, NY 10019
(Address of principal executive offices) (Zip code)

Robert White, Treasurer
888 Seventh Ave, 31st Floor, New York, NY 10019
(Name and address of agent for service)
Registrant's telephone number, including area code: (212) 482-1600
Date of fiscal year end: October 31
Date of reporting period: November 1, 2016 - October 31, 2017

Item 1. Reports to Stockholders.

The registrant's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “Investment Company Act”), is as follows:

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...YOUR BRIDGE TO THE LATEST, MOST UP-TO-DATE INFORMATION ABOUT THE ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND

The shareholder report you are reading right now is just the beginning of the story.
Online at guggenheiminvestments.com/avk, you will find:

- Daily, weekly and monthly data on share prices, net asset values, dividends and more
- Portfolio overviews and performance analyses
- Announcements, press releases and special notices
- Fund and adviser contact information

Advent Capital Management and Guggenheim Investments are continually updating and expanding shareholder information services on the Fund’s website in an ongoing effort to provide you with the most current information about how your Fund’s assets are managed and the results of our efforts. It is just one more small way we are working to keep you better informed about your investment in the Fund.

(Unaudited) October 31, 2017

DEAR SHAREHOLDER

Tracy V. Maitland

President and Chief Executive Officer

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund (the "Fund" or "AVK"). This report covers the Fund's performance for the 12 months ended October 31, 2017.

Advent Capital Management, LLC ("Advent" or the "Investment Adviser") serves as the Fund's Investment Adviser. Based in New York, New York, with additional investment personnel in London, England, Advent is a credit-oriented firm specializing in the management of global convertible, high-yield and equity securities across three lines of business—long-only strategies, hedge funds, and closed-end funds. As of October 31, 2017, Advent managed approximately $9.2 billion in assets.

Guggenheim Funds Distributors, LLC (the "Servicing Agent") serves as the servicing agent to the Fund. The Servicing Agent is an affiliate of Guggenheim Partners, LLC, a global diversified financial services firm.

The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. Under normal market conditions, the Fund invests at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income securities. Under normal market conditions, the Fund will invest at least 30% of its managed assets in convertible securities and may invest up to 70% of its managed assets in non-convertible income securities. The Fund may invest without limitation in foreign securities. The Fund also uses a strategy of writing (selling) covered call options on up to 25% of the securities held in the portfolio, thus generating option writing premiums.

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12-month period ended October 31, 2017, the Fund generated a total return based on market price of 24.20% and a total return of 16.55% based on NAV. As of October 31, 2017, the Fund's market price of $16.09 represented a discount of 8.74% to NAV of $17.63.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Fund expenses. The market price of the Fund's shares fluctuates from time to time, and may be higher or lower than the Fund's NAV.

The monthly distribution for the Fund rose over the period. The most recent monthly distribution, $0.1146, represents an annualized distribution of 8.55% based upon the last closing market price of $16.09 on October 31, 2017. Please see the Q&A for more information on the expected distribution rate for the next 24 months.

DEAR SHAREHOLDER (Unaudited) continued October 31, 2017

There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund's distribution rate is not constant and the amount of distributions, when declared by the Fund's Board of Trustees, is subject to change based on the performance of the Fund. Please see Note 2(n) on page 45 for more information on distributions for the period.

We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 63 of this report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly dividend distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market price of the Fund's common shares is at a premium above NAV, the DRIP reinvests participants' dividends in newly issued common shares at the greater of NAV per share or 95% of the market price per share. The DRIP provides a cost-effective means to accumulate additional shares and enjoy the benefits of compounding returns over time.

The Fund is managed by a team of experienced and seasoned professionals led by myself in my capacity as Chief Investment Officer (as well as President and Founder) of Advent Capital Management, LLC. We encourage you to read the following Questions & Answers section, which provides additional information regarding the factors that influenced the Fund's performance.

We thank you for your investment in the Fund and we are honored that you have chosen the Advent Claymore Convertible Securities and Income Fund as part of your investment portfolio. For the most up-to-date information regarding your investment, including related investment risks, please visit the Fund's website at guggenheiminvestments.com/avk.

Sincerely,

Tracy V. Maitland
President and Chief Executive Officer of the
Advent Claymore Convertible Securities and Income Fund
November 30, 2017

QUESTIONS & ANSWERS (Unaudited) October 31, 2017

The portfolio managers of Advent Claymore Convertible Securities and Income Fund (the "Fund") are Tracy Maitland, Chief Investment Officer of Advent Capital Management, LLC ("Advent" or the "Investment Manager") and Paul Latronica, Managing Director of Advent. They are primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Maitland and Mr. Latronica are supported by teams of investment professionals who make investment decisions for the Fund's core portfolio of convertible bonds, the Fund's high yield securities investments and the Fund's leverage allocation, respectively. In the following interview, the management team discusses the convertible securities and high-yield markets and Fund performance for the 12-month period ended October 31, 2017.

Please describe the Fund's objective and management strategies.

The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. Under normal market conditions, the Fund invests at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income producing securities. Under normal market conditions, the Fund must invest at least 30% of its managed assets in convertible securities and may invest up to 70% of its managed assets in nonconvertible income securities. The Fund may invest without limitation in foreign securities.

The Fund also uses a strategy of writing (selling) covered call options on up to 25% of the securities held in the portfolio. The objective of this strategy is to generate current gains from option premiums to enhance distributions payable to the holders of common shares. In addition, the Fund may invest in other derivatives, such as put options, forward exchange currency contracts, futures contracts, and swaps.

The Fund uses financial leverage to finance the purchase of additional securities. Although financial leverage may create an opportunity for increased return for shareholders, it also results in additional risks and can magnify the effect of any losses. There is no assurance that the strategy will be successful. If income and gains earned on securities purchased with the financial leverage proceeds are greater than the cost of the financial leverage, shareholders' return will be greater than if financial leverage had not been used. Conversely, if the income or gains from the securities purchased with the proceeds of financial leverage are less than the cost of the financial leverage, shareholders' return will be less than if financial leverage had not been used.

Discuss Advent's investment approach.

Advent's approach involves a core portfolio of convertible bonds that is managed, subject to the Fund's investment policies and restrictions, in a manner similar to that of Advent's Balanced Convertible Strategy, which seeks a high total return by investing in a portfolio of U.S. dollar convertible securities that provide equity-like returns while seeking to limit downside risk.

This core portfolio is supplemented by investments in high yield securities selected in a manner similar to that of Advent's High Yield Strategy, which seeks income and total return by investing primarily in high yielding corporate credit using fundamental and relative value analysis to identify undervalued securities.

Advent uses a separate portion of the Fund's portfolio to increase or decrease relative overall exposure to convertible securities, high yield securities, and equities. This portion of the Fund's portfolio incorporates leverage and operates as an asset-allocation tool reflecting Advent's conservative management philosophy and its views on the relative value of these three asset classes under changing market conditions.

Please describe the economic and market environment over the last 12 months.

Fiscal 2017 was fruitful for investors in the U.S. equity and corporate bond markets. The fiscal year began with an outcome in the U.S. federal elections that led investors to bid up prices in anticipation of faster economic growth and more business-friendly fiscal and regulatory policies. The U.S. economy continued a pace of relatively modest growth as U.S. Gross Domestic Product ("GDP") rose below 2.0% for the fourth calendar quarter of 2016 and the first calendar quarter of 2017, before accelerating to roughly 3.0% in the second quarter 2017 as headwinds in inventory reduction and net exports faded. Housing, employment, and business confidence surveys in particular helped both actual economic production and perceptions that the U.S. economy is in a steady growth scenario.

Further helping U.S. corporate financial health, particularly exporters, was a new story in 2017 of stronger economic growth in many foreign countries, with many economic indicators in Europe showing buoyancy for the first time in years, proving the benefits of the European Central Bank's bond buying program, the impact of the end of previous fiscal austerity initiatives, and the economy's resilience against the uncertainty of the upcoming exit of the United Kingdom from the European Union. The fall in the U.S. dollar as the European economy showed more upside surprise also boosted U.S. exports as the U.S. Dollar Index, an index of the U.S. dollar against a trade-weighted basket of foreign currencies, fell from 98.4 to 94.6 during the year.

Outcomes in the bond markets were divergent depending on product, but favorable for the Fund's primary bond asset class of corporate straight or convertible bonds. The 10-year U.S. Treasury bond began the year at 1.83%, leapt dramatically to a peak of 2.63% in March in the aftermath of the election and Federal Reserve signals of continued monetary policy tightening, then fell back to 2.04% in September after expected inflation failed to materialize, before ending the year at 2.37% after commodity price rising and more Federal Reserve commentary reversed sentiment again. While investors in the most common bond index, the Bloomberg Barclays U.S. Aggregate Bond Index, received barely a positive return of 0.9% on the year, investors in high-yield bonds did considerably better at 9.1% for the ICE Bank of America Merrill Lynch High-Yield Master II Index, as positive corporate earnings and a healthy financing environment compressed spreads to add onto the favorable coupon bases in this market.

How did the Fund perform in this environment?

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12-month period ended October 31, 2017, the Fund generated a total return based on market price of 24.20% and a total return of 16.55% based on NAV. As of October 31, 2017, the Fund's market price of $16.09 represented a discount of 8.74% to NAV of

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2017

$17.63. As of October 31, 2016, the Fund's market price of $14.01 represented a discount of 13.84% to NAV of $16.26.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Fund expenses. The market price of the Fund's shares fluctuates from time to time, and may be higher or lower than the Fund's NAV.

What contributed to performance?

The Fund's largest asset class, U.S. convertible bonds, had strong performance in the period as the ICE Bank of America Merrill Lynch All Convertibles Index (VXA0) rose 18.1% for the fiscal year 2017. The U.S. equity market, illustrated by the S&P 500 Index, advanced 23.6% with dividends reinvested in the year. The ratio of convertible returns to equity returns of 0.77 is higher than the convertible index delta would predict and reflects the mix of the convertible bond universe more tilted toward issues in the technology industry and small-capitalization issuers, both of which had returns higher than the S&P 500.

The U.S. high-yield corporate bond market also had satisfactory returns as the ICE Bank of America Merrill Lynch High Yield Master II Index rose 9.1% with the coupon return being augmented by a drop in the average option-adjusted spread (OAS) of 140 basis points during year, helped by improving corporate profits and a rebound in commodity prices, which have a high factor in the high-yield corporate bond issuance market.

Please discuss the tender offer that occurred during the period.

On August 9, 2017, the Fund commenced a tender offer (the "Tender Offer") to purchase for cash up to 3,537,132 (approximately 15%) of the Fund's outstanding common shares of beneficial interest (the "Shares") at a price per Share equal to 98% of the Fund's NAV as of the business day immediately following the expiration of the Tender Offer. The Tender Offer expired on September 7, 2017.

A total of 8,775,224 Shares were duly tendered and not withdrawn. Because the number of Shares tendered exceeded 3,537,132 Shares, the Tender Offer was oversubscribed. Therefore, in accordance with the terms and conditions specified in the Tender Offer, the Fund purchased Shares from all tendering shareholders on a pro rata basis, disregarding fractions.

Accordingly, on a pro rata basis, approximately 37% of Shares for each shareholder who properly tendered Shares were accepted for payment. The purchase price of properly tendered Shares was $16.9540 per Share. Shares that were tendered but not accepted for purchase and Shares that were not tendered remain outstanding. The Fund accepted 3,537,132 shares for payment. Final payment was made on September 13, 2017 in the aggregate amount equal to $59,968,535.

Explain the Fund's agreement with Saba Capital Management.

In April 2017, the Fund entered into an agreement (the "Agreement") with Saba Capital Management, LP ("Saba"), pursuant to which Saba agreed to (1) tender all Shares of the Fund owned by it in the Tender Offer, (2) be bound by certain "standstill" covenants through the Fund's 2019 annual meeting of shareholders, and (3) vote its Shares on all proposals submitted to shareholders in accordance with the recommendation of management through April 25, 2019.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2017

Also, pursuant to the Agreement, the Fund agreed to declare and pay monthly distributions for 24 months following the date of the Agreement, representing an annualized distribution rate of not less than 8% of the Fund’s net asset value per Share, based on average month-end net asset value per Share over the prior 12 months, effective beginning with the May 2017 distribution.

Please discuss the Fund’s distributions.

Each month from November 2016 through April 2017, the Fund paid a monthly distribution of $0.0939 per share. Beginning in May 2017, the Fund began to declare and pay monthly distributions under the Agreement consistent with an annualized distribution rate of not less than 8% of NAV. The May 2017 distribution rose to $0.1116 per share and subsequent distributions have reflected levels consistent with the Agreement.

The most recent monthly distribution, $0.1146, represents an annualized distribution of 8.55% based upon the last closing market price of $16.09 on October 31, 2017.

Payable Date	Amount
November 30, 2016	$0.0939
December 30, 2016	$0.0939
January 31, 2017	$0.0939
February 28, 2017	$0.0939
March 31, 2017	$0.0939
April 28, 2017	$0.0939
May 31, 2017	$0.1116
June 30, 2017	$0.1124
July 31, 2017	$0.1132
August 31, 2017	$0.1138
September 29, 2017	$0.1140
October 31, 2017	$0.1146
Total	$1.2430

There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund’s distribution rate is not constant and the amount of distributions, when declared by the Fund’s Board of Trustees, is subject to change. The Fund currently anticipates that some of the 2017 distributions will consist of income and some will be a return of capital. A final determination of the tax character of distributions paid by the Fund in 2017 will be reported to shareholders in January 2018 on Form 1099-DIV.

While the Fund generally seeks to pay distributions that will consist primarily of investment company taxable income and net capital gain, because of the nature of the Fund’s investments and changes in market conditions from time to time, or in order to maintain a more stable distribution level over time, the distributions paid by the Fund for any particular period may be more or less than the amount of net investment income from that period. If the Fund’s total distributions in any year exceed the amount of its investment company taxable income and net capital gain for the year, any such excess would generally be characterized as a return of capital for U.S. federal income tax purposes. A return of capital distribution is in effect a partial return of the amount a shareholder invested in the Fund. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income." A return of capital distribution decreases the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio.

Please see Note 2(n) on page 45 for more information on distributions for the period.

How has the Fund's leverage strategy affected performance?

As part of its investment strategy, the Fund utilizes leverage to finance the purchase of additional securities that provide increased income and potentially greater appreciation potential to common shareholders than could be achieved from a portfolio that is not leveraged.

The Fund's leverage outstanding as of October 31, 2017 consisted of $227 million in borrowings with a related average interest rate of 1.949%, and was approximately 39% of the Fund's total managed assets.

There is no guarantee that the Fund's leverage strategy will be successful, and the Fund's use of leverage may cause the Fund's NAV and market price of common shares to be more volatile.

The NAV return for the Fund was above the cost of leverage for the 12 months. Although Advent looks at funds deployed from borrowings differently than funds which use the shareholder equity base, on this simple metric, the Fund's leverage was beneficial to shareholders for the fiscal period. Advent continues to seek attractive and relatively lower-risk opportunities to invest borrowings that have very low cost compared to history and plans to continue taking advantage of the yield curve and interest rate environment for the benefit of shareholders.

What was the impact of the Fund's covered call strategy?

During the year, call option activity was limited due to the low levels of premium available in the options market. Volatility pricing averaged for the fiscal year 2017 the lowest since the CBOE SPX Volatility Index, or "VIX" for its ticker, began tracking in 1990. The average was 11.6 well below the average of 16-17 for the two previous years. Spikes in volatility that occur with bouts of market nervousness peaked at only 16 during 2017, well below prior peaks that often rise above 20 in the index. When volatility pricing and the VIX are lower, the income from writing call options on equities or equity indices is also lower, and the Fund found the tradeoff of capping upside in the equity holdings unfavorable and limited its usage in the fiscal year.

The Fund's small position in equities in fiscal 2017 also created less opportunities to realize call option income on stock holdings. For fiscal 2017, the percentage of average assets devoted to equities was approximately 6.8% versus 9.6% for fiscal 2016.

How were the Fund's total investments allocated among asset classes during the 12 months ended October 31, 2017, and what did this mean for performance?

On October 31, 2017, the Fund's total investments were invested approximately 47.8% in convertible bonds, convertible preferred securities, and mandatory convertibles; 39.5% in corporate bonds; 7.7% in equities; 3.9% in cash and cash equivalents; and 1.1% in senior floating rate interests.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2017

On October 31, 2016, the Fund's total investments were invested approximately 52.0% in convertible bonds, convertible preferred securities, and mandatory convertibles; 37.5% in corporate bonds; 5.5% in cash and cash equivalents; 4.5% in equities; and 0.5% in senior floating rate interests.

The change in asset allocation during the year reflects the Investment Adviser's appraisal of the increased risks in the capital markets following a strong year after the U.S. election. Valuations of both corporate bonds and equities rose during the period with prices of equities rising faster than corporate profits. While much of this reflects anticipation of more friendly U.S. tax policies, the outcome of the current debate remains unknown. Thus, as the year progressed and markets continued to express little fear, the Fund reduced its holdings of convertible bonds in favor of high-yield bonds, which have lower price susceptibility when equities fall. At the same time, the Adviser also found more opportunities, particularly late in the fiscal year, in sectors that would benefit from tax reform such as industrials and telecommunications and made select more equity investments in companies that do not have convertibles issued. Floating rate interests rose off a low base as Federal Reserve rate hikes began to reprice corporate loan coupon payments above the LIBOR floors common in many loans.

International investments fell slightly from 13.7% in October 2016 to 12.5% ending October 2017. Markets in Europe actually rose more aggressively than in the U.S. in the first half of the fiscal year as economic improvement in many continental countries and continued monetary policy support helped raise valuations and start a catch-up valuation effect relative to U.S. stocks. In the second half of the calendar year, Asian developed markets began outperforming as investors become more comfortable with stable economic growth in China and renewed growth in Japan. After reducing international investments in the first half of the fiscal year based on yield differences between the two markets, the Fund slightly increased the international percentage from the mid-year point as economic resilience abroad became more apparent.

Which investment decisions had the greatest effect on the Fund's performance?

As discussed in the semiannual report, a large contributor to Fund returns for the year came from the technology sector through convertibles, in particular from the semiconductor industry. This subsector of technology enjoyed steady gains all fiscal year, as previous years' lack of capital spending led to favorable supply/demand dynamics in some niches and the effects of consolidation and expense savings helped some acquirers in particular.

Convertibles in semiconductor equipment supplier Lam Research Corp. (0.7% of long-term investments at period end) had sharp gains, as the company enjoyed higher demand as production by semiconductor manufacturer customers became more capital intensive in its niches. Analog and microcontroller semiconductor supplier Microchip Technology, Inc. (1.3% of long-term investments at period end) gained market share in its core segments and enjoyed powerful accretion from past acquisition of less efficient suppliers, driving tremendous earnings growth and price appreciation of its convertible bonds. Convertibles in test equipment supplier Teradyne, Inc. (0.3% of long-term investments at period end) advanced as the company realized sharp growth in an industrial robotics acquisition and had customers in a core semiconductor test order heavily in advance of new mobile communications processor product cycles.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2017

Of note outside of semiconductors in technology were holdings that benefitted from growth at Alibaba Group Holding Ltd., the Chinese internet conglomerate that includes businesses in online retailing, mobile payments, messaging, and cloud computing (not held in the portfolio at period end). Alibaba's own-issued mandatory convertibles rose as the company continued to grow during the fiscal year, and convertible bonds in the old Yahoo!, renamed Altaba, Inc. during the year after selling the Yahoo! Internet business (0.8% of long-term investments at period end), rose as much of the residual Altaba holding value is in Alibaba shares.

In other sectors, equity in automaker General Motors Co. (0.7% of long-term investments at period end) gained nicely as the company consistently outperformed Wall Street earnings expectations amidst growth in its international operations and expansion of GM Financial, its lease business. High-yield bonds in rural hospital company Quorum Health Corp. (0.2% of long-term investments at period end) rebounded after difficulties in 2016; the company executed on plans to divest hospitals to reduce leverage, and experienced higher core demand for admissions and specialty procedures than expected. A lack of repeal of the Affordable Care Act, which could have limited hospital demand by the public, also helped take away downside potential.

Among detractors, mandatory convertibles and straight high-yield bonds of telephone and data provider Frontier Communications Corp. (0.4% of long-term investments at period end) fell after the company struggled with properties acquired from Verizon in 2016, experiencing line losses both in these regions and continuing core Frontier properties. The company has made admirable progress with cost reductions and liquidity enhancement but the reduction in profits has hurt the credit and equity of the shares. At period end, the Fund held a small straight bond position in the issuer.

Mandatory convertibles held in health care device and drug maker Allergan plc (1.4% of long-term investments at period end) fell after the company lost a court ruling on the profitable dry-eye drug Restatsis, bringing forward generic competition, and experienced setbacks on other trial data on drugs such as Cenicriviroc (CVC) for liver fibrosis. The company's debt levels magnified the extent of the stock decline, also hurting the mandatories' valuation. Mandatory convertibles in generic drug maker Teva Pharmaceuticals Industries Ltd. (0.2% of long-term investments at period end) declined as the company experienced pricing headwinds and faster generic competition in its portfolio of products, notably the multiple sclerosis drug Copaxone. The company's acquisition of Allergan's generic business raised leverage and created an overhang on potential sales of Allergan's stock holdings of Teva, both hurting the equity as profit estimates fell.

Convertible bonds in oilfield services provider Nabors Industries, Inc. (not held at period end) declined as the company incurred margin headwinds to activate some projects as oil prices rebounded and the level of debt maturities due over the intermediate-term kept pressure on credit prices.

Index Definitions

It is not possible to invest directly in an index. These indices are intended as measures of broad market returns. The Fund's mandate differs materially from each of the individual indices. The Fund also maintains leverage and incurs transaction costs, advisory fees, and other expenses, while these indices do not.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, mortgage-backed securities or "MBS" (agency fixed-rate and hybrid adjustable-rate mortgage, or "ARM", pass-throughs), asset-backed securities ("ABS"), and commercial mortgage-backed securities ("CMBS") (agency and non-agency).

ICE Bank of America Merrill Lynch All Convertibles Index is comprised of approximately 500 issues of convertible bonds and preferred stock of all qualities.

ICE Bank of America Merrill Lynch High Yield Master II Index is a commonly used benchmark index for high yield corporate bonds. It is a measure of the broad high yield market.

S&P 500® Index is a broad-based index, the performance of which is based on the performance of 500 widely held common stocks chosen for market size, liquidity, and industry group representation.

VIX is the ticker symbol for the Chicago Board Options Exchange Market Volatility Index, a popular measure of the implied volatility of S&P 500 index options. It is a weighted blend of prices for a range of options on the S&P 500 index.

AVK Risks and Other Considerations

The views expressed in this report reflect those of the Investment Manager only through the report period as stated on the cover. These views are subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any kind. The material may also contain forward-looking statements that involve risk and uncertainty, and there is no guarantee they will come to pass. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value. The Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Past performance does not guarantee future results. Please see guggenheiminvestments.com/avk for a detailed discussion of the Fund's risks and considerations.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

FUND SUMMARY (Unaudited) October 31, 2017

Fund Statistics	
Share Price	$16.09
Net Asset Value	$17.63
Discount to NAV	-8.74%
Net Assets ($000)	$353,389

AVERAGE ANNUAL TOTAL RETURNS
FOR THE PERIOD ENDED OCTOBER 31, 2017

	One Year	Three Year	Five Year	Ten Year
Advent Claymore Convertible Securities & Income Fund				
NAV	16.55%	4.41%	7.17%	2.66%
Market	24.20%	5.32%	6.42%	3.66%

Portfolio Breakdown	% of Net Assets
Investments:	
Convertible Bonds	67.5%
Corporate Bonds	64.4%
Common Stocks	12.6%
Convertible Preferred Stocks	10.7%
Money Market Fund	6.4%
Senior Floating Rate Interests	1.7%
Total Investments	163.3%
Other Assets & Liabilities, net	(63.3%)
Net Assets	100.0%

Past performance does not guarantee future results and does not reflect the deductions of taxes that a shareholder would pay on fund distributions. All NAV returns include the deduction of management fees, operating expenses and all other Fund expenses. All portfolio data is subject to change daily. For more current information, please visit guggenheiminvestments.com/avk.

The above summaries are provided for informational purposes only and should not be viewed as recommendations.

FUND SUMMARY (Unaudited) continued October 31, 2017

All or a portion of the above distributions may be characterized as a return of capital. For the year ended October 31, 2017, 39% of the distributions were estimated to be characterized as return of capital. The final determination of the tax character of the distributions paid by the Fund in 2017 will be reported to shareholders in January 2018.

Country Breakdown	(% of Total Investments)
United States	87.0%
Canada	3.1%
Ireland	2.5%
Bermuda	2.0%
Cayman Islands	1.1%
United Kingdom	0.6%
Mexico	0.6%
France	0.5%
Australia	0.5%
Greece	0.4%
Luxembourg	0.4%
Netherlands	0.3%
Marshall Islands	0.2%
China	0.2%
Israel	0.2%
Liberia	0.2%
Jersey	0.2%

Subject to change daily.

PORTFOLIO OF INVESTMENTS October 31, 2017

	Shares	Value
COMMON STOCKS† – 12.6%		
Consumer, Cyclical – 4.7%		
American Airlines Group, Inc.[1]	90,012	$ 4,214,362
General Motors Co.[1]	93,500	4,018,630
Wal-Mart Stores, Inc.[1]	30,000	2,619,300
Lowe's Companies, Inc.[1]	25,000	1,998,750
Spirit Airlines, Inc.[*,1]	50,000	1,854,500
Ford Motor Co.[1]	150,300	1,844,181
Total Consumer, Cyclical		16,549,723
Consumer, Non-cyclical – 2.7%		
Merck & Company, Inc.[1]	49,100	2,704,919
Incyte Corp.[*,1]	22,500	2,548,125
Celgene Corp.[*,1]	24,100	2,433,377
Flexion Therapeutics, Inc.[*,1]	88,300	1,943,483
Total Consumer, Non-cyclical		9,629,904
Communications – 2.2%		
Verizon Communications, Inc.[1]	69,100	3,307,817
Walt Disney Co.[1]	33,000	3,227,730
AT&T, Inc.[1]	33,200	1,117,180
Total Communications		7,652,727
Industrial – 2.0%		
United Parcel Service, Inc. — Class[1] B	23,900	2,808,967
Eaton Corporation plc	29,700	2,376,594
General Dynamics Corp.[1]	9,206	1,868,634
Total Industrial		7,054,195
Financial – 0.5%		
Lazard Ltd. — Class[1] A	42,000	1,996,680
Diversified – 0.5%		
TPG Pace Energy Holdings Corp.[*]	170,500	1,739,100
Total Common Stocks		
(Cost $43,915,192)		44,622,329
CONVERTIBLE PREFERRED STOCKS† – 10.7%		
Consumer, Non-cyclical – 3.7%		
Allergan plc		
5.50% due 03/01/18[1]	12,342	7,944,421
Becton Dickinson and Co.		
6.13% due 05/01/20[1]	52,220	2,964,529
Teva Pharmaceutical Industries Ltd.		
7.00% due 12/15/18	3,750	1,066,875

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Shares	Value
CONVERTIBLE PREFERRED STOCKS† – 10.7% (continued)		
Consumer, Non-cyclical – 3.7% (continued)		
Bunge Ltd.		
4.88%[5]	9,454	$ 985,107
Total Consumer, Non-cyclical		12,960,932
Financial – 2.5%		
Crown Castle International Corp.		
6.88% due 08/01/20[1]	5,865	6,432,733
American Tower Corp.		
5.50% due 02/15/18[1]	12,614	1,591,508
Mandatory Exchangeable Trust		
5.75% due 06/03/19[2]	4,739	993,839
Total Financial		9,018,080
Energy – 2.4%		
Hess Corp.		
8.00% due 02/01/19[1]	122,494	6,829,041
WPX Energy, Inc.		
6.25% due 07/31/18[1]	18,938	974,360
Anadarko Petroleum Corp.		
7.50% due 06/07/18	13,658	519,004
Total Energy		8,322,405
Industrial – 1.0%		
Belden, Inc.		
6.75% due 07/15/19[1]	20,699	2,224,521
Stanley Black & Decker, Inc.		
5.38% due 05/15/20[1]	12,576	1,487,364
Total Industrial		3,711,885
Utilities – 0.7%		
NextEra Energy, Inc.		
6.12% due 09/01/19	40,349	2,299,893
Communications – 0.4%		
T-Mobile US, Inc.		
5.50% due 12/15/17[1]	15,356	1,486,461
Total Convertible Preferred Stocks		
(Cost $39,472,571)		37,799,656
MONEY MARKET FUND† – 6.4%		
Morgan Stanley Institutional Liquidity Government Portfolio 0.92%[3]	22,455,584	22,455,584
Total Money Market Fund		

(Cost $22,455,584)	22,455,584

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5%		
Technology – 19.6%		
Microchip Technology, Inc.		
1.63% due 02/15/27[2]	5,730,000	$ 7,244,868
Micron Technology, Inc.		
3.00% due 11/15/43[1]	4,111,000	6,392,604
ON Semiconductor Corp.		
1.00% due 12/01/20[1]	2,900,000	3,753,688
1.63% due 10/15/23[1,2]	1,193,000	1,492,741
Intel Corp.		
3.49% due 12/15/35[1]	2,527,000	4,245,359
3.25% due 08/01/39[1]	260,000	565,989
Carbonite, Inc.		
2.50% due 04/01/22[2]	3,578,000	4,150,479
Lam Research Corp.		
1.25% due 05/15/18[1]	1,043,000	3,609,432
Integrated Device Technology, Inc.		
0.88% due 11/15/22	3,033,000	3,499,324
Evolent Health, Inc.		
2.00% due 12/01/21[2]	3,196,000	3,425,713
Verint Systems, Inc.		
1.50% due 06/01/21[1]	3,385,000	3,332,109
ServiceNow, Inc.		
due 06/01/22[2,4]	2,820,000	3,176,025
Teradyne, Inc.		
1.25% due 12/15/23[1,2]	1,850,000	2,674,407
Citrix Systems, Inc.		
0.50% due 04/15/19[1]	1,816,000	2,231,409
Inphi Corp.		
0.75% due 09/01/21	1,900,000	1,981,938
Cypress Semiconductor Corp.		
4.50% due 01/15/22[1]	1,464,000	1,972,740
Allscripts Healthcare Solutions, Inc.		
1.25% due 07/01/20[1]	1,825,000	1,898,000
Salesforce.com, Inc.		
0.25% due 04/01/18[1]	1,170,000	1,800,338
Lumentum Holdings, Inc.		
0.25% due 03/15/24[2]	1,243,000	1,581,718
CSG Systems International, Inc.		
4.25% due 03/15/36[1]	1,410,000	1,535,138
Synaptics, Inc.		
0.50% due 06/15/22[2]	1,629,000	1,468,137
Advanced Micro Devices, Inc.		

2.13% due 09/01/26	855,000	1,349,832
HubSpot, Inc.		
0.25% due 06/01/22[2]	1,163,000	1,314,190

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5% (continued)		
Technology – 19.6% (continued)		
Veeco Instruments, Inc.		
2.70% due 01/15/23	1,375,000	$ 1,263,281
Red Hat, Inc.		
0.25% due 10/01/19[1]	732,000	1,217,408
Silicon Laboratories, Inc.		
1.38% due 03/01/22[2]	681,000	819,754
Electronics For Imaging, Inc.		
0.75% due 09/01/19[1]	753,000	736,058
Workday, Inc.		
0.25% due 10/01/22[2]	451,000	456,919
Total Technology		69,189,598
Communications – 11.4%		
Finisar Corp.		
0.50% due 12/15/33[1]	4,418,000	4,677,558
0.50% due 12/15/36[2]	2,000,000	1,915,000
Priceline Group, Inc.		
0.35% due 06/15/20[1]	3,731,000	5,559,190
DISH Network Corp.		
3.38% due 08/15/26[1]	4,267,000	4,611,027
2.38% due 03/15/24[1,2]	961,000	925,563
Twitter, Inc.		
0.25% due 09/15/19[1]	3,400,000	3,230,000
1.00% due 09/15/21[1]	560,000	517,650
FireEye, Inc.		
1.00% due 06/01/35[1]	2,700,000	2,565,000
Ctrip.com International Ltd.		
1.00% due 07/01/20[1]	2,347,000	2,556,763
Liberty Media Corp.		
1.38% due 10/15/23	1,769,000	2,129,699
Proofpoint, Inc.		
0.75% due 06/15/20[1]	1,551,000	2,005,637
Inmarsat plc		
3.88% due 09/09/23	1,800,000	1,930,500
Ciena Corp.		
4.00% due 12/15/20[1]	1,041,000	1,368,264
Liberty Interactive LLC		
1.75% due 09/30/46[1,2]	1,096,000	1,243,275
Weibo Corp.		
1.25% due 11/15/22[2]	1,081,000	1,129,645
IAC FinanceCo, Inc.		

0.88% due 10/01/22[2]	1,013,000	1,095,940
Liberty Expedia Holdings, Inc.		
1.00% due 06/30/47[2]	1,031,000	1,056,775

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5% (continued)		
Communications – 11.4% (continued)		
Wayfair, Inc.		
0.38% due 09/01/22[2]	965,000	$ 945,097
World Wrestling Entertainment, Inc.		
3.38% due 12/15/23[1,2]	628,000	774,795
Total Communications		40,237,378
Consumer, Non-cyclical – 10.5%		
Wright Medical Group, Inc.		
2.00% due 02/15/20[1]	3,852,000	4,189,049
Ionis Pharmaceuticals, Inc.		
1.00% due 11/15/21[1]	2,433,000	2,744,728
BioMarin Pharmaceutical, Inc.		
1.50% due 10/15/20[1]	2,067,000	2,355,088
NuVasive, Inc.		
2.25% due 03/15/21[1]	1,928,000	2,241,300
Nevro Corp.		
1.75% due 06/01/21[1]	1,853,000	2,156,429
Cardtronics, Inc.		
1.00% due 12/01/20[1]	2,050,000	1,901,375
Molina Healthcare, Inc.		
1.63% due 08/15/44[1]	1,500,000	1,859,063
Euronet Worldwide, Inc.		
1.50% due 10/01/44[1]	1,351,000	1,849,181
Flexion Therapeutics, Inc.		
3.38% due 05/01/24[2]	1,542,000	1,752,089
Hologic, Inc.		
2.00% due 03/01/42[1,6,8]	1,340,000	1,668,300
Insulet Corp.		
1.25% due 09/15/21	1,342,000	1,598,658
Anthem, Inc.		
2.75% due 10/15/42	493,000	1,412,445
Pacira Pharmaceuticals, Inc.		
2.38% due 04/01/22[1,2]	1,478,000	1,375,463
Medicines Co.		
2.75% due 07/15/23	1,306,000	1,230,089
Teladoc, Inc.		
3.00% due 12/15/22[2]	1,105,000	1,194,090
Jazz Investments I Ltd.		
1.88% due 08/15/21[1]	1,048,000	1,082,061
LendingTree, Inc.		
0.63% due 06/01/22[2]	744,000	1,056,480

Neurocrine Biosciences, Inc.		
2.25% due 05/15/24[2]	872,000	1,001,165
Clovis Oncology, Inc.		
2.50% due 09/15/21	663,000	963,008

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5% (continued)		
Consumer, Non-cyclical – 10.5% (continued)		
J Sainsbury plc		
1.25% due 11/21/19[1]	GBP 700,000	$ 948,436
Horizon Pharma Investment Ltd.		
2.50% due 03/15/22[1]	891,000	818,606
Innoviva, Inc.		
2.50% due 08/15/25[2]	811,000	787,177
Element Fleet Management Corp.		
4.25% due 06/30/20[2]	CAD 875,000	682,162
Emergent BioSolutions, Inc.		
2.88% due 01/15/21	288,000	418,500
Total Consumer, Non-cyclical		37,284,942
Financial – 8.1%		
Altaba, Inc.		
due 12/01/18[4]	3,066,000	4,223,415
Colony NorthStar, Inc.		
3.88% due 01/15/21	3,625,000	3,663,515
PRA Group, Inc.		
3.00% due 08/01/20	1,950,000	1,787,906
3.50% due 06/01/23[1,2]	1,774,000	1,608,796
Forest City Realty Trust, Inc.		
4.25% due 08/15/18	2,820,000	3,334,649
Starwood Property Trust, Inc.		
4.00% due 01/15/19[1]	1,939,000	2,147,443
HCI Group, Inc.		
4.25% due 03/01/37[2]	2,250,000	2,037,657
Starwood Waypoint Homes		
3.00% due 07/01/19[1]	1,501,000	1,859,364
Air Lease Corp.		
3.88% due 12/01/18[1]	1,069,000	1,634,902
Fidelity National Financial, Inc.		
4.25% due 08/15/18[1]	528,000	1,531,854
Empire State Realty OP, LP		
2.63% due 08/15/19[2]	1,170,000	1,282,613
Extra Space Storage, LP		
3.13% due 10/01/35[1]	937,000	1,023,087
iStar, Inc.		
3.13% due 09/15/22[2]	960,000	976,800
Blackhawk Network Holdings, Inc.		
1.50% due 01/15/22	847,000	850,706
Blackstone Mortgage Trust, Inc.		

4.38% due 05/05/22	502,000	510,471
Total Financial		28,473,178

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5% (continued)		
Industrial – 6.4%		
Dycom Industries, Inc.		
0.75% due 09/15/21[1]	5,857,000	$ 6,830,726
Greenbrier Companies, Inc.		
2.88% due 02/01/24[2]	3,808,000	4,472,020
Cemex SAB de CV		
3.72% due 03/15/20	2,893,000	3,082,867
Kaman Corp.		
3.25% due 05/01/24[2]	1,803,000	1,957,382
Atlas Air Worldwide Holdings, Inc.		
1.88% due 06/01/24	1,469,000	1,790,343
RTI International Metals, Inc.		
1.63% due 10/15/19	1,572,000	1,743,938
OSI Systems, Inc.		
1.25% due 09/01/22[1,2]	1,248,000	1,316,640
Air Transport Services Group, Inc.		
1.13% due 10/15/24[2]	749,000	785,046
BW Group Ltd.		
1.75% due 09/10/19	600,000	575,400
Total Industrial		22,554,362
Energy – 4.9%		
Chesapeake Energy Corp.		
5.50% due 09/15/26[2]	6,506,000	5,794,405
Weatherford International Ltd.		
5.88% due 07/01/21	5,549,000	5,611,426
PDC Energy, Inc.		
1.13% due 09/15/21[1]	1,628,000	1,597,475
Oasis Petroleum, Inc.		
2.63% due 09/15/23[1]	1,250,000	1,379,688
Green Plains, Inc.		
4.13% due 09/01/22	1,043,000	1,031,266
Ensco Jersey Finance Ltd.		
3.00% due 01/31/24[2]	1,126,000	954,286
SEACOR Holdings, Inc.		
3.00% due 11/15/28	964,000	888,085
Total Energy		17,256,631
Consumer, Cyclical – 4.1%		
Tesla, Inc.		
1.25% due 03/01/21[1]	2,033,000	2,271,877
2.38% due 03/15/22	1,222,000	1,486,257

CalAtlantic Group, Inc.		
0.25% due 06/01/19[1]	2,050,000	2,058,200
1.63% due 05/15/18[1]	876,000	1,381,890

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CONVERTIBLE BONDS†‡ 67.5% (continued)		
Consumer, Cyclical – 4.1% (continued)		
Restoration Hardware Holdings, Inc.		
due 06/15/19[1,2,4]	2,608,000	$ 2,539,540
Caesars Entertainment Corp.		
5.00% due 10/01/24	1,080,000	2,124,900
Horizon Global Corp.		
2.75% due 07/01/22	1,006,000	1,008,515
China Lodging Group Ltd.		
0.38% due 11/01/22[2]	975,000	1,002,310
Meritor, Inc.		
3.25% due 10/15/37[2]	567,000	608,108
Total Consumer, Cyclical		14,481,597
Utilities – 1.5%		
CenterPoint Energy, Inc.		
4.18% due 09/15/29[1,6]	41,326	2,928,980
NRG Yield, Inc.		
3.25% due 06/01/20[1,2]	2,300,000	2,305,750
Total Utilities		5,234,730
Basic Materials – 1.0%		
AK Steel Corp.		
5.00% due 11/15/19	1,151,000	1,374,726
Pretium Resources, Inc.		
2.25% due 03/15/22[2]	1,134,000	1,165,893
B2Gold Corp.		
3.25% due 10/01/18	919,000	936,232
Total Basic Materials		3,476,851
Total Convertible Bonds		
(Cost $214,212,360)		238,189,267
CORPORATE BONDS†‡ 64.4%		
Consumer, Non-cyclical – 15.8%		
HCA, Inc.		
5.25% due 04/15/25[1]	3,211,000	3,427,742
7.50% due 02/15/22[1]	1,950,000	2,218,125
Tenet Healthcare Corp.		
4.38% due 10/01/21[1]	2,500,000	2,503,749
8.13% due 04/01/22	1,688,000	1,702,770
6.00% due 10/01/20[1]	1,300,000	1,369,875
HealthSouth Corp.		
5.75% due 11/01/24[1]	3,000,000	3,076,874

5.75% due 09/15/25[1]	2,126,000	2,203,068
Valeant Pharmaceuticals International, Inc.		
6.13% due 04/15/25[2]	5,725,000	4,830,469

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS†‡ 64.4% (continued)		
Consumer, Non-cyclical – 15.8% (continued)		
United Rentals North America, Inc.		
5.50% due 05/15/27[1]	2,052,000	$ 2,200,770
5.50% due 07/15/25[1]	1,950,000	2,099,906
Endo Dac / Endo Finance LLC / Endo Finco, Inc.		
6.00% due 02/01/25[1,2]	4,620,000	3,696,000
CHS/Community Health Systems, Inc.		
6.88% due 02/01/22[1]	2,277,000	1,656,518
5.13% due 08/01/21[1]	950,000	926,250
Cardtronics, Inc.		
5.13% due 08/01/22[1]	2,500,000	2,562,500
Post Holdings, Inc.		
5.50% due 03/01/25[1,2]	1,663,000	1,737,835
5.75% due 03/01/27[1,2]	727,000	758,806
DaVita, Inc.		
5.00% due 05/01/25[1]	2,433,000	2,402,588
Molina Healthcare, Inc.		
5.38% due 11/15/22[1]	2,200,000	2,300,100
Spectrum Brands, Inc.		
5.75% due 07/15/25[1]	2,004,000	2,138,629
Ahern Rentals, Inc.		
7.38% due 05/15/23[1,2]	1,959,000	1,802,280
Land O'Lakes Capital Trust I		
7.45% due 03/15/28[1,2]	1,500,000	1,762,501
Pilgrim's Pride Corp.		
5.88% due 09/30/27[2]	1,688,000	1,759,740
Greatbatch Ltd.		
9.13% due 11/01/23[2]	1,485,000	1,611,225
Ritchie Bros Auctioneers, Inc.		
5.38% due 01/15/25[1,2]	1,361,000	1,435,855
Great Lakes Dredge & Dock Corp.		
8.00% due 05/15/22	1,191,000	1,256,505
Revlon Consumer Products Corp.		
6.25% due 08/01/24[1]	1,520,000	1,128,600
Quorum Health Corp.		
11.63% due 04/15/23	970,000	892,400
Sotheby's		
5.25% due 10/01/22[1,2]	435,000	448,594
Land O' Lakes, Inc.		
6.00% due 11/15/22[2]	19,000	21,446
Total Consumer, Non-cyclical		55,931,720

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS[†‡] 64.4% (continued)		
Consumer, Cyclical – 12.7%		
GameStop Corp.		
6.75% due 03/15/21[1,2]	4,134,000	$ 4,345,867
L Brands, Inc.		
5.63% due 02/15/22[1]	2,600,000	2,793,699
Scientific Games International, Inc.		
10.00% due 12/01/22	1,976,000	2,193,221
5.00% due 10/15/25[2]	363,000	369,353
Vista Outdoor, Inc.		
5.88% due 10/01/23[1]	2,463,000	2,555,363
Dana Financing Luxembourg Sarl		
6.50% due 06/01/26[1,2]	2,070,000	2,256,300
Tempur Sealy International, Inc.		
5.63% due 10/15/23[1]	2,000,000	2,120,000
Scotts Miracle-Gro Co.		
6.00% due 10/15/23[1]	1,901,000	2,043,575
Dollar Tree, Inc.		
5.75% due 03/01/23[1]	1,901,000	2,003,179
Mattamy Group Corp.		
6.88% due 12/15/23[2]	1,157,000	1,220,635
6.50% due 10/01/25[2]	723,000	757,343
Staples, Inc.		
8.50% due 09/15/25[2]	2,171,000	1,921,335
Delphi Technologies plc		
5.00% due 10/01/25[2]	1,810,000	1,828,100
Levi Strauss & Co.		
5.00% due 05/01/25[1]	1,724,000	1,820,889
Allegiant Travel Co.		
5.50% due 07/15/19[1]	1,750,000	1,815,625
Chester Downs & Marina LLC / Chester Downs Finance Corp.		
9.25% due 02/01/20[2]	1,771,000	1,815,275
United Continental Holdings, Inc.		
6.00% due 12/01/20[1]	1,500,000	1,635,000
TRI Pointe Group Inc. / TRI Pointe Homes Inc.		
4.38% due 06/15/19[1]	1,558,000	1,606,687
Goodyear Tire & Rubber Co.		
5.13% due 11/15/23	1,546,000	1,596,245
Hanesbrands, Inc.		
4.63% due 05/15/24[1,2]	1,486,000	1,534,295
Six Flags Entertainment Corp.		
4.88% due 07/31/24[1,2]	1,469,000	1,514,906
Brinker International, Inc.		

5.00% due 10/01/24[2]	1,447,000	1,450,618
Wolverine World Wide, Inc.		
5.00% due 09/01/26[1,2]	1,200,000	1,201,500

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS†‡ 64.4% (continued)		
Consumer, Cyclical – 12.7% (continued)		
Speedway Motorsports, Inc.		
5.13% due 02/01/23[1]	1,100,000	$ 1,144,000
Beacon Escrow Corp.		
4.88% due 11/01/25[2]	964,000	980,581
CRC Escrow Issuer LLC / CRC Finco, Inc.		
5.25% due 10/15/25[2]	484,000	488,380
Total Consumer, Cyclical		45,011,971
Communications – 8.4%		
Sprint Corp.		
7.88% due 09/15/23[1]	2,000,000	2,239,999
7.63% due 02/15/25[1]	965,000	1,060,294
SFR Group S.A.		
7.38% due 05/01/26[1,2]	2,678,000	2,888,892
Charter Communications Operating LLC / Charter Communications Operating Capital		
4.91% due 07/23/25[1]	2,617,000	2,788,379
CBS Radio, Inc.		
7.25% due 11/01/24[1,2]	2,249,000	2,364,261
Frontier Communications Corp.		
11.00% due 09/15/25[1]	2,769,000	2,364,034
DISH DBS Corp.		
5.88% due 11/15/24[1]	1,509,000	1,512,773
6.75% due 06/01/21[1]	800,000	842,000
CenturyLink, Inc.		
6.75% due 12/01/23[1]	2,011,000	2,099,484
AMC Networks, Inc.		
4.75% due 12/15/22[1]	2,040,000	2,098,650
Hughes Satellite Systems Corp.		
6.50% due 06/15/19[1]	1,718,000	1,825,375
CommScope, Inc.		
5.50% due 06/15/24[1,2]	1,500,000	1,567,500
Sinclair Television Group, Inc.		
5.88% due 03/15/26[1,2]	1,485,000	1,505,419
CCO Holdings LLC / CCO Holdings Capital Corp.		
5.25% due 09/30/22[1]	1,400,000	1,444,625
Urban One, Inc.		
7.38% due 04/15/22[1,2]	1,100,000	1,109,625
CB Escrow Corp.		
8.00% due 10/15/25[2]	965,000	1,001,188
Tribune Media Co.		

5.88% due 07/15/22[1]	935,000	974,738
Total Communications		29,687,236

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS†‡ 64.4% (continued)		
Energy – 7.4%		
PDC Energy, Inc.[1]		
6.13% due 09/15/24	2,150,000	$ 2,254,812
Murphy Oil Corp.		
5.75% due 08/15/25[1]	2,174,000	2,250,089
Parsley Energy LLC / Parsley Finance Corp.		
5.63% due 10/15/27[2]	2,170,000	2,244,605
Oasis Petroleum, Inc.		
6.88% due 01/15/23[1]	2,158,000	2,206,555
CONSOL Energy, Inc.		
8.00% due 04/01/23[1]	1,891,000	2,032,825
Andeavor Logistics Limited Partnership / Tesoro Logistics Finance Corp.		
6.13% due 10/15/21[1]	1,929,000	1,994,104
Genesis Energy, LP / Genesis Energy Finance Corp.		
6.00% due 05/15/23[1]	1,896,000	1,910,220
PBF Holding Company LLC / PBF Finance Corp.		
7.25% due 06/15/25[1]	1,686,000	1,747,118
Cheniere Corpus Christi Holdings LLC		
5.13% due 06/30/27[1,2]	1,664,000	1,720,160
Continental Resources, Inc.		
4.50% due 04/15/23[1]	1,676,000	1,701,140
SESI LLC		
7.75% due 09/15/24[2]	1,456,000	1,510,600
Whiting Petroleum Corp.		
5.00% due 03/15/19[1]	1,474,000	1,494,268
Diamondback Energy, Inc.		
4.75% due 11/01/24[1]	1,440,000	1,472,400
CONSOL Mining Corp.		
11.00% due 11/15/25[2]	1,302,000	1,337,805
Alliance Resource Operating Partners Limited Partnership / Alliance Resource Finance Corp.		
7.50% due 05/01/25[2]	261,000	276,660
Total Energy		26,153,361
Basic Materials – 6.8%		
NOVA Chemicals Corp.		
5.00% due 05/01/25[1,2]	2,345,000	2,391,899
5.25% due 08/01/23[1,2]	1,600,000	1,656,000
FMG Resources August 2006 Pty Ltd.		
9.75% due 03/01/22[1,2]	1,853,000	2,075,359
5.13% due 05/15/24[2]	477,000	492,503
4.75% due 05/15/22[2]	238,000	243,653

First Quantum Minerals Ltd.		
7.25% due 04/01/23[1,2]	2,044,000	2,166,639
Commercial Metals Co.		
4.88% due 05/15/23[1]	1,889,000	1,969,282

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS†‡ 64.4% (continued)		
Basic Materials – 6.8% (continued)		
Alcoa Nederland Holding B.V.		
6.75% due 09/30/24[2]	1,480,000	$ 1,652,450
Tronox Finance LLC		
7.50% due 03/15/22[1,2]	1,437,000	1,514,239
TPC Group, Inc.		
8.75% due 12/15/20[2]	1,483,000	1,457,048
Freeport-McMoRan, Inc.		
2.38% due 03/15/18[1]	1,381,000	1,384,453
Kaiser Aluminum Corp.		
5.88% due 05/15/24[1]	1,162,000	1,253,508
Compass Minerals International, Inc.		
4.88% due 07/15/24[1,2]	1,197,000	1,186,526
United States Steel Corp.		
6.88% due 08/15/25	964,000	982,678
AK Steel Corp.		
7.50% due 07/15/23	900,000	977,625
Cornerstone Chemical Co.		
6.75% due 08/15/24[2]	868,000	879,935
Big River Steel LLC / BRS Finance Corp.		
7.25% due 09/01/25[2]	727,000	781,525
Kraton Polymers LLC / Kraton Polymers Capital Corp.		
10.50% due 04/15/23[2]	480,000	547,200
Tronox Finance plc		
5.75% due 10/01/25[2]	364,000	380,835
Total Basic Materials		23,993,357
Industrial – 6.1%		
MasTec, Inc.		
4.88% due 03/15/23[1]	2,612,000	2,690,360
Navios Maritime Acquisition Corp. / Navios Acquisition Finance US, Inc.		
8.13% due 11/15/21[1,2]	2,584,000	2,286,840
Louisiana-Pacific Corp.		
4.88% due 09/15/24[1]	2,151,000	2,223,596
Energizer Holdings, Inc.		
5.50% due 06/15/25[1,2]	1,925,000	2,026,063
Xerium Technologies, Inc.		
9.50% due 08/15/21[1]	1,930,000	1,987,320
CNH Industrial Capital LLC		
3.38% due 07/15/19[1]	1,902,000	1,937,663
Ball Corp.		
4.38% due 12/15/20	1,808,000	1,905,180

TransDigm, Inc.		
6.38% due 06/15/26[1]	1,618,000	1,650,360
Shape Technologies Group, Inc.		
7.63% due 02/01/20[1,2]	1,472,000	1,520,753

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
CORPORATE BONDS†‡ 64.4% (continued)		
Industrial – 6.1% (continued)		
Navios Maritime Holdings, Inc. / Navios Maritime Finance II US, Inc.		
7.38% due 01/15/22[2]	1,520,000	$ 1,254,000
KLX, Inc.		
5.88% due 12/01/22[1,2]	1,000,000	1,050,000
Eletson Holdings, Inc.		
9.63% due 01/15/22[1,2]	1,400,000	997,500
Total Industrial		21,529,635
Technology – 3.7%		
Qorvo, Inc.		
6.75% due 12/01/23[1]	1,898,000	2,061,703
7.00% due 12/01/25[1]	1,000,000	1,144,050
Seagate HDD Cayman		
4.75% due 01/01/25[1,2]	2,397,000	2,379,063
Western Digital Corp.		
10.50% due 04/01/24[1]	1,587,000	1,866,312
West Corp.		
8.50% due 10/15/25[2]	1,635,000	1,596,169
Entegris, Inc.		
6.00% due 04/01/22[1,2]	1,500,000	1,569,375
First Data Corp.		
5.38% due 08/15/23[1,2]	1,348,000	1,406,975
ACI Worldwide, Inc.		
6.38% due 08/15/20[1,2]	1,000,000	1,019,875
Total Technology		13,043,522
Financial – 2.9%		
Alliance Data Systems Corp.		
6.38% due 04/01/20[1,2]	1,500,000	1,520,625
5.88% due 11/01/21[1,2]	1,200,000	1,245,000
Starwood Property Trust, Inc.		
5.00% due 12/15/21[1]	2,279,000	2,392,950
Credit Acceptance Corp.		
7.38% due 03/15/23[1]	2,158,000	2,276,690
Navient Corp.		
5.50% due 01/15/19[1]	1,674,000	1,730,498
Ally Financial, Inc.		
8.00% due 03/15/20[1]	1,100,000	1,238,875
Total Financial		10,404,638

Utilities – 0.6%		
AmeriGas Partners, LP / AmeriGas Finance Corp.		
5.75% due 05/20/27	1,929,000	1,979,636
Total Corporate Bonds		
(Cost $223,281,269)		227,735,076

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

	Face Amount~	Value
SENIOR FLOATING RATE INTERESTS††,7 1.7%		
Consumer, Cyclical – 0.8%		
PetSmart, Inc.		
4.35% (3 Month USD LIBOR + 300 bps) due 03/10/22	2,187,563	$ 1,885,065
Intrawest Resorts Holdings, Inc.		
4.63% (3 Month USD LIBOR + 325 bps) due 07/31/24	1,074,900	1,078,931
Total Consumer, Cyclical		2,963,996
Communications – 0.5%		
Sprint Communications, Inc.		
3.75% (3 Month USD LIBOR + 250 bps) due 02/02/24	1,648,715	1,655,486
Consumer, Non-cyclical – 0.4%		
SUPERVALU, Inc.		
4.83% (3 Month USD LIBOR + 350 bps) due 06/08/24	1,542,250	1,488,271
Total Senior Floating Rate Interests		
(Cost $6,461,678)		6,107,753
Total Investments – 163.3%		
(Cost $549,798,654)		$ 576,909,665
Other Assets & Liabilities, net – (63.3)%		(223,520,630)
Total Net Assets – 100.0%		$ 353,389,035

FORWARD FOREIGN CURRENCY EXCHANGE CONTRACTS††

Counterparty	Contracts to Buy (Sell)	Currency	Settlement Date	Settlement Value	Value at October 31, 2017	Net Unrealized Appreciation
Bank of New York Mellon	(849,000)	CAD	12/14/17	$699,889	$658,887	$41,002
Bank of New York Mellon	(746,000)	GBP	12/14/17	992,292	992,040	252
					Total Appreciation	$41,254

~ The face amount is denominated in U.S. dollars unless otherwise indicated.
* Non-income producing security.
† Value determined based on Level 1 inputs — See Note 2.
†† Value determined based on Level 2 inputs — See Note 2.
1 All or a portion of these securities have been physically segregated in connection with borrowings and reverse repurchase agreements. As of October 31, 2017, the total value of securities segregated was $348,760,250.
2 Security is a 144A or Section 4(a)(2) security. These securities have been determined to be liquid under guidelines established by the Board of Trustees. The total market value of 144A or Section 4(a)(2) securities is $171,305,897 (cost $164,311,664), or 48.5% of total net assets.
3 Rate indicated is the 7 day yield as of October 31, 2017.
4 Zero coupon rate security.
5 Perpetual maturity.

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued October 31, 2017

6 Security is a step up/step down bond. The coupon increases or decreases at regular intervals until the bond reaches full maturity.
7 Variable rate security. Rate indicated is rate effective at October 31, 2017.
8 Security becomes an accreting bond after March 1, 2018 with a 2.00% principal accretion rate.

plc	Public Limited Company
LIBOR	London Interbank Offered Rate
CAD	Canadian Dollar
GBP	Great Britain Pound

See Sector Classification in Other Information section.
The following table summarizes the inputs used to value the Fund's investments at October 31, 2017 (See Note 2 in the Notes to Financial Statements):

Investments in Securities (Assets)	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total
Common Stocks	$44,622,329	$—	$ —	$44,622,329
Convertible Preferred Stocks	37,799,656	—	—	37,799,656
Money Market Fund	22,455,584	—	—	22,455,584
Convertible Bonds	—	238,189,267	—	238,189,267
Corporate Bonds	—	227,735,076	—	227,735,076
Senior Floating Rate Interests	—	6,107,753	—	6,107,753
Forward Foreign Currency Exchange Contracts*	—	41,254	—	41,254
Total Assets	$104,877,569	$472,073,350	$ —	$576,950,919

* This amount is reported as unrealized gain as of October 31, 2017.

Please refer to the detailed portfolio for the breakdown of investment type by industry category.
The Fund did not hold any Level 3 securities during the year ended October 31, 2017.
Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. Transfers between valuation levels, if any, are in comparison to the valuation levels at the end of the previous fiscal year, and are effective using the fair value as of the end of the current fiscal period.
For the year ended October 31, 2017, there were no transfers between levels.
See notes to financial statements.

STATEMENT OF ASSETS AND LIABILITIES October 31, 2017

ASSETS:	
Investments, at value (cost $549,798,654)	$576,909,665
Cash	6,491
Unrealized appreciation on forward foreign currency exchange contracts	41,254
Receivables:	
Interest	4,636,285
Investments sold	1,651,433
Dividends	392,506
Tax reclaims	1,690
Other assets	20,920
Total assets	583,660,244
LIABILITIES:	
Margin loan	150,000,000
Reverse repurchase agreements	77,000,000
Interest due on borrowings	12,255
Payable for:	
Investments purchased	2,539,776
Investment advisory fees	266,732
Professional fees	203,540
Servicing fees	103,729
Other fees	145,177
Total liabilities	230,271,209
NET ASSETS	$353,389,035
NET ASSETS CONSIST OF:	
Common stock, $0.001 par value per share; unlimited number of shares authorized, 20,043,745 shares issued and outstanding	$20,044
Additional paid-in capital	360,576,088
Distributions in excess of net investment income	(995,941)
Accumulated net realized loss on investments, written options, foreign currency transactions, forward foreign currency exchange contracts and swap agreements	(33,362,973)
Net unrealized appreciation on investments, written options, foreign currency translations, forward foreign currency exchange contracts and swap agreements	27,151,817
NET ASSETS	$353,389,035
Shares outstanding ($0.001 par value with unlimited amount authorized)	20,043,745
Net asset value, offering price and redemption price per share	$17.63

See notes to financial statements.

STATEMENT OF OPERATIONS October 31, 2017
For the Year Ended October 31, 2017

INVESTMENT INCOME:	
Interest	$21,985,130
Dividends, net of foreign taxes withheld of $88,994	4,804,613
Total investment income	26,789,743
EXPENSES:	
Interest expense	4,861,042
Investment advisory fees	3,493,570
Servicing fees	1,369,002
Professional fees	272,252
Trustees' fees and expenses*	163,935
Printing fees	156,241
Administration fees	137,786
Fund accounting fees	123,207
Insurance	84,320
Custodian fees	27,087
NYSE listing fees	23,725
Transfer agent fees	19,556
Other fees	40,266
Total expenses	10,771,989
Net investment income	16,017,754
NET REALIZED AND UNREALIZED GAIN (LOSS):	
Net realized gain (loss) on:	
Investments	20,935,854
Foreign currency transactions	78,197
Forward foreign currency exchange contracts	111,133
Written options	113,911
Purchased options	(39,249)
Swap agreements	(532,767)
Net realized gain	20,667,079
Net change in unrealized appreciation (depreciation) on:	
Investments	21,533,669
Foreign currency translations	2,052
Forward foreign currency exchange contracts	(318,424)
Swap agreements	444,479
Net change in unrealized appreciation (depreciation)	21,661,776
Net realized and unrealized gain	42,328,855
Net increase in net assets resulting from operations	$58,346,609

* Relates to Trustees not deemed "interested persons" within the meaning of Section 2(a)(19) of the 1940 Act.
See notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS October 31, 2017

	Year Ended October 31, 2017	Year Ended October 31, 2016
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:		
Net investment income	$16,017,754	$17,594,006
Net realized gain (loss) on investments, written options, purchased options, foreign currency transactions, forward foreign currency exchange contracts and swap agreements	20,667,079	(23,133,711)
Net change in unrealized appreciation (depreciation) on investments, written options, foreign currency translations, forward foreign currency exchange contracts and swap agreements	21,661,776	12,069,092
Net increase in net assets resulting from operations	58,346,609	6,529,387
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(17,334,952)	(17,294,523)
Return of capital	(11,167,493)	(9,276,409)
Total distributions	(28,502,445)	(26,570,932)
SHAREHOLDER TRANSACTIONS:		
Cost of shares redeemed through tender offer	(59,968,535)	—
Net decrease in net assets	(30,124,371)	(20,041,545)
NET ASSETS:		
Beginning of year	383,513,406	403,554,951
End of year	$353,389,035	$383,513,406
Distributions in excess of net investment income at end of year	$(995,941)	$(1,531,151)

See notes to financial statements.

STATEMENT OF CASH FLOWS October 31, 2017
For the Year Ended October 31, 2017

Cash Flows from Operating Activities:	
Net increase in net assets resulting from operations	$58,346,609
Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash Provided by Operating and Investing Activities:	
Net change in unrealized (appreciation) depreciation on investments	(21,533,669)
Net change in unrealized (appreciation) depreciation on swap agreements	(444,479)
Net change in unrealized (appreciation) depreciation on foreign currency translations	(2,052)
Net change in unrealized (appreciation) depreciation on forward foreign currency exchange contracts	318,424
Net realized gain on investments	(20,935,854)
Net realized gain on written options	(113,911)
Net realized loss on purchased options	39,249
Purchase of long-term investments	(668,975,073)
Proceeds from sale of long-term investments	761,677,641
Net proceeds (purchases) from sale of short-term investments	12,931,606
Net amortization/(accretion) of premium/discount	(957,693)
Premiums received on written options	1,252,813
Net change in premiums received on swap agreements	(636,708)
Cost of closing written options	(997,614)
Decrease in restricted cash	2,475,828
Increase in dividends receivable	(189,343)
Decrease in interest receivable	586,635
Decrease in investments sold receivable	3,821,099
Increase in tax reclaims receivable	(100)
Decrease in other assets	11,710
Decrease in investments purchased payable	(4,227,796)
Decrease in interest due on borrowings	(246,252)
Increase in investment advisory fees payable	78,413
Increase in professional fees payable	32,917
Decrease in servicing fees payable	(122,415)
Decrease in administrative fees payable	(11,536)
Decrease in other fees payable	(41,702)
Net Cash Provided by Operating and Investing Activities	122,136,747
Cash Flows From Financing Activities:	
Distributions to common shareholders	(28,502,445)
Payment on margin loan	(20,000,000)
Payment on reverse repurchase agreements	(15,000,000)
Payment for common shares redeemed through tender offer	(59,968,535)
Net Cash Used in Financing Activities	(123,470,980)
Net Decrease in Cash	(1,334,233)
Cash at Beginning of Period	1,340,724
Cash at End of Period	6,491
Supplemental Disclosure of Cash Flow Information:	
Cash paid during the period for interest	$5,107,294

See notes to financial statements.

FINANCIAL HIGHLIGHTS October 31, 2017

	Year Ended October 31, 2017	Year Ended October 31, 2016	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013
Per Share Data:					
Net asset value, beginning of period	$ 16.26	$ 17.11	$ 19.00	$ 19.76	$ 17.19
Income from investment operations:					
Net investment income[(a)]	0.69	0.75	0.65	0.71	0.74
Net gain (loss) on investments (realized and unrealized)	1.86	(0.47)	(1.41)	(0.34)	2.87
Distributions to preferred shareholders from net investment income (common share equivalent basis)	—	—	—	—	(0.02)
Total from investment operations	2.55	0.28	(0.76)	0.37	3.59
Less distributions from:					
Net investment income	(0.75)	(0.74)	(0.76)	(1.13)	(1.13)
Return of capital	(0.49)	(0.39)	(0.37)	—	—
Total distributions to shareholders	(1.24)	(1.13)	(1.13)	(1.13)	(1.13)
Increase resulting from tender and repurchase of Auction Market Preferred Shares (Note 8)	—	—	—	—	0.11
Increase resulting from tender offer and repurchase of Common Shares (Note 8)	0.06	—	—	—	—
Net asset value, end of period	$ 17.63	$ 16.26	$ 17.11	$ 19.00	$ 19.76
Market value, end of period	$ 16.09	$ 14.01	$ 14.13	$ 17.34	$ 17.81
Total Return[(b)]					
Net asset value	16.55%	1.94%	(4.20%)	1.73%	22.09%[(c)]
Market value	24.20%	7.57%	(12.57%)	3.49%	12.90%
Ratios/Supplemental Data:					
Net assets, end of period (in thousands)	$ 353,389	$ 383,513	$ 403,555	$ 448,033	$ 466,031

See notes to financial statements.

FINANCIAL HIGHLIGHTS continued October 31, 2017

	Year Ended October 31, 2017	Year Ended October 31, 2016	Year Ended October 31, 2015	Year Ended October 31, 2014	Year Ended October 31, 2013
Ratio to average net assets of:					
Net investment income, prior to the effect of dividends to preferred shares, including interest expense	4.04%	4.66%	3.56%	3.58%	3.96%
Net Investment Income, after the effect of dividends to preferred shares, including interest expense	4.04%	4.66%	3.56%	3.58%	3.85%
Total expenses(d)(e)	2.72%	2.92%	2.48%	2.32%	2.37%
Portfolio turnover rate	110%	98%	117%	264%	240%
Senior Indebtness					
Total Borrowings outstanding (in thousands)	$ 227,000	$ 262,000	$ 262,000	$ 262,000	$ 262,000
Asset Coverage per $1,000 of indebtedness(f)	$ 2,557	$ 2,464	$ 2,540	$ 2,710	$ 2,779

(a) Based on average shares outstanding.
(b) Total return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported either at net asset value ("NAV") or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund's Dividend Reinvestment Plan for market value returns. Total return does not reflect brokerage commissions.
(c) Included in the total return at net asset value is the impact of the tender and repurchase by the Fund of a portion of its Auction Market Preferred Shares ("AMPS") at 99% of the AMPS' per share liquidation preference. Had this transaction not occurred, the total return at net asset value would have been lowered by 0.67%.
(d) Expense ratio does not reflect the fees and expenses incurred directly by the Fund as a result of its investment in shares of business development companies. If these fees were included in the expense ratio, the increase to the expense ratio would be approximately 0.00%, 0.01%, 0.01%, 0.08% and 0.02% for the years ended October 31, 2017, 2016, 2015, 2014 and 2013.
(e) Excluding interest expense, the operating expense ratio for the years ended October 31 would be:

2017	2016	2015	2014	2013
1.49%	1.52%	1.42%	1.37%	1.47%

(f) Calculated by subtracting the Fund's total liabilities (not including borrowings) from the Fund's total assets and dividing by the total borrowings.
See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS October 31, 2017

Note 1 – Organization:
Advent Claymore Convertible Securities and Income Fund (the "Fund") was organized as a Delaware statutory trust on February 19, 2003. The Fund is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended.
The Fund's investment objective is to provide total return through a combination of capital appreciation and current income. The Fund pursues its investment objective by investing at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income producing securities.
Note 2 – Accounting Policies:
The Fund operates as an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 Financial Services – Investment Companies.
The following significant accounting policies are in conformity with U.S. generally accepted accounting principles ("GAAP") and are consistently followed by the Fund. This requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. All time references are based on Eastern Time.
The following is a summary of significant accounting policies followed by the Fund.
(a) Valuation of Investments
Equity securities listed on an exchange are valued at the last reported sale price on the primary exchange on which they are traded. Equity securities traded on an exchange or on the over-the-counter market and for which there are no transactions on a given day are valued at the mean of the closing bid and ask prices. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Equity securities not listed on a securities exchange or NASDAQ are valued at the mean of the closing bid and ask prices. Debt securities are valued by independent pricing services or dealers using the mean of the closing bid and ask prices for such securities or, if such prices are not available, at prices for securities of comparable maturity, quality and type. If sufficient market activity is limited or does not exist, the pricing providers or broker-dealers may utilize proprietary valuation models which consider market characteristics such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, or other unique security features in order to estimate relevant cash flows, which are then discounted to calculate a security's fair value. Exchange-traded funds and listed closed-end funds are valued at the last sale price or official closing price on the exchange where the security is principally traded. Exchange-traded options are valued at the closing price, if traded that day. If not traded, they are valued at the mean of the bid and ask prices on the primary exchange on which they are traded. Futures contracts are valued using the settlement price established each day on the exchange on which they are traded. The value of over-the-counter ("OTC") swap agreements entered into by the Fund is accounted for using the unrealized gain or loss on the agreements that is determined by marking the agreements to the last quoted value provided by an independent pricing service. Forward foreign currency exchange contracts are valued

daily at current exchange rates. Swaps are valued daily by independent pricing services or dealers using the mid price. Short-term securities with remaining maturities of 60 days or less are valued at market price, or if a market price is not available, at amortized cost, provided such amount approximates market value. The Fund values money market funds at net asset value.

For those securities where quotations or prices are not available, the valuations are determined in accordance with procedures established in good faith by management and approved by the Board of Trustees. A valuation committee consisting of representatives from investment management, fund administration, legal and compliance is responsible for the oversight of the valuation process of the Fund and convenes monthly, or more frequently as needed. The valuation committee reviews monthly Level 3 fair valued securities methodology, price overrides, broker quoted securities, price source changes, illiquid securities, unchanged priced securities, halted securities, price challenges, fair valued securities sold and back testing trade prices in relation to prior day closing prices. On a quarterly basis, the valuations and methodologies of all Level 3 fair valued securities are presented to the Fund's Board of Trustees.

Valuations in accordance with these procedures are intended to reflect each security's (or asset's) fair value. Such fair value is the amount that the Fund might reasonably expect to receive for the security (or asset) upon its current sale. Each such determination is based on a consideration of all relevant factors, which are likely to vary from one security to another. Examples of such factors may include, but are not limited to: market prices; sale prices; broker quotes; and models which derive prices based on inputs such as prices of securities with comparable maturities and characteristics, or based on inputs such as anticipated cash flows or collateral, spread over Treasuries, and other information analysis. There were no securities fair valued in accordance with such procedures established by the Board of Trustees as of October 31, 2017.

GAAP requires disclosure of fair valuation measurements as of each measurement date. In compliance with GAAP, the Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's investments and summarized in the following fair value hierarchy:

Level 1 – quoted prices in active markets for identical securities

Level 2 – quoted prices in inactive markets or other significant observable inputs (e.g., quoted prices for similar securities; interest rates; prepayment speed; credit risk; yield curves)

Level 3 – significant unobservable inputs (e.g., discounted cash flow analysis; non-market based methods used to determine fair value)

Observable inputs are those based upon market data obtained from independent sources, and unobservable inputs reflect the Fund's own assumptions based on the best information available. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input both individually and in aggregate that is significant to the fair value measurement. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following are certain inputs and techniques that are generally utilized to evaluate how to classify each major type of investment in accordance with GAAP.

Equity Securities (Common and Preferred Stock) – Equity securities traded in active markets where market quotations are readily available are categorized as Level 1. Equity securities traded in inactive markets and certain foreign equities are valued using inputs which include broker quotes, prices of securities closely related where the security held is not trading but the related security is trading, and evaluated price quotes received from independent pricing providers. To the extent that these inputs are observable, such securities are categorized as Level 2. To the extent that these inputs are unobservable, such securities are categorized as Level 3.

Convertible Bonds & Notes – Convertible bonds and notes are valued by independent pricing providers who employ matrix pricing models utilizing various inputs such as market prices, broker quotes, prices of securities with comparable maturities and qualities, and closing prices of corresponding underlying securities. To the extent that these inputs are observable, such securities are categorized as Level 2. To the extent that these inputs are unobservable, such securities are categorized as Level 3.

Corporate Bonds & Notes – Corporate bonds and notes are valued by independent pricing providers who employ matrix pricing models utilizing various inputs such as market prices, broker quotes, and prices of securities with comparable maturities and qualities, and closing prices of corresponding underlying securities. To the extent that these inputs are observable, such securities are categorized as Level 2. To the extent that these inputs are unobservable, such securities are categorized as Level 3.

Listed derivatives that are actively traded are valued based on quoted prices from the exchange and categorized in Level 1 of the fair value hierarchy. OTC derivative contracts including forward currency contracts, swap contracts and option contracts derive their value from underlying asset prices, indices, reference rates, and other inputs. Depending on the product and terms of the transaction, the fair value of the OTC derivative products can be modeled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments, and the pricing inputs are observed from actively quoted markets. These OTC derivatives are categorized within Level 2 of the fair value hierarchy.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Discounts on debt securities purchased are accreted to interest income over the lives of the respective securities using the effective interest method. Premiums on debt securities purchased are amortized to interest income up to the next call date of the respective securities using the effective interest method.

(c) Cash and Cash Equivalents

The Fund considers all demand deposits to be cash equivalents. Cash and cash equivalents are held at the Bank of New York Mellon.

NOTES TO FINANCIAL STATEMENTS continued October 31, 2017

(d) Due from Broker
Amounts due from broker, if any, may include cash due to the Fund as proceeds from investments sold, but not yet purchased as well as pending investment and financing transactions, which may be restricted until the termination of the financing transactions.
(e) Restricted Cash
A portion of cash on hand is pledged with a broker for current or potential holdings, which includes options, swaps, forward foreign currency exchange contracts and securities purchased on a when issued or delayed delivery basis. On October 31, 2017, there was no restricted cash.
(f) Convertible Securities
The Fund invests in preferred stocks and fixed-income securities which are convertible into common stock. Convertible securities may be converted either at a stated price or rate within a specified period of time into a specified number of shares of common stock. Traditionally, convertible securities have paid dividends or interest greater than on the related common stocks, but less than fixed income non-convertible securities. By investing in a convertible security, the Fund may participate in any capital appreciation or depreciation of a company's stock, but to a lesser degree than if it had invested in that company's common stock. Convertible securities rank senior to common stock in a corporation's capital structure and, therefore, entail less risk than the corporation's common stock.
(g) Currency Translation
Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the mean of the bid and ask price of the respective exchange rates on the last day of the period. Purchases and sales of investments denominated in foreign currencies are translated at the mean of the bid and ask price of respective exchange rates on the date of the transaction.
The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.
Foreign exchange realized gain or loss resulting from the holding of a foreign currency, difference in the exchange rates between the trade date and settlement date of an investment purchased or sold, and the difference between dividends actually received compared to the amount shown in a Fund's accounting records on the date of receipt are included as net realized gains or losses on foreign currency transactions in the Fund's Statement of Operations.
Foreign exchange gain or loss on assets and liabilities, other than investments, are included in unrealized appreciation (depreciation) on foreign currency translations in the Fund's Statement of Operations.
(h) Covered Call and Put Options
The Fund will pursue its objective by employing an option strategy of writing (selling) covered call options or put options on up to 25% of the securities held in the portfolio of the Fund. The Fund

seeks to generate current gains from option premiums as a means to enhance distributions payable to shareholders.
The Fund may purchase and sell ("write") put and call options to manage and hedge risk within its portfolio and to gain long or short exposure to the underlying instrument. A purchaser of a put option has the right, but not the obligation, to sell the underlying instrument at an agreed upon price ("strike price") to the option seller. A purchaser of a call option has the right, but not the obligation, to purchase the underlying instrument at the strike price from the option seller.
When an option is purchased, the premium paid by the Fund for options purchased is included on the Statement of Assets and Liabilities as an investment. The option is adjusted daily to reflect the current market value of the option and the change is recorded as Change in net unrealized appreciation/depreciation on Purchased options on the Statement of Operations. If the option is allowed to expire, the Fund will lose the entire premium it paid and record a realized loss for the premium amount. Premiums paid for options purchased which are exercised or closed are added to the amounts paid or offset against the proceeds on the underlying investment transaction to determine the realized gain (loss) or cost basis of the security.
When an option is written, the premium received is recorded as an asset with an equal liability and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as Written options, at value, in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss.
The Fund is not subject to credit risk in options written as the counterparty has already performed its obligations by paying the premium at the inception of the contract.
(i) Swap Agreements
The Fund may engage in various swap transactions, including interest rate and credit default swaps to manage interest rate (e.g., duration, yield curve) and credit risk. The Fund may also use swaps as alternatives to direct investments.
Swap transactions are negotiated contracts ("OTC swaps") between a fund and a counterparty or centrally cleared ("centrally cleared swaps") with a central clearinghouse through a Futures Commission Merchant ("FCM"), to exchange investment cash flows or assets at specified, future intervals.
Upfront payments made and/or received by the Fund is recognized as a realized gain or loss when the contract matures or is terminated. The value of an OTC swap agreement is recorded as either an asset or a liability on the Statement of Assets and Liabilities at the beginning of the measurement period. Upon entering into a centrally cleared swap, the Fund is required to deposit with the FCM cash or securities, which is referred to as initial margin deposit. Securities deposited as initial margin are designated on the Portfolio of Investments and cash deposited is recorded on the Statement of Assets and Liabilities. Daily changes in valuation of centrally cleared swaps, if any, are recorded as a variation margin receivable or payable on the Statement of Assets and Liabilities.

NOTES TO FINANCIAL STATEMENTS continued October 31, 2017

The change in the value of swaps, including accruals of periodic amounts of interest to be paid or received on swaps, is reported as Change in net unrealized appreciation/depreciation on swap agreements on the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or payment made upon termination of a swap agreement.

The Fund may be required to post or receive collateral based on the net value of the Fund's outstanding OTC swap contracts with the counterparty in the form of cash or securities. Daily movement of collateral is subject to minimum threshold amounts. Cash collateral posted by the Fund is included on the Statement of Assets and Liabilities as Restricted Cash. Collateral received by the Fund is held in escrow in segregated accounts maintained by the custodian.

(j) Forward Foreign Currency Exchange Contracts

The Fund enters into forward foreign currency exchange contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchases and sales commitments denominated in foreign currencies and for investment purposes. Forward foreign currency exchange contracts are agreements between two parties to buy and sell currencies at a set price on a future date. Fluctuations in the value of open forward foreign currency exchange contracts are recorded for financial reporting purposes as unrealized appreciation and depreciation by the Fund until the contracts are closed. When the contracts are closed, realized gains and losses are recorded, and included in realized gain (loss) on forward foreign currency exchange contracts on the Statement of Operations.

Forward foreign currency exchange contracts involve elements of both market and credit risk in excess of the amounts reflected on the Statement of Assets and Liabilities.

(k) Senior Floating Rate Interests

Senior floating rate interests, or term loans, in which the Fund typically invests are not listed on a securities exchange or board of trade. Term loans are typically bought and sold by institutional investors in individually negotiated transactions. A loan is often administered by a bank or other financial institution (the "lender") that acts as agent for all holders. The agent administers the terms of the loan, as specified in the loan agreement. The Fund may invest in multiple series or tranches of a loan, which may have varying terms and carry different associated risks. A Fund generally has no right to enforce compliance with the terms of the loan agreement with the borrower. As a result, a Fund may be subject to the credit risk of both the borrower and the lender that is selling the loan agreement. The term loan market generally has fewer trades and less liquidity than the secondary market for other types of securities. Due to the nature of the term loan market, the actual settlement date may not be certain at the time of purchase or sale. Interest income on term loans is not accrued until settlement date. Typically, term loans are valued by independent pricing services using broker quotes.

(l) Reverse Repurchase Agreements

In a reverse repurchase agreement, the Fund delivers to a counterparty a security that it holds with a contemporaneous agreement to repurchase the same security at an agreed-upon price and date. Reverse repurchase agreements are valued based on the amount of cash received, which represents fair value. Reverse repurchase agreements are reflected as a liability on the Statement of Assets and Liabilities. Interest payments made are recorded as a component of interest expense on the

Statement of Operations. The Fund monitors collateral market value for the reverse repurchase agreement, including accrued interest, throughout the life of the agreement, and when necessary, delivers or receives cash or securities in order to manage credit exposure and liquidity. If the counterparty defaults or enters insolvency proceeding, realization or return of the collateral to the Fund may be delayed or limited.

(m) Risks and Other Considerations

In the normal course of business, the Fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to, among other things, changes in the market (market risk) or the potential inability of a counterparty to meet the terms of an agreement (counterparty risk). The Fund is also exposed to other risks such as, but not limited to, concentration, interest rate, credit and financial leverage risks.

Concentration of Risk. It is the Fund's policy to invest a significant portion of its assets in convertible securities. Although convertible securities do derive part of their value from that of the securities into which they are convertible, they are not considered derivative financial instruments. However, certain of the Fund's investments include features which render them more sensitive to price changes in their underlying securities. Consequently, this exposes the Fund to greater downside risk than traditional convertible securities, but still less than that of the underlying common stock.

Credit Risk. Credit risk is the risk that one or more income securities in the Fund's portfolio will decline in price, or fail to pay interest and principal when due, because the issuer of the security experiences a decline in its financial status. The Fund's investments in income securities involve credit risk. However, in general, lower rated, lower grade and non-investment grade securities carry a greater degree of risk that the issuer will lose its ability to make interest and principal payments, which could have a negative impact on the Fund's net asset value or dividends.

Interest Rate Risk. Convertible and nonconvertible income-producing securities including preferred stock and debt securities (collectively, "income securities") are subject to certain interest rate risks. If interest rates go up, the value of income securities in the Fund's portfolio generally will decline. These risks may be greater in the current market environment because interest rates are near historically low levels. During periods of rising interest rates, the average life of certain types of income securities may be extended because of slower than expected principal payments. This may lock in a below market interest rate, increase the security's duration (the estimated period until the security is paid in full) and reduce the value of the security. This is known as extension risk. During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk. Lower grade securities have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem a lower grade security if the issuer can refinance the security at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Lower Grade Securities Risk. Investing in lower grade and non-investment grade securities involves additional risks. Securities of below investment grade quality are commonly referred to as "junk bonds" or "high yield securities." Investment in securities of below investment grade quality involves substantial risk of loss. Securities of below investment grade quality are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default or decline in market value due to adverse economic and issuer specific developments. Issuers of below investment grade securities are not perceived to be as strong financially as those with higher credit ratings. Issuers of lower grade securities may be highly leveraged and may not have available to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with higher rated securities. These issuers are more vulnerable to financial setbacks and recession than more creditworthy issuers, which may impair their ability to make interest and principal payments. The issuer's ability to service its debt obligations also may be adversely affected by specific issuer developments, the issuer's inability to meet specific projected business forecasts or the unavailability of additional financing. Therefore, there can be no assurance that in the future there will not exist a higher default rate relative to the rates currently existing in the market for lower grade securities. The risk of loss due to default by the issuer is significantly greater for the holders of lower grade securities because such securities may be unsecured and may be subordinate to other creditors of the issuer. Securities of below investment grade quality display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for securities of below investment grade quality tend to be more volatile and such securities tend to be less liquid than investment grade debt securities. To the extent that a secondary market does exist for certain below investment grade securities, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods.

Structured and Synthetic Convertible Securities Risk. The value of structured convertible securities can be affected by interest rate changes and credit risks of the issuer. Such securities may be structured in ways that limit their potential for capital appreciation and the entire value of the security may be at a risk of loss depending on the performance of the underlying equity security. Structured convertible securities may be less liquid than other convertible securities. The value of a synthetic convertible security will respond differently to market fluctuations than a convertible security because a synthetic convertible security is composed of two or more separate securities, each with its own market value. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value.

Foreign Securities and Emerging Markets Risk. Investing in non-U.S. issuers may involve unique risks, such as currency, political, economic and market risk. In addition, investing in emerging markets entails additional risk including, but not limited to: news and events unique to a country or region; smaller market size, resulting in lack of liquidity and price volatility; certain national policies which may restrict the Fund's investment opportunities; less uniformity in accounting and reporting requirements; unreliable securities valuation; and custody risk.

Financial Leverage Risk. Certain risks are associated with the leveraging of common stock, including the risk that both the net asset value and the market value of shares of common stock may be subject to higher volatility and a decline in value.

Counterparty Risk. The Fund is subject to counterparty credit risk, which is the risk that the counterparty fails to perform on agreements with the Fund such as swap and option contracts, and reverse repurchase agreements.

(n) Distributions to Shareholders

The Fund declares and pays monthly distributions to common shareholders. These distributions consist of investment company taxable income, which generally includes qualified dividend income, ordinary income and short-term capital gains. Any net realized long-term gains are distributed annually to common shareholders. If the Fund's total distributions in any year exceed the amount of its investment company taxable income and net capital gain for the year, any such excess would generally be characterized as a return of capital for U.S. federal income tax purposes. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

(o) Indemnifications

Under the Fund's organizational documents, its Trustees and Officers are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, throughout the normal course of business, the Fund enters into contracts that contain a variety of representations and warranties which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund and/or its affiliates that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

Note 3 – Investment Management Agreement, Servicing Agreement and Other Agreements:

Pursuant to the Investment Management Agreement (the "Agreement") between the Fund and Advent Capital Management, LLC ("Advent" or the "Investment Adviser"), the Investment Adviser is responsible for the daily management for the Fund's portfolio of investments, which includes buying and selling securities for the Fund, as well as investment research. The Investment Adviser will receive an annual fee from the Fund based on the average value of the Fund's Managed Assets. Managed Assets means the total of assets of the Fund (including any assets attributable to borrowings in the use of financial leverage, if any) less the sum of accrued liabilities (other than debt representing financial leverage, if any). In addition, subject to the approval of the Fund's Board of Trustees, a pro rata portion of the salaries, bonuses, health insurance, retirement benefits and similar employment costs for the time spent on Fund operations (other than the provision of services required under the Agreement) of all personnel employed by the Investment Adviser who devote substantial time to Fund operations may be reimbursed by the Fund to the Investment Adviser. For the year ended October 31, 2017, the Investment Adviser was not reimbursed by the Fund for these items. The annual fee will be determined as follows:

(a) If the average value of the Fund's Managed Assets (calculated monthly) is greater than $250 million, the fee will be a maximum amount equal to 0.54% of the average value of the Fund's Managed Assets.

(b) If the average value of the Fund's Managed Assets (calculated monthly) is $250 million or less, the fee will be a maximum amount equal to 0.55% of the average value of the Fund's Managed Assets.

Pursuant to a Servicing Agreement between the Fund and Guggenheim Funds Distributors, LLC, the Fund's servicing agent (the "Servicing Agent"), the Servicing Agent will act as servicing agent to the

Fund. The Servicing Agent will receive an annual fee from the Fund, which will be based on the average value of the Fund's Managed Assets. The fee will be determined as follows:
(a) If the average value of the Fund's Managed Assets (calculated monthly) is greater than $250 million, the fee will be a maximum amount equal to 0.21% of the average value of the Fund's Managed Assets.
(b) If the average value of the Fund's Managed Assets (calculated monthly) is $250 million or less, the fee will be a maximum amount equal to 0.20% of the average value of the Fund's Managed Assets.
The Bank of New York Mellon ("BNY") acts as the Fund's custodian and accounting agent. As custodian, BNY is responsible for the custody of the Fund's assets. As accounting agent, BNY is responsible for maintaining the books and records of the Fund's securities and cash.
MUFG Investor Services (US), LLC ("MUIS") provides fund administration services to the Fund. For providing the aforementioned services, MUIS and BNY are entitled to receive a monthly fee equal to an annual percentage of the Fund's average daily managed assets.
Certain officers and trustees of the Fund are also officers and directors of the Investment Adviser or Servicing Agent. The Fund does not compensate its officers or trustees who are officers of the aforementioned firms.
Note 4 – Federal Income Taxes:
The Fund intends to continue to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. In addition, by distributing substantially all of its ordinary income and long-term capital gains, if any, during each calendar year, the Fund avoids a 4% federal excise tax that is assessed on the amount of the under distribution.
In order to present paid-in capital in excess of par, distributions in excess of net investment income and accumulated net realized gains or losses on the Statement of Assets and Liabilities that more closely represent their tax character, certain adjustments have been made to distributions in excess of net investment income, accumulated net realized gains or losses and paid-in capital. For the year ended October 31, 2017, the adjustments were to decrease paid-in capital by $93,255,062, decrease accumulated net realized loss by $91,402,654 and decrease distributions in excess of net investment income by $1,852,408 due to the difference in the treatment for book and tax purposes of distributions to shareholders, contingent payment debt instruments, real estate investment trusts, foreign currency, and capital loss carryforward expiration.
As of October 31, 2017, the cost of securities for federal income tax purposes, the aggregate gross unrealized gain for all securities for which there was an excess of value over tax cost, and the aggregate gross unrealized less for all securities for which there was an excess of tax cost over value, were as follows:

Tax Cost	Gross Tax Unrealized Appreciation	Gross Tax Unrealized Depreciation	Net Tax Unrealized Appreciation
$ 552,077,576	$ 39,912,088	$ (15,079,999)	$ 24,832,089

The differences between book basis and tax basis unrealized appreciation/(depreciation) are primarily attributable to the tax deferral of losses on wash sales and additional income adjustments for tax purposes on certain convertible securities.

As of October 31, 2017, tax components of accumulated earnings/ losses (excluding paid-in capital) were as follows:

Undistributed Ordinary Income/ (Accumulated Ordinary Loss)	Undistributed Long-Term Gains/ (Accumulated Capital Loss)
$ –	$ (32,030,101)

The differences between book basis and tax basis undistributed long-term gains/(accumulated capital losses) are attributable to the tax deferral of losses on wash sales.

At October 31, 2017, the Fund had a capital loss carryforward available as shown in the table below, to offset possible future capital gains through the years indicated. Per the Regulated Investment Company Modernization Act of 2010, capital loss carryforwards generated in taxable years beginning after December 22, 2010 must be fully used before capital loss carryforwards generated in taxable years prior to December 22, 2010; therefore, under certain circumstances, capital loss carryforwards available as of the report date, if any, may expire unused.

Expires in 2019	Unlimited Short-Term	Unlimited Long-Term	Total Capital Loss Carryforward
1,291,643	$ 14,180,851	$ 16,557,607	$ 32,030,101

For the year ended October 31, 2017, the capital loss carryforward amounts expired and utilized were $92,452,933 and $19,041,273 respectively.

For the years ended October 31, 2017 and 2016, the tax character of distributions paid, as reflected on the Statements of Changes in Net Assets, of $17,334,952 and $17,294,523 was ordinary income and $11,167,493 and $9,276,409 was return of capital, respectively.

For all open tax years and all major jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Uncertain tax positions are tax positions taken or expected to be taken in the course of preparing the Fund's tax returns that would not meet a more-likely-than not threshold of being sustained by the applicable tax authority and would be recorded as a tax expense in the current year. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Note 5 – Investments in Securities:

For the year ended October 31, 2017, the cost of purchases and proceeds from sales of investments, excluding written options and short-term securities, were $668,975,073 and $761,677,641, respectively.

Note 6 – Derivatives:

Derivatives are instruments whose values depend on, or are derived from, in whole or in part, the value of one or more other assets, such as securities, currencies, commodities or indices. Derivative instruments may be used to increase investment flexibility (including to maintain cash reserves while maintaining exposure to certain other assets), for risk management (hedging) purposes, to facilitate trading, to reduce transaction costs and to pursue higher investment returns. Derivative instruments may also be used to mitigate certain investment risks, such as foreign currency exchange rate risk, interest rate risk and credit risk. GAAP requires disclosures to enable investors to better understand how and why a Fund uses derivative instruments, how these derivative instruments are accounted for and their effects on the Fund's financial position and results of operations.

The Fund may utilize derivatives for the following purposes:

Hedge – an investment made in order to seek to reduce the risk of adverse price movements in a security, by taking an offsetting position to protect against broad market moves.

Higher Investment Returns – the use of an instrument to seek to obtain increased investment returns.

Income – the use of any instrument that distributes cash flows typically based upon some rate of interest.

Speculation – the use of an instrument to express macro-economic and other investment views.

(a) Covered Call and Put Options

An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price (in the case of a call) or to pay the exercise price upon delivery of the underlying security (in the case of a put).

The Fund will follow a strategy of writing covered call options, which is a strategy designed to produce income from option premiums and offset a portion of a market decline in the underlying security. This strategy will be the Fund's principal investment strategy in seeking to pursue its primary investment objective. The Fund will only "sell" or "write" options on securities held in the Fund's portfolio. It may not sell "naked" call options, i.e., options on securities that are not held by the Fund or on more shares of a security than are held in the Fund's portfolio. The Fund will consider a call option written with respect to a security underlying a convertible security to be covered so long as (i) the convertible security, pursuant to its terms, grants to the holders of such security the right to convert the convertible security into the underlying security and (ii) the convertible security, upon conversion, will convert into enough shares of the underlying security to cover the call option written by the Fund.

There are several risks associated with transactions in options on securities. As the writer of a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call but has retained the risk of loss should the price of the underlying security decline. A writer of a put option is exposed to the risk of loss if fair value of the underlying securities declines, but profits only to the extent of the premium received if the underlying security increases in value. The writer of an option has no control over the time when it may be required to fill its obligation as writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

The Fund’s exchange traded options are not subject to master netting arrangements (the right to close out all transactions traded with a counterparty and net amounts owed or due across the transactions).

As of October 31, 2017, there were no call or put options outstanding.

(b) Forward Foreign Currency Exchange Contracts

A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency on a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts would be included in net realized gain or loss on forward foreign currency exchange contracts.

Risk may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars, reflects the total exposure the Fund has in that particular currency contract.

(c) Swap Agreements

Swap agreements are contracts between parties in which one party agrees to make periodic payments to the other party (the “Counterparty”) based on the change in market value or level of a specified rate, index or asset. In return, the Counterparty agrees to make periodic payments to the first party based on the return of a different specified rate, index or asset. Swap agreements will usually be done on a net basis, the Fund receiving or paying only the net amount of the two payments.

Certain standardized swaps are subject to mandatory central clearing. Central clearing generally reduces counterparty credit risk and increases liquidity, but central clearing does not make swap transactions risk-free. Additionally, there is no guarantee that a Fund or an underlying fund could eliminate its exposure under an outstanding swap agreement by entering into an offsetting swap agreement with the same or another party.

The Fund may enter into swap agreements to manage its exposure to interest rates and/or credit risk, to generate income or to manage duration. During the period that the swap agreement is open, the Fund may be subject to risk from the potential inability of the counterparty to meet the terms of the agreement. The swaps involve elements of both market and credit risk in excess of the amounts reflected on the Statement of Assets and Liabilities, if any.

Credit default swap transactions involve the Fund’s agreement to exchange the credit risk of an issuer. A buyer of a credit default swap is said to buy protection by paying periodic fees in return for a contingent payment from the seller if the issuer has a credit event such as bankruptcy, a failure to pay outstanding obligations or deteriorating credit while the swap is outstanding. A seller of a credit default swap is said to sell protection and thus collects the periodic fees and profits if the credit of the issuer remains stable or improves while the swap is outstanding but the seller in a credit default

NOTES TO FINANCIAL STATEMENTS continued October 31, 2017

swap contract would be required to pay an agreed upon amount, which approximates the notional amount of the swap, to the buyer in the event of an adverse credit event of the issuer.

There were no credit default swap agreements outstanding as of October 31, 2017.

(d) Summary of Derivatives Information

The Fund is required by GAAP to disclose: a) how and why a fund uses derivative instruments, b) how derivative instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows.

The following table presents the types of derivatives in the Fund by location as presented on the Statement of Assets and Liabilities as of October 31, 2017.

Statement of Assets and Liabilities

Presentation of Fair Values of Derivative Instruments ($000s):

	Asset Derivatives		Liability Derivatives	
Primary Risk Exposure	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Foreign Exchange risk	Unrealized appreciation on forward foreign currency exchange contracts	$41	Unrealized depreciation on forward foreign currency exchange contracts	—
Total		$41		$—

The following table presents the effect of derivatives instruments on the Statement of Operations for the year ended October 31, 2017.

Effect of Derivative Instruments on the Statement of Operations: ($000s)

Amount of Realized Gain/(Loss) on Derivatives

Primary Risk Exposure	Written Options	Purchased Options	Forward Foreign Currency Exchange Contracts	Swap Agreements	Total
Equity risk	$ 114	$ (39)	$ –	$ –	$ 75
Foreign Exchange risk	–	–	111	–	111
Credit risk	–	–	–	(533)	(533)
Total	$ 114	$ (39)	$ 111	$ (533)	$ (347)

Change in Unrealized Appreciation/(Depreciation) on Derivatives ($000s)

Primary Risk Exposure	Forward Foreign Currency Exchange Contracts	Swap Agreements	Total
Foreign Exchange risk	$ (318)	$ –	$ (318)
Credit risk	–	444	444
Total	$ (318)	$ 444	$ 126

NOTES TO FINANCIAL STATEMENTS continued October 31, 2017

Derivative Volume

Option Contracts:	
Quarterly Average number of Outstanding Contracts Written	63
Quarterly Average number of Outstanding Contracts Purchased	57
Forward Foreign Currency Exchange Contracts:	
Quarterly Average Outstanding Settlement Value Purchased	$ 359,593
Quarterly Average Outstanding Settlement Value Sold	4,364,958

Credit default swap agreements outstanding at prior year were closed within one week following prior year end. There were no additional swap agreements opened during the year ended October 31, 2017. The Fund's derivatives contracts held at October 31, 2017 are not accounted for as hedging instruments under GAAP.

Note 7 – Offsetting:

In the normal course of business, the Fund enters into transactions subject to enforceable master netting arrangements or other similar arrangements. Generally, the right to offset in those agreements allows the Fund to counteract the exposure to a specific counterparty with collateral received or delivered to that counterparty based on the terms of the arrangements. These arrangements provide for the right to liquidate upon the occurrence of an event of default, credit event upon merger or additional termination event.

Master Repurchase Agreements govern repurchase and reverse repurchase agreements between the Fund and the counterparties. Master Repurchase Agreements maintain provisions for, among other things, initiation, income payments, events of default and maintenance of collateral.

In order to better define their contractual rights and to secure rights that will help the Fund mitigate their counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with their derivative contract counterparties. An ISDA Master Agreement is a bilateral agreement between a Fund and a counterparty that governs OTC derivatives, including foreign exchange contracts, and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of a default (close-out netting) or similar event, including the bankruptcy or insolvency of the counterparty.

For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund and the counterparty. For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Fund and cash collateral received from the counterparty, if any, is reported separately on the Statement of Assets and Liabilities as restricted cash and deposits due to counterparties, respectively. Generally, the amount of collateral due from or to a counter party must exceed a minimum transfer amount threshold (e.g., $300,000) before a transfer is required to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty nonperformance. The

NOTES TO FINANCIAL STATEMENTS continued October 31, 2017

Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes to be of good standing and by monitoring the financial stability of those counterparties.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities.

The following tables present derivative financial instruments and secured financing transactions that are subject to enforceable netting arrangements and offset in the Statement of Assets and Liabilities in conformity with GAAP.

Counterparty	Investment Type	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement the of Assets & Liabilities	Net Amounts of Liabilities Presented in **Statement** of Assets & Liabilities	Derivatives Available for Offset	Financial Instruments	Collateral Received	Net Amount
Bank of New York Mellon	Forward Foreign Currency Exchange Contracts	$41,254	$ –	$41,254	$ –	$ –	$ –	$41,254

Counterparty	Investment Type	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement the of Assets & Liabilities	Net Amounts of Liabilities Presented in Statement of Assets & Liabilities	Derivatives Available for Offset	Financial Instruments	Collateral Pledged	Net Amount
Societe Generale	Reverse Repurchase Agreement	$77,000,000	$ –	$77,000,000	$ –	$(77,000,000)	$ –	$ –

The table above does not include the additional collateral pledged to the counterparty for the reverse repurchase agreement. Total additional collateral pledged for the reverse repurchase agreement was $44,763,528.

Note 8 – Capital:

Common Shares

The Fund has an unlimited amount of common shares, $0.001 par value, authorized and 20,043,745 issued and outstanding. In connection with the Fund's dividend reinvestment plan, the Fund did not issue shares during the year ended October 31, 2017, or the year ended October 31, 2016. As of October 2017, Advent Capital Management LLC, the Fund's Investment Adviser, owned 13,826 shares of the Fund.

Tender Offer

On August 9, 2017, the Fund announced the commencement of a tender offer by the Fund to acquire in exchange for cash up to 3,537,132 (approximately 15%) of the Fund's outstanding shares at a price equal to 98.0% of the Fund's NAV as of the close of regular trading on the New York Stock Exchange on the business day immediately following the day the offer expires. A total of 8,775,224 shares were duly tendered and not withdrawn. Because the number of shares tendered exceeded 3,537,132

shares, the tender offer was oversubscribed. Therefore, in accordance with the terms and conditions specified in the tender offer, the Fund purchased shares from all tendering shareholders on a pro rata basis, disregarding fractions. Accordingly, on a pro rata basis, approximately 33% of shares for each shareholder who properly tendered shares were accepted for payment. The purchase price of properly tendered shares was $16.954 per share. Shares that were tendered but not accepted for purchase and shares that were not tendered remain outstanding. The Fund accepted 3,537,132 shares for payment. Final payment was made on September 13, 2017 in the aggregate amount equal to $59,968,535.

Transactions in common shares were as follows:

	Year Ended October 31, 2017	Year Ended October 31, 2016
Beginning shares	23,580,877	23,580,877
Common shares redeemed through tender offer	(3,537,132)	—
Ending shares	20,043,745	23,580,877

Preferred Shares

On June 19, 2003, the Fund's Board of Trustees authorized the issuance of Auction Market Preferred Shares ("AMPS" or "Preferred Shares"), as part of the Fund's leverage strategy. AMPS issued by the Fund had seniority over the common shares.

On July 24, 2003, the Fund issued 2,150 shares of Series M7, 2,150 shares of Series T28, 2,150 shares of Series W7 and 2,150 shares of Series TH28, each with a liquidation value of $25,000 per share plus accrued dividends. In addition, on March 16, 2004, the Fund issued 1,200 shares of Series F7 and 1,200 shares of Series W28 each with a liquidation value of $25,000 per share plus accrued dividends.

The Fund redeemed preferred shares during the year ended October 31, 2009. The number of shares and dollar amount redeemed were as follows:

Series	Number of Shares Redeemed	Amount Redeemed
M7	102	$2,550,000
T28	102	$2,550,000
W7	102	$2,550,000
W28	56	$1,440,000
TH28	102	$2,550,000
F7	56	$1,440,000

On November 9, 2012, the Fund commenced a tender for up to 100% of its outstanding AMPS. The Fund offered to purchase the AMPS at 99% of the liquidation preference of $25,000 (or $24,750 per share), plus any unpaid dividends accrued through the expiration of the offer.

On December 13, 2012, the Fund announced the expiration and results of the tender offer (the "Tender Offer"). The Fund accepted for payment 10,417 AMPS that were properly tendered and not withdrawn, which represented approximately 99.4% of its then outstanding AMPS. Details of the number of AMPS tendered and not withdrawn per series are provided in the table below:

Series	CUSIP	Number of AMPS Tendered	Number of AMPS Outstanding After Tender Offer
M7	00764C208	2,023	25
T28	00764C307	2,046	2
W7	00764C406	2,018	30
W28	00764C703	1,143	1
TH28	00764C505	2,046	2
F7	00764C604	1,141	3

On May 10, 2013, the Fund announced an at-par redemption of all of its remaining outstanding AMPS, liquidation preference $25,000 per share. The Fund redeemed its remaining $1,575,000 of outstanding AMPS. The redemption price was equal to the liquidation preference of $25,000 per share, plus accumulated but unpaid dividends as of the applicable redemption date as noted in the table below:

Series	CUSIP	Number of AMPS Redeemed	Amount Redeemed	Redemption Date
M7	00764C208	25	$625,000	June 18, 2013
T28	00764C307	2	50,000	June 26, 2013
W7	00764C406	30	750,000	June 13, 2013
W28	00764C703	1	25,000	June 13, 2013
TH28	00764C505	2	50,000	June 14, 2013
F7	00764C604	3	75,000	June 17, 2013

Note 9 – Borrowings:

On November 9, 2012, the Fund entered into a five year margin loan agreement with an approved counterparty whereby the counterparty has agreed to provide secured financing to the Fund and the Fund will provide pledged collateral to the lender. The interest rate on the amount borrowed is 1.74%. An unused commitment fee of 0.25% is charged on the difference between the $150,000,000 margin loan agreement and the amount borrowed. If applicable, the unused commitment fee is included in Interest Expense on the Statement of Operations. On December 20, 2012, the Fund borrowed $170,000,000 under the margin loan agreement. As of October 31, 2017, there was $150,000,000 outstanding in connection with the Fund's margin loan agreement. The average daily amount of borrowings on the margin loan during the year ended October 31, 2017 was $166,602,740 with a related average interest rate of 1.74%.

On December 20, 2012, the Fund entered into a three year fixed rate reverse repurchase agreement. Under a reverse repurchase agreement, the Fund temporarily transfers possession of a portfolio instrument to another party, such as a bank or broker-dealer, in return for cash. At the same time, the Fund agrees to repurchase the instrument at an agreed upon time and price, which reflects an interest payment. Such agreements have the economic effect of borrowings. The Fund may enter

into such agreements when it is able to invest the cash acquired at a rate higher than the cost of the agreement, which would increase earned income. When the Fund enters into a reverse repurchase agreement, any fluctuations in the market value of the instruments transferred to another party or the instruments in which the proceeds may be invested would affect the market value of the Fund's assets. As a result, such transactions may increase fluctuations in the market value of the Fund's assets. On December 20, 2012, the Fund entered into a $92,000,000 reverse repurchase agreement with Bank of America Merrill Lynch which expired on December 20, 2015. The interest rate on the reverse repurchase agreement was 1.63%. On December 9, 2015, the Fund terminated its $92,000,000 reverse repurchase agreement with Bank of America Merrill Lynch. Concurrent with this termination on December 9th, the Fund entered into a $92,000,000 reverse repurchase agreement with Société Générale with an initial scheduled expiration date of December 9, 2017. The interest rate on the reverse repurchase agreement is 2.34%. The average daily amount of the reverse repurchase agreement during the year ended October 31, 2017 was $88,835,616 with a related average interest rate of 2.34%.

The average borrowings for the year ended October 31, 2017 was $255,438,356 at an average interest rate of 1.949%.

The following is a summary of the remaining contractual maturities of the reverse repurchase agreements outstanding as of October 31, 2017, aggregated by asset class of the related collateral pledged by the Fund:

	Overnight and Continuous	Up to 30 days	31 – 90 days	Greater than 90 days	Total
Convertible Bonds	$ —	$ —	$ 28,457,027	$ —	$ 28,457,027
Corporate Bonds	—	—	33,957,302	—	33,957,302
Common Stocks	—	—	12,361,149	—	12,361,149
Convertible Preferred Stocks	—	—	2,224,522	—	2,224,522
Total Borrowings	$ —	$ —	$ 77,000,000	$ —	$ 77,000,000
Gross amount of recognized liabilities for reverse repurchase agreements	$ —	$ —	$ 77,000,000	$ —	$ 77,000,000

As of October 31, 2017, the total amount of securities segregated in connection with borrowings and reverse repurchase agreements was $348,760,250.

The Fund's use of leverage creates special risks that may adversely affect the total return of the Fund. The risks include but are not limited to: greater volatility of the Fund's net asset value and market price; fluctuations in the interest rates on the leverage; and the possibility that increased costs associated with the leverage, which would be borne entirely by the holder's of the Fund, may reduce the Fund's total return. The Fund will pay interest expense on the leverage, thus reducing the Fund's total return. This expense may be greater than the Fund's return on the underlying investment. The agreements governing the margin loan and reverse repurchase agreement include usual and customary covenants. These covenants impose on the Fund asset coverage requirements, collateral requirements, investment strategy requirements, and certain financial obligations. These covenants place limits or restrictions on the Fund's ability to (i) enter into additional indebtedness with a party other than the lender, (ii) change its fundamental investment policy, or (iii) pledge to any other party, other than to the lender, securities owned or held by the Fund over which the lender has a lien. In addition, the Fund is required to deliver financial information to the lender within established deadlines, maintain an asset coverage ratio (as defined in Section 18(g) of the 1940 Act) greater than 300%, comply with the rules of the stock exchange on which its shares are listed, and maintain its classification as a "closed-end fund company" as defined in the 1940 Act. If the counterparty defaults or enters insolvency proceeding, realization or return of the collateral to the Fund may be delayed or limited.

Note 10 – Subsequent Events

On December 15, 2017, the Fund terminated its existing margin loan agreement and repaid the $150,000,000 loan amount outstanding thereunder. Concurrent with this termination and repayment on December 15, 2017, the Fund entered into a new senior secured credit agreement and an amended and restated reverse repurchase agreement with Société Générale. Under the terms of the new credit agreement, the Fund's credit facility is as follows: 175-day evergreen maturity floating rate: $20,000,000; 3-year maturity fixed rate: $65,000,000; and 5-year maturity fixed rate: $65,000,000. The interest rates on the credit facility are as follows: 175-day evergreen floating: 3-month LIBOR + 0.85%; 3-year fixed: 3.43%; and 5-year fixed: 3.83%. The Fund pays a commitment fee on the undrawn portion of the 175-day evergreen facility in the amount of 0.25% per annum. Under the terms of the new reverse repurchase agreement, the Fund's repurchase facility is as follows: 175-day evergreen floating: $13,000,000; 3-year fixed: $32,000,000; and 5-year fixed: $32,000,000. The interest rate on each tranche of the reverse repurchase agreement is the same as the rate on the credit-facility tranche of the same tenor and rate type. The Fund borrowed $150,000,000 under the new credit facility on December 15, 2017.

On November 1, 2017, the Fund declared a monthly distribution to common shareholders of $0.1154 per common share. The distribution is payable on November 30, 2017 to shareholders of record on November 15, 2017.

On December 1, 2017, the Fund declared a monthly distribution to common shareholders of $0.1160 per common share. The distribution is payable on December 29, 2017 to shareholders of record on December 15, 2017.

The Fund has performed an evaluation of subsequent events through the date of issuance of this report and has determined that there are no material events that would require disclosure other than the events disclosed above.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM October 31, 2017

To the Board of Trustees and Shareholders of
Advent Claymore Convertible Securities and Income Fund

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Advent Claymore Convertible Securities and Income Fund (the "Fund") as of October 31, 2017, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
December 26, 2017

OTHER INFORMATION (Unaudited) October 31, 2017

Federal Income Tax Information

Qualified dividend income of as much as $3,884,248 was received by the Fund through October 31, 2017. The Fund intends to designate the maximum amount of dividends that qualify for the reduced tax rate pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.

For corporate shareholders $2,844,669 of investment income (dividend income plus short-term gains, if any), qualified for the dividends -received deduction.

Additionally, of the taxable ordinary income distributions paid during the fiscal year ending October 31, 2017, the Fund had the corresponding percentage qualify as interest related dividends as permitted by IRC Section 871(k)(1) and IRC Section 871(k)(2) .

% of Qualifying Interest
54.95%

In January 2018, you will be advised on IRS Form 1099 DIV or substitute 1099 DIV as to the federal tax status of the distributions received by you in the calendar year 2017.

Sector Classification

Information in the "Portfolio of Investments" is categorized by sectors using sector-level classifications used by Bloomberg Industry Classification System, a widely recognized industry classification system provider. In the Fund's registration statement, the Fund has investment policies relating to concentration in specific industries. For purposes of these investment policies, the Funds usually classifies industries based on industry-level classifications used by widely recognized industry classification system providers such as Bloomberg Industry Classification System, Global Industry Classification Standards and Barclays Global Classification Scheme.

Results of Shareholder Votes

The Annual Meeting of Shareholders of the Fund was held on September 27, 2017. Shareholders voted on the election of Trustees.

With regards to the election of the following Class II Trustees by shareholders of the Fund:

	# of Shares in Favor	# of Shares Against	# of Shares Abstain
Daniel L. Black	18,558,693	378,738	143,416
Michael A. Smart	18,558,931	379,211	142,705

The other Trustees of the Fund whose terms did not expire in 2017 are Randall C. Barnes, Derek Medina, Ronald A. Nyberg, Gerald L. Seizert, and Tracy V. Maitland.

OTHER INFORMATION (Unaudited) continued October 31, 2017

Trustees

The Trustees of the Advent Claymore Convertible Securities and Income Fund and their principal business occupations during the past five years:

Name, Address and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen**	Other Directorships Held by Trustees
Independent Trustees:					
Randall C. Barnes++ (1951)	Trustee	Since 2005	Current: Private Investor (2001-present). Former: Senior Vice President and Treasurer, PepsiCo, Inc. (1993-1997); President, Pizza Hut International (1991-1993); Senior Vice President, Strategic Planning and New Business Development, PepsiCo, Inc. (1987-1990).	96	Current: Trustee, Purpose Investments Funds (2014-present).
Daniel L. Black+ (1960)	Trustee	Since 2005	Current: Managing Partner, the Wicks Group of Cos., LLC (2003-present). Former: Managing Director and Co-head of the Merchant Banking Group at BNY Capital Markets, a division of BNY Mellon (1998-2003); and Co-Head of U.S. Corporate Banking at BNY Mellon (1995-1998).	3	Current: Little Sprouts, LLC (2015-Present); Harlem Lacrosse & Leadership Inc. (2014-present); Bendon, Inc. (2012-2015); Antenna International, Inc. (2010-present); Bonded Services, Ltd. (2011-present). Former: Penn Foster Education Group, Inc. (2007-2009).

OTHER INFORMATION (Unaudited) continued October 31, 2017

Name, Address and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen**	Other Directorships Held by Trustees
Independent Trustees continued:					
Derek Medina+ (1966)	Trustee	Since 2003	Current: Senior Vice President, Business Affairs at ABC News (2008-present). Former: Vice President, Business Affairs and News Planning at ABC News (2003-2008); Executive Director, Office of the President at ABC News (2000-2003); Associate at Cleary Gottlieb Steen & Hamilton (law firm) (1995-1998); Associate in Corporate Finance at J.P. Morgan/Morgan Guaranty (1988-1990).	3	Current: Young Scholar's Institute (2005-present); Oliver Scholars (2011-present).
Ronald A. Nyberg++ (1953)	Trustee and Chairman of the Nominating and Governance Committee	Since 2004	Current: Partner, Momkus McCluskey Roberts, LLC (2016-present). Former: Partner, Nyberg & Cassioppi, LLC (2000-2016); Executive Vice President, General Counsel, and Corporate Secretary, Van Kampen Investments (1982-1999).	98	Current: Edward-Elmhurst Healthcare System (2012-present).
Gerald L. Seizert, CFA, CIC+ (1952)	Trustee	Since 2003	Current: Managing Partner of Seizert Capital Partners, LLC, where he directs the equity disciplines of the firm. Former: Co-Chief Executive (1998-1999) and a Managing Partner and Chief Investment Officer – Equities of Munder Capital Management, LLC (1995-1999); Vice President and Portfolio Manager of Loomis, Sayles & Co., L.P. (asset manager)	3	Current: Beaumont Hospital (2012-present); University of Toledo Foundation (2013-present).

(1984-1995); Vice President and Portfolio
Manager at First of America Bank
(1978-1984).

OTHER INFORMATION (Unaudited) continued October 31, 2017

Name, Address and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen**	Other Directorships Held by Trustees
Independent Trustees continued:					
Michael A. Smart+ (1960)	Trustee	Since 2003	Current: Managing Partner, Herndon Equity Partners (2014 – present), Managing Partner, Cordova, Smart & Williams, LLC (2003 – present). Former: Managing Director in Investment Banking – the Private Equity Group (1995-2001) and a Vice President in Investment Banking – Corporate Finance (1992-1995) at Merrill Lynch & Co; Founding Partner of The Carpediem Group, a private placement firm (1991-1992); Associate at Dillon, Read and Co. (investment bank) (1988-1990).	3	Current: President & Chairman, Board of Directors, Berkshire Blanket, Holdings, Inc. (2006-present); President and Chairman, Board of Directors, Sqwincher Holdings (2006-present); Board of Directors, Sprint Industrial Holdings (2007-present); Vice Chairman, Board of Directors, National Association of Investment Companies (“NAIC”) (2010-present). Trustee, The Mead School (2014 – present).

OTHER INFORMATION (Unaudited) continued October 31, 2017

Name, Address and Year of Birth	Position(s) Held with Trust	Term of Office and Length of Time Served*	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen**	Other Directorships Held by Trustees
Interested Trustee:					
Tracy V. Maitland+ø (1960)	Trustee, Chairman, President and Chief Executive Officer	Since 2003	Current: President of Advent Capital Management, LLC, which he founded in June 2001 (2001-present). Former: Prior to June 2001, President, Advent Capital Management, a division of Utendahl Capital.	3	None.

+ Address of all Trustees noted: 888 Seventh Avenue, 31st Floor, New York, NY 10019.

++ Address of all Trustees noted: 227 West Monroe Street, Chicago, IL 60606.

* After a Trustee's initial term, each Trustee is expected to serve a three-year term concurrent with the class of Trustees for which he serves:
- Mr. Michael A. Smart and Mr. Daniel L. Black are the Class II Trustees. The term of the Class II Trustees will continue until the 2017 annual meeting of shareholders or until successors shall have been elected and qualified.
- Mr. Tracy V. Maitland and Mr. Ronald A. Nyberg are the Class III Trustees. The term of the Class III Trustees will continue until the 2018 annual meeting of shareholders or until successors shall have been elected and qualified.
- Mr. Gerald L. Seizert, Mr. Derek Medina and Mr. Randall C. Barnes are the Class I Trustees. The term of the Class I Trustees will continue until the 2019 annual meeting of shareholders or until successors shall have been elected and qualified.

** As of period end. The Guggenheim Investments Fund Complex consists of U.S. registered investment companies advised or serviced by Guggenheim Funds Investment Advisors, LLC and/or Guggenheim Funds Distributors, LLC and/or affiliates of such entities. The Guggenheim Investments Fund Complex is overseen by multiple Boards of Trustees.

ø Mr. Maitland is an "interested person" (as defined in section 2(a)(19) of the 1940 Act) of the Fund because of his position as an officer of Advent Capital Management, LLC, the Fund's Investment Adviser.

OTHER INFORMATION (Unaudited) continued October 31, 2017

Officers

The Officers of the Advent Claymore Convertible Securities and Income Fund, who are not Trustees, and their principal occupations during the past five years:

Name, Address* and Year of Birth	Position(s) held with the Trust	Term of Office and Length of Time Served**	Principal Occupations During Past Five Years
Officers:			
Edward C. Delk (1968)	Secretary and Chief Compliance Officer	Since 2012	Current: General Counsel and Chief Compliance Officer, Advent Capital Management, LLC (2012-present). Former: Assistant General Counsel and Chief Compliance Officer, Insight Venture Management, LLC (2009-2012); Associate General Counsel, TIAA-CREF (2008-2009); Principal, Legal Department, The Vanguard Group, Inc. (2000-2008).
Tony Huang (1976)	Vice President and Assistant Secretary	Since 2014	Current: Vice President, Advent Capital Management, LLC (2007-present). Former: Senior Vice President, Portfolio Manager and Analyst, Essex Investment Management (2001-2006); Vice President, Analyst, Abacus Investments (2001); Vice President, Portfolio Manager, M/C Venture Partners (2000-2001); Associate, Fidelity Investments (1996-2000).
Robert White (1965)	Treasurer and Chief Financial Officer	Since 2005	Current: Chief Financial Officer, Advent Capital Management, LLC (2005-present). Former: Vice President, Client Service Manager, Goldman Sachs Prime Brokerage (1997-2005).

* Address for all Officers: 888 Seventh Avenue, 31st Floor, New York, NY 10019.

** Officers serve at the pleasure of the Board of Trustees and until his or her successor is appointed and qualified or until his or her earlier resignation or removal.

DIVIDEND REINVESTMENT PLAN (Unaudited) October 31, 2017

Unless the registered owner of common shares elects to receive cash by contacting the Plan Administrator, all dividends declared on common shares of the Fund will be automatically reinvested by Computershare Trust Company, N.A. (the "Plan Administrator"), Administrator for shareholders in the Fund's Dividend Reinvestment Plan (the "Plan"), in additional common shares of the Fund. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional common shares of the Fund for you. If you wish for all dividends declared on your common shares of the Fund to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Administrator will open an account for each common shareholder under the Plan in the same name in which such common shareholder's common shares are registered. Whenever the Fund declares a dividend or other distribution (together, a "Dividend") payable in cash, nonparticipants in the Plan will receive cash and participants in the Plan will receive the equivalent in common shares. The common shares will be acquired by the Plan Administrator for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized common shares from the Fund ("Newly Issued Common Shares") or (ii) by purchase of outstanding common shares on the open market ("Open-Market Purchases") on the New York Stock Exchange or elsewhere. If, on the payment date for any Dividend, the closing market price plus estimated brokerage commission per common share is equal to or greater than the net asset value per common share, the Plan Administrator will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per common share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per common share on the payment date. If, on the payment date for any Dividend, the net asset value per common share is greater than the closing market value plus estimated brokerage commission, the Plan Administrator will invest the Dividend amount in common shares acquired on behalf of the participants in Open-Market Purchases.

If, before the Plan Administrator has completed its Open-Market Purchases, the market price per common share exceeds the net asset value per common share, the average per common share purchase price paid by the Plan Administrator may exceed the net asset value of the common shares, resulting in the acquisition of fewer common shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Administrator is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making Open-Market Purchases and may invest the uninvested portion of the Dividend amount in Newly Issued Common Shares at net asset value per common share at the close of business on the Last Purchase Date provided that, if the net asset value is less than or equal to 95% of the then current market price per common share; the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

DIVIDEND REINVESTMENT PLAN (Unaudited) continued October 31, 2017

The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instruction of the participants.

There will be no brokerage charges with respect to common shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commission incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any Federal, state or local income tax that may be payable (or required to be withheld) on such Dividends.

The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence or questions concerning the Plan should be directed to the Plan Administrator, Computershare Trust Company, N.A., P.O. Box 30170 College Station, TX 77842-3170; Attention: Shareholder Services Department, Phone Number: (866) 488-3559 or online at www.computershare.com/investor.

CONSIDERATIONS REGARDING ANNUAL REVIEW OF THE
INVESTMENT MANAGEMENT AGREEMENT (Unaudited) October 31, 2017

In discussing the factors and other considerations summarized below, the Board noted that it generally receives, reviews and evaluates information concerning the performance of AVK and the services and personnel of Advent and its affiliates at quarterly meetings of the Board. Although the meetings of the Advent closed-end funds occur at the same time, the Board considers AVK separately. While emphasis might be placed on information concerning the investment performance of AVK, AVK's fees and expenses in comparison with other funds' fees and expenses and other matters at the meeting at which the renewal of the Investment Management Agreement is considered, the process of evaluating AVK's investment management arrangement is an ongoing one. The Board did not identify any one particular factor that was controlling or of paramount importance in its deliberations and each individual Trustee may have weighed the information provided differently. The information below represents a summary of certain aspects of the more detailed discussions held by the Board and does not necessarily include all information considered by the Trustees.

Nature, Extent and Quality of Services

The Independent Trustees received and considered various data and information regarding the nature, extent and quality of services provided to AVK by Advent under the Investment Management Agreement. The Independent Trustees reviewed and considered the information provided by Advent in response to a detailed series of requests submitted on behalf of the Independent Trustees by their independent legal counsel. The Independent Trustees were provided with, among other things, information about the background, experience and expertise of the management and other personnel of Advent and the services provided by Advent to AVK. The Independent Trustees discussed the quality of the services provided. The compliance history of Advent was discussed, along with the ability of Advent to provide services to AVK.

The Independent Trustees evaluated the capabilities of Advent, including information regarding its resources and its ability to attract and retain highly qualified investment professionals. The Independent Trustees also considered the commitment of Advent to the Fund. The Independent Trustees discussed the portfolio managers at Advent responsible for portfolio management for AVK, including the involvement of Mr. Maitland, and other personnel at Advent.

Based on the above factors, together with those referenced below, the Independent Trustees concluded that they were satisfied with the nature, extent and quality of the investment management services provided to AVK by Advent.

Fund Performance and Expenses

The Independent Trustees considered the performance results for AVK on a market price and net asset value basis over various time periods. They also considered the result of AVK in comparison to the performance results of other closed-end funds that were determined to be similar to AVK in terms of investment strategy ("Peer Group"). They recognized that the number of other funds in its Peer Group was small and that, for a variety of reasons, Peer Group comparisons may have limited usefulness. The Board also was aware that the performance benchmark indexes may not be useful comparisons due to the fact that the securities in the benchmarks may include convertibles, high yield or other securities with characteristics unlike those purchased by AVK.

AVK underperformed most of its Peer Group for the one-year period ended October 31, 2016. AVK trailed its benchmark index during this period. AVK, however, outperformed its Peer Group for the six month period ending April 30, 2017.

The Board noted that it had discussed with management the past performance of AVK at previous meetings and the steps management would take to improve performance. The Independent Trustees considered the steps management has historically taken, and the activities it presently undertakes, to seek to improve performance, and will continue to monitor performance on an on-going basis. The Board discussed the repositioning of the portfolios and the adoption of a sleeve investment approach. The Board considered the general improvement of the performance of AVK in the time period after the completion of the transition to the three-sleeve model. The Independent Trustees noted management's representation that transition to the three-sleeve model was benefiting the Fund. The Independent Trustees also discussed with management the reasons for the recent underperformance of AVK and the expectations for performance going forward.

The Board also reviewed information about the discount at which AVK's shares have traded as compared with its Peer Group.

The Independent Trustees received and considered information regarding AVK's total expense ratio relative to its Peer Group, noting that AVK generally had a higher expense ratio (based on common assets) than its Peer Group. The Independent Trustees acknowledged that the expense ratio of AVK was often higher than expense ratios of certain of its Peer Group funds because of AVK's use of leverage and longer-term borrowings, and because certain funds in its Peer Group had no leverage or lower leverage and therefore reported lower expense ratios and because of the small size of AVK and the overall complex in relation to its Peer Group. The potential benefits of the use of leverage were considered. The Independent Trustees also noted that expense ratio comparisons with its Peer Group were difficult because the items included in other funds' expenses may differ from those of AVK.

Based on the above considerations, discussions and other factors, the Independent Trustees concluded that the overall performance results and expense comparison supported the re-approval of the Investment Management Agreement of AVK.

Investment Management and Advisory Fee Rates

The Independent Trustees reviewed and considered the contractual investment management fee rate for AVK (the "Management Agreement Rate") payable by AVK to Advent for investment management services. Additionally, the Independent Trustees received and considered information comparing the Management Agreement Rate with those of the funds in the Peer Group. The Independent Trustees also received and considered information about the nature, extent and quality of services and fee rates offered by Advent to its other clients. In particular, Advent confirmed that AVK differs from certain other accounts advised by Advent in that it is more complex to manage, requires greater resources from Advent and differs in terms of investment strategy and use of leverage. The Independent Trustees also noted the differing services provided to AVK in relation to those typically provided to private funds and separate accounts.

Based on the totality of the information they reviewed, the Independent Trustees concluded that the fees were fair and reasonable.

CONSIDERATIONS REGARDING ANNUAL REVIEW OF THE
INVESTMENT MANAGEMENT AGREEMENT (Unaudited) continued October 31, 2017

Profitability

The Independent Trustees received and considered an estimated profitability analysis of Advent based on the Management Agreement Rate. The Independent Trustees also discussed with Fund management the methodology used to determine profitability. In addition, the Independent Trustees considered whether any direct or indirect collateral benefits inured to Advent as a result of its affiliation with AVK. The Independent Trustees concluded that, in light of the costs of providing investment management and other services to AVK, the profits and other ancillary benefits that Advent received with regard to providing these services to AVK were not unreasonable.

Economies of Scale

The Independent Trustees received and considered information regarding whether there have been economies of scale with respect to the management of AVK, whether AVK has appropriately benefited from any economies of scale, and whether there is potential for realization of any further economies of scale. It was noted that, because AVK is a closed-end fund, any increase in asset levels generally would have to come from material appreciation through investment performance and the Independent Trustees concluded that the opportunity to benefit from economies of scale was diminished in the context of closed-end funds.

Conclusion

After consideration of the factors discussed above and other information considered by the Independent Trustees, the Board, including the Independent Directors, unanimously voted to approve the Investment Management Agreement for an additional one-year term.

FUND INFORMATION October 31, 2017

Officers
Tracy V. Maitland
President and Chief Executive Officer
Robert White
Treasurer and Chief Financial Officer
Edward C. Delk
Secretary and Chief Compliance Officer
Tony Huang
Vice President and Assistant Secretary

Investment Adviser
Advent Capital Management, LLC
New York, NY

Servicing Agent
Guggenheim Funds Distributors, LLC
Chicago, IL

Accounting Agent and Custodian
The Bank of New York Mellon
New York, NY

Administrator
MUFG Investor Services (US), LLC
Rockville, MD

Transfer Agent
Computershare Trust Company, N.A.
Jersey City, NJ

Legal Counsel
Skadden, Arps, Slate, Meagher
& Flom LLP
New York, NY

Independent Registered Public
Accounting Firm
PricewaterhouseCoopers LLP
New York, NY

FUND INFORMATION continued October 31, 2017

Portfolio Managers of the Fund

The portfolio managers of the Fund are Tracy Maitland (Chief Investment Officer of Advent), Paul Latronica (Managing Director of Advent), David Hulme (Managing Director of Advent), Michael Brown (Managing Director of Advent) and Tony Huang (Vice President of Advent).

Privacy Principles of the Fund

The Fund is committed to maintaining the privacy of its shareholders and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information the Fund collects, how the Fund protects that information and why, in certain cases, the Fund may share information with select other parties.

Generally, the Fund does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Fund. The Fund does not disclose any non-public personal information about its shareholders or former shareholders to anyone, except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Fund restricts access to non-public personal information about its shareholders to employees of the Fund's Investment Adviser and its affiliates with a legitimate business need for the information. The Fund maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

Questions concerning your shares of Advent Claymore Convertible Securities and Income Fund?

- If your shares are held in a Brokerage Account, contact your Broker.
- If you have physical possession of your shares in certificate form, contact the Fund's Transfer Agent: Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170; (866) 488-3559 or online at www.computershare.com/investor.

This report is sent to shareholders of Advent Claymore Convertible Securities and Income Fund for their information. It is not a Prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (866) 274-2227. Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling the Fund at (866) 274-2227, by visiting the Fund's website at guggenheiminvestments.com/avk or by accessing the Fund's Form N-PX on the U.S. Securities & Exchange Commission's ("SEC") website at www.sec.gov.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC website at www.sec.gov or by visiting the Fund's website at guggenheiminvestments.com/avk. The Fund's Form N-Q may also be viewed and copied at the SEC's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330, or at www.sec.gov.

Notice to Shareholders

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended that the Fund from time to time may purchase shares of its common stock in the open market or in private transactions.

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ABOUT THE FUND MANAGER

Advent Capital Management, LLC

Advent Capital Management, LLC ("Advent") is a registered investment adviser, based in New York, which specializes in convertible and high-yield securities for institutional and individual investors. The firm was established by Tracy V. Maitland, a former Director in the Convertible Securities sales and trading division of Merrill Lynch. Advent's investment discipline emphasizes capital structure research, encompassing equity fundamentals as well as credit research, with a focus on cash flow and asset values while seeking to maximize total return.

Investment Philosophy

Advent believes that superior returns can be achieved while reducing risk by investing in a diversified portfolio of global equity, convertible and high-yield securities. Advent seeks securities with attractive risk/reward characteristics. Advent employs a bottom-up security selection process across all of the strategies it manages. Securities are chosen from those that Advent believes have stable-to-improving fundamentals and attractive valuations.

Investment Process

Advent manages securities by using a strict four-step process:

1. Screen the convertible and high-yield markets for securities with attractive risk/reward characteristics and favorable cash flows;
2. Analyze the quality of issues to help manage downside risk;
3. Analyze fundamentals to identify catalysts for favorable performance; and
4. Continually monitor the portfolio for improving or deteriorating trends in the financials of each investment.

Advent Capital Management, LLC
888 Seventh Avenue, 31st Floor
New York, NY 10019

Guggenheim Funds Distributors, LLC
227 West Monroe Street
Chicago, IL 60606
Member FINRA/SIPC
(12/17)

Item 2. Code of Ethics.

a) The registrant has adopted a code of ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (the "Code of Ethics").

(b) No information need be disclosed pursuant to this paragraph.

(c) The registrant has not amended its Code of Ethics during the period covered by the report presented in Item 1 hereto.

(d) The registrant has not granted a waiver or an implicit waiver to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions from a provision of its Code of Ethics during the period covered by this report.

(e) Not applicable.

(f) (1) The registrant's Code of Ethics is attached hereto as Exhibit (a)(1).
(2) Not applicable.
(3) Not applicable.

Item 3. Audit Committee Financial Expert.

The registrant's Board of Trustees has determined that it has six audit committee financial experts serving on its audit committee (the "Audit Committee"), each of whom is an "independent" Trustee, as defined in Item 3 of Form N-CSR: Randall C. Barnes, Daniel L. Black, Derek M. Medina, Ronald A. Nyberg, Gerald L. Seizert and Michael A. Smart.

Mr. Barnes qualifies as an audit committee financial expert by virtue of his experience obtained as a former Senior Vice President, Treasurer of PepsiCo, Inc.

Mr. Black qualifies as an audit committee financial expert by virtue of his experience obtained as a partner of a private equity firm, which includes review and analysis of audited and unaudited financial statements using generally accepted accounting principles ("GAAP") to show accounting estimates, accruals and reserves.

Mr. Medina qualifies as an audit committee financial expert by virtue of his experience obtained as a Senior Vice President, Business Affairs of ABC News and as a former associate in Corporate Finance at J.P. Morgan/Morgan Guaranty, which includes review and analysis of audited and unaudited financial statements using GAAP to show accounting estimates, accruals and reserves.

Mr. Nyberg qualifies as an audit committee financial expert by virtue of his experience obtained as a former Executive Vice President, General Counsel and Secretary of Van Kampen Investments, which included review and analysis of offering documents and audited and unaudited financial statements using GAAP to show accounting estimates, accruals and reserves.

Mr. Seizert qualifies as an audit committee financial expert by virtue of his experience obtained as the chief executive officer and portfolio manager of an asset management company, which includes review and analysis of audited and unaudited financial statements using GAAP to show accounting estimates, accruals and reserves.

Mr. Smart qualifies as an audit committee financial expert by virtue of his experience obtained as a managing partner of a private equity firm and a former Vice President at Merrill Lynch & Co, which includes review and analysis of audited and unaudited financial statements using GAAP to show accounting estimates, accruals and reserves.

(Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an "expert" for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as amended, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the Audit Committee and Board of Trustees in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert pursuant to this Item does not affect the duties, obligations, or liability of any other member of the Audit Committee or Board of Trustees.)

Item 4. Principal Accountant Fees and Services.

(a) Audit Fees: the aggregate fees billed for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements were $98,350 and $95,500 for the fiscal years ended October 31, 2017, and October 31, 2016, respectively.

(b) Audit-Related Fees: the aggregate fees billed for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements, and are not reported under paragraph 4(a) of this Item, were $0 and $0 for the fiscal years ended October 31, 2017, and October 31, 2016, respectively. These services were performed for agreed upon procedures associated with the registrant's Auction Market Preferred Shares.

The registrant's principal accountant did not bill fees for tax services not included in Items 4(a), (b) or (c) above that required approval by the Audit Committee pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X during the registrant's last two fiscal years.

(c) Tax Fees: the aggregate fees billed for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning, including federal, state and local income tax return preparation and related advice and determination of taxable income and miscellaneous tax advice were $17,000 and $16,500 for the fiscal years ended October 31, 2017, and October 31, 2016, respectively.

The registrant's principal accountant did not bill fees for non-audit services that required approval by the Audit Committee pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X during the registrant's last two fiscal years.

(d) All Other Fees: the aggregate fees billed for products and services provided by the principal accountant, other than the services reported in paragraphs 4(a), 4(b) or 4(c) of this Item were $0 and $0 for the fiscal years ended October 31, 2017, and October 31, 2016, respectively.

The registrant's principal accountant did not bill fees for non-audit services that required approval by the Audit Committee pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X during the registrant's last two fiscal years.

(e) Audit Committee Pre-Approval Policies and Procedures.

(1) In accordance with Rule 2-01(c)(7) of Regulation S-X, the Audit Committee pre-approves all of the Audit and Tax Fees of the registrant. All of the services described in paragraphs 4(b) through 4(d) above were approved by the Audit Committee in accordance with paragraph (c)(7) of Rule 2-01 of Regulation S-X.

The Audit Committee has adopted written policies relating to the pre-approval of the audit and non-audit services performed by the registrant's independent auditors. Unless a type of service to be provided by the independent auditors has received general pre-approval, it requires specific pre-approval by the Audit Committee. Under the policies, on an annual basis, the Audit Committee reviews and pre-approves the services to be provided by the independent auditors without having to obtain specific pre-approval from the Audit Committee. The Audit Committee has delegated pre-approval authority to the Audit Committee Chairperson. In addition, the Audit Committee pre-approves any permitted non-audit services to be provided by the independent auditors to the registrant's investment adviser or any entity controlling, controlled by, or under common control with the adviser if such services relate directly to the operations and financial reporting of the registrant.

AUDIT COMMITTEE PRE-APPROVAL POLICY OF
ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND

Statement of Principles

The Audit Committee (the "Audit Committee") of the Board of Trustees (the "Board") of Advent Claymore Convertible Securities and Income Fund (the “Trust,”) is required to pre-approve all Covered Services (as defined in the Audit Committee Charter) in order to assure that the provision of the Covered Services does not impair the auditors' independence. Unless a type of service to be provided by the Independent Auditor (as defined in the Audit Committee Charter) is pre-approved in accordance with the terms of this Audit Committee Pre-Approval Policy (the "Policy"), it will require specific pre-approval by the Audit Committee or by any member of the Audit Committee to which pre-approval authority has been delegated.

This Policy and the appendices to this Policy describe the Audit, Audit-Related, Tax and All Other services that are Covered Services and that have been pre-approved under this Policy. The appendices hereto sometimes are referred to herein as the "Service Pre-Approval Documents". The term of any such pre-approval is 12 months from the date of pre-approval, unless the Audit Committee specifically provides for a different period. At its June meeting of each calendar year, the Audit Committee will review and re-approve this Policy and approve or re-approve the Service Pre-Approval Documents for that year, together with any changes deemed necessary or desirable by the Audit Committee. The Audit Committee may, from time to time, modify the nature of the services pre-approved, the aggregate level of fees pre-approved or both. The Audit Committee hereby directs that each version of this Policy and the Service Pre-Approval Documents approved, re-approved or amended from time to time be maintained with the books and records of the Trust.

Delegation

In the intervals between the scheduled meetings of the Audit Committee, the Audit Committee delegates pre-approval authority under this Policy to the Chairman of the Audit Committee (the "Chairman"). The Chairman shall report any pre-approval decisions under this Policy to the Audit Committee at its next scheduled meeting. At each scheduled meeting, the Audit Committee will review with the Independent Auditor the Covered Services pre-approved by the Chairman pursuant to delegated authority, if any, and the fees related thereto. Based on these reviews, the Audit Committee can modify, at its discretion, the pre-approval originally granted by the Chairman pursuant to delegated authority. This modification can be to the nature of services pre-approved, the aggregate level of fees approved, or both. The Audit Committee expects pre-approval of Covered Services by the Chairman pursuant to this delegated authority to be the exception rather than the rule and may modify or withdraw this delegated authority at any time the Audit Committee determines that it is appropriate to do so.

Pre-Approved Fee Levels

Fee levels for all Covered Services to be provided by the Independent Auditor and pre-approved under this Policy will be established annually by the Audit Committee and set forth in the Service Pre-Approval Documents. Any increase in pre-approved fee levels will require specific pre-approval by the Audit Committee (or the Chairman pursuant to delegated authority).

Audit Services

The terms and fees of the annual Audit services engagement for the Trust are subject to the specific pre-approval of the Audit Committee. The Audit Committee will approve, if necessary, any changes in terms, conditions or fees resulting from changes in audit scope, Trust structure or other matters.

In addition to the annual Audit services engagement specifically approved by the Audit Committee, any other Audit services for the Trust not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Audit-Related Services

Audit-Related services are assurance and related services that are not required for the audit, but are reasonably related to the performance of the audit or review of the financial statements of the Trust and, to the extent they are Covered Services, the other Covered Entities (as defined in the Audit Committee Charter) or that are traditionally performed by the Independent Auditor. Audit-Related services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Tax Services

The Audit Committee believes that the Independent Auditor can provide Tax services to the Covered Entities such as tax compliance, tax planning and tax advice without impairing the auditor's independence. However, the Audit Committee will not permit the retention of the Independent Auditor in connection with a transaction initially recommended by the Independent Auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. Tax services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

All Other Services

All Other services that are Covered Services and are not listed in the Service Pre-Approval Document for the respective period must be specifically pre-approved by the Audit Committee (or the Chairman pursuant to delegated authority).

Procedures

Requests or applications to provide Covered Services that require approval by the Audit Committee (or the Chairman pursuant to delegated authority) must be submitted to the Audit Committee or the Chairman, as the case may be, by both the Independent Auditor and the Chief Financial Officer of the respective Covered Entity, and must include a joint statement as to whether, in their view, (a) the request or application is consistent with the SEC's rules on auditor independence and (b) the requested service is or is not a non-audit service prohibited by the SEC. A request or application submitted to the Chairman between scheduled meetings of the Audit Committee should include a discussion as to why approval is being sought prior to the next regularly scheduled meeting of the Audit Committee.

(2) None of the services described in each of Items 4 (b) through (d) were approved by the Audit Committee pursuant to paragraph (c)(7)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, the registrant's investment adviser (not including a sub-adviser whose role is primarily portfolio management and is sub-contracted with or overseen by another investment adviser) and/or any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant that directly related to the operations and financial reporting of the registrant were $17,000 and $130,500 for the fiscal years ended October 31, 2017, and October 31, 2016, respectively.

(h) Not applicable.

Item 5. Audit Committee of Listed Registrants.

a) The Audit Committee was established as a separately designed standing audit committee in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 as amended. The Audit Committee of the registrant is composed of: Randall C. Barnes, Daniel L. Black, Derek M. Medina, Ronald A. Nyberg, Gerald L. Seizert and Michael A. Smart.

b) Not applicable.

Item 6. Schedule of Investments.

The Schedule of Investments is included as part of Item 1.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The registrant has delegated the voting of proxies relating to its voting securities to its investment manager, Advent Capital Management, LLC (the "Manager"). The Manager's Proxy Voting Policies and Procedures are included as Exhibit (c) attached hereto.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

a) (1) The portfolio managers of the Fund (the "Portfolio Managers") are Tracy Maitland (Chief Investment Officer of Advent) and Paul Latronica (Managing Director of Advent). They are primarily responsible for the day-to-day management of the Fund's portfolio. Mr. Maitland and Mr. Latronica are supported by teams of investment professionals who make investment decisions for the Fund's core portfolio of convertible bonds, the Fund's high yield securities investments and the Fund's leverage allocation, respectively. The following provides information regarding the Portfolio Managers as of October 31, 2017:

Name	Since	Professional Experience
Tracy Maitland	2003 (Inception)	Chief Executive Officer and Founder at Advent Capital Management, LLC.
Paul Latronica	2011	Portfolio Manager at Advent Capital Management, LLC. He has been associated with Advent Capital Management for more than fifteen years.

(a) (2) (i-iii) Other accounts managed. The following summarizes information regarding each of the other accounts managed by them as of October 31, 2017:

Tracy Maitland

Type of Account	Number of Accounts	Total Assets in the Accounts	Number of Accounts In Which the Advisory Fee is Based on Performance	Total Assets in the Accounts In Which the Advisory Fee is Based on Performance
Registered investment companies	4	$1,101,701,395	0	$0
Other pooled investment vehicles	1	$165,312,250	1	$165,312,250
Other accounts	382	$5,001,967,092	39	$168,954,464

Paul Latronica

Type of Account	Number of Accounts	Total Assets in the Accounts	Number of Accounts In Which the Advisory Fee is Based on Performance	Total Assets in the Accounts In Which the Advisory Fee is Based on Performance
Registered investment companies	3	$1,011,524,170	0	$0.00
Other pooled investment vehicles	2	$721,310,746	0	$0.00
Other accounts	347	$3,429,249,172	4	$604,790,279

(a) (2) (iv) Conflicts of Interest. If another account of the Portfolio Managers has investment objectives and policies that are similar to those of the registrant, the Portfolio Managers will allocate orders pro-rata among the registrant and such other accounts, or, if the Portfolio Managers deviate from this policy, the Portfolio Managers will allocate orders such that all accounts (including the registrant) receive fair and equitable treatment.

(a) (3) Compensation Structure. The salaries of the Portfolio Managers are fixed at an industry-appropriate amount and generally reviewed annually. In addition, a discretionary bonus may be awarded to the Portfolio Managers, if appropriate. Bonuses are generally considered on an annual basis and based upon a variety of factors, including, but not limited to, the overall success of the firm, an individual's responsibility and his/her performance versus expectations. The bonus is determined by senior management at Advent Capital Management, LLC. Compensation is based on the entire employment relationship and not based solely on the performance of the registrant or any other single account or type of account. In addition, all Advent Capital Management, LLC employees are also eligible to participate in a 401(k) plan.

(a) (4) Securities ownership. The following table discloses the dollar range of equity securities of the registrant beneficially owned by the Portfolio Managers as of October 31, 2017:

Name of Portfolio Manager	Dollar Range of Equity Securities in Fund
Tracy Maitland	$100,001-$500,000
Paul Latronica	$10,001- $50,000

(b) Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

(a)

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
08/09/17 – 09/07/17	8,775,224	$16.954	3,537,132	$59,968,535

On August 9, 2017, the Fund announced the commencement of a tender offer. Final payment was made on September 13, 2017.

Item 10. Submission of Matters to a Vote of Security Holders.

The registrant has not made any material changes to the procedures by which shareholders may recommend nominees to the registrant’s Board of Trustees.

Item 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act) as of a date within 90 days of this filing and have concluded based on such evaluation, as required by Rule 30a-3(b) under the Investment Company Act, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act) that occurred during the registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.

(a) The registrant has not participated in securities lending activities during the period covered by this report.

(b) Not applicable.

Item 13. Exhibits.
(a)(1) Code of Ethics for Chief Executive and Senior Financial Officers.
(a)(2) Certification of principal executive officer and principal financial officer pursuant to Rule 30a-2(a) of the Investment Company Act.
(a)(3) Not applicable.
(b) Certification of principal executive officer and principal financial officer pursuant to Rule 30a-2(b) of the Investment Company Act and Section 906 of the Sarbanes-Oxley Act of 2002.
(c) Proxy Voting Policies and Procedures.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Advent Claymore Convertible Securities and Income Fund

By: /s/Tracy V. Maitland
Name: Tracy V. Maitland
Title: President and Chief Executive Officer
Date: January 4, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/Tracy V. Maitland
Name: Tracy V. Maitland
Title: President and Chief Executive Officer
Date: January 4, 2018

By: /s/Robert White
Name: Robert White
Title: Treasurer and Chief Financial Officer
Date: January 4, 2018