

ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND
Form N-CSR
January 09, 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 811-21309

Advent Claymore Convertible Securities and Income Fund
(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: November 1, 2010 - October 31, 2011

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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:

www.guggenheimfunds.com/avk

... 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 www.guggenheimfunds.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 Funds 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.

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AVK I Advent Claymore Convertible Securities and Income Fund (unaudited)

Tracy V. Maitland
President and Chief Executive Officer

Dear Shareholder |

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund (the “Fund”). This report covers the Fund’s performance for the fiscal year ended October 31, 2011.

Advent Capital Management, LLC 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 September 30, 2011, Advent managed approximately \$6 billion in assets.

Guggenheim Funds Distributors, Inc., (“GFDI”) serves as the servicing agent to the Fund. GFDI is a subsidiary of Guggenheim Partners, LLC, a global diversified financial services firm with more than \$100 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 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 60% of its managed assets in convertible securities and up to 40% in lower grade, non-convertible income securities. In October 2011, the Fund’s Trustees approved a change to one of the Fund’s non-fundamental investment policies; the Fund will no longer be limited to only investing up to 25% of the Fund’s managed assets in securities of foreign issuers. It is anticipated that this change will go into effect on or about February 28, 2012.

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, 2011, the Fund generated a total return based on market price of -4.82% and a return of -1.91% based on NAV. As of October 31, 2011, the Fund’s market price of \$15.87 represented a discount of 9.42% to NAV of \$17.52. As of October 31, 2010, the Fund’s market price of \$18.19 represented a discount of 6.14% to NAV of \$19.38. 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.

In each month from November 2010 through October 2011, the Fund paid a monthly distribution of \$0.0939 per common share. In addition, the Fund paid a supplemental distribution of \$0.454 per common share on December 31, 2010. The current monthly distribution represents an annualized distribution rate of 7.10% based upon the last closing market price of \$15.87 as of October 31, 2011. 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 40 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. Since the Fund endeavors to maintain a steady monthly distribution rate, the DRIP effectively provides an income averaging technique, which causes

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AVK I Advent Claymore Convertible Securities and Income Fund I Dear Shareholder (unaudited) continued

shareholders to accumulate a larger number of Fund shares when the share price is lower than when the price is higher.

The Fund is managed by a team of experienced and seasoned professionals led by me 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 impacted the Fund's performance.

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, please visit the Fund's website at www.guggenheimfunds.com/avk.

Sincerely,

Tracy V. Maitland
President and Chief Executive Officer of the Advent Claymore Convertible Securities and Income Fund
November 30, 2011

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AVK I Advent Claymore Convertible Securities and Income Fund I (unaudited)

Questions & Answers I

Advent Claymore Convertible Securities and Income Fund (the “Fund”) is managed by a team of seasoned professionals at Advent Capital Management, LLC, (“Advent” or the “Investment Adviser”), led by Tracy V. Maitland, Advent’s Founder, President and Chief Investment Officer. In the following interview, Mr. Maitland discusses the convertible securities and high yield markets and the performance of the Fund during the 12-month period ended October 31, 2011.

Please describe 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. An important goal of the Fund is to provide total returns comparable with equities by using higher yielding and typically less volatile convertible securities.

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 securities. Under normal market conditions, the Fund will invest at least 60% of its managed assets in convertible securities and may invest up to 40% in lower grade, non-convertible income securities. The percentage of the Fund’s assets invested in convertible securities and non-convertible income securities may vary from time to time, consistent with the Fund’s investment objective, due to changes in equity prices and changes in interest rates and other economic and market factors. The Fund expects to invest in non-investment-grade securities, including non-investment-grade convertible securities. From time to time, it is possible that all of the Fund’s assets may be invested in non-investment-grade securities. During periods of very high market volatility, the Fund may not be invested at these levels.

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 that may be likely to default.

More than half of the convertible market and a large portion of the Fund’s convertible investments are in securities issued by growth companies, particularly companies within the health care and technology sectors. Growth companies generally issue convertible bonds or convertible preferred stocks as a means of raising capital to build their businesses. Convertibles represent something of a hybrid between equity and debt as a way to raise capital; convertibles generally offer lower interest rates than non-convertible bonds, but entail less dilution than issuing common stock. Convertible preferreds are often issued by financial companies in order to raise capital while keeping their credit ratings higher than if they offered bonds. This is because issuing bonds would increase the proportion of debt on an issuer’s balance sheet, possibly triggering a downgrade in credit rating, while preferred stock is classified as equity.

The Fund’s ability to allocate among convertibles and high yield bonds helps provide diversification at an asset, sector and security level. Among the attractions of convertible securities are that they generally offer a yield advantage over common stocks; they have tended to capture much of the upside when equity prices move up in stronger markets; and

convertibles' yield advantage and bond-like characteristics have historically provided inherent downside protection in weaker markets. However, there is no assurance that convertible securities will participate significantly in any upward movement of the underlying common stock or that they will provide protection from downward movements.

In October 2011, the Fund's Trustees approved a change to eliminate a previous guideline that the Fund may invest up to 25% of its Managed Assets in securities of foreign issuers. As a result, the Fund may but is not required to invest above 25% of its Managed Assets in foreign securities. It is anticipated that these changes will take effect on or about February 28, 2012.

Please tell us about the economic and market environment over the last year.

Most U.S. market indices, both equity and fixed-income, posted positive returns for the 12-month period ended October 31, 2011. However, more than 100% of this return came in the first half of the period, as returns for most indices were negative for the six-month period ended October 2011. International markets were generally weaker than the U.S. market, as there was considerable turmoil caused by concerns about sovereign debt in several European nations, which European authorities are attempting to address.

In the U.S., the fundamentals are generally healthier than recent trends in the equity market suggest. In late October, the Department of Commerce reported real growth in gross domestic product (GDP) at an annual rate of 2.5% for the third quarter of 2011, up from 1.3% in the second quarter of the year. The index of leading economic indicators published by the Conference Board suggests continued moderate expansion in economic activity in the months ahead, and that is consistent with the forecasts of most economists. Furthermore, a renewed recession seems unlikely because the excesses and imbalances that typically lead to recession – too much capital equipment, durable goods, labor, housing, inventories – are not present. Stocks of household durable goods and business equipment are low, suggesting that there may be pent-up demand. Although the real estate market remains weak, there has been progress in repairing some of the excesses of the boom.

For the 12-month period ended October 31, 2011, the S&P 500 Index, which is generally regarded as a good indicator of the return from large-capitalization U.S. stocks, returned 8.09%. In

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AVK I Advent Claymore Convertible Securities and Income Fund I Questions & Answers (unaudited) continued

the first half of the 12-month period, the S&P returned 16.36%; for the six-month period ended October 31, 2011, the return of the S&P was -7.11%.

Most bond investments delivered positive returns during the 12 months through October 2011. In late summer, rates on U.S. Treasury bonds plunged to nearly unprecedented levels, as investors sought safety. 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 4.98% for the 12 months ended October 31, 2011. Return of the Merrill Lynch HighYield Master II Index, which measures performance of the U.S. high-yield bond market, was 4.81% for the same period. As expected, convertible securities provided returns that generally reflected a blend of equity and bond returns: return of the Merrill Lynch All U.S. Convertibles Index was 1.03%.

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, 2011, the Fund generated a total return based on market price of -4.82% and a return of -1.91% based on NAV. As of October 31, 2011, the Fund’s market price of \$15.87 represented a discount of 9.42% to NAV of \$17.52. As of October 31, 2010, the Fund’s market price of \$18.19 represented a discount of 6.14% to NAV of \$19.38. 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 seeks to provide equity-like returns with a focus on income by investing at least 60% of the Fund’s assets in convertible securities, under normal conditions. The Fund’s approach is to have a portfolio with a high degree of safety and relatively low volatility, so that setbacks can be withstood without significant underperformance. However, this was not the case in the last half of the Fund’s 2011 fiscal year. Convertibles, as measured by the Merrill Lynch All U.S. Convertibles Index (the “Convertibles Index”), suffered an abrupt decline in the third calendar quarter of 2011, experiencing the worst returns since the Convertibles Index was established in 1988, except for the disastrous last two quarters of 2008, when there was widespread fear of financial collapse.

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 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”). The Fund’s leverage outstanding as of October 31, 2011, was \$262 million, approximately 39% of the Fund’s total managed assets. Because the Fund’s return was negative, the use of leverage detracted further from performance.

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 were the major investment decisions that affected the Fund’s performance?

Responding to the high volatility in the market for convertible securities in the third calendar quarter of 2011, the

portfolio was adjusted in an effort to position it better for potential market setbacks. Since the leverage inherent in the portfolio cannot be readily raised or lowered, changes were made in the nature of the assets of the portfolio. The major change was to increase the proportion of the Fund invested in high yield securities, with a commensurate reduction in the investment in convertible securities, particularly mandatory convertibles, which tend to be more volatile. (A mandatory convertible is a type of convertible preferred that has a required conversion feature. On the contractual conversion date—usually three years after issuance—the holder must convert the mandatory convertible into the underlying common stock. These securities typically provide investors with higher yields to compensate for the mandatory conversion structure.)

At the end of the prior fiscal year, October 31, 2010, convertible securities represented 67.4% of total investments, high yield bonds represented 19.8%, short-term investments represented 8.3%, and other investments represented 4.5%. As of October 31, 2011, convertible securities represented 69.5% of total investments, high yield bonds represented 26.0%, short-term investments represented 0.6%, and other investments represented 3.9%.

The high yield portion of the portfolio contributed to the Fund's performance. The large convertible position hurt performance, and mandatory convertibles were a particular problem because financial institutions, which are major issuers of mandatory convertibles, fell into disfavor late in the period. When common stocks lose value, mandatories generally drop almost as much as the common stock because, unlike convertible bonds, their only downside protection is the yield advantage.

One of the best performing holdings was a preferred issue of El Paso Corp. (not held in the portfolio at period end), an oil and gas exploration and production company. Also positive was a preferred issue of Unisys Corp. (1.0% of long-term investments at period end), an information technology company. Several positions in the healthcare sector were important contributors to performance. These included Hologic, Inc., Amerigroup Corp. and Omnicare, Inc. (1.3%, 0.6% and 0.8% of long-term investments at period end). Hologic Inc., which is focused on the health care needs of women, demonstrated improving credit and improving fundamentals. Amerigroup Corp., a multi-state

AVK I Advent Claymore Convertible Securities and Income Fund I Questions & Answers (unaudited) continued

managed healthcare company, is one of the few providers of managed care programs to Medicaid participants. The Company benefited as more states sought to outsource Medicaid administration to reduce costs. Omnicare, a pharmaceutical services company, undertook a board-directed management change and a strategic refocusing, which the Investment Adviser believes will result in improved long-term performance.

The greatest detractor from performance was CEMEX, S.A.B. de C.V. (not held in the portfolio at period end), a Mexican cement company that does business in more than 50 countries world-wide. This company is poised to benefit from a recovering housing market, but has suffered from ongoing widespread weakness in construction. Other negatives included Suntech Power Holdings Co., Ltd., a Chinese solar energy company (not held in the portfolio at period end); auto manufacturer General Motors Co. (1.4% of long-term investments at period end); and Synovus Financial Corp., a regional bank in the Southeast (0.1% of long-term investments at period end). Synovus weakened because the market had expected this bank to make more progress with its nonperforming loans than it did. Besides its inherent attractiveness, this company was considered to be an acquisition candidate, but consolidation in the banking industry has slowed as legacy problems in housing and other sectors have persisted.

Another negative was a convertible preferred of Stillwater Mining Company, a miner of precious metals including palladium and platinum (not held in the portfolio at period end). This is a mandatory convertible in the shares of Stillwater Mining issued by UBS AG (not held in the portfolio at period end), a major Swiss bank that holds a large equity position in Stillwater. Stillwater has had reasonable performance in its core operations, but it made a large acquisition late in the period and investors began to question the company's ability to finance its aggressive expansion plans.

Please discuss the Fund's distributions over the last year.

In each month from November 2010 through October 2011, the Fund paid a monthly distribution of \$0.0939 per common share. In addition, the Fund paid a supplemental distribution of \$0.454 per common share on December 31, 2010. The current monthly distribution represents an annualized distribution rate of 7.10% based upon the last closing market price of \$15.87 as of October 31, 2011. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained.

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

The Fund's management team continues to see opportunities in both convertible securities and high yield bonds. Each of these markets weakened in the latter half of the Fund's fiscal year, yet the fundamental trends of U.S. corporations appear favorable. There are numerous opportunities to participate in improving situations with some downside protection from the income these securities provide. In the current environment of volatile capital markets, the Fund is positioned somewhat more defensively than it has been in the recent past.

A distinguishing feature of this Fund is its emphasis on convertible securities. While there are many funds that are designated as convertible funds, most competing funds place far more emphasis on high yield bonds. Advent believes

that this Fund offers the dual advantages of yield from convertible securities and equity participation. As 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. When the equity market rises and credit spreads narrow simultaneously, as they did in the first half of the October 2011 fiscal year, convertible securities benefit from both trends.

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 a level of income that can help provide downside protection for overall return against down markets.

Index Definitions

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

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

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 Barclays Capital US 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 U.S. Treasury, government-related, corporate, mortgage-backed securities (agency fixed-rate and hybrid ARM passthroughs), asset-backed securities and collateralized mortgage-backed securities sectors.

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.

AVK 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.

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AVK I Advent Claymore Convertible Securities and Income Fund I Questions & Answers (unaudited) continued

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.

Synthetic 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.

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 noncon-vertible 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.

Equity Securities Risk. Equity risk is the risk that securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, and the particular circumstances and performance of particular companies whose securities the Fund holds.

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.

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.

Lower Grade Securities Risk. 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.

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.

Interest Rate Risk. In addition to the risks discussed above, convertible securities and nonconvertible income securities are subject to certain risks, including:

- if interest rates go up, the value of convertible securities and nonconvertible income securities in the Fund's portfolio generally will decline;
- 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; and
- during periods of rising interest rates, the average life of certain types of 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.

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 Adviser, 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.

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 (4) less uniformity in accounting and reporting requirements (5) unreliable securities valuation and (6) custody risk.

Strategic Transactions. The Fund may use various other investment management techniques that also involve certain risks and special considerations, including engaging in hedging and risk management transactions, including interest rate and foreign currency transactions, options, futures, swaps, caps, floors, and collars and other derivatives transactions.

Auction Market Preferred Shares (AMPS) Risk. There also risks associated with investing in Auction Market Preferred Shares or AMPS. The AMPS are redeemable, in whole or in part, at the option of the Fund on any dividend payment date for AMPS, and will be subject to mandatory redemption in certain circumstances. The AMPS will not be listed on an exchange. You may only buy or sell AMPS 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: Management Risk, Market Disruption Risk, Derivatives Risk, Foreign Currency Risk and Anti-Takeover Provisions. Please see www.guggenheimfunds.com/avk for a more detailed discussion about Fund risks and considerations.

AVK I Advent Claymore Convertible
Securities and Income Fund

Fund Summary | As of October 31, 2011
(unaudited)

Fund Statistics

Share Price	\$15.87
Common Share Net Asset Value	\$17.52
Premium/Discount to NAV	-9.42%
Net Assets Applicable to Common Shares (\$000)	\$413,041

Total Returns

(Inception 4/30/03)	Market	NAV
One Year	-4.82%	-1.91%
Three Year - average annual	16.13%	20.98%
Five Year - average annual	-1.41%	0.04%
Since Inception - average annual	4.00%	5.20%

	% of Long-Term Investments
Top Ten Industries	
Telecommunications	8.7%
Banks	8.6%
Lodging	4.9%
Insurance	4.7%
Health Care Services	4.6%
Oil & Gas	4.5%
Real Estate Investment Trusts	4.5%
Pharmaceuticals	4.0%
Biotechnology	3.7%
Computers	3.5%

	% of Long-Term Investments
Top Ten Issuers	
MetLife, Inc.	2.5%
Gilead Sciences, Inc.	1.7%
Forest City Enterprises, Inc.	1.7%
MGM Resorts International	1.5%
Lucent Technologies Capital Trust 1	1.5%
Owens-Brockway Glass Container, Inc.	1.4%
General Motors Co.	1.4%
Hologic, Inc.	1.3%
Fifth Third Bancorp	1.3%
Citigroup, Inc.	1.3%

Past performance does not guarantee future results. All portfolio data is subject to change daily. For more current information, please visit www.guggenheimfunds.com/avk. The above summaries are provided for informational purposes only and should not be viewed as recommendations.

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AVK I Advent Claymore Convertible Securities and Income Fund

Portfolio of Investments | October 31, 2011

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Long-Term Investments — 159.8%					
	Convertible Bonds — 72.0%					
	Aerospace & Defense — 1.2%					
						\$
\$ 2,000,000	AAR Corp.(a)	BB-	1.63%	03/01/2014	N/A	1,885,000
3,000,000	L-3 Communications Holdings, Inc.	BB+	3.00%	08/01/2035	N/A	2,906,250
						4,791,250
	Apparel — 0.9%					
3,750,000	Iconix Brand Group, Inc.(a)	NR	2.50%	06/01/2016	N/A	3,600,000
	Auto Manufacturers — 1.5%					
2,000,000	Ford Motor Co.	BB+	4.25%	11/15/2016	N/A	2,985,000
3,000,000	Navistar International Corp.	B	3.00%	10/15/2014	N/A	3,375,000
						6,360,000
	Auto Parts & Equipment — 0.5%					
					03/01/16 @	
2,500,000	Meritor, Inc.(b)	CCC+	4.63%	03/01/2026	100	2,181,250
	Biotechnology — 5.7%					
	Charles River Laboratories International, Inc.	BB+	2.25%	06/15/2013	N/A	2,623,500
2,650,000						
4,500,000	Dendreon Corp.	NR	2.88%	01/15/2016	N/A	3,307,500
10,000,000	Gilead Sciences, Inc.	A-	1.00%	05/01/2014	N/A	11,100,000
4,000,000	Illumina, Inc.(a)	NR	0.25%	03/15/2016	N/A	3,110,000
					10/01/13 @	
3,000,000	Vertex Pharmaceuticals, Inc.	NR	3.35%	10/01/2015	101	3,228,750
						23,369,750
	Coal — 1.6%					
7,083,000	Alpha Appalachia Holdings, Inc.	BB-	3.25%	08/01/2015	N/A	6,631,459
	Computers — 3.3%					
1,700,000	EMC Corp., Series B	A-	1.75%	12/01/2013	N/A	2,713,625
3,000,000	Netapp, Inc.	NR	1.75%	06/01/2013	N/A	4,132,500
3,000,000	RadiSys Corp.	NR	2.75%	02/15/2013	N/A	2,778,750
3,250,000	SanDisk Corp.	BB-	1.50%	08/15/2017	N/A	3,895,937
						13,520,812
	Diversified Financial Services — 3.5%					
					08/15/13 @	
5,000,000	Affiliated Managers Group, Inc.	BBB-	3.95%	08/15/2038	100	5,443,750
6,575,000	Janus Capital Group, Inc.	BBB-	3.25%	07/15/2014	N/A	6,459,938

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3,018,000	Jefferies Group, Inc.	BBB	3.88%	11/01/2029	11/01/17 @	100	2,670,930
							14,574,618
	Electrical Components & Equipment — 1.1%						
4,850,000	General Cable Corp.	B+	0.88%	11/15/2013	N/A		4,613,563
	Electronics — 1.2%						
6,000,000	Vishay Intertechnology, Inc.(a)	BB+	2.25%	05/15/2041	N/A		4,792,500
	Energy-Alternate Sources — 0.9%						
3,500,000	Covanta Holding Corp.	B	3.25%	06/01/2014	N/A		3,858,750
	Entertainment — 1.5%						
5,000,000	International Game Technology	BBB	3.25%	05/01/2014	N/A		6,006,250
	Health Care Products — 3.3%						
					12/15/16 @		
3,098,000	Hologic, Inc., Series 2010(c)	BB+	2.00%	12/15/2037		100	3,303,242
					12/15/13 @		
5,875,000	Hologic, Inc.(d)	BB+	2.00%	12/15/2037		100	5,559,219
6,100,000	NuVasive, Inc.	NR	2.75%	07/01/2017	N/A		4,948,625
							13,811,086

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Health Care Services — 3.7%					
\$						\$
3,000,000	AMERIGROUP Corp.	BB+	2.00%	05/15/2012	N/A	4,012,500
4,640,000	LifePoint Hospitals, Inc.	B	3.50%	05/15/2014	N/A	4,802,400
					11/01/14 @	
3,000,000	Lincare Holdings, Inc., Series B	NR	2.75%	11/01/2037	100	3,172,500
3,000,000	Molina Healthcare, Inc., Series MOH	NR	3.75%	10/01/2014	N/A	3,108,750
						15,096,150
	Home Builders — 1.3%					
991,000	DR Horton, Inc., Series DHI	BB-	2.00%	05/15/2014	N/A	1,095,055
					12/20/15 @	
4,000,000	Lennar Corp.(a)	B+	2.75%	12/15/2020	100	4,125,000
						5,220,055
	Insurance — 0.9%					
3,760,000	Old Republic International Corp.	BBB+	8.000%	05/15/2012	N/A	3,764,700
	Internet — 4.4%					
					11/01/15 @	
4,500,000	Digital River, Inc.(a)	NR	2.00%	11/01/2030	100	3,757,500
2,000,000	Equinix, Inc.	B	3.00%	10/15/2014	N/A	2,202,500
5,600,000	Symantec Corp., Series B	BBB	1.00%	06/15/2013	N/A	6,524,000
6,300,000	WebMD Health Corp.(a)	NR	2.50%	01/31/2018	N/A	5,567,625
						18,051,625
	Iron & Steel — 2.6%					
4,250,000	Allegheny Technologies, Inc.	BBB-	4.25%	06/01/2014	N/A	5,790,625
4,600,000	Steel Dynamics, Inc.	BB+	5.13%	06/15/2014	N/A	4,922,000
						10,712,625
	Lodging — 2.9%					
2,650,000	Gaylord Entertainment Co.(a)	NR	3.75%	10/01/2014	N/A	2,931,563
8,864,000	MGM Resorts International	CCC+	4.25%	04/15/2015	N/A	8,886,160
						11,817,723
	Machinery-Diversified — 0.5%					
					12/19/13 @	
1,750,000	AGCO Corp.	BB+	1.25%	12/15/2036	100	2,209,375
	Media — 1.1%					
3,750,000	XM Satellite Radio, Inc.(a)	BB	7.00%	12/01/2014	N/A	4,762,500
	Mining — 2.4%					
					03/20/13 @	
4,100,000	Kinross Gold Corp. (Canada)	BBB-	1.75%	03/15/2028	100	4,002,625
4,000,000	Newmont Mining Corp., Series A	BBB+	1.25%	07/15/2014	N/A	6,110,000
						10,112,625
	Miscellaneous Manufacturing — 1.1%					
					06/01/18 @	
4,850,000	Trinity Industries, Inc.	BB-	3.88%	06/01/2036	100	4,656,000
	Oil & Gas — 0.9%					

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3,500,000	Lukoil International Finance BV (Russia) Oil & Gas Services — 0.6%	BBB-	2.63%	06/16/2015	N/A	3,780,875
					11/15/13 @	
2,725,000	Hornbeck Offshore Services, Inc.(b) Packaging & Containers — 2.2%	B+	1.63%	11/15/2026	100	2,629,625
9,650,000	Owens-Brockway Glass Container, Inc.(a)	BB	3.00%	06/01/2015	N/A	8,938,312

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Pharmaceuticals — 3.4%					
\$ 2,700,000	ENDO Pharmaceuticals Holdings, Inc.	NR	1.75%	04/15/2015	N/A	\$ 3,368,250
2,500,000	Isis Pharmaceuticals, Inc.	NR	2.63%	02/15/2027	02/15/12 @ 101	2,271,875
3,625,000	Mylan, Inc.	BB	1.25%	03/15/2012	N/A	3,661,250
4,000,000	Shire PLC, Series SHP (Channel Islands)	NR	2.75%	05/09/2014	N/A	4,612,000
						13,913,375
	Real Estate — 1.8%					
6,781,000	Forest City Enterprises, Inc.	NR	3.63%	10/15/2014	10/15/13 @ 100	7,463,338
	Real Estate Investment Trusts — 4.1%					
2,030,000	Annaly Capital Management, Inc.	NR	4.00%	02/15/2015	N/A	2,354,800
3,398,000	Boston Properties, LP	A-	3.75%	05/15/2036	05/18/13 @ 100	3,894,957
3,000,000	DDR Corp.	BB	1.75%	11/15/2040	11/20/15 @ 100	3,022,500
3,000,000	Host Hotels & Resorts, LP(a)	BB+	2.50%	10/15/2029	10/20/15 @ 100	3,637,500
4,960,000	NorthStar Realty Finance, LP(a)	NR	7.50%	03/15/2031	03/15/16 @ 100	4,222,200
						17,131,957
	Retail — 0.6%					
2,650,000	RadioShack Corp.(a)	Ba2	2.50%	08/01/2013	N/A	2,580,437
	Semiconductors — 3.9%					
5,000,000	Intel Corp.(i)	A-	2.95%	12/15/2035	N/A	5,387,500
5,000,000	Lam Research Corp.(a)	BB+	0.50%	05/15/2016	N/A	4,962,500
3,209,000	Micron Technology, Inc.	BB-	1.88%	06/01/2014	N/A	3,092,674
3,000,000	Micron Technology, Inc., Series A(a)	NR	1.50%	08/01/2031	08/05/15 @ 100	2,497,500
						15,940,174
	Telecommunications — 7.4%					
7,325,000	Alcatel-Lucent USA, Inc., Series B (France)	B	2.88%	06/15/2025	06/20/13 @ 100	6,958,750
6,200,000	Anixter International, Inc.	B+	1.00%	02/15/2013	N/A	6,936,250
1,575,000	Arris Group, Inc.	NR	2.00%	11/15/2026	11/15/13 @ 100	1,613,391
8,000,000	Ciena Corp.(a)	NR	4.00%	03/15/2015	N/A	8,170,000
4,000,000	SBA Communications Corp.	NR	1.88%	05/01/2013	N/A	4,350,000
1,685,000	Virgin Media, Inc.	B+	6.50%	11/15/2016	N/A	2,552,775
						30,581,166

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Total Convertible Bonds — 72.0%							
(Cost \$281,436,152)							297,473,925
Corporate Bonds — 41.7%							
Advertising — 0.3%							
						04/15/14 @	
1,250,000	Lamar Media Corp.	B+	7.88%	04/15/2018		104	1,315,625
Agriculture — 0.2%							
						07/15/13 @	
750,000	North Atlantic Trading Co.(a)	B2	11.50%	07/15/2016		109	716,250
Auto Manufacturers — 0.5%							
	Chrysler Group, LLC/CG					06/15/15 @	
200,000	Co.-Issuer, Inc.(a)	B	8.00%	06/15/2019		104	185,000
	Chrysler Group, LLC/CG					06/15/16 @	
200,000	Co.-Issuer, Inc.(a)	B	8.25%	06/15/2021		104	184,000
1,000,000	Ford Motor Co.	BB+	6.63%	10/01/2028		N/A	1,067,361
	Jaguar Land Rover PLC (United Kingdom)(a)	B+	7.75%	05/15/2018		106	248,750
	Jaguar Land Rover PLC (United Kingdom)(a)	B+	8.13%	05/15/2021		104	247,500
							1,932,611

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Auto Parts & Equipment — 1.4%					
\$ 500,000	Cooper Tire & Rubber Co.	BB-	8.00%	12/15/2019	N/A	\$ 520,000
3,750,000	Dana Holding Corp.	BB-	6.50%	02/15/2019	02/15/15 @ 103	3,796,875
320,000	Goodyear Tire & Rubber Co.	B+	8.25%	08/15/2020	08/15/15 @ 104	344,000
750,000	Lear Corp.	BB	7.88%	03/15/2018	03/15/14 @ 104	811,875
500,000	Pittsburgh Glass Works, LLC(a)	B+	8.50%	04/15/2016	04/15/13 @ 104	502,500
						5,975,250
	Banks — 2.5%					
1,750,000	Ally Financial, Inc.	B+	8.30%	02/12/2015	N/A	1,841,875
5,400,000	Capital One Capital V	BB	10.25%	08/15/2039	N/A	5,622,750
2,000,000	CIT Group, Inc.	B+	7.00%	05/01/2016	01/01/12 @ 100	2,005,000
1,000,000	Synovus Financial Corp.	B+	5.13%	06/15/2017	N/A	860,000
						10,329,625
	Beverages — 0.5%					
1,750,000	Constellation Brands, Inc.	BB+	7.25%	09/01/2016	N/A	1,922,813
	Biotechnology — 0.2%					
1,000,000	STHI Holding Corp.(a)	B	8.00%	03/15/2018	03/15/14 @ 106	1,025,000
	Building Materials — 0.2%					
250,000	Euramax International, Inc.(a)	B-	9.50%	04/01/2016	04/01/13 @ 107	213,750
250,000	Nortek, Inc.(a)	B	8.50%	04/15/2021	04/15/16 @ 104	223,125
375,000	Ply Gem Industries, Inc.	B-	8.25%	02/15/2018	02/15/14 @ 106	355,313
						792,188
	Chemicals — 1.5%					
1,000,000	CF Industries, Inc.	BB+	7.13%	05/01/2020	N/A	1,166,250
500,000	Hexion US Finance Corp.	CCC+	9.00%	11/15/2020	11/15/15 @ 105	438,750
595,000	Ineos Finance PLC (United Kingdom)(a)	B	9.00%	05/15/2015	05/15/13 @ 105	614,337
2,607,000	Lyondell Chemical Co.	BB-	11.00%	05/01/2018	05/01/13 @ 100	2,916,581
1,375,000	Vertellus Specialties, Inc.(a)	B	9.38%	10/01/2015	04/01/13 @ 105	1,254,688
						6,390,606
	Coal — 0.4%					
1,075,000	Alpha Natural Resources, Inc.	BB	6.25%	06/01/2021		1,066,937

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						06/01/16 @	
						103	
500,000	SunCoke Energy, Inc.(a)	B+	7.63%	08/01/2019		08/01/14 @	507,500
						106	1,574,437
	Commercial Services — 0.7%						
500,000	AE Escrow Corp.(a)	B	9.75%	03/15/2020		09/15/15 @	522,500
						105	
1,000,000	Avis Budget Car Rental, LLC	B	8.25%	01/15/2019		10/15/14 @	1,002,500
						104	
1,000,000	Emergency Medical Services Corp.(a)	B-	8.13%	06/01/2019		06/01/14 @	1,005,000
						106	
500,000	Neff Rental, LLC(a)	B-	9.63%	05/15/2016		05/15/13 @	482,500
						107	3,012,500
	Computers — 0.7%						
2,600,000	Seagate Technology International (Cayman Islands)(a)	BBB	10.00%	05/01/2014		05/01/13 @	2,970,500
						105	
	Diversified Financial Services — 1.6%						
500,000	Ford Motor Credit Co., LLC	BB+	12.00%	05/15/2015		N/A	631,311
1,500,000	International Lease Finance Corp.	BBB-	8.25%	12/15/2020		N/A	1,556,250
750,000	Marfrig Holding Europe BV (Netherlands)(a)	B+	8.38%	05/09/2018		N/A	577,500
5,000,000	Textron Financial Corp.(a) (e)	B	6.00%	02/15/2067		02/15/17 @	3,825,000
						100	6,590,061

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Electric — 0.4%					
\$ 250,000	AES Corp.	BB-	8.00%	06/01/2020	N/A	\$ 277,500
500,000	AES Corp.(a)	BB-	7.38%	07/01/2021	N/A	537,500
750,000	Texas Competitive Electric Holdings Co., LLC(a)	CCC	11.50%	10/01/2020	04/01/16 @ 106	648,750
						1,463,750
	Entertainment — 0.2%					
200,000	Production Resource Group, Inc.(a)	B-	8.88%	05/01/2019	05/01/14 @ 107	183,000
500,000	Regal Entertainment Group	B-	9.13%	08/15/2018	08/15/14 @ 105	537,500
						720,500
	Food — 1.0%					
200,000	Bumble Bee Acquisition Corp.(a)	B	9.00%	12/15/2017	12/15/14 @ 105	201,500
500,000	Del Monte Foods Co.(a)	CCC+	7.63%	02/15/2019	02/15/14 @ 104	477,500
1,500,000	Land O'Lakes Capital Trust I(a)	BB	7.45%	03/15/2028	N/A	1,462,500
500,000	Reddy ICE Corp.	B-	11.25%	03/15/2015	03/15/13 @ 106	470,000
1,550,000	Smithfield Foods, Inc.	BB-	7.75%	07/01/2017	N/A	1,681,750
						4,293,250
	Forest Products & Paper — 0.4%					
1,156,000	AbitibiBowater, Inc.(a)	BB-	10.25%	10/15/2018	10/15/14 @ 105	1,271,600
500,000	Verso Paper Holdings, LLC, Series B	CCC+	11.38%	08/01/2016	08/01/12 @ 104	372,500
						1,644,100
	Health Care Products — 0.3%					
1,500,000	Rotech Healthcare, Inc.	B	10.50%	03/15/2018	03/15/15 @ 105	1,200,000
	Health Care Services — 2.1%					
2,500,000	Apria Healthcare Group, Inc.	BB+	11.25%	11/01/2014	11/01/12 @ 106	2,443,750
1,750,000	Capella Healthcare, Inc.(a)	B	9.25%	07/01/2017	07/01/13 @ 107	1,811,250
500,000	Community Health Systems, Inc.	B	8.88%	07/15/2015	07/15/12 @ 102	513,125
500,000	National Mentor Holdings, Inc.(a)	CCC+	12.50%	02/15/2018	02/15/14 @ 106	460,000
500,000	Select Medical Corp.	CCC+	7.63%	02/01/2015	02/01/12 @ 101	467,500
2,500,000	Tenet Healthcare Corp.	BB-	8.88%	07/01/2019	07/01/14 @ 104	2,837,500

							8,533,125
Holding Companies-Diversified — 0.2%							
						01/15/12 @	
1,000,000	Leucadia National Corp.	B+	8.65%	01/15/2027		102	1,020,000
Household Products & Housewares — 1.1%							
						05/15/14 @	
1,000,000	Reynolds Group Issuer, Inc.(a)	B-	9.00%	05/15/2018		104	972,500
						10/15/14 @	
500,000	Reynolds Group Issuer, Inc.(a)	BB-	7.13%	04/15/2019		104	512,500
						06/15/14 @	
2,000,000	Spectrum Brands Holdings, Inc.	B	9.50%	06/15/2018		105	2,230,000
						02/15/12 @	
1,000,000	Yankee Candle Co., Inc., Series B	CCC+	9.75%	02/15/2017		105	980,000
							4,695,000
Insurance — 3.5%							
						06/15/38 @	
5,700,000	Liberty Mutual Group, Inc.(a) (e)	BB	10.75%	06/15/2088		100	6,982,500
						08/01/34 @	
5,500,000	MetLife, Inc.	BBB	10.75%	08/01/2069		100	7,278,254
							14,260,754
Investment Companies — 0.1%							
						02/01/13 @	
500,000	Offshore Group Investments Ltd. (Cayman Islands)(a)	B-	11.50%	08/01/2015		109	547,500

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AVK 1 Advent Claymore Convertible Securities and Income Fund 1 Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Iron & Steel — 0.2%					
\$ 575,000	Algoma Acquisition Corp. (Canada)(a)	CCC+	9.88%	06/15/2015	06/15/12 @ 102	\$ 468,625
250,000	Edgen Murray Corp.	B-	12.25%	01/15/2015	01/15/13 @ 106	237,500
						706,125
	Leisure Time — 0.2%					
750,000	Brunswick Corp.	B	7.13%	08/01/2027	N/A	660,000
	Lodging — 3.3%					
1,000,000	Caesars Entertainment Operating Co., Inc.	CCC	10.00%	12/15/2018	12/15/13 @ 105	758,750
1,750,000	Marina District Finance Co., Inc.	BB-	9.88%	08/15/2018	08/15/14 @ 105	1,736,875
1,000,000	MGM Resorts International	CCC+	7.63%	01/15/2017	N/A	935,000
1,500,000	Starwood Hotels & Resorts Worldwide, Inc.	BB+	6.75%	05/15/2018	N/A	1,672,500
500,000	Wyndham Worldwide Corp.	BBB-	6.00%	12/01/2016	N/A	529,386
7,106,000	Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp.	BBB-	7.75%	08/15/2020	08/15/15 @ 104	7,852,130
						13,484,641
	Machinery-Construction & Mining — 0.1%					
250,000	Terex Corp.	BB-	10.88%	06/01/2016	06/01/13 @ 105	278,750
	Machinery-Diversified — 0.6%					
1,500,000	Case New Holland, Inc.	BB+	7.88%	12/01/2017	N/A	1,698,750
EUR 850,000	Heidelberger Druckmaschinen AG (Germany)(a)	B-	9.25%	04/15/2018	04/15/14 @ 107	797,302
						2,496,052
	Media — 1.6%					
\$ 1,500,000	CCO Holdings, LLC	BB-	6.50%	04/30/2021	04/30/15 @ 105	1,507,500
2,344,000	Clear Channel Worldwide Holdings, Inc., Series B	B	9.25%	12/15/2017	12/15/12 @ 107	2,554,960
1,000,000	Gannett Co., Inc.	Baa3	10.00%	04/01/2016	N/A	1,095,000
750,000	Gray Television, Inc.	CCC	10.50%	06/29/2015	11/01/12 @ 108	712,500
1,000,000	Univision Communications, Inc.(a)	CCC+	8.50%	05/15/2021	11/15/15 @ 104	905,000
						6,774,960
	Mining — 0.4%					
1,125,000	FMG Resources August 2006 Pty Ltd. (Australia)(a)	B+	6.88%	02/01/2018	02/01/14 @ 105	1,085,625
500,000		B+	8.25%	11/01/2019		507,500

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	FMG Resources August 2006 Pty Ltd. (Australia)(a)					11/01/15 @ 104	1,593,125
	Miscellaneous Manufacturing — 0.0%+						
200,000	JM Huber Corp.(a)	BB-	9.88%	11/01/2019		11/01/15 @ 105	204,000
	Oil & Gas — 3.0%						
2,500,000	Alta Mesa Holdings, LP/Alta Mesa Finance Services Corp.	B	9.63%	10/15/2018		10/15/14 @ 105	2,337,500
250,000	Bill Barrett Corp.	BB-	7.63%	10/01/2019		10/01/15 @ 104	265,000
500,000	Carrizo Oil & Gas, Inc.	B-	8.63%	10/15/2018		10/15/14 @ 104	510,000
1,000,000	Clayton Williams Energy, Inc.(a)	B	7.75%	04/01/2019		04/01/15 @ 104	930,000
1,000,000	Energy XXI Gulf Coast, Inc.	B	9.25%	12/15/2017		12/15/14 @ 105	1,070,000
1,000,000	Hercules Offshore, Inc.(a)	B-	10.50%	10/15/2017		10/15/13 @ 105	1,005,000
1,000,000	Petrohawk Energy Corp.	BBB+	7.25%	08/15/2018		08/15/14 @ 104	1,150,000
1,000,000	Pioneer Natural Resources Co.	BB+	6.65%	03/15/2017		N/A	1,091,050
500,000	Range Resources Corp.	BB	8.00%	05/15/2019		05/15/14 @ 104	560,000
1,500,000	Tesoro Corp.	BB+	9.75%	06/01/2019		06/01/14 @ 105	1,695,000
250,000	Unit Corp.	BB-	6.63%	05/15/2021		05/15/16 @ 103	246,250
500,000	W&T Offshore, Inc.(a)	B	8.50%	06/15/2019		06/15/15 @ 104	512,500
1,000,000	Western Refining, Inc.(a)	B	11.25%	06/15/2017		06/15/13 @ 106	1,110,000
							12,482,300

See notes to financial statements.

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AVK 1 Advent Claymore Convertible Securities and Income
Fund 1 Portfolio of Investments continued

Principal Amount^	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Oil & Gas Services — 1.0%					
\$ 1,000,000	Forbes Energy Services Ltd.(a)	B-	9.00%	06/15/2019	06/15/15 @ 105	\$ 950,000
1,500,000	SESI, LLC(a)	BB+	6.38%	05/01/2019	05/01/15 @ 103	1,537,500
1,518,000	Stallion Oilfield Holdings Ltd.	B	10.50%	02/15/2015	02/15/13 @ 105	1,631,850
						4,119,350
	Packaging & Containers — 0.2%					
125,000	Sealed Air Corp.(a)	BB	8.38%	09/15/2021	09/15/16 @ 104	135,625
750,000	US Corrugated, Inc.	B3	10.00%	06/01/2013	06/01/12 @ 100	759,375
						895,000
	Pharmaceuticals — 1.8%					
2,760,000	Aptalis Pharma, Inc.	B	12.75%	03/01/2016	03/01/12 @ 106	2,939,400
EUR 2,000,000	Capsugel FinanceCo SCA (Luxembourg)(a)	B	9.88%	08/01/2019	08/01/14 @ 107	2,873,287
\$ 500,000	ENDO Pharmaceuticals Holdings, Inc.(a)	BB-	7.25%	01/15/2022	07/15/16 @ 104	541,250
1,000,000	Valeant Pharmaceuticals International(a)	BB	7.00%	10/01/2020	10/01/15 @ 104	995,000
						7,348,937
	Pipelines — 0.3%					
500,000	Crosstex Energy, LP	B+	8.88%	02/15/2018	02/15/14 @ 104	532,500
500,000	Eagle Rock Energy Partners, LP(a)	B-	8.38%	06/01/2019	06/01/15 @ 104	505,000
						1,037,500
	Real Estate — 0.1%					
500,000	Kennedy-Wilson, Inc.(a)	BB-	8.75%	04/01/2019	04/01/15 @ 104	492,500
	Real Estate Investment Trusts — 0.2%					
750,000	Rouse Co., LP	BB+	6.75%	11/09/2015	05/09/13 @ 103	759,375
	Retail — 4.0%					
1,500,000	Burlington Coat Factory Warehouse Corp.(a)	CCC	10.00%	02/15/2019	02/15/15 @ 105	1,492,500
1,000,000	Dave & Buster's, Inc.	CCC+	11.00%	06/01/2018		1,055,000

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						06/01/14 @		
						106		
						02/15/14 @		
2,000,000	Fiesta Restaurant Group(a)	B	8.88%	08/15/2016		104	2,050,000	
	HOA Restaurant Group,					04/01/14 @		
1,500,000	LLC(a)	B	11.25%	04/01/2017		106	1,372,500	
						12/01/12 @		
1,000,000	Landry's Restaurants, Inc.	B	11.63%	12/01/2015		106	1,065,000	
5,000,000	Ltd. Brands, Inc.	BB+	6.63%	04/01/2021		N/A	5,275,000	
						03/15/14 @		
250,000	Needle Merger Sub Corp.(a)	CCC+	8.13%	03/15/2019		104	240,000	
						06/15/12 @		
1,139,000	Rite AID Corp.	CCC	9.38%	12/15/2015		102	1,076,355	
	Toys"R"US Property Co. II,					12/01/13 @		
2,050,000	LLC	B+	8.50%	12/01/2017		104	2,175,562	
1,000,000	Toys"R"US, Inc.	CCC+	7.38%	10/15/2018		N/A	925,000	
							16,726,917	
	Software — 0.3%							
						12/31/15 @		
250,000	Emdeon, Inc.(a)	Caa1	11.00%	12/31/2019		106	261,250	
						09/30/12 @		
526,375	First Data Corp.	B-	10.55%	09/24/2015		103	513,216	
						07/15/15 @		
625,000	Lawson Software, Inc.(a)	B-	11.50%	07/15/2018		106	603,125	
							1,377,591	
	Storage & Warehousing —							
	0.3%							
						03/15/14 @		
1,000,000	Niska Gas Storage US, LLC	BB-	8.88%	03/15/2018		104	1,040,000	

See notes to financial statements.

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AVK 1 Advent Claymore Convertible Securities and
 Income Fund 1 Portfolio of Investments continued

Principal Amount [^]	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Telecommunications — 3.6%					
\$ 1,500,000	Crown Castle International Corp.	B-	9.00%	01/15/2015	01/15/13 @ 106	\$ 1,642,500
300,000	EH Holding Corp.(a)	B+	6.50%	06/15/2019	N/A	308,250
150,000	EH Holding Corp.(a)	B-	7.63%	06/15/2021	N/A	156,000
1,000,000	Intelsat Jackson Holdings SA (Luxembourg)	CCC+	11.25%	06/15/2016	06/15/12 @ 104	1,057,500
1,500,000	Intelsat Luxembourg SA (Luxembourg)	CCC+	11.25%	02/04/2017	02/15/13 @ 106	1,492,500
1,324,000	iPCS, Inc.(e)	BB-	2.55%	05/01/2013	12/05/11 @ 100	1,204,840
500,000	Level 3 Communications, Inc.	CCC	11.88%	02/01/2019	02/01/15 @ 106	546,250
1,500,000	NII Capital Corp.	B+	7.63%	04/01/2021	04/01/16 @ 104	1,552,500
750,000	Virgin Media Finance PLC, Series 1 (United Kingdom)	BB-	9.50%	08/15/2016	08/15/13 @ 105	840,000
4,500,000	Virgin Media Finance PLC (United Kingdom)	BB-	8.38%	10/15/2019	10/15/14 @ 104	5,028,750
EUR 500,000	Wind Acquisition Finance SA (Luxembourg)(a)	BB-	11.75%	07/15/2017	07/15/13 @ 106	697,400
\$ 500,000	Windstream Corp.	B+	7.75%	10/01/2021	10/01/16 @ 104	523,750
						15,050,240
	Transportation — 0.5%					
1,500,000	Navios Maritime Holdings, Inc. (Marshall Island)	BB-	8.88%	11/01/2017	11/01/13 @ 104	1,443,750
400,000	Swift Services Holdings, Inc.	B-	10.00%	11/15/2018	11/15/14 @ 105	416,000
						1,859,750
	Total Corporate Bonds — 41.7%					
						(Cost \$168,686,607) 172,312,558
	Term Loans — 0.5%(f)					
997,500	Chrysler Group LLC/CG Co-Issuer, Inc., Tranche B	Ba2	6.00%	5/24/17	N/A	945,339
1,000,000	Revel Entertainment (Cost \$1,828,572)	NR	9.00%	02/17/2017	N/A	911,667
						1,857,006

Number of Shares	Description	Rating*	Coupon	Maturity	Value
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	Convertible Preferred Stocks — 39.7%				
	Advertising — 1.0%				
4,200	Interpublic Group of Cos., Inc., Series B(g)	B+	5.25%	—	3,938,550
	Airlines — 1.7%				
235,000	Continental Airlines Finance Trust II	Caa1	6.00%	11/15/2030	7,108,750
	Auto Manufacturers — 2.2%				
215,047	General Motors Co., Series B	B+	4.75%	12/01/2013	8,937,353
	Auto Parts & Equipment — 1.0%				
86,000	Goodyear Tire & Rubber Co.	NR	5.88%	04/01/2014	4,318,920
	Banks — 9.9%				
5,251	Bank of America Corp., Series L(g)	BB+	7.25%	—	4,494,856
88,479	Citigroup, Inc.	NR	7.50%	12/15/2012	8,409,044
60,000	Fifth Third Bancorp, Series G(g)	BB	8.50%	—	8,631,600
72,176	KeyCorp, Series A(g)	BB	7.75%	—	7,578,480
6,000	Webster Financial Corp., Series A(g)	B+	8.50%	—	6,517,500
5,152	Wells Fargo & Co., Series L(g)	A-	7.50%	—	5,441,285
					41,072,765
	Computers — 1.7%				
89,000	Unisys Corp., Series A	NR	6.25%	03/01/2014	6,861,900
	Diversified Financial Services — 0.5%				
211,200	2010 Swift Mandatory Common Exchange Security Trust(a)	NR	6.00%	12/31/2013	2,030,435

See notes to financial statements.

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AVK 1 Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Number of Shares	Description	Rating*	Coupon	Maturity	Value
	Electric — 2.0%				
48,899	PPL Corp.	NR	9.50%	07/01/2013	\$ 2,779,908
100,000	PPL Corp.	NR	8.75%	05/01/2014	5,459,000
					8,238,908
	Hand & Machine Tools — 1.8%				
64,510	Stanley Black & Decker, Inc.	BBB+	4.75%	11/17/2015	7,384,460
	Health Care Services — 1.6%				
7,500	HealthSouth Corp., Series A(g)	CCC+	6.50%	—	6,676,875
	Housewares — 1.0%				
95,290	Newell Financial Trust I	BB	5.25%	12/01/2027	4,073,648
	Insurance — 3.1%				
180,000	Hartford Financial Services Group, Inc., Series F	BB+	7.25%	04/01/2013	3,772,800
133,475	MetLife, Inc.	BBB-	5.00%	09/11/2013	9,064,287
					12,837,087
	Media — 0.6%				
45,000	Nielsen Holdings NV (Netherlands)	B	6.25%	02/01/2013	2,587,500
	Oil & Gas — 2.7%				
82,924	Apache Corp., Series D	BBB+	6.00%	08/01/2013	4,668,621
30,000	Chesapeake Energy Corp.(g)	B+	5.00%	—	2,760,000
115,000	Goodrich Petroleum Corp., Series B(g)	NR	5.38%	—	3,910,000
					11,338,621
	Pharmaceuticals — 1.3%				
125,000	Omnicare Capital Trust II, Series B	B	4.00%	06/15/2033	5,272,500
	Real Estate — 0.8%				
65,000	Forest City Enterprises, Inc., Series A(g)	CCC+	7.00%	—	3,428,750
	Real Estate Investment Trusts — 2.6%				
253,307	Alexandria Real Estate Equities, Inc., Series D(g)	NR	7.00%	—	6,104,699
90,000	Health Care REIT, Inc., Series I(g)	BB	6.50%	—	4,539,600
					10,644,299
	Savings & Loans — 1.9%				
172,788	New York Community Capital Trust V	BB-	6.00%	11/01/2051	7,740,902
	Telecommunications — 2.3%				
11,091	Lucent Technologies Capital Trust I	CCC	7.75%	03/15/2017	9,646,397

	Total Convertible Preferred Stocks — 39.7%	
	(Cost \$153,916,136)	164,138,620
	Common Stocks — 4.2%	
	Banks — 1.4%	
162,900	JPMorgan Chase & Co.	5,662,404
	Beverages — 0.5%	
30,000	PepsiCo, Inc.	1,888,500
	Mining — 0.5%	
50,000	Freeport-McMoRan Copper & Gold, Inc.	2,013,000
	Miscellaneous Manufacturing — 0.3%	
35,000	Ingersoll-Rand PLC (Ireland)	1,089,550
	Oil & Gas — 0.4%	
20,000	Occidental Petroleum Corp.(h)	1,858,800

See notes to financial statements.

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

Number of Shares	Description	Rating*	Coupon	Maturity	Value
	Real Estate Investment Trusts — 0.2%				
50,000	Annaly Capital Management, Inc.				\$ 842,500
	Semiconductors — 0.4%				
45,000	Microchip Technology, Inc.				1,627,200
	Telecommunications — 0.5%				
60,000	Verizon Communications, Inc.				2,218,800
	Total Common Stocks — 4.2%				
	(Cost \$16,170,024)				17,200,754
	Preferred Stock — 1.7%				
	Lodging — 1.7%				
61,200	Las Vegas Sands Corp., Series A	NR	10.00%	—	6,896,475
	(Cost \$6,772,800)				
	Total Long-Term Investments — 159.8%				
	(Cost \$628,810,291)				659,879,338
	Short-Term Investments — 1.0%				
	Money Market Fund — 1.0%				
4,139,128	Goldman Sachs Financial Prime Obligations				4,139,128
	(Cost \$4,139,128)				
	Total Investments — 160.8%				
	(Cost \$632,949,419)				664,018,466
	Other Assets in excess of Liabilities — 2.7%				11,065,555
	Total value of Options Written — 0.0%+				
	(Premiums received \$59,753)				(42,800)
	Preferred Shares, at redemption value — (-63.5% of Net Assets				
	Applicable to Common Shareholders or -39.5% of Total Investments)				(262,000,000)
	Net Assets Applicable to Common Shareholders — 100.0%				\$ 413,041,221
Contracts					
(100 shares per contract)		Expiration	Exercise		
	Call Options Written (j)	Month	Price		Value
	Call Options Written — (0.0%)+				
200	Occidental Petroleum Corp.	December 2011	\$100.00		\$ (42,800)
	Total Value of Options Written — (0.0%)+ (Premiums received \$59,753)				\$ (42,800)

AG - Stock Corporation

BV - Limited Liability Company

LLC - Limited Liability Company
LP - Limited Partnership
N/A- Not Applicable
NV - Publicly Traded Company
PLC - Public Limited Company
SA - Corporation
SCA - Limited Partnership

All percentages shown in the Portfolio of Investments are based on Net Assets Applicable to Common Shareholders, unless otherwise noted.

- * Ratings shown are per Standard & Poor's, Moody's or Fitch. Securities classified as NR are not rated. (For securities not rated by Standard & Poor's Rating Group, the rating by Moody's Investor Services, Inc. is provided. Likewise, for securities not rated by Standard & Poor's Rating Group and Moody's Investor Services, Inc., the rating by Fitch Ratings is provided.) All ratings are unaudited. The ratings apply to the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares.
- ** Date and price of the earliest optional call or put provision. There may be other call provisions at varying prices at later dates. All optional call provisions are unaudited.
- + Less than 0.1%

See notes to financial statements.

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AVK I Advent Claymore Convertible Securities and Income Fund I Portfolio of Investments continued

⊥ The principal amount is denominated in U.S. Dollars unless otherwise noted.

- (α) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At October 31, 2011 these securities amounted to \$125,681,311, which represents 30.4% of net assets applicable to common shares.
- (β) Security is a “step-coupon” bond where the coupon increases or decreases at a predetermined date. The rate shown reflects the rate in effect at the end of the reporting period.
- (χ) Security becomes an accreting bond after December 15, 2016 with a 2.00% principal accretion rate.
- (δ) Security becomes an accreting bond after December 15, 2013 with a 2.00% principal accretion rate.
- (ε) Floating or variable rate coupon. The rate shown is as of October 31, 2011.
- (φ) Term loans held by the Fund have a variable interest rate feature which is periodically adjusted based on an underlying interest rate benchmark. In addition, term loans may include mandatory and/or optional prepayment terms. As a result, the actual maturity dates of the loan may be different than the amounts disclosed in the portfolio of investments. Term loans may be considered restricted in that the Fund may be contractually obligated to secure approval from the Agent Bank and/or Borrower prior to the sale or disposition of loan.
- (γ) Security is perpetual and, thus does not have a predetermined maturity date. The date shown reflects the next call date. The coupon rate shown is in effect as of October 31, 2011.
- (η) All or a portion of this security is segregated as collateral (or potential collateral for future transactions) for written options.
- (ι) A portion of this security has been physically segregated in connection with forward currency contracts. As of October 31, 2011, the total amount segregated was \$3,232,500.

(φ) Non-income producing security.

See notes to financial statements.

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AVK I Advent Claymore Convertible Securities and Income Fund

Statement of Assets and Liabilities | October 31, 2011

Assets	
Investments in securities, at value (cost \$632,949,419)	\$664,018,466
Restricted cash	2,061,953
Foreign currency, at value (cost \$299,965)	305,477
Receivable for securities sold	7,071,883
Interest receivable	6,340,056
Outstanding swap contracts, at value	1,285,317
Dividends receivable	621,515
Upfront premium paid on swap contracts	72,873
Other assets	39,593
Total assets	681,817,133
Liabilities	
Options written, at value (premiums received of \$59,753)	42,800
Payable for securities purchased	3,842,813
Upfront premium received on swap contracts	1,006,250
Due to custodian	914,259
Advisory fee payable	298,539
Dividends payable - preferred shares	136,756
Servicing fee payable	116,098
Unrealized depreciation on forward exchange currency contracts	55,283
Administration fee payable	11,549
Accrued expenses and other liabilities	351,565
Total liabilities	6,775,912
Preferred Stock, at redemption value	
Auction Market Preferred Shares	
\$0.001 par value per share; 11,000 authorized, and 10,480 issued and outstanding at \$25,000 per share liquidation preference	262,000,000
Net Assets Applicable to Common Shareholders	\$413,041,221
Composition of Net Assets Applicable to Common Shareholders	
Common Stock, \$0.001 par value per share; unlimited number of shares authorized, 23,580,877 shares issued and outstanding	\$23,581
Additional paid-in capital	557,792,246
Net unrealized appreciation on investments, swaps, written options and currency translation	31,389,838
Accumulated net realized loss on investments, swaps, written options, futures and foreign currency transactions	(179,991,331)
Undistributed net investment income	3,826,887
Net Assets Applicable to Common Shareholders	\$413,041,221
Net Asset Value Applicable to Common Shareholders (based on 23,580,877 common shares outstanding)	\$17.52

See notes to financial statements.

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AVK I Advent Claymore Convertible Securities and Income Fund

Statement of Operations | For the year ended October 31, 2011

Investment Income		
Interest	\$22,655,435	
Dividends	16,819,851	
Total income		\$39,475,286
Expenses		
Advisory fee	3,866,739	
Servicing agent fee	1,503,732	
Preferred share maintenance	507,306	
Professional fees	490,803	
Trustees' fees and expenses	152,738	
Fund accounting	148,994	
Administration fee	147,409	
Printing	105,595	
Custodian	100,563	
Insurance	85,056	
ICI dues	27,200	
Rating agency fee	23,995	
NYSE listing fee	21,254	
Transfer agent	18,956	
Miscellaneous	29,422	
Total expenses		7,229,762
Advisory and Servicing agent fees waived		(72,647)
Net expenses		7,157,115
Net investment income		