Western Asset
A LEGG MASON COMPANY

GUGGENHEIM

Annual Report | December 31, 2015

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

Legg Mason
GLOBAL ASSET MANAGEMENT

Investment objectives

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

What's inside

Letter to shareholders

Dear Shareholder,

We thank you for your investment in Western Asset/Claymore Inflation-Linked Securities & Income 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 December 31, 2015.

For the twelve-month period ended December 31, 2015, the Fund returned -3.00% based on its net asset value ("NAV")[i] and -5.95% based on its New York Stock Exchange ("NYSE") market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Government Inflation-Linked 1-10 Year Index[ii] and the Barclays U.S. Government Inflation-Linked All Maturities Index[iii], returned -0.53% and -1.72%, 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.

The largest contributor to the Fund's absolute performance during the reporting period was its allocation to investment grade corporate bonds.

The largest detractor from the Fund's absolute performance for the period was its allocation to U.S. Treasury Inflation-Protected Securities ("TIPS")[iv]. They were negatively impacted by continued moderate inflation — partially driven by sharply falling oil prices — and rising U.S. Treasury yields.

Allocations to both emerging market corporates and emerging market non-corporates were also headwinds for performance. In both cases they were negatively impacted by moderating growth in China and declining commodity prices.

Elsewhere, the Fund's allocation to non-U.S. inflation-linked bonds ("linkers") detracted from performance.

As of December 31, 2015, the Fund's market price of $10.57 per share represented a discount of 15.24% to its NAV of $12.47 per share. In each month of 2015, the Fund provided its investors with a distribution of $0.032 per share. The most recent distribution represents an annualized distribution rate of 3.63% based on the Fund's last closing market price of $10.57 as of December 31, 2015.

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, the Fund will invest:

- At least 80% of its total managed assets[v] in inflation-linked securities
- At least 60% of its total managed assets in U.S. TIPS
- 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)

Each of the foregoing policies is a non-fundamental policy that may be changed without shareholder approval. The Fund has also adopted the following non-fundamental policy, which, to the extent required by applicable law, may only be changed after notice to shareholders: under normal market 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. The Fund will not invest in bonds that are below investment grade quality at the time of purchase. Up to 20% of the Fund's portfolio securities may represent corporate debt securities of investment grade quality at the time of their purchase that are not inflation-linked securities. 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[vi] 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.

Shareholders have the opportunity to reinvest their dividends from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 48 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

January 29, 2016

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 Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.

iii The 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 U.S. Treasury Inflation-Protected Securities ("TIPS") are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and twenty-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.

v "Total managed assets" equals the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).

vi 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

The pace of U.S. economic activity was mixed during the twelve months ended December 31, 2015 (the "reporting period"). Looking back, the U.S. Department of Commerce reported that first quarter 2015 U.S. gross domestic product ("GDP")[i] growth was a tepid 0.6%. Economic activity then accelerated, as second quarter 2015 GDP growth was 3.9%. The upturn was driven by increasing exports, accelerating personal consumption expenditures ("PCE"), declining imports, expanding state and local government spending, and rising nonresidential fixed investment. Third quarter 2015 GDP growth then moderated to 2.0%. Decelerating growth was primarily due to a downturn in private inventory investment and decelerations in exports, PCE, nonresidential fixed investment, state and local government spending, and residential fixed investment. Finally, the U.S. Department of Commerce's initial estimate for fourth quarter 2015 GDP growth — released after the reporting period ended — was 0.7%. Slower growth was attributed to a deceleration in PCE and downturns in nonresidential fixed investment, exports and state and local government spending.

The U.S. labor market significantly improved and was a tailwind for the economy during the reporting period. When the period began, unemployment was 5.7%, as reported by the U.S. Department of Labor. By December 2015, unemployment was 5.0%, equaling its lowest level since April 2008.

After an extended period of maintaining the federal funds rate[ii] at a historically low range between zero and 0.25%, the Federal Reserve Board ("Fed")[iii] finally increased the rate at its meeting on December 16, 2015. This marked the first rate hike since 2006. In particular, the U.S. central bank raised the federal funds rate to a range between 0.25% and 0.50%. In its official statement after the December 2015 meeting, the Fed said, "The stance of monetary policy remains accommodative after this increase, thereby supporting further improvement in labor market conditions and a return to 2 percent inflation….The Committee expects that economic conditions will evolve in a manner that will warrant only gradual increases in the federal funds rate; the federal funds rate is likely to remain, for some time, below levels that are expected to prevail in the longer run." During its meeting that concluded on January 27, 2016 — after the reporting period ended — the Fed said it is, "…closely monitoring global economic and financial developments and is assessing their implications for the labor market and inflation, and for the balance of risks to the outlook. Given the economic outlook, the Committee decided to maintain the target range for the federal funds rate at 1/4 to 1/2 percent….In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2 percent inflation."

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

Sincerely,

Western Asset Management Company

January 29, 2016

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 ("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.

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 assets[i] 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 will not invest in bonds that are below investment grade quality at the time of purchase. The Fund currently expects that the average effective duration[iii] 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.

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. The fixed income market was volatile at times during the reporting period given fluctuating global economic data, uncertainties regarding future Federal Reserve Board ("Fed")[iv] monetary policy and a number of geopolitical issues. In mid-December 2015, the Fed raised interest rates for the first time in nearly a decade.

Both short- and long-term Treasury yields moved higher during the twelve months ended December 31, 2015. Two-year Treasury yields rose from 0.67% at the beginning of the period to 1.06% at the end of the period. Their peak of 1.09% occurred on December 29, 2015 and they were as low as 0.44% on January 15, 2015. Ten-year Treasury yields were 2.17% at the beginning of the period and ended the period at 2.27%. Their peak of 2.50% was on June 10, 2015 and their low of 1.68% occurred at the end of January and early February 2015. All told, the Barclays U.S. Aggregate Index[v] returned 0.55% for the twelve months ended December 31, 2015.

Inflation was well contained during the reporting period, partially due to falling commodity prices. For the twelve months ended December 31, 2015, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers ("CPI-U")[vi], was 0.7%. The CPI-U less food and energy was 2.1% over the same time frame. U.S. TIPS generated poor results for the twelve months ended December 31, 2015, as the Barclays U.S. TIPS Index[vii] returned -1.44%.

Fund overview (cont'd)

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 foreign inflation-protected securities ("linkers") and investment grade corporate bonds. We increased the Fund's exposures to commercial mortgage-backed securities ("CMBS"), asset-backed securities ("ABS") and Treasury securities. We also reduced the Fund's allocation to emerging market debt.

The Fund employed U.S. Treasury futures and options, including options on futures, Eurodollar futures and options, and Euro-bund futures and options on Euro-bund futures, during the reporting period to manage its yield curve[viii] positioning and duration[ix]. The use of these instruments detracted from performance. Interest rate swaps and CPI index swaps, used to manage inflation-related exposure, were also negative for performance. Index swaptions, used to manage the Fund's credit exposure, detracted from performance. Finally, currency forwards, which were used to manage the Fund's currency exposures, contributed to performance.

Leverage was used during the reporting period. We ended the period with leverage as a percentage of gross assets of roughly 30% versus 26% when the period began. The use of leverage detracted from performance over the twelve months ended December 31, 2015.

Performance review

For the twelve months ended December 31, 2015, Western Asset/Claymore Inflation-Linked Securities & Income Fund returned -3.00% based on its net asset value ("NAV")[x] and -5.95% based on its New York Stock Exchange ("NYSE") market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Government Inflation-Linked 1-10 Year Index[xi] and the Barclays U.S. Government Inflation-Linked All Maturities Index[xii], returned -0.53% and -1.72%, respectively, for the same period. The Barclays World Government Inflation-Linked All Maturities Index[xiii] and the Fund's Custom Benchmark[xiv] returned -4.70% and -1.62%, respectively, over the same time frame.

During the twelve-month period, the Fund made distributions to shareholders totaling $0.35 per share*. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of December 31, 2015. **Past performance is no guarantee of future results.**

Performance Snapshot as of December 31, 2015

Price Per Share	12-Month Total Return**
$12.47 (NAV)	-3.00%†
$10.57 (Market Price)	-5.95%‡

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, including returns of capital, at NAV.

* For the tax character of distributions paid during the fiscal year ended December 31, 2015, please refer to page 38 of this report.

‡ Total return assumes the reinvestment of all distributions, including returns of capital, 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. In fact, during the fourth quarter of 2015, closed-end funds traded at some of the largest discounts since the financial crisis, with approximately 90% of all such funds trading below 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. The largest contributor to the Fund's absolute performance during the reporting period was its allocation to investment grade corporate bonds.

Q. What were the leading detractors from performance?

A. The largest detractor from the Fund's absolute performance for the period was its allocation to U.S. TIPS. They were negatively impacted by continued moderate inflation — partially driven by sharply falling oil prices — and rising U.S. Treasury yields.

Allocations to both emerging market corporates and emerging market non-corporates were also headwinds for performance. In both cases they were negatively impacted by moderating growth in China and declining commodity prices.

Elsewhere, the Fund's allocation to non-U.S. linkers detracted from performance.

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

January 19, 2016

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. 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.*

Portfolio holdings and breakdowns are as of December 31, 2015 and are subject to change and may not be representative of the portfolio managers' current or future investments. Please refer to pages 9 through 13 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 December 31, 2015 were: U.S. Treasury Inflation Protected Securities (111.6%), Corporate Bonds & Notes (7.7%), Non-U.S. Treasury Inflation Protected Securities (5.4%), Collateralized Mortgage Obligations (5.2%) and Asset-Backed Securities (4.9%). 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 twenty-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] The Federal Reserve Board ("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.

[v] The Barclays U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.

[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 Barclays U.S. TIPS 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] 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.

[x] 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.

[xi] The Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.

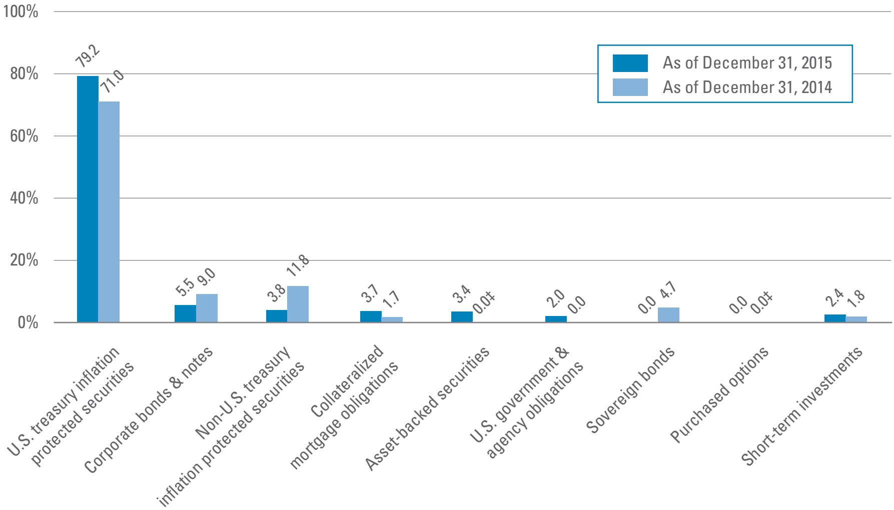
[xii] The Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of $500 million or more.

[xiii] The Barclays World Government Inflation-Linked All Maturities Index measures the performance of the major government inflation-linked bond markets.

[xiv] The Custom Benchmark is comprised of 90% Barclays U.S. Government Inflation-Linked All Maturities Index and 10% Barclays I U.S. Credit Index. The 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)

Investment breakdown (%) as a percent of total investments

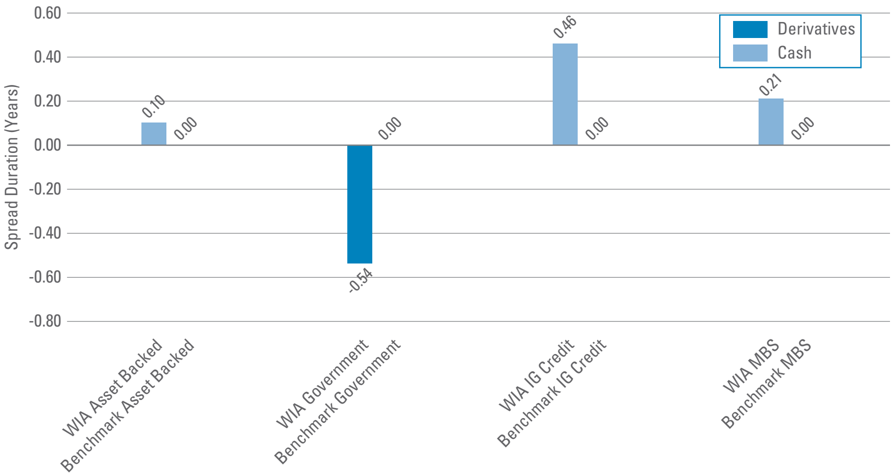


† The bar graph above represents the composition of the Fund's investments as of December 31, 2015 and December 31, 2014 and does not include derivatives such as forward foreign currency contracts, futures contracts, written options and swap contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

‡ Represents less than 0.1%.

Spread duration (unaudited)

Economic exposure — December 31, 2015

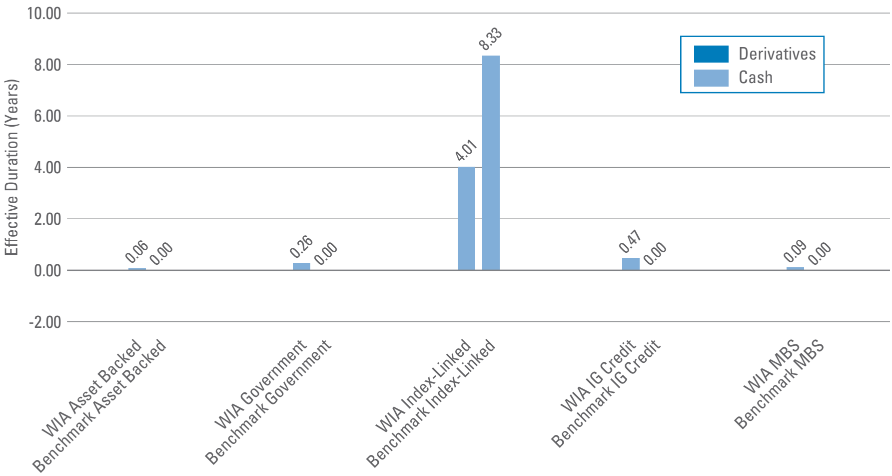


Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with 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 — Barclays U.S. Government Inflation-Linked All Maturities Index
IG Credit — Investment Grade Credit
MBS — Mortgage-Backed Securities
WIA — Western Asset/Claymore Inflation-Linked Securities & Income Fund

Effective duration (unaudited)

Interest rate exposure — December 31, 2015



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 — Barclays U.S. Government Inflation-Linked All Maturities Index
IG Credit — Investment Grade Credit
MBS — Mortgage-Backed Securities
WIA — Western Asset/Claymore Inflation-Linked Securities & Income Fund

Schedule of investments

December 31, 2015

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
U.S. Treasury Inflation Protected Securities — 111.6%				
U.S. Treasury Bonds, Inflation Indexed	2.000%	1/15/26	491,315	$ 545,859
U.S. Treasury Bonds, Inflation Indexed	1.750%	1/15/28	28,518,736	31,161,168 [a]
U.S. Treasury Bonds, Inflation Indexed	3.625%	4/15/28	14,852,252	19,415,458
U.S. Treasury Bonds, Inflation Indexed	2.500%	1/15/29	1,008,089	1,194,244
U.S. Treasury Bonds, Inflation Indexed	3.875%	4/15/29	3,862,903	5,247,765
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/41	3,355,987	3,973,522
U.S. Treasury Bonds, Inflation Indexed	0.750%	2/15/42	265,250	233,026
U.S. Treasury Bonds, Inflation Indexed	0.625%	2/15/43	1,551,735	1,313,156
U.S. Treasury Bonds, Inflation Indexed	1.375%	2/15/44	214,309	218,104
U.S. Treasury Notes, Inflation Indexed	2.000%	1/15/16	54,032,700	54,024,271 [a]
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/16	19,115,205	19,040,789 [a]
U.S. Treasury Notes, Inflation Indexed	2.500%	7/15/16	32,976,160	33,507,307
U.S. Treasury Notes, Inflation Indexed	2.375%	1/15/17	14,754,169	15,118,612 [a]
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/17	8,900,860	8,883,129
U.S. Treasury Notes, Inflation Indexed	2.625%	7/15/17	2,168,907	2,265,350
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/18	13,056,741	13,031,581 [a]
U.S. Treasury Notes, Inflation Indexed	1.375%	7/15/18	7,400,862	7,662,105
U.S. Treasury Notes, Inflation Indexed	2.125%	1/15/19	409,882	433,728
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/19	7,105,210	7,063,488
U.S. Treasury Notes, Inflation Indexed	1.375%	1/15/20	8,798,880	9,146,480
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/20	22,526,673	22,239,526
U.S. Treasury Notes, Inflation Indexed	1.250%	7/15/20	23,700,702	24,646,573 [a]
U.S. Treasury Notes, Inflation Indexed	1.125%	1/15/21	28,649,301	29,536,025
U.S. Treasury Notes, Inflation Indexed	0.625%	7/15/21	13,834,590	13,925,372
U.S. Treasury Notes, Inflation Indexed	0.125%	1/15/22	25,587,954	24,795,981
U.S. Treasury Notes, Inflation Indexed	0.125%	7/15/22	10,290,887	9,978,137
U.S. Treasury Notes, Inflation Indexed	0.125%	1/15/23	24,935,922	23,908,288 [a]
U.S. Treasury Notes, Inflation Indexed	0.375%	7/15/23	4,456,007	4,353,078
U.S. Treasury Notes, Inflation Indexed	0.625%	1/15/24	14,083,063	13,923,347
U.S. Treasury Notes, Inflation Indexed	0.125%	7/15/24	1,141,904	1,084,497
U.S. Treasury Notes, Inflation Indexed	0.250%	1/15/25	3,906,221	3,728,457
Total U.S. Treasury Inflation Protected Securities (Cost — $415,300,865)				**405,598,423**
Asset-Backed Securities — 4.9%				
Chase Funding Mortgage Loan Asset-Backed Certificates, 2003-4 2A2	0.821%	5/25/33	2,966,204	2,638,378 [b]
DRB Prime Student Loan Trust, 2015-D A2	3.200%	1/25/40	5,340,000	5,187,812 [c]
EMC Mortgage Loan Trust, 2004-C A1	0.771%	3/25/31	5,174	5,130 [b][c]
Nelnet Student Loan Trust, 2004-4 A5	0.480%	1/25/37	477,046	465,886 [b]

See Notes to Financial Statements.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
Asset-Backed Securities — continued				
Nelnet Student Loan Trust, 2005-2 A5	0.686%	3/23/37	516,000	$ 487,981 (b)
Nelnet Student Loan Trust, 2008-3 A4	2.043%	11/25/24	910,000	915,841 (b)
Saxon Asset Securities Trust, 2004-2 MV1	1.292%	8/25/35	2,432,266	2,005,649 (b)
SLC Student Loan Trust, 2008-1 A4A	2.112%	12/15/32	1,282,839	1,290,834 (b)
SLM Student Loan Trust, 2006-3 A5	0.420%	1/25/21	763,000	732,436 (b)
SLM Student Loan Trust, 2007-2 A3	0.360%	1/25/19	1,200,551	1,187,262 (b)
SLM Student Loan Trust, 2008-5 A4	2.020%	7/25/23	920,000	925,431 (b)
Social Professional Loan Program LLC, 2015-D B	3.590%	10/26/37	1,850,000	1,811,264 (c)
Total Asset-Backed Securities (Cost — $17,676,339)				**17,653,904**
Collateralized Mortgage Obligations — 5.2%				
Banc of America Mortgage Securities Inc., 2003-D	2.661%	5/25/33	23,766	23,665 (b)
Bear Stearns Adjustable Rate Mortgage Trust, 2004-9 24A1	3.217%	11/25/34	56,904	55,753 (b)
Chase Mortgage Finance Corp., 2007-A1 2A3	2.657%	2/25/37	16,635	16,680 (b)
Connecticut Avenue Securities, 2014-C03 1M1	1.421%	7/25/24	1,525,640	1,520,105 (b)
Countrywide Alternative Loan Trust, 2004-J1 1A1	6.000%	2/25/34	3,361	3,478
Federal Home Loan Mortgage Corp. (FHLMC), 4013 AI, IO	4.000%	2/15/39	4,115,485	548,175
Federal Home Loan Mortgage Corp. (FHLMC), 4057 UI, IO	3.000%	5/15/27	1,961,372	201,306
Federal Home Loan Mortgage Corp. (FHLMC), 4085, IO	3.000%	6/15/27	5,895,759	622,395
Federal Home Loan Mortgage Corp. (FHLMC), Multi-Family Structured Pass-Through Certificates, K721 X1, IO	0.459%	8/25/22	132,440,000	2,578,024 (b)
Federal National Mortgage Association (FNMA), 2014-M8 SA, IO	4.853%	5/25/18	35,573,707	1,740,828 (b)
Government National Mortgage Association (GNMA), 2011-142 IO, IO	0.855%	9/16/46	9,680,010	376,458 (b)
Government National Mortgage Association (GNMA), 2012-044 IO, IO	0.688%	3/16/49	1,922,259	77,349 (b)
Government National Mortgage Association (GNMA), 2012-112 IO, IO	0.448%	2/16/53	2,481,522	92,525 (b)
Government National Mortgage Association (GNMA), 2012-152 IO, IO	0.756%	1/16/54	7,689,194	449,334 (b)
Government National Mortgage Association (GNMA), 2013-145 IO, IO	1.072%	9/16/44	3,485,935	229,350 (b)
Government National Mortgage Association (GNMA), 2014-047 IA, IO	1.211%	2/16/48	1,611,161	103,861 (b)
Government National Mortgage Association (GNMA), 2014-050 IO, IO	0.953%	9/16/55	3,178,640	201,947 (b)
Government National Mortgage Association (GNMA), 2014-169 IO, IO	1.069%	10/16/56	20,860,664	1,527,084 (b)
Government National Mortgage Association (GNMA), 2015-073 IO, IO	0.895%	11/16/55	5,180,629	372,138 (b)

See Notes to Financial Statements.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
Collateralized Mortgage Obligations — continued				
Government National Mortgage Association (GNMA), 2015-101 IO, IO	1.014%	3/16/52	32,623,945	$ 2,544,315 [(b)]
GSR Mortgage Loan Trust, 2004-11 1A1	2.798%	9/25/34	169,267	160,422 [(b)]
JPMorgan Mortgage Trust, 2004-A1 1A1	2.088%	2/25/34	4,933	4,905 [(b)]
JPMorgan Mortgage Trust, 2006-A2 5A1	2.681%	11/25/33	6,172	6,230 [(b)]
Merrill Lynch Mortgage Investors Trust, 2003-H A3A	1.958%	1/25/29	3,150	3,113 [(b)]
Merrill Lynch Mortgage Investors Trust, 2004-A1 2A1	2.483%	2/25/34	16,274	16,384 [(b)]
Mortgage IT Trust, 2005-1 2M1	1.443%	2/25/35	1,407,980	1,288,028 [(b)]
Residential Asset Mortgage Products Inc., 2004-SL2 A4	8.500%	10/25/31	10,915	12,196
Residential Asset Mortgage Products Inc., 2004-SL4 A5	7.500%	7/25/32	76,008	71,995
Sequoia Mortgage Trust, 2003-8 A1	0.847%	1/20/34	15,595	14,888 [(b)]
Structured Agency Credit Risk Debt Notes, 2015-HQA2 M2	3.051%	5/25/28	3,880,000	3,877,085 [(b)]
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2003-AR8 A	2.485%	8/25/33	14,040	14,376 [(b)]
Washington Mutual Inc., Mortgage Pass-Through Certificates, 2007-HY1 1A1	2.205%	2/25/37	167,481	145,462 [(b)]
Washington Mutual Inc., MSC Pass-Through Certificates, 2004-RA1 2A	7.000%	3/25/34	14,446	15,244
Total Collateralized Mortgage Obligations (Cost — $19,210,437)				**18,915,098**
Corporate Bonds & Notes — 7.7%				
Energy — 4.2%				
Oil, Gas & Consumable Fuels — 4.2%				
Anadarko Petroleum Corp., Senior Notes	4.500%	7/15/44	6,760,000	5,175,334
ConocoPhillips Co., Senior Notes	3.350%	5/15/25	5,530,000	4,997,367
Devon Energy Corp., Senior Notes	5.850%	12/15/25	5,330,000	5,183,660
Total Energy				**15,356,361**
Financials — 0.7%				
Banks — 0.7%				
Barclays Bank PLC, Subordinated Notes	7.625%	11/21/22	2,160,000	**2,459,700**
Materials — 2.8%				
Metals & Mining — 2.8%				
BHP Billiton Finance USA Ltd., Subordinated Notes	6.750%	10/19/75	5,380,000	5,191,700 [(b)(c)]
Rio Tinto Finance USA Ltd., Senior Notes	3.750%	6/15/25	5,700,000	5,174,181
Total Materials				**10,365,881**
Total Corporate Bonds & Notes (Cost — $27,469,058)				**28,181,942**
Non-U.S. Treasury Inflation Protected Securities — 5.4%				
Australia — 1.0%				
Australia Government Bond, Senior Bonds	2.500%	9/20/30	3,650,000 AUD	*3,668,493* [(d)]

See Notes to Financial Statements.

Schedule of investments (cont'd)

December 31, 2015

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Security	Rate	Maturity Date	Face Amount†	Value
Israel — 1.7%				
Government of Israel, Bonds	3.000%	10/31/19	10,409,152 ILS	$ 2,973,679
Government of Israel, Bonds	4.000%	7/31/24	9,712,214 ILS	3,243,174
Total Israel				*6,216,853*
Japan — 0.7%				
Japanese Government CPI Linked Bond, Senior Bonds	0.100%	9/10/23	283,797,000 JPY	*2,486,987*
New Zealand — 2.0%				
Government of New Zealand, Senior Bonds	3.000%	9/20/30	9,780,000 NZD	*7,343,165* (d)
Total Non-U.S. Treasury Inflation Protected Securities (Cost — $20,390,068)				**19,715,498**
U.S. Government & Agency Obligations — 2.8%				
U.S. Government Obligations — 2.8%				
U.S. Treasury Bonds	3.000%	5/15/45	5,190,000	5,166,282
U.S. Treasury Notes	0.750%	10/31/17	960,000	954,900
U.S. Treasury Notes	1.375%	10/31/20	765,000	751,493
U.S. Treasury Notes	2.000%	2/15/25	350,000	342,139
U.S. Treasury Notes	2.000%	8/15/25	2,960,000	2,886,115
Total U.S. Government & Agency Obligations (Cost — $10,029,024)				**10,100,929**
Total Investments before Short-Term Investments (Cost — $510,075,791)				**500,165,794**
Short-Term Investments — 3.4%				
Repurchase Agreements — 2.8%				
Bank of America repurchase agreement dated 12/31/15; Proceeds at maturity — $10,300,320; (Fully collateralized by U.S. government obligations, 1.375% due 2/29/20; Market Value — $10,506,000) (Cost — $10,300,000)	0.280%	1/4/16	10,300,000	*10,300,000*
			Shares	
Money Market Funds — 0.6%				
State Street Institutional U.S. Government Money Market Fund, Premier Class (Cost — $1,970,748)	0.073%		1,970,748	*1,970,748*
Total Short-Term Investments (Cost — $12,270,748)				**12,270,748**
Total Investments — 141.0% (Cost — $522,346,539#)				**512,436,542**
Liabilities in Excess of Other Assets — (41.0)%				(149,031,283)
Total Net Assets — 100.0%				**$ 363,405,259**

† 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.

(c) 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, unless otherwise noted.

See Notes to Financial Statements.

[d] 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, unless otherwise noted.

Aggregate cost for federal income tax purposes is $523,574,844.

Abbreviations used in this schedule:

AUD — Australian Dollar
ILS — Israeli Shekel
IO — Interest Only
JPY — Japanese Yen
NZD — New Zealand Dollar

Schedule of Written Options

Security	Expiration Date	Strike Price	Contracts	Value
U.S. Treasury Long-Term Bonds Futures, Put	1/22/16	$151.00	213	$ 99,844
U.S. Treasury Long-Term Bonds Futures, Put	1/22/16	152.00	150	110,156
Total Written Options (Premiums received — $207,977)				**$210,000**

See Notes to Financial Statements.

Statement of assets and liabilities

December 31, 2015

Assets:	
Investments, at value (Cost — $522,346,539)	$512,436,542
Foreign currency, at value (Cost — $387,837)	387,649
Interest receivable	2,767,554
Deposits with brokers for reverse repurchase agreements	1,464,000
Deposits with brokers for open futures contracts	1,420,351
Unrealized appreciation on forward foreign currency contracts	1,005,548
Deposits with brokers for OTC swap contracts	600,000
Foreign currency collateral for open futures contracts, at value (Cost — $472,697)	478,732
Receivable from broker — variation margin on open futures contracts	301,345
Deposits with brokers for written options	241,727
Deposits with brokers for centrally cleared swap contracts	4,857
Prepaid expenses	9,963
Total Assets	***521,118,268***
Liabilities:	
Payable for open reverse repurchase agreements (Note 3)	155,633,125
Unrealized depreciation on forward foreign currency contracts	904,654
OTC swaps, at value (premiums received — $0)	461,710
Written options, at value (premiums received — $207,977)	210,000
Investment management fee payable	176,723
Interest payable	118,402
Service agent fees payable	66,271
Trustees' fees payable	25,250
Administration fee payable	19,110
Due to custodian	136
Accrued expenses	97,628
Total Liabilities	***157,713,009***
Total Net Assets	**$363,405,259**
Net Assets:	
Common shares, no par value, unlimited number of shares authorized, 29,152,821 shares issued and outstanding	384,793,822
Overdistributed net investment income	(1,398,943)
Accumulated net realized loss on investments, futures contracts, written options, swap contracts and foreign currency transactions	(9,784,749)
Net unrealized depreciation on investments, futures contracts, written options, swap contracts and foreign currencies	(10,204,871)
Total Net Assets	**$363,405,259**
Shares Outstanding	29,152,821
Net Asset Value	$12.47

See Notes to Financial Statements.

Statement of operations

For the Year Ended December 31, 2015

Investment Income:	
Interest	***$ 6,071,662***
Expenses:	
Investment management fee (Note 2)	2,143,180
Servicing agent fees (Note 2)	803,693
Interest expense (Note 3)	480,763
Administration fees (Note 2)	225,000
Trustees' fees	128,497
Legal fees	96,709
Transfer agent fees	85,586
Fund accounting fees	47,706
Custody fees	43,593
Audit and tax fees	39,568
Shareholder reports	27,567
Stock exchange listing fees	27,318
Insurance	8,491
Miscellaneous expenses	6,031
Total Expenses	***4,163,702***
Net Investment Income	**1,907,960**
Realized and Unrealized Gain (Loss) on Investments, Futures Contracts, Written Options, Swap Contracts and Foreign Currency Transactions (Notes 1, 3 and 4):	
Net Realized Gain (Loss) From:	
Investment transactions	(19,076,761)
Futures contracts	(4,478,595)
Written options	6,998,655
Swap contracts	(1,596,297)
Foreign currency transactions	7,943,097
Net Realized Loss	***(10,209,901)***
Change in Net Unrealized Appreciation (Depreciation) From:	
Investments	(542,987)
Futures contracts	(324,272)
Written options	(2,023)
Swap contracts	(18,327)
Foreign currencies	(2,272,335)
Change in Net Unrealized Appreciation (Depreciation)	***(3,159,944)***
Net Loss on Investments, Futures Contracts, Written Options, Swap Contracts and Foreign Currency Transactions	**(13,369,845)**
Decrease in Net Assets from Operations	**$(11,461,885)**

See Notes to Financial Statements.

Statements of changes in net assets

For the Years Ended December 31,	2015	2014
Operations:		
Net investment income	$ 1,907,960	$ 8,542,448
Net realized loss	(10,209,901)	(1,920,230)
Change in net unrealized appreciation (depreciation)	(3,159,944)	7,535,365
Increase (Decrease) in Net Assets from Operations	***(11,461,885)***	***14,157,583***
Distributions to Shareholders From (Note 1):		
Net investment income	(2,525,627)	(10,151,561)
Net realized gains	(47,745)	(1,976,012)
Return of capital	(7,688,421)	—
Decrease in Net Assets from Distributions to Shareholders	***(10,261,793)***	***(12,127,573)***
Increase (Decrease) in Net Assets	***(21,723,678)***	***2,030,010***
Net Assets:		
Beginning of year	385,128,937	383,098,927
End of year*	**$363,405,259**	**$385,128,937**
*Includes overdistributed net investment income of:	$(1,398,943)	$(749,279)

See Notes to Financial Statements.

Statement of cash flows

For the Year Ended December 31, 2015

Increase (Decrease) in Cash:	
Cash Provided (Used) by Operating Activities:	
Net decrease in net assets resulting from operations	$ (11,461,885)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided (used) by operating activities:	
Purchases of portfolio securities	(340,376,027)
Sales of portfolio securities	279,047,229
Net purchases, sales and maturities of short-term investments	34,176,012
Realized loss on purchased options	(3,427,711)
Decrease in premiums paid for purchased options	446,620
Net amortization of premium (accretion of discount)	4,865,994
Decrease in interest receivable	384,559
Increase in receivable from broker — variation margin on open futures contracts	(268,998)
Increase in prepaid expenses	(23)
Increase in deposits with brokers for open futures contracts	(1,029,298)
Increase in deposits with brokers for written options	(241,727)
Decrease in deposits with brokers for purchased options	184,905
Increase in foreign currency collateral for open futures contracts	(326,264)
Increase in deposits with brokers for OTC swap contracts	(600,000)
Increase in deposits with brokers for open reverse repurchase agreements	(549,000)
Decrease in deposits with brokers for centrally cleared swap contracts	1,092,281
Decrease in investment management fee payable	(465)
Increase in Trustees' fees payable	25,250
Decrease in service agent fees payable	(175)
Increase in interest payable	38,127
Increase in accrued expenses	1,318
Increase in premiums received from written options	207,977
Decrease in payable to broker — variation margin on open centrally cleared swap contracts	(18,217)
Net realized loss on investments	19,076,761
Change in net unrealized appreciation/depreciation of investments, written options, OTC swap contracts and forward foreign currency transactions	4,720,436
Net Cash Used in Operating Activities*	***(14,032,321)***
Cash Flows from Financing Activities:	
Distributions paid on common stock	(11,194,683)
Increase in payable for reverse repurchase agreements	22,486,224
Increase in due to custodian	136
Net Cash Provided by Financing Activities	***11,291,677***
Net Decrease in Cash	**(2,740,644)**
Cash at Beginning of Year	3,128,293
Cash at End of Year	$ 387,649

* Included in operating expenses is cash of $442,636 paid for interest fees on borrowings.

See Notes to Financial Statements.

Financial highlights

For a share of common stock outstanding throughout each year ended December 31:	2015[1]	2014[1]	2013[1]	2012[1]	2011[1]
Net asset value, beginning of year	$13.21	$13.14	$14.73	$14.14	$13.15
Income (loss) from operations:					
Net investment income	0.07	0.29	0.10	0.26	0.52
Net realized and unrealized gain (loss)	(0.46)	0.20	(1.31)	0.68	0.97
Total income (loss) from operations	***(0.39)***	***0.49***	***(1.21)***	***0.94***	***1.49***
Less distributions from:					
Net investment income	(0.09)	(0.35)	(0.11)	(0.35)	(0.50)
Net realized gains	(0.00)[2]	(0.07)	(0.27)	—	—
Return of capital	(0.26)	—	—	—	—
Total distributions	***(0.35)***	***(0.42)***	***(0.38)***	***(0.35)***	***(0.50)***
Net asset value, end of year	$12.47	$13.21	$13.14	$14.73	$14.14
Market price, end of year	$10.57	$11.60	$11.42	$13.11	$12.64
Total return, based on NAV[3,4]	***(3.00)%***	***3.68%***	***(8.29)%***	***6.72%***	***11.53%***
Total return, based on Market Price[5]	***(5.95)%***	***5.20%***	***(10.15)%***	***6.54%***	***2.54%***
Net assets, end of year (000s)	$363,405	$385,129	$383,099	$429,552	$412,174
Ratios to average net assets:					
Gross expenses	1.10%	0.89%	0.74%	0.70%	0.68%
Net expenses	1.10	0.89	0.74	0.70	0.68
Net investment income	0.50	2.17	0.72	1.79	3.79
Portfolio turnover rate	**59%**	**30%**	**65%**	**73%**	**58%**

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

2 Amount represents less than $0.005 per share.

3 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.

4 The total return calculation assumes that distributions are reinvested at NAV. Past performance is no guarantee of future results.

5 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.

See Notes to Financial Statements.

Notes to 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 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 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 (formerly, Legg Mason North American 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.

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	—	$405,598,423	—	$405,598,423
Asset-backed securities	—	17,653,904	—	17,653,904
Collateralized mortgage obligations	—	18,915,098	—	18,915,098
Corporate bonds & notes	—	28,181,942	—	28,181,942
Non-U.S. Treasury inflation protected securities	—	19,715,498	—	19,715,498
U.S. government & agency obligations	—	10,100,929	—	10,100,929
Total long-term investments	—	$500,165,794	—	$500,165,794
Short-term investments†:				
Repurchase agreements	—	$ 10,300,000	—	$ 10,300,000
Money market funds	$1,970,748	—	—	1,970,748
Total short term investments	$1,970,748	$ 10,300,000		$ 12,270,748
Total investments	**$1,970,748**	**$510,465,794**	**—**	**$512,436,542**
Other financial instruments:				
Futures contracts	$ 689,166	—	—	$ 689,166
Forward foreign currency contracts	—	$ 1,005,548	—	1,005,548
Total other financial instruments	**$ 689,166**	**$ 1,005,548**	**—**	**$ 1,694,714**
Total	**$2,659,914**	**$511,471,342**	**—**	**$514,131,256**

LIABILITIES

Description	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Other financial instruments:				
Written options	$ 210,000	—	—	$ 210,000
Futures contracts	626,847	—	—	626,847
Forward foreign currency contracts	—	$ 904,654	—	904,654
OTC total return swaps‡	—	461,710	—	461,710
Total	**$ 836,847**	**$ 1,366,364**	**—**	**$ 2,203,211**

† See Schedule of Investments for additional detailed categorizations.

‡ Values include any premiums paid or received with respect to swap contracts.

(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 Statement of Assets and Liabilities. Securities pledged as collateral are noted in the Schedule of Investments. Interest payments made on reverse repurchase agreements are recognized as a component of "Interest expense" on the 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) Options on futures contracts. An option on a futures contract gives the purchaser the right, in return for the premium paid, to assume a position in the underlying futures contract at the specified option exercise price at any time prior to the expiration date of the option. Upon exercise of an option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance in the writer's futures margin account that represents the amount by which the market price of the futures contract exceeds (in the case of a call) or is less than (in the case of a put) the exercise price of the option on the futures contract. The potential for loss related to the purchase of an option on a futures contract is limited to the premium paid for the option plus transaction costs. Because the value of the option is fixed at the point of purchase, there are no daily cash payments by the purchaser to reflect changes in the value of the underlying contract; however, the value of the option changes daily and that change would be reflected in the net asset value of the Fund. The potential for loss related to writing call options is unlimited. The potential for loss related to writing put options is limited only by the aggregate strike price of the put option less the premium received.

(e) 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. 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 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.

(f) 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 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.

(g) Written options. When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the option written. If the option expires, the premium received is recorded as a realized gain. When a written call option is exercised, the difference between the premium received plus the option exercise price and the Fund's basis in the underlying security (in the case of a covered written call option), or the cost to purchase the underlying security (in the case of an uncovered written call option), including brokerage commission, is recognized as a realized gain or loss. When a written put option is exercised, the amount of the premium received is subtracted from the cost of the security purchased by the Fund from the exercise of the written put option to form the Fund's basis in the underlying security purchased. The writer or buyer of an option traded on an exchange can liquidate the position before the exercise of the option by entering into a closing transaction. The cost of a closing transaction is deducted from the original premium received resulting in a realized gain or loss to the Fund.

The risk in writing a covered call option is that the Fund may forego the opportunity of profit if the market price of the underlying security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the underlying security decreases and the option is exercised. The risk in writing an uncovered call option is that the Fund is exposed to the risk of loss if the market price of the underlying security increases. 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.

(h) 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.

Forward foreign currency contracts involve elements of market risk in excess of the amounts reflected on the 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.

(i) 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 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 Schedule of Investments and restricted cash, if any, is identified on the Statement of Assets and Liabilities. Risks may exceed amounts recorded in the 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 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 Statement of Operations. Net periodic payments received or paid by the Fund are recognized as a realized gain or loss in the 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 December 31, 2015, the Fund did not hold any credit default swaps to sell protection.

For average notional amounts of swaps held during the year ended December 31, 2015, see Note 4.

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 Notes to Financial Statements 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 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.

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 and the change, if any, is recorded as an unrealized gain or loss in the 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 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.

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.

(j) Swaptions. The Fund purchases or writes swaptions to manage exposure to fluctuations in interest rates or to enhance yield. The Fund may also purchase and write swaption contracts to manage exposure to an underlying instrument. Swaption contracts written by the Fund represent an option that gives the purchaser the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date. Swaption contracts purchased by the Fund represent an option that gives the Fund the right, but not the obligation, to enter into a previously agreed upon swap contract at a future date.

When the Fund writes a swaption, an amount equal to the premium received by the Fund is recorded as a liability, the value of which is marked-to-market daily to reflect the current market value of the swaption written. If the swaption expires, the Fund realizes a gain equal to the amount of the premium received.

When the Fund purchases a swaption, an amount equal to the premium paid by the Fund is recorded as an investment on the Statement of Assets and Liabilities, the value of which is marked-to-market daily to reflect the current market value of the swaption purchased. If the swaption expires, the Fund realizes a loss equal to the amount of the premium paid.

Swaptions are marked-to-market daily based upon quotations from market makers. Changes in the value of the swaption are reported as unrealized gains or losses in the Statement of Operations.

(k) 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 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.

(l) 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.

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.

(m) 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 prepayments) 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.

(n) 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 Statement of Changes in Net Assets and additional information on cash receipts and cash payments are presented in the Statement of Cash Flows.

(o) 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.

(p) 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.

(q) 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.

The Fund has entered into master agreements with certain of its derivative counterparties that provide for general obligations, representations, agreements, collateral, events 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.

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 Statement of Assets and Liabilities. Securities pledged as collateral, if any, for the same purpose are noted in the Schedule of Investments.

Absent an event of default by the counterparty or a termination of the agreement, the terms of the master agreements do not result in an offset of reported amounts of financial assets and financial liabilities in the 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.

As of December 31, 2015, the Fund held written options, forward foreign currency contracts and OTC total return swaps with credit related contingent features which had a liability position of $1,576,364. 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 December 31, 2015, the Fund had posted with its counterparties cash and/or securities as collateral to cover the net liability of these derivatives amounting to $841,727, which could be used to reduce the required payment.

(r) Security transactions and investment income. Security transactions are accounted for on a trade date basis. Interest income, 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. 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.

(s) 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 2015 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.

(t) 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.

(u) 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 December 31, 2015, 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.

(v) 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 values per share. During the current year, the following reclassifications have been made:

	Overdistributed Net Investment Income	Accumulated Net Realized Loss	Paid-in Capital
(a)	$ 8,035,966	—	$(8,035,966)
(b)	(8,067,963)	$8,067,963	—

[a] Reclassifications are due to a tax net operating loss.

[b] Reclassifications are due to 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 certain 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 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.

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 December 31, 2015, 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	$111,849,261	$228,526,766
Sales	157,160,825	121,886,404

At December 31, 2015, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were as follows:

Gross unrealized appreciation	$ 1,526,063
Gross unrealized depreciation	(12,664,365)
Net unrealized depreciation	**$(11,138,302)**

Transactions in reverse repurchase agreements for the Fund during the year ended December 31, 2015 were as follows:

Average Daily Balance*	Weighted Average Interest Rate*	Maximum Amount Outstanding
$156,883,218	0.31%	$170,139,250

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

Interest rates on reverse repurchase agreements ranged from 0.18% to 0.55% during the year ended December 31, 2015. Interest expense incurred on reverse repurchase agreements totaled $480,763.

At December 31, 2015, 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
Morgan Stanley	0.42%	10/15/2015	1/14/2016	$ 17,793,750	U.S. Treasury inflation protected securities Cash	$ 18,156,888 167,381
Morgan Stanley	0.42%	10/15/2015	2/17/2016	41,345,000	U.S. Treasury inflation protected securities Cash	42,188,776 388,922
Morgan Stanley	0.55%	11/18/2015	2/17/2016	96,494,375	U.S. Treasury inflation protected securities Cash	97,833,457 907,697
				$155,633,125		**$159,643,121**

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

During the year ended December 31, 2015, written option transactions for the Fund were as follows:

	Number of Contracts/ Notional Amount	Premiums
Written options, outstanding as of December 31, 2014	—	—
Options written	255,064,317	$ 12,300,680
Options closed	(19,230,646)	(11,134,743)
Options exercised	(111)	(16,983)
Options expired	(235,833,197)	(940,977)
Written options, outstanding as of December 31, 2015	**363**	**$ 207,977**

Notes to financial statements (cont'd)

At December 31, 2015, the Fund had the following open futures contracts:

	Number of Contracts	Expiration Date	Basis Value	Market Value	Unrealized Appreciation (Depreciation)
Contracts to Buy:					
90-Day Eurodollar	1,367	12/17	$335,512,388	$335,683,938	$171,550
U.S. Treasury 5-Year Notes	208	3/16	24,695,926	24,610,625	(85,301)
U.S. Treasury 10-Year Notes	350	3/16	44,197,497	44,067,188	(130,309)
					(44,060)
Contracts to Sell:					
90-Day Eurodollar	1,077	12/16	266,151,537	265,938,225	213,312
90-Day Eurodollar	1,429	12/18	349,300,788	349,712,025	(411,237)
Euro-Bund	108	3/16	18,817,944	18,534,909	283,035
U.S. Treasury Long-Term Bonds	71	3/16	10,937,519	10,916,250	21,269
					106,379
Net unrealized appreciation on open futures contracts					**$ 62,319**

At December 31, 2015, the Fund had the following open forward foreign currency contracts:

Currency Purchased		Currency Sold		Counterparty	Settlement Date	Unrealized Appreciation (Depreciation)
MXN	35,300,000	USD	2,100,440	Bank of America N.A.	1/19/16	$ (54,311)
USD	2,112,760	MXN	35,300,000	Bank of America N.A.	1/19/16	66,631
MXN	10,958,667	USD	652,127	Barclays Bank PLC	1/19/16	(16,919)
USD	1,311,278	MXN	21,958,667	Barclays Bank PLC	1/19/16	38,466
MXN	67,000,000	USD	3,985,853	Citibank, N.A.	1/19/16	(102,264)
USD	364,439	CAD	473,818	Citibank, N.A.	1/19/16	22,002
USD	15,261,543	GBP	9,900,000	Citibank, N.A.	1/19/16	666,377
USD	6,474,091	ILS	24,900,000	Citibank, N.A.	1/19/16	73,529
USD	4,015,102	MXN	67,000,000	Citibank, N.A.	1/19/16	131,513
USD	7,551,709	NZD	11,455,000	Bank of America N.A.	2/16/16	(262,999)
GBP	9,700,000	USD	14,690,165	Citibank, N.A.	2/16/16	(389,095)
USD	3,679,790	AUD	5,169,000	Citibank, N.A.	2/16/16	(79,066)
USD	1,090,088	EUR	995,569	Credit Suisse First Boston Inc.	2/16/16	7,030
Total						**$ 100,894**

Abbreviations used in this table:

AUD — Australian Dollar
CAD — Canadian Dollar
EUR — Euro
GBP — British Pound
ILS — Israeli Shekel
MXN — Mexican Peso
NZD — New Zealand Dollar
USD — United States Dollar

At December 31, 2015, the Fund had the following open swap contracts:

OTC TOTAL RETURN SWAPS

Swap Counterparty	Notional Amount	Termination Date	Periodic Payments Made by the Fund†	Periodic Payments Received by the Fund‡	Upfront Premiums Paid (Received)	Unrealized Depreciation
Barclays Capital Inc.	$32,060,000	1/27/20	1.925%*	CPURNSA*	—	$(232,727)
Barclays Capital Inc.	32,060,000	1/28/20	1.955%*	CPURNSA*	—	(228,983)
Total	**$64,120,000**				**—**	**$(461,710)**

† Percentage shown is an annual percentage rate.

‡ Periodic payments made/received by the Fund are based on the total return of the referenced entity.

* One time payment at termination date.

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 Statement of Assets and Liabilities at December 31, 2015.

ASSET DERIVATIVES[1]

	Interest Rate Risk	Foreign Exchange Risk	Total
Futures contracts[2]	$689,166	—	$ 689,166
Forward foreign currency contracts	—	$1,005,548	1,005,548
Total	**$689,166**	**$1,005,548**	**$1,694,714**

LIABILITY DERIVATIVES[1]

	Interest Rate Risk	Foreign Exchange Risk	Total
Written options	$ 210,000	—	$ 210,000
Futures contracts[2]	626,847	—	626,847
OTC swap contracts[3]	461,710		461,710
Forward foreign currency contracts	—	$904,654	904,654
Total	**$1,298,557**	**$904,654**	**$2,203,211**

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

3 Values include premiums paid (received) on swap contracts which are shown separately in the Statement of Assets and Liabilities.

The following tables provide information about the effect of derivatives and hedging activities on the Fund's Statement of Operations for the year ended December 31, 2015. 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	Total
Purchased options[1]	$(3,231,737)	—	$(195,974)	$(3,427,711)
Written options	6,829,415	—	169,240	6,998,655
Futures contracts	(4,478,595)	—	—	(4,478,595)
Swap contracts	(1,596,297)	—	—	(1,596,297)
Forward foreign currency contracts[2]	—	$9,041,806	—	9,041,806
Total	**$(2,477,214)**	**$9,041,806**	**$ (26,734)**	**$ 6,537,858**

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

[2] Net realized gain (loss) from forward foreign currency contracts is reported in net realized gain (loss) from foreign currency transactions in the Statement of Operations.

CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON DERIVATIVES RECOGNIZED

	Interest Rate Risk	Foreign Exchange Risk	Total
Purchased options[1]	$ 343,667	—	$ 343,667
Written options	(2,023)	—	(2,023)
Futures contracts	(324,272)	—	(324,272)
Swap contracts	(18,327)	—	(18,327)
Forward foreign currency contracts[2]	—	$(2,414,595)	(2,414,595)
Total	**$ (955)**	**$(2,414,595)**	**$(2,415,550)**

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

[2] The change in unrealized appreciation (depreciation) from forward foreign currency contracts is reported in the change in net unrealized appreciation (depreciation) from foreign currencies in the Statement of Operations.

During the year ended December 31, 2015, the volume of derivative activity for the Fund was as follows:

	Average Market Value
Purchased options†	$ 157,385
Written options	325,794
Futures contracts (to buy)	331,972,427
Futures contracts (to sell)	492,412,949
Forward foreign currency contracts (to buy)	26,333,407
Forward foreign currency contracts (to sell)	72,039,718

	Average Notional Balance
Interest rate swap contracts†	$ 4,071,231
Total return swap contracts	71,798,154

† At December 31, 2015, there were no open positions held in this derivative.

The following table presents by financial instrument, the Fund's derivative assets net of the related collateral received by the Fund at December 31, 2015:

	Gross Amount of Derivative Assets in the Statement of Assets and Liabilities[1]	Collateral Received	Net Amount
Futures contracts[2]	$ 301,345	—	$ 301,345
Forward foreign currency contracts	1,005,548	—	1,005,548
Total	**$1,306,893**	**—**	**$1,306,893**

The following table presents by financial instrument, the Fund's derivative liabilities net of the related collateral pledged by the Fund at December 31, 2015:

	Gross Amount of Derivative Liabilities in the Statement of Assets and Liabilities[1]	Collateral Pledged[3,4]	Net Amount
Written options	$ 210,000	$(210,000)	—
OTC swap contracts	461,710	(461,710)	—
Forward foreign currency contracts	904,654	—	$904,654
Total	**$1,576,364**	**$(671,710)**	**$904,654**

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

2 Amount represents the current day's variation margin as reported in the Statement of Assets and Liabilities. It differs from the cumulative appreciation (depreciation) presented in the previous table.

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

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

5. Distributions subsequent to December 31, 2015

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
1/15/2016	1/29/2016	$0.032
2/12/2016	2/29/2016	$0.032

6. Recent accounting pronouncement

The Fund has adopted the disclosure provisions of Financial Accounting Standards Board Accounting Standards Update No. 2014-11 ("ASU No. 2014-11"), *Transfers and Servicing (Topic 860) Repurchase-to-Maturity Transactions, Repurchase Financings and Disclosures.* ASU No. 2014-11 is intended to provide increased transparency about the types of collateral pledged in repurchase agreements and similar transactions that are accounted for as secured borrowings.

Notes to financial statements (cont'd)

7. Income tax information and distributions to shareholders

The tax character of distributions paid during the fiscal years ended December 31, was as follows:

	2015	2014
Distributions paid from:		
Ordinary income	$ 2,573,372	$10,340,821
Net long-term capital gains	—	1,786,752
Total taxable distributions	$ 2,573,372	$12,127,573
Tax return of capital	7,688,421	—
Total distributions paid	**$10,261,793**	**$12,127,573**

As of December 31, 2015, the components of accumulated earnings (losses) on a tax basis were as follows:

Deferred capital losses*	$ (8,924,829)
Other book/tax temporary differences[a]	(1,030,558)
Unrealized appreciation (depreciation)[b]	(11,433,176)
Total accumulated earnings (losses) — net	**$(21,388,563)**

* 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 options, futures and foreign currency contracts, book/tax differences in the accrual of interest income on securities in default 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 and book/tax differences in the accrual of income on Treasury Inflation Protected securities.

Report of independent registered public accounting firm

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

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets, and of cash flows and the financial highlights present fairly, in all material respects, the financial position of the Western Asset/Claymore Inflation-Linked Securities & Income Fund (the "Fund") at December 31, 2015, the results of its operations, the changes in its net assets, its cash flows and the financial highlights for each of the periods presented, 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 at December 31, 2015 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Baltimore, Maryland
February 22, 2016

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 21, 2015. At a meeting held on November 20, 2015, 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 Broadridge and counsel to the Independent Trustees; reviewed performance and expense information for peer groups of comparable funds selected and prepared by Broadridge, 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 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. The Trustees noted that the Fund had met its primary objective of providing current income to shareholders, and that the performance of the Fund was approximately equal to its peer average for the three-year period and was lower than its peer average performance for the one-, five- and ten-year periods ended August 31, 2015. 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 the Fund's total expense ratio and the management fee paid to Western Asset were each below the average of the fees paid by funds in its Lipper peer group. The Trustees noted that the management fee paid by the Fund was higher than the fees paid by clients of Western Asset for accounts with similar investment strategies, but that the administrative and operational responsibilities for 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

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

and it would be unlikely that the Advisers would realize economies of scale from the Fund's growth. The Trustees further noted that, as the Advisers' profitability was consistent with levels of profitability that had been determined by courts not to be excessive, any economies of scale that may currently exist were being appropriately shared with shareholders.

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 2016; 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 2017; served since August 2003
Principal occupations during the past 5 years	Partner of Nyberg & Cassioppi, LLC, a law firm specializing in corporate law, estate planning and business transactions (2000-present); Formerly, Executive Vice President, General Counsel and Corporate Secretary of Van Kampen Investments (1982-1999).
Number of portfolios in fund complex overseen by Trustee[1]	108
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]	105
Other directorships held by Trustee	Bennett Group of Funds (2011-2013)

Information about Trustees and Officers

Interested Trustee[5]

Jane Trust

Year of birth	1958
Position(s) held with Fund	Trustee and President[5]
Term of office and length of time served	Term expires 2018; served since April 2015
Principal occupations during the past 5 years	Managing Director of Legg Mason & Co., LLC ("Legg Mason & Co.") (since 2015); Officer and/or Trustee/ Director of 160 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); formerly, Director of ClearBridge, LLC (formerly, Legg Mason Capital Management, LLC) (2007 to 2014); formerly, Managing Director of Legg Mason Investment Counsel & Trust Co. (2000 to 2007)
Number of portfolios in fund complex overseen by Trustee[1]	151
Other directorships held by Trustee	None

Officers[6]

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

Officers[5] cont'd

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

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	Assistant 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 Guggenheim Enhanced Equity Strategy Fund, Managed Duration Investment Grade Municipal Fund, Fiduciary/Claymore MLP Opportunity Fund, Guggenheim Enhanced Equity Income Fund, Guggenheim Strategic Opportunities Fund, Guggenheim Equal Weight Enhanced Equity Income Fund, Guggenheim Credit Allocation Fund and Guggenheim Build America Bonds Managed Duration Trust, each of which is a closed-end management investment company, Claymore Exchange-Traded Fund Trust (consisting of 30 separate portfolios) and Claymore Exchange-Traded Fund Trust 2 (consisting of 11 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 Ms. Trust is an "interested person" (as defined above) of the Fund 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.

6 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.

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 American Stock Transfer & Trust Company LLC ("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 American Stock Transfer & Trust Company LLC, 6201 15th Avenue, Brooklyn, NY 11219. Investor Relations telephone number 1-888-888-0151.

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 December 31, 2015:

Record date:	Monthly	4/15/2015	Monthly
Payable date:	February 2015- March 2015	4/30/2015	May 2015- December 2015
Ordinary income:			
Qualified dividend income for individuals	3.18%	—	—
Dividends qualifying for the dividends received deduction for corporations	3.18%	—	—
Interest from Federal Obligations	32.15%	—	—
Qualified short-term capital gain dividend*	1.89%	—	—
Tax return of capital	—	24.15%	100.00%

* Represents the ordinary income distribution that is eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations.

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

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

American Stock Transfer & Trust Company LLC
6201 15th Avenue
Brooklyn, NY 11219

* Effective April 1, 2015, Ms. Trust became a Trustee and President.

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.

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 from the Fund, 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.

American Stock Transfer & Trust Company
6201 15th Avenue
Brooklyn, NY 11219

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