

**Annual  
Report**

November 30, 2008

**Fiduciary/Claymore  
Dynamic Equity Fund**

**HCE**



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**Fiduciary/Claymore Dynamic Equity Fund**

**HCE LISTED NYSE** | Fiduciary/  
Claymore  
Dynamic  
Equity Fund

 **FAMCO**  
FIDUCIARY ASSET MANAGEMENT

 **CLAYMORE**™

There can be no assurance the Fund will achieve 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/hce](http://www.claymore.com/hce), you will find:

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

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

## Dear Shareholder

This report covers the performance of the Fiduciary/Claymore Dynamic Equity Fund (the “Fund”) for the fiscal year ended November 30, 2008. This has been an extraordinarily difficult period for all investors and we are disappointed to report that the Fund performed very poorly.

The Fund’s investment objective is to provide a high level of current income and current gains and, to a lesser extent, capital appreciation. Fiduciary Asset Management, LLC (“FAMCO”), the Fund’s sub-adviser, seeks to achieve that objective by investing in a diversified portfolio of equity securities and employing a strategy of writing (selling) covered call options on a substantial portion of the securities in the Fund’s portfolio.

FAMCO manages a wide range of institutional products and is one of the leading managers of hedged equity investments. As of November 30, 2008, Fiduciary managed or supervised approximately \$12.9 billion in assets.

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, 2008, the Fund provided a total return based on market price of -79.94% and a return of -75.49% based on NAV. As of November 30, 2008, the Fund’s market price of \$3.03 represented a discount of 31.60% to the NAV of \$4.43.

The Fund paid quarterly dividends of \$0.425 per share on February 29, 2008, and May 31, 2008. A dividend of \$0.390 per share was paid on August 29, 2008, and a dividend of \$0.150 per share was paid on November 28, 2008. The November dividend represents an annualized distribution rate of 19.8%, based on the Fund’s last closing market price of \$3.03 as of November 30, 2008. Past performance is not a guarantee of future results. The Fund’s dividend was modified in an effort to provide a greater balance between the ability to generate a high level of current income, including current gains, and capital appreciation.

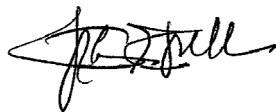
In December 2008, after the end of the Fund’s fiscal year, the Fund’s Board of Trustees (the “Board”) adopted a proposal to liquidate the Fund. Subject to shareholder approval of the plan of liquidation and dissolution (the “Liquidation Plan”) adopted by the Board, the Fund plans to sell its assets, discharge its liabilities and distribute the net proceeds to shareholders.

After considering the relatively small asset size of the Fund compared to current expenses, the historic and current discounts to net asset value at which the Fund’s shares have traded and several alternatives to liquidation, the Board, on the recommendation of Fund Management, concluded that it would be in the best interests of the Fund and its shareholders to liquidate and dissolve the Fund.

The Board plans to submit a proposal to shareholders to approve the Liquidation Plan at a special meeting of shareholders (the “Special Meeting”). If the proposal is approved by shareholders, the Fund will commence the orderly liquidation of its assets in accordance with the Liquidation Plan. Following the liquidation of the Fund’s assets, the Fund will pay one or more liquidating distributions to shareholders of record as of the effective date of the Liquidation Plan. There can be no assurance that the necessary percentage of the shareholders of the Fund will vote in favor of the proposal to approve the Liquidation Plan.

Any solicitation of proxies by the Fund in connection with the Special Meeting will be made only pursuant to separate proxy materials filed with the U.S. Securities and Exchange Commission (the “SEC”) under applicable federal securities laws and mailed with a proxy card to each shareholder entitled to vote at the Special Meeting. Because the proxy materials will contain important information, including a more detailed description of the Liquidation Plan, shareholders are urged to read them carefully when they become available.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Thomas Futrell", with a large, sweeping flourish at the end.

J. Thomas Futrell  
*Fiduciary/Claymore Dynamic Equity Fund*  
January 5, 2009

## Questions & Answers

*The Fiduciary/Claymore Dynamic Equity Fund (the “Fund”) is managed by Fiduciary Asset Management, LLC (“FAMCO”). In the following interview, Portfolio Manager Charles D. Walbrandt, CFA, discusses the economic and market environment, the structure of the portfolio and how the Fund performed during the fiscal year ended November 30, 2008.*

### **Will you remind us of this Fund’s objective and how you pursue it?**

The Fund’s investment objective is to provide a high level of current income and current gains and, to a lesser extent, capital appreciation. We seek to achieve the Fund’s investment objective by investing in a diversified portfolio of equity securities and writing (selling) call options on a substantial portion of the securities in the portfolio.

Under normal market conditions, we invest at least 80% of total assets in a diversified portfolio of common stock of U.S. corporations and U.S. dollar-denominated equity securities of foreign issuers, in each case that are traded on U.S. securities exchanges, and write (sell) covered call options on a substantial portion of the equity securities held in the Fund’s portfolio. The extent of option writing activity depends upon market conditions and our ongoing assessment of the attractiveness of writing call options on the Fund’s stock holdings. We seek to produce a high level of current income and current gains primarily from the option premiums received from writing call options and from dividends received on the equity securities held in the Fund’s portfolio and, to a lesser extent, capital appreciation in the value of equity securities underlying such covered call options. Writing covered call options involves a tradeoff between the option premium received and reduced participation in potential future stock price appreciation. Based on our dynamic option strategy and our evaluation of market conditions, we may write covered call options on varying percentages of the Fund’s common stock holdings with varying option strike prices in relation to the market value of the underlying common stock, as long as the overall portfolio remains substantially covered per the Prospectus.

### **Please tell us about the economic and market environment over the last year.**

In the mid-year report for the Fund, we described the six-month period ended May 31, 2008, as a time of economic uncertainty and turmoil in capital markets. Since that time, there has been pronounced deterioration in equity and debt markets, not only in the U.S. but throughout the world. As the year progressed, credit markets became so intolerant of risk that they were essentially frozen. Conditions became even worse in September, when Lehman Brothers Holdings Inc. filed for bankruptcy, after U.S. Treasury Secretary Henry Paulson and Federal Reserve Chairman

Ben Bernanke had been criticized by Congress for rescuing other failing financial institutions rather than attempting to provide relief to homeowners with unaffordable mortgages. After Lehman’s failure, which appeared to have a dramatically negative effect on capital markets, lending essentially ceased, as financial institutions exhibited no confidence in one another.

During September and October, equity markets suffered a double shock. A dramatic drop in equity prices in these months was accompanied by an unprecedented increase in implied volatility<sup>1</sup>. This spike in volatility adversely impacted positions where the Fund was short (selling) volatility.

The Standard & Poor’s 500 Index (“S&P 500”), which is generally regarded as a good indicator of the broad stock market, had a return of -39.49% for the 12-month period ended November 30, 2008.<sup>2</sup> All ten industry sectors within the S&P 500 had negative returns for this period; the weakest sector was financials, down more than 50%, while the strongest sector, consumer staples, was down just over 15%.

### **Please tell us about the Fund’s performance and distributions during this period.**

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, 2008, the Fund returned -79.94% on a market price basis. On an NAV basis, the return was -75.49%. By comparison, the S&P 500 returned -39.49%, and the CBOE S&P 500 Buy-Write Index (“BXM”) returned -30.12%.<sup>3</sup>

The closing market price of the Fund’s shares as of November 30, 2008, was \$3.03, representing a discount of 31.60% to the Fund’s NAV of \$4.43. On November 30, 2007, the Fund’s market price closed at \$17.08, which represented a discount of 14.47% to the NAV of \$19.97.

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 dividends of \$0.425 per share on February 29, 2008, and May 31, 2008. The Fund also paid a quarterly dividend of \$0.390 per share on August 29, 2008, and \$0.150 per share on November 28, 2008. The November dividend represents an annualized distribution rate of 19.8%, based on the Fund’s last closing market price of \$3.03 as of November 30, 2008. Past performance is not a guarantee of future results.

Indices are unmanaged and it is not possible to invest directly in an index.

<sup>1</sup> Market volatility is generally measured by the Chicago Board Options Exchange Volatility Index (the “VIX Index”, which measures the implied volatility of S&P 500 index options.

<sup>2</sup> The Standard & Poor’s 500 Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

<sup>3</sup> The CBOE S&P 500 Buy-Write Index is a benchmark index designed to show the hypothetical performance of a portfolio that purchases all the constituents of the S&P 500 Index and then sells at-the-money (meaning same as purchase price) calls of one-month duration against those positions.

The Fund's dividend was modified in an effort to provide a greater balance between the ability to generate a high level of current income, including current gains, and capital appreciation.

### **Which investment decisions or strategies had the greatest effect on the Fund's performance?**

The Fund's investment objective is to provide a high level of current income and current gains and, to a lesser extent, capital appreciation. The first objective of the Fund's covered call program is to support the Fund's distributions through premiums earned on call options sold. The option strategy also has the potential to help the Fund capture as much upside potential as possible in a market that is moving upward and help protect on the downside in a downward trending market.

We also have the flexibility to vary our hedge ratio. Hedging techniques generally have two purposes: to attempt to reduce volatility and to help or seek to prevent dramatic declines in the portfolio. In sectors that we believe will perform well, we want to have more of the portfolio unhedged. In more volatile or downward trending markets, we want to be fully hedged.

During the fiscal year ended November 30, 2008, and most particularly in the months of September and October, the Fund's option and hedge strategies had an extremely negative effect on performance, overwhelming the performance of the equity portfolio that was in line with the S&P 500.

At mid-year, we reminded shareholders that the Fund's offering documents authorize the use of financial leverage, which we believe has the potential to enhance the Fund's performance. The purpose of leverage (borrowing) is to fund the purchase of additional securities that help provide increased income and/or potentially greater appreciation to common shareholders than could be achieved from an unleveraged portfolio.

In September 2008, the Fund secured a line of credit and invested the proceeds in an index-based covered call option strategy. As the market weakened and became more volatile, we reduced the exposure to the covered call-on-call option strategy; however, the Fund experienced additional volatility from positions that were still held. The line of credit was repaid in October 2008, and there was no outstanding balance as of the end of the Fund's fiscal year.

The Fund's strategy of selling out-of-the-money index put options against cash reserves resulted in losses on the Fund's positions due to the extreme drop in the equity indices in September and October. Additionally, as part of the Fund's macro strategies, the Fund has periodically sold variance swaps, which has the effect of being short volatility. This strategy had a negative impact on the portfolio as markets experienced extreme volatility.

The hedging strategy also detracted from performance. Near the

end of the summer, when we considered equity valuations to be low and anticipated a recovery, we chose to reduce the hedge ratio in the option portfolio in an effort to capture additional upside participation potential. While reduced income from reducing the hedge ratio was partially offset by the relatively high option premiums in the market, the result was less downside protection as compared to the fully-covered BXM as the equity market continued to decline in September, October and November.<sup>4</sup>

### **How did the equity portfolio perform?**

The equity portfolio was down approximately 38%, in line with the S&P 500 Index. The best decision in this very negative market proved to be a cash position we raised, beginning in the summer, as a defensive measure. The Fund historically has rarely had a cash position over 10% of assets, but cash represented approximately 18% of total assets as of November 30, 2008.

Performance relative to the S&P 500 benefited from an underweight in the financials sector, which performed poorly, and by stock selection in this sector. We made the decision about a year ago to reduce positions in the large brokerage/investment banking firms, and this proved to be highly beneficial. Our positions in the financials sector are concentrated in high quality banks such as U.S. Bancorp (not in portfolio at period end) and Wells Fargo & Company (not in portfolio at period end), which actually had positive returns for the period.

#### ***What is a covered call?***

*A call is an option (or contract) that gives its holder the right, but not the obligation, to buy shares of the underlying security at a specified price on or before a pre-determined expiration date. After this pre-determined date, the option and its corresponding rights expire. A call is "covered" when the seller of the call option also owns the security on which the call is written. Covered call strategies are generally used as a hedge – to limit losses by obtaining premium income from the sale of calls, while still maintaining upside potential.*

*A covered call-on-call option strategy involves purchasing a call option on a particular security while also writing (selling) a call option on the same security.*

#### ***What is a put option?***

*A put option is an option (or contract) that gives its holder the right, but not the obligation, to sell shares of the underlying security at a specified price on or before a pre-determined expiration date.*

#### ***What is a variance swap?***

*A variance swap is a financial derivative that allows investors to trade future realized volatility against current implied volatility of an underlying product such as a stock index.*

<sup>4</sup>The BXM is a covered call index that theoretically purchases all the constituents of the S&P 500 Index and sells at-the-money (meaning the option's strike price is the same as the stock's purchase price) calls of one-month duration against those positions.

Another position that performed well is McDonald's Corporation (4.0% of long-term investments), which is benefiting from consumers' tendency to trade down in a weak economic environment.

Overweights and stock selection in the industrials and technology sectors detracted from relative performance. These sectors had performed quite well in prior periods, when global economies were growing and there was substantial investment in infrastructure, especially in rapidly expanding economies such as China. As marginal growth slowed dramatically in emerging markets, demand for infrastructure products from industrials such as farm equipment manufacturer Deere & Company (not in portfolio at period end) dropped sharply; Deere was one of the weakest stocks in the portfolio. Other industrials holdings that performed poorly were Honeywell International, Inc. (4.9% of long-term investments) and Rockwell Collins, Inc. (not in portfolio at period end), suppliers of aircraft components that were hurt by a strike at The Boeing Company (not in portfolio at period end). In the technology sector, a position that detracted from performance was MEMC Electronic Materials, Inc. (not in portfolio at period end), which is really more like an industrial company, as it produces silicon for solar panels and computer chips.

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#### **What is the outlook for the Fund in the future?**

In December 2008, after the end of the Fund's fiscal year, the Fund's Board of Trustees (the "Board") adopted a proposal to liquidate the Fund. Subject to shareholder approval of the plan of liquidation and dissolution (the "Liquidation Plan") adopted by the Board, the Fund plans to sell its assets, discharge its liabilities and distribute the net proceeds to shareholders.

After considering the relatively small asset size of the Fund compared to current expenses, the historic and current discounts to net asset value at which the Fund's shares have traded and several alternatives to liquidation, the Board, on the recommendation of Fund Management, concluded that it would be in the best interest of the Fund and its shareholders to liquidate and dissolve the Fund.

The Board plans to submit a proposal to shareholders to approve the Liquidation Plan at a special meeting of shareholders (the "Special Meeting"). If the proposal is approved by shareholders, the Fund will commence the orderly liquidation of its assets in accordance with the Liquidation Plan. Following the liquidation of the Fund's assets, the Fund will pay one or more liquidating distributions to shareholders of record as of the effective date of the Liquidation Plan. There can be no assurance that the necessary percentage of the shareholders of the Fund will vote in favor of the proposal to approve the Liquidation Plan.

### HCE Risks and Other Considerations

The views expressed in this report reflect those of the Portfolio Managers 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 contain forward-looking statements that involve risk and uncertainty, and there is no guarantee they will come to pass. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value. The Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Past performance does not guarantee future results.

**Investment Risk.** An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest.

**Equity Risk.** A principal risk of investing in the Fund is equity risk, which is the risk that the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate or factors relating to specific companies in which the Fund invests.

**Risks Associated with Options on Securities.** A strategy of writing (selling) covered call options entails various risks. For example, the correlation between the equity securities and options markets may, at times, be imperfect and can furthermore be affected by market behavior and unforeseen events, thus causing a given transaction to not achieve its objectives. There may be times when the Fund will be required to purchase or sell equity securities to meet its obligations under the options contracts on certain options at inopportune times when it may not be beneficial to the Fund. The Fund will forego the opportunity to profit from increases in the market value of equity securities that it has written call options on, above the sum of the premium and the strike price of the option. Furthermore, the Fund's downside protection on equity securities it has written call options on would be limited to the amount of the premium received for writing the call option and thus the Fund would be at risk for any further price declines in the stock below that level. 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. There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position.

**Small and Mid Capitalization Companies Risk.** The Fund may invest in securities of small and mid capitalization companies. Such securities may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger-sized companies or the market averages in general. In addition, such companies typically are subject to a greater degree of change in earnings and business prospectus than are larger-sized, more established companies.

**Foreign Investment Risk:** The Fund's investments in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers, including, among others, less market liquidity, generally greater market volatility than U.S. securities and less complete financial information than for U.S. issuers.

**Fund Distribution Risk.** Pursuant to its distribution policy, the Fund intends to make regular quarterly distributions on its Common Shares. In order to make such distributions, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment may not dictate such action. In addition, the Fund's ability to make distributions more frequently than annually from any net realized capital gains by the Fund is subject to the Fund obtaining exemptive relief from the Securities and Exchange Commission, which cannot be assured. To the extent the total quarterly distributions for a year exceed the Fund's net investment company income and net realized capital gain for that year, the excess will generally constitute a return of capital. Such return of capital distributions generally are tax-free up to the amount of a Common Shareholder's tax basis in the Common Shares (generally, the amount paid for the Common Shares). In addition, such excess distributions will decrease the Fund's total assets and may increase the Fund's expense ratio.

In addition to the risks described above, the Fund is also subject to: Income Risk, Industry Concentration Risk, Interest Rate Risk, Risks Related To Preferred Securities, Inflation Risk, Derivatives Risk, Illiquid Securities Risk, Market Discount Risk, Portfolio Turnover Risk, Tax Risk, Other Investment Companies, Hedging and Leverage Risk, Management Risk, Current Developments Risks, and Anti-Takeover Provisions. Please see [www.claymore.com/hce](http://www.claymore.com/hce) for a more detailed discussion about Fund risks and considerations.

# Fund Summary | As of November 30, 2008

## Fund Statistics

Share Price	\$3.03
Common Share Net Asset Value	\$4.43
Premium/(Discount) to NAV	-31.60%
Net Assets (\$000)	\$25,265

## Total Returns

(Inception 4/29/05)	Market	NAV
One Year	-79.94%	-75.49%
Three Year (average annual)	-38.55%	-33.33%
Since Inception (average annual)	-34.84%	-27.31%

## Sector Breakdown

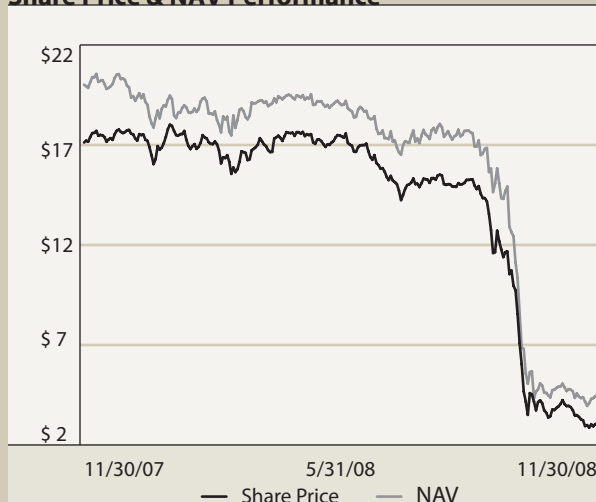
	% of Long-Term Investments
Financials	19.7%
Information Technology	15.9%
Industrials	15.2%
Energy	13.5%
Health Care	10.1%
Consumer Staples	9.0%
Consumer Discretionary	8.9%
Telecommunication Services	4.2%
Materials	3.5%

## Top Ten Issuers

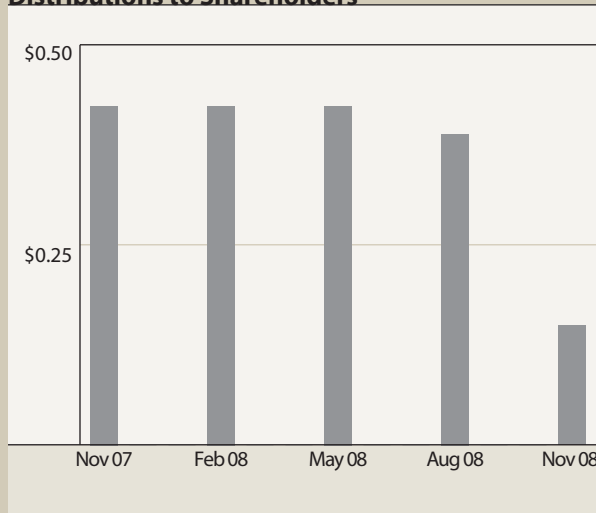
	% of Long-Term Investments
Midcap SPDR Trust Series 1	5.3%
Aflac, Inc.	5.2%
Honeywell International, Inc.	4.9%
Gilead Sciences, Inc.	4.9%
Apple, Inc.	4.9%
Target Corp.	4.9%
Chevron Corp.	4.4%
AT&T, Inc.	4.2%
Coca-Cola Co. (The)	4.0%
McDonald's Corp.	4.0%

Past performance is not a guarantee of future results. All portfolio data is subject to change daily. For more current information, please visit [www.claymore.com/hce](http://www.claymore.com/hce). The above summaries are provided for informational purposes only and should not be viewed as recommendations.

## Share Price & NAV Performance



## Distributions to Shareholders



# Portfolio of Investments

November 30, 2008

Number of Shares		Value
<b>Long-Term Investments – 83.3% (a)</b>		
<b>Common Stocks – 78.9%</b>		
<b>Consumer Discretionary – 7.4%</b>		
14,200	McDonald's Corp.	\$ 834,250
30,700	Target Corp.	1,036,432
		1,870,682
<b>Consumer Staples – 7.5%</b>		
18,000	Coca-Cola Co. (The)	843,660
15,400	CVS Caremark Corp.	445,522
9,500	Procter & Gamble Co.	611,325
		1,900,507
<b>Energy – 11.2%</b>		
9,600	Apache Corp.	742,080
11,800	Chevron Corp.	932,318
11,800	Schlumberger Ltd. (Netherlands)	598,732
30,900	Valero Energy Corp.	567,015
		2,840,145
<b>Financials – 12.0%</b>		
23,500	Aflac, Inc.	1,088,050
40,500	Bank of America Corp.	658,125
6,500	Goldman Sachs Group, Inc.	513,435
24,200	JPMorgan Chase & Co.	766,172
		3,025,782
<b>Health Care – 8.4%</b>		
23,200	Gilead Sciences, Inc. (a)	1,039,128
11,800	Johnson & Johnson	691,244
23,700	Pfizer, Inc.	389,391
		2,119,763
<b>Industrials – 12.6%</b>		
13,000	Emerson Electric Co.	466,570
2,000	First Solar, Inc. (a)	249,680
37,300	Honeywell International, Inc.	1,039,178
13,700	Union Pacific Corp.	685,548
15,400	United Technologies Corp.	747,362
		3,188,338
<b>Information Technology – 13.4%</b>		
8,700	Adobe Systems, Inc. (a)	201,492
11,200	Apple, Inc. (a)	1,037,904
13,700	Cisco Systems, Inc. (a)	226,598
40,400	EMC Corp. (a)	427,028
1,400	Google, Inc. – Class A (a)	410,144
1,400	Hewlett-Packard Co.	49,392
12,600	Intel Corp.	173,880
5,400	International Business Machines Corp.	440,640
23,700	Oracle Corp. (a)	381,333
		3,348,411

Number of Shares		Value
<b>Materials – 2.9%</b>		
9,200	Monsanto Co.	\$ 728,640
<b>Telecommunication Services – 3.5%</b>		
30,900	AT&T, Inc.	882,504
<b>Total Common Stock – 78.9%</b>		
	(Cost \$26,926,715)	19,904,772
<b>Exchange-Traded Funds – 4.4%</b>		
<b>Financials – 4.4%</b>		
12,000	Midcap SPDR Trust Series 1	
	(Cost \$1,020,390)	1,123,080
<b>Total Long-Term Investments – 83.3%</b>		
	(Cost \$27,947,105)	21,027,852
<b>Short-Term Investments – 19.5%</b>		
<b>Money Market Fund – 19.5%</b>		
4,936,929	Fidelity U.S. Treasury Money Market Fund	
	(Cost \$4,936,929)	4,936,929

Contracts (100 shares per contract)	Call Options Purchased (a)(b)	Expiration Date	Exercise Price	Value
<b>Call Options Purchased – 2.8%</b>				
200	SPDR Trust Series 1	December 19, 2009	\$ 80	\$ 394,000
100	SPDR Trust Series 1	June 20, 2009	60	317,750
<b>Total Call Options Purchased</b>				711,750
(Cost \$1,754,600)				
<b>Total Investments – 105.6%</b>				26,676,531
(Cost \$34,638,634)				
Liabilities in excess of Other Assets – (0.7%)				(174,169)
Total Options Written – (4.9%)				(1,237,711)
<b>Net Assets – 100.0%</b>				<b>\$ 25,264,651</b>

(a) All or a portion of all long-term investments represents cover for written options.

(b) Non-income producing security.

See notes to financial statements.

<b>Contracts (100 shares per contract)</b>		<b>Expiration Date</b>	<b>Exercise Price</b>	<b>Value</b>
87	Adobe Systems, Inc.	January 17, 2009	\$ 30.00	\$ 3,915
235	Aflac, Inc.	December 20, 2008	45.00	95,175
96	Apache Corp.	December 20, 2008	75.00	67,200
112	Apple, Inc.	December 20, 2008	105.00	21,224
309	AT&T, Inc.	December 20, 2008	27.00	73,696
405	Bank of America Corp.	December 20, 2008	22.50	5,062
118	Chevron Corp.	January 17, 2009	75.00	107,380
137	Cisco Systems, Inc.	January 17, 2009	17.50	14,933
120	Coca-Cola Co. (The)	January 17, 2009	50.00	20,700
60	Coca-Cola Co. (The)	December 20, 2008	47.50	10,050
154	CVS Caremark Corp.	December 20, 2008	30.00	17,710
404	EMC Corp.	January 17, 2009	14.00	7,474
130	Emerson Electric Co.	January 17, 2009	40.00	20,150
20	First Solar, Inc.	March 21, 2009	150.00	43,200
232	Gilead Sciences, Inc.	December 20, 2008	45.00	46,400
65	Goldman Sachs Group, Inc.	December 20, 2008	80.00	48,913
14	Google, Inc. Class A	January 17, 2009	350.00	12,040
14	Hewlett-Packard Co.	December 20, 2008	35.00	2,905
125	Honeywell International, Inc.	January 17, 2009	30.00	20,938
248	Honeywell International, Inc.	December 20, 2008	35.00	2,480
126	Intel Corp.	January 17, 2009	17.50	2,709
54	International Business Machines Corp.	January 17, 2009	100.00	5,130
118	Johnson & Johnson	January 17, 2009	70.00	3,540
242	JPMorgan Chase & Co.	January 17, 2009	30.00	114,950
142	McDonald's Corp.	January 17, 2009	67.50	8,875
120	Midcap SPDR Trust Series 1	December 20, 2008	90.00	84,000
92	Monsanto Co.	December 20, 2008	75.00	63,940
237	Oracle Corp.	January 17, 2009	20.00	5,925
237	Pfizer, Inc.	December 20, 2008	20.00	830
95	Procter & Gamble Co.	January 17, 2009	70.00	11,875
118	Schlumberger Ltd.	January 17, 2009	50.00	71,390
300	SPDR Trust Series 1	December 20, 2008	90.00	132,000
86	Target Corp.	January 17, 2009	40.00	16,942
221	Target Corp.	December 20, 2008	40.00	16,575
137	Union Pacific Corp.	January 17, 2009	55.00	31,510
154	United Technologies Corp.	January 17, 2009	60.00	8,855
214	Valero Energy Corp.	December 20, 2008	20.00	17,120
<b>Total Call Options Written</b>				
(Premiums received \$926,650)			\$	1,237,711

(a) Non-income producing security.

# Statement of Assets and Liabilities

November 30, 2008

<b>Assets</b>	
Investments, at value (cost \$34,638,634)	\$ 26,676,531
Cash	99,892
Dividends receivable	81,973
Interest receivable	7,876
Other assets	3,927
Total assets	26,870,199
<b>Liabilities</b>	
Options written, at value (premiums received of \$926,650)	1,237,711
Payable for securities purchased	258,420
Advisory fee payable	10,364
Administration fee payable	572
Accrued expenses	98,481
Total liabilities	1,605,548
<b>Net Assets</b>	<b>\$ 25,264,651</b>
<b>Composition of Net Assets</b>	
Common stock, \$.01 par value per share; unlimited number of shares authorized, 5,705,240 shares issued and outstanding	\$ 57,052
Additional paid-in capital	104,335,944
Accumulated net realized loss on investments and options	(70,855,181)
Accumulated net unrealized depreciation on investments, options and swaps	(8,273,164)
<b>Net Assets</b>	<b>\$ 25,264,651</b>
<b>Net Asset Value</b> (based on 5,705,240 common shares outstanding)	<b>\$ 4.43</b>

See notes to financial statements.

# Statement of Operations

For the Year Ended November 30, 2008

## Investment Income

Dividends (net of foreign withholding taxes of \$91)	\$	1,566,198	
Interest		286,616	
Total Income			\$ 1,852,814

## Expenses

Advisory fee		935,894	
Professional fees		184,812	
Trustees' fees and expenses		136,983	
Custodian fee		61,666	
Interest expense and fees		59,241	
Printing expense		51,701	
Fund accounting		36,444	
Administration fee		25,737	
NYSE listing fee		21,921	
Transfer agent fee		18,639	
Miscellaneous		13,417	
Insurance		12,511	
Total expenses			1,558,966
Advisory fees waived			(14,448)
Net expenses			1,544,518
<b>Net investment income</b>			<b>308,296</b>

## Realized and Unrealized Gain (Loss) on Investments and Options

Net realized gain (loss) on:			
Investments			(36,085,626)
Options			(3,933,699)
Swaps			(30,030,185)
Net change in unrealized appreciation/(depreciation) on:			
Investments			(9,738,610)
Options			(1,964,569)
Swaps			723,327
Net realized and unrealized loss			(81,029,362)
<b>Net Decrease in Net Assets Resulting from Operations</b>			<b>\$ (80,721,066)</b>

See notes to financial statements.

## Statement of Changes in Net Assets

	<b>For the Year Ended November 30, 2008</b>	<b>For the Year Ended November 30, 2007</b>
<b>Increase (Decrease) in Net Assets from Operations</b>		
Net investment income (loss)	\$ 308,296	\$ 145,530
Net realized gain/(loss) on investments, options, and swap transactions	(70,049,510)	11,316,673
Net change in unrealized appreciation (depreciation) on investments, options and swap transactions.	(10,979,852)	2,117,063
Net increase (decrease) in net assets resulting from operations	(80,721,066)	13,579,266
<b>Distributions to Shareholders</b>		
From and in excess of net investment income	(3,581,196)	(9,698,908)
Return of capital	(4,349,088)	—
Total Distributions	(7,930,284)	(9,698,908)
Total increase/(decrease) in net assets	(88,651,350)	3,880,358
<b>Net Assets</b>		
Beginning of period	113,916,001	110,035,643
End of period (including accumulated net investment income of \$0 and \$74,122, respectively)	\$ 25,264,651	\$ 113,916,001

See notes to financial statements.

# Financial Highlights

Per share operating performance for a common share outstanding throughout the period	For the Year Ended November 30, 2008	For the Year Ended November 30, 2007	For the Year Ended November 30, 2006	For the Period April 29, 2005* through November 30, 2005
<b>Net asset value, beginning of period</b>	\$ 19.97	\$ 19.29	\$ 19.65	\$ 19.10 <sup>(b)</sup>
<b>Investment operations</b>				
Net investment income/(loss) <sup>(a)</sup>	0.05	0.03	(0.07)	(0.02)
Net realized and unrealized gain/(loss) on investments and options	(14.20)	2.35	1.41	1.46
Total from investment operations	(14.15)	2.38	1.34	1.44
<b>Distributions:</b>				
From and in excess of net investment income	(0.63)	(1.70)	(1.70)	(0.85)
Return of capital	(0.76)	—	—	—
<b>Total Distributions</b>	(1.39)	(1.70)	(1.70)	(0.85)
<b>Offering expenses charged to paid-in capital</b>	—	—	—	(0.04)
<b>Net asset value, end of period</b>	\$ 4.43	\$ 19.97	\$ 19.29	\$ 19.65
<b>Market value, end of period</b>	\$ 3.03	\$ 17.08	\$ 18.83	\$ 17.72
<b>Total investment return <sup>(d)</sup></b>				
Net asset value	(75.49)%	12.87%	7.14%	7.37%
Market value	(79.94)%	(0.55)%	16.31%	(7.36)%
<b>Ratios and supplemental data</b>				
Net assets, end of period (thousands)	\$ 25,265	\$ 113,916	\$ 110,036	\$ 112,098
Ratio of net expenses to average net assets	1.67% <sup>(e)</sup>	1.48%	1.49%	1.54% <sup>(d)</sup>
Ratio of net investment income (loss) to average net assets	0.33% <sup>(e)</sup>	0.13%	(0.37)%	(0.17)% <sup>(d)</sup>
Portfolio turnover rate	112%	151%	136%	232%

\* Commencement of investment operations.

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

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

(c) 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.

(d) Annualized for 2005.

(e) For the year ended November 30, 2008, the Adviser voluntarily waived fees and expenses equal to approximately 0.01% of average net assets. Without this fee waiver, the ratio of expense to average net assets and ratio of net investment income would have been 1.68% and 0.32%, respectively.

# Notes to Financial Statements

November 30, 2008

## Note 1 – Organization:

Fiduciary/Claymore Dynamic Equity Fund (the “Fund”) was organized as a Delaware statutory trust on December 15, 2004. The Fund is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended.

The Fund’s investment objective is to provide a high level of current income and current gains and, to a lesser extent, capital appreciation. The Fund seeks to achieve its investment objective by investing in a diversified portfolio of equity securities and writing (selling) call options on a substantial portion of its portfolio securities. There can be no assurance that the Fund’s investment objective will be achieved.

## 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.

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

### (a) Valuation of Investments

The Fund values equity securities at the last reported sale price on the principal exchange or in the principal OTC market in which such securities are traded, as of the close of regular trading on the NYSE on the day the securities are being valued or, if there are no sales, at the mean between the last available bid and asked prices on that day. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Debt securities are valued by independent pricing services or dealers using the mean of the closing bid and asked prices 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).

In September, 2006, the FASB issued Statement of Financial Accounting Standards No. 157, “Fair Value Measurements” (“FAS 157”). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 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 (i.e. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (i.e. discounted cash flow

analysis; non-market based methods used to determine fair valuation). Details as of November 30, 2008 were as follows:

Description (values in \$000s)	Securities	Options and Other Derivatives	Total
<b>Assets:</b>			
Level 1	\$25,965	\$ –	\$25,965
Level 2	–	712	712
Level 3	–	–	–
Total	\$25,965	\$ 712	\$26,677
<b>Liabilities:</b>			
Level 1	\$ –	\$1,238	\$ 1,238
Level 2	–	–	–
Level 3	–	–	–
Total	–	\$1,238	\$ 1,238

### (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 net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Discounts or premiums on debt securities are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

### (c) Options

The Fund will pursue its primary objective by employing an option strategy of writing (selling) covered call options on common stocks. The Fund seeks to produce a high level of current income and gains generated from option writing premiums and, to a lesser extent, from dividends. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or “strike” price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price (in the case of a call) or to pay the exercise price upon delivery of the underlying security (in the case of a put).

The Fund may also pursue its option strategy (with respect to 25% of its total assets) through writing covered call-on-call option positions. In a covered call-on-call strategy, the Fund achieves its long exposure to the underlying stock through the purchase of a call option, and simultaneously sells an option on the same security at a higher exercise price.

There are several risks associated with transactions in options on securities. 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 exercise price of the call but has retained the risk of loss should the price of the underlying security decline by more than the amount of the premium received for the option. The writer of an option has no control over the time when it may be required to fulfill its obligation as writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

### (d) Variance Swaps

A variance swap is an instrument which allows counterparties to trade future realized volatility of an underlying asset against its current implied volatility. The swaps are valued at current market value and any unrealized gain or loss is included in the Statement of Operations. Once a variance swap contract is closed, the net amount received or paid is recorded as realized gain/loss on swaps. During the period 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. As of November 30, 2008 there were no swap agreements outstanding.

#### (e) Distributions to Shareholders

The Fund declares and pays quarterly dividends to common shareholders. These dividends consist of investment company taxable income, which generally includes qualified dividend income, ordinary income and short-term capital gains. Realized short-term capital gains are considered ordinary income for tax purposes and will be reclassified at the Fund's fiscal year end on the Fund's Statement of Assets and Liabilities from accumulated net realized gain to accumulated undistributed net investment income. Any net realized long-term gains are distributed annually to common shareholders.

Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

#### Note 3 – Investment Advisory Agreement, Sub-Advisory Agreement and Other Agreements:

Pursuant to an Investment Advisory Agreement (the "Agreement") between the Fund and Claymore Advisors, LLC (the "Adviser"), the Adviser will furnish offices, necessary facilities and equipment, provide administrative services, oversee the activities of Fiduciary Asset Management, LLC (the Fund's "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; 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.

Effective October 21, 2008, the Adviser implemented a fee waiver of 0.50%, all of which was allocated to the Sub-Adviser.

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 an annual rate set forth below as a percentage of the average daily Managed Assets:

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.

Certain officers and trustees of the Fund are also officers and directors of the Adviser and Sub-Adviser. The Fund does not compensate its officers or trustees who are officers of the two aforementioned firms.

#### Note 4 – Federal Income Taxes:

The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies. Accordingly, no provision for U.S. federal income taxes is required. In addition, by distributing substantially all of its ordinary income and long-term capital gains, if any, during each calendar year, the Fund intends not to be subject to U.S. federal excise tax.

Due to inherent differences in the recognition of income, expenses, and realized gains/losses under U.S. generally accepted accounting principles and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. A permanent book and tax difference primarily relating to a distribution of capital gains for tax purposes in the amount of \$3,198,778 was reclassified from accumulated undistributed net investment income to accumulated net realized gain.

Information on the tax components of investments, excluding written options as of November 30, 2008 is as follows:

Cost of Investments for Tax Purposes	Gross Tax Unrealized Appreciation	Gross Tax Unrealized Depreciation	Net Tax Unrealized Appreciation on Investments
\$36,967,677	\$298,670	\$(10,589,816)	\$(10,291,146)
	Undistributed Ordinary Income/(Accumulated Ordinary Loss)	Undistributed Long-Term Gains/(Accumulated Capital Loss)	Other Temporary Differences
	\$0	\$(68,526,138)	\$(311,061)

At November 30, 2008 for federal income tax purposes, the Fund had a capital loss carryforward of \$68,471,517 available to offset possible future capital gains. The capital loss carryforward is set to expire November 30, 2016.

Capital losses Incurred after October 31 ("post-October losses") within the taxable year are deemed to arise on the first business day of each the Fund's next taxable year. During the year ended November 30, 2008, the Fund incurred and will elect to defer net capital losses of \$54,621.

The differences between book basis and tax basis unrealized appreciation/(depreciation) are attributable to the deferral of losses for tax purposes on wash sales.

For the year ended November 30, 2008, the tax character of distributions paid, as reflected in the Statement of Changes in Net Assets, was \$3,581,196 of ordinary income and return of capital of \$4,349,088. For the year ended November 30, 2007, the tax character of distributions paid was \$8,846,313 of ordinary income and \$852,595 of long-term gain.

On July 13, 2006, the Financial Accounting Standards Board ("FASB") released FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or

expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. Management has evaluated the implications of Fin 48 and has determined it does not have any impact on the financial statements as of November 30, 2008. Tax years for 2005, 2006 and 2007 are still subject to examination by major jurisdictions.

#### Note 5 – Investments and Options Written:

For the year ended November 30, 2008, purchases and sales of investments, excluding written options and short-term securities were \$102,088,938 and \$147,151,913, respectively.

The Fund entered into written option contracts during the period ended November 30, 2008. Details of the transactions were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of period	20,823	\$ 3,953,921
Options written during the period	220,201	43,851,633
Options expired during the period	(28,266)	(5,956,277)
Options closed during the period	(206,189)	(40,812,405)
Options assigned during the period	(791)	(110,222)
Options outstanding, end of period	5,778	\$ 926,650

#### Note 6 – Borrowings:

On September 18, 2008, the Fund entered into a \$25,000,000 credit facility agreement. Interest on the amount borrowed is based on the 1-month LIBOR plus 1.10%. An unused fee of 0.20% is charged on the difference between the \$25,000,000 credit facility and the amount borrowed. At November 30, 2008 there was \$0 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, 2008 was \$920,765 with a related average interest rate of 4.28%. The maximum amount outstanding during the year ended November 30, 2008, was \$20,000,000. On December 29, 2008, the Fund terminated this credit facility agreement.

#### Note 7 – Capital:

##### Common Shares

The Fund has an unlimited amount of common shares, \$0.01 par value, authorized and 5,705,240 issued and outstanding.

There were no transactions in common shares during the year ended November 30, 2008.

At November 30, 2008, Claymore Advisors, LLC the Fund's investment adviser and administrator, owned 5,633 shares.

#### Note 8 – Indemnifications:

In the normal course of business, the Fund enters into contracts that contain a variety of representations, which provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown, as this would require future claims that may be made against the Fund that have not yet occurred. However, the Fund expects the risk of loss to be remote.

#### Note 9 – Accounting Pronouncements:

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." This standard is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to 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. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of November 30, 2008, management does not believe the adoption of SFAS No. 161 will impact the financial statement amounts; however, additional footnote disclosures may be required about the use of derivative instruments and hedging items.

#### Note 10 – Subsequent Event:

On December 23, 2008 the Fund announced that its Board of Trustees adopted a proposal to liquidate the Fund. Subject to shareholder approval of the plan of liquidation and dissolution adopted by the Board of Trustees, the Fund plans to sell its assets, discharge its liabilities and distribute the net proceeds to shareholders.

Effective December 1, 2008, the Adviser increased the voluntary waiver of its advisory fee to 1.00% of the Fund's Managed Assets.

## Report of Independent Registered Public Accounting Firm

### To the Shareholders and Board of Trustees of Fiduciary/Claymore Dynamic Equity Fund

We have audited the accompanying statement of assets and liabilities of Fiduciary/Claymore Dynamic Equity Fund, (the "Fund"), including the portfolio of investments, as of November 30, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years then ended, and the financial highlights for each of the three years then ended and for the period from April 29, 2005 (commencement of operations) through November 30, 2005. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2008, by correspondence with the Fund's custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Fiduciary/Claymore Dynamic Equity Fund as of November 30, 2008, and the results of its operations for the year then ended, the changes in its net assets for each of the two years then ended, and financial highlights for each of the three years then ended and for the period from April 29, 2005 (commencement of operations) through November 30, 2005, in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

Chicago, Illinois

January 23, 2009

## Supplemental Information (unaudited)

**Federal Income Tax Information**

Qualified dividend income of as much as \$1,455,612 was received by the Fund through November 30, 2008. The Fund intends to designate the maximum amount of dividends that qualify for the reduced tax rate pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.

For corporate shareholders, \$1,437,632 of investment income qualifies for the dividends-received deduction.

In January 2009, you will be advised on IRS Form 1099 DIV or substitute 1099 DIV as to the federal tax status of the distributions received by you in the calendar year 2008.

**Results of Shareholder Vote**

The Annual Meeting of Shareholders of the Fund was held on July 22, 2008. Common shareholders voted on the election of Trustees.

With regard to the election of the following Class III Trustees by common shareholders of the Fund:

	# of Shares In Favor	# of Shares Withheld
Robert B. Karn III	4,929,749	116,147
John M. Roeder	4,932,699	113,197
Ronald E. Toupin, Jr.	4,929,369	116,527

The other Trustees of the Fund whose terms did not expire in 2008 are Randall C. Barnes, Nicholas Dalmaso, Joseph E. Gallagher Jr., Howard H. Kaplan and Ronald A. Nyberg.

**Trustees**

The Trustees of the Fiduciary/Claymore Dynamic Equity Fund and their principal occupations during the past five years:

Name, Address*, Year of Birth and Position(s) Held with Registrant	Term of Office** and Length of Time Served	Principal Occupations during the Past Five Years and Other Affiliations	Number of Funds in Fund Complex*** Overseen by Trustee	Other Directorships Held by Trustee
<b>Independent Trustees:</b>				
Randall C. Barnes Year of birth: 1951 Trustee	Since 2005	Investor (2001-present). Formerly, Senior Vice President & Treasurer (1993-1997), President, Pizza Hut International (1991-1993) and Senior Vice President, Strategic Planning and New Business Development (1987-1990) of PepsiCo, Inc. (1987-1997).	43	None.
Howard H. Kaplan Year of birth: 1969 Trustee	Since 2005	Partner of Stinson Morrison Hecker, LLP, a law firm providing legal advice in business law and litigation matters (2007-present). Formerly, principal of Blumenfeld, Kaplan & Sandweiss P.C., a law firm providing legal advice in business law and litigation (1994-2007).	2	None.
Robert B. Karn III Year of birth: 1942 Trustee	Since 2005	Consultant (1998-present). Previously, Managing Partner, Financial and Economic Consulting St. Louis Office of Arthur Andersen, LLP.	2	Director of Peabody Energy Company, GP, Natural Resource Partners LLC and Kennedy Capital Management, Inc.
Ronald A. Nyberg Year of birth: 1953 Trustee	Since 2005	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).	46	None.
John M. Roeder Year of birth: 1943 Trustee	Since 2005	Financial consultant (1999-present). Formerly, Director in Residence at The Institute for Excellence in Corporate Governance of the University of Texas at Dallas School of Management. (2005-2007) Office Managing Partner Arthur Andersen, LLP. (1966-1999)	2	Director, LMI Aerospace.
Ronald E. Toupin, Jr. Year of birth: 1958 Trustee	Since 2005	Retired. Formerly, Vice President, Manager and Portfolio Manager of Nuveen Asset Management (1998-1999), Vice President of Nuveen Investment Advisory Corp. (1992-1999), Vice President and Manager of 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).	43	None.

Name, Address*, Year of Birth and Position(s) Held with Registrant	Term of Office** and Length of Time Served	Principal Occupations during the Past Five Years and Other Affiliations	Number of Funds in Fund Complex*** Overseen by Trustee	Other Directorships Held by Trustee
<b>Interested Trustees:</b>				
Nicholas Dalmaso† Year of birth: 1965 Trustee	Since 2005	Attorney. Formerly, Senior Managing Director and Chief Administrative Officer (2007–2008) and General Counsel (2001–2007) of Claymore Advisors, LLC and Claymore Securities, Inc. Formerly, Assistant General Counsel, John Nuveen and Company Inc. (1999–2000). Former Vice President and Associate General Counsel of Van Kampen Investments, Inc. (1992–1999).	45	None.
Joseph E. Gallagher, Jr.†† 8235 Forsyth Blvd. Suite 700 St. Louis, MO 63105 Year of Birth: 1956 Trustee	Since 2005	Executive Managing Director and Chief Operating Officer of Fiduciary Asset Management, LLC (1994–present). Member of the St. Louis Chapter of the National Association for Business Economics.	2	Member of the Board of Directors for the Rossman School.

\* Address for all Trustees unless otherwise noted: 2455 Corporate West Drive, Lisle, IL 60532

\*\* After a Trustee's initial term, each Trustee is expected to serve a three-year term concurrent with the class of Trustees for which he serves:

- Messrs. Barnes and Dalmaso, as Class I trustees, are expected to stand for re-election at the Fund's 2009 annual meeting of shareholders.
- Messrs. Gallagher, Kaplan and Nyberg, as Class II trustees, are expected to stand for re-election at the Fund's 2010 annual meeting of shareholders.
- Messrs. Roeder, Toupin and Karn, as Class III trustees, are expected to stand for re-election at the Fund's 2011 annual meeting of shareholders.

\*\*\* The Claymore Fund Complex consists of U.S. registered investment companies advised or serviced by Claymore Advisors, LLC or Claymore Securities, Inc.

† Mr. Dalmaso is an "interested person" (as defined in section 2(a)(19) of the 1940 Act) of the Fund as a result of his former position as an officer of and his equity ownership in Claymore Advisors, LLC the Fund's Investment Adviser and certain of its affiliates.

†† Mr. Gallagher is an "interested person" (as defined in section 2(a)(19) of the 1940 Act) of the Fund because of his position as an officer of Fiduciary Asset Management, LLC, the Fund's Sub-Adviser.

## Officers

The Officers of the Fiduciary/Claymore Dynamic Equity Fund and their principal occupations during the past five years:

Name, Address*, Year of Birth and Position(s) Held with Registrant	Term of Office** and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations
<b>Officers:</b>		
J. Thomas Futrell Year of birth: 1955 Chief Executive Officer	Effective May 29, 2008	Senior Managing Director and Chief Investment Officer of Claymore Advisors, LLC and Claymore Securities Inc. (2008–Present). Formerly, Managing Director of Research, Nuveen Asset Management (2000–2007).
Kevin Robinson Year of birth: 1959 Chief Legal Officer	Effective May 29, 2008	Senior Managing Director and General Counsel of Claymore Advisors, LLC and Claymore Group, Inc. (2007–present). Formerly, Associate General Counsel and Assistant Corporate Secretary of NYSE Euronext, Inc. (2000–2007).
Steven M. Hill Year of birth: 1964 Chief Accounting Officer, Chief Financial Officer and Treasurer	Since 2005	Senior Managing Director of Claymore Advisors, LLC and Claymore Securities, Inc. (2005–present). Formerly, Chief Financial Officer of Claymore Group Inc. (2005–2006); Managing Director of Claymore Advisors, LLC and Claymore Securities, Inc. (2003–2005). Treasurer of Henderson Global Funds and Operations Manager for Henderson Global Investors (NA) Inc., (2002–2003). Managing Director, FrontPoint Partners LLC (2001–2002).
Bruce Saxon Year of birth: 1957 Chief Compliance Officer	Since 2006	Vice President–Fund Compliance Officer of Claymore Group Inc. (2006 to present). Chief Compliance Officer/Assistant Secretary of Harris Investment Management, Inc. (2003–2006). Director–Compliance of Harrisdirect LLC (1999–2003).
Mark Mathiasen Year of birth: 1978 Secretary	Since 2007	Assistant Vice President, Assistant General Counsel of Claymore Advisors, LLC (2007–present). Secretary of certain funds in the Funds Complex. Previously, Law Clerk for the Idaho State Courts (2003–2007).
Charles D. Walbrandt Year of birth: 1938 Vice President	Since 2008	Founding Principal, Chief Executive Officer & Chief Investment Officer of Fiduciary Asset Management, LLC (1994–Present).
James Cunnane, Jr Year of birth: 1970 Vice President	Since 2007	Managing Director, Senior Portfolio Manager of Fiduciary Asset Management, LLC (1996–Present)

\* Address for all Officers: 2455 Corporate West Drive, Lisle, IL 60532

\*\* Officers serve at the pleasure of the Board of Trustees and until his or her successor is appointed and qualified or until his or her earlier resignation or removal.

## Dividend Reinvestment Plan (unaudited)

Unless the registered owner of common shares elects to receive cash by contacting the Plan Administrator, all dividends declared on common shares of the Fund will be automatically reinvested by the Bank of New York Mellon (the "Plan Administrator"), Administrator for shareholders in the Fund's Dividend Reinvestment Plan (the "Plan"), in additional common shares of the Fund. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Plan Administrator prior to the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution. Some brokers may automatically elect to receive cash on your behalf and may re-invest that cash in additional common shares of the Fund for you. If you wish for all dividends declared on your common shares of the Fund to be automatically reinvested pursuant to the Plan, please contact your broker.

The Plan Administrator will open an account for each common shareholder under the Plan in the same name in which such common shareholder's common shares are registered.

Whenever the Fund declares a dividend or other distribution (together, a "Dividend") payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in common shares. The common shares will be acquired by the Plan Administrator for the participants' accounts, depending upon the circumstances described below, either (i) through receipt of additional unissued but authorized common shares from the Fund ("Newly Issued Common Shares") or (ii) by purchase of outstanding common shares on the open market ("Open-Market Purchases") on the New York Stock Exchange or elsewhere. If, on the payment date for any Dividend, the closing market price plus estimated brokerage commission per common share is equal to or greater than the net asset value per common share, the Plan Administrator will invest the Dividend amount in Newly Issued Common Shares on behalf of the participants. The number of Newly Issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the Dividend by the net asset value per common share on the payment date; provided that, if the net asset value is less than or equal to 95% of the closing market value on the payment date, the dollar amount of the Dividend will be divided by 95% of the closing market price per common share on the payment date. If, on the payment date for any Dividend, the net asset value per common share is greater than the closing market value plus estimated brokerage commission, the Plan Administrator will invest the Dividend amount in common shares acquired on behalf of the participants in Open-Market Purchases.

If, before the Plan Administrator has completed its Open-Market Purchases, the market price per common share exceeds the net asset value per common share, the average per common share purchase price paid by the Plan Administrator may exceed the net asset value of the common shares, resulting in the acquisition of fewer common shares than if the Dividend had been paid in Newly Issued Common Shares on the Dividend payment date. Because of the foregoing difficulty with respect to Open-Market Purchases, the Plan provides that if the Plan Administrator is unable to invest the full Dividend amount in Open-Market Purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Administrator may cease making Open-Market Purchases and may invest the uninvested portion of the Dividend amount in Newly Issued Common Shares at net asset value per common share at the close of business on the Last Purchase Date provided that, if the net asset value is less than or equal to 95% of the then current market price per common share; the dollar amount of the Dividend will be divided by 95% of the market price on the payment date.

The Plan Administrator maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common shares in the account of each Plan participant will be held by the Plan Administrator on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Administrator will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instruction of the participants.

There will be no brokerage charges with respect to common shares issued directly by the Fund. However, each participant will pay a pro rata share of brokerage commission incurred in connection with Open-Market Purchases. The automatic reinvestment of Dividends will not relieve participants of any Federal, state or local income tax that may be payable (or required to be withheld) on such Dividends.

The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants with regard to purchases in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence or questions concerning the Plan should be directed to the Plan Administrator, BNY Mellon Shareowner Services P.O. Box 358015 Pittsburgh PA 15252-8015, Phone Number: (866) 488-3559.

## Report in Connection with the Annual Review of the **Investment Advisory Agreement** and **Investment Sub-Advisory Agreement for Fiduciary/ Claymore Dynamic Equity Fund** | (unaudited)

On October 6, 20 and 21, 2008, the Nominating and Governance Committee (referred to as the "Committee" and consisting solely of all those trustees who are not interested persons as defined by the Investment Company Act of 1940, the "Independent Trustees") of the Board of Trustees of the Fiduciary/Claymore Dynamic Equity Fund (the "Fund") met independently of Fund management and of the interested trustees of the Board of Trustees to consider the renewal of: (1) the investment advisory agreement ("Investment Advisory Agreement") between the Fund and Claymore Advisors, LLC ("Adviser") and (2) the investment sub-advisory agreement ("Investment Sub-Advisory Agreement") among the Adviser, the Fund and Fiduciary Asset Management, LLC ("Sub-Adviser"). (The Investment Advisory Agreement and the Investment Sub-Advisory Agreement are together referred to as the "Advisory Agreements.") As part of its review process, the Committee was represented by independent legal counsel. The Committee reviewed materials received from the Adviser, the Sub-Adviser and independent legal counsel.

In preparation for their review, the Committee members communicated with independent legal counsel regarding the nature of information to be requested for evaluation, and independent legal counsel, on behalf of the Committee, sent a formal request for information. Among other information, the Adviser and Sub-Adviser provided general information to assist the Committee in assessing the nature and quality of services provided by the Adviser and Sub-Adviser and information comparing the investment performance, advisory fees and total expenses of the Fund to other funds, information about the profitability from the Advisory Agreements to each of the Adviser and the Sub-Adviser and the compliance matters affecting each of the Adviser and the Sub-Adviser.

The Committee requested additional information from the Adviser and Sub-Adviser including information regarding strategic alternatives for the Fund in light of the Fund's performance in September and October, 2008. The Board of Trustees of the Fund met on October 20 and 21 and November 11, 2008 to consider renewal of the Advisory Agreements. As the Board of Trustees considered the options available to the Fund, the Board concluded that it was in the best interest of the Fund to renew each of the Advisory Agreements on an interim basis until the later of January 21, 2009 or the next in-person meeting of the Board of Trustees.

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## Fund Information

### Board of Trustees

Randall C. Barnes

Nicholas Dalmaso\*

Joseph E. Gallagher, Jr.\*\*

Howard H. Kaplan

Robert B. Karn III

Ronald A. Nyberg

John M. Roeder

Ronald E. Toupin, Jr.

\* Trustee is an “interested person” of the Fund as defined in the Investment Company Act of 1940, as amended, as a result of his former position as an officer of, and his equity ownership in, the Fund’s Investment Adviser and certain of its affiliates.

\*\* Trustee is an “interested person” of the Fund as defined in the Investment Company Act of 1940, as amended.

### Officers

J. Thomas Futrell

*Chief Executive Officer*

Kevin Robinson

*Chief Legal Officer*

Steven M. Hill

*Chief Accounting Officer, Chief Financial Officer and Treasurer*

Bruce Saxon

*Chief Compliance Officer*

Mark Mathiasen

*Secretary*

Charles D. Walbrandt

*Vice President*

James Cunnane, Jr.

*Vice President*

### Investment Adviser and Administrator

Claymore Advisors, LLC  
Lisle, Illinois

### Investment Sub-Adviser

Fiduciary Asset Management, LLC  
St. Louis, Missouri

### Accounting Agent, Custodian and Transfer Agent

The Bank of New York Mellon  
New York, New York

### Legal Counsel

Skadden, Arps, Slate,  
Meagher & Flom LLP  
Chicago, Illinois

### Independent Registered Public Accounting Firm

Ernst & Young LLP  
Chicago, Illinois

### Privacy Principles of Fiduciary/Claymore Dynamic Equity Fund for Shareholders

The Fund is committed to maintaining the privacy of its shareholders and to safeguarding its non-public personal information. The following information is provided to help you understand what personal information the Fund collects, how we protect that information and why, in certain cases, we may share information with select other parties.

Generally, the Fund does not receive any non-public personal information relating to its shareholders, although certain non-public personal information of its shareholders may become available to the Fund. The Fund does not disclose any non-public personal information about its shareholders or former shareholders to anyone except as permitted by law or as is necessary in order to service shareholder accounts (for example, to a transfer agent or third party administrator).

The Fund restricts access to non-public personal information about the shareholders to Claymore Advisors, LLC employees with a legitimate business need for the information. The Fund maintains physical, electronic and procedural safeguards designed to protect the non-public personal information of its shareholders.

### Questions concerning your shares of Fiduciary/Claymore Dynamic Equity Fund?

- If your shares are held in a Brokerage Account, contact your Broker.
- If you have physical possession of your shares in certificate form, contact the Fund’s Custodian and Transfer Agent:  
*The Bank of New York Mellon Mellon, 101 Barclay 11W New York, New York 10286; (866) 488-3559*

This report is sent to shareholders of Fiduciary/Claymore Dynamic Equity Fund for their information. It is not a Prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or of any securities mentioned in this report.

A description of the Fund’s proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (800) 345-7999 or on the U.S. Securities and Exchange Commission’s (“SEC”) website at <http://www.sec.gov>.

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30 is also available, without charge and upon request by calling the Fund at (800) 345-7999 or by accessing the Fund’s Form N-PX on the SEC’s website at <http://www.sec.gov>.

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. The Fund’s Form N-Q is available on the SEC website at <http://www.sec.gov>. The Fund’s Form N-Q may also be viewed and copied at the SEC’s Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330 or at [www.claymore.com](http://www.claymore.com).

In August 2008, the Fund submitted a CEO annual certification to the New York Stock Exchange (“NYSE”) in which the Fund’s principal executive officer certified that he was not aware, as of the date of the certification, of any violation by the Fund of the NYSE’s Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related Securities and Exchange Commission (“SEC”) rules, the Fund’s principal executive and principal financial officers have made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q, relating to, among other things, the Fund’s disclosure controls and procedures and internal control over financial reporting.

## About the **Fund Manager**

### **Fiduciary Asset Management, LLC**

Fiduciary is a registered investment adviser that manages a broad array of equity and fixed-income portfolios primarily for institutional investors and is based in St. Louis, Missouri. As of November 30, 2008 Fiduciary currently supervises and manages approximately \$12.9 billion in assets for endowments & foundations, public pension plans, corporate trusts, union plans, Taft-Hartley plans, three exchange-listed closed-end funds and five private investment funds.

**Fiduciary Asset Management, LLC**  
8235 Forsyth Boulevard,  
Suite 700  
St. Louis, MO 63105

**Claymore Securities, Inc.**  
2455 Corporate West Drive  
Lisle, IL 60532  
Member FINRA/SIPC 01/09

**HCE**  
**LISTED**  
**NYSE**