

## FIDUCIARY/CLAYMORE MLP OPPORTUNITY FUND

Form 497

August 19, 2010

Filed pursuant to Rule 497

Registration No. 333-148949

**PROSPECTUS SUPPLEMENT**  
(to Prospectus dated August 5, 2010)

**4,250,000 Shares**

**Fiduciary/Claymore MLP Opportunity Fund**

**Common Shares**

**\$19.36 per Share**

Fiduciary/Claymore MLP Opportunity Fund (the "Fund") is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund anticipates that, due to the tax characterization of cash distributions made by MLPs in which the Fund invests, a significant portion of the Fund's distributions to Common Shareholders will consist of tax-deferred return of capital. The Fund has been structured to seek to provide an efficient vehicle through which Common Shareholders may invest in a portfolio of publicly traded securities of master limited partnerships ("MLPs") and MLP Affiliates (as defined in the accompanying Prospectus) (collectively with MLPs, "MLP entities"). MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). The Fund believes that as a result of the tax characterization of cash distributions made by MLPs to their investors (such as the Fund) a significant portion of the Fund's income will be tax-deferred, which will allow distributions by the Fund to Common Shareholders to include high levels of tax-deferred income. There can be no assurance that the Fund will achieve its investment objective.

The Fund's currently outstanding Common Shares are and the 4,250,000 Common Shares offered by this Prospectus Supplement and the accompanying Prospectus will be, subject to notice of issuance, listed on the New York Stock Exchange ("NYSE") under the symbol "FMO." As of August 17, 2010, the last reported sale price for the Fund's Common Shares on the NYSE was \$20.27 per share. The net asset value ("NAV") per share of the Fund's Common Shares as of the close of business on August 17, 2010, was \$17.98.

*(continued on following page)*

**Shares of closed-end funds frequently trade at a discount to their net asset value, which may increase the risk of loss. This risk may be greater for investors expecting to sell their Common Shares in a relatively short period of time after completion of this offering. Investors will be acquiring shares at a premium to net asset value, therefore investors in this offering are likely to experience an immediate dilution of their investment.**

**Investing in Common Shares of the Fund involves substantial risks arising from the Fund's policy of investing in the securities of MLP entities, its concentration in the natural resource sector and its use of Financial Leverage. See "Risks" beginning on page 53 of the accompanying Prospectus. You should consider carefully these risks together with all of the other information contained in this Prospectus Supplement and the accompanying Prospectus before making a decision to purchase Common Shares.**

	Per Share	Total <sup>(1)</sup>
Public offering price	\$ 19.36	\$ 82,280,000
Underwriting discount	\$ 0.81	\$ 3,442,500
Proceeds, before expenses, to the Fund <sup>(2)</sup>	\$ 18.55	\$ 78,837,500

*(notes on following page)*

**The Securities and Exchange Commission has not approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver the Common Shares to purchasers on or about August 23, 2010.

**Morgan Stanley Citi UBS Investment Bank**

The date of this Prospectus Supplement is August 18, 2010

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*(notes from previous page)*

(1) The Fund has granted the underwriters an option to purchase up to an additional 637,500 Common Shares at the public offering price, less underwriting discount, within 45 days of the date of this Prospectus Supplement solely to cover over-allotments, if any. If such option is exercised in full, the total public offering price, total underwriting discount, and total proceeds, before expenses, to the Fund will be \$94,622,000, \$3,958,875 and \$90,663,125, respectively. See "Underwriters."

(2) The Adviser has incurred on behalf of the Fund all costs associated with the Fund's effective registration statement and this offering. The Fund has agreed to reimburse the Adviser for such expenses at a rate of 0.60% of the offering price of the Common Shares sold pursuant to the effective registration statement. In connection with this offering, the Fund will reimburse offering expenses incurred by the Adviser on its behalf in an amount up to the lesser of the Fund's actual offering costs or 0.60% of the total offering price of the Common Shares sold in the offering, which is expected to be \$493,680 (\$567,732 if the underwriters' over-allotment option is exercised in full).

*(continued from previous page)*

This Prospectus Supplement, together with the accompanying Prospectus, dated August 5, 2010, sets forth concisely the information that you should know before investing in the Fund's Common Shares. You should read this Prospectus Supplement and the accompanying Prospectus, which contain important information about the Fund, before deciding whether to invest, and you should retain them for future reference. A Statement of Additional Information, dated August 5, 2010, (the "SAI"), as supplemented from time to time, containing additional information about the Fund, has been filed with the Securities and Exchange Commission ("SEC") and is incorporated by reference in its entirety into the accompanying Prospectus. This Prospectus Supplement, the accompanying Prospectus and the SAI are part of a "shelf" registration statement filed with the SEC. This Prospectus Supplement describes the specific details regarding this offering, including the method of distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus or the SAI, you should rely on this Prospectus Supplement. You may request a free copy of the SAI, the table of contents of which is on page 88 of the accompanying Prospectus, or request other information about the Fund (including the Fund's annual and semi-annual reports) or make shareholder inquiries by calling (888) 991-0091 or by writing the Fund, or you may obtain a copy (and other information regarding the Fund) from the SEC's web site (<http://www.sec.gov>). Free copies of the Fund's reports and the SAI also are available from the Fund's website at [www.claymore.com/fmo](http://www.claymore.com/fmo).

The Fund's Common Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.

#### **Cautionary Notice Regarding Forward-Looking Statements**

This Prospectus Supplement and the accompany Prospectus contain or incorporate by reference forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. These statements describe the Fund's plans, strategies, and goals and the Fund's beliefs and assumptions concerning future economic and other conditions and the outlook for the Fund, based on currently available information. In this Prospectus Supplement and the accompanying Prospectus, words such as "anticipates," "believes," "expects," "objectives," "goals," "future," "intends," "seeks," "will," "may," "could," "should," and similar expressions are used in an effort to identify forward-looking statements, although some forward-looking statements may be expressed differently. The Fund is not entitled to the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended (the "Securities Act").

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**You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus in making your investment decisions. The Fund has not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this Prospectus Supplement and in the accompanying Prospectus is accurate only as of the respective dates on their front covers. The Fund's business, financial condition and prospects may have changed since such dates. The Fund will advise investors of any material changes to the extent required by applicable law.**

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### PROSPECTUS SUPPLEMENT SUMMARY

*This is only a summary of information contained elsewhere in this Prospectus Supplement and the accompanying Prospectus. This summary does not contain all of the information that you should consider before investing in the Fund's Common Shares. You should carefully read the more detailed information contained in this Prospectus Supplement, the accompanying Prospectus, dated August 5, 2010, and the Statement of Additional Information, dated August 5, 2010 (the "SAI"), especially the information set forth in the accompanying Prospectus under the headings "Investment Objective and Policies" and "Risks"*

*Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.*

**The Fund** Fiduciary/Claymore MLP Opportunity Fund (the "Fund") is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund anticipates that, due to the tax characterization of cash distributions made by MLPs in which the Fund invests, a significant portion of the Fund's distributions to Common Shareholders will consist of tax-deferred return of capital.

The Fund's common shares of beneficial interest, par value \$0.01 per share, are called "Common Shares" and the holders of Common Shares are called "Common Shareholders" throughout this Prospectus Supplement and the accompanying Prospectus.

**Management of the Fund** Claymore Advisors, LLC (the "Adviser") serves as the Fund's investment adviser, pursuant to an investment advisory agreement with the Fund. As compensation for its services, the Fund pays the Adviser a fee, payable monthly, in an annual amount equal to 1.00% of the Fund's average Managed Assets (from which the Adviser pays to the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average Managed Assets).

Fiduciary Asset Management, LLC (the "Sub-Adviser") serves as the Fund's investment sub-adviser, pursuant to a sub-advisory agreement with the Fund and the Adviser, and is responsible for the management of the Fund's investment portfolio. As compensation for its services, the Adviser pays the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average Managed Assets.

**Listing and Symbol** The Fund's currently outstanding Common Shares are and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus will be, subject to notice of issuance, listed on the New York Stock Exchange (the "NYSE") under the symbol "FMO." As of August 17, 2010, the last reported sale price for the Fund's Common Shares was \$20.27. The net asset value ("NAV") per share of the Fund's Common Shares at the close of business on August 17, 2010, was \$17.98.

**Distributions** The Fund has paid distributions to Common Shareholders every fiscal quarter since inception. Payment of future distributions is subject to approval by the Fund's Board of Trustees, as well as meeting the covenants of any outstanding borrowings and the asset coverage requirements of the

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Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's next regularly scheduled quarterly distribution will be for the quarter ending October 31, 2010 and, if approved by the Board of Trustees, is expected to be paid to common shareholders on or about October 30, 2010. The distributions the Fund has paid since inception are as follows:

Payment Date	Distribution per Common Share
July 30, 2010	\$ 0.33500
April 30, 2010	\$ 0.33500
January 29, 2010	\$ 0.33500
October 30, 2009	\$ 0.33500
July 31, 2009	\$ 0.33500
April 30, 2009	\$ 0.37185
January 30, 2009	\$ 0.37185
October 31, 2008	\$ 0.37185
July 31, 2008	\$ 0.37000
April 30, 2008	\$ 0.36500
January 31, 2008	\$ 0.36000
October 31, 2007	\$ 0.35500
July 31, 2007	\$ 0.35000
April 30, 2007	\$ 0.33250
January 31, 2007	\$ 0.32750
October 31, 2006	\$ 0.31250
July 31, 2006	\$ 0.31250
April 28, 2006	\$ 0.31250
January 31, 2006	\$ 0.31250
October 31, 2005	\$ 0.31250
July 29, 2005	\$ 0.31250
April 29, 2005	\$ 0.31250

The Fund anticipates that, due to the tax characterization of cash distributions made by MLPs in which the Fund invests, a significant portion of the Fund's distributions to Common Shareholders will consist of tax-deferred return of capital. See "Distributions" in the accompanying Prospectus.

**The Offering** *Common Shares Offered by the Fund*

4,250,000

*Common Shares Outstanding After the Offering*

24,271,612

The number of Common Shares offered and outstanding after the offering assumes the underwriters' over-allotment option is not exercised. If the over-allotment option is exercised in full, the Fund will issue an additional 637,500 Common Shares and will have 24,909,112 Common Shares outstanding after the Offering.

The Fund's Common Shares have recently traded at a premium to net asset value ("NAV") per share and the price of the Common Shares is expected to be above net asset value per share. Therefore, investors in this offering are likely to experience immediate dilution of their investment. Furthermore, shares of closed-end investment companies, such as the Fund, frequently trade at a price below their NAV. The Fund cannot predict whether its Common Shares will trade at a premium or a discount to NAV.



**Risks** See "Risks" beginning on page 53 of the accompanying Prospectus for a discussion of factors you should consider carefully before deciding to invest in the Fund's Common Shares.

**Use of Proceeds** The Fund intends to invest the net proceeds of the offering in accordance with its investment objective and policies as stated in the accompanying Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of the offering in accordance with its investment objective and policies within three months of the receipt of such proceeds. Pending such investment, it is anticipated that the proceeds will be invested in cash, cash equivalents or other securities, including U.S. government securities or high quality, short-term debt securities. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use proceeds for these purposes.

**U.S. Federal Income Tax**

**Considerations** The Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). See "U.S. Federal Income Tax Considerations" in the accompanying Prospectus.



### SUMMARY OF FUND EXPENSES

The following table contains information about the costs and expenses that Common Shareholders will bear directly or indirectly. The table is based on the capital structure of the Fund as of November 30, 2009 (except as noted below). The purpose of the table and the example below is to help you understand the fees and expenses that you, as a holder of Common Shares, would bear directly or indirectly.

#### Shareholder Transaction Expenses

Sales Load (as a percentage of offering price)	4.184%
Offering Expenses Borne by the Fund (as a percentage of offering price)	0.60%(1)
Dividend Reinvestment Plan Fees (2)	None

	Percentage of Net Assets Attributable to Common Shares (3)
<b>Annual Expenses</b>	
Management Fees (4)(5)	1.39%
Interest Payments on Borrowed Funds (6)	0.73%
Other Expenses (7)	0.31%
Current Income Tax Expense	0.13%
Deferred Income Tax Expense (8)	19.49%
Total Annual Expenses (9)	22.05%

(1) The Adviser has incurred on behalf of the Fund all costs associated with the Fund's effective registration statement and this offering. The Fund has agreed to reimburse the Adviser for such expenses at a rate of 0.60% of the offering price of the Common Shares sold pursuant to the effective registration statement. In connection with this offering, the Fund will reimburse offering expenses incurred by the Adviser on its behalf in an amount up to the lesser of the Fund's actual offering costs or 0.60% of the total offering price of the Common Shares sold in the offering, which is expected to be \$493,680 (\$567,732 if the underwriters' over-allotment option is exercised in full).

(2) Common Shareholders will pay brokerage charges if they direct the Plan Agent to sell Common Shares held in a dividend reinvestment account. See "Automatic Dividend Reinvestment Plan" in the accompanying Prospectus.

(3) Based upon net assets attributable to Common Shares as of November 30, 2009.

(4) The Fund pays the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets (net assets plus any assets attributable to Financial Leverage). The fee shown above is based upon outstanding Financial Leverage of 28% of the Fund's Managed Assets. If Financial Leverage of more than 28% of the Fund's Managed Assets is used, the management fees shown would be higher.

(5) The Adviser has agreed to waive the advisory fees payable with respect to the assets attributable to Common Shares issued pursuant to the Fund's currently effective shelf registration statement, including the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus, for the first three months after such Common Shares are issued and to waive half the advisory fees payable with respect to the assets attributable to such Common Shares for the next three months. For the fiscal year ended November 30, 2009, the impact of the fee waiver was less than 0.01%.

(6) Based upon the Fund's outstanding Borrowings as of November 30, 2009 of approximately \$110.3 million and the borrowing rate on the facility as of November 30, 2009, of 1.76%. The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc., dated September 26, 2008, pursuant to which the Fund may borrow up to \$130 million.

(7) Other expenses are estimated based upon those incurred during the fiscal year ended November 30, 2009. Other expenses do not include income or expense/(benefit) related to realized or unrealized investment gains or losses.

(8) For the fiscal year ended November 30, 2009, the Fund accrued approximately \$55.0 million in net deferred tax expense primarily related to unrealized appreciation on investments. Deferred income tax expense represents an estimate of the Fund's potential tax expense if it were to recognize the unrealized appreciation/depreciation of portfolio assets that occurred during the fiscal year ended November 30, 2009, based on the market value and basis of the Fund's assets as of November 30, 2009. An estimate of deferred income tax expense/(benefit) is dependent upon the Fund's net investment gains/losses and realized and

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unrealized gains/losses on investments and such expenses may vary greatly from year to year depending on the nature of the Fund's investments, the performance of those investments and general market conditions. Therefore, any estimate of deferred income tax expense/(benefit) cannot be reliably predicted from year to year. Actual income tax expense (if any) will be incurred over many years, depending on if and when investment gains/losses are realized, the then-current basis of the Fund's assets, the level of net loss carry-forwards and other factors. The Fund's deferred income tax expense/(benefit) for the current fiscal year or any future fiscal year may vary greatly from the deferred income tax expense estimated based on the fiscal year ended November 30, 2009. The Fund's deferred income tax expense/(benefit) as a

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percentage of net assets attributable to Common Shares at the end of each fiscal year, from inception through November 30, 2009, has been as follows:

	<b>Deferred Income Tax Expense/(Benefit)</b>
Period December 28, 2004 (commencement of operations) through November 30, 2005	5.52%
Year ended November 30, 2006	11.91%
Year ended November 30, 2007	5.81%
Year ended November 30, 2008	(52.31)%
Year ended November 30, 2009	19.49%

(9) The table presented in this footnote presents the Fund's annual operating expenses as a percentage of net assets attributable to Common Shares excluding Deferred Income Tax Expense/(Benefit).

	<b>Percentage of Net Assets Attributable to Common Shares</b>
<b>Annual Expenses</b>	
Management Fees (4)(5)	1.39%
Interest Payments on Borrowed Funds (6)	0.73%
Other Expenses (7)	0.31%
Current Income Tax Expense	0.13%
Total Annual Expenses (Excluding Deferred Income Tax Expense/(Benefit))	2.56%

### Example

As required by relevant Securities and Exchange Commission regulations, the following example illustrates the expenses that you would pay on a \$1,000 investment in Common Shares, assuming (1) "Total annual expenses" of 22.05% of net assets attributable to Common Shares, (2) the Sales Load of \$41.84 and estimated offering costs of \$6.00 and (3) a 5% annual return\*:

	<b>Cumulative Expenses Paid for the Period of:</b>			
	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Total Expenses paid by Common Shareholders	\$ 250	\$ 556	\$ 766	\$ 1,048

\* **The example should not be considered a representation of future expenses or returns. Actual expenses may be higher or lower than those assumed.** Moreover, the Fund's actual rate of return may be higher or lower than the hypothetical 5% return shown in the example. The example assumes that the estimated "Other Expenses" set forth in the Annual Expenses table are accurate and that all dividends and distributions are reinvested at net asset value.



## FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance. Except where noted, the information in this table is derived from the Fund's financial statements audited by Ernst & Young LLP, independent registered public accounting firm for the Fund, whose report on such financial statements, together with the financial statements of the Fund, are included in the Fund's annual report to shareholders for the period ended November 30, 2009, which is incorporated by reference into the SAI, and is available upon request. The unaudited information for the six months ended May 31, 2010 is included in this Prospectus Supplement under the heading "Unaudited Financial Statements for the Six Months ended May 31, 2010."

Per share operating performance for a share outstanding throughout the period	For the Six Months Ended May 31, 2010 (unaudited)	For the Year Ended November 30, 2009	For the Year Ended November 30, 2008	For the Year Ended November 30, 2007	For the Year Ended November 30, 2006	For the Period December 28, 2004* through November 30, 2005
<b>Net asset value, beginning of period</b>	\$ 15.00	\$ 12.09	\$ 23.11	\$ 22.49	\$ 19.78	\$ 19.10 <sup>(c)</sup>
<b>Income from investment operations</b>						
Net investment loss <sup>(a)(b)</sup>	(0.18)	(0.44)	(0.70)	(0.67)	(0.33)	(0.26)
Net realized and unrealized gain/loss <sup>(b)</sup>	2.18	4.76	(8.85)	2.66	4.29	1.92
Total from investment operations	2.00	4.32	(9.55)	1.99	3.96	1.66
<b>Common shares' offering expenses charged to paid-in capital</b>	(0.01)	**				(0.04)
<b>Distributions to Common Shareholders</b>						
From and in excess of net investment income			(0.08)			
Return of capital	(0.67)	(1.41)	(1.39)	(1.37)	(1.25)	(0.94)
<b>Net asset value, end of period</b>	\$ 16.32	\$ 15.00	\$ 12.09	\$ 23.11	\$ 22.49	\$ 19.78
<b>Market value, end of period</b>	\$ 18.58	\$ 16.24	\$ 11.42	\$ 22.66	\$ 21.87	\$ 17.99
<b>Total investment return<sup>(d)</sup></b>						
Net asset value	13.26%	38.03%	-43.55%	8.53%	20.70%	8.38%
Market value	18.69%	57.32%	-45.67%	9.70%	29.68%	-5.81%
<b>Ratios and supplemental data</b>						
Net assets, end of period (thousands)	\$ 325,899	\$ 282,089	\$ 221,155	\$ 418,438	\$ 406,295	\$ 357,441
Ratios to Average Net Assets applicable to Common Shares: <sup>(e)</sup>						

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Total expenses, excluding interest expense and tax expense/benefit and net of fee waivers	1.59%	1.76%	1.79%	1.62%	1.69%	1.48%
Total expenses, excluding interest expense and tax expense/benefit and excluding fee waivers	1.63%	1.76%	1.79%	1.62%	1.69%	1.48%
Total expenses, including interest expense and tax expense/benefit and net of fee waivers	17.77%	26.32%	(28.34)%	9.40%	16.89%	8.41%
Total expenses, including interest expense and tax expense/benefit and excluding fee waivers	17.81%	26.32%	(28.34)%	9.40%	16.89%	8.41%
Interest expense	0.63%	1.23%	1.83%	2.13%	2.17%	1.02%
Current and deferred tax expense/(benefit)	15.55%	23.33%	(31.96)%	5.65%	13.03%	5.91%
Net investment income/(loss), excluding interest expense and tax expense/benefit	(1.50)%	(2.14)%	(1.71)%	(0.62)%	0.55%	(0.37)%
Net investment income/(loss), including interest expense and tax expense/benefit	(17.69)%	(26.70)%	28.42%	(8.40)%	(14.66)%	(7.30)%
Portfolio Turnover Rate	3%	30%	22%	11%	21%	41%
Senior Indebtedness						
Total borrowings outstanding (in thousands)	\$ 120,000	\$ 110,263	\$ 72,263	\$ 175,000	\$ 150,000	\$ 150,000

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Asset coverage per \$1,000 of indebtedness <sup>(f)</sup>						
	\$	3,716	\$	3,558	\$	4,060
	\$	3,391	\$	3,709	\$	3,383

\* Commencement of investment operations.

\*\* Less than \$0.01.

(a) Based on average shares outstanding during the period.

(b) The character of dividends received for each period is based upon estimates made at the time the distribution was received. Any necessary adjustments are reflected in the following fiscal year when the actual character is known. See Note 2(b) of the Notes to Financial Statements under the heading "Unaudited Financial Statements for the Six Months ended May 31, 2010" for additional information.

(c) Before deduction of offering expenses charged to capital.

(d) Total investment return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported either at net asset value ("NAV") or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund's Dividend Reinvestment Plan for market value returns. Total investment return does not reflect brokerage commissions. A return calculated for a period of less than one year is not annualized.

(e) Annualized.

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

## CAPITALIZATION

The following table sets forth the Fund's capitalization at May 31, 2010:

(i) on a historical basis;

(ii) on an as adjusted basis to reflect the issuance of an aggregate of 48,207 Common Shares pursuant to the Fund's Automatic Dividend Reinvestment Plan, and the application of the net proceeds from such issuances of Common Shares and the increase in the Fund's outstanding Borrowings by \$10,000,000; and

(iii) on an as further adjusted basis to reflect the assumed sale of 4,250,000 of Common Shares at a price of \$19.36 per share in an offering under this Prospectus Supplement and the accompanying Prospectus less the aggregate underwriting discount of \$3,442,500 and estimated offering expenses payable by the Fund of \$493,680 (assuming no exercise of the underwriters' over-allotment option).

	Actual (unaudited)	As Adjusted (unaudited)	As Further Adjusted (unaudited)
<b>Short-Term Debt:</b>			
Borrowings	\$ 120,000,000	\$ 130,000,000	\$ 130,000,000
<b>Common Shareholder's Equity:</b>			
Common shares of beneficial interest, par value \$0.01 per share; (unlimited shares authorized, 19,973,405 shares issued and outstanding (actual), 20,021,612 shares issued and outstanding (as adjusted), and 24,271,612 shares issued outstanding (as further adjusted))	199,734	200,216	242,716
Additional paid-in capital	248,404,558	249,342,673	327,643,993
Net unrealized appreciation on investments, net of tax	101,290,285	101,290,285	101,290,285
Accumulated net realized gain on investments, net of tax	5,480,549	5,480,549	5,480,549
Accumulated net investment loss, net of tax	(29,476,302)	(29,476,302)	(29,476,302)
Net assets	325,898,824	326,837,421	405,181,241

### USE OF PROCEEDS

The Fund estimates that the net proceeds to the Fund from this offering will be approximately \$78,343,820 million (or \$90,095,393 million if the underwriters exercise their over-allotment option to purchase additional Common Shares in full), after deducting underwriting discounts and commissions and estimated offering expenses borne by the Fund.

The Fund intends to invest the net proceeds of the offering in accordance with its investment objective and policies as stated in the accompanying Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of the offering in accordance with its investment objective and policies within three months of the receipt of such proceeds. Pending such investment, it is anticipated that the proceeds will be invested in cash, cash equivalents or other securities, including U.S. government securities or high quality, short-term debt securities. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use proceeds for these purposes.

### RECENT DEVELOPMENTS

In 2009 the SEC conducted examinations of the Adviser and the Sub-Adviser and in 2010 reported to the Adviser and Sub-Adviser that the SEC believed that certain deficiencies existed in procedures and disclosure relating to the management of a liquidated closed-end fund advised by the Adviser and sub-advised by the Sub-Adviser. In April 2010, SEC initiated an investigation of this liquidated closed-end fund and issued subpoenas to both the Adviser and Sub-Adviser, who have responded to these requests for information and continue to cooperate with this investigation. Based on current knowledge, both the Adviser and Sub-Adviser believe that this matter will be resolved without a material adverse effect to the financial condition of each of them, although there can be no assurance that this assessment will reflect the ultimate outcome of the pending matter.

### MANAGEMENT OF THE FUND

#### Board of Trustees

Under the 1940 Act, a trustee is considered an Interested Trustee if they are an interested person of a principal underwriter of the Fund, including as a result of ownership of any securities issued by such principal underwriter or its parent company. Randall C. Barnes, Robert B. Karn III and Ronald A. Nyberg are Interested Trustees as a result of ownership of securities issued by the parent companies of one or more underwriters in this offering. Messrs. Barnes, Karn and Nyberg will cease to be Interested Trustees once the distribution of Common Shares in this offering is completed and such underwriters are no longer principal underwriters of the Fund.

#### Management Fees

Each of the Adviser and the Sub-Adviser has agreed to waive the advisory fees and sub-advisory fees, respectively, payable with respect to the assets attributable to Common Shares issued pursuant to the Fund's currently effective shelf registration statement, including the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus, for the first three months after such Common Shares are issued and to waive half of such advisory fees and sub-advisory fees payable with respect to assets attributable to such Common Shares for the next three months.

## UNDERWRITERS

Under the terms and subject to the conditions contained in the underwriting agreement dated the date of this Prospectus Supplement, the underwriters named below, for whom Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc. and UBS Securities LLC are acting as representatives, have severally agreed to purchase, and the Fund has agreed to sell to them, severally, the number of Common Shares indicated below:

Name of Underwriter	Number of Common Shares
Morgan Stanley & Co. Incorporated	2,329,000
Citigroup Global Markets Inc.	1,144,950
UBS Securities LLC	776,050
Total	4,250,000

The underwriters are offering the Common Shares subject to their acceptance of the Common Shares from the Fund and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus are subject to the approval of legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all of the Common Shares offered by this Prospectus Supplement if any such Common Shares are taken. However, the underwriters are not required to take or pay for the Common Shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the Common Shares directly to the public at the initial offering price listed on the cover page of this Prospectus Supplement and part to certain dealers at a price that represents a concession not in excess of \$0.486 per Common Share under the initial offering price. After the initial offering of the Common Shares, the offering price and other selling terms may from time to time be varied by the representatives. The underwriting discounts and commissions (sales load) of \$0.81 per common share are equal to 4.184% of the initial offering price. Investors must pay for any common shares purchased on or before August 23, 2010.

The Fund has granted to the underwriters an option, exercisable for 45 days from the date of this Prospectus Supplement, to purchase up to an aggregate of 637,500 Common Shares at the initial offering price per Common Share listed on the cover page of this Prospectus Supplement, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to limited conditions, to purchase approximately the same percentage of the additional Common Shares as the number listed next to the underwriter's name in the preceding table bears to the total number of Common Shares listed next to the names of all underwriters in the preceding table. If the underwriters' over-allotment option is exercised in full, the total price to the public would be \$94,622,000, the total underwriters' discount and commissions (sales load) would be \$3,958,875, the estimated offering expenses borne by the Fund would be \$567,732, and the total proceeds to the Fund would be \$90,095,393.

The following table summarizes the estimated expenses and compensation that the Fund will pay:

	Per Common Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Public offering price	\$ 19.36	\$ 19.36	\$ 82,280,000	\$ 94,622,000
Sales load	\$ 0.81	\$ 0.81	\$ 3,442,500	\$ 3,958,875
Estimated offering expenses	\$ 0.12	\$ 0.12	\$ 493,680	\$ 567,732
Proceeds, after expenses, to the Fund	\$ 18.43	\$ 18.43	\$ 78,343,820	\$ 90,095,393

The Adviser has incurred on behalf of the Fund all costs associated with the Fund's effective registration statement and this offering. The Fund has agreed to reimburse the Adviser for such expenses at a rate of 0.60% of the offering price of the Common Shares sold pursuant to the effective registration statement. In connection with this offering, the Fund will reimburse offering expenses incurred by the Adviser on its behalf in an amount up to the lesser of the Fund's actual offering costs or 0.60% of the total offering price of the Common Shares sold in the offering, which is expected to be \$493,680 (\$567,732 if the underwriters' over-allotment option is exercised in full).

The underwriters have informed the Fund that they do not intend sales to discretionary accounts to exceed five percent of the total number of common shares offered by them.

The Fund's currently outstanding Common Shares are, and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus will be, subject to notice of issuance, listed on the NYSE under the trading or "ticker" symbol "FMO".

The Fund, officers of the Fund, and the Adviser and the Sub-Adviser have agreed that, without the prior written consent of Morgan Stanley & Co. Incorporated, Citigroup Global Markets Inc. and UBS Securities LLC, on behalf of the underwriters, they will not, during the period ending 90 days after the date of this prospectus:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase lend or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares;
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares; or
- file any registration statement with the SEC relating to the offering of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares, other than a registration statement which allows for delayed offerings of Common Shares pursuant to Rule 415 under the Securities Act, provided that no such registration statement may be filed until October 2, 2010 and that no offers or sales from such registration statement may be made during the 90-day restricted period;

whether any such transaction described above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise. Notwithstanding the foregoing, if (i) during the last 17 days of the 90-day restricted period, the Fund issues an earnings release or announce material news or a material event relating to the Fund; or (ii) prior to the expiration of the 90-day restricted period, the Fund announces that we will release earnings results during the 16-day period beginning on the last day of the 90-day restricted period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the date of the earnings release or the announcement of the material news or material event. The Fund's lock-up agreement will not apply to the Common Shares to be sold pursuant to the underwriting agreement or any Common Shares issued pursuant to the Plan after the date hereof.

In order to facilitate the offering of the Common Shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of Common Shares. The underwriters currently expect to sell more Common Shares than they are obligated to purchase under the underwriting agreement, creating a short position in the Common Shares for their own account. A short sale is covered if the short position is no greater than the number of Common Shares available for purchase by the underwriters under the over-allotment option (exercisable for 45 days from the date of this Prospectus Supplement). The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing Common Shares in the open market. In determining the source of Common Shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of the Common Shares compared to the price available under the

over-allotment option. The underwriters may also sell Common Shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, Common Shares in the open market to stabilize the price of the Common Shares. Finally, the underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the Common Shares in the offering, if the syndicate repurchases previously distributed Common Shares in transactions to cover syndicate short positions or to stabilize the price of the Common Shares. Any of these activities may raise or maintain the market price of the Common Shares above independent market levels or prevent or retard a decline in the market price of the Common Shares. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

The Fund anticipates that the representatives and certain other underwriters may from time to time act as brokers and dealers in connection with the execution of portfolio transactions for the Fund after they have ceased to be underwriters and, subject to certain restrictions, may act as such brokers while they are underwriters.

In connection with this offering, certain of the underwriters or selected dealers may distribute prospectuses electronically. The Fund, the Adviser, the Sub-Adviser and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

The principal business address of Morgan Stanley & Co. Incorporated is 1585 Broadway, New York, New York 10036. The principal business address of Citigroup Global Markets Inc. is 388 Greenwich Street, New York, NY 10013. The principal business address of UBS Securities LLC is 299 Park Avenue, New York, New York 10171.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the underwriters or their respective affiliates from time to time have provided in the past, and may provide in the future, investment banking, securities trading, hedging, brokerage activities, commercial lending and financial advisory services to the Fund, certain of its executive officers and affiliates, the Adviser and its affiliates and the Sub-Adviser and its affiliates in the ordinary course of business, for which they have received, and may receive, customary fees and expenses.

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of Common Shares, or the possession, circulation or distribution of this Prospectus Supplement and the accompanying Prospectus or any other material relating to the Fund or the Common Shares in any jurisdiction where action for that purpose is required. Accordingly, Common Shares may not be offered or sold, directly or indirectly, and neither this Prospectus Supplement and the accompanying Prospectus nor any other offering material or advertisements in connection with the Common Shares may be distributed or published, in or from any country or jurisdiction except in compliance with the applicable rules and regulations of any such country or jurisdiction.

Total underwriting compensation determined in accordance with FINRA rules is summarized as follows. The sales load the Fund will pay of \$0.81 per share is equal to 4.184% of gross proceeds.

#### **LEGAL MATTERS**

Certain legal matters will be passed on by Skadden, Arps, Slate, Meagher & Flom LLP, Chicago, Illinois ("Skadden"), as special counsel to the Fund in connection with the offering of Common Shares. Certain legal



matters will be passed on by Davis Polk & Wardwell LLP, New York, New York, as special counsel to the underwriters in connection with the offering of Common Shares.

**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP, 233 South Wacker Drive, Chicago, Illinois 60606, serves as the independent registered public accounting firm of the Fund and will annually render an opinion on the financial statements of the Fund. The Fund's audited financial statements appearing in the Fund's annual report to shareholders for the period ended November 30, 2009, including accompanying notes thereto and the report of Ernst & Young LLP thereon, have been incorporated by reference in the SAI in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

**ADDITIONAL INFORMATION**

This Prospectus Supplement and the accompanying Prospectus constitute part of a Registration Statement filed by the Fund with the SEC under the Securities Act and the 1940 Act. This Prospectus Supplement and the accompanying Prospectus omit certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement and related exhibits for further information with respect to the Fund and the Common Shares offered hereby. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference. The complete Registration Statement may be obtained from the SEC upon payment of the fee prescribed by its rules and regulations or free of charge through the SEC's web site (<http://www.sec.gov>).



**UNAUDITED FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED MAY 31, 2010**

**PORTFOLIO OF INVESTMENTS  
MAY 31, 2010 (UNAUDITED)**

Number of Shares		Value
	<b>Master Limited Partnerships and MLP Affiliates 151.4%</b>	
	<b>Coal 4.4%</b>	
156,800	Alliance Resource Partners, L.P.	\$ 7,126,560
217,270	Natural Resource Partners L.P.	4,869,021
140,000	Penn Virginia GP Holdings, L.P.	2,499,000
		14,494,581
	<b>Consumer Discretionary 1.0%</b>	
162,680	StoneMor Partners L.P. (a)	3,230,825
	<b>Marine Transportation 0.7%</b>	
112,700	Teekay Offshore Partners L.P. (Marshall Islands)	2,205,539
	<b>Midstream Gas Infrastructure 71.2%</b>	
673,082	Boardwalk Pipeline Partners, LP (a)	18,745,334
891,587	Copano Energy, L.L.C. (a)	21,870,629
627,095	DCP Midstream Partners, LP (a)	18,750,140
545,054	El Paso Pipeline Partners, L.P. (a)	15,038,040
644,450	Energy Transfer Equity, L.P. (a)	19,816,837
329,237	Energy Transfer Partners, L.P. (a)	14,519,352
1,704,101	Enterprise Products Partners L.P. (a)	57,257,794
117,585	Exterran Partners, L.P.	2,404,613
83,225	MarkWest Energy Partners, L.P.	2,435,996
377,035	ONEOK Partners, L.P.	22,588,167
325,800	Regency Energy Partners LP	7,493,400
98,215	Targa Resources Partners LP	2,224,570
285,550	TC PipeLines, LP	10,856,611
484,300	Williams Partners L.P.	18,049,861
		232,051,344
	<b>Midstream Oil Infrastructure 54.6%</b>	
618,502	Enbridge Energy Partners, L.P. (a)	30,782,844
397,205	Genesis Energy, L.P. (a)	7,022,584
233,870	Global Partners LP (a)	4,981,431
235,825	Holly Energy Partners, L.P. (a)	9,482,523
712,318	Kinder Morgan Management, LLC (a) (b) (c)	39,455,294
662,726	Magellan Midstream Partners, L.P. (a)	29,014,144
248,105	NuStar Energy L.P. (a)	13,692,915
607,851	Plains All American Pipeline, L.P. (a)	34,987,904
130,385	Sunoco Logistics Partners L.P. (a)	8,579,333
		177,998,972
	<b>Oil and Gas Production 4.5%</b>	
389,212	EV Energy Partners, L.P. (a)	11,392,235
133,346	Pioneer Southwest Energy Partners L.P. (a)	3,225,640
		14,617,875

See notes to financial statements.

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**UNAUDITED FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED MAY 31, 2010**

**PORTFOLIO OF INVESTMENTS  
MAY 31, 2010 (UNAUDITED) CONTINUED**

Number of Shares		Value
	<b>Propane 15.0%</b>	
517,600	Inergy Holdings, L.P. (a)	\$ 37,474,240
308,711	Inergy, L.P. (a)	11,277,213
		48,751,453
	<b>Total Master Limited Partnerships and MLP Affiliates</b>	
	(Cost \$286,841,051)	493,350,589
	<b>Common Stocks 1.8%</b>	
	<b>Oil and Gas Production 1.8%</b>	
756,923	Abraxas Petroleum Corp. (b)	1,983,138
1,513,847	Abraxas Petroleum Corp. (b) (d) (e)	3,947,230
	(Cost \$7,406,661)	5,930,368
	<b>Other Equity Securities 0.0%</b>	
	<b>Coal 0.0%</b>	
1,145,621	Clearwater Natural Resources, L.P. (b) (d) (e) (f)	
123	Clearwater GP Holding Co. (b) (d) (e) (f)	
	(Cost \$23,111,552)	
	<b>Incentive Distribution Rights 0.0%</b>	
43	Clearwater Natural Resources, L.P. (b) (d) (e) (f)	
	(Cost \$0)	
	<b>Warrants 0.0%</b>	
114,230	Abraxas Petroleum Corp. (b) (d) (e)	72,769
9,499	Clearwater Natural Resources, L.P. (b) (d) (e) (f)	
	(Cost \$0)	72,769
<b>Principal Amount</b>		<b>Value</b>
	<b>Term Loans 0.1%</b>	
	Clearwater Subordinate Note, 12/03/09, NR (b) (d) (e) (f)	
\$ 1,237,397	(Cost \$1,237,397)	408,341
	<b>Long Term Investments 153.3%</b>	
	(Cost 318,596,661)	499,762,067
	<b>Short Term Investments 2.3%</b>	
	<b>Money Market Fund 2.3%</b>	
	Dreyfus Treasury & Agency Cash Management Investor Shares	
7,366,281	(Cost \$7,366,281)	7,366,281
	<b>Total Investments 155.6%</b>	
	(Cost \$325,962,942)	507,128,348
	Borrowings Outstanding (36.8% of Net Assets or 23.7% of Total Investments)	(120,000,000)
	Liabilities in excess of Other Assets (18.8%)	(61,229,524)
	<b>Net Assets 100.0%</b>	<b>\$ 325,898,824</b>

See notes to financial statements.

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**UNAUDITED FINANCIAL STATEMENTS FOR THE  
SIX MONTHS ENDED MAY 31, 2010**

**PORTFOLIO OF INVESTMENTS  
MAY 31, 2010 (UNAUDITED) CONTINUED**

LLC Limited Liability Company

L.P. Limited Partnership

MLP Master Limited Partnership

NR Ratings shown are per Standard & Poor's. Securities classified as NR are not rated by Standard & Poor's.

(a) All or a portion of these securities have been physically segregated in connection with swap agreements or as collateral for borrowings outstanding. The total amount segregated is \$299,588,157.

(b) Non-income producing security.

(c) While non-income producing, security makes regular in-kind distributions.

(d) Security is restricted and may be resold only in transactions exempt from registration, normally to qualified institutional buyers. At May 31, 2010, restricted securities aggregate market value amounted to \$4,428,340 or 1.4% of net assets. See Note 10 to Financial Statements for additional disclosure.

(e) Security is valued in accordance with Fair Valuation procedures established in good faith by the Board of Trustees. The total market value of such securities is \$4,428,340 which represents 1.4% of net assets.

(f) Company has filed for protection in federal bankruptcy court.

See notes to financial statements.

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**STATEMENT OF ASSETS AND LIABILITIES**  
**MAY 31, 2010 (UNAUDITED)**

<b>Assets</b>	
Investments in securities, at value (cost \$325,962,942)	\$ 507,128,348
Current tax receivable	72,016
Other assets	32,096
<b>Total assets</b>	<b>507,232,460</b>
<b>Liabilities</b>	
Borrowings	120,000,000
Net deferred tax liability	55,601,132
Net unrealized depreciation on interest rate swaps	5,133,141
Advisory fee payable	365,950
Interest due on borrowings	24,167
Administration fee payable	8,846
Custodian bank	590
Accrued expenses and other liabilities	199,810
<b>Total liabilities</b>	<b>181,333,636</b>
<b>Net Assets</b>	<b>\$ 325,898,824</b>
<b>Composition of Net Assets</b>	
Common stock, \$.01 par value per share; unlimited number of shares authorized, 19,973,405	
shares issued and outstanding	\$ 199,734
Additional paid-in capital	248,404,558
Net unrealized appreciation on investments and swaps, net of tax	101,290,285
Accumulated net realized gain on investments and swaps, net of tax	5,480,549
Accumulated net investment loss, net of tax	(29,476,302)
<b>Net Assets</b>	<b>\$ 325,898,824</b>
<b>Net Asset Value</b>	
(based on 19,973,405 common shares outstanding)	\$ 16.32

See notes to financial statements.



**STATEMENT OF OPERATIONS**  
**FOR THE SIX MONTHS ENDED MAY 31, 2010 (UNAUDITED)**

<b>Investment Income</b>		
Distributions from master limited partnerships	\$ 15,812,752	
Less: Return of capital distributions	(15,746,079)	
Total investment income		\$ 66,673
<b>Expenses</b>		
Advisory fee	2,158,980	
Professional fees	109,462	
Trustees' fees and expenses	88,386	
Fund accounting	53,896	
Printing expense	51,872	
Administration fee	50,659	
Miscellaneous	34,974	
Custodian fee	32,370	
Insurance	13,781	
NYSE listing fee	11,136	
Transfer agent fee	9,698	
Interest expense and fees on borrowings	1,012,083	
Total expenses		3,627,297
Advisory fees waived		(71,452)
Net expenses		3,555,845
<b>Net investment loss before taxes</b>		<b>(3,489,172)</b>
Deferred tax benefit		2,117,188
Current tax expense		(698,067)
Net investment loss		(2,070,051)
<b>Realized and Unrealized Gain/(Loss) on Investments</b>		
Net realized gain/(loss) on investments before taxes		114,885
Net realized gain/(loss) on swaps		(1,737,859)
Deferred tax benefit		660,099
Net realized gain/(loss) on investments		(962,875)
Net change in unrealized appreciation on investments before taxes		65,363,894
Net change in unrealized appreciation on swaps		1,005,520
Deferred tax expense		(26,993,869)
Net unrealized appreciation on investments and swaps		39,375,545
Net realized and unrealized gain/(loss) on investments and swaps		38,412,670
<b>Net Increase in Net Assets Resulting from Operations</b>		<b>\$ 36,342,619</b>

See notes to financial statements.

## STATEMENTS OF CHANGES IN NET ASSETS

	For the Six Months Ended May 31, 2010 (unaudited)	For the Year Ended November 30, 2009
<b>Increase/(Decrease) in Net Assets from Operations</b>		
Net investment loss	\$ (2,070,051)	\$ (4,706,685)
Net realized gain/(loss)	(962,875)	(14,241,532)
Net change in unrealized appreciation/(depreciation)	39,375,545	98,154,374
Net increase/(decrease) in net assets resulting from operations	36,342,619	79,206,157
<b>Distributions to Common Shareholders</b>		
Return of capital	(13,146,212)	(25,989,000)
	(13,146,212)	(25,989,000)
<b>Capital Share Transactions</b>		
Net proceeds from common shares issued through add-on offering	18,932,921	4,330,730
Net proceeds from common shares issued through dividend reinvestment	1,797,348	3,412,685
Common share offering costs charged to paid-in capital	(116,510)	(26,651)
Net increase from capital share transactions	20,613,759	7,716,764
Total increase/(decrease) in net assets	43,810,166	60,933,921
<b>Net Assets</b>		
Beginning of period	282,088,658	221,154,737
End of period (including accumulated net investment losses of \$29,476,302 and \$27,406,251, respectively, net of tax)	\$ 325,898,824	\$ 282,088,658

See notes to financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED MAY 31, 2010 (UNAUDITED)**

<b>Cash Flows from Operating Activities:</b>	
Net increase in net assets resulting from operations	\$ 36,342,619
<b>Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to Net Cash Used by Operating and Investing Activities:</b>	
Net change in unrealized appreciation on investments and swaps before taxes	(66,369,414)
Net realized gain on investments before taxes	(114,885)
Purchases of long-term investments	(50,105,291)
Proceeds from sale of long-term investments	15,450,613
Net proceeds of short-term investments	7,682,185
Decrease in receivable for investments sold	849,648
Decrease in receivable for fund shares sold	569,482
Decrease in current tax receivable	(32,843)
Decrease in interest receivable	69
Increase in other assets	(21,310)
Increase in deferred tax liability	24,216,582
Decrease in payable for investments purchased	(1,284,410)
Decrease in interest due on borrowings	(164,425)
Increase in advisory fee payable	51,651
Increase in administration fee payable	1,301
Decrease in offering cost payable	(26,651)
Increase in accrued expenses and other liabilities	7,444
Return of capital distributions received from investee companies	15,746,079
Investee companies bankruptcy reorganization fees	(3,873)
Increase in due to custodian payable	590
Net Cash Used by Operating Activities	\$ (17,204,839)
<b>Cash Flows From Financing Activities:</b>	
Net proceeds from issuance of common shares	18,932,921
Proceeds from borrowings	9,737,292
Distributions to Common Shareholders	(11,348,864)
Offering expenses in connection with common shares issued through add-on offering	(116,510)
Net Cash Provided by Financing Activities	17,204,839
Net change in cash	
<b>Cash at Beginning of Period</b>	
<b>Cash at End of Period</b> \$	
<b>Supplemental Disclosure of Cash Flow Information: Cash paid during the period for interest</b>	\$ 1,176,508
<b>Supplemental Disclosure of Non Cash Financing Activity: In kind stock dividends received during the period</b>	\$ 1,436,605
<b>Supplemental Disclosure of Cash Flow Information: Taxes paid during the period</b>	\$ 853,000
<b>Supplemental Disclosure of Non Cash Financing Activity: Dividend reinvestment</b>	\$ 1,797,348

See notes to financial statements.



**NOTES TO FINANCIAL STATEMENTS  
MAY 31, 2010 (UNAUDITED)**

**Note 1 Organization:**

Fiduciary/Claymore MLP Opportunity Fund (the "Fund") was organized as a Delaware statutory trust on October 4, 2004. The Fund is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. On October 15, 2009, the Fund's prospectus for the offering of additional shares became effective. This offering ("add-on offering") allows for the issuance of up to an additional \$125,000,000 of common shares.

The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund has been structured to seek to provide an efficient vehicle through which its shareholders may invest in a portfolio of publicly traded securities of master limited partnerships ("MLPs") and MLP affiliates. MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund believes that as a result of the tax characterization of cash distributions made by MLPs to their investors (such as the Fund) a significant portion of the Fund's income will be tax-deferred returns of capital, which will allow distributions by the Fund to its shareholders to include high levels of tax-deferred income. There can be no assurance that the Fund will achieve its investment objective.

**Note 2 Accounting Policies:**

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

In June 2009, the Financial Accounting Standards Board ("FASB") established the FASB Accounting Standards Codification(TM) ("ASC") as the single source of authoritative accounting principles reorganized by the FASB in preparation of financial statements in conformity with GAAP. The ASC superseded existing non-grandfathered, non-U.S. Securities and Exchange Commission ("SEC") accounting and reporting standards. The ASC did not change GAAP but rather organized it into a hierarchy where all guidance with the ASC carried an equal level of authority. The ASC became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The implementation of ASC did not have a material effect of the Fund's financial statements.

The following is a summary of significant accounting policies followed by the Fund.

**(a) Valuation of Investments**

Readily marketable securities listed on an exchange are valued at the last reported sale price on the primary exchange or in the principal over the counter ("OTC") market on which they are traded. Readily marketable securities traded on an exchange or OTC for which there are no transactions on a given day are valued at the mean of the closing bid and asked prices.

Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Debt securities are valued by independent pricing services or dealers using the last available bid price for such securities or, if such prices are not available, at prices for securities of comparable maturity, quality and type. Short-term securities with maturities of 60 days or less at the time of purchase are valued at amortized cost, which approximates market value.

For those securities where quotations or prices are not available, the valuations are determined in accordance with procedures established in good faith by the Board of Trustees. Valuations in accordance with these procedures are intended to reflect each security's (or asset's) "fair value". Such "fair value" is the amount that the Fund might reasonably expect to receive for the security (or asset) upon its current sale. Each such determination should be based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to: (i) the type of security, (ii) the initial cost of the security, (iii) the existence of any contractual restrictions on the security's disposition, (iv) the price and extent of public trading in similar securities of the issuer or of comparable companies, (v) quotations or evaluated prices from broker-dealers and/or pricing services, (vi) information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange traded securities), (vii) an analysis of the company's financial statements, and (viii) an

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evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold (e.g. the existence of pending merger activity, public offerings or tender offers that might affect the value of the security).

In accordance with ASC 820, Fair Value Measurements and Disclosures ("ASC 820") (formerly known as the Statement of Financial Accounting Standard ("FAS") No. 157), ASC 820, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes three different categories for valuations. Level 1 valuations are those based upon quoted prices in active markets. Level 2 valuations are those based upon quoted prices in inactive markets or based upon significant observable inputs (e.g. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (e.g. discounted cash flow analysis; non-market based methods used to determine fair valuation). The following table represents the Fund's investments carried on the Statement of Assets and Liabilities by caption and by level within the fair value hierarchy as of May 31, 2010:

Description	Level 1	Level 2	Level 3	Total
(value in \$000s)				
<b>Assets:</b>				
Master Limited Partnerships	\$ 493,351	\$	\$	\$ 493,351
Common Stocks	1,983	3,947		5,930
Other Equity Securities				
Incentive Distribution Rights				
Warrants		73		73
Term Loans			408	408
Money Market Fund	7,366			7,366
Total	\$ 502,700	\$ 4,020	\$ 408	\$ 507,128
<b>Liabilities:</b>				
Derivatives	\$	\$ 5,133	\$	\$ 5,133
Total	\$	\$ 5,133	\$	\$ 5,133
<b>Level 3 holdings</b>				
Beginning Balance at 11/30/09				
Other Equity Securities				\$
Incentive Distribution Rights				
Warrants				
Term Loans				433
Total Realized Gain/Loss				
Change in Unrealized Gain/Loss				
Other Equity Securities				
Incentive Distribution Rights				
Term Loans				(25)
Net Purchases and Sales				
Net Transfers In/Out				
Warrants				
Ending Balance at 5/31/10				
Other Equity Securities				
Incentive Distribution Rights				
Warrants				
Term Loans				408
Total Level 3 holdings				\$ 408



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All net realized and unrealized gains/losses in the above table are reflected in the Statement of Operations. Net unrealized gains/losses relate to those investments held by the Fund at May 31, 2010.

**b) Investment Transactions and Investment Income**

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

The Fund records the character of dividends received from MLPs based on estimates made at the time such distributions are received. These estimates are based upon a historical review of information available from each MLP and other industry sources. The Fund's characterization of the estimates may subsequently be revised based on information received from MLPs after their tax reporting periods conclude.

For the period ended May 31, 2010, the Fund estimated 99.6% of its distributions from MLPs as return of capital and 0.4% of its distributions from MLPs as investment income, which is reflected in the Statement of Operations.

**(c) Distributions to Shareholders**

The Fund intends to make quarterly distributions to shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined in accordance with U.S. generally accepted accounting principles which may differ from their ultimate characterization for federal income tax purposes. The Fund anticipates that a significant portion of its distributions will be comprised of return of capital as a result of the tax character of cash distributions made by MLPs. The Fund is unable to make final determinations as to the tax character of the distributions to shareholders until after the end of the calendar year. The Fund will inform shareholders of the final tax character of the distributions on IRS Form 1099 DIV in January 2011.

**Note 3 Investment Advisory Agreement, Sub-Advisory Agreement and Other Agreements:**

Pursuant to an Investment Advisory Agreement (the "Advisory Agreement") between the Fund and Claymore Advisors, LLC (the "Adviser"), the Adviser will furnish offices, necessary facilities and equipment, oversee the activities of Fiduciary Asset Management, LLC ("FAMCO" or the "Sub-Adviser"), provide personnel including certain officers required for its administrative management and pay the compensation of all officers and Trustees of the Fund who are its affiliates. As compensation for these services, the Fund will pay the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets (net assets plus any assets attributable to financial leverage).

Pursuant to a Sub-Advisory Agreement (the "Sub-Advisory Agreement") between the Fund, the Adviser and the Sub-Adviser, the Sub-Adviser under the supervision of the Fund's Board of Trustees and the Adviser, provides a continuous investment program for the Fund's portfolio; provides investment research and makes and executes recommendations for the purchase and sale of securities; and provides certain facilities and personnel, including certain officers required for its administrative management and pays the compensation of all officers and Trustees of the Fund who are its affiliates. As compensation for its services, the Adviser pays the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average daily Managed Assets.

The Fund agreed to waive the advisory fees on all shares issued through the add-on offering for the first three months those shares are outstanding and waive half the advisory fees on those shares for the next three months. Advisory fees of \$71,452 were waived for the period ended May 31, 2010. See Note 8 for additional information regarding the add-on offering.

On October 15, 2009, Guggenheim Partners LLC, ("Guggenheim"), a global diversified financial services firm, and Claymore Group Inc., parent of the Adviser, announced the completion of a previously announced merger. The closing of this transaction took place on October 14, 2009. This transaction resulted in a change-of-control whereby Claymore Group Inc. and its subsidiaries, including the Adviser, became indirect, wholly-owned subsidiaries of



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Guggenheim. The transaction has not affected the daily operations of the Fund or the investment activities or the investment management activities of the Adviser.

Under the Investment Company Act of 1940, as amended, the consummation of the transaction resulted in the automatic termination of the Fund's advisory & sub-advisory agreements. On September 23, 2009, the Board of Trustees approved a new investment advisory agreement between the Fund and the Adviser (the "New Advisory Agreement") and a new investment sub-advisory agreement among the Fund, the Adviser and FAMCO (the "New Sub-Advisory Agreement" and together with the New Advisory Agreement, the "New Agreements") and recommended that the New Agreements be submitted to the shareholders of the Fund for their approval. On February 2, 2010, shareholders of the Fund approved the New Agreements on behalf of the Fund. The New Agreements have an initial term of one year. Thereafter, the New Agreements will continue in effect only if their continuance is approved by the Board of Trustees. Other than effective dates, there are no material differences between the terms of the New Agreements and those of the original Advisory Agreement and Sub-Advisory Agreement.

Under a separate Fund Administration agreement, the Adviser provides Fund Administration services to the Fund. As compensation for services performed under the Administration Agreement, the Adviser receives an administration fee payable monthly at the annual rate set forth below as a percentage of the average daily managed assets of the Fund:

Managed Assets	Rate
First \$200,000,000	0.0275%
Next \$300,000,000	0.0200%
Next \$500,000,000	0.0150%
Over \$1,000,000,000	0.0100%

The Bank of New York Mellon ("BNY") acts as the Fund's custodian, accounting agent and transfer agent. As custodian, BNY is responsible for the custody of the Fund's assets. As accounting agent, BNY is responsible for maintaining the books and records of the Fund's securities and cash. As transfer agent, BNY is responsible for performing transfer agency services for the Fund.

**Note 4 Federal Income Taxes:**

The Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). In addition, as a regular corporation, the Fund is subject to various state and Canadian income taxes by reason of its investments in MLPs. As a limited partner in the MLPs, the Fund includes its allocable share of the MLP's taxable income in computing its own taxable income. Deferred income taxes reflect (i) taxes on unrealized gains/(losses), which are attributable to the temporary difference between fair market value and tax basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating losses and capital loss carryforwards. The Fund may be subject to a 20% alternative minimum tax to the extent that it exceeds the Fund's regular income tax liability. The amount to which the Fund is required to pay U.S. corporate income tax or alternative minimum tax could materially reduce the Fund's cash available to make distributions on Common Shares.

Information on the tax components of investments as of May 31, 2010 is as follows:

Cost of investments for tax purposes	Gross tax unrealized appreciation	Gross tax unrealized depreciation	Net tax unrealized appreciation on investments	Net tax unrealized depreciation on derivatives
\$ 294,257,364	\$ 225,724,779	\$ (12,853,795)	\$ 212,870,984	\$ (1,005,520)

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The Fund accrues deferred income taxes for its future tax liability or benefit associated with that portion of MLP distributions considered to be a tax-deferred return of capital as well as capital appreciation or depreciation of its investments. To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Fund based on the criterion established by ASC 740, Income Taxes, ("ASC 740") (formerly known as Statement of Financial Accounting Standard ("FAS") No. 109) that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future MLP cash distributions), the duration of statutory carryforward periods and the associated risk that operating loss carryforwards may expire unused.

The Fund may rely to some extent on information provided by the MLPs, which may not necessarily be timely, to estimate taxable income allocable to the MLP units held in the portfolio and to estimate the associated deferred tax liability. Such estimates are made in good faith. From time to time, as new information becomes available, the Fund modifies its estimates or assumptions regarding the deferred tax liability.

The Fund's income tax provision consists of the following:

Current tax expense	\$ 698,067
Deferred federal income tax expense	19,526,714
Deferred state income tax expense	4,689,868
Total current and deferred tax expense	\$ 24,914,649

Total income tax expense differs from the amount computed by applying the federal statutory income tax rate of 35% to net investment income and realized and unrealized gains before taxes as follows:

		<b>Rate</b>
Application of statutory income tax rate	\$ 21,440,044	35.00%
State income taxes	3,321,605	5.42%
Foreign income taxes	153,000	0.25%
Total	\$ 24,914,649	40.67%

Components of the Fund's deferred tax assets and liabilities as of May 31, 2010, are as follows:

<b>Deferred tax assets:</b>	
Deferred tax benefit on net operating loss carryforward	\$ 15,693,263
Deferred tax benefit on capital loss carryforward	18,104,106
Valuation allowance	(5,021,355)
Deferred tax asset	\$ 28,776,014
<b>Deferred tax liabilities:</b>	
Deferred tax on unrealized gain on investments and swap	\$ (84,377,146)
Net deferred tax liability	\$ (55,601,132)

At November 30, 2009 (the most recent fiscal year end for federal income tax purposes), the Fund had a remaining net operating loss carryforward of \$38,630,545. The net operating loss carryforward is set to expire as

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follows: \$15,066,691 in 2026, \$10,333,986 in 2027 and \$13,229,868 in 2029. At November 30, 2009 (the most recent fiscal year end for federal income tax purposes), the Fund had a capital loss carryforward of \$26,609,957. If not utilized, the capital loss carryforward will expire November 30, 2014.

The Fund periodically reviews the recoverability of any deferred tax asset based on the weight of available evidence. When assessing the recoverability of any deferred tax asset, significant weight is given to the Fund's forecast of future taxable income, which is based principally on the expected continuation of MLP cash distributions at or near current levels. Consideration is also given to the effects of the potential of additional future realized and unrealized gains or losses on investments and the period over which deferred tax assets can be realized, as the expiration dates for the federal tax loss carryforwards range from seventeen to twenty years and capital loss carryforwards expire in five years. Recovery of a deferred tax asset is dependent on continued payment of the MLP cash distributions at or near current levels in the future and the resultant generation of taxable income. As of May 31, 2010, and November 30, 2009, 2008, 2007 and 2006, a valuation allowance for state income tax purposes of \$889,410, \$1,138,993, \$652,188, \$1,665,241 and \$675,523, respectively, was recorded as it is unlikely that the Fund will be able to utilize the net operating losses sourced to states (other than Illinois). The Fund will continue to assess the need for a valuation allowance in the future. The Fund will review its financial forecasts in relation to actual results and expected trends on an ongoing basis. If a valuation allowance is required in the future, it could have an impact on the Fund's net assets and results of operations in the period it is recorded.

For all open tax years and all major jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e. generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

**Note 5 Investments in Securities:**

For the period ended May 31, 2010, purchases and sales of investments, excluding short-term securities, were \$50,105,291 and \$15,450,613, respectively.

**Note 6 Derivatives:**

The Fund adopted ASC 815, Derivatives and Hedging ("ASC 815") (formerly known as FAS No. 161). ASC 815 is intended to improve financial reporting about derivative instruments by requiring enhanced disclosures to enable investors to better understand: a) how and why a fund uses derivative instruments, b) how derivatives instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows.

Swap agreements are contracts between parties in which one party agrees to make periodic payments to the other party (the "Counterparty") based on the change in market value or level of a specified rate, index or asset. In return, the Counterparty agrees to make periodic payments to the first party based on the return of a different specified rate, index or asset. Swap agreements will usually be done on a net basis, the Fund receiving or paying only the net amount of the two payments. The net amount of the excess, if any, of the Fund's obligations over its entitlements with respect to each swap is accrued on a daily basis and an amount of cash or highly liquid securities having an aggregate value at least equal to the accrued excess is maintained in an account at the Fund's custodian bank.

The Fund may enter into swap agreements to manage its exposure to interest rates and/or credit risk or to generate income. Interest rate swap agreements involve the exchange by the Fund with another party of their respective

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commitments to pay or receive interest. The swaps are valued daily at current market value and any unrealized gain or loss is included in the Statement of Assets and Liabilities. Gain or loss is realized on the termination date of the swap and is equal to the difference between the Fund's basis in the swap and the proceeds of the closing transaction, including any fees. During the period that the swap agreement is open, the Fund may be subject to risk from the potential inability of the counterparty to meet the terms of the agreement. The swaps involve elements of both market and credit risk in excess of the amounts reflected on the Statement of Assets and Liabilities.

Realized gain (loss) upon termination of swap contracts is recorded on the Statement of Operations. Fluctuations in the value of swap contracts are recorded as a component of net change in unrealized appreciation (depreciation) of swap contracts. Net periodic payments received by the Fund are included as part of realized gains (losses) and, in the case of accruals for periodic payments, are included as part of unrealized appreciation (depreciation) on the Statement of Operations.

The Fund had interest rate swap agreements outstanding during the period ended May 31, 2010, in order to hedge its exposure to short-term rates paid on its credit facility. As of May 31, 2010, the Fund had swaps with a total notional value of \$120,000,000 outstanding. Details of the swap agreements outstanding as of May 31, 2010, were as follows:

Counterparty	Termination Date	Notional Amount (\$000)	Fixed Rate	Floating Rate	Unrealized Appreciation/ (Depreciation)
Merrill Lynch	01/30/2011	\$ 30,000	3.05%	1-Month LIBOR	\$ (792,928)
Merrill Lynch	01/30/2013	\$ 30,000	3.49%	1-Month LIBOR	(2,016,555)
Morgan Stanley	02/07/2011	\$ 30,000	2.92%	1-Month LIBOR	(740,033)
Morgan Stanley	03/19/2013	\$ 30,000	3.13%	1-Month LIBOR	(1,583,625)
					\$ (5,133,141)

For each swap noted, the Fund is obligated to pay the fixed rate and entitled to receive the floating rate.

The unrealized depreciation on interest rate swaps of \$5,133,141 is presented as a liability on the Statement of Assets and Liabilities.

The following table presents the effect of Derivatives Instruments on the Statement of Operations for the period ended May 31, 2010.

**Effect of Derivative Instruments Before Taxes on the Statement of Operations for the period ended May 31, 2010:**

(Values in \$000s)

Amount of Realized Gain/(Loss) on Derivatives Before Taxes	
Swaps	
Interest Rate Risk	\$ (1,738)
Change in Unrealized Appreciation/Depreciation on Derivatives Before Taxes	
Swaps	
Interest Rate Risk	\$ 1,006

The Fund did not enter into any new swap agreements during the period ended May 31, 2010.

**Note 7 Borrowings:**

On September 30, 2008, the Fund entered into a \$155,000,000 credit facility agreement. The Fund incurred an issuance cost of 0.25% on the credit facility. Interest on the amount borrowed was based on the 3-month

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LIBOR plus 1.50%. On August 3, 2009, the credit facility total was reduced to \$120,000,000. An unused fee of 1.15% was charged on the difference between the total credit facility and the amount borrowed. Effective May 14, 2010, interest on the amount borrowed was reduced to the 3-month LIBOR plus 0.95%, and the unused fee was reduced to a 0.70% charge on the difference between the total credit facility and the amount borrowed. At May 31, 2010, there was \$120,000,000 outstanding in connection with the Fund's credit facility.

The average daily amount of borrowings on the credit facility during the period ended May 31, 2010, was \$111,760,753 with a related weighted average interest rate of 1.79%, inclusive of the program fees. The maximum amount outstanding during the period ended May 31, 2010, was \$120,000,000.

**Note 8 Capital:**

**Common Shares**

The Fund has an unlimited amount of common shares, \$0.01 par value, authorized and 19,973,405 issued and outstanding.

Transactions in common shares were as follows:

	<b>Period Ended May 31, 2010</b>	<b>Year Ended November 30, 2009</b>
Beginning shares	18,807,181	18,285,742
Shares issued through dividend reinvestment	99,324	246,739
Common shares issued through add-on offering	1,066,900	274,700
Ending shares	19,973,405	18,807,181

On November 6, 2009, the Fund entered into an add-on offering sales agreement among the Fund, the Adviser and Cantor Fitzgerald & Co. to offer and sell up to an additional \$125,000,000 of common shares, from time to time, through Cantor Fitzgerald & Co. as agent for the Fund. As of May 31, 2010, the Fund had no pending subscriptions.

The Advisor has paid the costs associated with this offering of shares and will be reimbursed by the Fund up to 0.60% of the value of each share sold under this program, up to the lesser of the costs incurred or \$400,000. Through May 31, 2010, the Fund paid \$143,610 associated with the add-on offering.

**Note 9 Concentration of Risk:**

Because the Fund is focused in MLP entities in the energy, natural resources and real estate sectors of the economy, such concentration may present more risks than if the Fund were broadly diversified over numerous industries and sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have a larger impact on the Fund than on an investment company that does not concentrate in such sectors. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole.

An investment in MLP units involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in MLP units. Additionally, conflicts of interest may exist between common unit

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holders, subordinated unit holders and the general partner of an MLP; for example, a conflict may arise as a result of incentive distribution payments.

**Note 10 Restricted Securities:**

The Fund may invest up to 40% of its managed assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on resale. The Fund will typically acquire restricted securities in directly negotiated transactions. Restricted securities are fair valued in accordance with procedures established by the Fund's Board of Trustees. As of May 31, 2010, the Fund held the following restricted securities:

Security	Date of Acquisition	Shares/ Par	Current Cost	Fair Market Value	Price at Acquisition Date (unrestricted)***	5/31/2010 Price
Abraxas Petroleum Corp.	10/05/2009	756,923	\$ 2,468,886	\$ 1,978,842	\$ 1.75	\$ 2.6143
Abraxas Petroleum Corp.	10/05/2009	756,924	\$ 2,468,889	\$ 1,968,388	\$ 1.75	\$ 2.6005
Abraxas Petroleum Corp.*	05/25/2007	114,230	\$	\$ 72,769	\$	\$ 0.6370
Clearwater GP Holding Co.	02/29/2008	123	\$ 199,129	\$	\$ 1,252.03	\$
Clearwater Natural Resources, L.P.*	01/13/2009	9,499	\$	\$	\$	\$
Clearwater Natural Resources, L.P.**	08/01/2005	43	\$	\$	\$	\$
Clearwater Natural Resources, L.P.	08/01/2005	892,857	\$ 17,857,143	\$	\$ NA	\$
Clearwater Natural Resources, L.P.	10/02/2006	252,764	\$ 5,055,280	\$	\$ NA	\$
Clearwater Subordinate Note	07/08/2008	\$ 212,000	\$ 212,000	\$ 69,960	\$ 100.00	\$