

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

Advent Claymore Convertible Securities & Income Fund II
Form N-CSR
January 08, 2014
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, 2012 – October 31, 2013

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:

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, you will find:

- Daily, weekly and monthly data on share prices, net asset values, distributions 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.

(Unaudited)

October 31, 2013

Tracy V. Maitland
President and Chief Executive Officer

DEAR SHAREHOLDER

We thank you for your investment in the Advent Claymore Convertible Securities and Income Fund II (the “Fund”). This report covers the Fund’s performance for the 12 months ended October 31, 2013.

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, 2013, Advent managed approximately \$7.3 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 will invest at least 50% of its managed assets in convertible securities. The Fund may invest up to 40% of its managed assets in non-convertible income securities. The Fund may invest without limitation in foreign securities.

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, 2013, the Fund generated a total return based on market price of 16.35% and a return of 22.50% based on NAV. As of October 31, 2013, the Fund’s market price of \$7.15 represented a discount of 12.59% to NAV of \$8.18. The Fund uses financial leverage to finance the purchase of additional securities, a strategy which contributed to performance for the period.

Past performance is not a guarantee of future results. The Fund’s NAV performance data reflects fees and expenses of the Fund. 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.

In each month from November 2012 through October 2013, the Fund paid a monthly distribution of \$0.047 per share. The current monthly distribution represents an annualized distribution rate of 7.89% based upon the last closing market price of \$7.15 as of October 31, 2013. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained.

We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan (“DRIP”), which is described in detail on page 43 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.

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

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.

AGC | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL
REPORT | 3

DEAR SHAREHOLDER continued (Unaudited)

October 31, 2013

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, including related investment risks, please visit the Fund's website at guggenheiminvestments.com/agc.

Sincerely,

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

November 30, 2013

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

QUESTIONS & ANSWERS (Unaudited)

October 31, 2013

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 the performance of the Fund during the 12-month period ended October 31, 2013.

Please describe the Fund’s objective and management strategies.

The Fund’s investment objective is to provide total return through a combination of capital appreciation and current income. Under normal market conditions, the Fund will invest at least 80% of its managed assets in a diversified portfolio of convertible securities and non-convertible income-producing securities, including U.S. and non-U.S. issuers, with at least 50% of its managed assets in convertible securities and up to 40% 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.

Historically, the primary means of implementing leverage had been through Auction Market Preferred Shares (“AMPS”), but other permitted means include borrowing or the issuance of commercial paper or other forms of debt. Earlier in the period, the Fund commenced a tender offer for up to 100% of its outstanding AMPS. The offer expired on December 13, 2012, and in the tender offer the Fund repurchased almost all of its outstanding AMPS. On May 10, 2013, the Fund announced an at-par redemption of all of its remaining outstanding AMPS. The Fund redeemed its remaining \$600,000 of outstanding AMPS in June 2013.

The Fund refinanced its tendered AMPS through alternative forms of leverage, including borrowings under a margin loan agreement and reverse repurchase agreement transactions.

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

Global equity markets broadly performed well in 2013 as further monetary easing in the developed markets—United States, Europe and Japan—led to strong stock performance in all three geographies, while emerging markets, particularly in Asia where the Fund does much of its overseas convertible investing, managed to eke out small gains for the most part. Bond markets struggled as Western world risk-free rates began rising, but the effect on the shorter-duration corporate market, which is the Fund’s specialty in convertibles and high-yield, still gained on relatively high coupons and the lower duration.

In the U.S., corporate earnings continued to grow but at a slower pace given their elevated levels relative to GDP already. As of November 30, 2013, consensus earnings for the S&P 500 were forecast to grow approximately 7% over 2012 levels. Thus, the large gain in the S&P 500 index came from earnings multiple expansion, although this metric is

still not at historically high levels and has a tendency to rise in periods where interest rates go from low to moderate levels. Economic growth is best described as steady with moderate GDP growth recorded and overcoming perceived headwinds from tax increases and lower government spending. Jobs growth posted decent gains, and other metrics such as industrial production and ISM surveys of manufacturing expanded at consistent rates. Productivity gains reaccelerated to levels near 2.0% after dipping in early 2013. Growth was good enough that the Federal Reserve has been considering reducing its expansionary purchases of existing bonds, which has had the effect of raising money supply.

Such speculation led to the U.S. dollar rising against counterparts before coming back down as investors began to bid up growth currencies around the world. Lower foreign currencies abroad helped to buttress growth, particularly in Europe, where austerity continues to put a ceiling on growth, but the European Central Bank retains many instruments to spur growth and may put them into effect over the short-term. Some major emerging markets like Brazil and China declined for the year but the Fund's exposure to these areas was minor. Japan was particularly strong on moves by the new government to spur growth, and the Fund was able to take advantage.

The Fund's largest asset class, convertible bonds, performed particularly well in this environment, with the exposure to cyclical, health care and technology issuers. Also helping was outperformance of mid-cap and small-cap companies allowing the underlying equities of convertible bond indices to do better than general large-cap equity ones and allowing the structural

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2013

advantages of convertibles, with low duration and asymmetry via the option in the underlying warrant, to participate in equity gains without as much downside from rising bond yields.

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, 2013, the Fund generated a total return based on market price of 16.35% and a return of 22.50% based on NAV. As of October 31, 2013, the Fund’s market price of \$7.15 represented a discount of 12.59% to NAV of \$8.18. As of October 31, 2012, the Fund’s market price of \$6.66 represented a discount of 7.24% to NAV of \$7.18.

Past performance is not a guarantee of future results. The Fund’s NAV performance data reflects fees and expenses of the Fund. 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. The Investment Manager believes that, over the long term, the progress of the NAV will be reflected in the market price return to shareholders, who continue to hold over that period.

How has the Fund’s leverage strategy affected performance?

The Fund utilizes leverage as part of its investment strategy, to finance the purchase of additional securities that provide increased income and potentially greater appreciation potential to common shareholders than could be achieved from a portfolio that is not leveraged. Leverage in the Fund was a contributor to performance for the period. The Fund’s leverage outstanding as of October 31, 2013, was \$170 million, approximately 38% of the Fund’s total managed assets. There is no guarantee that the Fund’s leverage strategy will be successful, and the Fund’s use of leverage may cause the Fund’s NAV and market price of common shares to be more volatile. Leverage adds value only when the return on securities purchased exceeds the cost of leverage.

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

The Fund continued its strategy of seeking income through writing call options against equity and the equity portion of convertible bond holdings. With a strong equity market apparent in 2013 and volatility low, the Fund limited the writing of these options, seeing in general the income garnered not worth the upside signed away. The Fund also wrote options with longer maturities and higher strikes as another tactic to allow for more equity upside while still protecting downside should market corrections occur. In general, this strategy was beneficial as there was no period where the CBOE SPX Volatility Index (VIX) went above 20 during the year, a departure from prior years when sell-offs would generally produce spikes well above 20.

How did other market measures perform in this environment?

For the 12-month period ended October 31, 2013, the S&P 500 Index returned 27.18%. Global equities were equally strong, with the Morgan Stanley Capital International World Index returning 25.77%.

Many bond indices also delivered positive returns during the 12 months ended October 31, 2013, with measures of riskier parts of the market leading the pack. The return of the Bank of America Merrill Lynch High Yield Master II Index was 8.83%. The returns of the Bank of America Merrill Lynch All U.S. Convertibles Index and the Bank of America Merrill Lynch Global 300 Convertible Index were 23.94% and 17.68%, respectively. The Barclays U.S. Aggregate Bond Index (the “Barclays Aggregate”) fell 1.08% for the period.

The CBOE S&P 500 2% OTM Buy Write Index (BXY) returned 13.90%. It is important to remember that the Fund’s mandate differs materially from each of these indices and that the Fund maintains leverage and incurs transaction costs, advisory fees and other expenses, while these indices do not.

Please discuss the Fund's distributions.

In each month from November 2012 through October 2013, the Fund paid a monthly distribution of \$0.047 per share. The current monthly distribution represents an annualized distribution rate of 7.89% based upon the last closing market price of \$7.15 as of October 31, 2013. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained.

How was the Fund's portfolio allocated among asset classes during the 12 months ended October 31, 2013, and how did it influence performance?

The Fund is diversified globally among convertible securities, high-yield bonds and equities.

As of October 31, 2012, 63.0% of the Fund's total investments were in convertible securities. High-yield bonds represented 29.7% and equity positions 2.6% of total investments. The rest, 4.7%, was in cash and other investments.

As of October 31, 2013, 69.7% of the Fund's total investments were in convertible securities. High-yield bonds represented 20.0% and equity positions 5.7% of total investments. The rest, 4.6%, was in cash and other investments.

Advent increased exposure to convertible and equity securities relative to high yield securities due to our belief that equity markets would provide greater returns relative to bonds in a recovering economy. This view seemed to be confirmed as risk-free rates began rising in the second half of the fiscal year and the returns of convertibles and equities outpaced the return for high yield bonds for the period.

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

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2013

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

Among top-performing investments were the convertible bonds of Gilead Sciences (1.8% of long-term investments at period end). Gilead Sciences was a steady performer all year, benefiting its convertible bonds, as the company had produced consistently good data and execution of its new hepatitis C drug, Sofosbuvir.

Convertible bonds of Micron Technology (2.1% of long-term investments at period end) were another large contributor to return. The memory-chip company benefited from greater use of its products in smartphones and tablets and the accretive acquisition of bankrupt competitor Elpida Memory, Inc.

Convertible bonds of Ciena Corp. (1.2% of long-term investments at period end) also contributed to return. The company's financial condition improved over the year, as its revenues climbed and margins improved. It has benefited from greater spending by telecom companies and growth of the market for fiber-optic communications equipment.

Holdings that detracted from the Fund's performance included convertible bonds of iron ore miner Cliffs Natural Resources (not held in the portfolio at period end), which declined on lower prices for its commodity, because of higher competitive exports out of China and stagnant emerging market demand.

Another detractor from performance was convertible bonds of voice and health care software maker Nuance Communications (1.6% of long-term investments at period end). It had losses as growth slowed, with carriers more cautious about a second phase of investment in voice-enabled applications. Activist involvement in the company may presage a recovery in 2014.

A third large detractor was convertible bonds of Newmont Mining Corp., the world's second-largest gold producer (0.6% of long-term investments at period end). The company has struggled to keep production costs under control in the face of slumping gold prices.

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

The Commodity Futures Trading Commission ("CFTC") recently amended its Rule 4.5, which excludes the Investment Adviser and the Investment Manager from registration as a commodity pool operator provided certain requirements are met. In order to permit the Investment Adviser and the Investment Manager to continue to claim this exclusion under the amended rule, beginning on January 1, 2013, the Fund limited its trading activity in futures, options on futures and swaps (excluding activity for "bona fide hedging purposes," as defined under CFTC regulations) such that either:

- the aggregate initial margin and premiums required to establish its futures, options on futures and swaps did not exceed 5% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions; or
- the aggregate net notional value of its futures, options on futures and swaps did not exceed 100% of the liquidation value of the Fund's portfolio, after taking into account unrealized profits and losses on such positions.

The Fund and the Investment Manager do not believe that complying with the amended rule limits the Fund's ability to use futures, options and swaps in the manner needed to effectively manage the portfolio.

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

The Fund is facing a period in which equity markets attempt to sustain the strong earnings multiple expansion of the previous year, and both bond and equity markets look to actions of a new Federal Reserve Chairperson for clues on market money flows. The effect of health care reform and government budget trimming could be headwinds, but economic growth figures have easy comparisons after sluggish results in 2012 on lower retail spending and the effect of the first budget sequestration and tax increases on high-income earners.

Also, the international environment may be a source of opportunities, with monetary authorities looking to inject more stimulus in Europe, more fiscal and monetary stimulus likely in Japan, and new leadership managing economic growth in China. Wildcards exist with volatile commodity prices and in countries with similar sluggish economies but governments under political pressure, such as in Brazil and also in India, where elections loom in spring 2014.

The Investment Adviser views this Fund as opportunistic given its mandate to invest across corporate capital structures from loans to high-yield to convertibles to equity, and will continue to use its expansive research staff to find appropriate opportunities across the globe.

Index Definitions

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

S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

Bank of America Merrill Lynch All U.S. Convertibles Index is comprised of approximately 500 issues of convertible bonds and preferred stock of all qualities.

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

The Barclays U.S. Aggregate Bond Index covers the U.S. dollar-denominated, investment-grade, fixed rate, taxable bond market of SEC-registered securities.

QUESTIONS & ANSWERS continued (Unaudited)

October 31, 2013

The Index includes bonds from the Treasury, government-related, corporate, mortgage-backed securities (agency fixed-rate and hybrid ARM passthroughs), asset-backed securities and collateralized mortgage-backed securities sectors.

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.

The CBOE S&P 500 2% OTM BuyWrite Index (BXY) uses the same methodology as the widely accepted CBOE S&P 500 BuyWrite Index (BXM), but the BXY Index is calculated using out-of-the-money S&P 500 Index (SPX) call options, rather than at-the-money SPX call options. The BXY strategy diversifies the buy-write opportunities currently provided by the BXM. The BXY Index yields lower monthly premiums in return for a greater participation in the upside moves of the S&P 500.

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

Please see guggenheiminvestments.com/agc for a more detailed discussion about Fund risks and considerations.

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

FUND SUMMARY (Unaudited)

October 31, 2013

Fund Statistics

Share Price	\$	7.15
Net Asset Value	\$	8.18
Premium/Discount to NAV		-12.59%
Net Assets (\$000)	\$	263,568

Total Returns

(Inception 5/29/07)	Market	NAV
One Year	16.35%	22.50%
Three Year - average annual	-0.08%	4.31%
Five Year - average annual	14.32%	13.66%
Since Inception -average annual	-5.64%	-3.76%

Top Ten Industries	% of Long-Term Investments
Telecommunications	9.3%
Oil & Gas	7.7%
Pharmaceuticals	7.2%
Real Estate Investment Trusts	6.7%
Health Care Products	5.5%
Semiconductors	5.4%
Internet	5.2%
Banks	3.9%
Mining	3.5%
Computers	3.2%

Top Ten Issuers	% of Long-Term Investments
Hologic, Inc.	2.5%
Micron Technology, Inc.	2.1%
Chesapeake Energy Corp.	2.0%
Clearwire Communications, LLC / Clearwire Finance, Inc.	2.0%
Gilead Sciences, Inc.	1.8%
EMC Corp., Series B	1.6%
Nuance Communications, Inc.	1.6%
BioMarin Pharmaceutical, Inc.	1.6%
General Motors Co., Series B	1.6%
ArcelorMittal	1.4%

Past performance does not guarantee future results and does not reflect the deductions of taxes that a shareholder would pay on fund distributions. NAV performance data reflects fees and expenses of the Fund. All portfolio data is subject to change daily. For more current information, please visit guggenheiminvestments.com. The above summaries are provided for informational purposes only and should not be viewed as recommendations.

FUND SUMMARY continued (Unaudited)

October 31, 2013

Country Breakdown	% of Long-Term Investments
United States	77.2%
Cayman Islands	3.6%
Luxemburg	2.5%
France	2.5%
Japan	2.4%
Jersey	1.9%
United Kingdom	1.7%
British Virgin Islands	1.2%
Singapore	1.1%
Netherlands	1.0%
South Korea	0.8%
Marshall Islands	0.6%
Mexico	0.6%
Hong Kong	0.5%
Canada	0.5%
Austria	0.4%
Australia	0.3%
Germany	0.3%
Bermuda	0.3%
United Arab Emirates	0.3%
Italy	0.2%
Bahamas	0.1%
Malaysia	0.0%*
Subject to change daily.	
* Less than 0.1%	

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Long-Term Investments – 156.4%					
	Convertible Bonds – 104.4%					
	Aerospace & Defense – 0.3%					
699,000	L-3 Communications Holdings, Inc.(a)	BB+	3.000%	08/01/2035	11/22/13 @ 100	\$ 801,229
	Airlines – 0.1%					
189,000	United Airlines, Inc.(a)	B	4.500%	01/15/2015	N/A	351,658
	Apparel – 0.3%					
EUR 200,000	Adidas AG, Series ADS (Germany)	NR	0.250%	06/14/2019	N/A	341,289
272,000	Iconix Brand Group, Inc.(a) (b)	NR	1.500%	03/15/2018	N/A	349,520
	690,809					
	Auto Manufacturers – 1.2%					
1,471,000	Navistar International Corp.(a) (h)	CCC–	3.000%	10/15/2014	N/A	1,517,888
835,000	Navistar International Corp.(a) (b)	CCC–	4.500%	10/15/2018	N/A	844,916
EUR 500,000	Volkswagen International Finance NV (Netherlands)(b)	BBB	5.500%	11/09/2015	N/A	793,142
	3,155,946					
	Auto Parts & Equipment – 1.6%					
EUR 3,343,000	Faurecia, Series EO (France)	B3	3.250%	01/01/2018	N/A	1,212,890
3,195,000	Meritor, Inc.(a) (c)	B–	4.000%	02/15/2027	02/15/19 @ 100	2,945,391
	4,158,281					
	Banks – 0.2%					
600,000	National Bank of Abu Dhabi PJSC, Series NBAD (United Arab Emirates)	AA–	1.000%	03/12/2018	N/A	646,815
	Biotechnology – 4.6%					
2,263,000	Cubist Pharmaceuticals, Inc.(a) (b)	NR	1.125%	09/01/2018	N/A	2,452,526
2,364,000	Gilead Sciences, Inc., Series C(a)	A–	1.000%	05/01/2014	N/A	7,456,943
745,000	InterMune, Inc.(a)	NR	2.500%	12/15/2017	N/A	982,003
1,528,000	Merrimack Pharmaceuticals, Inc.(a)	NR	4.500%	07/15/2020	N/A	1,169,875
	12,061,347					
	Building Materials – 0.9%					
2,145,000	Cemex SAB de CV (Mexico)(a)	NR	4.875%	03/15/2015	N/A	2,488,200

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

Chemicals – 0.0%***							
2,840,000	ShengdaTech, Inc.(a) (b) (d) (e) (f)	NR	6.500%	12/15/2015	N/A	41,180	
Commercial Services – 0.2%							
JPY 40,000,000	Park24 Co. Ltd. (Japan)(g)	NR	0.000%	04/26/2018	N/A	430,028	
Computers – 4.8%							
EUR 840,000	AtoS, Series ATOS (France)	NR	1.500%	07/01/2016	N/A	732,833	
EUR 3,734	Capital Gemini SA, Series CAP (France)(g)	BBB	0.000%	01/01/2019	N/A	371,479	
4,415,000	EMC Corp., Series B(a)	A	1.750%	12/01/2013	N/A	6,674,950	
EUR 443,500	Ingenico, Series ING (France)	NR	2.750%	01/01/2017	N/A	358,362	
4,372,000	SanDisk Corp.(a) (b)	BB	0.500%	10/15/2020	N/A	4,475,835	
						12,613,459	
Diversified Financial Services – 1.2%							
503,000	Air Lease Corp.(a)	NR	3.875%	12/01/2018	N/A	650,128	
900,000	Hong Kong Exchanges and Clearing Ltd. (Hong Kong)	NR	0.500%	10/23/2017	N/A	963,000	
356,000	Portfolio Recovery Associates, Inc.(a) (b)	NR	3.000%	08/01/2020	N/A	418,300	
HKD 1,520,000	Power Regal Group Ltd. (British Virgin Islands)	NR	2.250%	06/02/2014	N/A	284,961	
805,000	Walter Investment Management Corp.(a)	NR	4.500%	11/01/2019	N/A	840,722	
						3,157,111	

See notes to financial statements.

AGC | ADVENT CLAYMORE CONVERTIBLE SECURITIES AND INCOME FUND II ANNUAL REPORT | 11

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Electric – 0.5%					
CNY 5,900,000	China Power International Development Ltd. (Hong Kong)	NR	2.250%	05/17/2016	N/A	\$ 1,406,629
	Electrical Components & Equipment – 0.6%					
JPY 130,000,000	Nidec Corp. (Japan)(g)	NR	0.000%	09/18/2015	N/A	1,482,392
	Electronics – 1.1%					
2,500,000	TPK Holding Co. Ltd., Series REGS (Cayman Islands)(g)	NR	0.000%	10/01/2017	N/A	2,350,000
345,000	Vishay Intertechnology, Inc.(a) (b)	BB+	2.250%	11/15/2040	N/A	346,078
JPY 25,000,000	Yaskawa Electric Corp. (Japan)(g)	NR	0.000%	03/16/2017	N/A	332,854
						3,028,932
	Energy-Alternate Sources – 1.2%					
2,851,000	SolarCity Corp.(h)	NR	2.750%	11/01/2018	N/A	3,280,432
	Engineering & Construction – 0.1%					
200,000	YTL Corp. Finance Labuan Ltd. (Malaysia)	NR	1.875%	03/18/2015	N/A	218,500
	Food – 0.6%					
GBP 900,000	J Sainsbury PLC (United Kingdom)	NR	4.250%	07/16/2014	N/A	1,554,387
	Gas – 1.1%					
2,500,000	ENN Energy Holdings Ltd. (Cayman Islands)(g)	NR	0.000%	02/26/2018	N/A	2,959,375
	Hand & Machine Tools – 1.1%					
EUR 600,000	KUKA AG, Series KU2 (Germany)	NR	2.000%	02/12/2018	N/A	947,598
JPY 160,000,000	OSG Corp. (Japan)(g)	NR	0.000%	04/04/2022	N/A	1,984,303
						2,931,901
	Health Care Products – 8.2%					
4,262,000	HeartWare International, Inc.(a)	NR	3.500%	12/15/2017	N/A	4,725,492
HKD 18,000,000	Hengan International Group Co. Ltd. (Cayman Islands)(g)	NR	0.000%	06/27/2018	N/A	2,484,184
5,250,000	Hologic, Inc.(a) (c) (i)	B+	2.000%	12/15/2037	06/15/14 @ 101	5,253,308

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

2,921,000	Hologic, Inc., Series 2010(a) (c) (j)	B+	2.000%	12/15/2037	12/15/16 @	3,435,826
					100	
1,546,000	Hologic, Inc., Series 2012(a) (c) (k)	B+	2.000%	03/01/2042	03/06/18 @	1,620,401
					100	
1,495,000	Volcano Corp.(a)	NR	1.750%	12/01/2017	N/A	1,447,347
2,199,000	Wright Medical Group, Inc.(a)	NR	2.000%	08/15/2017	N/A	2,776,238
						21,742,796
	Health Care Services – 1.6%					
275,000	Brookdale Senior Living, Inc.(a)	NR	2.750%	06/15/2018	N/A	334,297
2,675,000	LifePoint Hospitals, Inc.(a)	B	3.500%	05/15/2014	N/A	2,904,047
618,000	Molina Healthcare, Inc.(a) (b)	NR	1.125%	01/15/2020	N/A	632,291
275,000	WellPoint, Inc.(a) (b)	A-	2.750%	10/15/2042	N/A	358,531
						4,229,166
	Holding Companies-Diversified – 0.5%					
600,000	Giant Great Ltd. (British Virgin Islands)	NR	3.000%	07/21/2016	N/A	764,400
400,000	Siem Industries, Inc., Series SUBC (Cayman Islands)	NR	1.000%	09/12/2019	N/A	426,360
						1,190,760
	Home Builders – 2.8%					
2,694,000	Lennar Corp.(a) (b)	BB-	2.000%	12/01/2020	12/02/13 @	3,455,055
					100	
833,000	Lennar Corp.(b)	BB-	3.250%	11/15/2021	11/20/16 @	1,394,754
					100	
1,639,000	Ryland Group, Inc.(a)	BB-	1.625%	05/15/2018	N/A	2,405,233
						7,255,042

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Household Products & Housewares – 0.3%					
720,000	Jarden Corp.(a) (b)	BB–	1.500%	06/15/2019	N/A	\$ 824,400
	Insurance – 1.2%					
2,228,000	Radian Group, Inc.(a)	B–	3.000%	11/15/2017	N/A	3,245,917
	Internet – 7.0%					
441,000	BroadSoft, Inc.(a)	NR	1.500%	07/01/2018	N/A	479,863
3,888,000	Ctrip.com International Ltd. (Cayman Islands)(b) (h)	NR	1.250%	10/15/2018	N/A	4,055,670
2,492,000	Equinix, Inc.(a)	B+	3.000%	10/15/2014	N/A	3,627,417
3,578,000	priceline.com, Inc.(a) (h)	BBB	1.000%	03/15/2018	N/A	4,756,504
5,500,000	WebMD Health Corp.(a)	NR	2.500%	01/31/2018	N/A	5,403,750
						18,323,204
	Investment Companies – 1.6%					
EUR 300,000	Aabar Investments PJSC, Series REGs (United Arab Emirates)	NR	4.000%	05/27/2016	N/A	477,796
3,700,000	Billion Express Investments Ltd. (British Virgin Islands)	NR	0.750%	10/18/2015	N/A	3,867,425
						4,345,221
	Iron & Steel – 0.2%					
555,000	Allegheny Technologies, Inc.(a)	BBB–	4.250%	06/01/2014	N/A	575,466
	Lodging – 1.2%					
2,583,000	MGM Resorts International(a) (h)	B+	4.250%	04/15/2015	N/A	3,170,632
	Machinery-Diversified – 0.7%					
136,000	AGCO Corp.(a)	BB+	1.250%	12/15/2036	12/19/13 @ 100	195,755
JPY 39,000,000	Ebara Corp., Series 6 (Japan)(g)	NR	0.000%	03/19/2018	N/A	508,753
JPY 80,000,000	IHI Corp. (Japan)(g)	NR	0.000%	03/29/2016	N/A	1,202,936
						1,907,444
	Media – 1.5%					
410,000	Liberty Interactive, LLC(a) (b)	BB	0.750%	03/30/2043	04/05/23 @ 100	492,000
1,785,000	Liberty Interactive, LLC(a) (b)	BB	1.000%	09/30/2043	10/05/16 @ 100	1,839,665
1,434,000	Liberty Media Corp.(a) (b)	NR	1.375%	10/15/2023	N/A	1,511,974

3,843,639

Metal Fabricate & Hardware – 0.2%						
455,000	RTI International Metals, Inc.(a)	NR	1.625%	10/15/2019	N/A	490,831
Mining – 4.4%						
3,300,000	Glencore Finance Europe SA (Luxembourg)	BBB	5.000%	12/31/2014	N/A	3,903,900
2,240,000	Newmont Mining Corp., Series B(a)	BBB	1.625%	07/15/2017	N/A	2,430,400
5,511,000	Royal Gold, Inc.(a)	NR	2.875%	06/15/2019	N/A	5,266,449
11,600,749						
Miscellaneous Manufacturing – 0.8%						
1,750,000	Siemens Financieringsmaatschappij NV, Series REGS (Netherlands)	A+	1.050%	08/16/2017	N/A	1,985,725
Oil & Gas – 4.9%						
4,813,000	Chesapeake Energy Corp.(a)	BB–	2.250%	12/15/2038	12/15/18 @ 100	4,557,309
4,254,000	Cobalt International Energy, Inc.(a)	NR	2.625%	12/01/2019	N/A	4,368,326
600,000	Lukoil International Finance BV (Netherlands)	BBB	2.625%	06/16/2015	N/A	671,100
1,585,000	Premier Oil Finance Jersey Ltd., Series PMO (Jersey)	NR	2.500%	07/27/2018	N/A	1,867,289
300,000	Seadrill Ltd. (Bermuda)	NR	3.375%	10/27/2017	N/A	496,950
902,000	Stone Energy Corp.(a)	B–	1.750%	03/01/2017	N/A	990,509
12,951,483						

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Oil & Gas Services – 2.1%						
1,620,000	Hornbeck Offshore Services, Inc.(a)	BB–	1.500%	09/01/2019	N/A	\$ 2,056,387
EUR 2,606,500	Technip SA, Series TEC (France)	BBB+	0.500%	01/01/2016	N/A	3,461,463
						5,517,850
Pharmaceuticals – 11.0%						
1,599,000	Array BioPharma, Inc.(a)	NR	3.000%	06/01/2020	N/A	1,681,948
1,821,000	Auxilium Pharmaceuticals, Inc.(a)	NR	1.500%	07/15/2018	N/A	1,868,801
6,429,000	BioMarin Pharmaceutical, Inc.(a)	NR	1.500%	10/15/2020	N/A	6,629,906
692,000	Isis Pharmaceuticals, Inc.(a)	NR	2.750%	10/01/2019	N/A	1,475,690
1,814,000	Medivation, Inc.(a)	NR	2.625%	04/01/2017	N/A	2,567,944
139,000	Pacira Pharmaceuticals, Inc.(a) (b)	NR	3.250%	02/01/2019	N/A	299,719
1,939,000	Salix Pharmaceuticals Ltd.(a)	NR	1.500%	03/15/2019	N/A	2,548,573
JPY 215,000,000	Sawai Pharmaceutical Co. Ltd. (Japan)(g)	NR	0.000%	09/17/2015	N/A	3,337,529
1,905,000	Shire PLC, Series SHP (Jersey)	NR	2.750%	05/09/2014	N/A	2,604,135
2,352,000	Theravance, Inc.(a)	NR	2.125%	01/15/2023	N/A	3,558,870
2,577,000	Vivus, Inc.(a) (b)	NR	4.500%	05/01/2020	N/A	2,337,017
						28,910,132
Real Estate – 3.1%						
SGD 5,750,000	CapitaLand Ltd., Series REGS (Singapore)	NR	1.850%	06/19/2020	N/A	4,438,768
2,488,000	Forest City Enterprises, Inc.(a) (b)	BB–	3.625%	08/15/2020	08/15/18 @ 100	2,649,720
EUR 112,545	IMMOFINANZ AG (Austria)	NR	4.250%	03/08/2018	N/A	711,258
GBP 200,000	Unite Jersey Issuer Ltd., Series UTG (Jersey)	NR	2.500%	10/10/2018	N/A	330,444
						8,130,190
Real Estate Investment Trusts – 9.2%						
5,168,000	Annaly Capital Management, Inc.(a)	NR	5.000%	05/15/2015	N/A	5,261,670
EUR 500,000	BENI Stabili SpA (Italy)	NR	3.375%	01/17/2018	N/A	724,885
835,000	BioMed Realty, LP(a) (b)	NR	3.750%	01/15/2030	01/21/15 @ 100	1,005,653
4,614,000	Boston Properties, LP(a) (b)	A–	3.625%	02/15/2014	N/A	4,680,326
365,000	DDR Corp.(a)	BBB–	1.750%	11/15/2040	11/20/15 @ 100	434,350
GBP 300,000	Derwent London Capital Jersey Ltd. (Jersey)	BBB	2.750%	07/15/2016	N/A	596,692

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

GBP 1,100,000	Derwent London Capital No. 2 Jersey Ltd., Series DLN (Jersey)	BBB	1.125%	07/24/2019	N/A	1,792,533
GBP 300,000	Great Portland Estates Capital Jersey Ltd., Series GPOR (Jersey)	NR	1.000%	09/10/2018	N/A	498,512
333,000	Host Hotels & Resorts, LP(a) (b)	BBB-	2.500%	10/15/2029	10/20/15 @ 100	485,348
889,000	NorthStar Realty Finance, LP(a) (b)	NR	5.375%	06/15/2033	06/15/23 @ 100	915,114
372,000	Pennymac Corp.(a) (b)	NR	5.375%	05/01/2020	N/A	362,468
1,389,000	ProLogis, LP	BBB	3.250%	03/15/2015	N/A	1,631,207
1,900,000	SL Green Operating Partnership LP(a) (b)	BB+	3.000%	10/15/2017	N/A	2,421,312
3,092,000	Starwood Property Trust, Inc.(a)	BB-	4.000%	01/15/2019	N/A	3,318,103
						24,128,173
	Retail – 0.3%					
308,000	Group 1 Automotive, Inc.(a) (c)	BB	2.250%	06/15/2036	06/15/16 @ 100	369,793
EUR 253,916	Rallye SA, Series COFP (France)	NR	1.000%	10/02/2020	N/A	374,213
						744,006
	Semiconductors – 7.6%					
4,087,000	Advanced Micro Devices, Inc.(a)	B	6.000%	05/01/2015	N/A	4,265,806
392,000	Microchip Technology, Inc.(a)	NR	2.125%	12/15/2037	N/A	652,680

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Semiconductors (continued)						
1,754,000	Micron Technology, Inc.(a)	BB-	1.875%	06/01/2014	N/A	\$ 2,252,794
3,318,000	Micron Technology, Inc., Series A(a) (h)	NR	1.500%	08/01/2031	08/05/15 @ 100	6,252,356
224,000	Novellus Systems, Inc.(a)	BBB	2.625%	05/15/2041	N/A	374,220
436,000	ON Semiconductor Corp., Series B(a)	BB+	2.625%	12/15/2026	12/20/16 @ 100	472,788
1,900,000	Semiconductor Manufacturing International Corp., Series REGS (Cayman Islands)(g)	NR	0.000%	11/07/2018	N/A	1,942,664
2,700,000	SK Hynix, Inc. (South Korea)	NR	2.650%	05/14/2015	N/A	3,165,750
489,000	Xilinx, Inc.(a)	BBB+	2.625%	06/15/2017	N/A	779,955
						20,159,013
Software – 4.8%						
2,902,000	Allscripts Healthcare Solutions, Inc.(a) (b)	NR	1.250%	07/01/2020	N/A	3,085,189
307,000	Cornerstone OnDemand, Inc.(a) (b)	NR	1.500%	07/01/2018	N/A	350,555
2,111,000	Electronic Arts, Inc.(a)	NR	0.750%	07/15/2016	N/A	2,351,126
6,328,000	Nuance Communications, Inc.(a)	BB-	2.750%	08/15/2027	08/20/14 @ 100	6,668,130
189,000	Salesforce.com, Inc.(a) (b)	BB	0.250%	04/01/2018	N/A	206,719
						12,661,719
Telecommunications – 7.4%						
EUR 831,324	Alcatel-Lucent, Series ALU (France)	CCC+	4.250%	07/01/2018	N/A	3,667,448
2,807,000	Ciena Corp.(a)	B	0.875%	06/15/2017	N/A	2,919,280
496,000	Ciena Corp.(a) (b)	B	3.750%	10/15/2018	N/A	708,040
835,000	Ciena Corp.(a)	NR	4.000%	12/15/2020	N/A	1,214,403
7,210,000	Clearwire Communications, LLC / Clearwire Finance, Inc.(a) (b)	NR	8.250%	12/01/2040	12/01/17 @ 100	8,255,450
433,000	Ixia(a)	NR	3.000%	12/15/2015	N/A	486,042
698,000	JDS Uniphase Corp.(a) (b)	NR	0.625%	08/15/2033	08/20/18 @ 100	735,954
JPY 20,000,000	KDDI Corp. (Japan)(g)	NR	0.000%	12/14/2015	12/16/13 @ 100	378,504
697,000	Level 3 Communications, Inc.(a)	CCC+	6.500%	10/01/2016	N/A	1,159,634
						19,524,755
Transportation – 0.1%						
JPY 20,000,000	Yamato Holdings (Japan)(g)	NR	0.000%	03/07/2016	N/A	257,058

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

Total Convertible Bonds – 104.4%						
(Cost \$261,959,149)						
275,173,982						
Corporate Bonds – 32.5%						
Aerospace & Defense – 0.2%						
375,000	Kratos Defense & Security Solutions, Inc.(a)	B	10.000%	06/01/2017	06/01/14 @ 105	410,625
Auto Manufacturers – 0.6%						
750,000	Allied Specialty Vehicles, Inc.(a) (b)	B+	8.500%	11/01/2019	11/01/16 @ 104	753,750
750,000	Chrysler Group, LLC / CG Co.-Issuer, Inc.(a)	B	8.250%	06/15/2021	06/15/16 @ 104	852,187
1,605,937						
Auto Parts & Equipment – 0.9%						
675,000	Dana Holding Corp.(a)	BB	6.750%	02/15/2021	02/15/16 @ 103	737,438
570,000	Goodyear Tire & Rubber Co.(a)	B+	8.250%	08/15/2020	08/15/15 @ 104	646,950
200,000	Titan International, Inc.(a) (b)	B+	6.875%	10/01/2020	10/01/16 @ 105	206,000
750,000	TRW Automotive, Inc.(a) (b)	BBB–	4.500%	03/01/2021	N/A	768,750
2,359,138						
Banks – 4.7%						
2,786,000	Ally Financial, Inc.(a)	B+	4.625%	06/26/2015	N/A	2,914,733
800,000	Ally Financial, Inc.(a)	B+	7.500%	09/15/2020	N/A	939,000

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Banks (continued)						
525,000	CIT Group, Inc.(a) (b)	BB-	5.500%	02/15/2019	N/A	\$ 570,937
5,231,000	Emigrant Bancorp, Inc.(a) (b)	B-	6.250%	06/15/2014	N/A	5,335,620
2,666,000	Synovus Financial Corp.(a)	B+	5.125%	06/15/2017	N/A	2,732,650
						12,492,940
Building Materials – 0.3%						
650,000	Boise Cascade Co.(a)	B+	6.375%	11/01/2020	11/01/15 @ 105	682,500
Chemicals – 1.8%						
750,000	Ashland, Inc.(a)	BB	4.750%	08/15/2022	05/15/22 @ 100	723,750
750,000	Celanese US Holdings, LLC(a)	BB+	4.625%	11/15/2022	N/A	739,687
750,000	Cornerstone Chemical Co., Series AI(a)	B-	9.375%	03/15/2018	03/15/15 @ 107	787,500
375,000	Phibro Animal Health Corp.(a) (b)	B	9.250%	07/01/2018	07/01/14 @ 105	405,937
375,000	Rain CII Carbon, LLC / CII Carbon Corp.(a) (b)	BB-	8.250%	01/15/2021	01/15/16 @ 106	389,063
750,000	Rockwood Specialties Group, Inc.(a)	BB+	4.625%	10/15/2020	10/15/15 @ 103	774,375
375,000	Tronox Finance, LLC(a)	BB-	6.375%	08/15/2020	08/15/15 @ 105	384,375
675,000	Vertellus Specialties, Inc.(a) (b)	CCC+	9.375%	10/01/2015	10/01/14 @ 100	658,969
						4,863,656
Coal – 0.2%						
500,000	SunCoke Energy, Inc.(a)	B+	7.625%	08/01/2019	08/01/14 @ 106	538,750
Commercial Services – 0.8%						
575,000	ADT Corp.(a) (b)	BB-	6.250%	10/15/2021	N/A	610,937
575,000	Cenveo Corp.(a)	CCC+	8.875%	02/01/2018	02/01/14 @ 104	582,187
750,000	Prospect Medical Holdings, Inc.(a) (b)	B-	8.375%	05/01/2019	05/01/15 @ 106	809,063
						2,002,187
Computers – 0.3%						
750,000	Seagate HDD Cayman (Cayman Islands)(a) (b)	BBB-	4.750%	06/01/2023	N/A	733,125

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

Diversified Financial Services – 0.5%						
375,000	Denali Borrower, LLC / Denali Finance Corp.(a) (b)	BB+	5.625%	10/15/2020	10/15/16 @ 104	372,187
250,000	Nationstar Mortgage, LLC / Nationstar Capital Corp.(a)	B+	6.500%	08/01/2018	08/01/15 @ 103	260,000
100,000	Nationstar Mortgage, LLC / Nationstar Capital Corp.(a)	B+	7.875%	10/01/2020	10/01/16 @ 104	107,375
475,000	Nationstar Mortgage, LLC / Nationstar Capital Corp.(a)	B+	6.500%	07/01/2021	01/01/17 @ 103	469,063
						1,208,625
Electrical Components & Equipment – 0.2%						
375,000	International Wire Group Holdings, Inc.(a) (b)	B	8.500%	10/15/2017	10/15/15 @ 104	400,313
Engineering & Construction – 0.2%						
648,000	MasTec, Inc.	BB–	4.875%	03/15/2023	03/15/18 @ 102	619,650
Entertainment – 0.1%						
356,000	Six Flags Entertainment Corp.(a) (b)	BB–	5.250%	01/15/2021	01/15/16 @ 104	350,660
Environmental Control – 0.6%						
750,000	Casella Waste Systems, Inc.(a)	CCC	7.750%	02/15/2019	02/15/15 @ 104	761,250
750,000	Clean Harbors, Inc.(a)	BB+	5.125%	06/01/2021	12/01/16 @ 103	764,062
						1,525,312
Food – 0.6%						
1,000,000	Land O’Lakes Capital Trust I(a) (b)	BB	7.450%	03/15/2028	N/A	985,000
550,000	Marfrig Holding Europe BV (Netherlands)(a) (b)	B	9.875%	07/24/2017	01/24/16 @ 105	552,063
						1,537,063

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Forest Products & Paper – 1.0%						
800,000	Appvion, Inc.(a)	CCC+	11.250%	12/15/2015	N/A	\$ 912,000
575,000	Catalyst Paper Corp. (Canada)(a) (l)	NR	11.000%	10/30/2017	12/15/13 @ 100	330,625
200,000	Neenah Paper, Inc.(a) (b)	BB–	5.250%	05/15/2021	05/15/16 @ 104	195,500
800,000	Sappi Papier Holding GmbH (Austria)(a) (b)	BB	6.625%	04/15/2021	04/15/16 @ 103	756,000
200,000	Tembec Industries, Inc. (Canada)(a)	CCC+	11.250%	12/15/2018	12/15/14 @ 106	219,500
175,000	Verso Paper Holdings, LLC / Verso Paper, Inc.(a)	B+	11.750%	01/15/2019	01/15/15 @ 109	182,000
						2,595,625
Health Care Products – 0.3%						
750,000	Biomet, Inc.(a)	B–	6.500%	08/01/2020	08/01/15 @ 105	800,625
Health Care Services – 2.2%						
750,000	Fresenius Medical Care US Finance, Inc.(a) (b)	BB+	5.750%	02/15/2021	N/A	796,875
1,425,000	HCA Holdings, Inc.(a)	B–	7.750%	05/15/2021	11/15/15 @ 104	1,563,937
1,125,000	Health Net, Inc.(a)	BB	6.375%	06/01/2017	N/A	1,206,563
375,000	HealthSouth Corp.(a)	BB–	8.125%	02/15/2020	02/15/15 @ 104	414,844
750,000	IASIS Healthcare, LLC / IASIS Capital Corp.(a)	CCC+	8.375%	05/15/2019	05/15/14 @ 106	798,750
1,000,000	Tenet Healthcare Corp.(a) (b)	B+	6.000%	10/01/2020	N/A	1,059,375
						5,840,344
Household Products & Housewares – 0.5%						
1,125,000	Reynolds Group Issuer, Inc.(a)	CCC+	9.000%	04/15/2019	10/15/14 @ 105	1,209,375
Insurance – 0.1%						
200,000	Fidelity & Guaranty Life Holdings, Inc.(a) (b)	BB–	6.375%	04/01/2021	04/01/16 @ 105	209,500
Internet – 0.4%						
750,000	Equinix, Inc.(a)	BB	5.375%	04/01/2023	04/01/18 @ 103	748,125
250,000	NetFlix, Inc.(a) (b)	BB–	5.375%	02/01/2021	N/A	256,875

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

							1,005,000
Iron & Steel – 0.3%							
200,000	Commercial Metals Co.(a)	BB+	4.875%	05/15/2023	02/15/23 @	100	191,000
100,000	Permian Holdings, Inc.(a) (b)	B–	10.500%	01/15/2018	07/15/15 @	108	99,250
500,000	Steel Dynamics, Inc.(a)	BB+	6.375%	08/15/2022	08/15/17 @	103	542,500
							832,750
Leisure Time – 0.1%							
200,000	Carlson Wagonlit BV (Netherlands)(a) (b)	B+	6.875%	06/15/2019	06/15/15 @	105	208,000
Lodging – 0.3%							
600,000	Caesars Entertainment Operating Co., Inc.(a)	B–	8.500%	02/15/2020	02/15/16 @	104	556,125
325,129	Inn of the Mountain Gods Resort & Casino(b)	NR	9.250%	11/30/2020	10/01/14 @	107	310,498
8	MTR Gaming Group, Inc.	B–	11.500%	08/01/2019	08/01/15 @	106	9
							866,632
Media – 1.0%							
625,000	CCO Holdings, LLC / CCO Holdings Capital Corp.(a)	BB–	6.500%	04/30/2021	04/30/15 @	105	653,125
375,000	CCO Holdings, LLC / CCO Holdings Capital Corp.(a)	BB–	5.250%	09/30/2022	09/30/17 @	103	354,375
375,000	Clear Channel Communications, Inc.(a)	CCC+	9.000%	12/15/2019	07/15/15 @	105	382,500
188,000	Clear Channel Communications, Inc.(a)	CCC+	11.250%	03/01/2021	03/01/16 @	108	202,805
375,000	DISH DBS Corp.(a)	BB–	5.125%	05/01/2020	N/A		381,562
750,000	Starz, LLC / Starz Finance Corp.(a)	BB	5.000%	09/15/2019	09/15/15 @	103	761,250
							2,735,617

See notes to financial statements.

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

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
	Mining – 1.1%					
750,000	American Gilsonite Co.(a) (b)	B–	11.500%	09/01/2017	09/01/14 @ 109	\$ 781,875
125,000	Barmingo Finance Pty Ltd. (Australia)(a) (b)	B–	9.000%	06/01/2018	N/A	118,750
565,000	FMG Resources August 2006 Pty Ltd. (Australia)(a) (b)	B+	8.250%	11/01/2019	11/01/15 @ 104	629,975
725,000	FQM Akubra, Inc. (Canada)(a) (b)	B+	8.750%	06/01/2020	06/01/16 @ 104	804,750
750,000	St Barbara Ltd. (Australia)(a) (b)	B	8.875%	04/15/2018	10/15/15 @ 107	637,500
						2,972,850
	Miscellaneous Manufacturing – 0.8%					
575,000	Dispensing Dynamics International(a) (b)	B–	12.500%	01/01/2018	01/01/16 @ 106	612,375
750,000	LSB Industries, Inc.(a) (b)	B+	7.750%	08/01/2019	08/01/16 @ 104	800,625
675,000	Trinseo Materials Operating SCA / Trinseo Materials Finance, Inc. (Luxembourg)(a) (b)	B	8.750%	02/01/2019	08/01/15 @ 104	676,688
						2,089,688
	Oil & Gas – 4.9%					
1,108,000	Alta Mesa Holdings, LP / Alta Mesa Finance Services Corp.(a)	B	9.625%	10/15/2018	10/15/14 @ 105	1,185,560
650,000	Bill Barrett Corp.(a)	B	7.625%	10/01/2019	10/01/15 @ 104	689,000
500,000	BreitBurn Energy Partners, LP / BreitBurn Finance Corp.(a)	B–	7.875%	04/15/2022	01/15/17 @ 104	507,500
1,150,000	Chesapeake Oilfield Operating, LLC / Chesapeake Oilfield Finance, Inc.	BB–	6.625%	11/15/2019	11/15/15 @ 103	1,210,375
750,000	Clayton Williams Energy, Inc.(a) (b)	B3	7.750%	04/01/2019	04/01/15 @ 104	770,625
625,000	Drill Rigs Holdings, Inc. (Marshall Islands)(a) (b)	B	6.500%	10/01/2017	10/01/15 @ 103	660,937
125,000	EP Energy, LLC / EP Energy Finance, Inc.(a)	B	9.375%	05/01/2020	05/01/16 @ 105	145,000
200,000	Halcon Resources Corp.(a)	CCC+	9.750%	07/15/2020	07/15/16 @ 105	218,500
200,000	Lightstream Resources Ltd. (Canada)(a) (b)	B–	8.625%	02/01/2020	02/01/16 @ 104	201,500

Edgar Filing: Advent Claymore Convertible Securities & Income Fund II - Form N-CSR

225,000	Midstates Petroleum Co., Inc. / Midstates Petroleum Co., LLC(a)	B-	9.250%	06/01/2021	06/01/16 @ 107	232,875
575,000	Oasis Petroleum, Inc.(a) (b)	B	6.875%	03/15/2022	09/15/17 @ 103	623,875
225,000	Parker Drilling Co.(a)	B+	9.125%	04/01/2018	04/01/14 @ 105	241,875
750,000	PBF Holding Co., LLC / PBF Finance Corp.(a)	BB+	8.250%	02/15/2020	02/15/16 @ 104	787,500
911,000	Plains Exploration & Production Co.(a)	BBB	6.125%	06/15/2019	06/15/16 @ 103	996,446
375,000	Plains Exploration & Production Co.(a)	BBB	6.750%	02/01/2022	02/01/17 @ 103	412,670
750,000	QEP Resources, Inc.(a)	BB+	5.250%	05/01/2023	02/01/23 @ 100	725,625
870,000	Range Resources Corp.(a)	BB	5.000%	08/15/2022	02/15/17 @ 103	873,263
1,000,000	Samson Investment Co.(a) (b)	CCC+	10.250%	02/15/2020	02/15/16 @ 105	1,085,000
300,000	SandRidge Energy, Inc.(a)	B-	8.125%	10/15/2022	04/15/17 @ 104	321,000
375,000	Talos Production, LLC / Talos Production Finance, Inc.(a) (b)	CCC+	9.750%	02/15/2018	02/15/15 @ 105	380,625
750,000	Tesoro Corp.(a)	BB+	5.375%	10/01/2022	10/01/17 @ 103	746,250
						13,016,001
Oil & Gas Services – 0.1%						
350,000	Forbes Energy Services Ltd. (h)	B	9.000%	06/15/2019	06/15/15 @ 105	355,250
Pharmaceuticals – 0.3%						
750,000	Valeant Pharmaceuticals International(a) (b)	B	6.375%	10/15/2020	10/15/16 @ 103	804,375
Pipelines – 0.8%						
750,000	Eagle Rock Energy Partners, LP(a)	B	8.375%	06/01/2019	06/01/15 @ 104	774,375
200,000	Genesis Energy, LP / Genesis Energy Finance Corp.(a)	B	5.750%	02/15/2021	02/15/17 @ 103	204,000
750,000	Regency Energy Partners, LP / Regency Energy Finance Corp.(a)	BB	5.750%	09/01/2020	06/01/20 @ 100	778,125
250,000	Tesoro Logistics, LP / Tesoro Logistics Finance Corp.(a)	BB-	5.875%	10/01/2020	10/01/16 @ 103	256,875
						2,013,375
Real Estate – 0.2%						
500,000	Kennedy-Wilson, Inc.(a)	BB-	8.750%	04/01/2019	04/01/15 @ 104	552,500

See notes to financial statements.

PORTFOLIO OF INVESTMENTS continued

October 31, 2013

Principal Amount~	Description	Rating*	Coupon	Maturity	Optional Call Provisions**	Value
Real Estate Investment Trusts – 0.5%						
663,000	Corrections Corp. of America(a)	BB+	4.625%	05/01/2023	02/01/23 @ 100	\$ 638,138
300,000	DuPont Fabros Technology, LP(a) (b)	BB	5.875%	09/15/2021	09/15/16 @ 104	309,000
360,000	OMEGA Healthcare Investors, Inc.(a)	BBB-	5.875%	03/15/2024	03/15/17 @ 103	370,800
						1,317,938
Retail – 0.4%						
500,000	Fiesta Restaurant Group, Inc.(a)	B	8.875%	08/15/2016	02/15/14 @ 104	533,125
60,000	Hot Topic, Inc.(a) (b)	B	9.250%	06/15/2021	06/15/16 @ 107	63,150
500,000	Jo-Ann Stores, Inc.(a) (b)	CCC+	8.125%	03/15/2019	03/15/14 @ 104	517,500
						1,113,775
Software – 0.2%						
625,000	Activision Blizzard, Inc.(a) (b)	BB+	6.125%	09/15/2023	09/15/18 @ 103	654,687
Telecommunications – 4.1%						
4,188,000	Alcatel-Lucent USA, Inc.(a)	CCC+	6.450%			