

Annual Report | November 30, 2017

WESTERN ASSET/CLAYMORE INFLATION-LINKED SECURITIES & INCOME FUND (WIA)

Investment objectives Letter to shareholders

The Fund's primary investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary investment objective.

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Dear Shareholder,

We thank you for your investment in Western Asset/Claymore Inflation-Linked Securities & Income Fund (the "Fund"). As investment adviser for the Fund, we are pleased to submit the Fund's annual shareholder report for the twelve-month reporting period ended November 30, 2017.

For the twelve-month period ended November 30, 2017, the Fund returned 6.77% based on its net asset value ("NAV")ⁱ and 7.15% based on its New York Stock Exchange ("NYSE") market price per share. The Fund's unmanaged benchmarks, the Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Indexⁱⁱ and the Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Indexⁱⁱⁱ, returned 1.54% and 2.11%, respectively, for the same period. All Fund returns cited — whether based on NAV or market price — assume the reinvestment of all distributions. Past performance does not guarantee future results. 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. Details of Fund fees and expenses appear elsewhere in this report.

With actual inflation in the U.S. rising only moderately during the reporting period, the Fund generated most of its absolute and relative returns by investing in other sectors that were thought to be precursors to inflation in an improving global environment. The largest contributor to the Fund's absolute performance during the reporting period was its allocation to securitized products. In particular, the Fund's exposures to non-agency mortgage-backed securities and commercial mortgage-backed securities were beneficial for results as they generated positive returns given an overall risk-on environment. These sectors performed particularly well in the summer months and we reduced our exposure.

The Fund's exposure to commodities, which was adjusted through the reporting period, performed strongly and the Fund maintained a core exposure. Oil was the notable positive, although the Fund maintained a diversified mix throughout the reporting period. The Fund's foreign exchange exposures contributed to performance, led by exposures to the Japanese yen and the euro, as well as a range of emerging market currencies. The Fund's interest rate risk, or duration^{iv} and yield curve^v management strategies, were also beneficial for returns, with

a tactical approach to duration paying off in the summer of 2017, and yield curve flattening helping in the second half of the period. Finally, the Fund's allocation to U.S. high-yield corporate bonds was also a positive for performance.

The largest detractor from the Fund's absolute performance for the reporting period was its underweight to the investment-grade credit sector, where we preferred the value available in other sectors like emerging markets, whose returns were broadly similar to those of the investment-grade underweights, resulting in no gain to the Fund.

As of November 30, 2017, the Fund's market price of \$11.62 per share represented a discount of 11.23% to its NAV of \$13.09 per share. In the first five months of the reporting period, the Fund provided its investors with a distribution of \$0.032 per share, and in the last seven months of the reporting period, the distribution was \$0.0345. The most recent distribution represents an annualized distribution rate of 3.56% based on the Fund's last closing market price of \$11.62 as of November 30, 2017. There is no guarantee of any future distributions or that the current returns and distribution rate will be maintained. Please see Note 1(p) on page 35 for more information on distributions for the period.

The Fund's investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary objective. Under normal market conditions and at the time of purchase, the Fund will:

- Invest at least 80% of its total managed assets^{vi} in inflation-linked securities
- Invest no more than 10% of its total managed assets in assets rated below

investment grade at the time of purchase (or, if unrated, assets of comparable quality as determined by management)

- Invest at least 60% of its total managed assets in U.S. Treasury Inflation-Protected Securities ("TIPS")^{vii}
- Invest no more than 40% of its total managed assets in non-U.S. dollar investments, which gives the Fund the flexibility to invest up to 40% of its total managed assets in non-U.S. dollar inflation-linked securities (no more than 20% of its non-U.S. dollar exposure may be unhedged)
- Engage in currency strategies, using instruments such as currency forwards, futures and options, to take long and short foreign currency positions subject to a limit of exposure from such strategies to 40% of total managed assets. This capacity is in addition to the capacity to have 20% unhedged exposure to non-U.S. dollar currencies through the purchase of fixed income securities
- Utilize commodity-related strategies for up to 10% of its total managed assets. Exposure to commodities is expected to be achieved through the use of a variety of instruments, such as futures contracts, options and other derivatives, or through investments in exchange-traded products that offer exposure to commodities. The Fund does not expect to hold physical commodities.

Each of the foregoing policies is a non-fundamental policy that may be changed without shareholder approval. The Fund also has the following non-fundamental policy, which, to the extent required by applicable law, may only be changed after notice to shareholders: under normal market

Letter to shareholders (cont'd)

conditions, the Fund will invest at least 80% of its total managed assets in inflation-protected securities and non-inflation-protected securities and instruments with the potential to enhance the Fund's income. To the extent permitted by the foregoing policies, the Fund may invest in emerging market debt securities.

Reverse repurchase agreements and other forms of leverage will not exceed 38% of the Fund's total managed assets. The Fund currently expects that the average effective duration^{viii} of its portfolio will range between zero and fifteen years, although this target duration may change from time to time. The Fund may enter into credit default swap contracts, interest rate swap contracts and total return swap contracts for investment purposes, to manage its credit risk or to add leverage.

In March 2016, the Board of Trustees (the "Board") authorized management to repurchase in the open market up to approximately 10% of the Fund's outstanding common shares when the shares are trading at a discount to NAV and when such purchases could enhance shareholder value. The Fund is under no obligation to purchase shares at any specific discount levels or in any specific amounts. Although the Fund's shares traded at a discount during the period, in accordance with the Board's authorization of repurchases, management believed that there were more compelling investment opportunities to generate

income for shareholders in line with the Fund's primary investment objectives and, accordingly, the Fund did not repurchase any shares in the period.

Shareholders have the opportunity to reinvest their dividends from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 50 of this report. In general, if shares are trading at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly dividend distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market price of the Fund's common shares is at a premium above NAV, the DRIP reinvests participants' dividends in newly-issued common shares at NAV, subject to an IRS limitation that the purchase price cannot be more than 5% below the market price per share. The DRIP provides a cost-effective means to accumulate additional shares.

We appreciate your investment and look forward to serving your investment needs in the future. For the most up-to-date information on your investment, please visit the Fund's website at www.guggenheiminvestments.com/wia.

Sincerely,

Western Asset Management Company
December 29, 2017

- ⁱ Net asset value ("NAV") is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- ⁱⁱ The Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.
- ⁱⁱⁱ The Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of \$500 million or more.
- ^{iv} Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- ^v The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- ^{vi} "Total managed assets" equals the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).
- ^{vii} U.S. Treasury Inflation-Protected Securities ("TIPS") are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and thirty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.
- ^{viii} Effective duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Please note, duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. Funds that employ leverage calculate effective duration based off of net assets.

Investment commentary

Economic review

Economic activity in the U.S. improved during the twelve months ended November 30, 2017 (the “reporting period”). Looking back, the U.S. Department of Commerce reported that U.S. gross domestic product (“GDP”) growth was 1.8% and 1.2%, as revised, for the fourth quarter of 2016 and the first quarter of 2017, respectively. Second quarter 2017 GDP growth then accelerated to 3.1%. Finally, the U.S. Department of Commerce’s final reading for third quarter 2017 GDP growth — released after the reporting period ended — was 3.2%. Stronger growth was attributed to a number of factors, including positive contributions from private inventory investment and upturns in state and local government spending. These positive factors were partly offset by a decrease in personal consumption expenditures, nonresidential fixed investment and exports.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. When the reporting period ended on November 30, 2017, the unemployment rate was 4.1%, as reported by the U.S. Department of Labor. This equaled the lowest unemployment rate since December 2000. The percentage of longer-term unemployed declined during the reporting period. In November 2017, 23.8% of Americans looking for a job had been out of work for more than six months, versus 24.2% when the period began.

Looking back, after an extended period of maintaining the federal funds rate^{vi} at a historically low range between zero and 0.25%, the Federal Reserve Board (the “Fed”)^{vii} increased the rate at its meeting on December 16, 2015. In particular, the U.S. central bank raised the federal funds rate to a range between 0.25% and 0.50%. The Fed

then kept rates on hold at each meeting prior to its meeting on December 14, 2016, at which time, the Fed raised rates to a range between 0.50% and 0.75%.

The Fed’s next rate hike occurred at its meeting that ended on March 15, 2017, as it raised rates to a range between 0.75% and 1.00%. At its meeting that concluded on June 14, 2017, the Fed then raised rates to a range between 1.00% and 1.25%. During the Fed’s meeting that concluded on September 20, 2017, it kept rates on hold, but reiterated its intention to begin reducing its balance sheet, saying, “In October, the Committee will initiate the balance sheet normalization program....” Finally, at its meeting that ended on December 13, 2017, after the reporting period ended, the Fed raised rates to a range between 1.25% and 1.50%.

Inflation was relatively modest during the reporting period. For the twelve months ended November 30, 2017, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers (“CPI-U”)^{iv}, was 2.2%. The CPI-U less food and energy was 1.7% over the same time frame. U.S. Treasury Inflation-Protected Securities (“TIPS”)^v generated a modest gain during the reporting period, as the Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index^{xi} returned 1.97%.

As always, thank you for your confidence in our stewardship of your assets.

Sincerely,

Western Asset Management Company
December 29, 2017

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

- ⁱ Gross domestic product ("GDP") is the market value of all final goods and services produced within a country in a given period of time.
- ⁱⁱ The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- ⁱⁱⁱ The Federal Reserve Board (the "Fed") is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- ^{iv} The Consumer Price Index for All Urban Consumers ("CPI-U") is a measure of the average change in prices over time of goods and services purchased by households, which covers approximately 87% of the total population and includes, in addition to wage earners and clerical worker households, groups such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed and retirees and others not in the labor force.
- ^v U.S. Treasury Inflation-Protected Securities ("TIPS") are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and thirty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.
- ^{vi} The Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index represents an unmanaged market index made up of U.S. Treasury Inflation-Linked Index securities.

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Fund overview

Q. What is the Fund's investment strategy?

A. The Fund's investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary investment objective. Under normal market conditions and at the time of purchase, the Fund will invest at least 80% of its total managed assetsⁱ in inflation-linked securities and at least 60% of its total managed assets in U.S. Treasury Inflation Protected Securities ("TIPS")ⁱⁱ. The Fund may also invest up to 40% of its total managed assets in non-U.S. dollar investments, which gives the Fund flexibility to invest up to 40% of its total managed assets in non-U.S. dollar inflation-linked securities (no more than 20% of its non-U.S. dollar exposure may be unhedged). The Fund currently expects that the average effective durationⁱⁱⁱ of its portfolio will range between zero and fifteen years, although this target duration may change from time to time. There can be no assurance that the Fund will achieve its investment objectives.

The Fund seeks to offer an inflation hedge through investments in global inflation-linked securities, and primarily in TIPS. The Fund also seeks to offer shareholders certain additional advantages through the ability to invest in other fixed-income asset classes, which may result in higher total returns and higher distribution rates. These asset classes include select investments in high-yield and investment-grade credit, emerging markets and structured products. On March 2, 2016, the Fund announced that it received authorization to include commodities and currency exposures to further enhance the Fund's ability to meet its primary objectives of providing shareholders with income.

At Western Asset Management Company ("Western Asset"), the Fund's investment adviser, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio management personnel, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization.

Q. What were the overall market conditions during the Fund's reporting period?

A. Most spread sectors (non-Treasuries) posted positive returns, but generated mixed results versus equal-duration^{iv} Treasuries over the twelve-month reporting period ended November 30, 2017. The fixed income market was impacted by a number of factors during the reporting period, including signs of generally improving economic growth, uncertainties related to future Federal Reserve Board (the "Fed")^v monetary policy, fiscal policy initiatives and several geopolitical issues.

Both short-term and longer-term Treasury yields moved higher during the reporting period as a whole. The yield for the two-year Treasury note began the reporting period at 1.11% and ended the period at 1.78%, the latter matching its peak for the period. The low for the period of 1.10% occurred on December 7, 2016. The yield for the ten-year Treasury began the reporting period at 2.37% and ended the period at 2.42%. The low for the period of 2.05% occurred on September 7, 2017 and the peak of 2.60% took place on both December 15 and December 16, 2016.

Fund overview (cont'd)

Inflation was relatively modest during the reporting period. For the reporting period, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U")^{vi}, was 2.2%. The CPI-U less food and energy was 1.7% over the same time frame. U.S. TIPS generated a modest gain during the reporting period, as the Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index^{vii} returned 1.97%.

Q. How did we respond to these changing market conditions?

A. A number of adjustments were made to the Fund during the reporting period. We decreased the Fund's exposures to non-agency mortgage-backed securities ("MBS") in the summer of 2017, taking profits after their strong performance. We increased the Fund's exposure to emerging markets, favoring local currency markets like Argentina, as well as U.S. dollar-denominated positions in Indonesia and names such as KazTransGas, a Kazakhstan gas transportation company. We rotated into the investment-grade credit sector, which has lagged other sectors during the reporting period. We also reinstated an exposure to foreign inflation-protected securities ("linkers") to diversify our inflation-linked holding. Finally, we utilized the full extent of the new latitudes available for the Fund by maintaining a core exposure to commodities throughout the reporting period.

The Fund employed U.S. Treasury futures and options, including options on futures, Eurodollar futures and Euro-bund futures, during the reporting period to manage its yield curve^{viii} positioning and interest rate risk, or duration. The use of these

instruments generally contributed to performance. Interest rate swaps, used to manage interest rate exposure, were positive for performance. Credit linked credit default swap contracts were employed to achieve a synthetic exposure to corporate bonds. Finally, currency forwards and currency futures and options, which were used to manage the Fund's currency exposures, contributed to performance, benefiting from a diversified exposure to a range of currencies including the Japanese yen, the euro and Mexican peso.

Leverage was used to increase the Fund's credit bond exposure, which served to add yield to the Fund. We ended the reporting period with leverage as a percentage of gross assets of roughly 28% versus 32% when the period began. The use of leverage to purchase TIPS and high-yield corporate bonds, amongst others, contributed to performance, despite rising borrowing costs.

Performance review

For the twelve months ended November 30, 2017, Western Asset/Claymore Inflation-Linked Securities & Income Fund returned 6.77% based on its net asset value ("NAV")^{ix} and 7.15% based on its New York Stock Exchange ("NYSE") market price per share. The Fund's unmanaged benchmarks, the Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index^x and the Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index^{xi}, returned 1.54% and 2.11%, respectively, for the same period. The Bloomberg Barclays World Government Inflation-Linked All Maturities Index^{xii} and the Fund's Custom Benchmark^{xiii} returned 8.09% and 2.49%, respectively, over the same time frame.

During the twelve-month period, the Fund made distributions to shareholders totaling \$0.40 per share*. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of November 30, 2017. **Past performance is no guarantee of future results.**

Performance Snapshot ¹ as of November 30, 2017	
Price Per Share	12-Month Total Return**
\$13.09 (NAV)	6.77%†
\$11.62 (Market Price)	7.15%‡

All figures represent past performance and are not a guarantee of future results.

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

† Total return assumes the reinvestment of all distributions at NAV.

‡ Total return assumes the reinvestment of all distributions in additional shares in accordance with the Fund's Dividend Reinvestment Plan.

One of the distinguishing features of closed-end funds compared to other investment vehicles is the ability to trade at a premium or discount to NAV. Since the Fund is listed on the NYSE, the share price may trade above (premium) or below (discount) its NAV. Whereas the NAV is reflective of the Fund's underlying investments, the share

price is reflective of the overall supply and demand in the marketplace. Historically, the majority of closed-end funds have traded at a discount to NAV. This Fund was no exception to the phenomenon. We believe the Fund's discount may be driven by a number of factors, including the overall closed-end fund market, current distribution rate and muted demand for inflation-linked investment products. While there are actions that may temporarily reduce the discount to NAV, which the Board of Trustees regularly evaluates, we believe that if investor demand for inflation-linked investments increased, that development, among other factors, may help reduce the Fund's share price discount to NAV over time. Western Asset continues to believe the Fund offers investors the opportunity for long-term inflation protection while providing a source of diversification for investors' fixed-income portfolios.

Q. What were the leading contributors to performance?

A. With actual inflation in the U.S. rising only moderately during the reporting period, the Fund generated most of its absolute and relative returns by investing in other sectors that were thought to be precursors to inflation in an improving global environment. The largest contributor to the Fund's absolute performance during the reporting period was its allocation to securitized products. In particular, the Fund's exposures to non-agency MBS and commercial MBS were beneficial for results as they generated

* For the tax character of distributions paid during the fiscal year ended November 30, 2017, please refer to page 40 of this report.

¹ Effective October 2, 2017, the Fund changed its security pricing methodology to now use the mean value of the bid and ask prices (of underlying fund holdings) to calculate the NAV. The Fund had a one-time increase to the NAV, which was due to this change in pricing methodology.

Fund overview (cont'd)

positive returns given an overall risk-on environment. These sectors performed particularly well in the summer months and we reduced our exposure.

The Fund's exposure to commodities, which was adjusted through the reporting period, performed strongly and we maintained a core exposure. Oil was the notable positive, although we maintained a diversified mix throughout the reporting period. The Fund's foreign exchange exposures contributed to performance, led by exposures to the Japanese yen and the euro, as well as a range of emerging market currencies. The Fund's interest rate risk, or duration and yield curve management strategies, were also beneficial for returns, with a tactical approach to duration paying off in the summer of 2017, and yield curve flattening helping in the second half of the period. Finally, the Fund's allocation to U.S. high-yield corporate bonds was also a positive for performance.

Q. What were the leading detractors from performance?

A. The largest detractor from the Fund's absolute performance for the reporting period was its underweight to the investment-grade credit sector, where we preferred the value available in other sectors like emerging markets, whose returns were broadly similar to those of the investment-grade underweights, resulting in no gain to the Fund.

We appreciate your investment and look forward to serving your investment needs in the future. For the most up-to-date information on your investment, please visit the Fund's website at www.guggenheiminvestments.com/wia.

Sincerely,

Western Asset Management Company

December 19, 2017

***RISKS:** Bonds are subject to a variety of risks, including interest rate, credit and inflation risks. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment's price. The Fund is subject to the additional risks associated with inflation protected securities, including liquidity risk, prepayment risk, extension risk and deflation risk. Investments in foreign companies, including emerging markets, involve risks beyond those inherent solely in domestic investments. Leverage may cause a fund to be more volatile than if the fund had not been leveraged, which may increase the risk of investment loss. Derivatives, such as options, futures, forwards and swaps, can be illiquid, create counterparty risk, may disproportionately increase losses, and may have a potentially large impact on fund performance. To the extent that the Fund invests in asset-backed, mortgage-backed or mortgage-related securities, its exposure to prepayment and extension risks may be greater than if it invested in other fixed-income securities. International investments are subject to currency fluctuations, as well as social, economic and political risks. These risks are magnified in emerging markets.*

An investment in the Fund is subject to the following additional risks. Lower grade securities, or equivalent unrated securities, which are commonly known as "junk bonds," typically entail greater potential price volatility and may be less liquid than higher-rated securities. The Fund may have to apply a greater degree of judgment in establishing a price for lower grade securities for purposes of valuing fund shares. Changes in economic

conditions or developments regarding the individual issuer are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade securities. Lower grade securities are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal. These securities may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated securities. Lower grade and unrated securities are generally issued by less creditworthy issuers that may have a larger amount of outstanding debt relative to their assets than issuers of higher grade securities. In the event of an issuer's bankruptcy, claims of other creditors may have priority over the claims of lower grade security holders, leaving few or no assets available to repay lower grade security holders. The Fund may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting issuer. Lower grade securities frequently have redemption features that permit an issuer to repurchase the security from the Fund before it matures. If the issuer redeems lower grade securities, the Fund may have to invest the proceeds in securities with lower yields and may lose income. Lower grade and unrated securities involve the risk that the Fund's investment manager may not accurately evaluate the security's comparative rating. Analysis of the creditworthiness of issuers of lower grade and unrated securities may be more complex than for issuers of higher-quality securities. To the extent that the Fund holds lower grade and/or unrated securities, the Fund's success in achieving its investment objectives may depend more heavily on the Fund's investment manager's credit analysis than if the Fund held exclusively higher-quality and rated securities.

If changes in the currency exchange rates do not occur as anticipated, the Fund may lose money on currency transactions. The Fund's ability to use currency transactions successfully depends on a number of factors, including the currency transactions being available at prices that are not too costly, the availability of liquid markets and the ability of the Fund to accurately predict the direction of changes in currency exchange rates. Currency exchange rates may be volatile. Currency transactions are subject to counterparty risk, which is the risk that the other party in the transaction will not fulfill its contractual obligation. The Fund may gain exposure to the commodities markets by investing a portion of its assets in a wholly-owned subsidiary, Western Asset/Claymore Inflation-Linked Securities & Income Fund CFC (the "Subsidiary"), organized under the laws of the Cayman Islands. The Fund and the Subsidiary are deemed "commodity pools" and the investment adviser is considered a "commodity pool operator" with respect to the Fund under the Commodity Exchange Act. The investment adviser, directly or through its affiliates, is therefore subject to dual regulation by the Securities and Exchange Commission (the "SEC") and the Commodity Futures Trading Commission (the "CFTC"). Due to recent regulatory changes, additional regulatory requirements may be imposed and additional expenses may be incurred by the Fund. The regulatory requirements governing the use of commodity futures (which include futures on broad-based securities indexes, interest rate futures and currency futures), options on commodity futures, certain swaps or certain other investments could change at any time. Investments by the Fund in commodity-linked derivatives may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivatives may be affected by changes in

Fund overview (cont'd)

overall market movements, commodity index volatility, prolonged or intense speculation by investors, changes in interest rates or factors affecting a particular industry or commodity, such as drought, floods, other weather phenomena, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. By investing in the Subsidiary, the Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The investments held by the Subsidiary are generally similar to those that are permitted to be held by the Fund and are subject to the same risks that apply to similar investments if held directly by the Fund. The Subsidiary is not registered as an investment company and is not subject to all of the investor protections of the Investment Company Act of 1940 (the "1940 Act"). Changes in the laws of the United States and/or the Cayman Islands could adversely affect the Fund. For example, the Cayman Islands does not currently impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax on the Subsidiary. If Cayman Islands law changes such that the Subsidiary must pay Cayman Islands taxes, shareholders would likely suffer decreased investment returns. The Fund's exposure to commodities markets, including through the Subsidiary, may be limited by its intention to qualify as a regulated investment company for U.S. federal income tax purposes, and may interfere with its ability to qualify as such.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for or in connection with the making of investment decisions, and does not constitute a

solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax and/or legal professional regarding your specific situation.

Portfolio holdings and breakdowns are as of November 30, 2017 and are subject to change and may not be representative of the portfolio managers' current or future investments. Please refer to pages 11 through 18 for a list and percentage breakdown of the Fund's holdings.

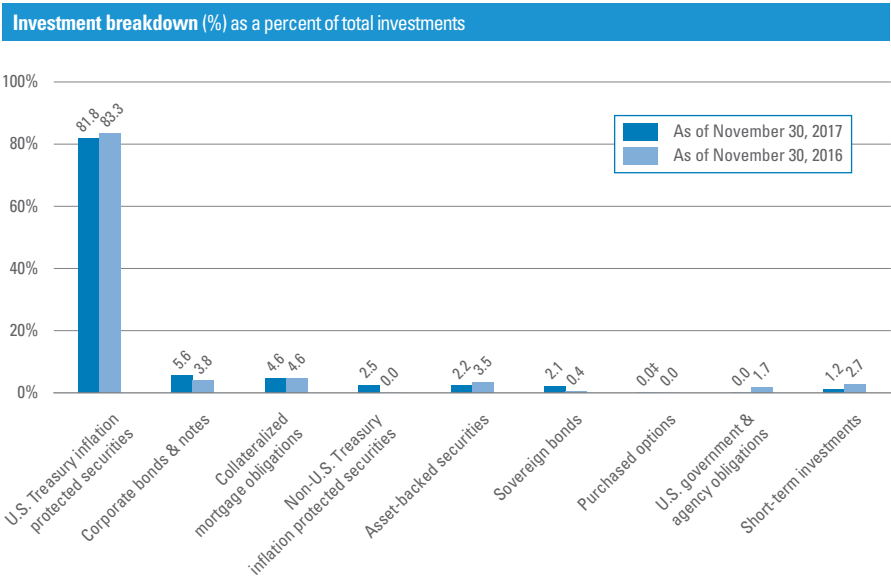
The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of November 30, 2017 were: U.S. Treasury Inflation Protected Securities (110.8%), Corporate Bonds & Notes (7.6%), Collateralized Mortgage Obligations (6.2%), Non-U.S. Treasury Inflation Protected Securities (3.4%) and Asset-Backed Securities (2.9%). The Fund's portfolio composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- i “Total managed assets” equals the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).
- ii U.S. Treasury Inflation-Protected Securities (“TIPS”) are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and thirty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.
- iii Effective duration is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Please note, duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. Funds that employ leverage calculate effective duration based off of net assets.
- iv Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows
- v The Federal Reserve Board (the “Fed”) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.
- vi The Consumer Price Index for All Urban Consumers (“CPI-U”) is a measure of the average change in prices over time of goods and services purchased by households, which covers approximately 87% of the total population and includes, in addition to wage earners and clerical worker households, groups such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed and retirees and others not in the labor force.
- vii The Bloomberg Barclays U.S. Treasury Inflation-Linked Bond Index represents an unmanaged market index made up of U.S. Treasury Inflation-Linked Index securities.
- viii The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- ix Net asset value (“NAV”) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund’s market price as determined by supply of and demand for the Fund’s shares.
- x The Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.
- xi The Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of \$500 million or more.
- xii The Bloomberg Barclays World Government Inflation-Linked All Maturities Index measures the performance of the major government inflation-linked bond markets.
- xiii The Custom Benchmark is comprised of 90% Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index and 10% Bloomberg Barclays U.S. Credit Index. The Bloomberg Barclays U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher).

Fund at a glance[†] (unaudited)

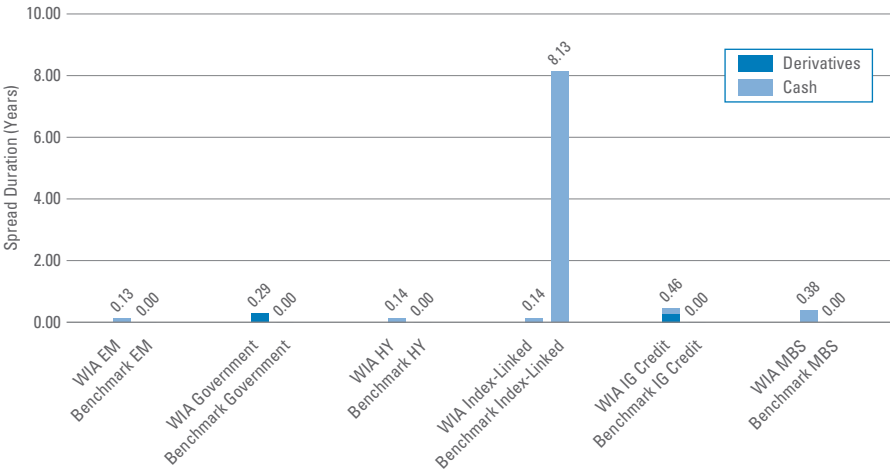


[†] The bar graph above represents the composition of the Fund’s investments as of November 30, 2017 and November 30, 2016 and does not include derivatives such as forward foreign currency contracts, futures contracts and swap contracts. The Fund is actively managed. As a result, the composition of the Fund’s investments is subject to change at any time.

[‡] Represents less than 0.1%.

Spread duration (unaudited)

Economic exposure — November 30, 2017

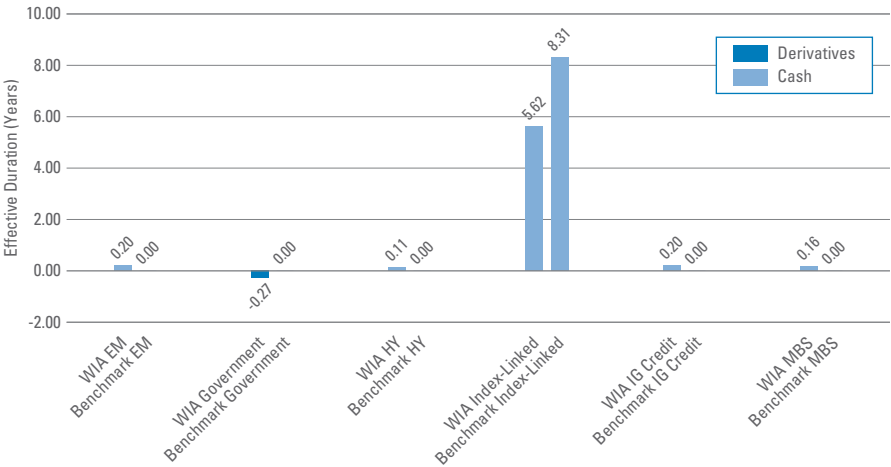


Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund’s sectors relative to the selected benchmark sectors as of the end of the reporting period.

- Benchmark — Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index
EM — Emerging Markets
HY — High Yield
IG Credit — Investment Grade Credit
MBS — Mortgage-Backed Securities
WIA — Western Asset/Claymore Inflation-Linked Securities & Income Fund

Effective duration (unaudited)

Interest rate exposure — November 30, 2017



Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund’s sectors relative to the selected benchmark sectors as of the end of the reporting period.

- Benchmark — Bloomberg Barclays U.S. Government Inflation-Linked All Maturities Index
- EM — Emerging Markets
- HY — High Yield
- IG Credit — Investment Grade Credit
- MBS — Mortgage-Backed Securities
- WIA — Western Asset/Claymore Inflation-Linked Securities & Income Fund

Consolidated schedule of investments

November 30, 2017

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
U.S. Treasury Inflation Protected Securities — 110.8%				
U.S. Treasury Bonds, Inflation Indexed	2.375%	1/15/25	10,473,440	\$ 11,865,781
U.S. Treasury Bonds, Inflation Indexed	2.000%	1/15/26	49,124,363	54,828,063
U.S. Treasury Bonds, Inflation Indexed	1.750%	1/15/28	31,675,076	35,233,062 ^(a)
U.S. Treasury Bonds, Inflation Indexed	3.625%	4/15/28	152,576	198,358
U.S. Treasury Bonds, Inflation Indexed	2.500%	1/15/29	5,241,264	6,281,407
U.S. Treasury Bonds, Inflation Indexed	3.875%	4/15/29	6,574,949	8,864,453
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/40	3,425,220	4,341,137
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/41	3,482,059	4,438,864
U.S. Treasury Bonds, Inflation Indexed	0.750%	2/15/42	3,287,281	3,212,822
U.S. Treasury Bonds, Inflation Indexed	0.625%	2/15/43	1,610,025	1,522,315
U.S. Treasury Bonds, Inflation Indexed	1.375%	2/15/44	15,321,560	17,103,948
U.S. Treasury Bonds, Inflation Indexed	0.750%	2/15/45	9,379,242	9,072,468
U.S. Treasury Bonds, Inflation Indexed	0.875%	2/15/47	4,293,660	4,292,293
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/18	46,972,200	46,843,454 ^(a)
U.S. Treasury Notes, Inflation Indexed	2.125%	1/15/19	425,278	434,102
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/19	30,541,640	30,425,175 ^(a)
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/20	38,125,760	37,964,277 ^(a)
U.S. Treasury Notes, Inflation Indexed	1.125%	1/15/21	35,388,497	36,413,017 ^(a)
U.S. Treasury Notes, Inflation Indexed	0.625%	7/15/21	14,354,270	14,607,159
U.S. Treasury Notes, Inflation Indexed	0.125%	7/15/22	24,574,219	24,469,216 ^(a)
U.S. Treasury Notes, Inflation Indexed	0.125%	1/15/23	25,872,704	25,584,696 ^(a)
U.S. Treasury Notes, Inflation Indexed	0.375%	7/15/23	2,725,254	2,735,145
U.S. Treasury Notes, Inflation Indexed	0.625%	1/15/24	14,616,308	14,813,321
U.S. Treasury Notes, Inflation Indexed	0.125%	7/15/24	5,508,237	5,415,190
U.S. Treasury Notes, Inflation Indexed	0.625%	1/15/26	21,488,013	21,643,646 ^(a)
Total U.S. Treasury Inflation Protected Securities (Cost — \$422,446,668)				422,603,369
Asset-Backed Securities — 2.9%				
Amerquest Mortgage Securities Inc., 2005-R10 M5 (1 mo. USD LIBOR + 0.630%)	1.959%	1/25/36	9,650,000	8,631,162 ^(b)
Conseco Financial Corp., 1997-8 A	6.780%	10/15/27	451,933	464,634
Countrywide Home Equity Loan Trust, 2005-C 2A (1 mo. USD LIBOR + 0.180%)	1.430%	7/15/35	889,741	849,597 ^(b)
Countrywide Home Equity Loan Trust, 2006-I 2A (1 mo. USD LIBOR + 0.140%)	1.390%	1/15/37	1,255,590	1,195,760 ^(b)
Total Asset-Backed Securities (Cost — \$8,264,539)				11,141,153
Collateralized Mortgage Obligations ^(c) — 6.2%				
Bear Stearns Adjustable Rate Mortgage Trust, 2004-9 24A1 (12 mo. USD LIBOR + 2.500%)	3.988%	11/25/34	29,125	28,445 ^(b)

[See Notes to Consolidated Financial Statements.](#)

Consolidated schedule of investments (cont'd)

November 30, 2017

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount	Value
Collateralized Mortgage Obligations ^(c) — continued				
Bellemeade Re Ltd., 2016-1A M2B (1 mo. USD LIBOR + 6.500%)	7.829%	4/25/26	3,374,454	\$3,483,071 ^{(b)(d)(e)}
Chase Mortgage Finance Corp., 2007-A1 2A3 (12 mo. USD LIBOR + 2.040%)	3.688%	2/25/37	9,391	9,521 ^(b)
Credit Suisse Mortgage Trust, 2014-11R 09A2 (1 mo. USD LIBOR + 0.140%)	1.377%	10/27/36	2,430,000	1,575,070 ^{(b)(d)}
Federal Home Loan Mortgage Corp. (FHLMC), 4057 UI, IO	3.000%	5/15/27	1,290,013	114,070
Federal Home Loan Mortgage Corp. (FHLMC), 4085, IO	3.000%	6/15/27	3,617,150	302,290
Federal Home Loan Mortgage Corp. (FHLMC) Structured Agency Credit Risk Debt Notes, 2017-DNA2 M2 (1 mo. USD LIBOR + 3.450%)	4.778%	10/25/29	1,300,000	1,382,725 ^(b)
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K721 X1, IO	0.455%	8/25/22	152,430,688	2,029,051 ^(b)
Federal National Mortgage Association (FNMA), 2014-M8 SA, IO (-1.000 X 1 mo. USD LIBOR + 4.914%)	1.611%	5/25/18	4,073,634	13,699 ^(b)
Federal National Mortgage Association (FNMA) — CAS, 2016-C04 1M1 (1 mo. USD LIBOR + 1.450%)	2.779%	1/25/29	855,620	865,360 ^{(b)(d)}
Federal National Mortgage Association (FNMA) — CAS, 2017-C03 1B1 (1 mo. USD LIBOR + 4.850%)	6.179%	10/25/29	1,340,000	1,424,041 ^{(b)(d)}
Federal National Mortgage Association (FNMA) — CAS, 2017-C03 1M2 (1 mo. USD LIBOR + 3.000%)	4.329%	10/25/29	1,310,000	1,357,875 ^{(b)(d)}
Government National Mortgage Association (GNMA), 2011-142 IO, IO	0.480%	9/16/46	4,566,568	79,822 ^(b)
Government National Mortgage Association (GNMA), 2012-044 IO, IO	0.541%	3/16/49	1,320,697	28,966 ^(b)
Government National Mortgage Association (GNMA), 2012-112 IO, IO	0.311%	2/16/53	2,104,617	49,495 ^(b)
Government National Mortgage Association (GNMA), 2012-152 IO, IO	0.779%	1/16/54	6,481,605	339,301 ^(b)
Government National Mortgage Association (GNMA), 2013-145 IO, IO	1.072%	9/16/44	2,977,050	156,599 ^(b)
Government National Mortgage Association (GNMA), 2014-047 IA, IO	0.380%	2/16/48	686,303	25,502 ^(b)
Government National Mortgage Association (GNMA), 2014-050 IO, IO	0.868%	9/16/55	1,658,099	91,436 ^(b)
Government National Mortgage Association (GNMA), 2014-169 IO, IO	0.867%	10/16/56	15,308,592	799,638 ^(b)
Government National Mortgage Association (GNMA), 2015-101 IO, IO	0.878%	3/16/52	25,105,641	1,497,903 ^(b)
Government National Mortgage Association (GNMA), 2015-183 IO	0.958%	9/16/57	27,619,838	1,971,913 ^(b)
GSR Mortgage Loan Trust, 2004-11 1A1 (12 mo. USD LIBOR + 2.000%)	3.829%	9/25/34	97,288	99,338 ^(b)

[See Notes to Consolidated Financial Statements.](#)

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
Collateralized Mortgage Obligations (C) — continued				
JPMorgan Mortgage Trust, 2006-A2 5A1 (12 mo. USD LIBOR + 2.010%)	3.577%	11/25/33	3,376	\$ 3,480 ^(b)
Merrill Lynch Mortgage Investors Trust, 2004-A1 2A1 (6 mo. USD LIBOR + 1.750%)	3.389%	2/25/34	12,314	12,369 ^(b)
Morgan Stanley Bank of America Merrill Lynch Trust, 2015-C20 D	3.071%	2/15/48	2,970,000	2,252,499 ^(d)
New Residential Mortgage Loan Trust, 2014-1A A	3.750%	1/25/54	1,157,734	1,187,925 ^{(b)(d)}
Nomura Resecuritization Trust, 2015-4R 2A2 (1 mo. USD LIBOR + 0.306%)	1.377%	10/26/36	2,672,477	2,160,404 ^{(b)(d)}
Residential Asset Mortgage Products Inc., 2004-SL4 A5	7.500%	7/25/32	60,732	51,233
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2003-AR8 A (1 year U.S. Treasury Constant Maturity Rate + 2.320%)	3.233%	8/25/33	406,838	412,852 ^(b)
Washington Mutual Inc., MSC Pass-Through Certificates, 2004-RA1 2A	7.000%	3/25/34	10,095	11,057
Total Collateralized Mortgage Obligations (Cost — \$28,096,478)				23,816,950
Corporate Bonds & Notes — 7.6%				
Consumer Staples — 0.4%				
<i>Food Products — 0.2%</i>				
MARB Bondco PLC, Senior Notes	7.000%	3/15/24	900,000	918,000 ^(d)
<i>Tobacco — 0.2%</i>				
Alliance One International Inc., Secured Notes	9.875%	7/15/21	630,000	577,237
Total Consumer Staples				1,495,237
Energy — 4.7%				
<i>Energy Equipment & Services — 0.1%</i>				
Halliburton Co., Senior Bonds	3.800%	11/15/25	200,000	206,402
<i>Oil, Gas & Consumable Fuels — 4.6%</i>				
Anadarko Petroleum Corp., Senior Notes	5.550%	3/15/26	200,000	223,041
Anadarko Petroleum Corp., Senior Notes	6.200%	3/15/40	1,330,000	1,581,249
Apache Corp., Senior Notes	2.625%	1/15/23	200,000	195,007
Apache Corp., Senior Notes	5.250%	2/1/42	440,000	469,408
Apache Corp., Senior Notes	4.250%	1/15/44	1,310,000	1,238,744
BP Capital Markets PLC, Senior Bonds	3.119%	5/4/26	200,000	200,429
Exxon Mobil Corp., Senior Notes	3.043%	3/1/26	200,000	203,134
KazTransGas JSC, Senior Notes	4.375%	9/26/27	2,000,000	1,994,738 ^(d)
Noble Energy Inc., Senior Notes	3.900%	11/15/24	200,000	204,906
Noble Energy Inc., Senior Notes	4.950%	8/15/47	1,590,000	1,655,610
Oasis Petroleum Inc., Senior Notes	6.500%	11/1/21	2,400,000	2,436,000
Oasis Petroleum Inc., Senior Notes	6.875%	1/15/23	450,000	460,125

See Notes to Consolidated Financial Statements.

Consolidated schedule of investments (cont'd)

November 30, 2017

Western Asset/Claymore Inflation-Linked Securities & Income Fund				
Security	Rate	Maturity Date	Face Amount†	Value
<i>Oil, Gas & Consumable Fuels — continued</i>				
Occidental Petroleum Corp., Senior Notes	3.000%	2/15/27	810,000	\$ 804,982
Sanchez Energy Corp., Senior Notes	7.750%	6/15/21	1,060,000	1,009,650
Sanchez Energy Corp., Senior Notes	6.125%	1/15/23	570,000	483,787
Transcontinental Gas Pipe Line Co., LLC, Senior Notes	7.850%	2/1/26	200,000	256,580
Whiting Petroleum Corp., Senior Notes	6.250%	4/1/23	2,000,000	2,010,000
Williams Cos. Inc., Senior Notes	5.750%	6/24/44	1,340,000	1,418,725
YPF Sociedad Anonima, Senior Notes	8.500%	7/28/25	800,000	937,200 ^(f)
<i>Total Oil, Gas & Consumable Fuels</i>				<i>17,783,315</i>
Total Energy				17,989,717
Financials — 1.0%				
<i>Banks — 0.7%</i>				
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,440,000	2,783,247
<i>Diversified Financial Services — 0.3%</i>				
ILFC E-Capital Trust II, Bonds (Max (3 mo. USD LIBOR, 10 year U.S. Treasury Constant Maturity Rate, 30 year Treasury Constant Maturity Rate) + 1.800%)	4.610%	12/21/65	1,010,000	977,175 ^{(b)(d)}
Total Financials				3,760,422
Health Care — 0.9%				
<i>Health Care Equipment & Supplies — 0.4%</i>				
DJO Finco Inc./DJO Finance LLC/DJO Finance Corp., Secured Notes	8.125%	6/15/21	1,520,000	1,446,850 ^(d)
<i>Pharmaceuticals — 0.5%</i>				
Valeant Pharmaceuticals International Inc., Senior Notes	6.125%	4/15/25	2,380,000	2,049,775 ^(d)
Total Health Care				3,496,625
Materials — 0.6%				
<i>Metals & Mining — 0.6%</i>				
Barrick Gold Corp., Senior Notes	5.250%	4/1/42	200,000	230,195
Glencore Funding LLC, Senior Notes	4.000%	3/27/27	200,000	198,763 ^(d)
Southern Copper Corp., Senior Notes	5.250%	11/8/42	1,670,000	1,871,275
Total Materials				2,300,233
Total Corporate Bonds & Notes (Cost — \$27,068,835)				29,042,234
Non-U.S. Treasury Inflation Protected Securities — 3.4%				
<i>Brazil — 0.9%</i>				
Federative Republic of Brazil, Notes	6.000%	8/15/50	3,300,000 ^{BRL}	3,373,746
<i>Italy — 2.5%</i>				
Italy Buoni Poliennali Del Tesoro, Senior Bonds	3.100%	9/15/26	6,479,400 ^{EUR}	9,504,611 ^(f)
Total Non-U.S. Treasury Inflation Protected Securities (Cost — \$11,005,300)				12,878,357

See Notes to Consolidated Financial Statements.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount	Value
Sovereign Bonds — 2.8%				
<i>Argentina — 1.0%</i>				
Republic of Argentina, Bonds (Argentina Central Bank 7 Day Repo Reference Rate)	26.250%	6/21/20	61,000,000 ^{ARS}	\$ 3,765,594 ^(b)
<i>Ecuador — 0.6%</i>				
Republic of Ecuador, Senior Bonds	10.500%	3/24/20	1,520,000	1,668,200 ^(d)
Republic of Ecuador, Senior Bonds	7.950%	6/20/24	520,000	542,750 ^(f)
<i>Total Ecuador</i>				2,210,950
<i>Indonesia — 0.1%</i>				
Republic of Indonesia, Senior Notes	5.125%	1/15/45	200,000	220,038 ^(d)
Republic of Indonesia, Senior Notes	4.750%	7/18/47	400,000	421,712 ^(d)
<i>Total Indonesia</i>				641,750
<i>Nigeria — 0.1%</i>				
Republic of Nigeria, Senior Notes	6.500%	11/28/27	200,000	204,490 ^(d)
<i>Russia — 1.0%</i>				
Russian Federal Bond, Bonds	7.050%	1/19/28	229,970,000 ^{RUB}	3,816,471
Total Sovereign Bonds (Cost — \$10,093,972)				10,639,255
		Expiration Date	Contracts	Notional Amount
Purchased Options — 0.0%				
Exchange-Traded Purchased Options — 0.0%				
U.S. Treasury 10-Year Notes Futures, Put @ \$125.00 (Cost — \$61,647)		12/22/17	82	82,000
Total Investments before Short-Term Investments (Cost — \$507,037,439)				510,209,724
				Shares
Short-Term Investments — 1.6%				
State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost — \$6,241,700)	1.013%		6,241,700	6,241,700
Total Investments — 135.3% (Cost — \$513,279,139)				516,451,424
<i>Liabilities in Excess of Other Assets — (35.3%)</i>				<i>(134,839,446)</i>
Total Net Assets — 100.0%				\$ 381,611,978

† Face amount denominated in U.S. dollars, unless otherwise noted.

^(a) All or a portion of this security is held by the counterparty as collateral for open reverse repurchase agreements.

^(b) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.

See Notes to Consolidated Financial Statements.

Consolidated schedule of investments (cont'd)

November 30, 2017

Western Asset/Claymore Inflation-Linked Securities & Income Fund

- (c) Collateralized mortgage obligations are secured by an underlying pool of mortgages or mortgage pass-through certificates that are structured to direct payments on underlying collateral to different series or classes of the obligations. The interest rate may change positively or inversely in relation to one or more interest rates, financial indices or other financial indicators and may be subject to an upper and/or lower limit.
- (d) Security is exempt from registration under Rule 144A of the Securities Act of 1933. This security may be resold in transactions that are exempt from registration, normally to qualified institutional buyers. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees.
- (e) Security is valued using significant unobservable inputs (See Note 1).
- (f) Security is exempt from registration under Regulation S of the Securities Act of 1933. Regulation S applies to securities offerings that are made outside of the United States and do not involve direct selling efforts in the United States. This security has been deemed liquid pursuant to guidelines approved by the Board of Trustees.

Abbreviations used in this schedule:

ARS — Argentine Peso
 BRL — Brazilian Real
 EUR — Euro
 IO — Interest Only
 LIBOR — London Interbank Offered Rate
 RUB — Russian Ruble

At November 30, 2017, the Fund had the following open reverse repurchase agreements:

Counterparty	Rate	Effective Date	Maturity Date	Face Amount of Reverse Repurchase Agreements	Asset Class of Collateral*	Collateral Value
Deutsche Bank	1.44%	11/16/2017	2/15/2018	\$145,962,825	U.S. Treasury inflation protected securities	\$149,705,462

* Refer to the Consolidated Schedule of Investments for positions held at the counterparty as collateral for reverse repurchase agreements.

At November 30, 2017, the Fund had the following open futures contracts:

	Number of Contracts	Expiration Date	Notional Amount	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy:					
90-Day Eurodollar	62	12/18	\$15,333,576	\$15,178,375	\$(155,201)
Canadian Dollar	70	12/17	5,750,976	5,426,400	(324,576)
Euro	83	12/17	12,385,824	12,354,550	(31,274)
Euro BTP	133	3/18	21,911,766	22,018,389	106,623
Gold 100 Ounce	83	2/18	10,654,046	10,596,610	(57,436)
Japanese Yen	35	12/17	3,937,563	3,890,250	(47,313)
LME Copper	62	3/18	4,748,549	4,749,200	651
Mexican Peso	246	12/17	6,833,033	6,579,270	(253,763)
Natural Gas	35	1/18	1,143,515	1,061,200	(82,315)

See Notes to Consolidated Financial Statements.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

	Number of Contracts	Expiration Date	Notional Amount	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy: <i>continued</i>					
Silver	10	3/18	\$ 856,270	\$ 823,700	\$ (32,570)
U.S. Treasury 10-Year Notes	756	3/18	94,252,427	93,779,438	(472,989)
					(1,350,163)
Contracts to Sell:					
90-Day Eurodollar	150	3/18	36,885,105	36,845,625	39,480
90-Day Eurodollar	32	9/18	7,854,496	7,840,800	13,696
British Pound	33	12/17	2,749,872	2,790,563	(40,691)
Euro-Bund	104	3/18	20,127,340	20,104,076	23,264
U.S. Treasury 5-Year Notes	479	3/18	55,974,778	55,728,656	246,122
U.S. Treasury Long-Term Bonds	3	3/18	459,471	455,156	4,315
U.S. Treasury Ultra 10-Year Notes	29	3/18	3,876,612	3,861,984	14,628
U.S. Treasury Ultra Long-Term Bonds	133	3/18	22,123,462	21,928,375	195,087
					495,901
Net unrealized depreciation on open futures contracts					\$ (854,262)

At November 30, 2017, the Fund had the following open forward foreign currency contracts:

	Currency Purchased		Currency Sold	Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
JPY	2,212,880,310	USD	19,792,143	Bank of America N.A.	1/19/18	\$ (77,391)
CAD	1,080,000	USD	864,071	Barclays Bank PLC	1/19/18	(26,317)
EUR	270,000	USD	319,304	Barclays Bank PLC	1/19/18	3,075
GBP	2,415,890	USD	3,220,647	Barclays Bank PLC	1/19/18	52,565
INR	245,800,000	USD	3,728,479	Barclays Bank PLC	1/19/18	64,676
MYR	16,400,000	USD	3,877,985	Barclays Bank PLC	1/19/18	125,661
RUB	689,671,000	USD	11,757,292	Barclays Bank PLC	1/19/18	(42,726)
COP	21,817,210,000	USD	7,307,724	Citibank N.A.	1/19/18	(105,338)
COP	5,583,930,000	USD	1,860,690	Citibank N.A.	1/19/18	(17,300)
COP	11,497,990,000	USD	3,792,213	Citibank N.A.	1/19/18	3,550
MXN	100,860,000	USD	5,399,936	Citibank N.A.	1/19/18	(31,061)
USD	22,610,292	EUR	19,042,491	Citibank N.A.	1/19/18	(126,412)
USD	19,487,905	JPY	2,212,000,000	Citibank N.A.	1/19/18	(219,004)
IDR	51,583,500,000	USD	3,778,457	JPMorgan Chase & Co.	1/19/18	19,151
USD	9,957,672	TWD	301,120,000	JPMorgan Chase & Co.	1/19/18	(105,695)
Total						\$(482,566)

See Notes to Consolidated Financial Statements.

Consolidated schedule of investments (cont'd)

November 30, 2017

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Abbreviations used in this table:

CAD — Canadian Dollar
 COP — Colombian Peso
 EUR — Euro
 GBP — British Pound
 IDR — Indonesian Rupiah
 INR — Indian Rupee
 JPY — Japanese Yen
 MXN — Mexican Peso
 MYR — Malaysian Ringgit
 RUB — Russian Ruble
 TWD — Taiwan Dollar
 USD — United States Dollar

At November 30, 2017, the Fund had the following open swap contracts:

CENTRALLY CLEARED CREDIT DEFAULT SWAPS ON CREDIT INDICES — SELL PROTECTION¹

Reference Entity	Notional Amount ²	Termination Date	Periodic Payments Received by the Fund [†]	Market Value ³	Upfront Premiums Paid (Received)	Unrealized Appreciation
Markit CDX.NA.IG.28 Index	\$32,170,000	6/20/22	1.000% quarterly	\$688,592	\$558,360	\$130,232

¹ If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.

² The maximum potential amount the Fund could be required to pay as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.

³ The quoted market prices and resulting values for credit default swap agreements on asset-backed securities and credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed/sold as of the period end. Decreasing market values (sell protection) or increasing market values (buy protection) when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

[†] Percentage shown is an annual percentage rate.

See Notes to Consolidated Financial Statements.

Consolidated statement of assets and liabilities

November 30, 2017

Assets:

Investments, at value (Cost — \$513,279,139)	\$516,451,424
Foreign currency, at value (Cost — \$477,720)	470,004
Cash	5,895,347
Interest receivable	2,185,311
Deposits with brokers for open futures contracts and exchange-traded options	1,755,361
Foreign currency collateral for open futures contracts, at value (Cost — \$1,002,554)	1,013,183
Deposits with brokers for centrally cleared swap contracts	518,968
Receivable from servicing agent (Note 2)	350,000
Unrealized appreciation on forward foreign currency contracts	268,678
Deposits with brokers for OTC derivatives	60,000
Receivable from broker — variation margin on centrally cleared swaps	11,835
Prepaid expenses	12,304
Total Assets	528,992,415

Liabilities:

Payable for open reverse repurchase agreements	145,962,825
Unrealized depreciation on forward foreign currency contracts	751,244
Payable to broker — variation margin on open futures contracts	184,344
Investment management fee payable	173,246
Interest payable	87,578
Service agent fees payable	64,967
Trustees' fees payable	19,228
Administration fee payable	18,493
Accrued expenses	118,512
Total Liabilities	147,380,437

Total Net Assets **\$381,611,978**

Net Assets:

Common shares, no par value, unlimited number of shares authorized, 29,152,820 shares issued and outstanding	381,524,996
Undistributed net investment income	4,424,619
Accumulated net realized loss on investments, futures contracts, written options, swap contracts, forward foreign currency contracts and foreign currency transactions	(6,310,495)
Net unrealized appreciation on investments, futures contracts, swap contracts, forward foreign currency contracts and foreign currencies	1,972,858
Total Net Assets	\$381,611,978

Shares Outstanding 29,152,820

Net Asset Value \$13.09

See Notes to Consolidated Financial Statements.

Consolidated statement of operations

For the Year Ended November 30, 2017

Investment Income:

Interest	\$17,376,024
Less: Foreign taxes withheld	(541)
Total Investment Income	17,375,483

Expenses:

Investment management fee (Note 2)	2,115,515
Interest expense (Note 3)	1,644,765
Servicing agent fees (Note 2)	793,318
Administration fees (Note 2)	225,200
Legal fees	165,821
Trustees' fees	122,649
Transfer agent fees	76,787
Audit and tax fees	47,549
Fund accounting fees	47,100
Shareholder reports	39,479
Commodity pool reports	35,000
Stock exchange listing fees	28,390
Custody fees	14,686
Insurance	7,645
Miscellaneous expenses	17,119
Total Expenses	5,381,023

Net Investment Income **11,994,460**

Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Written Options, Swap Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions (Notes 1, 3 and 4):

Net Realized Gain From:	
Investment transactions	314,840
Futures contracts	8,684,247
Written options	440,959
Swap contracts	383,886
Forward foreign currency contracts	431,767
Foreign currency transactions	53,552
Net Realized Gain	10,309,251

Change in Net Unrealized Appreciation (Depreciation) From:

Investments	3,417,626
Futures contracts	(2,227,473)
Swap contracts	54,493
Forward foreign currency contracts	280,841
Foreign currencies	9,766
Change in Net Unrealized Appreciation (Depreciation)	1,535,253

Net Gain on Investments, Futures Contracts, Written Options, Swap Contracts, Forward Foreign Currency Contracts and Foreign Currency Transactions **11,844,504**

Increase in Net Assets From Operations **\$23,838,964**

See Notes to Consolidated Financial Statements.

Consolidated statements of changes in net assets

For the Year Ended November 30, 2017, the Period Ended November 30, 2016 and the Year Ended December 31, 2015

	2017	2016†	2015
Operations:			
Net investment income	\$ 11,994,460	\$ 7,930,343	\$ 1,907,960
Net realized gain (loss)	10,309,251	(2,588,414)	(10,209,901)
Change in net unrealized appreciation (depreciation)	1,535,253	10,642,476	(3,159,944)
<i>Increase (Decrease) in Net Assets From Operations</i>	<i>23,838,964</i>	<i>15,984,405</i>	<i>(11,461,885)</i>
Distributions to Shareholders From (Note 1):			
Net investment income	(11,704,857)	(6,625,526)	(2,525,627)
Net realized gains	—	—	(47,745)
Return of capital	—	(3,636,267)	(7,688,421)
<i>Decrease in Net Assets From Distributions to Shareholders</i>	<i>(11,704,857)</i>	<i>(10,261,793)</i>	<i>(10,261,793)</i>
Capital Contribution:			
Payment by servicing agent (Note 2)	350,000	—	—
<i>Increase (Decrease) in Net Assets</i>	<i>12,484,107</i>	<i>5,722,612</i>	<i>(21,723,678)</i>
Net Assets:			
Beginning of year	369,127,871	363,405,259	385,128,937
<i>End of year*</i>	<i>\$381,611,978</i>	<i>\$369,127,871</i>	<i>\$363,405,259</i>
*Includes undistributed (overdistributed) net investment income, respectively, of:	\$4,424,619	\$526,268	\$(1,398,943)

† For the period January 1, 2016 through November 30, 2016.

See Notes to Consolidated Financial Statements.

Consolidated statement of cash flows

For the Year Ended November 30, 2017

Increase (Decrease) in Cash:

Cash Provided (Used) by Operating Activities:

Net increase in net assets resulting from operations	\$ 23,838,964
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided (used) by operating activities:	
Purchases of portfolio securities	(313,160,028)
Sales of portfolio securities	294,163,781
Net purchases, sales and maturities of short-term investments	47,756,293
Realized loss on purchased options	(748,035)
Cash paid for purchased options	(61,647)
Net inflation adjustment	(8,976,630)
Net amortization of premium (accretion of discount)	1,336,567
Decrease in receivable for securities sold	531,560
Decrease in interest receivable	18,655
Decrease in receivable from broker — variation margin on open futures contracts	974,962
Increase in receivable to broker — variation margin on centrally cleared swaps	(11,835)
Increase in receivable from servicing agent	(350,000)
Decrease in prepaid expenses	601
Decrease in deposits with brokers for open futures contracts and exchange traded options	1,439,785
Increase in foreign currency collateral for open futures contracts	(883,584)
Increase in deposits with brokers for OTC derivatives	(60,000)
Increase in deposits with brokers for centrally cleared swap contracts	(514,111)
Decrease in payable for securities purchased	(460,648)
Decrease in investment management fee payable	(5,921)
Increase in Trustees' fees payable	2,394
Decrease in service and/or distribution fees payable	(2,221)
Increase in administration fee payable	50
Increase in interest payable	46,397
Decrease in accrued expenses	(49,047)
Increase in payable to broker — variation margin on open futures contracts	184,344
Net realized gain on investments	(314,840)
Change in net unrealized appreciation (depreciation) of investments, OTC swap contracts and forward foreign currency contracts	(3,622,728)
Net Cash Provided by Operating Activities*	41,073,078

Cash Flows From Financing Activities:

Distributions paid on common stock	(11,704,857)
Decrease in payable for reverse repurchase agreements	(27,583,825)
Payment from servicing agent	350,000
Net Cash Used in Financing Activities	(38,938,682)

Net Increase in Cash

	2,134,396
Cash at Beginning of Year	4,230,955
Cash at End of Year	\$ 6,365,351

* Included in operating expenses is cash of \$1,598,368 paid for interest on borrowings.

See Notes to Consolidated Financial Statements.

Consolidated financial highlights

For a share of common stock outstanding throughout each year ended November 30, unless otherwise noted:

	2017 ¹	2016 ^{1,2}	2015 ^{1,3}	2014 ^{1,3}	2013 ^{1,3}	2012 ^{1,3}
Net asset value, beginning of year	\$12.66	\$12.47	\$13.21	\$13.14	\$14.73	\$14.14
Income (loss) from operations:						
Net investment income	0.41	0.27	0.07	0.29	0.10	0.26
Net realized and unrealized gain (loss)	0.41	0.27	(0.46)	0.20	(1.31)	0.68
Total income (loss) from operations	0.82	0.54	(0.39)	0.49	(1.21)	0.94
Less distributions from:						
Net investment income	(0.40)	(0.23)	(0.09)	(0.35)	(0.11)	(0.35)
Net realized gains	—	—	(0.00) ⁴	(0.07)	(0.27)	—
Return of capital	—	(0.12)	(0.26)	—	—	—
Total distributions	(0.40)	(0.35)	(0.35)	(0.42)	(0.38)	(0.35)
Payment by servicing agent	0.01	—	—	—	—	—
Net asset value, end of year	\$13.09	\$12.66	\$12.47	\$13.21	\$13.14	\$14.73
Market price, end of year	\$11.62	\$11.23	\$10.57	\$11.60	\$11.42	\$13.11
Total return, based on NAV^{5,6}	6.77%⁸	4.28%	(3.00)%	3.68%	(8.29)%	6.72%
Total return, based on Market Price⁷	7.15%	9.61%	(5.95)%	5.20%	(10.15)%	6.54%
Net assets, end of year (000s)	\$381,612	\$369,128	\$363,405	\$385,129	\$383,099	\$429,552
Ratios to average net assets:						
Gross expenses	1.44%	1.33% ⁹	1.10%	0.89%	0.74%	0.70%
Net expenses	1.44	1.33 ⁹	1.10	0.89	0.74	0.70
Net investment income	3.21	2.33 ⁹	0.50	2.17	0.72	1.79
Portfolio turnover rate	59%	88%	59%	30%	65%	73%

¹ Per share amounts have been calculated using the average shares method.

² For the period January 1, 2016 through November 30, 2016.

³ For the year ended December 31.

⁴ Amount represents less than \$0.005 per share.

⁵ Performance figures may reflect compensating balance arrangements, fee waivers and/or expense reimbursements. In the absence of compensating balance arrangements, fee waivers and/or expense reimbursements, the total return would have been lower. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

⁶ The total return calculation assumes that distributions are reinvested at NAV. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

⁷ The total return calculation assumes that distributions are reinvested in accordance with the Fund's dividend reinvestment plan. Past performance is no guarantee of future results. Total returns for periods of less than one year are not annualized.

⁸ The total return includes payment by the servicing agent. Without this payment, the total return would have been 6.69% for the year ended November 30, 2017.

⁹ Annualized.

[See Notes to Consolidated Financial Statements.](#)

Notes to consolidated financial statements

1. Organization and significant accounting policies

Western Asset/Claymore Inflation-Linked Securities & Income Fund (the “Fund”) is registered under the Investment Company Act of 1940, as amended (“1940 Act”), as a diversified, closed-end management investment company. The Fund commenced operations on September 26, 2003.

The Fund’s primary investment objective is to provide current income for its shareholders. Capital appreciation, when consistent with current income, is a secondary investment objective.

The Fund may gain exposure to the commodities markets by investing a portion of its assets in a wholly-owned subsidiary, Western Asset/Claymore Inflation-Linked Securities & Income Fund CFC (the “Subsidiary”), organized under the laws of the Cayman Islands. Among other investments, the Subsidiary may invest in commodity-linked instruments. The Fund may invest up to 25% of its total assets in the Subsidiary; although 10% of total managed assets may be utilized for commodity-related strategies. These financial statements are consolidated financial statements of the Fund and the Subsidiary.

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles (“GAAP”). Estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ. Subsequent events have been evaluated through the date the consolidated financial statements were issued.

(a) Investment valuation. The valuations for fixed income securities (which may include, but are not limited to, corporate, government, municipal, mortgage-backed, collateralized mortgage obligations and asset-backed securities) and certain derivative instruments are typically the prices supplied by independent third party pricing services, which may use market prices or broker/dealer quotations or a variety of valuation techniques and methodologies. The independent third party pricing services use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar securities. Short-term fixed income securities that will mature in 60 days or less are valued at amortized cost, unless it is determined that using this method would not reflect an investment’s fair value. Investments in open-end funds are valued at the closing net asset value per share of each fund on the day of valuation. Futures contracts are valued daily at the settlement price established by the board of trade or exchange on which they are traded. Equity securities for which market quotations are available are valued at the last reported sales price or official closing price on the primary market or exchange on which they trade. When the Fund holds securities or other assets that are denominated in a foreign currency, the Fund will normally use the currency exchange rates as of 4:00 p.m. (Eastern Time). If independent third party pricing services are unable to supply prices for a portfolio investment, or if the prices supplied are deemed by the manager to be unreliable, the market price may be determined

by the manager using quotations from one or more broker/dealers or at the transaction price if the security has recently been purchased and no value has yet been obtained from a pricing service or pricing broker. When reliable prices are not readily available, such as when the value of a security has been significantly affected by events after the close of the exchange or market on which the security is principally traded, but before the Fund calculates its net asset value, the Fund values these securities as determined in accordance with procedures approved by the Fund's Board of Trustees.

The Board of Trustees is responsible for the valuation process and has delegated the supervision of the daily valuation process to the Legg Mason North Atlantic Fund Valuation Committee (the "Valuation Committee"). The Valuation Committee, pursuant to the policies adopted by the Board of Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the Fund's pricing policies, and reporting to the Board of Trustees. When determining the reliability of third party pricing information for investments owned by the Fund, the Valuation Committee, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making fair value determinations. Examples of possible methodologies include, but are not limited to, multiple of earnings; discount from market of a similar freely traded security; discounted cash-flow analysis; book value or a multiple thereof; risk premium/yield analysis; yield to maturity; and/or fundamental investment analysis. The Valuation Committee will also consider factors it deems relevant and appropriate in light of the facts and circumstances. Examples of possible factors include, but are not limited to, the type of security; the issuer's financial statements; the purchase price of the security; the discount from market value of unrestricted securities of the same class at the time of purchase; analysts' research and observations from financial institutions; information regarding any transactions or offers with respect to the security; the existence of merger proposals or tender offers affecting the security; the price and extent of public trading in similar securities of the issuer or comparable companies; and the existence of a shelf registration for restricted securities.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such back testing monthly and fair valuation occurrences are reported to the Board of Trustees quarterly.

The Fund uses valuation techniques to measure fair value that are consistent with the market approach and/or income approach, depending on the type of security and the particular circumstance. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable securities. The income approach uses valuation techniques to discount estimated future cash flows to present value.

Notes to consolidated financial statements (cont'd)

GAAP establishes a disclosure hierarchy that categorizes the inputs to valuation techniques used to value assets and liabilities at measurement date. These inputs are summarized in the three broad levels listed below:

- Level 1 — quoted prices in active markets for identical investments
- Level 2 — other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodologies used to value securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used in valuing the Fund's assets and liabilities carried at fair value:

ASSETS				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Long-term investments†:				
U.S. treasury inflation protected securities	—	\$422,603,369	—	\$422,603,369
Asset-backed securities	—	11,141,153	—	11,141,153
Collateralized mortgage obligations	—	20,333,879	\$3,483,071	23,816,950
Corporate bonds & notes	—	29,042,234	—	29,042,234
Non-U.S. treasury inflation protected securities	—	12,878,357	—	12,878,357
Sovereign bonds	—	10,639,255	—	10,639,255
Purchased options	\$ 88,406	—	—	88,406
Total long-term investments	88,406	506,638,247	3,483,071	510,209,724
Short-term investments†	6,241,700	—	—	6,241,700
Total investments	\$6,330,106	\$506,638,247	\$3,483,071	\$516,451,424
Other financial instruments:				
Futures contracts	643,866	—	—	643,866
Forward foreign currency contracts	—	268,678	—	268,678
Centrally cleared credit default swaps on credit indices — sell protection	—	130,232	—	130,232
Total other financial instruments	\$ 643,866	\$ 398,910	—	\$ 1,042,776
Total	\$6,973,972	\$507,037,157	\$3,483,071	\$517,494,200
LIABILITIES				
Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other financial instruments:				
Futures contracts	\$1,498,128	—	—	\$ 1,498,128
Forward foreign currency contracts	—	\$ 751,244	—	751,244
Total	\$1,498,128	\$ 751,244	—	\$ 2,249,372

† See Consolidated Schedule of Investments for additional detailed categorizations.

(b) Repurchase agreements. The Fund may enter into repurchase agreements with institutions that its investment adviser has determined are creditworthy. Each repurchase agreement is recorded at cost. Under the terms of a typical repurchase agreement, the Fund acquires a debt security subject to an obligation of the seller to repurchase, and of the Fund to resell, the security at an agreed-upon price and time, thereby determining the yield during the Fund's holding period. When entering into repurchase agreements, it is the Fund's policy that its custodian or a third party custodian, acting on the Fund's behalf, take possession of the underlying collateral securities, the market value of which, at all times, at least equals the principal amount of the repurchase transaction, including accrued interest. To the extent that any repurchase transaction maturity exceeds one business day, the value of the collateral is marked-to-market and measured against the value of the agreement in an effort to ensure the adequacy of the collateral. If the counterparty defaults, the Fund generally has the right to use the collateral to satisfy the terms of the repurchase transaction. However, if the market value of the collateral declines during the period in which the Fund seeks to assert its rights or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Fund may be delayed or limited.

(c) Reverse repurchase agreements. The Fund may enter into reverse repurchase agreements. Under the terms of a typical reverse repurchase agreement, a fund sells a security subject to an obligation to repurchase the security from the buyer at an agreed-upon time and price. In the event the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, the Fund's use of the proceeds of the agreement may be restricted pending a determination by the counterparty, or its trustee or receiver, whether to enforce the Fund's obligation to repurchase the securities. In entering into reverse repurchase agreements, the Fund will maintain cash, U.S. government securities or other liquid debt obligations at least equal in value to its obligations with respect to reverse repurchase agreements or will take other actions permitted by law to cover its obligations. If the market value of the collateral declines during the period, the Fund may be required to post additional collateral to cover its obligation. Cash collateral that has been pledged to cover obligations of the Fund under reverse repurchase agreements, if any, will be reported separately in the Consolidated Statement of Assets and Liabilities. Securities pledged as collateral are noted in the Consolidated Schedule of Investments. Interest payments made on reverse repurchase agreements are recognized as a component of "Interest expense" on the Consolidated Statement of Operations. In periods of increased demand for the security, the Fund may receive a fee for use of the security by the counterparty, which may result in interest income to the Fund.

(d) Futures contracts. The Fund uses futures contracts generally to gain exposure to, or hedge against, changes in interest rates or gain exposure to, or hedge against, changes in certain asset classes. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

Upon entering into a futures contract, the Fund is required to deposit cash or cash equivalents with a broker in an amount equal to a certain percentage of the contract amount.

Notes to consolidated financial statements (cont'd)

This is known as the “initial margin” and subsequent payments (“variation margin”) are made or received by the Fund each day, depending on the daily fluctuation in the value of the contract. For certain futures, including foreign denominated futures, variation margin is not settled daily, but is recorded as a net variation margin payable or receivable. The daily changes in contract value are recorded as unrealized gains or losses in the Consolidated Statement of Operations and the Fund recognizes a realized gain or loss when the contract is closed.

Futures contracts involve, to varying degrees, risk of loss in excess of the amounts reflected in the financial statements. In addition, there is the risk that the Fund may not be able to enter into a closing transaction because of an illiquid secondary market.

(e) Purchased options. When the Fund purchases an option, an amount equal to the premium paid by the Fund is recorded as an investment on the Consolidated Statement of Assets and Liabilities, the value of which is marked-to-market to reflect the current market value of the option purchased. If the purchased option expires, the Fund realizes a loss equal to the amount of premium paid. When an instrument is purchased or sold through the exercise of an option, the related premium paid is added to the basis of the instrument acquired or deducted from the proceeds of the instrument sold. The risk associated with purchasing put and call options is limited to the premium paid.

(f) Forward foreign currency contracts. The Fund enters into a forward foreign currency contract to hedge against foreign currency exchange rate risk on its non-U.S. dollar denominated securities or to facilitate settlement of a foreign currency denominated portfolio transaction. A forward foreign currency contract is an agreement between two parties to buy and sell a currency at a set price with delivery and settlement at a future date. The contract is marked-to-market daily and the change in value is recorded by the Fund as an unrealized gain or loss. When a forward foreign currency contract is closed, through either delivery or offset by entering into another forward foreign currency contract, the Fund recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value of the contract at the time it is closed.

Non-deliverable forward foreign currency exchange contracts are settled with the counterparty in cash without the delivery of foreign currency.

Forward foreign currency contracts involve elements of market risk in excess of the amounts reflected on the Consolidated Statement of Assets and Liabilities. The Fund bears the risk of an unfavorable change in the foreign exchange rate underlying the forward foreign currency contract. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

(g) Swap agreements. The Fund invests in swaps for the purpose of managing its exposure to interest rate, credit or market risk, or for other purposes. The use of swaps involves risks that are different from those associated with other portfolio transactions. Swap agreements are privately negotiated in the over-the-counter market and may be entered into as a bilateral contract (“OTC Swaps”) or centrally cleared (“Centrally Cleared

Swaps"). Unlike Centrally Cleared Swaps, the Fund has credit exposure to the counterparties of OTC Swaps.

In a Centrally Cleared Swap, immediately following execution of the swap, the swap agreement is submitted to a clearinghouse or central counterparty (the "CCP") and the CCP becomes the ultimate counterparty of the swap agreement. The Fund is required to interface with the CCP through a broker, acting in an agency capacity. All payments are settled with the CCP through the broker. Upon entering into a Centrally Cleared Swap, the Fund is required to deposit initial margin with the broker in the form of cash or securities.

Swap contracts are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). The daily change in valuation of Centrally Cleared Swaps, if any, is recorded as a receivable or payable for variation margin on the Consolidated Statement of Assets and Liabilities. Gains or losses are realized upon termination of the swap agreement. Collateral, in the form of restricted cash or securities, may be required to be held in segregated accounts with the Fund's custodian in compliance with the terms of the swap contracts. Securities posted as collateral for swap contracts are identified in the Consolidated Schedule of Investments and restricted cash, if any, is identified on the Consolidated Statement of Assets and Liabilities. Risks may exceed amounts recorded in the Consolidated Statement of Assets and Liabilities. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms, and the possible lack of liquidity with respect to the swap agreements.

OTC swap payments received or made at the beginning of the measurement period are reflected as a premium or deposit, respectively, on the Consolidated Statement of Assets and Liabilities. These upfront payments are amortized over the life of the swap and are recognized as realized gain or loss in the Consolidated Statement of Operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the Consolidated Statement of Operations.

The Fund's maximum exposure in the event of a defined credit event on a credit default swap to sell protection is the notional amount. As of November 30, 2017, the total notional value of all credit default swaps to sell protection was \$32,170,000. This amount would be offset by the value of the swap's reference entity, upfront premiums received on the swap and any amounts received from the settlement of a credit default swap where the Fund bought protection for the same referenced security/entity.

For average notional amounts of swaps held during the year ended November 30, 2017, see Note 4.

Interest rate swaps

The Fund enters into interest rate swap contracts to manage its exposure to interest rate risk. Interest rate swaps are agreements between two parties to exchange cash flows based on a notional principal amount. The Fund may elect to pay a fixed rate and receive a floating rate, or receive a fixed rate and pay a floating rate, on a notional principal amount. Interest rate swaps are marked-to-market daily based upon quotations from market makers

Notes to consolidated financial statements (cont'd)

and the change, if any, is recorded as an unrealized gain or loss in the Consolidated Statement of Operations. When a swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the original cost and the settlement amount of the closing transaction.

The risks of interest rate swaps include changes in market conditions that will affect the value of the contract or changes in the present value of the future cash flow streams and the possible inability of the counterparty to fulfill its obligations under the agreement. The Fund's maximum risk of loss from counterparty credit risk is the discounted net value of the cash flows to be received from the counterparty over the contract's remaining life, to the extent that amount is positive. This risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty.

Credit default swaps

The Fund enters into credit default swap ("CDS") contracts for investment purposes, to manage its credit risk or to add leverage. CDS agreements involve one party making a stream of payments to another party in exchange for the right to receive a specified return in the event of a default by a third party, typically corporate or sovereign issuers, on a specified obligation, or in the event of a write-down, principal shortfall, interest shortfall or default of all or part of the referenced entities comprising a credit index. The Fund may use a CDS to provide protection against defaults of the issuers (i.e., to reduce risk where the Fund has exposure to an issuer) or to take an active long or short position with respect to the likelihood of a particular issuer's default. As a seller of protection, the Fund generally receives an upfront payment or a stream of payments throughout the term of the swap provided that there is no credit event. If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the maximum potential amount of future payments (undiscounted) that the Fund could be required to make under a credit default swap agreement would be an amount equal to the notional amount of the agreement. These amounts of potential payments will be partially offset by any recovery of values from the respective referenced obligations. As a seller of protection, the Fund effectively adds leverage to its portfolio because, in addition to its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. As a buyer of protection, the Fund generally receives an amount up to the notional value of the swap if a credit event occurs.

Implied spreads are the theoretical prices a lender receives for credit default protection. When spreads rise, market perceived credit risk rises and when spreads fall, market perceived credit risk falls. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to enter into the agreement. Wider credit spreads and decreasing market values, when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. Credit spreads utilized in determining the period end market value of credit default swap agreements on corporate or sovereign issues are

disclosed in the Consolidated Schedule of Investments and serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for credit derivatives. For credit default swap agreements on asset-backed securities and credit indices, the quoted market prices and resulting values, particularly in relation to the notional amount of the contract as well as the annual payment rate, serve as an indication of the current status of the payment/performance risk.

The Fund's maximum risk of loss from counterparty risk, as the protection buyer, is the fair value of the contract (this risk is mitigated by the posting of collateral by the counterparty to the Fund to cover the Fund's exposure to the counterparty). As the protection seller, the Fund's maximum risk is the notional amount of the contract. Credit default swaps are considered to have credit risk-related contingent features since they require payment by the protection seller to the protection buyer upon the occurrence of a defined credit event.

Entering into a CDS agreement involves, to varying degrees, elements of credit, market and documentation risk in excess of the related amounts recognized on the Consolidated Statement of Assets and Liabilities. Such risks involve the possibility that there will be no liquid market for these agreements, that the counterparty to the agreement may default on its obligation to perform or disagree as to the meaning of the contractual terms in the agreement, and that there will be unfavorable changes in net interest rates.

Total return swaps

The Fund enters into total return swaps for investment purposes. Total return swaps are agreements to exchange the return generated by one instrument for the return generated by another instrument. For example, the agreement to pay a predetermined or fixed interest rate in exchange for a market-linked return based on a notional amount. To the extent the total return of a referenced index or instrument exceeds the offsetting interest obligation, the Fund will receive a payment from the counterparty. To the extent it is less, the Fund will make a payment to the counterparty.

(h) Inflation-indexed bonds. Inflation-indexed bonds are fixed-income securities whose principal value or interest rate is periodically adjusted according to the rate of inflation. As the index measuring inflation changes, the principal value or interest rate of inflation-indexed bonds will be adjusted accordingly. Inflation adjustments to the principal amount of inflation-indexed bonds are reflected as an increase or decrease to investment income on the Consolidated Statement of Operations. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

(i) Foreign currency translation. Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. dollar amounts based upon prevailing exchange rates on the respective dates of such transactions.

Notes to consolidated financial statements (cont'd)

The Fund does not isolate that portion of the results of operations resulting from fluctuations in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss on investments.

Net realized foreign exchange gains or losses arise from sales of foreign currencies, including gains and losses on forward foreign currency contracts, currency gains or losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the values of assets and liabilities, other than investments in securities, on the date of valuation, resulting from changes in exchange rates.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of U.S. dollar denominated transactions as a result of, among other factors, the possibility of lower levels of governmental supervision and regulation of foreign securities markets and the possibility of political or economic instability.

(j) Stripped securities. The Fund may invest in "Stripped Securities," a term used collectively for components, or strips, of fixed income securities. Stripped Securities can be principal only securities ("PO"), which are debt obligations that have been stripped of unmatured interest coupons, or interest only securities ("IO"), which are unmatured interest coupons that have been stripped from debt obligations. The market value of Stripped Securities will fluctuate in response to changes in economic conditions, rates of pre-payment, interest rates and the market's perception of the securities. However, fluctuations in response to interest rates may be greater in Stripped Securities than for debt obligations of comparable maturities that pay interest currently. The amount of fluctuation may increase with a longer period of maturity.

The yield to maturity on IO's is sensitive to the rate of principal repayments (including pre-payments) on the related underlying debt obligation and principal payments may have a material effect on yield to maturity. If the underlying debt obligation experiences greater than anticipated prepayments of principal, the Fund may not fully recoup its initial investment in IO's.

(k) Cash flow information. The Fund invests in securities and distributes dividends from net investment income and net realized gains, which are paid in cash and may be reinvested at the discretion of shareholders. These activities are reported in the Consolidated Statements of Changes in Net Assets and additional information on cash receipts and cash payments are presented in the Consolidated Statement of Cash Flows.

(l) Credit and market risk. The Fund invests in high-yield and emerging market instruments that are subject to certain credit and market risks. The yields of high-yield and emerging market debt obligations reflect, among other things, perceived credit and market risks. The Fund's investments in securities rated below investment grade typically involve

risks not associated with higher rated securities including, among others, greater risk related to timely and ultimate payment of interest and principal, greater market price volatility and less liquid secondary market trading. The consequences of political, social, economic or diplomatic changes may have disruptive effects on the market prices of investments held by the Fund. The Fund's investments in non-U.S. dollar denominated securities may also result in foreign currency losses caused by devaluations and exchange rate fluctuations.

Investments in securities that are collateralized by real estate mortgages are subject to certain credit and liquidity risks. When market conditions result in an increase in default rates of the underlying mortgages and the foreclosure values of underlying real estate properties are materially below the outstanding amount of these underlying mortgages, collection of the full amount of accrued interest and principal on these investments may be doubtful. Such market conditions may significantly impair the value and liquidity of these investments and may result in a lack of correlation between their credit ratings and values.

(m) Foreign investment risks. The Fund's investments in foreign securities may involve risks not present in domestic investments. Since securities may be denominated in foreign currencies, may require settlement in foreign currencies or pay interest or dividends in foreign currencies, changes in the relationship of these foreign currencies to the U.S. dollar can significantly affect the value of the investments and earnings of the Fund. Foreign investments may also subject the Fund to foreign government exchange restrictions, expropriation, taxation or other political, social or economic developments, all of which affect the market and/or credit risk of the investments.

(n) Counterparty risk and credit-risk-related contingent features of derivative instruments. The Fund may invest in certain securities or engage in other transactions, where the Fund is exposed to counterparty credit risk in addition to broader market risks. The Fund may invest in securities of issuers, which may also be considered counterparties as trading partners in other transactions. This may increase the risk of loss in the event of default or bankruptcy by the counterparty or if the counterparty otherwise fails to meet its contractual obligations. The Fund's investment adviser attempts to mitigate counterparty risk by (i) periodically assessing the creditworthiness of its trading partners, (ii) monitoring and/or limiting the amount of its net exposure to each individual counterparty based on its assessment and (iii) requiring collateral from the counterparty for certain transactions. Market events and changes in overall economic conditions may impact the assessment of such counterparty risk by the investment adviser. In addition, declines in the values of underlying collateral received may expose the Fund to increased risk of loss.

With exchange traded and centrally cleared derivatives, there is less counterparty risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default of the clearing broker or clearinghouse.

Notes to consolidated financial statements (cont'd)

The Fund has entered into master agreements, such as an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement, with certain of its derivative counterparties that govern over-the-counter derivatives and provide for general obligations, representations, agreements, collateral posting terms, netting provisions in the event of default or termination and credit related contingent features. The credit related contingent features include, but are not limited to, a percentage decrease in the Fund's net assets or NAV over a specified period of time. If these credit related contingent features were triggered, the derivatives counterparty could terminate the positions and demand payment or require additional collateral.

Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. However, absent an event of default by the counterparty or a termination of the agreement, the terms of the ISDA Master Agreements do not result in an offset of reported amounts of financial assets and financial liabilities in the Consolidated Statement of Assets and Liabilities across transactions between the Fund and the applicable counterparty. The enforceability of the right to offset may vary by jurisdiction.

Collateral requirements differ by type of derivative. Collateral or margin requirements are set by the broker or exchange clearinghouse for exchange traded derivatives while collateral terms are contract specific for over-the-counter traded derivatives. Cash collateral that has been pledged to cover obligations of the Fund under derivative contracts, if any, will be reported separately in the Consolidated Statement of Assets and Liabilities. Securities pledged as collateral, if any, for the same purpose are noted in the Consolidated Schedule of Investments.

As of November 30, 2017, the Fund held forward foreign currency contracts with credit related contingent features which had a liability position of \$751,244. If a contingent feature in the master agreements would have been triggered, the Fund would have been required to pay this amount to its derivatives counterparties. As of November 30, 2017, the Fund had posted with its counterparties cash and/or securities as collateral to cover the net liability of these derivatives amounting to \$60,000, which could be used to reduce the required payment.

At November 30, 2017, the Fund held collateral from Barclays Bank PLC in the amount of \$143,765. This amount could be used to reduce the Fund's exposure to the counterparty in the event of default.

(o) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income (including interest income from payment-in-kind securities), adjusted for amortization of premium and accretion of discount, is recorded on the accrual basis. Paydown gains and losses on mortgage- and asset-backed securities are recorded as adjustments to interest income. Dividend income is recorded on the ex-dividend date for dividends received in cash and/or securities. Foreign dividend

income is recorded on the ex-dividend date or as soon as practicable after the Fund determines the existence of a dividend declaration after exercising reasonable due diligence. The cost of investments sold is determined by use of the specific identification method. To the extent any issuer defaults or a credit event occurs that impacts the issuer, the Fund may halt any additional interest income accruals and consider the realizability of interest accrued up to the date of default or credit event.

(p) Distributions to shareholders. Distributions from net investment income of the Fund, if any, are declared and paid on a monthly basis. Distributions of net realized gains, if any, are declared at least annually. Pursuant to its Managed Distribution Policy, the Fund intends to make regular monthly distributions to shareholders at a fixed rate per common share, which rate may be adjusted from time to time by the Fund's Board of Trustees. Under the Fund's Managed Distribution Policy, if, for any monthly distribution, the value of the Fund's net investment income and net realized capital gain is less than the amount of the distribution, the difference will be distributed from the Fund's net assets (and may constitute a "return of capital"). Shareholders will be informed of the tax characteristics of the distributions after the close of the 2017 fiscal year. The Board of Trustees may modify, terminate or suspend the Managed Distribution Policy at any time, including when certain events would make part of the return of capital taxable to shareholders. Any such modification, termination or suspension could have an adverse effect on the market price of the Fund's shares. Distributions to shareholders of the Fund are recorded on the ex-dividend date and are determined in accordance with income tax regulations, which may differ from GAAP.

(q) Compensating balance arrangements. The Fund has an arrangement with its custodian bank whereby a portion of the custodian's fees is paid indirectly by credits earned on the Fund's cash on deposit with the bank.

(r) Federal and other taxes. It is the Fund's policy to comply with the federal income and excise tax requirements of the Internal Revenue Code of 1986 (the "Code"), as amended, applicable to regulated investment companies. Accordingly, the Fund intends to distribute its taxable income and net realized gains, if any, to shareholders in accordance with timing requirements imposed by the Code. Therefore, no federal or state income tax provision is required in the Fund's financial statements.

Management has analyzed the Fund's tax positions taken on income tax returns for all open tax years and has concluded that as of November 30, 2017, no provision for income tax is required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

Notes to consolidated financial statements (cont'd)

(s) Reclassification. GAAP requires that certain components of net assets be reclassified to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. During the current year, the following reclassifications have been made:

	Undistributed Net Investment Income	Accumulated Net Realized Loss
(a)	\$3,608,748	\$(3,608,748)

^(a) Reclassifications are due to book/tax differences in the treatment of the wholly owned subsidiary, foreign currency transactions treated as ordinary income for tax purposes, losses from mortgage backed securities treated as capital losses for tax purposes, book/tax differences in the treatment of swap contracts and book/tax differences in the treatment of partnership investments.

2. Investment management agreement and other transactions with affiliates

The Fund has entered into an Investment Management agreement with Western Asset Management Company ("Investment Adviser"), which provides for payment of a monthly fee computed at the annual rate of 0.40% of the Fund's average weekly assets. "Average weekly assets" means the average weekly value of the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage). For purposes of calculating "average weekly assets," liabilities associated with any instrument or transactions used by the Investment Adviser to leverage the Fund's portfolio (whether or not such instruments or transactions are "covered" as described in the prospectus) are not considered a liability.

During periods when the Fund is using leverage, the fee paid to the Investment Adviser for advisory services will be higher than if the Fund did not use leverage because the fee paid will be calculated on the basis of the Fund's average weekly assets, which includes the assets attributable to leverage.

Western Asset Management Company Pte. Ltd. ("Western Asset Singapore"), Western Asset Management Company Limited ("Western Asset London") and Western Asset Management Company Ltd ("Western Asset Japan") are also the Fund's investment advisers. Western Asset London, Western Asset Singapore and Western Asset Japan provide certain advisory services to the Fund relating to currency transactions and investment in non-U.S. denominated securities. Western Asset London, Western Asset Singapore and Western Asset Japan do not receive any compensation from the Fund.

Guggenheim Funds Distributors, Inc. ("Servicing Agent") acts as servicing agent for the Fund. For its services, the Servicing Agent receives an annual fee from the Fund, payable monthly in arrears, which is based on the Fund's average weekly assets in an amount equal to 0.15% of the Fund's average weekly assets. Management recently informed the Servicing Agent that the Servicing Agent may have received payments in excess of a previously agreed upon cap on its compensation. The Servicing Agent informed the Fund that the Servicing Agent believes that it has not received any payments in excess of a cap. To settle this matter, the Servicing Agent and the Fund have agreed that the Servicing Agent will contribute to the Fund \$350,000 of the potential overage and retain the remaining amount of approximately \$700,000 as

consideration for services rendered which the Board of Trustees believes the Servicing Agent earned based on services rendered to the Fund. The contribution is shown as a receivable in the Statement of Assets and Liabilities.

Under an administrative agreement with the Fund, Legg Mason Partners Fund Advisor, LLC ("LMPFA") ("Administrator"), an affiliate of the Investment Adviser, provides certain administrative and accounting functions for the Fund. The Fund pays the Administrator a monthly fee at an annual rate of 0.04% of the Fund's average weekly assets, subject to an annual minimum fee of \$225,000.

3. Investments

During the year ended November 30, 2017, the aggregate cost of purchases and proceeds from sales of investments (excluding short-term investments) and U.S. Government & Agency Obligations were as follows:

	Investments	U.S. Government & Agency Obligations
Purchases	\$38,992,050	\$274,167,978
Sales	23,900,356	270,263,425

At November 30, 2017, the aggregate cost of investments and the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

	Cost/ Premiums Paid (Received)	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
Securities	\$513,317,248	\$12,184,852	\$(9,050,676)	\$3,134,176
Swap contracts	558,360	130,232	—	130,232
Futures contracts	—	643,866	(1,498,128)	(854,262)
Forwards foreign currency contracts	—	268,678	(751,244)	(482,566)

Transactions in reverse repurchase agreements for the Fund during the year ended November 30, 2017 were as follows:

Average Daily Balance*	Weighted Average Interest Rate*	Maximum Amount Outstanding
\$152,499,027	1.07%	\$173,604,625

* Averages based on the number of days that Fund had reverse repurchase agreements outstanding.

Interest rates on reverse repurchase agreements ranged from 0.40% to 1.44% during the year ended November 30, 2017. Interest expense incurred on reverse repurchase agreements totaled \$1,634,291.

Notes to consolidated financial statements (cont'd)

4. Derivative instruments and hedging activities

Below is a table, grouped by derivative type, that provides information about the fair value and the location of derivatives within the Consolidated Statement of Assets and Liabilities at November 30, 2017.

ASSET DERIVATIVES¹					
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Commodity Risk	Total
Purchased options ²	\$ 88,406	—	—	—	\$ 88,406
Futures contracts ³	643,215	—	—	\$651	643,866
Centrally cleared swap contracts	—	—	\$130,232	—	130,232
Forward foreign currency contracts	—	\$268,678	—	—	268,678
Total	\$731,621	\$268,678	\$130,232	\$651	\$1,131,182

LIABILITY DERIVATIVES¹				
	Interest Rate Risk	Foreign Exchange Risk	Commodity Risk	Total
Futures contracts ³	\$628,190	\$ 697,617	\$172,321	\$1,498,128
Forward foreign currency contracts	—	751,244	—	751,244
Total	\$628,190	\$1,448,861	\$172,321	\$2,249,372

¹ Generally, the balance sheet location for asset derivatives is receivables/net unrealized appreciation (depreciation) and for liability derivatives is payables/net unrealized appreciation (depreciation).

² Market value of purchased options is reported in Investments at value in the Consolidated Statement of Assets and Liabilities.

³ Includes cumulative appreciation (depreciation) of futures contracts as reported in the Consolidated Schedule of Investments. Only variation margin is reported within the receivables and/or payables on the Consolidated Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Consolidated Statement of Operations for the year ended November 30, 2017. The first table provides additional detail about the amounts and sources of gains (losses) realized on derivatives during the period. The second table provides additional information about the change in unrealized appreciation (depreciation) resulting from the Fund's derivatives and hedging activities during the period.

AMOUNT OF REALIZED GAIN (LOSS) ON DERIVATIVES RECOGNIZED					
	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Commodity Risk	Total
Purchased options ¹	\$(606,718)	\$ (141,317)	—	—	\$ (748,035)
Written options	229,376	211,583	—	—	440,959
Futures contracts	840,633	3,339,889	—	\$4,503,725	8,684,247
Swap contracts	287,829	—	\$96,057	—	383,886
Forward foreign currency contracts	—	431,767	—	—	431,767
Total	\$ 751,120	\$3,841,922	\$96,057	\$4,503,725	\$9,192,824

¹ Net realized gain (loss) from purchased options is reported in net realized gain (loss) from investment transactions in the Consolidated Statement of Operations.

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

	Interest Rate Risk	Foreign Exchange Risk	Credit Risk	Commodity Risk	Total
Purchased options ¹	\$ 26,759	—	—	—	\$ 26,759
Futures contracts	950,278	\$(1,718,834)	—	\$(1,458,917)	(2,227,473)
Swap contracts	(75,739)	—	\$130,232	—	54,493
Forward foreign currency contracts	—	280,841	—	—	280,841
Total	\$901,298	\$(1,437,993)	\$130,232	\$(1,458,917)	\$(1,865,380)

¹ The change in unrealized appreciation (depreciation) from purchased options is reported in the change in net unrealized appreciation (depreciation) from investments in the Consolidated Statement of Operations.

During the year ended November 30, 2017, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options	\$ 63,200
Written options [†]	57,791
Futures contracts (to buy)	236,013,758
Futures contracts (to sell)	186,551,350
Forward foreign currency contracts (to buy)	47,248,073
Forward foreign currency contracts (to sell)	33,124,215

	Average Notional Balance
Interest rate swap contracts [†]	\$ 735,385
Credit default swap contracts (to sell protection)	14,847,692
Total return swap contracts [†]	4,932,308

[†] At November 30, 2017, there were no open positions held in this derivative.

The following table presents the Fund's OTC derivative assets and liabilities by counterparty net of amounts available for offset under an ISDA Master Agreement and net of the related collateral pledged (received) by the Fund as of November 30, 2017.

Counterparty	Gross Assets Subjects to Master Agreements ¹	Gross Liabilities Subject to Master Agreements ¹	Net Assets (Liabilities) Subject to Master Agreements	Collateral Pledged (Received) ^{2,3}	Net Amount ^{4,5}
Bank of America N.A.	—	\$ (77,391)	\$ (77,391)	—	\$ (77,391)
Barclays Bank PLC	\$245,977	(69,043)	176,934	\$(143,765)	33,169
Citibank N.A.	3,550	(499,115)	(495,565)	—	(495,565)
JPMorgan Chase & Co.	19,151	(105,695)	(86,544)	60,000	(26,544)
Total	\$268,678	\$(751,244)	\$(482,566)	\$ (83,765)	\$(566,331)

¹ Absent an event of default or early termination, derivative assets and liabilities are presented gross and not offset in the Consolidated Statement of Assets and Liabilities.

² Gross amounts are not offset in the Consolidated Statement of Assets and Liabilities.

³ In some instances, the actual collateral received and/or pledged may be more than the amount shown here due to overcollateralization.

⁴ Represents the net amount receivable (payable) from (to) the counterparty in the event of default.

⁵ Net amount may also include forward foreign currency exchange contracts that are not required to be collateralized.

Notes to consolidated financial statements (cont'd)

5. Distributions subsequent to November 30, 2017

The following distributions have been declared by the Fund's Board of Trustees and are payable subsequent to the period end of this report:

Record Date	Payable Date	Amount
12/15/2017	12/29/2017	\$0.0345
1/12/18	1/31/18	\$0.0345

6. Stock repurchase program

On November 16, 2015, the Fund announced that the Fund's Board of Trustees (the "Board") had authorized the Fund to repurchase in the open market up to approximately 10% of the Fund's outstanding common stock when the Fund's shares are trading at a discount to net asset value. The Board has directed management of the Fund to repurchase shares of common stock at such times and in such amounts as management reasonably believes may enhance stockholder value. The Fund is under no obligation to purchase shares at any specific discount levels or in any specific amounts. During the year ended November 30, 2017, the Fund did not repurchase any shares.

7. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal year ended November 30, 2017, the period ended November 30, 2016 and the fiscal year ended December 31, 2015, was as follows:

	2017	2016	2015
Distributions paid from:			
Ordinary income	\$11,704,857	\$ 6,625,526	\$ 2,573,372
Tax return of capital	—	3,636,267	7,688,421
Total distributions paid	\$11,704,857	\$10,261,793	\$10,261,793

As of November 30, 2017, the components of accumulated earnings (losses) on a tax basis were as follows:

Undistributed ordinary income — net	\$ 4,066,544
Deferred capital losses*	(3,392,265)
Other book/tax temporary differences ^(a)	(2,522,046)
Unrealized appreciation (depreciation) ^(b)	1,934,749
Total accumulated earnings (losses) — net	\$ 86,982

* These capital losses have been deferred in the current year as either short-term or long-term losses. The losses will be deemed to occur on the first day of the next taxable year in the same character as they were originally deferred and will be available to offset future taxable capital gains.

^(a) Other book/tax temporary differences are attributable to the tax deferral of losses on straddles, the realization for tax purposes of unrealized gains (losses) on certain futures and foreign currency contracts and book/tax differences in the timing of the deductibility of various expenses.

^(b) The difference between book-basis and tax-basis unrealized appreciation (depreciation) is attributable to the tax deferral of losses on wash sales.

8. Recent accounting pronouncement

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, the “final rules”) intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X was August 1, 2017. The Fund has adopted the amendments to Regulation S-X and, upon evaluation, has concluded that the amendments do not materially impact the financial statement amounts; however, as required, additional or enhanced disclosure has been included.

9. Subsequent event

The Fund entered into a new servicing agreement with Security Investors, LLC (“New Servicing Agent”), an affiliate of Guggenheim Funds Distributors Inc. As compensation for its services, effective February 1, 2018, the Fund pays the New Servicing Agent an annual fee payable monthly in arrears, which will be based on the Fund’s average weekly assets during such month, in an amount equal to 0.15% of the Fund’s average weekly assets. The New Servicing Agent also agreed to waive an amount equal to an annual rate of 0.025% of the Fund’s average weekly assets for the duration of the agreement. In addition, any previous compensation cap applicable to the Servicing Agent no longer applies.

Report of independent registered public accounting firm

To the Board of Trustees and Shareholders of the Western Asset/Claymore Inflation-Linked Securities & Income Fund

In our opinion, the accompanying consolidated statement of assets and liabilities, including the consolidated schedule of investments, and the related consolidated statements of operations, of changes in net assets, and of cash flows and the consolidated financial highlights present fairly, in all material respects, the financial position of the Western Asset/Claymore Inflation-Linked Securities & Income Fund (the “Fund”) as of November 30, 2017, the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year then ended and for the period January 1, 2016 through November 30, 2016 and for the year ended December 31, 2015 and the financial highlights for each of the periods indicated therein, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of November 30, 2017 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Baltimore, Maryland
January 25, 2018

Board approval of management and subadvisory agreements (unaudited)

The Independent Trustees considered the following Investment Management Agreements with respect to the Fund (the “Agreements”) (i) an Investment Management Agreement between the Fund and Western Asset Management Company (“Western Asset”), (ii) an Investment Management Agreement between Western Asset and Western Asset Management Company Limited (“WAML”), (iii) an Investment Management Agreement between Western Asset and Western Asset Management Company Pte. Ltd. in Singapore (“Western Singapore”) and (iv) an Investment Management Agreement between Western Asset and Western Asset Management Company Ltd in Japan (“Western Japan,” and together with Western Singapore and WAML, the “Non-U.S. Advisers,” and together with Western Asset, the “Advisers”) with respect to the Fund at a meeting held on October 26, 2017. At a meeting held on November 13, 2017, the Independent Trustees reported to the full Board of Trustees their considerations and recommendation with respect to the Agreements, and the Board of Trustees, including a majority of the Independent Trustees, considered and approved renewal of the Agreements.

In considering the Agreements, the Trustees noted that although Western Asset’s business is operated through separate legal entities, such as the Non-U.S. Advisers, its business is highly integrated and senior investment personnel at Western Asset have supervisory oversight responsibility over the investment decisions made by the Non-U.S. Advisers. Therefore, in connection with their deliberations noted below, the Trustees primarily focused on the information provided by Western Asset when considering the approval of the Agreements. The Trustees also noted that the Fund does not pay any management fees directly to any of the Non-U.S. Advisers because Western Asset pays the Non-U.S. Advisers for services provided to the Fund out of the management fee Western Asset receives from the Fund.

In arriving at their decision to renew the Agreements, the Trustees met with representatives of Western Asset; reviewed a variety of information prepared by Western Asset and materials provided by counsel to the Independent Trustees; reviewed performance and expense information for peer groups of comparable funds and certain other products available from Western Asset for investments in U.S. TIPS, including separate accounts managed by Western Asset; and requested and reviewed additional information as necessary. These reviews were in addition to information obtained by the Trustees at their regular quarterly meetings with respect to the Fund’s performance and other relevant matters, such as information on public trading in the Fund’s shares and differences between the Fund’s share price and net asset value per share, and related discussions with Western Asset’s personnel.

As part of their review, the Trustees examined the Advisers’ ability to provide high quality investment management services to the Fund. The Trustees considered the investment philosophy and research and decision-making processes of the Advisers; the experience of their key advisory personnel responsible for management of the Fund; the ability of the Advisers to attract and retain capable research and advisory personnel; the entrepreneurial

Board approval of management and subadvisory agreements (unaudited) (cont'd)

risk to the Advisers associated with sponsoring the Fund; the capability and integrity of the Advisers' senior management and staff; and the level of skill required to manage the Fund. In addition, the Trustees reviewed the quality of the Advisers' services with respect to regulatory compliance and compliance with the investment policies of the Fund, and conditions that might affect the Advisers' ability to provide high quality services to the Fund in the future, including their business reputations, financial conditions and operational stabilities. Based on the foregoing, the Trustees concluded that the Advisers' investment process, research capabilities and philosophy were well suited to the Fund given its investment objectives and policies, and that the Advisers would be able to meet any reasonably foreseeable obligations under the Agreements.

In reviewing the quality of the services provided to the Fund, the Trustees also reviewed a comparison of the performance of the Fund to the performance of a group of closed-end bond funds and the Bloomberg Barclays U.S. Government Inflation-Linked 1-10 Year Index (the "Index"). The Trustees noted that the Fund had met its primary objective of providing current income to shareholders, and that the performance of the Fund exceeded the performance of its peer average and the Index for the one-, three-, five- and ten-year periods ended August 31, 2017. The Trustees concluded that the Advisers' management of the Fund would continue to be in the best interests of the shareholders.

The Trustees also considered the management fee and total expenses payable by the Fund. They reviewed information concerning management fees paid to investment advisers of similarly managed funds, as well as fees paid by Western Asset's other clients, including separate accounts managed by Western Asset. The Trustees noted that, when measured as a percentage of net assets (including assets attributable to leverage), the Fund's total expense ratio and the advisory fee paid to Western Asset were each below the average of the fees paid by funds in its peer group. The Trustees also noted that, when measured as a percentage of net assets (net of leverage), the Fund's advisory fee paid to Western Asset was below the average of the fees paid by funds in its peer group and that the Fund's total expense ratio exceeded the average of the fees paid by funds in its peer group. The Trustees noted that the management fee paid by the Fund was higher than the average of the fees paid by clients of Western Asset for accounts with similar investment strategies, but that the administrative and operational responsibilities undertaken and associated risks incurred by Western Asset with respect to the Fund were also relatively higher. In light of these differences, the Trustees concluded that the difference in management fees paid by the Fund from those paid by Western Asset's other clients was reasonable.

The Trustees further evaluated the benefits of the advisory relationship to the Advisers, including, among others, the profitability of the relationship to the Advisers; the direct and indirect benefits that the Advisers may receive from their relationships with the Fund, including the "fallout benefits," such as reputational value derived from serving as investment adviser to the Fund; and the affiliation between the Advisers and Legg Mason Partners Funds Advisor, LLC, the Fund's administrator. In that connection, the Trustees concluded that the Advisers'

profitability was consistent with levels of profitability that had been determined by courts not to be excessive. The Trustees noted that Western Asset does not have soft dollar arrangements.

Finally, the Trustees considered, in light of the profitability information provided by Western Asset, the extent to which economies of scale would be realized by the Advisers as the assets of the Fund grow. The Trustees concluded that because the Fund is a closed-end fund and does not make a continuous offer of its securities, the Fund's size was relatively fixed and it would be unlikely that the Advisers would realize economies of scale from the Fund's growth.

In their deliberations with respect to these matters, the Independent Trustees were advised by their independent counsel, who is independent, within the meaning of the Securities and Exchange Commission rules regarding the independence of counsel, of the Advisers. The Independent Trustees weighed each of the foregoing matters in light of the advice given to them by their independent counsel as to the law applicable to the review of investment advisory contracts. In arriving at a decision, the Trustees, including the Independent Trustees, did not identify any single matter as all-important or controlling, and the foregoing summary does not detail all the matters considered. The Trustees judged the terms and conditions of the Agreements, including the investment advisory fees, in light of all of the surrounding circumstances.

Based upon their review, the Trustees, including all of the Independent Trustees, determined, in the exercise of their business judgment, that they were satisfied with the quality of investment advisory services being provided by the Advisers; that the fees to be paid to the Advisers under the Agreements were fair and reasonable given the scope and quality of the services rendered by the Advisers; and that approval of the Agreements was in the best interest of the Fund and its shareholders.

Additional information (unaudited)

Information about Trustees and Officers

The business and affairs of Western Asset/Claymore Inflation-Linked Securities & Income Fund (the “Fund”) are conducted by management under the supervision and subject to the direction of its Board of Trustees. Except as noted below, the business address of each Trustee and Officer is c/o Western Asset Management Company, 385 East Colorado Boulevard, Pasadena, CA 91101. Information pertaining to the Trustees and Officers of the Fund is set forth below.

Independent Trustees

Michael Larson

Year of birth	1959
Position(s) held with Fund	Trustee and Chairman of the Board of Trustees ^{2,3,4}
Term of office and length of time served	Term expires in 2019; served since May 2004
Principal occupations during the past 5 years	Chief Investment Officer for William H. Gates III (1994-present)
Number of portfolios in fund complex overseen by Trustee ¹	2
Other directorships held by Trustee	Republic Services, Inc. (2009-present); Autonation, Inc. (2010-present); Fomento Economico Mexicano, SAB (2011-present); Ecolab, Inc. (2012-present); Grupo Televisa, S.A.B. (2009-2014)

Ronald A. Nyberg

Year of birth	1953
Position(s) held with Fund	Trustee ^{2,3}
Term of office and length of time served	Term expires in 2020; served since August 2003
Principal occupations during the past 5 years	Partner of Momkus McCluskey LLC, a law firm specializing in corporate law, estate planning and business transactions (2016-present); Formerly, Partner, Nyberg & Cassioppi, LLC (2000-2016), Executive Vice President, General Counsel and Corporate Secretary of Van Kampen Investments (1982-1999)
Number of portfolios in fund complex overseen by Trustee ¹	97
Other directorships held by Trustee	Edward-Elmhurst Healthcare System (2012-present)

Ronald E. Toupin, Jr.

Year of birth	1958
Position(s) held with Fund	Trustee ^{2,3}
Term of office and length of time served	Term expires in 2018; served since August 2003
Principal occupations during the past 5 years	Portfolio Consultant (2010-present). Formerly: Vice President, Manager and Portfolio Manager of Nuveen Asset Management (1998-1999); Vice President, Nuveen Investment Advisory Corp. (1992-1999); Vice President and Manager, Nuveen Unit Investment Trusts (1991-1999); and Assistant Vice President and Portfolio Manager of Nuveen Unit Investment Trusts (1988-1999), each of John Nuveen & Co., Inc. (1982-1999)
Number of portfolios in fund complex overseen by Trustee ¹	94
Other directorships held by Trustee	Bennett Group of Funds (2011-2013)

Officers⁵

Jane Trust

Year of birth	1962
Position(s) held with Fund	President ⁶
Term of office and length of time served	Served since April 2015
Principal occupations during the past 5 years	Managing Director of Legg Mason & Co., LLC ("Legg Mason & Co.") (since 2016); Officer and/or Trustee/Director of 150 funds associated with Legg Mason Partners Fund Advisor, LLC ("LMPFA") or its affiliates (since 2015); President and Chief Executive Officer of LMPFA (since 2015); formerly, Senior Vice President of LMPFA (2015); Director of ClearBridge, LLC (formerly, Legg Mason Capital Management, LLC) (2007 to 2014); Managing Director of Legg Mason Investment Counsel & Trust Co. (2000 to 2007)
Number of portfolios in fund complex overseen by Trustee ¹	N/A
Other directorships held by Trustee	N/A

Richard F. Sennett

100 International Drive, 7th Floor, Baltimore, MD 21202

Year of birth	1970
Position(s) held with Fund	Principal Financial and Accounting Officer and Treasurer
Term of office and length of time served	Served since December 2011
Principal occupations during the past 5 years	Principal Financial Officer and Treasurer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011 and since 2013); Managing Director of Legg Mason & Co. and Senior Manager of the Treasury Policy group for Legg Mason & Co.'s Global Fiduciary Platform (since 2011); formerly, Chief Accountant within the SEC's Division of Investment Management (2007 to 2011); formerly, Assistant Chief Accountant within the SEC's Division of Investment Management (2002 to 2007)
Number of portfolios in fund complex overseen by Trustee ¹	N/A
Other directorships held by Trustee	N/A

Todd F. Kuehl

100 International Drive, Baltimore, MD 21202

Year of birth	1969
Position(s) held with Fund	Chief Compliance Officer
Term of office and length of time served	Served since February 2007
Principal occupations during the past 5 years	Managing Director of Legg Mason & Co. (since 2011); Chief Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2006); formerly, Chief Compliance Officer of Legg Mason Private Portfolio Group (prior to 2010); Branch Chief, Division of Investment Management, U.S. Securities and Exchange Commission (2002 to 2006)
Number of portfolios in fund complex overseen by Trustee ¹	N/A
Other directorships held by Trustee	N/A

Additional information (unaudited) (cont'd)

Information about Trustees and Officers

Officers⁵ cont'd

Mark E. Mathiasen

227 West Monroe Street, Chicago, IL 60606

Year of birth	1978
Position(s) held with Fund	Secretary
Term of office and length of time served	Served since November 2010
Principal occupations during the past 5 years	Secretary, certain other funds in the fund complex (2007-present). Managing Director, Guggenheim Investments (2007-present)
Number of portfolios in fund complex overseen by Trustee ¹	N/A
Other directorships held by Trustee	N/A

¹ Each Trustee also serves as a Trustee of Western Asset/Claymore Inflation-Linked Opportunities & Income Fund, a closed-end investment company, which is considered part of the same Fund Complex as the Fund. The Investment Adviser serves as investment manager to Western Asset/Claymore Inflation-Linked Opportunities & Income Fund. Messrs. Nyberg and Toupin also serve as Trustees of Fiduciary/Claymore MLP Opportunity Fund, Guggenheim Enhanced Equity Income Fund, Guggenheim Strategic Opportunities Fund, Guggenheim Credit Allocation Fund, Guggenheim Energy & Income Fund and Guggenheim Taxable Municipal Managed Duration Trust, each of which is a closed-end management investment company, Claymore Exchange-Traded Fund Trust (consisting of 30 separate portfolios), Claymore Exchange-Traded Fund Trust 2 (consisting of 14 separate portfolios), Guggenheim Funds Trust (consisting of 19 separate portfolios), Guggenheim Variable Funds Trust (consisting of 14 separate portfolios), Guggenheim Strategy Funds Trust (consisting of 4 separate portfolios) and Transparent Value Trust (consisting of 5 separate portfolios), each an open-end management investment company. Additionally, Mr. Nyberg serves as a Trustee for Advent Claymore Convertible Securities and Income Fund, Advent/Claymore Enhanced Growth & Income Fund and Advent Claymore Securities and Income Fund II, each a closed-end investment company. Ms. Trust serves as Director/Trustee to 150 other portfolios associated with Legg Mason & Co., LLC or its affiliates. Legg Mason & Co., LLC is an affiliate of the Investment Adviser.

² Member of the Audit Committee of the Board of Trustees.

³ Member of the Governance and Nominating Committee of the Board of Trustees.

⁴ Mr. Larson is the chief investment officer for William H. Gates III and in that capacity oversees the investments of Mr. Gates and the investments of the Bill and Melinda Gates Foundation Trust (such combined investments are referred to as the "Accounts"). Since 1997, Western Asset has provided discretionary investment advice with respect to one or more Accounts.

⁵ Each officer shall hold office until his or her respective successor is chosen and qualified, or in each case until he or she sooner dies, resigns, is removed with or without cause or becomes disqualified.

⁶ Ms. Trust served as a Trustee of the Fund until December 19, 2017. During her service as a Trustee, Ms. Trust was an "interested person" of the Fund (as defined in the 1940 Act) because of her positions with subsidiaries of, and ownership of shares of common stock of, Legg Mason, Inc., the parent company of the Investment Adviser. As of November 30, 2017, Ms. Trust oversaw 150 portfolios in the fund complex and she did not hold other directorships.

Annual principal executive officer and principal financial officer certifications (unaudited)

The Fund’s Principal Executive Officer (“PEO”) has submitted to the NYSE the required annual certification and the Fund also has included the certifications of the Fund’s PEO and Principal Financial Officer required by Section 302 of the Sarbanes-Oxley Act in the Fund’s Form N-CSR filed with the SEC for the period of this report.

Other shareholder communications regarding accounting matters (unaudited)

The Fund's Audit Committee has established guidelines and procedures regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, "Accounting Matters"). Persons with complaints or concerns regarding Accounting Matters may submit their complaints to the Chief Compliance Officer ("CCO"). Persons who are uncomfortable submitting complaints to the CCO, including complaints involving the CCO, may submit complaints directly to the Fund's Audit Committee Chair. Complaints may be submitted on an anonymous basis.

The CCO may be contacted at:

Legg Mason & Co., LLC
Compliance Department
620 Eighth Avenue, 49th Floor
New York, New York 10018

Complaints may also be submitted by telephone at 1-800-742-5274. Complaints submitted through this number will be received by the CCO.

Dividend reinvestment plan (unaudited)

The Fund and Computershare Inc. ("Agent"), as the Transfer Agent and Registrar of WIA, offer a convenient way to add shares of WIA to your account. WIA offers to all common shareholders a Dividend Reinvestment Plan ("Plan"). Under the Plan, cash distributions (e.g., dividends and capital gains) on the common shares are automatically invested in shares of WIA unless the shareholder elects otherwise by contacting the Agent at the address set forth below.

As a participant in the Dividend Reinvestment Plan, you will automatically receive your dividend or net capital gains distribution in newly issued shares of WIA, if the market price of the shares on the date of the distribution is at or above the net asset value (NAV) of the shares, minus estimated brokerage commissions that would be incurred upon the purchase of common shares on the open market. The number of shares to be issued to you will be determined by dividing the amount of the cash distribution to which you are entitled (net of any applicable withholding taxes) by the greater of the NAV per share on such date or 95% of the market price of a share on such date. If the market price of a share on such distribution date is below the NAV, less estimated brokerage commissions that would be incurred upon the purchase of common shares on the open market, the Agent will, as agent for the participants, buy shares of WIA through a broker on the open market. All common shares acquired on your behalf through the Plan will be automatically credited to an account maintained on the books of the Agent.

Additional information regarding the plan

WIA will pay all costs applicable to the Plan, except for brokerage commissions for open market purchases by the Agent under the Plan, which will be charged to participants. All shares acquired through the Plan receive voting rights and are eligible for any stock split, stock dividend, or other rights accruing to shareholders that the Board of Trustees may declare.

You may terminate participation in the Plan at any time by giving notice to the Agent. Such termination will be effective prior to the record date next succeeding the receipt of such instructions or by a later date of termination specified in such instructions. Upon termination, a participant will receive a certificate for the full shares credited to his or her account or may request the sale of all or part of such shares. Fractional shares credited to a terminating account will be paid for in cash at the current market price at the time of termination.

Dividends and other distributions invested in additional shares under the Plan are subject to income tax just as if they had been received in cash. After year end, dividends paid on the accumulated shares will be included in the Form 1099-DIV information return to the Internal Revenue Service and only one Form 1099-DIV will be sent to participants each year.

Inquiries regarding the Plan, as well as notices of termination, should be directed to Computershare Inc, 462 South 4th Street, Suite 1600 Louisville, KY 40202. Investor Relations telephone number 1-888-888-0151.

Dividend reinvestment plan (unaudited) (cont'd)

Schedule of portfolio holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. You may obtain a free copy of the Fund's Form N-Q by calling 1-800-345-7999, by visiting the Fund's website (<http://guggenheiminvestments.com/wia>), or by writing to the Fund, or you may obtain a copy of this report (and other information relating to the Fund) from the SEC's website (<http://www.sec.gov>). Additionally, the Fund's Form N-Q can be viewed or copied at the SEC's Public Reference Room in Washington D.C. Information about the operation of the Public Reference Room can be obtained by calling 1-800-SEC-0330.

Important tax information (unaudited)

The following information is provided with respect to the distributions paid during the taxable year ended November 30, 2017:

Record date:	Monthly	Monthly
Payable date:	December 2016	January - November 2017
Interest from Federal Obligations	5.19%	48.84%

The law varies in each state as to whether and what percentage of dividend income attributable to Federal obligations is exempt from state income tax. We recommend that you consult with your tax adviser to determine if any portion of the dividends you received is exempt from state income taxes.

Please retain this information for your records.

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Western Asset/Claymore

Inflation-Linked Securities & Income Fund

Trustees

Michael Larson
Ronald A. Nyberg
Ronald E. Toupin, Jr.

Officers

Jane Trust
President
Richard F. Sennett
*Principal Financial and Accounting
Officer and Treasurer*
Todd F. Kuehl
Chief Compliance Officer
Mark E. Mathiasen
Secretary

Investment advisers

Western Asset Management Company
Western Asset Management Company
Limited
Western Asset Management Company Pte. Ltd.
Western Asset Management Company Ltd

Servicing agent

Guggenheim Funds Distributors, LLC
227 W. Monroe
Chicago, IL 60606

Custodian

State Street Bank and Trust Company
1 Lincoln Street
Boston, MA 02111

Legal counsel

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036

Independent registered public accounting firm

PricewaterhouseCoopers LLP
100 East Pratt Street
Baltimore, MD 21202

Transfer agent

Computershare Inc.
462 South 4th Street, Suite 1600
Louisville, KY 40202

Privacy and Security Notice

Your Privacy and the Security of Your Personal Information is Very Important to the Funds

This Privacy and Security Notice (the “Privacy Notice”) addresses the Funds’ privacy and data protection practices with respect to nonpublic personal information the Funds receive. The provisions of this Privacy Notice apply to your information both while you are a shareholder and after you are no longer invested with the Funds.

The Type of Nonpublic Personal Information the Funds Collect About You

The Funds collect and maintain nonpublic personal information about you in connection with your shareholder account. Such information may include, but is not limited to:

- Personal information included on applications or other forms;
- Account balances, transactions, and mutual fund holdings and positions;
- Online account access user IDs, passwords, security challenge question responses; and
- Information received from consumer reporting agencies regarding credit history and creditworthiness (such as the amount of an individual’s total debt, payment history, etc.).

How the Funds Use Nonpublic Personal Information About You

The Funds do not sell or share your nonpublic personal information with third parties or with affiliates for their marketing purposes, or with other financial institutions or affiliates for joint marketing purposes, unless you have authorized the Funds to do so. The Funds do not disclose any nonpublic personal information about you except as may be required to perform transactions or services you have authorized or as permitted or required by law. The Funds may disclose information about you to:

- Employees, agents, and affiliates on a “need to know” basis to enable the Funds to conduct ordinary business or comply with obligations to government regulators;
- Service providers, including the Funds’ affiliates, who assist the Funds as part of the ordinary course of business (such as printing, mailing services, or processing or servicing your account with us) or otherwise perform services on the Funds’ behalf, including companies that may perform marketing services solely for the Funds;
- The Funds’ representatives such as legal counsel, accountants and auditors; and
- Fiduciaries or representatives acting on your behalf, such as an IRA custodian or trustee of a grantor trust.

Except as otherwise permitted by applicable law, companies acting on the Funds’ behalf are contractually obligated to keep nonpublic personal information the Funds provide to them confidential and to use the information the Funds share only to provide the services the Funds ask them to perform.

NOT PART OF THE ANNUAL REPORT

Privacy and Security Notice (cont'd)

The Funds may disclose nonpublic personal information about you when necessary to enforce their rights or protect against fraud, or as permitted or required by applicable law, such as in connection with a law enforcement or regulatory request, subpoena, or similar legal process. In the event of a corporate action or in the event a Fund service provider changes, the Funds may be required to disclose your nonpublic personal information to third parties. While it is the Funds' practice to obtain protections for disclosed information in these types of transactions, the Funds cannot guarantee their privacy policy will remain unchanged.

Keeping You Informed of the Funds' Privacy and Security Practices

The Funds will notify you annually of their privacy policy as required by federal law. While the Funds reserve the right to modify this policy at any time they will notify you promptly if this privacy policy changes.

The Funds' Security Practices

The Funds maintain appropriate physical, electronic and procedural safeguards designed to guard your nonpublic personal information. The Funds' internal data security policies restrict access to your non-public personal information to authorized employees, who may use your nonpublic personal information for Fund business purposes only.

Although the Funds strive to protect your nonpublic personal information, they cannot ensure or warrant the security of any information you provide or transmit to them, and you do so at your own risk. In the event of a breach of the confidentiality or security of your nonpublic personal information, the Funds will attempt to notify you as necessary so you can take appropriate protective steps. If you have consented to the Funds using electronic communications or electronic delivery of statements, they may notify you under such circumstances using the most current email address you have on record with them.

In order for the Funds to provide effective service to you, keeping your account information accurate is very important. If you believe that your account information is incomplete, not accurate or not current, or if you have questions about the Funds' privacy practices, write the Funds using the contact information on your account statements, email the Funds by clicking on the Funds' website at guggenheiminvestments.com, or contact the Fund at 1-800-345-7999.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Western Asset/Claymore Inflation-Linked Securities & Income Fund
385 East Colorado Boulevard
Pasadena, CA 91101

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase at market prices, shares of its Common Stock in the open market.

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington D.C., and information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. To obtain information on Form N-Q, shareholders can call 1-800-345-7999.

Information on how the Fund voted proxies relating to portfolio securities during the prior 12-month period ended June 30th of each year and a description of the policies and procedures that the Fund uses to determine how to vote proxies related to portfolio transactions are available (1) without charge, upon request, by calling 1-800-345-7999, (2) on the Fund's website at guggenheiminvestments.com/wia and (3) on the SEC's website at www.sec.gov.

This report is transmitted to the shareholders of Western Asset/Claymore Inflation-Linked Securities & Income Fund for their information. This is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or any securities mentioned in this report.

Computershare Inc.
462 South 4th Street, Suite 1600
Louisville, KY 40202