

Advent Claymore Convertible Securities & Income Fund II  
Form N-CSR  
January 08, 2016

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-22022

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

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

Robert White, Treasurer  
1271 Avenue of the Americas, 45th Floor, New York, NY 10020  
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 482-1600

Date of fiscal year end: October 31

Date of reporting period: November 1, 2014 – October 31, 2015

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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:

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[GUGGENHEIMINVESTMENTS.COM/AGC](http://GUGGENHEIMINVESTMENTS.COM/AGC)

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

The shareholder report you are reading right now is just the beginning of the story. Online at [guggenheiminvestments.com/agc](http://guggenheiminvestments.com/agc), 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 way we are working to keep you better informed about your investment in the Fund.

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(Unaudited)

October 31, 2015

DEAR SHAREHOLDER

Tracy V. Maitland  
President and Chief Executive Officer

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund II (the “Fund”). This report covers the Fund’s performance for the 12 months ended October 31, 2015.

Advent Capital Management, LLC (“Advent” or the “Investment Manager”), serves as the Fund’s Investment Manager. Based in New York, New York, with additional investment personnel in London, England, Advent is a credit-oriented firm specializing in the management of global convertible, high-yield and equity securities across three lines of business—long-only strategies, hedge funds, and closed-end funds. As of October 31, 2015, Advent managed approximately \$8.4 billion in assets.

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

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, each of U.S. and non-U.S. issuers. The Fund must invest a minimum of 30% of its managed assets in convertible securities and may invest up to 70% of its managed assets in non-convertible income-producing 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. The Fund’s non-fundamental investment policies were changed during the period and took effect in January 2015. Please see the Questions & Answers section following for more information.

All Fund returns cited—whether based on net asset value (NAV) or market price—assume the reinvestment of all distributions. For the 12-month period ended October 31, 2015, the Fund generated a total return based on market price of -5.10% and a total return of -0.30% based on NAV. As of October 31, 2015, the Fund’s market price of \$5.78 represented a discount of 18.01% to NAV of \$7.05.

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 it may be higher or lower than the Fund’s NAV.

Each month from November 2014 through October 2015, the Fund paid a monthly distribution of \$0.047 per share. The current monthly distribution represents an annualized distribution rate of 9.76% based upon the last closing market price of \$5.78 as of October 31, 2015. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained. A portion of the Fund’s distributions for the 12 months ended October 31, 2015 consisted of a return of capital. Please see the



DEAR SHAREHOLDER (Unaudited) continued

October 31, 2015

Questions & Answers section and Note 2(n) on page 44 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 63 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 II as part of your investment portfolio. For the most up-to-date information regarding your investment, included related investment risks, please visit the Fund’s website at [guggenheiminvestments.com/agc](http://guggenheiminvestments.com/agc).

Sincerely,

Tracy V. Maitland  
President and Chief Executive Officer of the  
Advent Claymore Convertible Securities and Income Fund II  
November 30, 2015

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4 | AGC | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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QUESTIONS & ANSWERS (Unaudited)

October 31, 2015

Advent Claymore Convertible Securities and Income Fund II (the “Fund”) is managed by a team of seasoned professionals at Advent Capital Management, LLC (“Advent” or the “Investment Manager”), led by Tracy V. Maitland, Advent’s Founder, President, and Chief Investment Officer. 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, 2015.

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, each of U.S. and non-U.S. issuers. The Fund must invest a minimum of 30% of its managed assets in convertible securities and may invest up to 70% of its managed assets in non-convertible income-producing securities. The Fund may invest without limitation in foreign securities.

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

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

Discuss the changes to the Fund’s non-fundamental investment policies during the period.

Modifications to non-fundamental investment policies approved by the Board of Trustees of the Fund took effect on January 12, 2015. Prior to January 12, 2015, the Fund invested at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income-producing securities, including U.S. and non-U.S. issuers, with at least 50% of its managed assets in convertible assets in non-convertible income-producing securities. Pursuant to the policy changes that became effective January 12, 2015, 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, each of U.S. and non-U.S. issuers. The Fund must invest a minimum of 30% of its managed assets in convertible securities and may invest up to 70% of its managed assets in non-convertible income-producing securities. The Fund may invest without limitation in foreign securities. These modifications were designed to expand the portfolio management flexibility of the Fund and may provide an opportunity to enhance shareholder value through the Investment Manager’s expanded investment capabilities and ability to manage risk.



QUESTIONS & ANSWERS (Unaudited) continued

October 31, 2015

Advent's institutional strategies, which invest in the same asset classes as the Fund, have provided superior performance relative to applicable benchmarks. Accordingly, Advent has reallocated the Fund's portfolio over time to establish a core portfolio of convertible bonds that is managed, subject to the Fund's investment policies and restrictions, in a manner similar to that of Advent's Global Balanced Convertible Strategy. Advent's Global Balanced Convertible Strategy seeks a high total return by investing in a portfolio of global convertible securities that provide equity-like returns while seeking to limit downside risk.

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

Advent now 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 will incorporate leverage and operate 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.

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

World equity and convertible bond markets returned profits to investors on a local currency basis for the last year ended October 31, 2015, although losses, some sharp, occurred in some emerging market countries. The global convertible bond markets are mostly exposed to developed countries, whose equity indices largely had positive returns, highlighted by European and Japanese central bank quantitative easing leading asset prices higher, whether equity or bond. In the U.S. a strong domestic economy helped equity markets shake off slowdowns in emerging markets and the higher dollar, although the high-yield corporate bond markets were weighed down by higher exposure to commodities.

Another key determinant of returns in a global portfolio was currency exposure, with two important currencies as examples. The euro fell from 1.25 per dollar to 1.10, and the Japanese yen fell from 113 per dollar to 121 during the year. The 5.9% local currency return of the Bank of America Merrill Lynch Global 300 Convertible Index was more than halved to 2.7% in U.S. dollar terms if an American investor did not hedge the currency exposure. The Fund's recent policy has remained to hedge all foreign currency exposures back to the U.S. dollar.

By sector, strong gains were to be had in the consumer discretionary, health care, and technology areas, and the global convertible markets have strong representation in the latter two areas. The common theme here is U.S. and developed market consumption exposure in these sectors as opposed to industrial or commodity exposure to emerging markets, where returns were weaker and economic growth declined. Low U.S. borrowing rates, strong employment, and merger and acquisition activity all contributed to outperformance in the better sectors.

October 31,  
2015

QUESTIONS & ANSWERS (Unaudited) continued

How did the Fund perform in this environment?

All Fund returns cited—whether based on net asset value (NAV) or market price—assume the reinvestment of all distributions. For the 12-month period ended October 31, 2015, the Fund generated a total return based on market price of -5.10% and a total return of -0.30% based on NAV. As of October 31, 2015, the Fund's market price of \$5.78 represented a discount of 18.01% to NAV of \$7.05. As of October 31, 2014, the Fund's market price of \$6.66 represented a discount of 12.71% to NAV of \$7.63.

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 it may be higher or lower than the Fund's NAV.

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, 2015, including borrowing and reverse repurchase agreements, was \$170 million, approximately 43% of the Fund's total managed assets.

There is no guarantee that the Fund's leverage strategy will be successful, and the Fund's use of leverage may cause the Fund's NAV and market price of common shares to be more volatile.

The NAV return for the Fund was moderately below the cost of leverage for the fiscal year. 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 year. That said, Advent continues to seek attractive and relatively lower-risk opportunities to invest borrowings that have very low cost compared to history 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?

For much of the fiscal year, the Chicago Board Options Exchange Volatility Index (VIX), stayed at generational lows below 15. This kept the benefit of writing covered calls against equities relatively low compared to the upside foregone should the equity perform well. As markets corrected in late summer, and global investors began anticipating a Federal Reserve interest rate hike, the VIX rose and generally stayed above 15 for the remainder of the fiscal year. Having separately raised the allocation to equities due to more attractive valuations, the Advisor began writing more options against these equities to capitalize on the higher volatility, seeing to generate gains for option writing premiums.

How did related market measures perform in this environment?

For the 12-month period ended October 31, 2015, the return of the Bank of America Merrill Lynch Global 300 Convertible Index was 5.93% (local currency).

The return of the Bank of America Merrill Lynch High Yield Master II Index was -2.05%.

These indicies 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,

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AGC 1 ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT 17

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advisory fees, and other expenses, while these indices do not. These indices are intended as measures of broad market return.

Please discuss the Fund's distributions.

Each month from November 2014 through October 2015, the Fund paid a monthly distribution of \$0.047 per share. The current monthly distribution represents an annualized distribution rate of 9.76% based upon the last closing market price of \$5.78 as of October 31, 2015. There is no guarantee of any future distributions, or that the current returns and distribution rate will be maintained. For the 12 months ended October 31, 2015, 64% of the Fund's distributions consisted of investment company taxable income or net capital gain and 36% consisted of return of capital. While the Fund generally seeks to pay dividends 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 45 for more information on distributions for the period.

How was the Fund's portfolio allocated among asset classes during the 12 months ended October 31, 2015, and how did this influence performance?

As of October 31, 2015, 57.6% of the Fund's total investments were invested in convertible bonds, convertible preferred securities, and mandatory convertibles; 26.5% in corporate bonds; 12.9% in equities; 0.7% in senior floating rate interests; and 2.3% in cash and cash equivalents.

As of October 31, 2014, 64.5% of the Fund's total investments were invested in convertible bonds, convertible preferred securities, and mandatory convertibles; 28.5% in corporate bonds; 3.8% in equities; 0.7% in senior floating rate interests; and 2.5% in cash and cash equivalents.

The change in allocations, chiefly from more equities compared to convertible bonds, came about mostly starting in the late summer, as the global market corrections presented new opportunities to invest in straight bonds and international equities at attractive valuations. Parts of the convertible markets have high valuations compared to theoretical models, which has led Advent to deemphasize those areas. Within convertibles, the allocation to mandatory instruments and preferred stocks increased from 7.5% to 9.6%, as this part of the market remained attractively valued compared to traditional convertibles.

International investments were 38% of the total on October 31, 2015, compared to 34% a year ago. Positive quantitative easing policies drove more investment opportunities in both bonds and equities in developed foreign markets, which are key issuers of convertibles, such as Europe and Japan. The Fund



QUESTIONS & ANSWERS (Unaudited) continued

October 31, 2015

also allocated more capital to Europe in the summer after markets corrected during another funding crisis in Greece, which was eventually resolved.

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

Among the large winners for the Fund over the period were holdings related to Ctrip.com International Ltd., Fiat Chrysler Automobiles N.V., Telecom Italia Finance S.A., and China Power International Development.

Convertibles in Chinese travel provider Ctrip.com International Ltd. (1.1% of long-term investments at period end) enjoyed the stock's steady rise through the year, as the company continued to grow very quickly in penetrating Chinese society's rapid growth spend in leisure and business travel. Ctrip obtained an equity infusion from U.S. peer Priceline Group and invested in competitors eLong and Qunar during the year, both of which reduced perceptions of competition and helped the earnings multiple.

Mandatory convertibles in global automobile maker Fiat Chrysler Automobiles N.V. (0.2% of long-term investments at period end) performed well as the company enjoyed good growth in its main continent of profits North America and the company had a successful spinoff of its subsidiary Ferrari late in the fiscal year.

Mandatory convertibles in telecom carrier conglomerate Telecom Italia Finance S.A. (1.1% of long-term investments at period end) gained after two other Italian carriers merged to help the competitive dynamic, and largest shareholder Vivendi added to its stake, spurring speculation about beneficial merger and acquisition possibilities.

Independent power producer China Power International Development (not held at period end) and its convertibles performed well, as falling input costs for coal spurred earnings growth and the government delayed planned tariff cuts. The bonds were sold as they went further in-the-money before the Chinese equity markets plunged in the summer.

Among the leading detractors for the Fund over the last year were holdings related to Volkswagen AG, Micron Technology, Inc., and SunEdison, Inc.

Equity in German carmaker Volkswagen AG (not held at period end) declined after the company was revealed to have altered emissions on certain models based on the testing environment. This development and further potential liabilities were a surprise to all shareholders and the positions were sold.

Convertibles of semiconductor manufacturer Micron Technology, Inc. (0.3% of long-term investments at period end) suffered as the company experienced declining profitability after falling behind lower-cost Asian competition and dealing with a downward personal computer (PC) spending cycle in front of Windows 10.

Convertibles in renewable-energy-projects company SunEdison, Inc. (not held at period end) declined after investors became concerned the company was overreaching with acquisitions and project signings in a period where financing and cost of capital were becoming more difficult. Slowing of growth and margin in backlogged projects also contributed to the decline.



QUESTIONS & ANSWERS (Unaudited) continued

October 31, 2015

Do you have any other comments about the markets and the Fund?

At the close of the Fund's fiscal year, debate was centered around monetary policy moves, with possible further easing in Europe and Japan and a possible first tightening in almost a decade by the U.S. Federal Reserve. Convertible bonds (and high-yield bonds, at times) have often performed very well in times of domestic rising interest rate environments due to the connection with a strong U.S. economy and growth of corporate profits. The slope of the Federal Reserve's normalization policy as 2016 progresses and the resumption of corporate profit growth are key to realizing this scenario, and corporate credit spreads, which widened during the fiscal year just closed, have an upside return scenario from the same variables.

Reaction of the European and Japanese economies to past and future monetary policy support are also key to the respective equity markets and corporate credit spreads in those geographies. Risk of foreign holdings depreciating in foreign currencies due to the rise of the U.S. dollar is generally offset by the Fund's currency hedging policies. Higher volatility from greater uncertainty in both the U.S. monetary policy and foreign economic growth debates can be beneficial to Fund investors through the volatility pricing mechanism in convertible bonds and the opportunity to realize option income through the Fund's equity holdings and investment policies regarding covered calls.

#### Index Definitions

Indices are unmanaged, do not use leverage, and do not experience fees, expenses or transaction costs and it is not possible to invest directly in an index.

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

Bank of America Merrill Lynch High Yield Master II Index is a commonly used benchmark index for high yield corporate bonds. It is a measure of the broad high yield market.

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.

#### AGC Risks and Other Considerations

The views expressed in this report reflect those of the Investment Manager 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/agc](http://guggenheiminvestments.com/agc) for a more detailed discussion about Fund risks and considerations.



## FUND SUMMARY (Unaudited)

October 31, 2015

## Fund Statistics

Share Price	\$5.78
Net Asset Value	\$7.05
Discount to NAV	-18.01 %
Net Assets (\$000)	\$227,431

AVERAGE ANNUAL TOTAL RETURNS  
FOR THE PERIOD ENDED OCTOBER 31, 2015

	One Year	Three Year	Five Year	Since Inception (05/29/07)
Advent Claymore Convertible Securities and Income Fund II				
NAV	-0.30 %	6.86 %	2.49 %	-2.93 %
Market	-5.10 %	3.56 %	-0.97 %	-4.85 %

## Portfolio Breakdown

% of Net Assets

## Investments:

Convertible Bonds	83.6 %
Corporate Bonds	46.3 %
Common Stocks	22.5 %
Convertible Preferred Stocks	16.8 %
Short Term Investments	4.0 %
Senior Floating Rate Interests	1.3 %
Total Investments	174.5 %
Call Options Written	-0.2 %
Other Assets & Liabilities, net	-74.3 %
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/agc](http://guggenheiminvestments.com/agc). The above summaries are provided for informational purposes only and should not be viewed as recommendations.

FUND SUMMARY (Unaudited) continued

October 31, 2015

All or a portion of the above distributions may be characterized as a return of capital. For the year ended October 31, 2015, 36% of the distributions were characterized as return of capital.

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12 | AGC | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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FUND SUMMARY (Unaudited) continued

October 31, 2015

Country Breakdown	% of Long-Term Investments
United States	64.6%
Japan	5.4%
France	4.8%
Germany	3.9%
Netherlands	3.8%
Canada	2.4%
Cayman Islands	1.8%
Austria	1.6%
United Kingdom	1.4%
Italy	1.2%
Luxembourg	1.1%
Switzerland	0.9%
Australia	0.7%
Bermuda	0.7%
Spain	0.7%
China	0.7%
United Arab Emirates	0.6%
Mexico	0.6%
Marshall Islands	0.5%
Hungary	0.5%
India	0.4%
Belgium	0.4%
Taiwan	0.4%
Ireland	0.3%
Liberia	0.3%
Jersey	0.3%
Subject to change daily.	

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 AGC I ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT 1 13
 

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## PORTFOLIO OF INVESTMENTS

October 31, 2015

	Shares	Value
<b>COMMON STOCKS† – 22.5%</b>		
<b>Consumer, Non-cyclical – 7.8%</b>		
Cigna Corp.1	19,181	\$ 2,571,021
Gilead Sciences, Inc.2	21,700	2,346,421
GlaxoSmithKline plc ADR1	50,400	2,170,224
Biogen, Inc.*.2	6,000	1,743,060
Valeant Pharmaceuticals International, Inc.*	18,300	1,715,991
Mylan N.V.*.1	32,300	1,424,107
Amgen, Inc.*.1	7,800	1,233,804
Endo International plc*.1	20,000	1,199,800
Roche Holding AG	4,000	1,088,714
Olympus Corp.	30,000	1,020,510
Incyte Corp.*.1	7,000	822,710
Cempra, Inc.*.1	22,500	499,500
<b>Total Consumer, Non-cyclical</b>		<b>17,835,862</b>
<b>Consumer, Cyclical – 6.3%</b>		
General Motors Co.2	90,800	3,169,828
Bayerische Motoren Werke A.G.	127,776	2,864,543
MGM Resorts International*.1,2	103,700	2,404,803
Yum! Brands, Inc.1	25,000	1,772,750
Royal Caribbean Cruises Ltd.2	16,900	1,662,115
Faurecia1	33,609	1,337,657
Daimler AG — Class D	12,046	1,050,823
<b>Total Consumer, Cyclical</b>		<b>14,262,519</b>
<b>Financial – 3.2%</b>		
Citigroup, Inc.2	34,400	1,829,048
Azimut Holding SpA	66,000	1,595,932
Unibail-Rodamco SE REIT	5,580	1,566,259
ING Groep N.V.1	85,752	1,253,698
NorthStar Realty Finance Corp. REIT*.1	91,500	1,098,915
<b>Total Financial</b>		<b>7,343,852</b>
<b>Technology – 2.6%</b>		
Apple, Inc.2	17,000	2,031,500
Xilinx, Inc.	142,411	2,019,612
QUALCOMM, Inc.1	32,100	1,907,382
<b>Total Technology</b>		<b>5,958,494</b>
<b>Industrial – 1.4%</b>		

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Deutsche Post AG1	52,000	1,554,950
Koninklijke Philips N.V.	56,637	1,538,450
Total Industrial		3,093,400

See notes to financial statements.

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14 | AGC | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Shares	Value
COMMON STOCKS† – 22.5% (continued)		
Basic Materials – 0.7%		
BASF SE1	20,322	\$ 1,673,102
Energy – 0.5%		
Occidental Petroleum Corp.1	15,000	1,118,100
Total Common Stocks (Cost \$51,746,058)		51,285,329
CONVERTIBLE PREFERRED STOCKS† – 16.8%		
Consumer, Non-cyclical – 6.1%		
Allergan plc		
5.50% due 03/01/181	6,446	6,746,577
Anthem, Inc.		
2.75% due 10/15/421	75,890	3,531,921
Tyson Foods, Inc.		
4.75% due 07/15/171	67,307	3,523,521
Total Consumer, Non-cyclical		13,802,019
Communications – 4.5%		
Frontier Communications Corp.		
11.13% due 06/29/181	103,554	10,265,308
Financial – 3.8%		
Wells Fargo & Co.		
7.50% 1,3	4,519	5,373,091
American Tower Corp.		
5.25% due 05/15/171	21,900	2,330,160
AMG Capital Trust II		
5.15% due 10/15/371	15,996	932,767
Total Financial		8,636,018
Utilities – 1.5%		
Dominion Resources, Inc.		
6.38% due 07/01/171	42,510	2,109,771
NextEra Energy, Inc.		
6.37% due 09/01/181	26,182	1,376,126
Total Utilities		3,485,897
Basic Materials – 0.3%		
Alcoa, Inc.		
5.38% due 10/01/171	24,764	783,285
Industrial – 0.3%		

Stanley Black & Decker, Inc.

6.25% due 11/17/161

6,100

732,366

See notes to financial statements.

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AGC I ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT I 15

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Shares	Value
<b>CONVERTIBLE PREFERRED STOCKS† – 16.8%</b>		
(continued)		
Energy – 0.3%		
Southwestern Energy Co.		
6.25% due 01/15/18	19,850	\$ 556,594
<b>Total Convertible Preferred Stocks</b>		<b>38,261,487</b>
(Cost \$39,255,383)		
<b>SHORT TERM INVESTMENTS† – 4.0%</b>		
Goldman Sachs Financial Prime Obligations – Administration		
Share Class, 0.00% <sup>4</sup>	8,993,579	8,993,579
<b>Total Short Term Investments</b>		<b>8,993,579</b>
(Cost \$8,993,579)		
	Face	Value
	Amount~	
<b>CONVERTIBLE BONDS†† – 83.6%</b>		
Financial – 19.9%		
Element Financial Corp.		
4.25% due 06/30/201,5	3,960,000 CAD	\$ 3,178,048
5.13% due 06/30/191,5	2,696,000 CAD	2,400,611
Azimut Holding SpA		
2.13% due 11/25/201	2,200,000 EUR	2,961,842
Forest City Enterprises, Inc.		
3.63% due 08/15/201	2,612,000	2,842,183
Conwert Immobilien Invest SE		
4.50% due 09/06/181	1,900,000 EUR	2,676,015
Colony Capital, Inc.		
3.88% due 01/15/211	2,748,000	2,656,972
Fidelity National Financial, Inc.		
4.25% due 08/15/181	1,135,000	2,221,053
Portfolio Recovery Associates, Inc.		
3.00% due 08/01/201	1,970,000	2,130,063
Starwood Property Trust, Inc.		
4.00% due 01/15/191	1,993,000	2,049,053
Air Lease Corp.		
3.88% due 12/01/181	1,477,000	2,012,413
Deutsche Wohnen AG		
0.88% due 09/08/211	1,200,000 EUR	1,904,859
Haniel Finance Deutschland GmbH		
0.00% due 05/12/201,6	1,600,000 EUR	1,844,766
Magyar Nemzeti Vagyonkezelő Zrt		
3.38% due 04/02/191	1,500,000 EUR	1,793,013

See notes to financial statements.

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161 AGC 1 ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Face Amount~	Value
<b>CONVERTIBLE BONDS†† – 83.6% (continued)</b>		
<b>Financial – 19.9% (continued)</b>		
<b>AYC Finance Ltd.</b>		
0.50% due 05/02/191	1,525,000	\$ 1,677,500
<b>Criteria CaixaHolding S.A.</b>		
1.00% due 11/25/171	1,400,000 EUR	1,618,036
<b>Hansteen Jersey Securities Ltd.</b>		
4.00% due 07/15/18	800,000 EUR	1,423,761
<b>BNP Paribas S.A.</b>		
0.25% due 09/27/161	1,200,000 EUR	1,381,520
<b>Aabar Investments PJSC</b>		
1.00% due 03/27/22	1,200,000 EUR	1,380,989
<b>Swiss Life Holding AG</b>		
0.00% due 12/02/206	1,125,000 CHF	1,367,062
<b>Radian Group, Inc.</b>		
2.25% due 03/01/191	912,000	1,267,110
<b>IMMOFINANZ AG</b>		
4.25% due 03/08/18	190,000 EUR	992,749
<b>British Land Co. plc</b>		
1.50% due 09/10/17	500,000 GBP	979,690
<b>Haitong International Securities Group, Ltd.</b>		
1.25% due 11/04/191	7,000,000 HKD	935,098
<b>Unite Jersey Issuer Ltd.</b>		
2.50% due 10/10/181	400,000 GBP	847,628
<b>LEG Immobilien AG</b>		
0.50% due 07/01/21	500,000 EUR	791,896
<b>Total Financial</b>		<b>45,333,930</b>
<b>Consumer, Cyclical – 14.8%</b>		
<b>Sony Corp.</b>		
0.00% due 09/30/226	505,000,000 JPY	4,505,976
<b>Fiat Chrysler Automobiles N.V.</b>		
7.88% due 12/15/161	27,500	3,568,124
<b>Iconix Brand Group, Inc.</b>		
2.50% due 06/01/161	2,492,000	2,387,648
1.50% due 03/15/181	1,020,000	866,362
<b>Jarden Corp.</b>		
1.13% due 03/15/341	2,835,000	3,139,763
<b>Steinhoff Finance Holdings GmbH</b>		
4.00% due 01/30/211	1,100,000 EUR	1,834,824
1.25% due 08/11/221	900,000 EUR	1,072,477

Sonae Investments B.V.

1.63% due 06/11/191	2,100,000 EUR	2,316,285
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See notes to financial statements.

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AGC 1 ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT 1 17

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Face Amount~	Value
CONVERTIBLE BONDS†† – 83.6% (continued)		
Consumer, Cyclical – 14.8% (continued)		
Faurecia		
3.25% due 01/01/181	5,027,000 EUR	\$ 2,042,977
Iida Group Holdings Co. Ltd		
0.00% due 06/18/206	210,000,000 JPY	1,975,140
Resorttrust, Inc.		
0.00% due 12/01/216	190,000,000 JPY	1,850,798
Standard Pacific Corp.		
1.25% due 08/01/321	1,487,000	1,697,038
Shenzhou International Group Holdings Ltd.		
0.50% due 06/18/191	10,000,000 HKD	1,529,013
Toray Industries, Inc.		
0.00% due 08/30/196	130,000,000 JPY	1,373,524
International Consolidated Airlines Group S.A.		
1.75% due 05/31/181	500,000 EUR	1,062,618
HIS Co. Ltd.		
0.00% due 08/30/196	100,000,000 JPY	947,794
NHK Spring Co. Ltd.		
0.00% due 09/20/191,6	800,000	864,200
LGI Homes, Inc.		
4.25% due 11/15/195	500,000	712,813
Total Consumer, Cyclical		33,747,374
Communications – 12.9%		
Alcatel Lucent		
0.00% due 01/30/191,6	849,000 EUR	4,441,648
4.25% due 07/01/181	210,000 EUR	1,076,139
Priceline Group, Inc.		
0.35% due 06/15/201	2,443,000	3,175,900
0.90% due 09/15/211	1,014,000	1,078,643
Telecom Italia Finance S.A.		
6.13% due 11/15/161	2,400,000 EUR	4,211,368
Ctrip.com International Ltd.		
1.25% due 10/15/181	3,140,000	4,170,312
Liberty Media Corp.		
1.38% due 10/15/231	1,894,000	1,947,269
FireEye, Inc.		
1.00% due 06/01/351,5	2,184,000	1,900,080
Twitter, Inc.		
1.00% due 09/15/211	2,118,000	1,873,106

See notes to financial statements.

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181 AGC 1 ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Face Amount~	Value
CONVERTIBLE BONDS†† – 83.6% (continued)		
Communications – 12.9%		
Yahoo!, Inc.		
0.00% due 12/01/181,6	1,780,000	\$ 1,785,563
American Movil BV		
5.50% due 09/17/18	1,200,000 EUR	1,320,543
Ciena Corp.		
4.00% due 12/15/201	845,000	1,206,766
Qihoo 360 Technology Company Ltd.		
0.50% due 08/15/201	1,177,000	1,084,311
Total Communications		29,271,648
Technology – 12.3%		
Microchip Technology, Inc.		
1.63% due 02/15/251,5	2,652,000	2,763,052
Synchronoss Technologies, Inc.		
0.75% due 08/15/191	2,418,000	2,476,939
Lam Research Corp.		
0.50% due 05/15/161	1,702,000	2,159,413
Cornerstone OnDemand, Inc.		
1.50% due 07/01/181	2,065,000	2,041,769
Proofpoint, Inc.		
0.75% due 06/15/201,5	1,778,000	2,002,473
Verint Systems, Inc.		
1.50% due 06/01/211	1,886,000	1,913,111
ServiceNow, Inc.		
0.00% due 11/01/181,6	1,394,000	1,741,629
Red Hat, Inc.		
0.25% due 10/01/191	1,280,000	1,640,000
Intel Corp.		
3.48% due 12/15/351	1,229,000	1,565,438
Ingenico Group		
0.00% due 06/26/226	753,200 EUR	1,530,838
NVIDIA Corp.		
1.00% due 12/01/181	1,015,000	1,488,878
Citrix Systems, Inc.		
0.50% due 04/15/191	1,105,000	1,262,463
ON Semiconductor Corp.		
1.00% due 12/01/201,5	1,250,000	1,234,375
SanDisk Corp.		
1.50% due 08/15/171	726,000	1,161,600

See notes to financial statements.

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AGC I ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT I 19

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Face Amount~	Value
CONVERTIBLE BONDS†† – 83.6% (continued)		
Technology – 12.3% (continued)		
Micron Technology, Inc. 3.00% due 11/15/431	1,174,000	\$ 1,068,340
Akamai Technologies, Inc. 0.00% due 02/15/191,6	1,040,000	1,054,955
BroadSoft, Inc. 1.00% due 09/01/221,5	905,000	925,928
Total Technology		28,031,201
Consumer, Non-cyclical – 11.1%		
Molina Healthcare, Inc. 1.63% due 08/15/441	1,841,000	2,264,430
HealthSouth Corp. 2.00% due 12/01/431	1,873,000	2,049,764
Brookdale Senior Living, Inc. 2.75% due 06/15/181	1,796,000	1,876,820
Isis Pharmaceuticals, Inc. 1.00% due 11/15/211,5	1,840,000	1,841,149
BioMarin Pharmaceutical, Inc. 1.50% due 10/15/201	1,244,000	1,811,575
Ablynx N.V. 3.25% due 05/27/201	1,100,000 EUR	1,419,862
Qiagen N.V. 0.88% due 03/19/211	1,200,000	1,345,979
Jazz Investments I Ltd. 1.88% due 08/15/211	1,180,000	1,257,438
Wright Medical Group, Inc. 2.00% due 02/15/201,5	1,276,000	1,212,200
Euronet Worldwide, Inc. 1.50% due 10/01/441,5	937,000	1,199,946
J Sainsbury plc 1.25% due 11/21/19	700,000 GBP	1,160,539
Hologic, Inc. 0.00% due 12/15/431,7,8	900,000	1,144,688
Gilead Sciences, Inc. 1.63% due 05/01/161	239,000	1,141,674
NuVasive, Inc. 2.75% due 07/01/171	881,000	1,110,611
DP World Ltd. 1.75% due 06/19/241	1,000,000	1,095,000
Horizon Pharma Investment Ltd. 2.50% due 03/15/221,5	1,035,000	893,981

See notes to financial statements.

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201 AGC I ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT

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## PORTFOLIO OF INVESTMENTS continued

October 31, 2015

	Face Amount~	Value
CONVERTIBLE BONDS†† – 83.6% (continued)		
Consumer, Non-cyclical – 11.1% (continued)		
Illumina, Inc.		
0.50% due 06/15/211	827,000	\$ 890,576
Macquarie Infrastructure Company LLC		
2.88% due 07/15/191	627,000	731,631
Array BioPharma, Inc.		
3.00% due 06/01/201	695,000	721,497
Total Consumer, Non-cyclical		25,169,360
Industrial – 9.1%		
Deutsche Post AG		
0.60% due 12/06/191	1,700,000 EUR	2,529,632
Cemex SAB de CV		
3.72% due 03/15/201	2,406,000	2,156,378
OSG Corp.		
0.00% due 04/04/226	140,000,000 JPY	