ADVENT CLAYMORE CONVERTIBLE SECURITIES & INCOME FUND
Form N-CSR
January 04, 2019
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-21309
Advent Claymore Convertible Securities and Income Fund
(Exact name of registrant as specified in charter)

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

Robert White, Treasurer
888 Seventh Ave, 31st Floor, New York, NY 10019
(Name and address of agent for service)
Registrant's telephone number, including area code: (212) 482-1600
Date of fiscal year end: October 31
Date of reporting period: November 1, 2017 - October 31, 2018

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:

Beginning on January 1, 2021, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on a website, and you will be notified by mail each time a report is posted and provided with a website address to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. At any time, you may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary or, if you are a registered shareholder and your shares are held with the Fund's transfer agent, Computershare, you may log into your Investor Center account at www.computershare.com/investor and go to "Communication Preferences" or call 1-866-488-3559.

You may elect to receive paper copies of all future shareholder reports free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports; if you invest directly with the Fund, you may call Computershare at 1-866-488-3559. Your election to receive reports in paper form will apply to all funds held in your account with your financial intermediary or, if you invest directly, to all closed-end funds you hold.

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

The shareholder report you are reading right now is just the beginning of the story.

Online at guggenheiminvestments.com/avk, you will find:

· Daily, weekly and monthly data on share prices, net asset values, dividends and more

· Portfolio overviews and performance analyses

· Announcements, press releases and special notices

· Fund and adviser contact information

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

(Unaudited) October 31, 2018

DEAR SHAREHOLDER

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund (the "Fund" or "AVK"). This report covers the Fund's performance for the 12 months ended October 31, 2018.

The mergers of Advent Claymore Convertible Securities and Income Fund II ("AGC") and Advent/Claymore Enhanced Growth & Income Fund ("LCM") with and into AVK was completed prior to the opening of the New York Stock Exchange on August 27, 2018. More information about the mergers appear later in this report.

Advent Capital Management, LLC ("Advent" or the "Investment Adviser") serves as the Fund's Investment Adviser. Based in New York, New York, with additional investment personnel in London, England, Advent is a credit-oriented firm specializing in the management of global convertible, high-yield and equity securities across four lines of business—long-only strategies, hedge funds, closed-end funds, and private credit. As of October 31, 2018, Advent managed approximately $9 billion in assets.

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

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

All AVK 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, 2018, the Fund generated a total return based on market price of -5.22% and a total return of -0.34% based on NAV. As of October 31, 2018, the Fund's market price of $13.93 represented a discount of 14.01% to NAV of $16.20.

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

The Fund paid a distribution each month of the annual period. The most recent monthly distribution, $0.1172, represents an annualized distribution of 10.10% based upon the last closing market price of $13.93 on October 31, 2018.

There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund's distribution rate is not constant and the amount of distributions, when declared by the Fund's Board of Trustees, is subject to change based on the performance of the Fund. Please see Note 2(n) on page 50 for more information on distributions for the period.

We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 70 of this report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly dividend distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market price of the Fund's common shares is at a premium above NAV, the DRIP reinvests participants' dividends in newly issued common shares at the greater of NAV per share or 95% of the market price per share. The DRIP provides a cost-effective means to accumulate additional shares and enjoy the benefits of compounding returns over time.

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

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

Sincerely,

Tracy V. Maitland
President and Chief Executive Officer of the
Advent Claymore Convertible Securities and Income Fund
November 30, 2018

QUESTIONS & ANSWERS (Unaudited) October 31, 2018

The portfolio managers of Advent Claymore Convertible Securities and Income Fund (the “Fund” or “AVK”) are Tracy Maitland, Chief Investment Officer of Advent Capital Management, LLC (“Advent” or the “Investment Adviser”) and Paul Latronica, Managing Director of Advent. They are primarily responsible for the day-to-day management of the Fund’s portfolio. Mr. Maitland and Mr. Latronica are supported by teams of investment professionals who make investment decisions for the Fund’s core portfolios of convertible bonds, the Fund’s high yield securities investments and the Fund’s leverage allocation, respectively. In the following interview, the management team discusses the convertible securities and high yield markets and Fund performance for the 12-month period ended October 31, 2018.

Please describe the Fund’s objective and management strategies.

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

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

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

In connection with the mergers of Advent Claymore Convertible Securities and Income Fund II (“AGC”) and Advent/Claymore Enhanced Growth and Income Fund (“LCM”) with and into the Fund in August 2018, the Fund adopted non-fundamental investment policies limiting investments in illiquid securities to 20% of managed assets and investments in private securities to 15% of managed assets. Private securities may be privately-offered convertible securities, privately-offered non-convertible income securities, and any attached or related privately-offered warrants or equity-linked securities. The Fund does not expect to invest more than 2.5% of its managed assets in any single private security at the time of investment.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2018

Discuss Advent's investment approach.

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

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

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

As mentioned, the Fund has adopted a non-fundamental investment policy allowing Advent to invest up to 15% of managed assets in private securities. Advent intends to invest in private securities primarily to enhance the Fund's current income.

Can you elaborate on the merger?

In March 2018, the Boards of Trustees for each of the Fund, AGC and LCM, approved the merger of each of AGC and LCM into the Fund. Expected benefits for shareholders of all three funds included lower expense ratios, greater secondary market trading liquidity, greater flexibility in leverage management, and other benefits resulting from a single larger fund entity.

Shareholders of each of AGC, LCM and the Fund approved the mergers at a meeting in July 2018, and the mergers closed prior to market open on August 27, 2018. Shareholders of each of AGC and LCM received new shares of the Fund based on NAV ratios as of August 24, 2018.

Each fund had similar (but not identical) investment policies. Each fund emphasized investments in convertible securities and non-convertible income-producing securities, combined with a strategy of writing (selling) covered call options on a portion of the securities held in the fund's portfolio, thus generating option writing premiums. The Fund's investment objective continues to be to provide total return through a combination of capital appreciation and current income.

No fundamental investment policies of the Fund has changed as a result of the mergers. The Fund will continue to invest at least 80% of its managed assets in a diversified portfolio of convertible and non-convertible income-producing securities with at least 30% of its managed assets in convertible securities and up to 70% of its managed assets in non-convertible income-producing securities.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2018

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

Corporate bond and equity markets acted in differing fashions as the fiscal year progressed. For most of the fiscal year, a strong U.S. economy helped by tax reform, strong enterprise and consumer spending, and surging corporate profits powered equity and convertible bond markets higher. Except for a correction in January which seemed to have origins in inflation fears, the U.S. equity market continued higher for most months through the summer of 2018. U.S. unemployment continued falling, powering consumer confidence higher, and various manufacturing indicators, such as capacity utilization and purchasing manager indices, extended positive trends. While the Treasury bond markets were limited by continued U.S. Federal Reserve (the "Fed") rate hikes, the U.S. high-yield market managed to offset this through the summer, as corporate profits helped credit spreads lessen.

Later in the fiscal year, however, the cumulation of a number of individual market developments conspired to create a second market correction, whose outcome remains uncertain as the fiscal year closed. Trade negotiation tensions between the U.S. and China rose as the U.S. implemented threatened increases in tariffs for a large percentage of Chinese imports and signaled new tariffs on the remainder. Strong corporate profits, partly powered by lower corporate income tax rates, gave way to fear of difficult comparisons in the following year, especially as the industrial economy slowed in many foreign economies. A number of country-specific economic crises in emerging markets shook confidence in the emerging market bond and equity asset classes and risk assets in general. Prices for many commodities, notably crude oil, fell victim to decelerating global demand and the rising dollar, hurting equities and corporate bond prices. Fears of tightening financial conditions became an issue in corporate bond markets.

This all said, the U.S. economy thus far, while affected in sectors with higher Chinese or emerging market exposure, has proven resilient, with third calendar quarter Gross Domestic Product remaining impressively high at 3.5%, confirmed in a final figure in late November. Consumer spending has remained robust and assisted the retail sector. Speculation of an intermediate-term end to Fed rate hikes may help interest-rate sensitive sectors such as banking, insurance, real estate, and housing, should the yield curve resteepen again, in a classic soft-landing scenario. Although European economies have notably decelerated during 2018, hurt by higher automotive emission regulations and lower export demand, valuations are attractive for the equity markets, and eventual resolution of the United Kingdom's exit from the European Union and the Italian budget negotiations may help as the new fiscal year progresses. Fiscal and monetary stimulus from the Chinese authorities may help sentiment recover in China as trade negotiations continue.

How did the Fund perform in this environment?

All AVK 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, 2018, the Fund generated a total return based on market price of -5.22% and a total return of -0.34% based on NAV. As of October 31, 2018, the Fund's market price of $13.93 represented a discount of 14.01% to NAV of $16.20. As of October 31, 2017, the Fund's market price of $16.09 represented a discount of 8.74% to NAV of $17.63.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2018

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

What contributed to performance?

The Fund's largest asset class, U.S. convertible bonds, had strong performance in the period as the ICE Bank of America ("BofA") Merrill Lynch U.S. Convertible Index rose 3.67% for the fiscal year 2018. The U.S. equity market, illustrated by the Standard & Poor's 500® ("S&P 500") Index, advanced 7.35% with dividends reinvested in the year. The ratio of convertible returns to equity returns of 0.50 was slightly lower than past years and reflects the mix of the convertible bond universe toward mid and small-capitalization issuers, both of which had returns lower than the S&P 500 Index.

The U.S. high-yield corporate bond market returned 0.86% per the performance of the ICE BofA Merrill Lynch U.S. High Yield Index. Fed interest rate hikes took Treasury yields, one of the bases for valuation of corporate bonds, higher, offsetting most of the income generated.

Although international debt and equity indices generally performed worse in the fiscal year than U.S. ones, the introduction of more foreign investments in the Fund as a result of the mergers did not have an incremental negative effect on returns. Convertible index returns since the mergers were negative for both U.S. and global markets and were slightly more negative in the U.S. through the end of the fiscal year.

The Fund has continued in the just-completed fiscal year a policy of hedging the currency risk of securities issued in foreign currencies. During the fiscal year, the U.S. Dollar Index, a trade-weighted measure of the U.S. dollar's performance relative to currencies of American trading partners, rose from 94.6 to 97.1, generally indicating that foreign-currency securities depreciated when translated back to U.S. dollars. Hedging activities of the Fund were able to recover much of this depreciation and took on a greater relevance as AVK assumed the global convertible securities of the Acquired Funds late in the fiscal year in a time while the U.S. dollar continued to rise.

Please discuss the Fund's distributions.

The Fund paid a distribution each month of the period. The most recent monthly distribution, $0.1172, represents an annualized distribution of 10.10% based upon the last closing market price of $13.93 on October 31, 2018.

The Fund currently anticipates that some of the 2018 distributions will consist of income and some will be a return of capital. A final determination of the tax character of distributions paid by the Fund in 2018 will be reported to shareholders in January 2019 on form 1099-DIV.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2018

Payable Date	Amount
November 30, 2017	$0.1154
December 29, 2017	$0.1160
January 31, 2018	$0.1164
February 28, 2018	$0.1170
March 29, 2018	$0.1172
April 30, 2018	$0.1172
May 31, 2018	$0.1172
June 29, 2018	$0.1172
July 31, 2018	$0.1172
August 23, 2018	$0.1172
September 28, 2018	$0.1172
October 31, 2018	$0.1172
Total	$1.4024

There is no guarantee of any future distribution or that the current returns and distribution rate will be maintained. The Fund's distribution rate is not constant and the amount of distributions, when declared by the Fund's Board of Trustees, is subject to change based on the performance of the Fund.

While the Fund generally seeks to pay distributions that will consist primarily of investment company taxable income and net capital gain, because of the nature of the Fund's investments and changes in market conditions from time to time, or in order to maintain a more stable distribution level over time, the distributions paid by the Fund for any particular period may be more or less than the amount of net investment income from that period. If the Fund's total distributions in any year exceed the amount of its investment company taxable income and net capital gain for the year, any such excess would generally be characterized as a return of capital for U.S. federal income tax purposes.

A return of capital distribution is in effect a partial return of the amount a shareholder invested in the Fund. A return of capital does not necessarily reflect the Fund's investment performance and should not be confused with "yield" or "income." A return of capital distribution decreases the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. Please see Note 2(n) on page 50 for more information on distributions for the period.

How has the Fund's leverage strategy affected performance?

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

The Fund's leverage outstanding as of October 31, 2018, consisted of $387 million in borrowings and reverse repurchase agreements with a related average interest rate of 3.31%, and was approximately 41% of the Fund's total managed assets. During the fiscal year, the Fund refinanced its prior line of credit, entered into new fixed-rate terms for a substantial majority of the borrowings, and assumed the borrowings and reverse repurchase agreement financing of AGC and LCM as part of the mergers.

There is no guarantee that the Fund's leverage strategy will be successful, and the Fund's use of leverage may cause the Fund's NAV and market price of common shares to be more volatile. The NAV return for the Fund was below the cost of leverage for the 12 months. Although Advent looks at funds deployed from borrowings differently than funds which use the shareholder equity base, on this simple metric, the Fund's leverage was not beneficial to shareholders for the fiscal period. Advent continues to seek attractive and relatively lower-risk opportunities to invest borrowings and plans to continue taking advantage of the yield curve and interest rate environment for the benefit of shareholders.

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

Volatility during the fiscal year 2018 increased from the low levels that prevailed in the prior year. The CBOE VIX Volatility Index, or "VIX" for its ticker, averaged 14.8, rebounding from a multi-year low in fiscal 2017 of 11.7, and generally similar to levels prevailing prior to fiscal 2017. As volatility levels rose late in the fiscal year, with uncertainties introduced with U.S. midterm elections, tariff negotiations, economic slowdowns in certain foreign nations, and normalization of the Fed balance sheet, the Fund took advantage by writing more call options on equity positions. When volatility is higher, the income generated from call option writing is larger than at other times, making for a more favorable trade-off in deciding whether to cap upside participation in equities held.

How were the Fund's total investments allocated among asset classes during the 12 months ended October 31, 2018, and what did this mean for performance?

On October 31, 2018, the Fund's total investments were invested approximately 48.8% in convertible bonds, convertible preferred securities, and mandatory convertibles; 37.9% in corporate bonds; 9.1% in equities; 3.2% in cash and cash equivalents; and 1.0% in senior floating rate interests.

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

Asset class allocations were broadly unchanged from the end of the prior fiscal year to the end of this fiscal year. In between, the Fund made a slightly higher allocation toward equities, sourced from convertibles and high-yield, as strong economic growth in the U.S. coupled with higher corporate profit growth due partly to tax reform led to more opportunities for capital appreciation in the equity markets. Higher borrowing costs also led the asset allocation sleeve to invest more capital in higher-dividend equities and less in convertibles and BB high-yield securities, where spreads had become less attractive. As the fiscal year reached a close, the investing environment became more difficult, with fears over trade wars, slowing global economic growth, a Fed intent on continuing to normalize short-term interest rates, and currency fluctuations all leading to higher risk premia. By fiscal year end, the Fund had reduced its equity position to a level similar to the start of the fiscal year and returned allocations to convertibles and high-yield.

Although both of the Fund's main asset classes had indices with positive returns for the fiscal year, the index returns were both at levels similar to or lower than the Fund's borrowing costs, which limited NAV returns.

International investments rose from 13.0% at October 2017 to 22.1% at October 2018. A direct comparison is difficult to make as the Fund is now managed with an allocation to global convertible securities as a result of the mergers, and the Fund changed its country classification to reflect an issuer's geographic risk rather than its country of incorporation, which reduced the international percentage. Although foreign equity markets generally performed worse than the U.S. equity market during the year, the returns from global convertible indices were slightly better (a lower loss) than that of U.S. convertible indices from the closing date of the merger until the end of the fiscal year. This is due to the lower delta and equity sensitivity of the global convertible universe compared to the domestic one.

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

Contrasting with last year, when the discussion of positive contributors was centered around technology and Internet issuers, this year the largest winners came from a number of economic sectors. In health care, the Fund benefitted from a number of investments in the device, biopharmaceutical, and software subsegments. Exact Sciences Corp. (0.4% of long-term investments at period end), the marketer of the Cologuard colorectal cancer DNA test, entered into a copromotion agreement of Cologuard with drug giant Pfizer, vastly expanding the adoption potential of the product and resulting in a leap in the convertible bonds. Sarepta Therapeutics, Inc. and its convertible bonds (0.2% of long-term investments at period end) also performed very well after the company presented far better early-stage data of its microdystrophin gene therapy program at its analyst day, strongly making a case that a large market exists to address those with muscular dystrophy. Convertibles in health care consultation services provider Teladoc Health, Inc. (0.3% of long-term investments at period end) also did well as the company's virtual care delivery platform increased penetration into more users, clinical providers, and payment mechanisms.

Stock in leading retailer Walmart, Inc. (0.6% of long-term investments at period end) performed well as the company executed better on its online initiatives and made a savvy well-received acquisition in India's Flipkart Online Services. Convertible bonds of computing processor maker Advanced Micro Devices, Inc. (0.1% of long-term investments at period end) jumped as the company began having success with a number of new products, challenging competitors Intel and NVidia in their respective areas of dominance. Various straight bonds of Bausch Health Companies, Inc. (1.1% of long-term investments at period end), formerly known as Valeant Pharmaceuticals, appreciated as financial results stabilized and the company's new management focused on debt reduction instead of more acquisitions, helping the credit. Finally, stock and warrants in Magnolia Oil & Gas Corp. (0.2% of long-term investments at period end), which began as a special purpose acquisition company TPG Energy, performed well as management made its blank check purchase and was applauded for pursuing a financial model of lower debt and free cash flow generation.

Detractors were also interspersed throughout the investing universe. Mandatory convertibles of Altaba, Inc. (0.5% of long-term investments at period end), the former Yahoo!, with most of the value being stock in Chinese Internet giant Alibaba, declined as the Chinese economy slowed and markets feared the impact of the trade tensions between China and the U.S. This occurred despite Alibaba maintaining over 50% revenue growth throughout the year. Convertible bonds of the largest convertible issuer in the domestic market, Microchip Technology, Inc. (0.7% of long-term investments at period end), declined as the company ran into difficulties with its largest acquisition to date, Microsemi Corporation, and the leverage taken to effect the acquisition was a liability as the semiconductor industry entered into a downturn. The company's longer-term track record on acquisitions has been excellent, and we believe the free cash flow generation will be substantial over coming quarters. Another large convertible issuer, DISH Network Corp. (0.5% of long-term investments at period end), fell during the year as a speculated acquisition by a larger telecommunications company to capture DISH's large spectrum position did not occur, and DISH's legacy business in rural satellite television began to experience net subscriber erosion.

Stock in casino operator Wynn Resorts Ltd. (0.4% of long-term investments at period end) also fell victim to the Chinese economy and corruption crackdowns as results out of the Macau and Las Vegas properties decelerated. Shares and straight bonds of heavy equipment lessor United Rentals, Inc. (0.7% of long-term investments at period end) fell as the company reported deceleration in its key metric of rental rate growth, though we believe the shares are distinctly undervalued currently. Mandatory convertibles in industrial and technology conglomerate Belden, Inc. (0.7% of long-term investments at period end) fell as the company experienced capacity constraints for industrial products and failed to realize a forecast acceleration in its broadcast equipment business.

Index Definitions

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

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

The ICE BofA Merrill Lynch U.S. Convertible Index consists of convertible bonds traded in the U.S. dollar denominated investment grade and noninvestment grade convertible securities sold into the U.S. market and publicly traded in the United States. The Index constituents are market-value weighted based on the convertible securities prices and outstanding shares, and the underlying index is rebalanced daily.

The ICE BofA Merrill Lynch U.S High Yield Index includes USD-denominated, high yield, fixed-rate corporate securities. Securities are classified as high yield if the rating of Moody's, Fitch, or S&P is Ba1/BB +/BB + or below.

QUESTIONS & ANSWERS (Unaudited) continued October 31, 2018

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

The U.S. Dollar Index® (USDX) is an index that determines the relative value of the U.S. dollar to a basket of foreign currencies. This formulated "basket" of currencies comprises the weighting of six other currencies as follows: Euro (EUR), 57.6% + Japanese Yen (JPY), 13.6% + Pound Sterling (GBP), 11.9% + Canadian Dollar (CAD), 9.1% + Swedish Krona (SEK), 4.2% + Swiss Franc (CHF) 3.6%.

AVK Risks and Other Considerations

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

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

FUND SUMMARY (Unaudited) October 31, 2018

Fund Statistics	
Share Price	$13.93
Net Asset Value	$16.20
Discount to NAV	-14.01%
Net Assets ($000)	$559,440

AVERAGE ANNUAL TOTAL RETURNS
FOR THE PERIOD ENDED October 31, 2018

	One Year	Three Year	Five Year	Ten Year
Advent Claymore Convertible Securities & Income Fund				
NAV	(0.34%)	5.78%	2.89%	10.22%
Market	(5.22%)	8.19%	2.76%	8.88%

Portfolio Breakdown	% of Net Assets
Investments:	
Convertible Bonds	71.0%
Corporate Bonds	63.7%
Common Stocks	15.4%
Convertible Preferred Stocks	11.1%
Money Market Fund	5.4%
Senior Floating Rate Interests	1.6%
Warrant	0.0%*
Written Options	-0.1%
Total Investments	168.1%
Other Assets & Liabilities, net	(68.1%)
Net Assets	100.0%

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

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

* Amount is less than 0.1%.

FUND SUMMARY (Unaudited) continued October 31, 2018

All or a portion of the above distributions may be characterized as a return of capital. For the year ended October 31, 2018, 59% of the distributions were characterized as return of capital. The final determination of the tax character of the distributions paid by the Fund in 2018 will be reported to shareholders in January 2019.

Country Breakdown	(% of Long-Term Investments)
United States	77.9%
Cayman Islands	3.9%
Canada	3.4%
United Kingdom	2.5%
Bermuda	2.0%
Netherlands	1.9%
France	1.8%
Japan	1.5%
Panama	0.7%
Luxembourg	0.5%
Greece	0.4%
New Zealand	0.4%
Jersey	0.4%
Germany	0.4%
Australia	0.4%
Switzerland	0.3%
Monaco	0.3%