

ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND  
Form N-CSR  
January 07, 2013

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, 2011 - October 31, 2012

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.GUGGENHEIMINVESTMENTS.COM/AVK](http://WWW.GUGGENHEIMINVESTMENTS.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.guggenheiminvestments.com/avk](http://www.guggenheiminvestments.com/avk), you will find:

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

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

---

(Unaudited)

October 31, 2012

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, 2012.

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 October 31, 2012, Advent managed approximately \$6.0 billion in assets.

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

The Fund’s investment objective is to provide total return through a combination of capital appreciation and current income. Under normal market conditions, the Fund 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 non-convertible income securities. The Fund may invest without limitation in foreign securities.

For the 12-month period ended October 31, 2012, the Fund generated a total return based on market price of 15.54% and a return of 6.18% based on NAV. As of October 31, 2012, the Fund’s market price of \$16.84 represented a discount of 2.04% to NAV of \$17.19. The Fund uses financial leverage to finance the purchase of additional securities, a strategy which contributed to performance for the period. All Fund returns cited—whether based on NAV or market price—assume the reinvestment of all distributions.

In each month from November 2011 through October 2012, the Fund paid a monthly distribution of \$0.0939 per common share. In addition, the Fund paid a supplemental distribution of \$0.221 per common share on December 31, 2011. The current monthly distribution represents an annualized distribution rate of 6.69% based upon the last closing market price of \$16.84 as of October 31, 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 41 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. The DRIP effectively provides an income averaging technique, which causes shareholders to accumulate a larger number of Fund shares when the share price is lower than when the price is higher.



DEAR SHAREHOLDER continued (Unaudited)

October 31, 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 additional information regarding the factors that influenced the Fund's performance.

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

Sincerely,

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

November 30, 2012

4 | AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL  
REPORT

---

QUESTIONS & ANSWERS (Unaudited)

October 31, 2012

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, the management team discusses the convertible-securities and high-yield markets and the performance of the Fund during the 12-month period ended October 31, 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 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 non-convertible income securities. The Fund may invest without limitation in foreign securities.

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

The Fund uses financial leverage to finance the purchase of additional securities. The primary means has been through Auction Market Preferred Shares (“AMPS”), but other permitted means include borrowing or the issuance of commercial paper or other forms of debt. After the period end, the Fund commenced a tender for up to 100% of its outstanding AMPS. The Fund offered to purchase the AMPS at 99% of the liquidation preference of \$25,000 per share (or \$24,750 per share), plus any unpaid dividends accrued through the expiration of the offer. On December 13, 2012, the Fund announced the expiration and results of tender offer. The Fund accepted for payment 10,417 AMPS that were properly tendered and not withdrawn, which represents approximately 99.4% of its outstanding AMPS. The AMPS of the Fund that were not tendered will remain outstanding. The Fund is refinancing its tendered AMPS through alternative forms of leverage, including borrowings under a margin loan agreement and reverse repurchase agreement transactions. The Fund initially intends to maintain the total amount of outstanding leverage approximately equal to the aggregate liquidation preference of the Fund’s AMPS prior to the tender offer. However, the actual amount of the Fund’s total leverage may vary over time and the Fund may, from time to time, seek to increase or decrease its total outstanding leverage, within limits of the Investment Company Act of 1940, as determined by the Board of Directors and Fund management.

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

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

Securities markets performed quite well for the fiscal year ended October 31, 2012. Reasonable growth in the U.S. economy was spurred by a third Federal Reserve program to raise money flow and hold down interest rates. The Federal Reserve also continued to keep its target short-term rates low and pledged to do so until mid-2015, providing

considerable support for bond prices. Confidence about a solution to the ongoing problem of European sovereign solvency fluctuated throughout the period.

In the U.S., strong corporate profits and higher dividend payouts buoyed stocks, particularly when corporate profit margins hit all-time highs. Durable goods and payroll reports improved toward the end of the period, and the residential housing market began to rise from a bottom on the strength of better housing starts, building permits and new home sales. Inflation, meanwhile, remained subdued, with the Consumer Price Index (CPI) staying around a 2% annual growth rate. To be sure, pockets of the U.S. economy remained weak, especially those affected by global markets such as technology and some natural resources.

Overseas, European markets advanced, despite a substantial decline in the spring of 2012 caused by renewed uncertainty over Greece's ability to fulfill terms of a prior bailout and contagion of European sovereign fears that spread to Spain and, to a lesser extent, Italy. By summer, however, a new government in Greece and establishment of the European Stability Mechanism calmed global markets.

Toward the end of the period, markets reacted to a flare-up of the European debt crisis and emerging market growth that appeared to be slowing. The effects of prior rate hikes in emerging markets, such as China and Brazil, had hampered equity market performance over much of the period, but

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL  
REPORT | 5

---



QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2012

ongoing improvement in developed economies was signaling a rebound in emerging markets by period end.

How did the Fund perform in this environment?

For the 12-month period ended October 31, 2012, the Fund generated a total return based on market price of 15.54% and a return of 6.18% based on NAV. As of October 31, 2012, the Fund's market price of \$16.84 represented a discount of 2.04% to NAV of \$17.19. The Fund uses financial leverage to finance the purchase of additional securities, a strategy which contributed to performance for the period. All Fund returns cited—whether based on NAV or market price—assume the reinvestment of all distributions.

The market value and NAV of the Fund's shares fluctuate from time to time, and the Fund's market value may be higher or lower than its NAV. The Investment Adviser believes that, over the long term, the fluctuations of the NAV will be reflected in the market price return to shareholders.

How has the Fund's leverage strategy affected performance?

The Fund utilizes leverage 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. Leverage in the fund was a contributor to performance for the period.

The Fund has primarily been implementing its leverage strategy through AMPS, which are floating rate securities. Other permitted means include borrowing or the issuance of commercial paper or other forms of debt. During the period, the Fund entered into certain transactions in an effort to lock in 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 34 of the Notes to Financial Statements.

After the period end, the Fund commenced and completed a tender for up to 100% of its outstanding AMPS, ultimately accepting for payment 10,417 AMPS that were properly tendered and not withdrawn, which represents approximately 99.4% of its outstanding AMPS. The AMPS of the Fund that were not tendered will remain outstanding. The Fund is refinancing its tendered AMPS through alternative forms of leverage, including borrowings under a margin loan agreement and reverse repurchase agreement transactions. The Fund initially intends to maintain the total amount of outstanding leverage approximately equal to the aggregate liquidation preference of the Fund's AMPS prior to the tender offer. However, the actual amount of the Fund's total leverage may vary over time and the Fund may, from time to time, seek to increase or decrease its total outstanding leverage, within limits of the Investment Company Act of 1940, as determined by the Board of Directors and Fund management.

The Fund's leverage outstanding as of October 31, 2012, was \$262 million, approximately 39% of the Fund's total managed assets. There is no guarantee that the Fund's leverage strategy will be successful, and the Fund's use of leverage may cause the Fund's NAV and market price of common shares to be more volatile. Leverage adds value only when the return on securities purchased exceeds the cost of leverage.

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

Contributing to performance for the period was the Fund's covered call strategy, which reacted well to the combination of a rising equity market and falling volatility. For the 12 months ended October 31, 2012, the Fund had realized gains on written options. The CBOE Volatility Index, better known as the VIX, fell from 30.0 at October 2011 to 18.6 at October 2012.

How did other market measures perform in this environment?

For the 12-month period ended October 31, 2012, the S&P 500 Index, which represents larger-capitalization U.S. stocks, returned 15.2%. International equities were not as strong, with the Morgan Stanley Capital International Europe-Australasia-Far East Index (the “MSCI EAFE”) returning 4.6%. The MSCI EAFE Index is composed of approximately 1,100 companies in 20 developed countries in Europe and the Pacific Basin.

Many bond indices also delivered positive returns during the 12 months ended October 31, 2012, with measures of riskier parts of the market leading the pack. The return of the Merrill Lynch High Yield Master II Index, which measures performance of the U.S. high-yield bond market, was 13.2%. The returns of the Merrill Lynch All U.S. Convertibles Index and the Merrill Lynch Global 300 Convertible Index were 11.0% and 8.7%, respectively. 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, rose 5.3% for the period.

It is important to remember that the Fund’s mandate differs materially from each of these indices and that the Fund maintains leverage while these indices do not.

Please discuss the Fund’s distributions.

In each month from November 2011 through October 2012, the Fund paid a monthly distribution of \$0.0939 per common share. In addition, the Fund paid a supplemental distribution of \$0.221 per common share on December 31, 2011. The current monthly distribution represents an annualized distribution rate of 6.69% based upon the last closing market price of \$16.84

6 | AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL REPORT

---

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2012

as of October 31, 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 during the 12 months ended October 31, 2012, and what has this meant for performance?

The Fund is diversified globally among convertible securities and high-yield bonds, but can reallocate assets, as appropriate.

As of October 31, 2011, 69.5% of the Fund's total investments were in convertible securities, with 44.8% in convertible bonds and 24.7% in convertible preferreds. High-yield bonds made up 26.0% of the portfolio, and equities 3.6%. The rest of the Fund's assets, 0.9%, were in cash and other investments.

As of October 31, 2012, 64.4% of the Fund's total investments were in convertible securities with 55.9% in convertible bonds and 8.5% in convertible preferreds. High-yield bonds represented 29.9% of total investments and equity positions 2.6%. The rest of the Fund's assets, 3.1%, were in cash and other investments.

Convertible securities remain the core of this Fund; the income, equity participation and downside protection through options embedded in convertible securities provide a compelling blend of reward and risk aversion. Nonetheless, the largest change in allocation over the period was significantly reducing the level of convertible preferred stocks. We shifted the assets in convertible preferreds to convertible bonds and high yield bonds.

We like U.S. high-yield bonds now for several reasons. In an environment of strong corporate cash flow and low defaults, they continue to perform well, and the U.S. high-yield market is more developed than its counterparts abroad. We invest in highly rated high-yield issues that offer attractive yield but less credit risk than much of the high-yield market. That reflects our pursuit of investment opportunities with better asymmetric risk—that is, investments that participate with the market's upside but do not go down as much when the market heads lower. Our reallocation positions us better for a market expected to experience continued bouts of volatility.

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

Among the Fund's top-performing holdings were convertible bonds of Gilead Sciences, Inc., a research-based biopharmaceutical company (1.0% of long-term investments at period end). In 2011, Gilead acquired Pharmasset, Inc., a clinical-stage pharmaceutical company with vaccines for Hepatitis C, and positive data from its drug trials in the last part of the period boosted the stock and growth expectations.

Another contributor was convertible bonds of Illumina, Inc. (2.3% of long-term investments at period end). This U.S. biotechnology firm makes gene sequencing technology systems that are sold to universities and pharmaceutical companies as they research ways to use DNA to create new drugs. After performing well in 2011, the stock of the company dropped at the beginning of 2012, about the same time the company received a bid from Roche Holding AG, a Swiss pharmaceutical company. Convertible bonds often feature a change of control put that allows investors to sell the convertibles at par to the acquiring company in the event of a change of control. A portion of the Fund's position in Illumina was sold after the bonds rebounded to a price near par after the Roche bid was announced. Then, a little later after Illumina shareholders rejected Roche's offer, the bonds traded down and the Fund again purchased them.

Another strong contributor to performance was convertible bonds of Cable & Wireless Worldwide PLC (not held at period end). The company owns a landline broadband network in the United Kingdom, and its stock rebounded after it

agreed to be acquired by multinational wireless company Vodafone PLC in July.

Holdings that detracted from the Fund's performance included the convertible issues of heavy-duty truck maker Navistar, which suffered after the company was forced to alter strategy when its alternative technology exhaust-gas recirculation (EGR) engine class failed to meet federal emission standards. After the disappointment, the Fund added Navistar's high-yield bonds to its portfolio at bargain prices, recovering some of the loss on the convertible holdings. The company is adopting the more conventional selective catalytic reduction (SCR) engines, and we believe earnings will recover in 2013 (0.6% of long-term investments at period end).

Also detracting were convertible bonds of Newmont Mining Corp, Inc., a gold miner (1.3% of long-term investments at period end). Shortly after we added the position to our portfolio, gold sold off, and the stock and convertible bonds fell, since the company's stock price has a high correlation to the price of gold. The company subsequently had some disappointing earnings reports caused largely by the impact on profits of higher mining costs and underlying weakness in commodities throughout much of the period.

Another detractor from performance was a mandatory convertible preferred of Citigroup, Inc., a diversified financial services company (0.7% of long-term investments 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.

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL  
REPORT | 7

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2012

Have there been any changes to the Fund's investment guidelines?

The Commodity Futures Trading Commission ("CFTC") has amended its Rule 4.5, which permits investment advisers to registered investment companies to claim an exclusion from the definition of commodity pool operator with respect to a fund provided certain requirements are met. In order to permit the Adviser and Investment Manager to continue to claim this exclusion with respect to the Fund under the amended rule, beginning on January 1, 2013, the Fund will limit its transactions in futures, options of futures and swaps (excluding transactions entered into for "bona fide hedging purposes," as defined under CFTC regulations) such that either: (i) the aggregate initial margin and premiums required to establish its futures, options on futures and swaps do not exceed 5% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions; or (ii) the aggregate net notional value of its futures, options on futures and swaps does not exceed 100% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions.

The Fund and its investment adviser do not believe that complying with the amended rule will limit the Fund's ability to use futures, options and swaps to the extent that it has used them in the past.

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

As of the writing of this annual report, the U.S. elections have been resolved, but uncertainty still prevails over various tax rates for 2013, the possibility of tax reform and the direction of government spending. Further, the effect of austerity on European growth and the ability of governments to abide by austerity goals also present the possibility of further volatility in 2013. There are indications of resumed growth in China following their leadership changeover and the global economy will likely look to emerging markets to provide much growth potential over the intermediate term.

Advent always sees opportunities in the myriad of security types available for this Fund, from convertibles to high-yield to equities to foreign securities, but will weigh opportunities for return against the risks inherent in what has been an unpredictable macroeconomic environment.

#### Index Definitions

Indices are unmanaged and it is not possible to invest directly in an 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 Merrill Lynch All U.S. Convertibles Index is comprised of approximately 500 issues of convertible bonds and preferred stock of all qualities.

Merrill Lynch Global 300 Convertible Index measures the performance of convertible securities of issuers throughout the world.

The Barclays 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.

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.

**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

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2012

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 nonconvertible debt securities involve credit risk. However, in general, lower rated, lower grade and non-investment grade securities carry a greater degree of risk that the issuer will lose its ability to make interest and principal payments, which could have a negative impact on the Fund's net asset value or dividends.

**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 and non-investment 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, including the risk that both the net asset value and the market value of shares of common stock may be subject to higher volatility and a decline in value.

**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 noncon-vertible 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.** The Fund may invest without limitation in foreign securities. 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.

**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



## QUESTIONS &amp; ANSWERS continued (Unaudited)

October 31, 2012

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.

**Auction Market Preferred Shares (AMPS) Risk.** There are 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 are not 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.

After the period end, the Fund commenced a tender for up to 100% of its outstanding AMPS. The Fund offered to purchase the AMPS at 99% of the liquidation preference of \$25,000 per share (or \$24,750 per share), plus any unpaid dividends accrued through the expiration of the offer. On December 13, 2012, the Fund announced the expiration and results of tender offer. The Fund accepted for payment 10,417 AMPS that were properly tendered and not withdrawn, which represents approximately 99.4% of its outstanding AMPS. The AMPS of the Fund that were not tendered will remain outstanding. The Fund is refinancing its tendered AMPS through alternative forms of leverage, including borrowings under a margin loan agreement and reverse repurchase agreement transactions. The Fund initially intends to maintain the total amount of outstanding leverage approximately equal to the aggregate liquidation preference of the Fund's AMPS prior to the tender offer. However, the actual amount of the Fund's total leverage may vary over time and the Fund may, from time to time, seek to increase or decrease its total outstanding leverage, within limits of the Investment Company Act of 1940, as determined by the Board of Directors and Fund management.

**Risk of Fund's Inability to Refinance its Borrowings.** The leverage represented by the AMPS is perpetual in that the AMPS have no fixed repayment date and may remain outstanding indefinitely. In contrast, the leverage represented by borrowings under a margin loan agreement must be renewed. All borrowings under the margin loan agreement contemplated as part of the refinancing of the AMPS must be repaid on or prior to five years from the date of the original loan, unless the margin loan agreement is renewed or an acceptable means of refinancing the outstanding borrowings under the margin loan agreement is available. If the Fund is unable to renew or refinance such borrowings, the Fund will be forced to decrease the amount of its leverage (i.e., sell assets and use the proceeds of such sales to repay such borrowings). Leverage incurred through reverse repurchase agreement transactions contemplated as part of the refinancing of the AMPS must be repaid on or prior to three years from the date of the original transfer, unless the repurchase agreement is renewed or an acceptable means of refinancing such leverage is available. If the Fund is unable to renew or refinance its leverage, the Fund will be forced to decrease the amount of its leverage (i.e., sell assets and use the proceeds of such sales to repay such borrowings). Such an event could have negative consequences for the Fund, including requiring the Fund to sell investments at a loss, tax consequences to the Fund or its shareholders and reducing the return to common shareholders of the Fund.

**Cost of Leverage Could Increase.** Historically, the Fund had utilized the AMPS as its primary form of leverage. Until the first quarter of 2008, the rate paid on the AMPS was determined pursuant to an auction process but, since the first quarter of 2008, the periodic auctions for the AMPS have failed. As a result, the current rate paid on the AMPS is the "Maximum Rate," which is calculated by a methodology set forth in the terms of the AMPS. The calculation for determining the Maximum Rate for the AMPS is based on a different methodology than the calculation for

determining the interest rate charged to borrowings under the margin loan agreement contemplated as part of the refinancing of the AMPS or the cost of reverse repurchase agreement financing contemplated as part of the refinancing of the AMPS. As a result, depending on the market conditions, leverage costs under the refinancing arrangements may be higher or lower than leverage costs for the AMPS.

The 1940 Act Imposes Different Leverage Tests on Borrowings than on AMPS. Under the provisions of the Investment Company Act of 1940, as amended (1940 Act), the Fund, immediately after the issuance of senior securities constituting indebtedness, must have an “asset coverage” of at least 300% (i.e., the indebtedness may not exceed 33 1/3% of the Fund’s managed assets after the issuance of such borrowings). With respect to such borrowings, asset coverage means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities (as defined in the 1940 Act), bears to the aggregate amount of such borrowings represented by senior securities issued by the Fund. With respect to leverage consisting of preferred shares, however, the 1940 Act provides that the Fund is not permitted to issue preferred shares unless immediately after such issuance the value of the Fund’s managed assets is at least 200% of the liquidation value of the outstanding preferred shares (i.e., the liquidation value of outstanding preferred shares may not exceed 50% of the Fund’s managed assets).

Because reverse repurchase agreement transactions may be considered to be the practical equivalent of borrowing funds, they constitute a form of leverage. With respect to leverage incurred through reverse repurchase agreement transactions, the Fund intends to earmark or segregate cash or liquid securities in accordance with applicable interpretations of the Staff of the Securities and Exchange Commission. As a result of such segregation, the Fund’s obligations under such transactions will not be considered senior securities representing indebtedness for purposes of the 1940 Act. Therefore, the Fund’s ability to utilize leverage through such transactions will not be limited by the 1940 Act restrictions on senior securities representing indebtedness, but will

10 | AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL  
REPORT

---

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2012

be limited by the Fund's maximum overall leverage levels approved by the Board and will be limited by the availability of cash or liquid securities to earmark or segregate in connection with such transactions. The mix of the forms of leverage utilized by the Fund after its planned refinancing of the AMPS through borrowing under a margin loan agreement and reverse repurchase agreement transactions will not be known until the completion of the refinancing. This mix, along with the actual amount of the Fund's total leverage, may vary over time. The Fund may, from time to time, seek to increase or decrease its total outstanding leverage, within limits of the 1940 Act, as determined by the Board and management of the Fund.

Lack of Market for Preferred Shares. The actual number of Preferred Shares outstanding subsequent to completion of the Offer will depend on the number of AMPS tendered and purchased in the Offer. Any AMPS not tendered pursuant to this Offer will remain issued and outstanding unless and until repurchased or redeemed by the Fund. Although it has no current plan to do so, if the Fund were to redeem the AMPS in accordance with their terms, it would be required to pay the full liquidation preference of \$25,000 per share plus accrued dividends to the date of redemption. As mentioned previously, there have not been sufficient clearing bids in recent auctions to effect transfers of the AMPS and there can be no guarantee that clearing auctions for AMPS will resume or that there will be future liquidity for the AMPS. In making any decision as to whether to effect a redemption of any AMPS remaining outstanding following the consummation of the Offer, the Fund will take into account the particular facts and circumstances that may then exist, including its then current financial position and liquidity, the market for the investments held by the Fund, the distribution rate on the AMPS and such other factors as the Fund deems relevant. There can be no guarantee that the Fund will redeem the remaining AMPS and the Fund is neither obligated nor committed to doing so. It is possible that following the completion of the Offer the rating assigned to the AMPS that remain outstanding may be downgraded by Fitch Ratings, the rating agency currently rating the AMPS. AMPS the Fund acquires pursuant to the Offer will be canceled and returned to the status of authorized but unissued shares and will be available for the Fund to issue without further action by the shareholders of the Fund (except as required by applicable law or the rules of the New York Stock Exchange or any other securities exchange on which the Fund's common shares may then be listed) for purposes including, without limitation, the raising of additional capital for use in the Fund's business.

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.guggenheiminvestments.com/avk](http://www.guggenheiminvestments.com/avk) for a more detailed discussion about Fund risks and considerations.

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL REPORT | 11

## FUND SUMMARY (Unaudited)

October 31, 2012

## Fund Statistics

Share Price	\$	16.84
Common Share Net Asset Value	\$	17.19
Premium/Discount to NAV		-2.04%
Net Assets Applicable to Common Shares (\$000)	\$	405,461

## Total Returns

(Inception 4/30/03)	Market	NAV
One Year	15.54%	6.18%
Three Year - average annual	14.57%	9.67%
Five Year - average annual	0.98%	-1.65%
Since Inception - average annual	5.16%	5.30%

	% of Long-Term Investments
Top Ten Industries	
Oil & Gas	7.7%
Semiconductors	5.6%
Telecommunications	5.6%
Biotechnology	5.5%
Mining	5.5%
Computers	5.4%
Health Care Services	5.3%
Banks	5.2%
Real Estate Investment Trusts	5.2%
Pharmaceuticals	4.4%

	% of Long-Term Investments
Top Ten Issuers	
Illumina, Inc.	2.3%
Wells Fargo & Co.	2.3%
Annaly Capital Management, Inc.	2.3%
Ciena Corp.	1.9%
Electronic Arts, Inc.	1.8%
Intel Corp.	1.8%
MGM Resorts International	1.7%
SanDisk Corp.	1.6%
Alpha Appalachia Holdings, Inc.	1.6%
Seagate HDD Cayman	1.6%

Past performance does not guarantee future results and does not reflect the deduction of taxes that a shareholder would pay on fund distributions. All portfolio data is subject to change daily. For more current information, please visit [www.guggenheiminvestments.com/avk](http://www.guggenheiminvestments.com/avk). The above summaries are provided for informational purposes only and should not be viewed as recommendations.



## PORTFOLIO OF INVESTMENTS

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Long-Term Investments – 157.5%					
	Convertible Bonds – 90.7%					
	Advertising – 0.8%					
3,100,000	Interpublic Group of Cos., Inc.	BB+	4.75%	03/15/2023	03/15/13 @ 100	\$ 3,266,625
	Aerospace & Defense – 1.8%					
3,000,000	Alliant Techsystems, Inc.	BB–	3.00%	08/15/2024	08/20/14 @ 100	3,127,500
4,038,000	L-3 Communications Holdings, Inc.	BB+	3.00%	08/01/2035	N/A	4,068,285
						7,195,785
	Auto Manufacturers – 1.0%					
4,733,000	Navistar International Corp.	CCC+	3.00%	10/15/2014	N/A	4,147,291
	Auto Parts & Equipment – 1.1%					
4,982,000	Meritor, Inc.(b)	B–	4.63%	03/01/2026	03/01/16 @ 100	4,340,568
	Biotechnology – 8.6%					
6,475,000	Amgen, Inc., Series B(a)	A+	0.38%	02/01/2013	N/A	7,341,031
1,875,000	Cubist Pharmaceuticals, Inc.	NR	2.50%	11/01/2017	N/A	3,009,375
4,052,000	Gilead Sciences, Inc., Series C	A–	1.00%	05/01/2014	N/A	6,166,638
15,670,000	Illumina, Inc.(c)	NR	0.25%	03/15/2016	N/A	14,817,944
3,100,000	Vertex Pharmaceuticals, Inc.	NR	3.35%	10/01/2015	10/01/13 @ 101	3,708,375
						35,043,363
	Building Materials – 0.5%					
1,800,000	Asia Cement Corp. (Taiwan)(d)	NR	0.00%	06/07/2016	N/A	1,869,750
	Coal – 3.5%					
10,591,000	Alpha Appalachia Holdings, Inc.	B+	3.25%	08/01/2015	N/A	10,068,069

Edgar Filing: ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND - Form N-CSR

4,348,000	Peabody Energy Corp.	B+	4.75%	12/15/2041	12/20/36 @ 100	3,962,115
						14,030,184
Commercial Services – 0.9%						
3,200,000	Sotheby's	BB	3.13%	06/15/2013	N/A	3,486,000
Computers – 6.1%						
3,100,000	CACI International, Inc.	NR	2.13%	05/01/2014	N/A	3,433,250
1,705,000	EMC Corp., Series B	A	1.75%	12/01/2013	N/A	2,647,021
7,772,000	NetApp, Inc.	NR	1.75%	06/01/2013	N/A	8,209,175
9,248,000	SanDisk Corp.	BB	1.50%	08/15/2017	N/A	10,317,300
						24,606,746
Diversified Financial Services – 0.5%						
1,960,000	Walter Investment Management Corp.	NR	4.50%	11/01/2019	N/A	2,200,100
Electric – 0.6%						
CNY 15,400,000	China Power International Development Ltd. (Hong Kong)	NR	2.25%	05/17/2016	N/A	2,655,470
Entertainment – 1.1%						
4,108,000	International Game Technology	BBB	3.25%	05/01/2014	N/A	4,287,725
Health Care Products – 3.8%						
5,640,000	HeartWare International, Inc.	NR	3.50%	12/15/2017	N/A	6,545,925
9,162,000	Hologic, Inc., Series 2012(b) (e)	B+	2.00%	03/01/2042	03/06/18 @ 100	9,064,654
						15,610,579

See notes to financial statements.

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND  
INCOME FUND ANNUAL REPORT | 13

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Health Care Services – 5.2%						
9,260,000	LifePoint Hospitals, Inc.	B	3.50%	05/15/2014	N/A	\$ 9,560,950
2,609,000	Molina Healthcare, Inc., Series MOH	NR	3.75%	10/01/2014	N/A	2,925,341
8,100,000	WellPoint, Inc.(c)	A–	2.75%	10/15/2042	N/A	8,484,750
						20,971,041
Holding Companies-Diversified – 0.9%						
2,500,000	Noble Group Ltd. (Bermuda)(d)	BBB–	0.00%	06/13/2014	N/A	3,730,000
Household Products & Housewares – 1.1%						
4,380,000	Jarden Corp.(c)	B	1.88%	09/15/2018	N/A	4,401,900
Internet – 5.8%						
6,200,000	priceline.com, Inc.(a) (c)	BBB	1.00%	03/15/2018	N/A	6,537,125
2,500,000	Symantec Corp., Series B(a)	BBB	1.00%	06/15/2013	N/A	2,718,750
4,665,000	TIBCO Software, Inc.(c)	NR	2.25%	05/01/2032	05/05/17 @ 100	4,539,628
11,300,000	WebMD Health Corp.	NR	2.50%	01/31/2018	N/A	9,619,125
						23,414,628
Investment Companies – 1.3%						
2,673,000	Ares Capital Corp.(a) (c)	BBB	4.88%	03/15/2017	N/A	2,739,825
2,400,000	Billion Express Investments Ltd. (Hong Kong)	NR	0.75%	10/18/2015	N/A	2,553,000
						5,292,825
Iron & Steel – 0.8%						
2,800,000	Allegheny Technologies, Inc.	BBB–	4.25%	06/01/2014	N/A	3,078,250
Leisure Time – 0.5%						
2,300,000	Callaway Golf Co.(c)	NR	3.75%	08/15/2019	08/15/15 @ 100	2,209,438
Lodging – 2.3%						
9,118,000	MGM Resorts International	B–	4.25%	04/15/2015	N/A	9,368,745
Media – 0.4%						
3,185,000	Liberty Interactive, LLC	BB	3.50%	01/15/2031	N/A	1,536,763
Mining – 5.7%						



Edgar Filing: ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND - Form N-CSR

1,000,000	African Minerals Ltd. (Bermuda)	NR	8.50%	02/10/2017	02/24/15 @ 110	1,000,200
7,600,000	Goldcorp, Inc. (Canada)	BBB+	2.00%	08/01/2014	N/A	9,101,000
3,953,000	Newmont Mining Corp., Series A	BBB+	1.25%	07/15/2014	N/A	5,208,077
2,175,000	Newmont Mining Corp., Series B(a)	BBB+	1.63%	07/15/2017	N/A	3,091,219
4,010,000	Royal Gold, Inc.	NR	2.88%	06/15/2019	N/A	4,621,525
						23,022,021
Oil & Gas – 3.4%						
925,000	Chesapeake Energy Corp.	BB–	2.25%	12/15/2038	12/15/18 @ 100	777,578
4,300,000	Goodrich Petroleum Corp.	CCC+	5.00%	10/01/2029	10/01/14 @ 100	4,076,937
3,330,000	Premier Oil Finance Jersey Ltd., Series PMO (United Kingdom)	NR	2.88%	06/27/2014	N/A	3,759,570
5,598,000	Stone Energy Corp.(c)	B–	1.75%	03/01/2017	N/A	5,251,624
						13,865,709
Oil & Gas Services – 1.1%						
3,419,000	Helix Energy Solutions Group, Inc.	NR	3.25%	03/15/2032	03/20/18 @ 100	3,786,543
745,000	Hornbeck Offshore Services, Inc.(c)	BB–	1.50%	09/01/2019	N/A	750,587
						4,537,130

See notes to financial statements.

14 | AVK | ADVENT CLAYMORE  
CONVERTIBLE SECURITIES AND INCOME  
FUND ANNUAL REPORT

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Pharmaceuticals – 6.1%						
4,525,000	Endo Health Solutions, Inc.	NR	1.75%	04/15/2015	N/A	\$ 5,192,437
2,348,000	Isis Pharmaceuticals, Inc.(c)	NR	2.75%	10/01/2019	N/A	2,201,250
7,024,000	Salix Pharmaceuticals Ltd.(c)	NR	1.50%	03/15/2019	N/A	6,716,700
440,000,000	JPY Sawai Pharmaceutical Co. Ltd. (Japan)(d)	NR	0.00%	09/17/2015	N/A	6,099,337
4,000,000	Shire PLC, Series SHP (Jersey)	NR	2.75%	05/09/2014	N/A	4,414,000
						24,623,724
Real Estate – 0.6%						
2,435,000	Forest City Enterprises, Inc.	B–	4.25%	08/15/2018	N/A	2,553,706
Real Estate Investment Trusts – 7.4%						
6,459,000	Annaly Capital Management, Inc.	NR	4.00%	02/15/2015	N/A	7,960,718
6,476,000	Annaly Capital Management, Inc.	NR	5.00%	05/15/2015	N/A	6,617,663
5,097,000	Health Care REIT, Inc.	BBB–	3.00%	12/01/2029	12/01/14 @ 100	6,164,184
1,300,000	Host Hotels & Resorts, LP(a) (c)	BB+	2.50%	10/15/2029	10/20/15 @ 100	1,622,562
7,000,000	SL Green Operating Partnership, LP(c)	BB+	3.00%	10/15/2017	N/A	7,783,125
						30,148,252
Semiconductors – 8.8%						
1,615,000	GT Advanced Technologies, Inc.	NR	3.00%	10/01/2017	N/A	1,468,641
9,311,000	Intel Corp.	A–	3.25%	08/01/2039	N/A	11,365,239
5,130,000	Lam Research Corp.	BBB–	1.25%	05/15/2018	N/A	5,030,606
1,264,000	Linear Technology Corp., Series A	NR	3.00%	05/01/2027	05/01/14 @ 100	1,317,720
5,428,000	Micron Technology, Inc., Series A	NR	1.50%	08/01/2031	08/05/15 @ 100	4,654,510
2,500,000	Novellus Systems, Inc.	BBB–	2.63%	05/15/2041	N/A	3,051,563
3,425,000	ON Semiconductor Corp.	BB	1.88%	12/15/2025	N/A	3,469,953
4,237,000	Xilinx, Inc.	BBB+	2.63%	06/15/2017	N/A	5,508,100
						35,866,332

Software – 5.8%						
12,488,000	Electronic Arts, Inc.	NR	0.75%	07/15/2016	N/A	11,387,495
3,084,000	Microsoft Corp.(c) (d)	AAA	0.00%	06/15/2013	N/A	3,164,955
3,865,000	Nuance Communications, Inc.	BB–	2.75%	11/01/2031	11/06/17 @ 100	4,229,759
2,475,000	Take-Two Interactive Software, Inc.	NR	4.38%	06/01/2014	N/A	3,092,203
1,583,000	Take-Two Interactive Software, Inc.(c)	NR	1.75%	12/01/2016	N/A	1,512,755
						23,387,167
Telecommunications – 3.2%						
2,797,000	Ciena Corp.(c)	NR	4.00%	03/15/2015	N/A	2,954,332
2,614,000	Ciena Corp.	B	0.88%	06/15/2017	N/A	2,208,830
7,143,000	Ciena Corp.(c)	B	3.75%	10/15/2018	N/A	7,263,538
30,000,000	JPY Softbank Corp. (Japan)	BBB	1.50%	03/31/2013	N/A	445,402
						12,872,102
Total Convertible Bonds – 90.7%						
(Cost \$364,559,793)						367,619,919
Corporate Bonds – 48.4%						
Aerospace & Defense – 0.2%						
625,000	Kratos Defense & Security Solutions, Inc.	B	10.00%	06/01/2017	06/01/14 @ 105	678,125
Agriculture – 0.3%						
1,100,000	North Atlantic Trading Co.(c)	B–	11.50%	07/15/2016	07/15/13 @ 109	1,116,500

See notes to financial statements.

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL REPORT | 15

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Apparel – 0.0%+						
100,000	Wolverine World Wide, Inc.(c)	B+	6.13%	10/15/2020	10/15/16 @ 103	\$ 104,625
Auto Manufacturers – 1.9%						
1,300,000	Ford Motor Co.	BB+	6.63%	10/01/2028	N/A	1,484,852
250,000	Jaguar Land Rover PLC (United Kingdom)(c)	BB–	7.75%	05/15/2018	05/15/14 @ 106	267,500
250,000	Jaguar Land Rover PLC (United Kingdom)(c)	BB–	8.13%	05/15/2021	05/15/16 @ 104	270,625
6,026,000	Navistar International Corp.(a)	CCC+	8.25%	11/01/2021	11/01/14 @ 104	5,671,973
						7,694,950
Auto Parts & Equipment – 1.0%						
1,650,000	Dana Holding Corp.	BB	6.75%	02/15/2021	02/15/16 @ 103	1,753,125
1,120,000	Goodyear Tire & Rubber Co.	B+	8.25%	08/15/2020	08/15/15 @ 104	1,222,200
654,000	Lear Corp.	BB	7.88%	03/15/2018	03/15/14 @ 104	713,678
500,000	Pittsburgh Glass Works, LLC(c)	B+	8.50%	04/15/2016	04/15/13 @ 104	463,750
						4,152,753
Banks – 1.1%						
1,750,000	Ally Financial, Inc.	B+	7.50%	09/15/2020	N/A	2,069,375
1,275,000	CIT Group, Inc.(c)	BB–	5.50%	02/15/2019	N/A	1,365,844
1,000,000	Synovus Financial Corp.	B–	5.13%	06/15/2017	N/A	985,000
						4,420,219
Chemicals – 0.9%						
1,270,000	Ineos Group Holdings SA (Luxembourg)(c)	CCC+	8.50%	02/15/2016	02/15/13 @ 101	1,231,900
1,250,000	LyondellBasell Industries NV (Netherlands)	BB+	5.00%	04/15/2019	01/15/19 @ 100	1,359,375
100,000	Nufarm Australia Ltd. (Australia)(c)	BB–	6.38%	10/15/2019	10/15/15 @ 105	103,000
1,275,000	Vertellus Specialties, Inc.(c)	B–	9.38%	10/01/2015	04/01/13 @ 105	1,026,375
						3,720,650
Coal – 0.4%						
100,000	Peabody Energy Corp.	BB+	6.00%	11/15/2018	N/A	104,250

## Edgar Filing: ADVENT CLAYMORE CONVERTIBLE SECURITIES &amp; INCOME FUND - Form N-CSR

700,000	Peabody Energy Corp.	BB+	6.25%	11/15/2021	N/A	726,250
751,000	SunCoke Energy, Inc.	B+	7.63%	08/01/2019	08/01/14 @ 106	771,653
						1,602,153
Commercial Services – 2.2%						
5,328,000	Avis Budget Car Rental, LLC	B	8.25%	01/15/2019	10/15/14 @ 104	5,840,820
400,000	HDTFS, Inc.(c)	B	5.88%	10/15/2020	10/15/15 @ 104	406,000
1,050,000	Neff Rental, LLC(c)	B–	9.63%	05/15/2016	05/15/13 @ 107	1,076,250
400,000	Sotheby's(c)	BB	5.25%	10/01/2022	10/01/17 @ 103	408,000
1,250,000	UR Merger Sub Corp.(c)	BB	5.75%	07/15/2018	07/15/15 @ 103	1,348,438
						9,079,508
Computers – 2.5%						
7,315,000	Seagate HDD Cayman (Ireland)	BB+	7.75%	12/15/2018	12/15/14 @ 104	7,973,350
1,875,000	Seagate HDD Cayman (Ireland)	BB+	7.00%	11/01/2021	05/01/16 @ 104	1,968,750
						9,942,100
Cosmetics & Personal Care – 0.1%						
250,000	Albea Beauty Holdings SA (Luxembourg)(c)	B2	8.38%	11/01/2019	11/01/15 @ 106	255,000
Diversified Financial Services – 2.5%						
625,000	Air Lease Corp.(c)	NR	4.50%	01/15/2016	N/A	628,125
1,530,000	Air Lease Corp.(c)	NR	5.63%	04/01/2017	N/A	1,575,900
500,000	Ford Motor Credit Co., LLC	BB+	12.00%	05/15/2015	N/A	620,000

See notes to financial statements.

16 | AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL REPORT

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal					Optional Call	
Amount~	Description	Rating *	Coupon	Maturity	Provisions**	Value
	Diversified Financial Services (continued)					
1,400,000	International Lease Finance Corp.	BBB-	8.25%	12/15/2020	N/A	\$ 1,653,750
150,000	Nationstar Mortgage, LLC / Nationstar Capital Corp.(c)	B2	7.88%	10/01/2020	10/01/16 @ 104	155,250
3,165,000	GBP Thames Water Kemble Finance PLC, Series EMTN (United Kingdom)	B1	7.75%	04/01/2019	N/A	5,589,751
						10,222,776
	Electric – 0.2%					
250,000	AES Corp.	BB-	8.00%	06/01/2020	N/A	290,000
400,000	Energy Future Intermediate Holding Co., LLC / EFIH Finance, Inc.(c)	CC	11.75%	03/01/2022	03/01/17 @ 106	393,000
						683,000
	Electrical Components & Equipment – 0.3%					
1,250,000	International Wire Group Holdings, Inc.(c)	B	8.50%	10/15/2017	10/15/15 @ 104	1,268,750
	Electronics – 0.6%					
2,537,000	Viasystems, Inc.(c)	BB-	7.88%	05/01/2019	05/01/15 @ 106	2,492,602
	Engineering & Construction – 0.2%					
840,000	Empresas ICA SAB de CV (Mexico)(c)	B+	8.38%	07/24/2017	01/24/15 @ 106	898,800
	Entertainment – 0.1%					
300,000	Mohegan Tribal Gaming Authority	CCC	6.13%	02/15/2013	N/A	303,000
	Food – 1.0%					
1,000,000	Bumble Bee Acquisition Corp.(c)	B	9.00%	12/15/2017	12/15/14 @ 105	1,057,500
1,500,000	Land O'Lakes Capital Trust I(c)	BB	7.45%	03/15/2028	N/A	1,441,875
1,400,000	Marfrig Holding Europe BV (Netherlands)(c)	B+	8.38%	05/09/2018	N/A	1,218,000
250,000	Minerva Luxembourg SA (Brazil)(c)	B+	12.25%	02/10/2022	02/10/17 @ 106	298,750
						4,016,125
	Forest Products & Paper – 1.2%					

Edgar Filing: ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND - Form N-CSR

1,200,000	Appleton Papers, Inc.	CCC+	11.25%	12/15/2015	N/A	1,251,000
1,254,000	Resolute Forest Products	BB	10.25%	10/15/2018	10/15/14 @ 105	1,435,830
1,500,000	Sappi Papier Holding GmbH (Austria)(c)	BB	6.63%	04/15/2021	04/15/16 @ 103	1,425,000
589,000	Verso Paper Holdings, LLC / Verso Paper, Inc.(c)	BB-	11.75%	01/15/2019	01/15/15 @ 109	621,395
						4,733,225
Hand & Machine Tools – 0.0%+						
70,000	Mcron Finance Sub, LLC / Mcron Finance Corp.(c)	B+	8.38%	05/15/2019	05/15/15 @ 106	72,275
Health Care Products – 0.7%						
1,250,000	DJO Finance, LLC / DJO Finance Corp.	CCC	9.75%	10/15/2017	10/15/13 @ 107	1,056,250
100,000	DJO Finance, LLC / DJO Finance Corp.(c)	CCC+	9.88%	04/15/2018	04/15/15 @ 105	98,500
1,550,000	Merge Healthcare, Inc.	B+	11.75%	05/01/2015	05/01/13 @ 106	1,670,125
						2,824,875
Health Care Services – 2.9%						
1,125,000	Capella Healthcare, Inc.	B	9.25%	07/01/2017	07/01/13 @ 107	1,198,125
300,000	DaVita HealthCare Partners, Inc.	B	5.75%	08/15/2022	08/15/17 @ 103	315,000
1,250,000	HCA Holdings, Inc.	B-	7.75%	05/15/2021	11/15/15 @ 104	1,353,125
1,875,000	Health NET, Inc.	BB	6.38%	06/01/2017	N/A	1,964,062
625,000	IASIS Healthcare, LLC / IASIS Capital Corp.	CCC+	8.38%	05/15/2019	05/15/14 @ 106	578,125
4,942,000	Tenet Healthcare Corp.	B+	8.88%	07/01/2019	07/01/14 @ 104	5,547,395
750,000	Tenet Healthcare Corp.(c)	CCC+	6.75%	02/01/2020	N/A	748,125
						11,703,957

See notes to financial statements.

AVK | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND ANNUAL REPORT | 17

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Household Products & Housewares – 2.1%						
5,975,000	Reynolds Group Issuer, Inc.	CCC+	8.50%	05/15/2018	05/15/14 @ 104	\$ 5,975,000
200,000	Reynolds Group Issuer, Inc.	CCC+	9.88%	08/15/2019	08/15/15 @ 105	210,500
500,000	Reynolds Group Issuer, Inc.(c)	B+	5.75%	10/15/2020	10/15/15 @ 104	506,250
150,000	Spectrum Brands, Inc.(c)	B	9.50%	06/15/2018	06/15/14 @ 105	169,125
1,000,000	Spectrum Brands, Inc.	B	9.50%	06/15/2018	06/15/14 @ 105	1,127,500
400,000	Yankee Candle Co., Inc., Series B	CCC+	9.75%	02/15/2017	02/15/13 @ 103	416,500
						8,404,875
Iron & Steel – 1.0%						
35,000	AK Steel Corp.	B+	8.38%	04/01/2022	04/01/17 @ 104	29,750
1,855,000	Edgen Murray Corp.(c)	B+	8.75%	11/01/2020	11/01/15 @ 107	1,850,363
825,000	Essar Steel Algoma, Inc. (Canada)(c)	CCC	9.88%	06/15/2015	06/15/13 @ 100	647,625
650,000	Optima Specialty Steel, Inc.(c)	B	12.50%	12/15/2016	12/15/14 @ 106	698,750
CAD 90,000	Russel Metals, Inc. (Canada)(c)	Ba1	6.00%	04/19/2022	04/19/17 @ 103	92,746
835,000	Steel Dynamics, Inc.(c)	BB+	6.38%	08/15/2022	08/15/17 @ 103	876,750
						4,195,984
Leisure Time – 0.2%						
300,000	Carlson Wagonlit BV (Netherlands)(c)	B+	6.88%	06/15/2019	06/15/15 @ 105	315,000
625,000	Viking Cruises Ltd. (Bermuda)(c)	B+	8.50%	10/15/2022	10/15/17 @ 104	648,437
						963,437
Lodging – 1.2%						
900,000	Caesars Entertainment Operating Co., Inc.(c)	B	8.50%	02/15/2020	02/15/16 @ 104	886,500
625,000	Marina District Finance Co., Inc.	B+	9.88%	08/15/2018	08/15/14 @ 105	635,937
1,250,000	MGM Resorts International	B–	7.63%	01/15/2017	N/A	1,321,875



Edgar Filing: ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND - Form N-CSR

2,034,756	MTR Gaming Group, Inc.	B–	11.50%	08/01/2019	08/01/15 @ 106	2,136,494
						4,980,806
Machinery-Diversified – 0.2%						
750,000	Case New Holland, Inc.	BB+	7.88%	12/01/2017	N/A	885,000
Media – 1.8%						
900,000	American Media, Inc.(c)	B–	12.00%	12/15/2017	12/15/13 @ 109	857,250
1,500,000	CCO Holdings, LLC	BB–	6.50%	04/30/2021	04/30/15 @ 105	1,601,250
188,000	Clear Channel Worldwide Holdings, Inc., Series A	B	7.63%	03/15/2020	03/15/15 @ 106	178,130
2,641,000	Clear Channel Worldwide Holdings, Inc., Series B	B	7.63%	03/15/2020	03/15/15 @ 106	2,528,758
1,272,000	Media General, Inc.	B–	11.75%	02/15/2017	02/15/14 @ 106	1,462,800
625,000	Univision Communications, Inc.(c)	B+	6.88%	05/15/2019	05/15/15 @ 103	642,187
200,000	Univision Communications, Inc.(c)	B+	6.75%	09/15/2022	09/15/17 @ 103	201,000
						7,471,375
Mining – 3.0%						
1,250,000	American Gilsonite Co.(c)	B	11.50%	09/01/2017	09/01/14 @ 109	1,306,250
9,193,000	FMG Resources August 2006 Pty Ltd. (Australia)(c)	B+	8.25%	11/01/2019	11/01/15 @ 104	9,238,965
750,000	Inmet Mining Corp. (Canada)(c)	B+	8.75%	06/01/2020	06/01/16 @ 104	781,875
625,000	Kaiser Aluminum Corp.	BB–	8.25%	06/01/2020	06/01/16 @ 104	679,688
						12,006,778
Oil & Gas – 6.7%						
1,750,000	Alta Mesa Holdings, LP / Alta Mesa Finance Services Corp.	B	9.63%	10/15/2018	10/15/14 @ 105	1,776,250
1,100,000	Bill Barrett Corp.	BB–	7.63%	10/01/2019	10/01/15 @ 104	1,171,500
800,000	BreitBurn Energy Partners, LP / BreitBurn Finance Corp.(c)	B	7.88%	04/15/2022	01/15/17 @ 104	832,000

See notes to financial statements.

## PORTFOLIO OF INVESTMENTS continued

October 31, 2012

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Oil & Gas (continued)					
2,374,000	Calumet Specialty Products Partners, LP / Calumet Finance Corp.(a) (c)	B	9.63%	08/01/2020	08/01/16 @ 105	\$ 2,593,595
950,000	Chesapeake Energy Corp.	BB-	7.25%	12/15/2018	N/A	1,016,500
400,000	Clayton Williams Energy, Inc.	B-	7.75%	04/01/2019	04/01/15 @ 104	403,000
1,300,000	Drill Rigs Holdings, Inc. (Marshall Island)(c)	B	6.50%	10/01/2017	10/01/15 @ 103	1,300,000
1,250,000	Energy XXI Gulf Coast, Inc.	B+	9.25%	12/15/2017	12/15/14 @ 105	1,415,625
175,000	EP Energy, LLC / EP Energy Finance, Inc.(c)	B	9.38%	05/01/2020	05/01/16 @ 105	194,250
100,000	EPL Oil & Gas, Inc.(c)	B-	8.25%	02/15/2018	02/15/15 @ 104	99,500
1,250,000	Halcon Resources Corp.(c)	CCC+	9.75%	07/15/2020	07/15/16 @ 105	1,325,000
1,250,000	Hercules Offshore, Inc.(c)	B	10.25%	04/01/2019	04/01/15 @ 108	1,315,625
226,000	Offshore Group Investment Ltd. (Cayman Islands)	B-	11.50%	08/01/2015	02/01/13 @ 109	248,883
1,000,000	OGX Austria GmbH (Austria)(c)	B	8.38%	04/01/2022	04/01/17 @ 104	842,500
350,000	Parker Drilling Co.	B+	9.13%	04/01/2018	04/01/14 @ 105	376,250
5,550,000	PetroBakken Energy Ltd. (Canada)(c)	CCC+	8.63%	02/01/2020	02/01/16 @ 104	5,688,750
1,300,000	Plains Exploration & Production Co.	BB-	6.13%	06/15/2019	06/15/16 @ 103	1,303,250
500,000	Range Resources Corp.	BB	8.00%	05/15/2019	05/15/14 @ 104	555,000
180,000	Range Resources Corp.	BB	5.00%	08/15/2022	02/15/17 @ 103	189,000
1,250,000	Samson Investment Co.(c)	B-	9.75%	02/15/2020	02/15/16 @ 105	1,325,000
630,000	SandRidge Energy, Inc.(c)	B	7.50%	03/15/2021	03/15/16 @ 104	658,350
420,000	SandRidge Energy, Inc.(c)	B	7.50%	02/15/2023	08/15/17 @ 104	436,800
1,250,000	Tesoro Corp.	BB+	5.38%	10/01/2022	10/01/17 @ 103	1,309,375
250,000	Unit Corp.	BB-	6.63%	05/15/2021	05/15/16 @ 103	256,250
500,000	W&T Offshore, Inc.	B	8.50%	06/15/2019	06/15/15 @ 104	528,750

27,161,003

## Oil &amp; Gas Services – 0.5%

500,000	Forbes Energy Services Ltd.	B	9.00%	06/15/2019	06/15/15 @ 105	466,250
1,500,000	SESI, LLC	BBB–	6.38%	05/01/2019	05/01/15 @ 103	1,612,500
						2,078,750

Packaging & Containers –  
0.0%+

125,000	Sealed Air Corp.(c)	BB–	8.38%	09/15/2021	09/15/16 @ 104	138,125
---------	---------------------	-----	-------	------------	-------------------	---------

## Pharmaceuticals – 0.4%

500,000	Elan Finance PLC / Elan Finance Corp. (Ireland)(c)	BB–	6.25%	10/15/2019	10/15/15 @ 105	507,500
625,000	Valeant Pharmaceuticals International(c)	BB–	6.38%	10/15/2020	10/15/16 @ 103	659,375
625,000	VPI Escrow Corp.(c)	BB–	6.38%	10/15/2020	10/15/16 @ 103	660,938
						1,827,813

## Pipelines – 0.5%

500,000	Crosstex Energy, LP	B+	8.88%	02/15/2018	02/15/14 @ 104	538,750
425,000	Eagle Rock Energy Partners, LP(c)	B	8.38%	06/01/2019	06/01/15 @ 104	426,062
750,000	Eagle Rock Energy Partners, LP	B	8.38%	06/01/2019	06/01/15 @ 104	751,875
400,000	Tesoro Logistics, LP(c)	BB–	5.88%	10/01/2020	10/01/16 @ 103	416,000