FIDUCIARY/CLAYMORE MLP OPPORTUNITY FUND
Form N-CSR
February 05, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21652

Fiduciary/Claymore MLP Opportunity Fund

(Exact name of registrant as specified in charter)

2455 Corporate West Drive, Lisle, IL 60532

(Address of principal executive offices) (Zip code)

J. Thomas Futrell

2455 Corporate West Drive, Lisle, IL 60532

(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 505-3700

Date of fiscal year end: November 30

Date of reporting period: November 30, 2009

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. Section 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

The registrant's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "Investment

Company Act"), is as follows:

ANNUAL REPORT
November 30, 2009

FIDUCIARY/CLAYMORE
MLP OPPORTUNITY FUND | FMO

artwork: pipeline

artwork: FAMCO
Fiduciary Asset Management

artwork: CLAYMORE(R)

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FMO | Fiduciary
LISTED | Claymore
NYSE | MLP Opportunity
Fund

[LOGO OF FAMCO]
FIDUCIARY ASSET MANAGEMENT

[LOGO OF CLAYMORE]
CLAYMORE(R)

There can be no assurance the fund will achive its investment objective. The value of the fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

NOT FDIC-INSURED | NOT BANK-GUARANTEED | MAY LOSE VALUE

The shareholder report you are reading right now is just the beginning of the story. Online at WWW.CLAYMORE.COM/FMO, you will find:

- Daily, weekly and monthly data on share prices, distributions, dividends and more
- Portfolio overviews and performance analyses
- Announcements, press releases and special notices
- Fund and adviser contact information

Fiduciary Asset Management and Claymore are constantly updating and expanding shareholder information services on the Fund's website, in an ongoing effort to provide you with the most current information about how your Fund's assets are managed, and the results of our efforts. It is just one more small way we are working to keep you better informed about your investment in the Fund.

FMO | Fiduciary/Claymore MLP Opportunity Fund

Dear SHAREHOLDER |

We thank you for your investment in the Fiduciary/Claymore MLP Opportunity Fund (the "Fund"). This report covers the Fund's performance for the fiscal year ended November 30, 2009.

The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. Fiduciary Asset Management, LLC ("FAMCO"), the Fund's sub-adviser, seeks to achieve that objective by investing at least 80% of the Fund's managed assets in master limited partnership ("MLP") entities, which can provide shareholders with attractive tax-deferred income.

FAMCO manages a wide range of institutional products and is one of the leading managers of hedged equity investments. As of November 30, 2009, FAMCO managed and supervised approximately $14.9 billion in assets.

On October 15, 2009, Guggenheim Partners, LLC, a global diversified financial services firm, and Claymore Group Inc. ("Claymore"), the parent company of the Fund's adviser, announced the completion of a previously announced merger. The closing of the transaction took place on October 14, 2009 (the "Effective Date"). As a result of the transaction, Claymore and its associated entities, including Claymore Securities, Inc., Claymore Advisors, LLC (the Fund's adviser) and Claymore Investments, Inc. (in Canada), are now indirect wholly-owned subsidiaries of Guggenheim Partners.

Under the Investment Company Act of 1940, as amended, (the "1940 Act"), the consummation of this transaction resulted in the automatic termination of the Advisory & Sub-Advisory Agreements. Accordingly, on September 23, 2009, the Board of Trustees approved an interim investment advisory agreement between the Fund and the Adviser (the "Interim Advisory Agreement") and an interim investment sub-advisory agreement among the Fund, the Adviser and FAMCO (the "Interim Sub-Advisory Agreement" and together with the Interim Advisory Agreement, the "Interim Agreements"). The Interim Agreements took effect as of the Effective Date and will terminate upon the earlier of: (a) 150 calendar days after the Effective Date or (b) the approval of a new investment advisory agreement and a new investment sub-advisory agreement by the shareholders of the Fund. In addition, the advisory fees earned by the Adviser pursuant to the Interim Advisory Agreement and the sub-advisory fees earned by FAMCO pursuant to the Interim Sub-Advisory Agreement will be held in an interest-bearing escrow account with the Fund's custodian during the term of the Interim Agreements. If the Fund's shareholders approve a new advisory agreement with the Adviser prior to the expiration of the term of the Interim Advisory Agreement, the amount in the escrow account (including any interest earned) with respect to the Fund shall be paid to the Adviser. If the Fund's shareholders approve a new sub-advisory agreement with FAMCO prior to the expiration of the term of the Interim Sub-Advisory Agreement, the amount in the escrow account (including any interest earned) with respect to the Fund shall be paid to FAMCO. If the Fund's shareholders do not approve a new advisory agreement with the Adviser, or a new sub-advisory agreement with FAMCO, prior to the expiration of the term of the Interim Agreements, the Adviser or FAMCO, as applicable, shall be paid, out of the escrow account with respect to the Fund, the lesser of (i) the Adviser's or FAMCO's costs incurred in providing the services under the Interim Agreements (including any interest earned on that amount while in escrow) with respect to the Fund; or (ii) the total amount in the escrow account (including any interest earned) with respect to the Fund. Other than the effective dates and the provisions set forth above regarding the advisory and sub-advisory fees' placement into an escrow account, the terms and conditions of the Interim Agreements are substantively identical to those of the original Advisory Agreement and Sub-Advisory Agreement.

On September 23, 2009, the Board of Trustees approved a new investment advisory agreement between the Fund and the Adviser (the "New Advisory Agreement") and a new investment sub-advisory agreement among the Fund, the Adviser and FAMCO (the "New Sub-Advisory Agreement" and together with the New Advisory Agreement, the "New Agreements") and recommended that the New Agreements be submitted to the shareholders

of the Fund for their approval. The New Agreements will take effect with respect to the Fund upon their approval by the shareholders of the Fund and will have an initial term of one year. Thereafter, the New Agreements will continue in effect only if their continuance is approved by the Board of Trustees. Other than effective dates, there are no material differences between the terms of the New Agreements and those of the original Advisory Agreement and Sub-Advisory Agreement.

All Fund returns cited--whether based on net asset value ("NAV") or market price--assume the reinvestment of all distributions. For the 12-month period ending November 30, 2009, the Fund provided a total return based on market price of 57.32% and a return of 38.03% based on NAV. As of November 30, 2009, the Fund's last closing market price of $16.24 represented a premium of 8.27% to the Fund's NAV of $15.00. Past performance is not a guarantee of future results. The market value of the Fund's shares fluctuates from time to time, and it may be higher or lower than the Fund's NAV.

The Fund paid quarterly distributions of $0.37185 per share on January 30, 2009, and April 30, 2009, and distributions of $0.335 on July 31, 2009, and October 30, 2009.

Under the Fund's Automatic Dividend Reinvestment Plan (the "Plan"), a shareholder whose Common Shares are registered in his or her own name will have all distributions reinvested automatically unless the shareholder elects to receive cash. Distributions with respect to Common Shares registered in the name of a broker-dealer or other nominee (that is, in "street name") will be reinvested by the broker or nominee in additional Common Shares under the Plan, unless the service is not provided by the broker or nominee or the shareholder elects to receive distributions in cash. The Plan is described in detail on page 27 of the Fund's annual report. When shares trade at a discount to NAV, the Plan takes advantage of the discount by reinvesting the quarterly 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 Plan 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 Plan provides a cost-effective means to accumulate additional shares and enjoy the benefits of compounding returns over time.

On October 15, 2009, a prospectus became effective for the offering of additional shares of the Fund. This offering allows for the issuance of up to an additional $125 million of common shares. The Fund intends to invest the net proceeds from the offering in accordance with its investment objective and policies. The Fund hopes to recognize economies of scale from a larger asset base resulting from the offering of additional shares.

To learn more about the Fund's performance and investment strategy, we encourage you to read the Questions & Answers section of the report, which begins on page 5. You'll find information on FAMCO's investment philosophy, its views on the economy and market environment, and detailed information about the factors that impacted the Fund's 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.claymore.com/fmo.

Sincerely,

/s/ J. Thomas Futrell

J. Thomas Futrell
Chief Executive Officer
Fiduciary/Claymore MLP Opportunity Fund

QUESTIONS & ANSWERS |

The Fiduciary/Claymore MLP Opportunity Fund (the "Fund") is managed by Fiduciary Asset Management, LLC ("FAMCO"). In the following interview, Portfolio Managers James J. Cunnane, Jr., CFA, and Quinn T. Kiley discuss the Fund's performance for the fiscal year ended November 30, 2009.

PLEASE REMIND US OF THIS FUND'S OBJECTIVE AND INVESTMENT STRATEGY.

The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The total return sought by the Fund includes appreciation in the net asset value ("NAV") of the Fund's common shares and all distributions made by the Fund to its common shareholders, regardless of the tax characterization of such distributions. The Fund has been structured to seek to provide an efficient vehicle through which its shareholders may invest in a portfolio of primarily publicly traded securities of master limited partnerships ("MLPs") and related entities. MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund believes that as a result of the tax characterization of cash distributions made by MLPs to their investors, in a typical year a significant portion of the Fund's income will be tax-deferred, which may allow distributions by the Fund to its shareholders to include high levels of tax deferred income.

Under normal market conditions, at least 80% of the Fund's managed assets are invested in MLP entities, and at least 65% of managed assets in equity securities of MLP entities. It is anticipated that a substantial portion of the MLP entities in which the Fund invests will be engaged primarily in the energy, natural resources and real estate sectors of the economy. MLP entities include affiliates of MLPs that own general partner interests or, in some cases, subordinated units, registered or unregistered common units, or other limited partner units in an MLP. The Fund may also invest in common stock of large capitalization companies, including companies engaged primarily in the aforementioned sectors. FAMCO may employ an option strategy of writing (selling) covered call options on securities, which may include MLPs held in the Fund's portfolio, in order to generate current income and gains. Up to 40% of the Fund's managed assets may be invested in unregistered or otherwise restricted securities, which may consist of equity securities of MLP entities and other securities of public and non-public companies, but no more than 20% of its managed assets will be invested in restricted securities issued by non-public companies. The Fund may invest a total of up to 25% of its managed assets in debt securities of MLP entities and non-MLP entity issuers, including securities rated below investment grade.

HOW WOULD YOU DESCRIBE THE MASTER LIMITED PARTNERSHIP MARKET OVER THE LAST 12 MONTHS?

At the time of the Fund's last annual report, dated November 30, 2008, conditions in the MLP market were extremely challenging. Capital markets were essentially frozen, and that made it extremely difficult for MLPs to obtain new capital. Because MLPs pay out most of their cash each year as distributions to shareholders, they need to be able to tap the capital markets on a continuing basis to finance growth. With the ability to issue new equity or obtain new debt almost non-existent, balance sheets of many MLP entities deteriorated and prospects for near-term growth in earnings and distributions were dim.

Liquidity conditions in the MLP market improved dramatically in the first calendar quarter of 2009, as forced selling by investors in need of reducing leverage abated, and there was consistent further improvement in the MLP market as the year progressed. At the end of November 2009, the market is still not as robust as it was a year and a half ago, before the financial crisis began, but it is much better than in the early months of the Fund's fiscal year. In recent months, MLPs have successfully completed a number of equity and debt offerings, and the tone of the market for these offerings has improved. Early in 2009, only the strongest MLPs were able to raise equity, and most offerings had difficulty attracting investors. More recently, some of the smaller entities have been able to refinance, and the stronger MLPs have seen their cost of debt financing drop substantially.

Using the Alerian MLP Index(1) (the "Index") as a benchmark for the industry, the total return for the 12-month period ended November 30, 2009, was 59.37% ..This unusually high return made MLPs one of the best performing asset classes over the period. Some of the names that had the highest returns over the last year were in the riskier sectors, but even MLPs in lower risk sectors, such as long-haul federally regulated natural gas pipelines had returns in the 50% range for the 12 months ended November 30, 2009.

A year ago, market prices of MLPs indicated that the market was assigning an extremely high degree of risk to the entire category, with little differentiation among the high quality, stable entities and the weaker players. Every MLP seemed to be priced as if it were a very risky investment. As the market has recovered,

(1) The Alerian MLP Index measures the composite performance of the 50 most prominent energy MLPs, and is calculated by Standard & Poor's using a float-adjusted, capitalization-weighted methodology. An index is unmanaged, reflects no expenses and it is not possible to invest directly in an index.

there has been increased differentiation between the MLPs that involve more risk and those with less risk, which FAMCO considers appropriate.

HOW DID THE FUND PERFORM IN THIS MARKET ENVIRONMENT?

All Fund returns cited--whether based on NAV or market price--assume the reinvestment of all distributions. For the fiscal year ended November 30, 2009, the Fund provided a total return based on market price of 57.32% and a return of 38.03% based on NAV. Past performance is not a guarantee of future results.

The market value of the shares of closed-end funds fluctuates from time to time, and a fund's market value may be higher or lower than its net asset value. The closing price of the Fund's shares as of November 30, 2009, was $16.24, representing an 8.27% premium to the NAV of $15.00. On November 30, 2008, the Fund's market price closed at $11.42, which represented a discount of 5.54% to the NAV of $12.09. At its inception in December 2004, the Fund's NAV was $19.10.

It is important to remember that the Fund is a taxable entity--meaning it recognizes either a deferred tax liability on realized and unrealized portfolio gains or a deferred tax benefit on realized and unrealized portfolio losses. This accounting treatment of the tax impact of gains and losses in the portfolio is intended to ensure the Fund's NAV reflects the net after-tax value of the Fund's portfolio. As of November 30, 2009, the Fund's NAV included a net deferred tax liability of $31.3 million, or $1.67 per share.

PLEASE TELL US ABOUT THE FUND'S DISTRIBUTIONS.

The Fund paid quarterly distributions of $0.37185 per share on January 30, 2009, and April 30, 2009, and distributions of $0.335 on July 31, 2009, and October 30, 2009.

PLEASE EXPLAIN THE MAJOR FACTORS THAT AFFECTED THE FUND'S PERFORMANCE.

FAMCO is pleased that the Fund's holdings had strongly positive returns for the fiscal year ended November 30, 2009, in line with the MLP asset class. The publicly-traded portion of the portfolio, on an unlevered basis, had a return of approximately 68% for the period, exceeding the 59% return of the Index. However, the Fund's NAV return for the period trailed the Index and FAMCO attributes this to three main drivers: 1) During the volatile markets of the fourth quarter of 2008 and the first quarter of 2009, the terms of the Fund's new credit facility required FAMCO to shift the portfolio away from smaller capitalized MLPs towards more liquid MLPs at an inopportune time; 2) The credit crisis took a significant toll on the Fund's private equity investments, which hurt performance; and 3) The Fund's NAV is calculated net of all current and future taxation, therefore its performance is not directly comparable to a pre-tax Index.

WHICH INVESTMENTS WERE MAJOR CONTRIBUTORS TO THE STRONG PERFORMANCE OF THE PUBLIC PORTION OF THE PORTFOLIO?

It is interesting to note that the gathering and processing and the upstream oil and gas producing sectors, which were the two worst performing sectors in the prior fiscal year, were the best performing sectors among MLPs, with many of these entities returning almost 100% for the 12 months ended November 30, 2009. Some of the Fund's investments in these sectors contributed importantly to performance, notably DCP Midstream Partners, LP (3.8% of the Fund's long-term investments as of November 30, 2009), which returned more than 250%. Also quite strong was EV Energy Partners, LP (2.4% of the Fund's long-term investments as of November 30, 2009), returning more than 130%. These dramatic swings are more indicative of how far some quality entities had fallen than of major fundamental changes; in fact, both DCP Midstream and EV Energy are still well below the peak prices reached in 2007. FAMCO maintained positions such as these in the portfolio during periods when they were very detrimental to performance because of confidence in their business models and in their long-term prospects, and this patience has been rewarded. The sharp recovery of these investments provides evidence of the market's extreme exaggeration of the risk of some of these solid entities during crisis period of 2008 and early 2009.

HOW IS THE FUND POSITIONED IN TERMS OF MARKET CAPITALIZATION AND INDUSTRY SECTORS?

This Fund's portfolio has generally had a slightly smaller capitalization than the Index or most competing funds. However, like most MLP funds, the Fund has a significant position in the largest MLPs because these positions are essential to maintaining the desired liquidity. Within the MLP asset class, there is a huge range of market capitalizations: the largest entities have market capitalizations in the $13 billion to $15 billion range, while market capitalizations of many smaller but still significant MLPs are $150 million to $200 million.

If you compare market capitalizations of the Fund's investments to those of the Alerian MLP Index by quintiles, the Fund has a much lower weight in the top two quintiles combined. The Fund also has a much higher weight in the Index in the two lowest quin-tiles, because FAMCO believes that there are many attractive opportunities in the smaller capitalization MLPs, many of which

have opportunities for rapid growth when conditions are favorable. This small cap exposure contributed significantly to performance during the 2009 fiscal year.

The Fund continues to be concentrated in the two largest sectors of the MLP market, which are midstream gas and midstream oil; these two sectors together represent more than 80% of the Index. As of November 30, 2009, midstream oil represented 36.0% of the Fund's long-term investments and midstream gas represented 46.4%, for a total of 82.4% of the Fund's long-term investments. The Fund is somewhat underweight relative to the Index in midstream oil and overweight in midstream gas. FAMCO favors midstream gas because of changing dynamics in the gas market domestically versus stable conditions for crude and refined products for midstream oil.

The natural gas overweight contributed to the Fund's performance for the 2009 fiscal year, especially higher risk names such as DCP Midstream Partners, LP and Copano Energy LLC (3.8% of the Fund's long-term investments as of November 30, 2009), which rallied significantly in the last few months of the fiscal year, when riskier investments tended to perform best. Also very important for performance were the Fund's positions in natural gas pipelines such as El Paso Pipeline Partners LP, TC PipeLines LP, and Boardwalk Pipeline Partners LP (3.1%, 2.5% and 4.6%, respectively, of the Fund's long-term investments as of November 30, 2009). These are some of the smaller to midcap names in the MLP world, but with high quality, lower risk businesses, they performed well throughout the year.

FAMCO finds the non-conventional shale plays around the U.S. particularly interesting; this has become the fastest growing part of the supply side of the gas market because they are generally in areas that have a lack of infrastructure to process the gas and bring it to market. That means there is a need for investment to build that infrastructure: MLPs are the major builders of gas infrastructure in the U.S. There has also been a demographic shift in demand. In the past, most natural gas demand was in the major population centers of the Midwest and Northeast, so the infrastructure was focused on moving natural gas from Louisiana and Texas to Chicago and New York. Now, population (and therefore demand) is growing in the southern states and on the West Coast. Shifting supply zones and shifting demand zones means a need for new infrastructure, creating growth opportunities for MLPs. The portfolio is therefore positioned for exposure to the changing demand/supply situation for natural gas, with diversification among multiple geographies and multiple fields.

In the first few months of 2009, FAMCO added some riskier investments, concentrating on those for which the main risk was changes in commodity prices, rather than risk inherent in the operations of a particular MLP. It is worth noting that FAMCO's definition of risk is somewhat different from the market's perception. The MLP market in general regards size and liquidity of the shares as a major element of quality; in contrast, FAMCO evaluates risk in terms of the strength of an MLP's businesses, its balance sheet, its geographic footprint, its growth outlook and its management team.

WHAT IS THE CURRENT OUTLOOK FOR THE MLP MARKET?

FAMCO believes that the long-term outlook for MLPs is positive, as they believe that an improving economy will stimulate energy demand, resulting in improving cash flow and earnings for energy-related MLPs. FAMCO believes that MLPs offer a combination of current yield and growth potential that provides greater stability, higher income and better long-term potential than other income-oriented investments such as bonds, utility stocks or real estate investment trusts. MLPs also have a reasonable level of growth potential and tax deferral features.

RISKS AND OTHER CONSIDERATIONS

The views expressed in this report reflect those of the portfolio manager and Claymore only through the report period as stated on the cover. These views are subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any kind. The material may also include forward looking statements that involve risk and uncertainty, and there is no guarantee that any predictions will come to pass. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

RISKS OF INVESTING IN MLP UNITS. An investment in MLP units involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in MLP units. Additionally, conflicts of interest may exist between common unit holders, subordinated unit holders and the general partner of an MLP; for example a conflict may arise as a result of incentive distribution payments.

TAX RISKS OF INVESTING IN EQUITY SECURITIES OF MLPS. There are certain tax risks associated with an investment in MLP units. Much of the benefit the Fund derives from its investment in equity securities of MLPs is a result of MLPs generally being treated as partnerships for U.S. federal income tax purposes. A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income taxation purposes would have the effect of reducing the amount of cash available for distribution by the MLP and causing any such distributions received by the Fund to be taxed as dividend income. Thus, if any of the MLPs owned by the Fund were treated as corporations for U.S. federal income tax purposes, the after-tax return to the Fund with respect to its investment in such MLPs would be materially reduced, which could cause a substantial decline in the value of the common shares.

Because of the Fund's concentration in MLPs, the Fund is not eligible to be treated as a "regulated investment company" under the Internal Revenue Code of 1986, as amended. Instead, the Fund will be treated as a regular corporation for US federal income tax purposes and as a result, unlike most investment companies, will be subject to corporate income tax to the extent the Fund recognizes taxable income. The Fund believes that as a result of the tax characterization of cash distributions made by MLPs, a significant portion of the Fund's income will be tax-deferred, which will allow distributions by the Fund to its shareholders to include high levels of tax-deferred income. However, there can be no assurance in this regard. If this expectation is not realized, the Fund will have a larger corporate income tax expense than expected, which will result in less cash available to distribute to shareholders.

EQUITY SECURITIES RISK. Equity risk is the risk that MLP units or other equity securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, changes in interest rates, and the particular circumstances and performance of particular companies whose securities the Fund holds. In addition, MLP units or other equity securities held by the Fund may decline in price if the issuer fails to make anticipated distributions or dividend payments because, among other reasons, the issuer experiences a decline in its financial condition.

CONCENTRATION RISK. Because the Fund will invest in MLP entities, a substantial portion of which are expected to be engaged primarily in the energy, natural resources and real estate sectors of the economy, such concentration may present more risks than if the Fund were broadly diversified over numerous industries and sectors of the economy.

RISKS ASSOCIATED WITH OPTIONS ON SECURITIES. There are several risks associated with transactions in options on securities. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option.

CASH FLOW RISK. The Fund expects that a substantial portion of the cash flow it receives will be derived from its investments in equity securities of MLP entities. The amount and tax characterization of cash available for distribution by an MLP entity depends upon the amount of cash generated by such entity's operations. Cash available for distribution by MLP entities will vary widely from quarter to quarter and is affected by various factors affecting the entity's operations. In addition to the risks described herein, operating costs, capital expenditures, acquisition costs, construction costs, exploration costs and borrowing costs may reduce the amount of cash that an MLP entity has available for distribution in a given period.

SMALL CAPITALIZATION RISK. The Fund may invest in securities of MLP entities and other issuers that have comparatively smaller capitalizations relative to issuers whose securities are included in major benchmark indices, which present unique investment risks.

RESTRICTED SECURITIES RISK. The Fund may invest in unregistered or otherwise restricted securities. The term "restricted securities" refers to securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on their resale. Restricted securities are often purchased at a discount from the market price of unrestricted securities of the same issuer reflecting the fact that such securities may not be readily marketable without some time delay. Such securities are often more difficult to value and the sale of such securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of liquid securities trading on national securities exchanges or in the over-the-counter markets. Contractual restrictions on the resale of securities result from negotiations between the issuer and purchaser of such securities and therefore vary substantially in length and scope. To dispose of a restricted security that the Fund has a contractual right to sell, the Fund may first be required to cause the security to be registered. A considerable period may elapse between a decision to sell the securities and the time when the Fund would be permitted to sell, during which time the Fund would bear market risks.

LOWER GRADE SECURITIES RISK. The Fund may invest in fixed-income securities rated below investment grade, which are commonly referred to as "junk bonds." Investment in securities of below-investment grade quality involves substantial risk of loss.

FOREIGN SECURITIES. Investing in securities of foreign companies (or foreign governments) may involve certain risks not typically associated with investing in domestic companies. The prices of foreign securities may be affected by factors not present with securities traded in the U.S. markets, including, political and economic conditions, less stringent regulation and higher volatility.

RISKS OF LEVERAGE. The Fund's use of leverage creates special risks that may adversely affect the return for the holders of common shares, including: greater volatility of the net asset value and market price of the Fund's common shares; fluctuations in the interest rates on forms of leverage; and the possibility that the increased costs associated with leverage, which would be borne entirely by holders of the Fund's common shares, may reduce the Fund's total return. Leverage is a speculative investment technique, and there can be no assurance that the Fund's potential leverage strategy will be successful. Because the fees received by Claymore Advisors, LLC and Fiduciary Asset Management, LLC are based on the managed assets of the Fund (including the proceeds of any leverage),the aforementioned firms have a financial incentive for the Fund to utilize leverage, which may create a conflict of interest between them and the common shareholders.

NON-DIVERSIFIED STATUS. The Fund may invest a greater portion of its assets in a more limited number of issuers than a diversified fund.

In addition to the risks described above, the Fund is also subject to: Affiliated Party Risk, Energy Sector Risks, Other Sector Risks, Liquidity Risk, Valuation Risk, Interest Rate Risk, Portfolio Turnover Risk, Derivatives Risk, Market Discount Risk, Other Investment Companies Risk, Royalty Trust Risk, Management Risk, and Current Developments Risk. Please see www.claymore.com/fmo for a more detailed discussion about Fund risks and considerations.

Fund SUMMARY | AS OF NOVEMBER 30, 2009 (unaudited)

FUND STATISTICS

Share Price	$16.24
Common Share Net Asset Value	$15.00
Premium/(Discount) to NAV	8.27%
Net Assets ($000)	$282,089

TOTAL RETURNS

(INCEPTION 12/28/04)	MARKET	NAV
One Year	57.32%	38.03%
Three Year (annualized)	-2.12%	-5.43%
Since Inception (annualized)	2.79%	2.07%

TOP SECTORS	% OF LONG-TERM INVESTMENTS
Midstream Gas Infrastructure	46.4%
Midstream Oil Infrastructure	36.0%
Propane	9.8%
Oil and Gas Production	4.3%
Coal	2.8%
Consumer Discretionary	0.7%

TOP TEN ISSUERS	% OF LONG-TERM INVESTMENTS
Enterprise Products Partners, L.P.	12.2%
Inergy Holdings, L.P.	9.1%
Kinder Morgan Management, L.L.C.	7.8%
Plains All American Pipeline, L.P.	7.4%
Energy Transfer Equity L.P.	7.4%
Enbridge Energy Partners, L.P.	6.5%
Magellan Midstream Partners, L.P.	6.0%
ONEOK Partners L.P.	5.3%
Boardwalk Pipeline Partners L.P.	4.6%
Copano Energy, L.L.C.	3.8%

Past performance does not guarantee future results. All portfolio data is subject to change daily. For more current information, please visit www.claymore.com/fmo. The above summaries are provided for informational purposes only and should not be viewed as recommendations.

SHARE PRICE & NAV PERFORMANCE

line chart:

	Share Price ($)	NAV ($)
11/30/07	22.66	23.11
	22.60	23.11
	22.35	23.11
	22.00	23.11
	22.44	22.58
	22.16	22.58
	21.99	22.58
	21.79	22.58
	21.58	22.58
	21.30	22.44
	21.58	22.44
	21.19	22.44
	21.08	22.44
	20.89	22.44
	20.59	22.14
	20.79	22.14
	20.33	22.14
	20.20	22.14
	20.18	23.17
	20.80	23.17
	20.88	23.11
	21.46	23.11
	22.37	23.17
	22.35	23.17
	22.17	23.17
	21.80	23.17
	22.25	23.17
	22.42	22.86
	22.18	22.86
	21.75	22.86
	21.92	22.86
	22.11	22.86
	22.11	21.99
	21.25	21.99
	19.75	21.99
	19.60	21.99
	20.26	21.60
	21.03	21.60
	21.45	21.60
	21.31	21.60
	22.00	21.60
	21.99	22.10
	22.50	22.10
	22.65	22.10
	22.23	22.10
	21.91	22.10
	21.59	22.03
	21.71	22.03
	21.84	22.03
	21.69	22.03
	21.94	22.03
	21.17	21.97
	20.79	21.97
	21.01	21.97
	21.22	21.97
	21.36	21.77
	21.48	21.77

21.44	21.77
21.71	21.77
22.25	21.77
22.19	22.19
22.09	21.99
22.06	21.99
22.13	21.99
22.09	21.99
21.80	21.57
21.35	21.57
20.70	21.57
20.82	21.57
20.93	21.57
20.73	20.80
20.34	20.80
19.80	20.80
20.54	20.80
20.50	20.80
20.60	19.83
20.89	19.83
20.92	19.83
21.02	19.83
20.90	20.54
20.91	20.54
20.96	20.57
21.24	20.57
22.04	21.04
21.89	21.13
22.16	21.13
22.33	21.13
22.24	21.13
21.90	21.13
22.20	21.33
21.75	21.33
21.15	21.33
21.43	21.33
21.47	21.33
21.23	21.18
21.20	21.18
21.25	21.18
21.19	21.18
21.24	21.18
21.34	21.36
21.74	21.36
21.65	21.36
21.26	21.36
21.57	21.60
22.10	21.54
22.90	21.54
22.20	21.54
21.91	21.54
22.17	21.54
22.21	21.96
22.18	21.96
22.64	21.96
22.32	21.96
22.54	21.96
22.42	21.90
22.26	21.90
22.60	21.90
22.64	21.90
22.38	21.90

22.27	21.88
22.40	21.88
22.47	21.88
22.59	21.88
22.52	21.73
22.70	21.90
22.84	21.90
22.65	21.90
22.68	21.90
23.20	21.99
23.26	21.99
22.89	21.99
22.68	21.99
22.72	21.99
22.95	21.61
23.00	21.61
22.61	21.61
22.26	21.61
22.15	21.61
22.50	21.41
22.35	21.41
22.02	21.41
21.50	21.41
21.42	21.41
20.93	21.03
20.64	21.03
20.67	20.71
20.26	20.71
20.60	20.71
20.60	20.32
21.10	20.32
20.32	20.32
20.51	20.32
20.73	20.22
20.07	20.22
19.71	20.22
19.14	20.22
18.88	20.22
19.25	18.88
19.58	18.88
19.95	18.88
20.43	18.88
20.32	18.88
20.30	18.99
19.85	18.99
20.42	18.99
20.15	18.99
20.79	18.99
21.00	19.79
21.26	19.79
21.00	19.79
20.54	19.79
20.04	19.79
20.33	19.14
20.68	19.14
20.51	19.14
20.02	19.14
19.94	19.14
19.88	19.44
19.63	19.44
20.00	19.44
20.96	19.44

21.35	19.44
20.81	19.57
20.62	19.57
20.70	19.57
20.71	19.57
21.35	19.57
21.41	19.87
21.14	19.83
20.89	19.83
20.83	19.83
20.52	19.28
20.24	19.28
20.01	19.28
19.76	19.28
19.80	19.28
19.65	17.75
19.60	17.75
18.67	17.75
17.54	17.75
15.90	17.75
16.07	15.99
18.12	15.99
18.03	15.99
18.01	15.99
17.86	15.99
18.25	17.40
18.05	17.40
17.28	17.40
18.53	16.35
18.50	16.35
17.50	15.81
17.85	15.81
15.20	15.81
15.11	15.81
14.89	15.81
13.27	10.50
10.83	10.50
14.45	10.50
14.00	10.50
12.62	10.50
12.09	12.66
13.16	12.66
14.98	12.66
15.83	12.66
15.00	12.66
15.20	14.33
16.90	14.33
15.85	14.33
16.72	14.33
16.74	14.33
16.25	14.84
16.24	14.90
15.55	14.90
15.15	14.90
14.54	14.90
14.90	13.82
14.65	13.82
14.16	13.82
14.21	13.82
12.63	13.82
13.12	12.61
12.50	12.61

	12.56	12.61
	12.00	12.61
	10.95	12.61
	10.15	10.77
	9.50	10.77
	11.00	10.77
	11.65	10.77
	11.60	11.81
11/30/08	11.42	12.09
	11.30	12.10
	10.85	12.10
	11.29	12.10
	10.69	11.37
	11.64	11.37
	11.78	11.37
	12.00	11.37
	12.50	11.37
	12.05	11.84
	11.88	11.84
	13.22	11.84
	13.12	11.84
	12.89	11.84
	12.52	11.40
	13.00	11.40
	12.60	11.40
	11.00	11.40
	11.15	10.92
	11.90	10.92
	11.59	10.92
	12.58	10.92
	12.42	11.47
	13.40	11.47
	14.30	11.47
	14.50	11.47
	13.41	11.47
	13.67	13.56
	14.74	13.56
	14.65	13.56
	13.90	13.56
	13.22	13.56
	13.27	11.60
	13.90	11.60
	13.15	11.60
	12.96	11.60
	12.07	11.67
	12.06	11.67
	12.78	11.67
	13.59	11.67
	14.50	11.67
	14.13	12.31
	14.14	12.22
	12.89	12.22
	12.49	12.22
	12.44	12.22
	12.84	12.31
	14.12	12.31
	14.59	12.31
	13.90	12.31
	13.92	12.31
	14.28	12.45
	14.47	12.45
	13.80	12.45

13.61	12.45
12.60	11.89
12.08	11.89
12.29	11.89
12.87	11.89
12.73	11.89
12.61	11.60
12.46	11.69
10.74	11.69
11.07	11.69
12.39	11.69
11.05	10.79
11.10	10.79
11.51	10.79
12.19	10.79
12.74	10.79
12.51	11.44
12.49	11.44
12.99	11.44
13.35	11.44
13.12	11.44
13.50	11.78
13.28	11.78
13.49	11.78
13.40	11.78
14.38	11.78
14.74	11.90
14.04	11.90
13.13	11.90
13.41	11.64
13.62	11.64
13.40	11.89
14.05	11.89
13.71	11.89
13.91	11.89
14.24	11.89
14.55	12.06
13.75	12.06
14.05	12.06
14.45	12.06
14.12	11.87
14.00	11.87
13.76	11.87
13.31	11.87
13.35	11.87
13.22	11.94
13.24	11.94
13.87	11.94
13.63	11.94
13.27	11.94
12.95	12.30
13.52	12.30
13.09	12.30
13.41	12.30
13.77	12.30
13.84	12.51
13.97	12.51
13.85	12.51
14.06	12.51
13.11	12.51
13.45	12.40
13.63	12.40

13.85	12.40
13.71	12.40
13.36	12.40
13.40	12.68
14.03	12.68
14.12	12.68
14.02	12.68
14.56	12.93
14.81	13.14
14.43	13.14
15.13	13.14
15.20	13.14
15.55	13.38
15.68	13.38
15.31	13.38
15.24	13.38
14.92	13.38
14.89	13.34
14.87	13.34
14.40	13.34
13.95	13.34
14.53	13.34
15.00	12.80
15.17	12.80
14.01	12.80
13.88	12.80
14.50	12.80
14.47	12.80
14.80	12.80
15.05	12.80
15.22	13.02
14.25	13.02
14.35	12.99
14.34	12.99
14.04	12.99
14.05	12.99
14.70	13.02
15.32	13.02
15.40	13.02
15.64	13.02
16.02	13.02
16.75	13.33
16.11	13.33
16.30	13.33
16.34	13.33
16.66	13.33
16.22	13.60
16.08	13.60
16.28	13.60
15.95	13.60
15.85	13.60
15.85	13.90
15.60	14.02
15.85	14.02
15.72	14.02
15.82	14.02
15.45	13.82
15.68	13.82
15.96	13.82
15.70	13.82
16.15	13.82
16.25	13.68

16.40	13.68
15.41	13.68
15.82	13.68
16.00	13.68
16.21	13.61
16.70	13.61
16.52	13.61
16.57	13.61
16.74	13.61
16.79	13.65
16.50	13.65
16.39	13.59
15.82	13.59
14.77	13.59
14.82	13.46
15.80	13.46
15.59	13.46
15.91	13.46
16.00	13.83
16.46	13.83
16.06	13.83
16.15	13.83
16.13	13.83
15.84	14.10
16.37	14.10
16.44	14.10
16.75	14.10
16.75	14.10
16.30	14.08
16.63	14.08
17.00	14.08
16.49	14.08
16.47	14.18
15.85	13.99
16.00	13.99
16.64	13.99
17.00	13.99
16.93	13.99
16.90	14.52
16.90	14.52
16.98	14.52
16.90	14.52
16.98	14.52
17.00	14.54
16.68	14.54
16.75	14.54
16.54	14.54
16.59	14.54
16.64	14.73
16.37	14.73
16.34	14.73
16.71	14.73
16.41	14.73
16.20	14.43
16.25	14.24
16.08	14.24
16.08	14.24
16.39	14.24
16.47	14.56
16.41	14.53
16.64	14.71
16.52	14.62

	16.35	14.64
	16.11	14.63
	16.13	14.73
	16.16	14.84
	16.00	14.86
	15.95	14.86
	15.65	14.79
	15.91	14.76
	16.05	14.82
	16.06	14.90
	16.25	15.06
	16.24	15.03
11/30/09	16.24	15.00

DISTRIBUTIONS TO SHAREHOLDERS

bar chart:

Jan 08	$0.36000
Apr 08	0.36500
Jul 08	0.37000
Oct 08	0.37185
Jan 09	0.37185
Apr 09	0.37185
Jul 09	0.33500
Oct 09	0.33500

Portfolio of INVESTMENTSlNOVEMBER 30, 2009

NUMBER OF SHARES		VALUE
	MASTER LIMITED PARTNERSHIPS AND MLP AFFILIATES - 145.3%	
	COAL - 4.0%	
156,800	Alliance Resource Partners L.P.	$ 6,126,176
217,270	Natural Resource Partners, L.P.	5,173,199
		11,299,375
	CONSUMER DISCRETIONARY - 1.0%	
162,680	StoneMor Partners, L.P. (a)	2,897,331
	MIDSTREAM GAS INFRASTRUCTURE - 68.3%	
673,082	Boardwalk Pipeline Partners L.P. (a)	19,001,105
598,692	Copano Energy, L.L.C. (a)	12,093,578
190,000	Copano Energy, L.L.C., Unregistered Series D Units (b) (c) (d)	3,748,208
627,095	DCP Midstream Partners, L.P. (a)	15,765,168
545,054	El Paso Pipeline Partners, L.P. (a)	12,917,780
558,050	Energy Transfer Equity L.P. (a)	16,462,475
329,237	Energy Transfer Partners, L.P. (a)	14,252,670
1,704,101	Enterprise Products Partners, L.P. (a)	50,765,169
117,585	Exterran Partners L.P.	2,272,918

248,301	Hiland Partners, L.P. (a)	2,443,282
377,035	ONEOK Partners L.P.	22,128,184
83,660	Spectra Energy Partners, L.P.	2,319,892
285,550	TC PipeLines L.P.	10,334,054
347,755	Western Gas Partners, L.P. (a)	6,760,357
46,200	Williams Partners, L.P.	1,300,530
		192,565,370
	MIDSTREAM OIL INFRASTRUCTURE - 53.0%	
543,902	Enbridge Energy Partners, L.P. (a)	26,808,929
278,685	Genesis Energy, L.P. (a)	4,810,103
235,825	Holly Energy Partners, L.P. (a)	8,654,777
644,755	Kinder Morgan Management, L.L.C. (a) (d) (e)	32,411,834
604,626	Magellan Midstream Partners, L.P. (a)	24,850,129
248,105	NuStar Energy L.P. (a)	13,013,107
607,851	Plains All American Pipeline, L.P. (a)	30,757,261
130,385	Sunoco Logistics Partners L.P. (a)	8,051,274
		149,357,414

NUMBER OF SHARES		VALUE
	OIL AND GAS PRODUCTION - 4.5%	
389,212	EV Energy Partners, L.P. (a)	$ 10,061,130
133,346	Pioneer Southwest Energy Partners, L.P. (a)	2,737,593
		12,798,723
	PROPANE - 14.5%	
127,055	Global Partners, L.P. (a)	2,984,522
517,600	Inergy Holdings, L.P. (a)	27,691,600
308,711	Inergy, L.P. (a)	10,205,986
		40,882,108
	TOTAL MASTER LIMITED PARTNERSHIPS AND MLP AFFILIATES (Cost $266,425,316)	409,800,321
	COMMON STOCKS - 1.8%	
	OIL AND GAS PRODUCTION - 1.8%	
363,512	Abraxas Petroleum Corp. (a) (d)	705,213
2,270,770	Abraxas Petroleum Corp. (b) (c) (d)	4,384,853
	(Cost $8,798,911)	5,090,066
	OTHER EQUITY SECURITIES - 0.0%	
	COAL - 0.0%	
1,145,621	Clearwater Natural Resources, L.P. (b) (c) (d) (f)	--
123	Clearwater GP Holding Co. (b) (c) (d) (f)	--
	(Cost $23,107,679)	--
	INCENTIVE DISTRIBUTION RIGHTS - 0.0%	
43	Clearwater Natural Resources, L.P. (b) (c) (d) (f) (Cost $0)	--

	WARRANTS - 0.0%	
114,230	Abraxas Petroleum Corp. (b) (c) (d)	47,340
9,499	Clearwater Natural Resources, L.P. (b) (c) (d) (f)	--
	(Cost $0)	47,340

PRINCIPAL AMOUNT		VALUE
	TERM LOANS - 0.2%	
$ 1,237,397	Clearwater Subordinate Note, 13.75%, 12/03/09, NR (b) (c) (d) (e) (f) (g) (Cost $1,237,397)	433,089
	LONG-TERM INVESTMENTS 147.3% (Cost $299,569,303)	415,370,816

See notes to financial statements.

NUMBER OF SHARES		VALUE
	SHORT TERM INVESTMENTS - 5.3%	
	MONEY MARKET FUND - 5.3%	
15,048,466	Dreyfus Treasury & Agency Cash Management - Investor Shares (Cost $15,048,466)	$ 15,048,466
	TOTAL INVESTMENTS - 152.6% (Cost $314,617,769)	430,419,282
	Borrowings Outstanding - (39.1% of Net Assets or 25.6% of Total Investments)	(110,262,708)
	Liabilities in excess of Other Assets - (13.5%)	(38,067,916)
	NET ASSETS - 100.0%	$ 282,088,658

L.L.C. Limited Liability Company

L.P. Limited Partnership

MLP Master Limited Partnership

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

(a) All or a portion of these securities have been physically segregated in connection with swap agreements or as collateral for borrowings outstanding. The total amount segregated is $273,666,842.

(b) Security is restricted and may be resold only in transactions exempt from registration, normally to qualified institutional buyers. At November 30, 2009, restricted securities aggregate market value amounted to $8,613,490 or 3.1% of net assets. See Note 10 to the Financial Statements for additional disclosure.

(c) Security is valued in accordance with Fair Valuation procedures established in good faith by the Board of Trustees. The total market value of such securities is $8,613,490 which represents 3.1% of net assets.

(d) Non-income producing security.

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

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

(g) Floating rate security. The rate shown is as of November 30, 2009.

See notes to financial statements.

Statement of ASSETS AND LIABILITIES | NOVEMBER 30, 2009

ASSETS	
Investments in securities, at value (cost $299,569,303)	$ 415,370,816
Short term investments (cost $15,048,466)	15,048,466
Total investments (cost $314,617,769)	430,419,282
Receivable for investments sold	849,648
Receivable for fund shares sold	569,482
Current tax receivable	39,173
Interest receivable	69
Other assets	10,786
Total assets	431,888,440
LIABILITIES	
Borrowings	110,262,708
Net deferred tax liability	31,384,550
Net unrealized depreciation on interest rate swaps	6,138,661
Payable for investments purchased	1,284,410
Advisory fee payable	314,299
Interest due on borrowings	188,592
Offering costs payable	26,651
Administration fee payable	7,545
Accrued expenses and other liabilities	192,366
Total liabilities	149,799,782
NET ASSETS	$ 282,088,658

COMPOSITION OF NET ASSETS

Common stock, $.01 par value per share; unlimited number of shares authorized,	
18,807,181 shares issued and outstanding	$ 188,072
Additional paid-in capital	240,948,673
Net unrealized appreciation on investments and swaps, net of tax	61,914,740
Accumulated net realized gain on investments and swaps, net of tax	6,443,424
Accumulated net investment loss, net of tax	(27,406,251)
NET ASSETS	$ 282,088,658
NET ASSET VALUE (based on 18,807,181 common shares outstanding)	$ 15.00

See notes to financial statements.

Statement of OPERATIONS | FOR THE YEAR ENDED NOVEMBER 30, 2009

INVESTMENT INCOME

Distributions from master limited partnerships

Less: Return of capital on distributions

Less: Reclassification of prior year income (see Note 2b in the Notes to Financial Statements)

Net distributions from master limited partnerships

Interest

Total investment income

EXPENSES

Advisory fee

Professional fees

Trustees' fees and expenses

Printing expense

Fund accounting

Administration fee

Custodian fee

Insurance

NYSE listing fee

Transfer agent fee

Miscellaneous

Interest expense and fees on borrowings

Total expenses

Advisory fees waived

Net expenses

NET INVESTMENT LOSS BEFORE TAXES

Deferred tax benefit

Current tax expense

Net investment loss	
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS	
Net realized gain/(loss) on investments before taxes	
Net realized gain/(loss) on swaps	
Deferred tax benefit	
Net realized gain/(loss) on investments	
Net change in unrealized appreciation on investments before taxes	
Net change in unrealized depreciation on swaps	
Deferred tax expense	
Net unrealized appreciation on investments and swaps	
Net realized and unrealized gain/(loss) on investments and swaps	
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	

See notes to financial statements.

Statements of CHANGES IN NET ASSETS |

	FOR THE YEAR ENDED NOVEMBER 30, 2009	NOVEMBE
INCREASE/(DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment loss	$ (4,706,685)	$ (
Net realized gain/(loss)	(14,241,532)	3
Net change in unrealized appreciation/(depreciation)	98,154,374	(16
Net increase/(decrease) in net assets resulting from operations	79,206,157	(17
DISTRIBUTIONS TO COMMON SHAREHOLDERS		
From and in excess of net investment income	--	(
Return of capital	(25,989,000)	(2
	(25,989,000)	(2
CAPITAL SHARE TRANSACTIONS		
Net proceeds from common shares issued through add-on offering	4,330,730	
Net proceeds from common shares issued through dividend reinvestment	3,412,685	
Common share offering costs charged to paid in capital	(26,651)	
Net increase from capital share transactions	7,716,764	
Total increase/(decrease) in net assets	60,933,921	(19
NET ASSETS		
Beginning of period	221,154,737	41
End of period (including accumulated net investment losses of $27,406,251 and $22,699,566, respectively, net of deferred tax)	$ 282,088,658	$ 22

See notes to financial statements.

Statement of CASH FLOWS | FOR THE YEAR ENDED NOVEMBER 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:
Net increase in net assets resulting from operations

ADJUSTMENTS TO RECONCILE NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS TO NET CASH USED BY OPERATING AND INVESTING ACTIVITIES:
Net change in unrealized appreciation on investments and swaps before taxes
Net realized loss on investments before taxes
Purchases of long-term investments
Proceeds from sale of long-term investments
Net proceeds of short-term investments
Increase in receivable for investments sold
Increase in receivable for fund shares sold
Increase in current tax receivable
Decrease in interest receivable
Increase in other assets
Increase in deferred tax liability
Decrease in current tax liability
Decrease in payable for investments purchased
Decrease in interest due on borrowings
Increase in advisory fee payable
Increase in administration fee payable
Decrease in accrued expenses and other liabilities
Return of capital distributions received from investee companies
Adjustment to prior year estimated return of capital distributions received from investee comp

Net Cash Used by Operating Activities

CASH FLOWS FROM FINANCING ACTIVITIES:
Net proceeds from issuance of common shares
Proceeds from borrowings
Distributions to Common Shareholders

Net Cash Provided by Financing Activities

Net change in cash
CASH AT BEGINNING OF PERIOD

CASH AT END OF PERIOD

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: CASH PAID DURING THE PERIOD FOR INTEREST

SUPPLEMENTAL DISCLOSURE OF NON CASH FINANCING ACTIVITY: IN KIND STOCK DIVIDENDS RECEIVED DURING T

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: TAXES PAID DURING THE PERIOD

SUPPLEMENTAL DISCLOSURE OF NON CASH FINANCING ACTIVITY: DIVIDEND REINVESTMENT

See notes to financial statements.

Financial HIGHLIGHTS |

PER SHARE OPERATING PERFORMANCE FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD	FOR THE YEAR ENDED NOVEMBER 30, 2009	FOR THE YEAR ENDED NOVEMBER 30, 2008	FOR TH YEAR ENDE NOVEMBER 30 200
NET ASSET VALUE, BEGINNING OF PERIOD	$ 12.09	$ 23.11	$ 22.4
INCOME FROM INVESTMENT OPERATIONS			
Net investment loss (a) (b)	(0.44)	(0.70)	(0.6
Net realized and unrealized gain/loss (b)	4.76	(8.85)	2.6
Total from investment operations	4.32	(9.55)	1.9
COMMON SHARES' OFFERING EXPENSES CHARGED TO PAID-IN CAPITAL	--**	--	-
DISTRIBUTIONS TO COMMON SHAREHOLDERS			
From and in excess of net investment income	--	(0.08)	-
Return of capital	(1.41)	(1.39)	(1.3
NET ASSET VALUE, END OF PERIOD	$ 15.00	$ 12.09	$ 23.1
MARKET VALUE, END OF PERIOD	$ 16.24	$ 11.42	$ 22.6
TOTAL INVESTMENT RETURN (D)			
Net asset value	38.03%	-43.55%	8.5
Market value	57.32%	-45.67%	9.7
RATIOS AND SUPPLEMENTAL DATA			
Net assets, end of period (thousands)	$ 282,089	$ 221,155	$ 418,4
Ratios to Average Net Assets applicable to Common Shares:(e)			
Total expenses, excluding interest expense and tax expense/benefit	1.76%(g)	1.79%	1.6
Total expenses, including interest expense and tax expense/benefit	26.32%(g)	(28.34)%	9.4
Interest expense	1.23%	1.83%	2.1
Current and deferred tax expense/(benefit)	23.33%	(31.96)%	5.6
Net investment income/(loss), excluding interest expense and tax expense/benefit	(2.14)%(g)	(1.71)%	(0.62
Net investment income/(loss), including interest expense and tax expense/benefit	(26.70)%(g)	28.42%	(8.40
Portfolio Turnover Rate	30%	22%	1
Senior Indebtedness			
Total borrowings outstanding (in thousands)	$ 110,263	$ 72,263	$ 175,00

Asset coverage per $1,000 of indebtedness (f)	$ 3,558	$ 4,060	$ 3,39

* Commencement of investment operations.

** Less than $0.01.

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

(b) The character of dividends received for each period is based upon estimates made at the time the distribution was received. Any necessary adjustments are reflected in the following fiscal year when the actual character is known. See Note 2(b) of the Notes to Financial Statements for additional information.

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

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

(e) Annualized.

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

(g) The impact of the advisory fee waiver is less than 0.01%

See notes to financial statements.

Notes to FINANCIAL STATEMENTS | NOVEMBER 30, 2009

Note 1 -- ORGANIZATION:
Fiduciary/Claymore MLP Opportunity Fund (the "Fund") was organized as a Delaware statutory trust on October 4, 2004. The Fund is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. On October 15, 2009, the Fund's prospectus for the offering of additional shares became effective. This offering ("add-on offering") allows for the issuance of up to an additional $125,000,000 of common shares.

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

Note 2 --ACCOUNTING POLICIES:
The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

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

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

(A) VALUATION OF INVESTMENTS
Readily marketable securities listed on an exchange are valued at the last reported sale price on the primary exchange or in the principal over the counter ("OTC") market on which they are traded. Readily marketable securities traded on an exchange or OTC for which there are no transactions on a given day are valued at the mean of the closing bid and asked prices. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Debt securities are valued by independent pricing services or dealers using the last available bid price for such securities or, if such prices are not available, at prices for securities of comparable maturity, quality and type. Short-term securities having a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value.

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

The Fund adopted ASC 820, Fair Value Measurements and Disclosures ("ASC 820") (formerly known as the Statement of Financial Accounting Standard ("FAS") No. 157). In accordance with ASC 820, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes three different categories for valuations. Level 1 valuations are those based upon quoted prices in active markets. Level 2 valuations are those based upon quoted prices in inactive markets or based upon significant observable inputs (e.g. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (e.g. discounted cash flow analysis; non-market based methods used to determine fair valuation). The following table represents the Fund's investments carried on the Statement of Assets and Liabilities by caption and by level within the fair value hierarchy as of November 30, 2009:

DESCRIPTION	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
(value in $000s)				
ASSETS:				
Master Limited Partnerships				
Coal	$ 11,299	$ --	$ --	$ 11,299
Consumer Discretionary	2,897	--	--	2,897
Midstream Gas Infrastructure	188,817	3,748	--	192,565
Midstream Oil Infrastructure	149,358	--	--	149,358
Oil and Gas Production	12,799	--	--	12,799
Propane	40,882	--	--	40,882
Common Stocks				
Oil and Gas Production	705	4,385	--	5,090
Other Equity Securities				
Coal	--	--	--	--
Incentive Distribution Rights	--	--	--	--
Warrants	--	47	--	47
Term Loans	--	--	433	433
Money Market Fund	15,049	--	--	15,049
Total	$ 421,806	$ 8,180	$ 433	$ 430,419
LIABILITIES:				
Derivatives	$ --	$ 6,139	$ --	$ 6,139
Total	$ --	$ 6,139	$ --	$ 6,139

LEVEL 3 HOLDINGS

Balance at 11/30/08	
Master Limited Partnerships	$ 8,750
Common Stocks	--
Other Equity Securities	11,610
Incentive Distribution Rights	--
Warrants	33
Term Loans	1,184
Total Realized Gain/Loss	--
Change in Unrealized Gain/Loss	
Other Equity Securities	(11,610)
Warrants	14
Term Loans	(804)
Net Purchases and Sales	
Master Limited Partnerships	(8,750)

Term Loans	53
Net Transfers In/Out	
Warrants	(47)
Ending Balance at 11/30/09	
Master Limited Partnerships	--
Common Stocks	--
Other Equity Securities	--
Incentive Distribution Rights	--
Warrants	--
Term Loans	433
Total Level 3 holdings	$ 433

All net realized and unrealized gains/losses in the above table are reflected in the Statement of Operations. Net unrealized gains/losses relate to those investments held by the Fund at November 30, 2009.

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

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

For the year ended November 30, 2009, the Fund estimated 100% of its distributions from MLPs as return of capital, which is reflected in the Statement of Operations.

Subsequent to November 30, 2008, the Fund reclassified the amount of investment income and return of capital it recognized based on the 2008 tax reporting information received from the individual MLPs. This reclassification amounted to a decrease in pre-tax net investment income of $899,131 ($541,771 net of deferred tax benefit), an increase in realized gain on investments of $932,799 ($562,058 net of deferred tax benefit) and a decrease in unrealized appreciation on investments of $33,668 ($20,287 net of deferred tax benefit). On a per share basis, the reclassification resulted in a decrease in pre-tax net investment income of $0.05 per share ($0.03 per share, net of deferred tax benefit), an increase in realized gain on investments of $0.05 per share ($0.03 per share, net of deferred tax benefit) and a decrease in unrealized appreciation on investments of less than $0.01 per share (less than $0.01 per share, net of deferred tax benefit). The reclassification is reflected in the period ended November 30, 2009.

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

of the distributions on IRS Form 1099 DIV in January 2010.

(D) SUBSEQUENT EVENTS
Effective November 30, 2009, the Fund adopted ASC 855, Subsequent Events ("ASC 855") (formerly known as FAS No. 165 ("SFAS No. 165")). ASC855 requires an entity to recognize in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of assets and liabilities. ASC 855 is intended to establish general standards of accounting and for disclosure of events that occur after the statement of assets and liabilities date but before the financial statements are issued or are available to be issued. The Fund has performed an evaluation of subsequent events through January 25, 2010, which is the date the financial statements were issued.

Note 3 -- INVESTMENT ADVISORY AGREEMENT, SUB-ADVISORY AGREEMENT AND OTHER AGREEMENTS:
Pursuant to an Investment Advisory Agreement (the "Advisory Agreement") between the Fund and Claymore Advisors, LLC (the "Adviser"), the Adviser will furnish offices, necessary facilities and equipment, oversee the activities of Fiduciary Asset Management, LLC ("FAMCO" or the "Sub-Adviser"), provide personnel including certain officers required for its administrative management and pay the compensation of all officers and Trustees of the Fund who are its affiliates. As compensation for these services, the Fund will pay the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets (net assets plus any assets attributable to financial leverage).

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

The Fund agreed to waive the advisory fees on all shares issued through the add-on offering for the first three months those shares are outstanding and waive half the advisory fees

on those shares for the next three months. Advisory fees of $1,318 were waived for the period ended November 30, 2009. See Note 8 for additional information regarding the add-on offering.

On July 17, 2009, Claymore Group Inc., the parent of the Adviser, entered into an Agreement and Plan of Merger between and among Claymore Group Inc., Claymore Holdings, LLC and GuggClay Acquisition, Inc., (with the latter two entities being wholly-owned, indirect subsidiaries of Guggenheim Partners, LLC ("Guggenheim")) whereby GuggClay Acquisition, Inc. merged into Claymore Group Inc. which is the surviving entity (the "Transaction"). This Transaction was completed on October 14, 2009 (the "Effective Date") and resulted in a change-of-control whereby Claymore Group Inc. and its subsidiaries, including the Adviser, became indirect, wholly-owned subsidiaries of Guggenheim. The transaction is not expected to affect the daily operations of the Fund or the investment management activities of the Adviser.

Under the Investment Company Act of 1940, as amended, (the "1940 Act"), the consummation of this transaction resulted in the automatic termination of the Advisory & Sub-Advisory Agreements. Accordingly, on September 23, 2009, the Board of Trustees approved an interim investment advisory agreement between the Fund and the Adviser (the "Interim Advisory Agreement") and an interim investment sub-advisory agreement among the Fund, the Adviser and FAMCO (the "Interim Sub-Advisory Agreement" and together with the Interim Advisory Agreement, the "Interim Agreements"). The Interim Agreements took effect as of the Effective Date and will terminate upon the earlier of: (a) 150 calendar days after the Effective Date or (b) the approval of a new investment advisory agreement and a new investment sub-advisory agreement by the shareholders of the Fund. In addition, the advisory fees earned by the Adviser pursuant to the Interim Advisory Agreement and the sub-advisory fees earned by FAMCO pursuant to the Interim Sub-Advisory Agreement will be held in an interest-bearing escrow account with the Fund's custodian during the term of the Interim Agreements. If the Fund's shareholders approve a new advisory agreement with the Adviser prior to the expiration of the term of the Interim Advisory Agreement, the amount in the escrow account (including any interest earned) with respect to the Fund shall be paid to the Adviser. If the Fund's shareholders approve a new sub-advisory agreement with FAMCO prior to the expiration of the term of the Interim Sub-Advisory Agreement, the amount in the escrow account (including any interest earned) with respect to the Fund shall be paid to FAMCO. If the Fund's shareholders do not approve a new advisory agreement with the Adviser, or a new sub-advisory agreement with FAMCO, prior to the expiration of the term of the Interim Agreements, the Adviser or FAMCO, as applicable, shall be paid, out of the escrow account with respect to the Fund, the lesser of (i) the Adviser's or FAMCO's costs incurred in providing the services under the Interim Agreements (including any interest earned on that amount while in escrow) with respect to the Fund; or (ii) the total amount in the escrow account (including any interest earned) with respect to the Fund. Other than the effective dates and the provisions set forth above regarding the advisory and sub-advisory fees' placement into an escrow account, the terms and conditions of the Interim Agreements are substantively identical to those of the original Advisory Agreement and Sub-Advisory Agreement.

On September 23, 2009, the Board of Trustees approved a new investment advisory agreement between the Fund and the Adviser (the "New Advisory Agreement") and a new investment sub-advisory agreement among the Fund, the Adviser and FAMCO (the "New Sub-Advisory Agreement" and together with the New Advisory Agreement, the "New Agreements") and recommended that the New Agreements be submitted to the shareholders of the Fund for their approval. The New Agreements will take effect with respect to the Fund upon their approval by the shareholders of the Fund and will have an initial term of one year. Thereafter, the New Agreements will continue in effect only if their continuance is approved by the Board of Trustees. Other than effective dates, there are no material differences between the terms of the New Agreements and those of the original Advisory Agreement and Sub-Advisory Agreement.

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

MANAGED ASSETS	RATE
First $200,000,000	0.0275%
Next $300,000,000	0.0200%
Next $500,000,000	0.0150%

Over $1,000,000,000 0.0100%

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

Note 4 -- FEDERAL INCOME TAXES:
The Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). In addition, as a regular corporation, the Fund is subject to various state and Canadian income taxes by reason of its investments in MLPs. As a limited partner in the MLPs, the Fund includes its allocable share of the MLP's taxable income in computing its own taxable income. Deferred income taxes reflect (i) taxes on unrealized gains/(losses), which are attributable to the temporary difference between fair market value and tax basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating losses and capital loss carryforwards. The Fund may be subject to a 20% alternative minimum tax to the extent that it exceeds the Fund's regular income tax liability. The amount to which the Fund is required to pay U.S. corporate income tax or alternative minimum tax could materially reduce the Fund's cash available to make distributions on Common Shares.

Information on the tax components of investments as of November 30, 2009 is as follows:

COST OF INVESTMENTS FOR TAX PURPOSES	GROSS TAX UNREALIZED APPRECIATION	GROSS TAX UNREALIZED DEPRECIATION	NET TAX UNREALIZED APPRECIATION ON INVESTMENTS	NET TAX UNREALIZED DEPRECIATION ON DERIVATIVES
$290,307,312	$158,958,694	$(18,846,724)	$140,111,970	$(5,043,661)

The Fund accrues deferred income taxes for its future tax liability or benefit associated with that portion of MLP distributions considered to be a tax-deferred return of capital as well as capital appreciation or depreciation of its investments. To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Fund based on the criterion established by ASC 740, Income Taxes, ("ASC 740") (formerly known as Statement of Financial Accounting Standard ("FAS") No. 109) that it is more likely

than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future MLP cash distributions), the duration of statutory carryforward periods and the associated risk that operating loss carryforwards may expire unused.

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

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

Current tax expense	$ 374,791
Deferred federal income tax expense	44,406,118
Deferred state income tax expense	10,574,762
Total deferred tax expense	$ 55,355,671

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

		RATE
Application of statutory income tax rate	$ 47,096,640	35.00%
State income taxes	8,259,031	6.14%
Total	$ 55,355,671	41.14%

Components of the Fund's deferred tax assets and liabilities as of November 30, 2009 are as follows:

DEFERRED TAX ASSETS:	
Net operating loss carryforward	$ 16,308,286
Capital loss carryforward	11,238,185
Valuation allowance	(4,131,946)
Deferred tax asset	$ 23,414,525
DEFERRED TAX LIABILITIES:	
Unrealized gain on investments and swaps	$ (54,799,075)
Net deferred tax liability	$ (31,384,550)

At November 30, 2009, the Fund had a remaining net operating loss carryforward of $32,611,740. The net operating loss carryforward is set to expire as follows: $15,066,691 in 2026, $10,333,986 in 2027 and $7,211,063 in 2029. At November 30, 2009, the Fund had a capital loss carryforward of $28,275,719. If not utilized, the capital loss carryforward will expire November 30, 2014.

The Fund periodically reviews the recoverability of any deferred tax asset based on the weight of available evidence. For the year ended November 30, 2008, the Fund's analysis of the need for a valuation allowance considered that it had incurred a cumulative loss over the three year period ended November 30, 2008. Substantially all of the Fund's net pre-tax losses related to unrealized depreciation of investments occurred during the fiscal fourth quarter of 2008 as a result of the unprecedented decline in the overall financial, commodity and MLP markets. The Fund recognized significant appreciation of investments during the year ended November 30, 2009.

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

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

Note 5 -- INVESTMENTS IN SECURITIES:
For the year ended November 30, 2009, purchases and sales of investments, excluding short-term securities, were $139,666,014 and $98,413,429, respectively.

Note 6 -- DERIVATIVES:
A swap is an agreement to exchange the return generated by one instrument for the return generated by another instrument. The Fund may enter into swap agreements to manage its exposure to interest rates and/or credit risk or to generate income. Interest rate swap agreements involve the exchange by the Fund with another party of their respective commitments to pay or receive interest. The swaps are valued daily at current market value and any unrealized gain or loss is included in the Statement of Assets and Liabilities. Gain or loss is realized on the termination date of the swap and is equal to the difference between the Fund's basis in the swap and the proceeds of the closing transaction, including any fees. During the period that the swap agreement is open, the Fund may be subject to risk from the potential inability of the counterparty to meet the terms of the agreement. The swaps involve elements of both market and credit risk in excess of the amounts reflected on the Statement of Assets and Liabilities.

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

The Fund had interest rate swap agreements outstanding during the year ended November 30, 2009 in order to hedge its exposure to short-term rates paid on its credit facility. As of November 30, 2009, the Fund had swaps with a total notional value of $120,000,000 outstanding. Details of the swap agreements outstanding as of November 30, 2009 were as follows:

COUNTERPARTY	TERMINATION DATE	NOTIONAL AMOUNT ($000S)	FIXED RATE	FLOATING RATE	UNREALIZED APPRECIATION/ (DEPRECIATION)
Merrill Lynch	01/30/2011	$ 30,000	3.05%	1-Month LIBOR	$ (1,194,893)
Merrill Lynch	01/30/2013	$ 30,000	3.49%	1-Month LIBOR	(2,161,599)
Morgan Stanley	02/07/2011	$ 30,000	2.92%	1-Month LIBOR	(1,128,766)
Morgan Stanley	03/19/2013	$ 30,000	3.13%	1-Month LIBOR	(1,653,403)
					$ (6,138,661)

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

The unrealized depreciation on interest rate swaps of $6,138,661 is presented as a liability on the Statement of Assets and Liabilities.

The Fund adopted ASC 815, Derivatives and Hedging ("ASC 815") (formerly known as FAS No. 161), effective November 30, 2009. ASC 815 is intended to improve financial reporting about derivative instruments by requiring enhanced disclosures to enable investors to better understand: a) how and why a fund uses derivative instruments, b) how derivatives instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows.

The following table presents the effect of Derivatives Instruments on the Statement of Operations for the year ended November 30, 2009.

EFFECT OF DERIVATIVE INSTRUMENTS BEFORE TAXES ON THE STATEMENT OF OPERATIONS FOR THE PERIOD ENDED NOVEMBER 30, 2009:

(Values in $000s)

AMOUNT OF REALIZED GAIN/(LOSS) ON DERIVATIVES BEFORE TAXES

	Swaps
Interest Rate Risk	$ (3,185)

CHANGE IN UNREALIZED DEPRECIATION ON DERIVATIVES BEFORE TAXES

	Swaps
Interest Rate Risk	$ (1,989)

The Fund did not enter into any new swap agreements during the year ended November 30, 2009.

Note 7 -- BORROWINGS:

On September 30, 2008, the Fund entered into a $155,000,000 credit facility agreement. The Fund incurred an issuance cost of 0.25% on the credit facility. Interest on the amount borrowed is based on the 3-month LIBOR plus 1.50% . On August 3, 2009, the credit facility total was reduced to $120,000,000. An unused fee of 1.15% is charged on the difference between the total credit facility and the amount borrowed. At November 30, 2009 there was $110,262,708 outstanding in connection with the Fund's credit facility.

The average daily amount of borrowings on the credit facility during the year ended November 30, 2009 was $92,372,297 with a related weighted average interest rate of 3.16%, inclusive of the program fees. The maximum amount outstanding during the year ended November 30, 2009, was $110,262,708.

Note 8 -- CAPITAL:

COMMON SHARES
The Fund has an unlimited amount of common shares, $0.01 par value, authorized and 18,807,181 issued and outstanding.

Transactions in common shares were as follows:

	YEAR ENDED NOVEMBER 30, 2009	YEAR ENDED NOVEMBER 30, 2008
Beginning shares	18,285,742	18,105,218
Shares issued through dividend reinvestment	246,739	180,524
Common shares issued through add-on offering	274,700	--
Ending shares	18,807,181	18,285,742

On November 6, 2009, the Fund entered into an add-on offering sales agreement among the Fund, the Adviser and Cantor Fitzgerald & Co. to offer and sell up to an additional $125,000,000 of common shares, from time to time, through Cantor Fitzgerald & Co. as agent for the Fund. As of November 30, 2009, the Fund had pending subscriptions of 36,000 shares of its common stock for net proceeds of $569,482.

The Advisor has paid the costs associated with this offering of shares and will be reimbursed by the Fund up to 0.60% of the value of each share sold under this program up to the costs incurred. As of November 30, 2009, the Fund has not reimbursed the Advisor for any offering costs associated with the add-on offering. As of November 30, 2009, an offering costs payable liability of $26,651 is outstanding on the Statement of Assets and Liabilities.

Note 9 -- CONCENTRATION OF RISK:
Because the Fund is focused in MLP entities in the energy, natural resources and real estate sectors of the economy, such concentration may present more risks than if the Fund were broadly diversified over numerous industries and sectors of the economy. A downturn in the energy, natural resources or real estate sectors of the economy could have a larger impact on the Fund than on an investment company that does not concentrate in such sectors. At times, the performance of securities of companies in the energy, natural resources and real estate sectors of the economy may lag the performance of other sectors or the broader market as a whole.

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

MLP units. Additionally, conflicts of interest may exist between common

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

Note 10 -- RESTRICTED SECURITIES:

The Fund may invest up to 40% of its managed assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on resale. The Fund will typically acquire restricted securities in directly negotiated transactions. Restricted securities are fair valued in accordance with procedures established by the Fund's Board of Trustees. As of November 30, 2009, the Fund held the following restricted securities:

SECURITY	DATE OF ACQUISITION	SHARES/ PAR	CURRENT COST	FAIR MARKET VALUE	PRICE ACQUISITION DA (UNRESTRICTE
Abraxas Petroleum Corp.1	10/05/2009	756,923	$ 2,468,886	$ 1,468,008	$ 1.
Abraxas Petroleum Corp.1	10/05/2009	756,923	$ 2,468,886	$ 1,462,673	$ 1.
Abraxas Petroleum Corp.1	10/05/2009	756,924	$ 2,468,889	$ 1,454,172	$ 1.
Abraxas Petroleum Corp.*	05/25/2007	114,230	$ --	$ 47,340	$
Clearwater GP Holding Co.	02/29/2008	123	$ 195,256	$ --	$ 1,252.
Clearwater Natural Resources, L.P.*	01/13/2009	9,499	$ --	$ --	$
Clearwater Natural Resources, L.P.**	08/01/2005	43	$ --	$ --	$
Clearwater Natural Resources, L.P.	08/01/2005	892,857	$ 17,857,143	$ --	$
Clearwater Natural Resources, L.P.	10/02/2006	252,764	$ 5,055,280	$ --	$
Clearwater Subordinate Note	07/08/2008	$ 212,000	$ 212,000	$ 74,200	$ 100.
Clearwater Subordinate Note	08/06/2008	$ 212,000	$ 212,000	$ 74,200	$ 100.
Clearwater Subordinate Note	09/29/2008	$ 759,880	$ 759,880	$ 265,958	$ 100.
Clearwater Subordinate Note	01/09/2009	$ 53,517	$ 53,517	$ 18,731	$ 100.
Copano Energy, L.L.C., Unregistered Series D Units	03/14/2008	190,000	$ 4,987,500	$ 3,748,208	$ 34.
Total			$ 36,739,237	$ 8,613,490	

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