Advent Claymore Convertible Securities & Income Fund II
Form N-CSRS
July 05, 2012

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 811-22022

Advent Claymore Convertible Securities and Income Fund II
(Exact name of registrant as specified in charter)

1271 Avenue of the Americas, 45th Floor, New York, NY 10020
(Address of principal executive offices) (Zip code)

Robert White, Treasurer
1271 Avenue of the Americas, 45th Floor, New York, NY 10020
(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: April 30, 2012

Item 1. Reports to Stockholders.

The registrant's semi-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:

WWW.GUGGENHEIMFUNDS.COM/AGC

. . .YOUR WINDOW TO THE LATEST, MOST UP-TO-DATE INFORMATION ABOUT THE ADVENT

CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II

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

- Daily, weekly and monthly data on share prices, net asset values, distributions 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 way we are working to keep you better informed about your investment in the Fund.

April 30,
2012

DEAR SHAREHOLDER

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund II (the "Fund"), formerly known as Advent/Claymore Global Convertible Securities & Income Fund. This report covers the Fund's performance for the semiannual fiscal period ended April 30, 2012.

Advent Capital Management, LLC serves as the Fund's Investment Manager. 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 April 30, 2012, Advent managed approximately $5.9 billion in assets.

Guggenheim Funds Investment Advisors, LLC (the "Investment Adviser") serves as the investment adviser to the Fund. The Investment Adviser is an affiliate of Guggenheim Partners, LLC, a global diversified financial services firm with more than $130 billion in assets under management and supervision.

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 will invest at least 50% of its managed assets in convertible securities, which are often lower grade securities; the Fund may invest up to 40% of its managed assets in lower-grade non-convertible income securities. In November 2011, the Fund's Board of Trustees ("Trustees") approved a change to eliminate the previous guideline that the Fund invest at least 50% of its Managed Assets in foreign securities. Further, the Trustees also approved a change to eliminate a guideline that the Fund invest in the securities of issuers located in at least three different countries. The Investment Manager believes that the Fund's operating flexibility will be enhanced by these changes, which took effect February 28, 2012. Reflecting these changes, the Fund has changed its name to Advent Claymore Convertible Securities and Income Fund II.

For the six-month period ended April 30, 2012, the Fund generated a total return based on market price of 2.89% and a return of 3.39% based on net asset value ("NAV"). As of April 30, 2012, the Fund's market price of $6.72 represented a discount of 7.95% to NAV of $7.30. As of October 31, 2011, the Fund's market price of $6.87 represented a discount of 7.16% to NAV of $7.40. All Fund returns cited—whether based on NAV or market price—assume the reinvestment of all distributions. The market value of the Fund's shares fluctuates from time to time, and it may be higher or lower than the Fund's NAV.

The Fund paid monthly dividends of $0.0664 in November and December 2011 and in January 2012. In February 2012, the Fund announced a new regular monthly distribution rate of $0.0470, effective with the February 2012 distribution. The change in the distribution rate was made in an effort to more closely align the earnings potential of the Fund's investments with its distribution rate, while also seeking to provide investors with greater long-term total return potential. The most recent dividend represents an annualized distribution rate of 8.39% based on the Fund's most recent market price of $6.72 as of April 30, 2012. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained.

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 36 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 NAV, subject to an Internal Revenue Service (“IRS”) limitation that the purchase price cannot be more than 5% below 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.

DEAR SHAREHOLDER continued April 30, 2012

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 more information about 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 II as part of your investment portfolio. For the most up-to-date information on your investment, please visit the Fund's website at www.guggenheimfunds.com/agc.

Sincerely,

Tracy V. Maitland
President and Chief Executive Officer of the Advent Claymore Convertible Securities and Income Fund II

May 31, 2012

QUESTIONS & ANSWERS April 30, 2012

Advent Claymore Convertible Securities and Income Fund II, formerly known as Advent/Claymore Global Convertible Securities & Income Fund (the "Fund") is managed by a team of seasoned professionals at Advent Capital Management, LLC ("Advent" or the "Investment Manager"), led by Tracy V. Maitland, Advent's President and Chief Investment Officer. In the following interview, Mr. Maitland discusses the global convertible securities and high-yield markets and the performance of the Fund during the six-month period ended April 30, 2012.

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 will invest at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income-producing securities, each of U.S. and non-U.S. issuers. Within this general investment policy, the Fund will follow, under normal market conditions, the following investment parameters:

- The Fund will invest at least 50% of its managed assets in convertible securities; and
- The Fund may invest up to 40% of its managed assets in non-convertible income-producing securities.

The portion of the Fund's managed assets invested in convertible securities, non-convertible income-producing securities and foreign securities will vary from time to time, subject to the foregoing parameters and consistent with the Fund's investment objective, changes in equity prices and interest rates and other economic and market factors. The Fund may invest in securities of any credit quality, including securities that are of below investment grade quality. Investing in below investment grade securities may increase the level of risk in the portfolio, as these securities are issued by companies that are considered less financially strong than issuers of investment-grade securities. This risk is addressed through rigorous credit research. Each issuer's financial statements are carefully scrutinized, and every effort is made to avoid securities of weaker companies.

In November 2011, the Fund's Board of Trustees ("Trustees") approved a change to eliminate the previous guideline that the Fund invest at least 50% of its managed assets in foreign securities. Further, the Trustees also approved a change to eliminate a guideline that the Fund invest in the securities of issuers located in at least three different countries. The Investment Manager believes that the Fund's operating flexibility will be enhanced by these changes, which took effect February 28, 2012. Reflecting these changes, the Fund has changed its name to Advent Claymore Convertible Securities and Income Fund II.

In furtherance of the Fund's investment objective, the Fund may engage in an option strategy of writing (selling) covered call options on up to 25% of the securities held in the Fund's portfolio in an effort to generate current gains from option premiums as a means to enhance distributions payable to the holders of common shares.

The Fund currently uses financial leverage through Auction Market Preferred Shares ("AMPSSM"). It may also use financial leverage through borrowing or the issuance of commercial paper or other forms of debt, through reverse repurchase agreements, dollar rolls or similar transactions or through a combination of the foregoing.

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

Please discuss the economic and market environment over the first half of the Fund's fiscal year.

The U.S. economy finally seems to be in a sustainable recovery, as evidenced by improvement in non-farm payrolls, falling unemployment rates and a reduction in consumers' debt service obligations as a percentage of income. A better employment environment has contributed to improved consumer sentiment and positive trends in retail sales. Industrial production has been showing year-to-year gains, and there have even been some signs of acceleration in housing starts, which marks the first sustained good news in the housing market in several years. In late April 2012, the Department of Commerce reported real growth in gross domestic product (GDP) at an annual rate of 2.2% for the first quarter of 2012, and that followed an even stronger growth rate of 3.0% in the fourth quarter of 2011. Some near-term caution is warranted, as recent economic news has been somewhat less positive, indicating a lack of upside potential to published expectations for growth in 2012. The consensus among business economists seems to be that real growth for the full year 2012 will be in the range of 2.5% and 3.0%.

News from international markets has included positive developments. Many of the concerns about sovereign debt of European nations that gripped investors in the summer of 2011 seemed to dissipate early in 2012 as European nations agreed on a plan to disburse further funds to Greece, and the European central bank agreed to provide longer-term loans to banks to reduce the potential of a liquidity squeeze and a market panic. Recent political turmoil in Greece may also dissipate. Central banks of several key emerging markets, including China and Brazil, reversed earlier moves to tighten monetary policy to combat inflation by taking easing measures in recent months. These changes have positive implications for demand for exports from developed nations.

Most U.S. market indices, both equity and fixed-income, posted strong returns for the six-month period ended April 30, 2012. The S&P 500 Index, which is generally regarded as a good indicator of the return from larger-capitalization U.S. stocks, returned 12.77% for this six-month period. Most international markets had positive returns, but were not nearly as strong as the U.S. market. Return of the Morgan Stanley Capital International Europe-Australasia-Far East Index (the "MSCI EAFE") Index, which is composed of approximately 1,100 companies in 20 developed countries in Europe and the Pacific Basin, was 2.69% for the six months ended April 30, 2012.

Return of the Merrill Lynch All U.S. Convertibles Index was 6.52%, and return of the Merrill Lynch Global 300 Convertibles Index was 5.21% for the six months ended April 30, 2012. In 2011, convertible securities underperformed most other asset classes, largely because the equity securities underlying the convertible issues did not generally perform as well as larger-capitalization stocks. Performance of convertibles began to improve in December 2011, and convertibles continued to perform well through the first quarter of 2012, as both credit and equity markets advanced.

Most bond investments also delivered positive returns during the six months ended April 30, 2012. Return of the Barclays U.S. Aggregate Bond Index (the "Barclays Aggregate"), which measures return of the U.S. investment-grade and government bond market as a whole, was 2.44% for the April 30, 2012. Return of the Merrill Lynch High Yield Master II Index, which measures performance of the U.S. high-yield bond market, was 6.45% for the same period.

How did the Fund perform in this environment?

For the six-month period ended April 30, 2012, the Fund generated a total return based on market price of 2.89% and a return of 3.39% based on NAV. As of April 30, 2012, the Fund's market price of $6.72 represented a discount of 7.95% to NAV of $7.30. As of October 31, 2011, the Fund's market price of $6.87 represented a discount of 7.16% to NAV of $7.40. All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. The market price and NAV of the Fund's shares fluctuate from time to time, and the Fund's market price may be higher or lower than its NAV.

Please discuss the Fund's distributions.

The Fund paid monthly dividends of $0.0664 in November and December 2011 and in January 2012. In February 2012, the Fund announced a new regular monthly distribution rate of $0.0470, effective with the February 2012 distribution. The change in the distribution rate was made in an effort to more closely align the earnings potential of the Fund's investments with its distribution rate, while also seeking to provide investors with greater long-term total return potential.

The most recent dividend represents an annualized distribution rate of 8.39% based on the Fund's most recent market price of $6.72 as of April 30, 2012. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained.

How was the Fund's portfolio allocated among asset classes and geographically during the six months ended April 30, 2012?

Changes in the asset mix during the six months through April 30, 2012, reflected ongoing actions taken by the Investment Manager to reduce the Fund's risk profile. At the end of the prior fiscal year, October 31, 2011, convertible bonds represented 66.7% of total investments, and convertible preferred stocks represented 12.2%, so that the total exposure to convertibles was 78.9%. High yield bonds represented 14.5%, equities 3.3%, and other investments 3.3%. These allocations were adjusted as stronger capital markets provided opportunities to reduce risk.

As of April 30, 2012, convertible securities had been reduced to 61.4% of the Fund's portfolio, with the vast majority of the convertible investment in bonds, which represented 57.8% of total investments. Convertible preferred stocks represented only 3.6% of total investments. High yield bonds represented 31.1%, equities 2.5%, and other investments 5.0% of total investments, respectively.

The major change over the last six months was a reduction in the portion of the portfolio invested in convertible preferred shares. The reason is that convertible preferreds tend to exhibit less of the asymmetry that is a desirable feature of convertible securities than convertible bonds. The asymmetry means that the securities capture much of the upside if the underlying stocks go up but do not go down as much as equities in a falling market. The purpose of this shift was to reduce risk. In order to maintain the same level of income, most of the allocation to convertible preferreds was replaced with high-yielding straight debt.

Reflecting the change in investment policy that no longer requires the Fund to invest at least 50% of its assets in foreign securities, exposure to Europe was reduced, and the proportion of the Fund invested in North America was increased. As of April 30, 2012, 76.1% of the Fund's total investments were invested in North America, compared with 51.3% as of October 31, 2011. Since inception, the Fund has been managed with a global approach, seeking out the best companies in industry groups that are considered attractive, with secondary consideration given to where they are based. With problems in both Asia and Europe hurting markets in those regions, the Investment Manager has deemed it advisable to redeploy some of the proceeds of sales of securities from these regions into U.S. investments. The Investment Manager continues to believe that the U.S. convertible market generally offers more attractive opportunities than other world markets because U.S. convertibles typically offer superior upside/downside asymmetry, including a potentially more rewarding combination of higher yields and lower conversion premiums.

What were the major securities holdings that affected the Fund's performance?

Among the top performing holdings were Gilead Sciences, Inc., a research-based biopharmaceutical company (2.0% of long-term investments at period end); Illumina, Inc., a U.S.-based biotechnology research systems company (1.9% of long-term investments at period end); TUI Travel PLC, a UK-based leisure travel company (not held in the portfolio at period end); and Aberdeen Asset Management PLC, an international asset management company based in Scotland (not held in the portfolio at period end).

In 2011 Gilead acquired Pharmasset, Inc., a clinical-stage pharmaceutical company that had interesting vaccines for Hepatitis C. Gilead stock was penalized at the time because investors felt that Gilead had paid too much for Pharmasset. Early in 2012, Gilead stock rose on positive news about one of Pharmasset's new drugs; the stock subsequently corrected again on negative news. The Fund was able to benefit from moving in and out of Gilead bonds, as the stock was quite volatile over this period.

Illumina makes gene sequencing technology systems that are sold to universities and pharmaceutical companies as they research ways to use DNA to create new drugs. The stock performed very well in 2011, as it had one of the highest growth rates in the industry. In January 2012, after the stock dropped, the company was approached with an offer to sell itself to Roche Holding AG, a Swiss pharmaceutical company (not held in the portfolio at period end). With convertible bonds, there is often a feature called a change of control put that allows investors to sell convertibles at par to an acquiring company in the event of a change of control. A portion of the Fund's position in Illumina was sold just below par. Then, later after Illumina shareholders rejected Roche's offer, the bonds traded down and the Fund again purchased them.

TUI Travel PLC, which is a leading provider of prepaid planned vacation packages in Europe, is partially owned by TUI AG, a German holding company engaged in the tourism sector, focusing on the markets of Central, Northern and Western Europe. One reason for investing in TUI Travel was the belief that TUI AG might eventually sell one of their other assets, raising capital that could be used to purchase the minority state in TUI Travel. Also, a buying opportunity was at one point created by weakness in bonds of TUI Travel despite the company's creditworthiness, because of credit problems suffered by other companies in the travel industry. TUI Travel performed well as a result of positive events for both the company's shares and its debt.

Aberdeen manages money for a number of European, Asian and American clients such as pension funds and endowments. The firm experienced strong inflows of cash and margin expansion, resulting from strong investment performance during the period. Also, Aberdeen may be acquired at some point; some Swiss and Japanese financial institutions currently hold minority stakes in Aberdeen and have expressed further interest in the firm. The Fund's holdings of Aberdeen convertible bonds performed well as Aberdeen stock rose.

Among the positions that detracted from performance were a mandatory convertible preferred of Citigroup Inc, a diversified financial services company (0.2% of long-term investments at period end); convertible bonds of Goldcorp Inc., a gold mining company based in Canada (1.6% of long-term investments at period end); and bonds of Central European Media Enterprises (CETV), a media and entertainment company active in eastern Europe (not held in the portfolio at period end).

Citigroup experienced no dramatic event other than general weakness in financial stocks. The company's return on equity continues to be challenged by a combination of the need to reduce leverage and competitive pressures that are keeping fees low for many of their businesses.

Goldcorp stock performed poorly, as did most commodity stocks when commodity prices moved lower; additionally Goldcorp reported disappointing earnings. A modest rise in interest rates and strength in the dollar put pressure on the price of gold, which of course offers investors no interest income.

CETV, which is partially owned by Time Warner Inc., a U.S.-based a media and entertainment company (not held in the portfolio at period end), operates broadcast, content and new media businesses in Hungary, Poland and other countries in central and eastern Europe. Economic weakness in its market area hurt CETV's revenue and the underlying credit; this position has been sold.

How has the Fund's leverage strategy affected performance?

The Fund utilizes leverage (borrowing) as part of its investment strategy, 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 currently implements its leverage strategy through Auction Market Preferred Shares ("AMPSSM") which are floating rate securities. During the period, the Fund entered into certain transactions in an effort to lock in these low rates. As interest rates fell further, the Fund experienced a loss on these transactions and exited the position. See Note 6(e) Summary of Derivatives Information on page 32 of the Notes to Financial Statements. The Fund's leverage outstanding as of April 30, 2012, was $170 million, approximately 42% of the Fund's total managed assets. Since the Fund's portfolio returned more than the cost of leverage during this period, the leverage contributed to the performance of the common shares.

The Investment Manager continually evaluates the effectiveness of the Fund's leverage program and explores possible new ways to utilize leverage. 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. Leverage adds value only when the return on securities purchased exceeds the cost of leverage.

What is the current outlook for the markets and the Fund?

Advent is cautiously optimistic about the direction of the economy and securities markets and continues to see opportunities in convertible securities and high-yield bonds. A valuable feature of convertible securities is the asymmetry they offer investors, meaning that the securities capture much of the upside if the underlying stocks go up but do not go down as much as equities in a falling market.

In an atmosphere of considerable uncertainly, the Investment Manager has taken action to create more of a cushion against the possibility of a down market than in the past. This was accomplished by having a greater portion of the Fund invested in straight fixed income corporate bonds and, in the convertible portion, by favoring convertible bonds while reducing the exposure to convertible preferreds, which have the highest volatility among convertible issues.

A distinguishing feature of this Fund is its solid emphasis on convertible securities. While there are many funds that are designated as convertible funds, most competing funds place more emphasis on high yield bonds. Advent believes that this Fund offers the dual advantages of yield from convertible securities and equity participation. As world equity markets rise, the equity sensitivity of a portfolio of convertible securities increases. When the equity markets are weak, convertibles' declining sensitivity and interest income mitigate the downside risk.

Advent believes that, over the long term, careful security selection and asset allocation will help the Fund's performance by providing favorable returns in rising markets and muted exposure to equity price declines during weak markets.

Index Definitions

Indices are unmanaged and it is not possible to invest directly in any index.

S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The MSCI EAFE Index is a free float-adjusted market capitalization weighted index designed to reflect the movements of stock markets in developed countries of Europe and the Pacific Basin. The index is calculated in U.S. dollars and is constructed to represent about 60% of market capitalization in each country.

The Barclays Capital U.S. Aggregate Bond Index covers the U.S. dollar-denominated, investment-grade, fixed rate, taxable bond market of SEC-registered securities. The Index includes bonds from the Treasury, government-related, corporate, mortgage-backed securities (agency fixed-rate and hybrid ARM passthroughs), asset-backed securities and collateralized mortgage-backed securities sectors.

The Merrill Lynch All U.S. Convertibles Index is comprised of approximately 500 issues of convertible bonds and preferred stock of all qualities.

The Merrill Lynch Global 300 Convertibles Index measures performance of the global market for convertible securities.

Merrill Lynch High Yield Master II Index is a commonly used benchmark index for high yield corporate bonds.

The Merrill Lynch Global High Yield Index measures performance of the global market for high-yield bonds.

AGC Risks and Other Considerations

The views expressed in this report reflect those of the Portfolio Managers 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.

Convertible Securities. The Fund is not limited in the percentage of its assets that may be invested in convertible securities. Convertible securities generally offer lower interest or dividend yields than non-convertible securities of similar quality. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the convertible security's market value tends to reflect the market price of the common stock of the issuing company when that stock price is greater than the convertible's "conversion price," which is the predetermined price at which the convertible security could be exchanged for the associated stock.

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.

Interest Rate Risk. Convertible securities and non-convertible income producing securities are subject to certain risks, including (i) if interest rates go up, the value of convertible securities and non-convertible income-producing securities in the Fund's portfolio generally will decline; (ii) 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 (call or prepayment risk); and (iii) during periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments (extension risk).

QUESTIONS & ANSWERS continued April 30, 2012

Credit Risk. Credit risk is the risk that one or more securities in the Fund's portfolio will decline in price, or fail to pay interest or principal when due, because the issuer of the security experiences a decline in its financial status. The Fund's investments in convertible and non-convertible debt securities involve credit risk. However, in general, lower rated 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.

Lower Grade Securities Risks. Investing in lower grade securities (commonly known as "junk bonds") involves additional risks, including credit risk. Credit risk is the risk that one or more securities in the Fund's portfolio will decline in price, or fail to pay interest or principal when due, because the issuer of the security experiences a decline in its financial status.

Preferred Securities Risks. There are special risks associated with investing in preferred securities, including risks related to deferral, noncumulative dividends, subordination, liquidity, limited voting rights and special redemption rights.

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 (1) news and events unique to a country or region (2) smaller market size, resulting in lack of liquidity and price volatility (3) certain national policies which may restrict the Fund's investment opportunities.

Smaller Company Risk. The general risks associated with corporate income-producing and equity securities are particularly pronounced for securities issued by companies with smaller market capitalizations. These companies may have limited product lines, markets or financial resources, or they may depend on a few key employees. As a result, they may be subject to greater levels of credit, market and issuer risk. Securities of smaller companies may trade less frequently and in lesser volume than more widely held securities and their values may fluctuate more sharply than other securities. Companies with medium-sized market capitalizations may have risks similar to those of smaller companies.

Risk Associated with the Fund's Covered Call Option Writing Strategy. The ability of the Fund to achieve its investment objective of providing total return through a combination of current income and capital appreciation is partially dependent on the successful implementation of its covered call option strategy. There are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. 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.

Leverage Risk. Certain risks are associated with the leveraging of common stock. 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.

Illiquid Investments. The Fund may invest without limit in illiquid securities. The Fund may also invest without limit in Rule 144A Securities. Although many of the Rule 144A Securities in which the Fund invests may be, in the view of the Investment Manager, liquid, if qualified institutional buyers are unwilling to purchase these Rule 144A Securities, they may become illiquid. Illiquid securities may be difficult to dispose of at a fair price at the times when the Fund believes it is desirable to do so. The market price of illiquid securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities.

Auction Market Preferred Shares (AMPS) Risk. The AMPS are redeemable, in whole or in part, at the option of the Fund on any dividend payment date for the AMPS, and are subject to mandatory redemption in certain circumstances. The AMPS are not listed on an exchange. You may buy or sell AMPS only through an order placed at an auction with or through a broker/dealer that has entered into an agreement with the auction agent and the Fund or in a secondary market maintained by certain broker/dealers. These broker/dealers are not required to maintain this market, and it may not provide you with liquidity. The AMPS market continues to remain illiquid as auctions for nearly all AMPS continue to fail. A failed auction is not a default, nor does it require the redemption of a fund’s auction-rate preferred shares. Provisions in the Fund’s offering documents provide a mechanism to set a maximum rate in the event of a failed auction, and, thus, investors will continue to be entitled to receive payment for holding these AMPS.

In addition to the risks described above, the Fund is also subject to: Foreign Currency Risk, Derivatives Risk, Equity Securities Risk, Counterparty Risk, Liquidity Risk, REIT, Mortgage-Related and Asset-Backed Securities Risks, Income Trust and Master Limited Partnership Risks, Dividend Capture Trading Risk, Reinvestment Risk, Management Risk, Market Disruption Risk, and Anti-Takeover Provisions. Please see www.guggenheimfunds.com/agc for a more detailed discussion about Fund risks and considerations.

FUND SUMMARY (Unaudited) April 30, 2012

| Fund Statistics | |
|---|---|
| Share Price | $6.72 |
| Common Share Net Asset Value | $7.30 |
| Premium/Discount to NAV | -7.95% |
| Net Assets ($000) | $235,306 |

| Total Returns<br>(Inception 5/29/07) | Market | NAV |
|---|---|---|
| Six Month | 2.89% | 3.39% |
| One Year | -22.08% | -17.86% |
| Three Year - average annual | 16.05% | 13.21% |
| Since Inception -average annual | -10.71% | -9.15% |

| Top Ten Industries | % of Long-Term Investments |
|---|---|
| Oil & Gas | 8.1% |
| Telecommunications | 8.0% |
| Biotechnology | 6.4% |
| Computers | 5.2% |
| Pharmaceuticals | 5.1% |
| Mining | 5.0% |
| Semiconductors | 4.3% |
| Health Care Products | 4.2% |
| Coal | 4.2% |
| Auto Manufacturers | 3.8% |

| Top Ten Issuers | % of Long-Term Investments |
|---|---|
| L-3 Communications Holdings, Inc. | |