GUGGENHEIM STRATEGIC OPPORTUNITIES FUND
Form 497
December 19, 2011

PROSPECTUS SUPPLEMENT
(to Prospectus dated April 8, 2011)

Guggenheim Strategic Opportunities Fund

Up to 4,875,670 Common Shares

Guggenheim Strategic Opportunities Fund (the "Fund") is a diversified, closed-end management investment company. The Fund's investment objective is to maximize total return through a combination of current income and capital appreciation. The Fund pursues a relative value-based investment philosophy, which utilizes quantitative and qualitative analysis to seek to identify securities or spreads between securities that deviate from their perceived fair value and/or historical norms. The Fund's sub-adviser seeks to combine a credit-managed fixed-income portfolio with access to a diversified pool of alternative investments and equity strategies. The Fund's investment philosophy is predicated upon the belief that thorough research and independent thought are rewarded with performance that has the potential to outperform benchmark indexes with both lower volatility and lower correlation of returns as compared to such benchmark indexes. The Fund cannot ensure investors that it will achieve its investment objective.

The Fund will seek to achieve its investment objective by investing in a wide range of fixed-income and other debt and senior equity securities ("Income Securities") selected from a variety of sectors and credit qualities, including, but not limited to, corporate bonds, loans and loan participations, structured finance investments, U.S. government and agency securities, mezzanine and preferred securities and convertible securities, and in common stocks, limited liability company interests, trust certificates and other equity investments ("Common Equity Securities") that the Fund's sub-adviser believes offer attractive yield and/or capital appreciation potential, including employing a strategy of writing (selling) covered call and put options on such equities.

The Fund has entered into a Controlled Equity OfferingSM Sales Agreement (the "Sales Agreement") among the Fund, the Fund's investment advisor, Guggenheim Funds Investment Advisors, LLC (the "Investment Adviser"), and Cantor Fitzgerald & Co. ("Cantor Fitzgerald") relating to the Fund's common shares of beneficial interest, par value $0.01 per share (the "Common Shares"), offered by this Prospectus Supplement and the accompanying Prospectus. In accordance with the terms of the Sales Agreement, the Fund may offer and sell up to 4,875,670 Common Shares, from time to time, through Cantor Fitzgerald as agent for the Fund for the offer and sale of Common Shares.

Cantor Fitzgerald will be entitled to compensation up to 200 basis points of the gross proceeds of the sale of any Common Shares under the Sales Agreement, with the exact amount of such compensation to be mutually agreed upon by the Fund and Cantor Fitzgerald from time to time. In connection with the sale of the Common Shares on behalf of the Fund, Cantor Fitzgerald may be deemed to be an "underwriter" within the meaning of the 1933 Act and the compensation of Cantor Fitzgerald may be deemed to be underwriting commissions or discounts.

Sales of Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the

Securities Act of 1933, as amended (the "1933 Act"), including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange.

The Fund's currently outstanding Common Shares are, and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus will be, listed on the New York Stock Exchange ("NYSE") under the symbol "GOF." As of December 9, 2011 the last reported sale price for the Fund's Common Shares on the NYSE was $20.51 per share. The net asset value ("NAV") per share of the Fund's Common Shares as of the close of business on December 9, 2011 was $18.65.

(continued on following page)

Investing in the Fund's Common Shares involves certain risks. See "Risks" beginning on page S–7 of this Prospectus Supplement and on page 51 of the accompanying Prospectus. You should consider carefully these risks together with all of the other information contained in this Prospectus Supplement and the accompanying Prospectus before making a decision to purchase Common Shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus Supplement or the accompanying Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Cantor Fitzgerald & Co.

This Prospectus Supplement is dated December 16, 2011.

(continued from previous page)

This Prospectus Supplement, together with the accompanying Prospectus, dated April 8, 2011, set forth concisely the information that you should know before investing in the Fund's Common Shares. You should read this Prospectus Supplement and the accompanying Prospectus, which contain important information about the Fund, before deciding whether to invest, and you should retain them for future reference. A Statement of Additional Information, dated April 8, 2011 (the "SAI"), as supplemented from time to time, containing additional information about the Fund, has been filed with the Securities and Exchange Commission ("SEC") and is incorporated by reference in its entirety into the accompanying Prospectus. This Prospectus Supplement, the accompanying Prospectus and the SAI are part of a "shelf" registration statement filed with the SEC. This Prospectus Supplement describes the specific details regarding this offering, including the method of distribution. If information in this Prospectus Supplement is inconsistent with the accompanying Prospectus or the SAI, you should rely on this Prospectus Supplement. You may request a free copy of the SAI, the table of contents of which is on page 86 of the accompanying Prospectus, or request other information about the Fund (including the Fund's annual and semi-annual reports) or make shareholder inquiries by calling (800) 345-7999 or by writing the Fund, or you may obtain a copy (and other information regarding the Fund) from the SEC's web site (http://www.sec.gov). Free copies of the Fund's reports and the SAI also are available from the Fund's website at www.guggenheimfunds.com/gof.

The Fund's Common Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the accompanying Prospectus contain or incorporate by reference forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. These statements describe the Fund's plans, strategies, and goals and our beliefs and assumptions concerning future economic and other conditions and the outlook for the Fund, based on currently available information. In this Prospectus Supplement and the accompanying Prospectus, words such as "anticipates," "believes," "expects," "objectives," "goals," "future," "intends," "seeks," "will," "may," "could," "should," and similar expressions are used in an effort to identify forward-looking statements, although some forward-looking statements may be expressed differently. The Fund is not entitled to the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended.

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You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus in making your investment decisions. The Fund has not and Cantor Fitzgerald has not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund and Cantor Fitzgerald take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This Prospectus Supplement and the accompanying Prospectus do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this Prospectus Supplement and in the accompanying Prospectus is accurate only as of the respective dates on their front covers. The Fund's business, financial condition and prospects may have changed since such dates. The Fund will advise investors of any material changes to the extent required by applicable law.

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PROSPECTUS SUMMARY

This is only a summary of information contained elsewhere in this Prospectus Supplement and the accompanying Prospectus. This summary does not contain all of the information that you should consider before investing in the Fund's Common Shares. You should carefully read the more detailed information contained in this Prospectus Supplement and the accompanying Prospectus, dated April 8, 2011, especially the information set forth under the headings "Investment Objective and Policies" and "Risks" prior to making an investment in the Fund. You may also wish to request a copy of the Fund's Statement of Additional Information, dated April 8, 2011 (the "SAI"), which contains additional information about the Fund. Capitalized terms used herein that are not otherwise defined shall have the meanings assigned to them in the accompanying Prospectus.

The Fund	Guggenheim Strategic Opportunities Fund (the "Fund") is a diversified, closed-end management investment company that commenced operations on July 26, 2007. The Fund's investment objective is to maximize total return through a combination of current income and capital appreciation. The Fund pursues a relative value-based investment philosophy, which utilizes quantitative and qualitative analysis to seek to identify securities or spreads between securities that deviate from their perceived fair value and/or historical norms. The Fund's common shares of beneficial interest, par value $0.01 per share, are called "Common Shares" and the holders of Common Shares are called "Common Shareholders" throughout this Prospectus Supplement and the accompanying Prospectus.
Management of the Fund	Guggenheim Funds Investment Advisors, LLC (the "Investment Adviser") serves as the Fund's investment adviser and is responsible for the management of the Fund. Guggenheim Partners Asset Management, LLC (the "Sub-Adviser") is responsible for the management of the Fund's portfolio of securities. Each of the Investment Adviser and the Sub-Adviser are subsidiaries of Guggenheim Partners, LLC ("Guggenheim Partners"). Guggenheim Partners is a diversified financial services firm with wealth management, capital markets, investment management and proprietary investing businesses, whose clients are a mix of individuals, family offices, endowments, foundation insurance companies and other institutions that have entrusted Guggenheim Partners with the supervision of more than $100 billion of assets as of June 30, 2011. Guggenheim Partners is headquartered in Chicago and New York with a global network of offices throughout the United States, Europe, and Asia.
Listing and Symbol	The Fund's currently outstanding Common Shares are, and the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus will be, listed on the New York Stock Exchange (the "NYSE") under the symbol "GOF." As of December 9, 2011, the last reported sale price for the Fund's Common Shares was $20.51. The net asset value ("NAV") per share of the Fund's Common Shares at the close of business on December 9, 2011, was $18.65.
Distributions	The Fund has paid distributions to Common Shareholders monthly since inception. Payment of future distributions is subject to approval by the Fund's Board of Trustees, as well as meeting the covenants of any outstanding borrowings and the asset coverage requirements of the Investment Company Act of 1940, as amended (the "1940 Act").

The Offering	The Fund has entered into a Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) with Cantor Fitzgerald & Co. (“Cantor Fitzgerald”) relating to the Common Shares offered by this Prospectus Supplement and the accompanying Prospectus. In accordance with the terms of the Sales Agreement, the Fund may offer and sell up to 4,875,670 Common Shares, from time to time, through Cantor Fitzgerald as the Fund's agent for the offer and sale of the Common Shares. Sales of Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be “at the market” as defined in Rule 415 under the Securities Act of 1933, as amended (the “1933 Act”), including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. See “Plan of Distribution” in this Prospectus Supplement. The Common Shares may not be sold through agents, underwriters or dealers without delivery or deemed delivery of the Prospectus and this Prospectus Supplement describing the method and terms of the offering of Common Shares. Under the Investment Company Act of 1940, as amended, the Fund may not sell Common Shares at a price below the then current NAV per Common Share, after taking into account any commission or discount.
Risks	See “Risks” beginning on page S–7 of this Prospectus Supplement and on page 51 of the accompanying Prospectus for a discussion of factors you should consider carefully before deciding to invest in the Fund’s Common Shares.
Use of Proceeds	The Fund intends to invest the net proceeds of this offering in accordance with its investment objective and policies as stated in the accompanying Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of this offering in accordance with its investment objective and policies within three months of the receipt of such proceeds. Pending such investment, it is anticipated that the proceeds will be invested in U.S. government securities or high quality, short-term money market securities. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use the proceeds of this offering primarily for any of these purposes.

FINANCIAL HIGHLIGHTS

The financial highlights table is intended to help you understand the Fund's financial performance. Except where noted, the information in this table is derived from the Fund's financial statements audited by Ernst & Young LLP, independent registered public accounting firm for the Fund, whose report on such financial statements, together with the financial statements of the Fund, are included in this Prospectus Supplement.

Per share operating performance for a Common Share outstanding throughout the period	For the Year Ended May 31, 2011	For the Year Ended May 31, 2010	For the Year Ended May 31, 2009	For the period July 27, 2007* through May 31, 2008
Net asset value, beginning of period	$ 17.56	$ 12.42	$ 17.52	$ 19.10 (b)
Income from investment operations				
Net investment income (a)	1.94	1.76	1.06	0.79
Net realized and unrealized gain (loss) on investments, options, futures, swaps and unfunded commitments	2.49	5.23	(4.31)	(0.99)
Total from investment operations	4.43	6.99	(3.25)	(0.20)
Common Share offering expenses charged to paid-in-capital	–	–	–	(0.04)
Distributions to Common Shareholders				
From and in excess of net investment income	(1.88)	(1.85)	(1.36)	(0.98)
Return of capital	–	–	(0.49)	(0.36)
Total distributions	(1.88)	(1.85)	(1.85)	(1.34)
Net asset value, end of period	$ 20.11	$ 17.56	$ 12.42	$ 17.52
Market value, end of period	$ 22.32	$ 17.46	$ 11.53	$ 16.78
Total investment return (c)				
Net asset value	26.14 %	59.06 %	-18.37 %	-1.40 %
Market value	40.85 %	70.37 %	-19.51 %	-9.41 %
Ratios and supplemental data				
Net assets, applicable to Common Shareholders, end of period (thousands)	$ 187,333	$ 161,783	$ 113,076	$ 159,509
Ratios to Average Net Assets applicable to Common Shares:				
Total expenses, excluding interest expense	1.85 %(d)	1.98 %(d)	2.06 %(d)	1.72 %(d)(e)
Total expenses, including interest expense	2.69 %(d)	2.97 %(d)	3.25 %(d)	3.36 %(d)(e)
Net investment income, including interest expense	10.20 %	11.30 %	7.84 %	5.08 %(d)

Portfolio turnover (f)	64 %	67 %	58 %	210 %
Senior Indebtedness				
Total borrowings outstanding (in thousands)	$ 80,670	$ 69,117	$ 31,085	$ 76,016
Asset coverage per $1,000 of indebtedness (g)	$ 3,322	$ 3,341	$ 4,638	$ 3,098

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* Commencement of 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) The ratios of total expenses to average net assets applicable to Common Shares do not reflect fees and expenses incurred indirectly by the Fund as a result of its investment in shares of other investment companies. If these fees were included in the expense ratios, expense ratios would increase by 0.03% for the period ended May 31, 2011, 0.05% for the year ended May 31, 2010, 0.08% for the year ended May 31, 2009, and 0.04% for the year ended May 31, 2008.

(e) Annualized.

(f) Portfolio turnover is not annualized for periods less than a year.

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

See notes to financial statements.

SUMMARY OF FUND EXPENSES

The following table contains information about the costs and expenses that Common Shareholders will bear directly or indirectly. The table is based on the capital structure of the Fund as of May 31, 2011 (except as noted below), after giving effect to the anticipated net proceeds of this offering and assuming that the Fund incurs the estimated offering expenses. The purpose of the table and the example below is to help you understand the fees and expenses that you, as a holder of Common Shares, would bear directly or indirectly.

Shareholder Transaction Expenses		
Sales load (as a percentage of offering price)	2.00	%(1)
Offering expenses borne by the Fund (as a percentage of offering price)	0.60	%(2)
Automatic Dividend Reinvestment Plan fees(2)	None	

Annual Expenses	Percentage of Net Assets Attributable to Common Shares(4)	
Management fees(5)	1.40	%
Interest expense(6)	0.75	%
Acquired fund fees and expenses	0.03	%
Other expenses(7)	0.42	%
Total annual expenses	2.60	%

(1) Represents the estimated commission with respect to the Common Shares being sold in this offering. Cantor Fitzgerald will be entitled to compensation up to 200 basis points of the gross proceeds of the sale of any Common Shares under the Sales Agreement, with the exact amount of such compensation to be mutually agreed upon by the Fund and Cantor Fitzgerald from time to time. The Fund has assumed that Cantor Fitzgerald will receive a commission of 2.00% of the gross sale price of the Common Shares sold in this offering.

(2) Offering expenses payable by the Fund will be deducted from the proceeds from this offering. The Fund will pay offering expenses out of the proceeds of any sales of Common Shares pursuant to this Prospectus Supplement in an amount equal to 0.60% of the offering price of such Common Shares, not to exceed the Fund’s actual offering costs, which are estimated to be $400,000. The Investment Adviser has agreed to pay offering expenses of the Fund (other than the sales load) that exceed 0.60% of the aggregate public offering price of the Common Shares sold in this offering.

(3) You will pay brokerage charges if you direct the Plan Agent to sell your Common Shares held in a dividend reinvestment account. See “Automatic Dividend Reinvestment Plan” in the accompanying Prospectus.

(4) Based upon average net assets applicable to Common Shares during the year ended May 31, 2011 after giving effect to the anticipated net proceeds of this offering. Assumes the Fund sells 4,875,670 Common Shares at an offering price of $20.51 (the last reported sale price per share for the Fund's Common Shares on the NYSE as of December 9, 2011). The price per share of any sale of Common Shares may be greater or less than the price assumed herein, depending on the market price of the Common Shares at the time of any sale. There is no guaranty that there will be any sales of Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. The number of Common Shares actually sold pursuant to this Prospectus Supplement and the accompanying Prospectus may be less than as assumed herein.

(5) The Fund pays an investment advisory fee to the Investment Adviser in an annual amount equal to 1.00% of the Fund's average daily Managed Assets. Common Shareholders bear the portion of the investment advisory fee attributable to the assets purchased with the proceeds of Financial Leverage, which means that Common Shareholders effectively bear the entire advisory fee.

(6) Includes interest payments on borrowed funds and interest expense on reverse repurchase agreements. Interest payments on borrowed funds is based upon the Fund's outstanding Financial Leverage as of May 31, 2011, which included Borrowings under the Fund's committed facility agreement in an amount equal to 8.4% of the Fund's Managed Assets, at an annual interest rate cost to the Fund of 1.10% and Borrowings under the TALF program in an amount equal to 3.9% of the Fund's Managed Assets, at an annual interest rate cost to the Fund of 3.80%. The actual amount of interest payments by the Fund will vary over time in accordance with the amount of Borrowings and variations in market interest rates. Interest expenses on reverse repurchase agreements assumes the use of leverage in the form of reverse repurchase agreements representing 17.8% of the Fund's Managed Assets at an annual interest cost to the Fund of 1.93%. The actual amount of interest expense on reverse repurchase agreements borne by the Fund will vary over time in accordance with the level of the Fund's use of reverse repurchase agreements and variations in market interest rates.

(7) Other expenses are estimated based upon those incurred during the current fiscal year.

Example

As required by relevant SEC regulations, the following example illustrates the expenses that you would pay on a $1,000 investment in Common Shares, assuming (1) “Total annual expenses” of 2.60% of net assets attributable to Common Shares, (2) the sales load of $20 and estimated offering expenses of $6, and (3) a 5% annual return*:

	1 Year	3 Years	5 Years	10 Years
Total Expenses Incurred	$52	$105	$160	$312

* The Example should not be considered a representation of future expenses or returns. Actual expenses may be higher or lower than those assumed. Moreover, the Fund’s actual rate of return may be higher or lower than the hypothetical 5% return shown in the example. The example assumes that all dividends and distributions are reinvested at net asset value.

CAPITALIZATION

The Fund may offer and sell up to 4,875,670 Common Shares, from time to time, through Cantor Fitzgerald as the Fund's agent for the offer and sale of Common Shares under this Prospectus Supplement and the accompanying Prospectus. The table below assumes the sale of 4,875,670 Common Shares, at a price of $20.51 per share (the last reported sale price for the Fund's Common Shares on the NYSE as of December 9, 2011). The price per share of any sale of Common Shares may be greater or less than the price assumed herein, depending on the market price of the Common Shares at the time of any sale. There is no guaranty that there will be any sales of Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. The number of Common Shares actually sold pursuant to this Prospectus Supplement and the accompanying Prospectus may be less than as assumed herein. To the extent that the market price per share of the Fund's Common Shares, less any distributing commission or discount, is less than the then current NAV per Common Share on any given day, the Fund will instruct Cantor Fitzgerald not to make any sales on such day.

The following table sets forth the Fund’s capitalization at May 31, 2011:

(i) on a historical basis;

(ii) on an as adjusted basis, as of December 9, 2011, to reflect the issuance of an aggregate of 36,478 Common Shares pursuant to the Fund’s Automatic Dividend Reinvestment Plan and a decrease of $4,605,490 of outstanding Leverage; and

(iii) on an as further adjusted basis to reflect the assumed sale of 4,875,670 of Common Shares at a price of $20.51 per share (the last reported sale price for the Fund's Common Shares on the NYSE as of December 9, 2011), in an offering under this Prospectus Supplement and the accompanying Prospectus less the assumed commission of $2,000,000 (representing an estimated commission paid to Cantor Fitzgerald of 2.00% of the gross proceeds of the sale of Common Shares effected by Cantor Fitzgerald in this offering) and estimated offering expenses payable by the Fund of $400,000.

	Actual	As Adjusted (unaudited)	As Further Adjusted (unaudited)
Short-Term Debt:			
Leverage	$80,670,361	$76,064,871	$76,064,871
Common Shareholder’s Equity:			
Common shares of beneficial interest, par value $0.01 per share; unlimited shares authorized, 9,317,708 shares issued and outstanding (actual), 9,354,186 shares issued and outstanding (as adjusted), and 14,229,856 shares issued and outstanding (as further adjusted)	93,177	93,542	142,299
Additional paid-in capital	169,360,097	170,067,796	267,525,497
Net unrealized appreciation on investments	16,252,747	16,252,747	16,252,747
Accumulated net realized gain on investments	709,042	709,042	709,042
Accumulated net investment income	917,740	917,740	917,740
Net assets	$187,332,803	$188,040,867	$285,547,325

USE OF PROCEEDS

Sales of Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus may be made in negotiated transactions or transactions that are deemed to be "at the market" as defined in Rule 415 under the 1933 Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange. Assuming the sale of all Common Shares offered under this Prospectus Supplement and the accompanying Prospectus, at the last reported sale price of $20.51 per share on the NYSE as of December 9, 2011, the net proceeds to the Fund from this offering will be approximately $97,600,000 after deducting the estimated commission and estimated offering expenses. There is no guaranty that there will be any sales of Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus. The number of Common Shares, if any, actually sold under this Prospectus Supplement and the accompanying Prospectus may be less than as set forth in this paragraph. In addition, the price per share of any such sale may be greater or less than $20.51, depending on the market price of the Fund's Common Shares at the time of any such sale. As a result, the actual net proceeds received by the Fund may be more or less than the amount of net proceeds estimated in this paragraph.

The Fund intends to invest the net proceeds from this offering in accordance with its investment objective and policies as stated in the accompanying Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds from this offering in accordance with its investment objective and policies within three months of the receipt of such proceeds. Pending such investment, it is anticipated that the proceeds will be invested in U.S. government securities or high quality, short-term money market securities. The Fund may also use the proceeds for working capital purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to use the proceeds from this offering primarily for any of these purposes.

RISKS

Investors should consider the following risk factors and special considerations associated with investing in the Fund described in this Prospectus Supplement as well as the risk factors described under “Risks” in the accompanying Prospectus. An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount invested.

Risk Associated with Recent Market Developments.

While U.S. and global markets had experienced extreme volatility and disruption for an extended period of time, 2010 and the beginning of 2011 witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist. Since 2010, several European Union (“EU”) countries, including Greece, Ireland, Italy, Spain, and Portugal, have begun to face budget issues, some of which may have negative long-term effects for the economies of those countries and other EU countries. There is continued concern about national-level support for the euro and the accompanying coordination of fiscal and wage policy among European Economic and Monetary Union member countries. A return to unfavorable economic conditions could impair the Fund’s ability to achieve its investment objective.

Regulation Risk

In connection with an ongoing review by the SEC and its staff of the regulation of investment companies’ use of derivatives, on August 31, 2011, the SEC issued a concept release to seek public comment on a wide range of issues raised by the use of derivatives by investment companies. The SEC noted that it intends to consider the comments to help determine whether regulatory initiatives or guidance are needed to improve the current regulatory regime for investment companies and, if so, the nature of any such initiatives or guidance. While the nature of any such regulations is uncertain at this time, it is possible that such regulations could limit the implementation of the Fund’s use of derivatives, which could have an adverse impact on the Fund. Neither the Investment Adviser nor the Sub-Adviser can predict the effects of these regulations on the Fund's portfolio. The Investment Adviser and the Sub-Adviser intend to monitor developments and seek to manage the Fund's portfolio in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that they will be successful in doing so.

United States Credit Rating Downgrade Risk

The events surrounding the recent negotiations regarding the U.S. federal government debt ceiling and the resulting agreement could adversely affect the Fund's ability to achieve its investment objective. On August 5, 2011, S&P lowered its long-term sovereign credit rating on the U.S. to "AA+" from "AAA." The downgrade by S&P could increase volatility in both stock and bond markets, result in higher interest rates and higher Treasury yields and increase the costs of all kinds of debt. These events could have significant adverse effects on the economy generally and could result in significant adverse impacts on issuers of securities held by the Fund and the Fund itself. Neither the Investment Adviser nor the Sub-Adviser can predict the effects of these or similar events in the future on the U.S. economy and securities markets or on the Fund's portfolio. The Investment Adviser and the Sub-Adviser intend to monitor developments and seek to manage the Fund's portfolio in a manner consistent with achieving the Fund's investment objective, but there can be no assurance that they will be successful in doing so and the Investment Adviser and the Sub-Adviser may not timely anticipate or manage existing, new or additional risks, contingencies or developments.

RECENT DEVELOPMENTS

The following information supplements the information contained under corresponding headings in the accompanying Prospectus or related Statement of Additional of Information.

Distributions

The Fund has paid distributions to Common Shareholders monthly since inception. Payment of future distributions is subject to approval by the Fund's Board of Trustees, as well as meeting the covenants of any outstanding borrowings and the asset coverage requirements of the Investment Company Act of 1940, as amended (the "1940 Act").

Since the end of the fiscal year ended May 31, 2011, the Fund has paid monthly distributions as follows:

Payment Date	Distribution Per Common Share
June 30, 2011	$0.1540
July 29, 2011	$0.1540
August 31, 2011	$0.1540
September 30, 2011	$0.1540
October 31, 2011	$0.1540
November 30, 2011	$0.1540

Senior Securities and Other Financial Leverage

The following table sets forth information about the Fund's outstanding Financial Leverage:

Fiscal Year Ended	Type of Leverage	Total Amount Outstanding	Asset Coverage Per $1,000

May 31, 2011	Total Leverage	$ 80,670,361	$ 3,322
	Committed Facility Agreement	$ 22,432,914	
	Reverse Repurchase Agreements(1)	$ 47,618,513	
	TALF Program(1)	$ 10,618,934	

(1) As a result of the Fund having earmarked or segregated cash or liquid securities to collateralize the transactions or otherwise having covered the transactions, in accordance with releases and interpretive letters issued by the SEC, the Fund does not treat its obligations under such transactions as senior securities representing indebtedness for purposes of the 1940 Act.

Market and Net Asset Value Information

The following table sets forth, for each of the periods indicated, the high and low closing market prices for the Common Shares on the NYSE, as well as the NAV per Common Share and the premium or discount to NAV per Common Share at which the Common Shares were trading on the date of the high and low closing prices. The Fund calculates its NAV as of the close of business, usually 5:00 p.m. Eastern time, every day on which the NYSE is open. See “Net Asset Value” for information as to the determination of the Fund’s NAV.

During Quarter Ended	Market Price High	Market Price Low	NAV per Common Share on Date of Market Price High and Low(1) High	NAV per Common Share on Date of Market Price High and Low(1) Low	Premium/(Discount) on Date of Market Price High and Low(2) High	Premium/(Discount) on Date of Market Price High and Low(2) Low
November 30, 2011	$20.62	$18.63	$18.63	$17.92	10.68 %	3.96 %
August 31, 2011	22.23	17.33	20.07	18.86	10.76	(8.11)
May 31, 2011	22.82	20.14	20.10	19.59	11.04	2.81

(1) Based on the Fund's computations.

(2) Calculated based on the information presented. Percentages are rounded.

The last reported sale price, NAV per Common Share and percentage premium to NAV per Common Share on December 9, 2011 was $20.51, $18.65 and 9.97%, respectively. The Fund cannot predict whether its Common Shares will trade in the future at a premium to or discount from NAV, or the level of any premium or discount. Shares of closed-end investment companies frequently trade at a discount from NAV. The Fund's Common Shares have in the past traded below their NAV. As of December 9, 2011, 9,354,186 Common Shares of the Fund were outstanding.

The Fund's Investments – Portfolio Turnover

For the fiscal year ended May 31, 2011, the Fund's portfolio turnover rate was 64%.

Use of Financial Leverage

The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc. ("BNP Paribas") pursuant to which the Fund may borrow up to $30 million. As of May 31, 2011, outstanding Borrowings under the committed facility agreement were approximately $22.4 million, which represented approximately 8.4% of the Fund's Managed Assets as of such date. The Fund invests a portion of its Managed Assets through participation in the Term Asset-Backed Securities Loan Facility program (the "TALF Program"), a program developed by the Board of Governors of the Federal Reserve System and the U.S. Department of the Treasury and operated by the Federal Reserve Bank of New York ("FRBNY"). Under the TALF Program, the FRBNY may provide loans to the Fund to purchase certain investment-grade, asset-backed securities which must be backed by auto loans, student loans, credit card loans, small business loans or certain commercial mortgage-backed securities. As of May 31, 2011, the Fund's borrowings under the TALF Program represented approximately 3.9% of the Fund's Managed Assets. In addition, as of May 31, 2011, the Fund had reverse repurchase agreements outstanding representing Financial Leverage equal to approximately 17.8% of the Fund's Managed Assets. As of May 31, 2011, the Fund's total Financial Leverage represented approximately 30.1% of the Fund's Managed Assets.

Effects of Financial Leverage. Assuming the Fund's total Financial Leverage represented approximately 30.1% of the Fund's Managed Assets and interest costs to the Fund at a combined average annual rate of 1.95% with respect to such Financial Leverage, then the incremental income generated by the Fund's portfolio (net of estimated expenses including expenses related to the Financial Leverage) must exceed approximately 0.59% to cover such interest expense. However, these numbers are merely estimates used for illustration. The amount of Financial Leverage used by the Fund as well as actual interest expenses on such Financial Leverage will vary.

The following table is furnished pursuant to requirements of the SEC. It is designed to illustrate the effect of leverage on Common Share total return, assuming investment portfolio total returns (comprised of income, net expenses and changes in the value of investments held in the Fund’s portfolio) of -10%, -5%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of what the Fund’s investment portfolio returns will be. The table further assumes Financial Leverage representing approximately 30.1% of the Fund’s Managed Assets and interest costs to the Fund at a combined average annual rate of 1.95% with respect to such Financial Leverage.

Assumed portfolio total return (net of expenses)	(10.00)%	(5.00)%	0.00%	5.00%	10.00%
Common Share total return	(15.15)%	(7.99)%	(0.84)%	6.31%	13.47%

Common Share total return is composed of two elements—the Common Share dividends paid by the Fund (the amount of which is largely determined by the Fund’s net investment income after paying the carrying cost of Financial Leverage) and realized and unrealized gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table assumes that the Fund is more likely to suffer capital loss than to enjoy capital appreciation. For example, to assume a total return of 0%, the Fund must assume that the net investment income it receives on its investments is entirely offset by losses on the value of those investments. This table reflects the hypothetical performance of the Fund’s portfolio and not the performance of the Fund's Common Shares, the value of which will be determined by market and other factors.

Description of Capital Structure – Capitalization

The following information regarding the Fund's authorized shares is as of December 2, 2011. Since May 31, 2011, the Fund had issued 36,478 Common Shares pursuant to the Fund's Dividend Reinvestment Plan.

Title of Class	Amount Authorized	Amount Held by the Fund or for its Account	Amount Outstanding
Common shares of beneficial interest, par value $0.01 per share	Unlimited	0	9,354,186

Management of the Fund

Board Committees – Board and Committee Meetings. During the Fund's fiscal year ended May 31, 2011, the Board held 5 meetings, the Fund's Audit Committee held 3 meetings and the Fund's Nominating and Governance Committee held 3 meetings.

Trustee Compensation. The Fund pays an annual retainer and fee per meeting attended to each Trustee who is not affiliated with the Investment Adviser, Sub-Adviser or their respective affiliates and pays an additional annual fee to the chairman of the Board and of any committee of the Board, if any. The following table provides information regarding the compensation of the Fund's Trustees for the Fund's fiscal year ended May 31, 2011.

Name(1)	Aggregate Estimated Compensation from the Fund	Pension or Retirement Benefits Accrued as Part of Fund Expenses(2)	Estimated Annual Benefits Upon Retirement(2)	Total Compensation from the Fund and Fund Complex(3) Paid to Trustee
Randall C. Barnes	$ 9,625	None	None	$ 252,625
Roman Friedrich III	$ 7,187	None	None	$ 73,125
Robert B. Karn III	$ 7,062	None	None	$ 102,313
Ronald A. Nyberg	$ 10,093	None	None	$ 345,313
Ronald E. Toupin, Jr.	$ 10,656	None	None	$ 280,063

(1) Trustees not entitled to compensation are not included in the table.

(2) The Fund does not accrue or pay retirement or pension benefits to Trustees as of the date of this Prospectus Supplement.

(3) As of the date of this Prospectus Supplement, the "Fund Complex" consists of 15 closed-end funds and 43 exchange- traded funds advised or serviced by the Investment Adviser

Portfolio Management – Other Accounts Managed by the Portfolio Managers. The following table sets forth information about funds and accounts other than the Fund for which the portfolio managers are primarily responsible for the day-to-day portfolio management as of May 31, 2011.

Name of Portfolio Manager	Number of Other Accounts Managed and Assets by Account Type			Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based		
	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts
B. Scott Minerd	3	4	43	0	3	1
	$648 million	$1.96 billion	$50.96 billion	$0	$1.90 billion	$292 million
Anne Bookwalter Walsh	2	2	33	0	2	1
	$551 million	$1.90 billion	$48 million	$0	$1.90 billion	$292 million

Portfolio Management – Securities Ownership of the Portfolio Managers. As of May 31, 2011, the dollar range of equity securities of the Fund beneficially owned by each portfolio manager is shown below:

B. Scott Minerd:	$0
Anne Bookwalter Walsh:	$50,001 - $100,000

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Advisory Agreement – Advisory Fee. For the fiscal year ended May 31, 2011, the Investment Adviser received approximate advisory fees of $2,461,526. A portion of the advisory fees received by the Investment Adviser is paid by the Investment Adviser to the Sub-Adviser.

Sub-Advisory Agreement – Sub-Advisory Fee. For the fiscal year ended May 31, 2011, the Sub-Adviser received approximate sub-advisory fees of $1,230,763.

Other Agreements – Administration Fee. For the fiscal year ended May 31, 2011, Guggenheim Funds Investment Advisors, LLC received approximate administrative fees of $64,231.

Portfolio Transactions – Commissions Paid

During the fiscal year ended May 31, 2011, the Fund paid commissions to brokers of approximately $128,228, of which $0 was paid to affiliated brokers, which represents 0% of aggregate brokerage commissions paid and 0% of the aggregate dollar amount of transactions. During the fiscal year ended May 31, 2011, the Fund paid $0 in brokerage commissions on transactions totaling $0 to brokers selected primarily on the basis of research services provided to the Investment Adviser or the Sub-Adviser.

Principal Shareholders

As of December 2, 2011, to the knowledge of the Fund, no person beneficially owned more than 5% of the voting securities of any class of equity securities of the Fund, except as follows:

Shareholder Name & Address	Class of Shares	Share Holdings	Percentage Owned
First Trust Portfolios(1) 120 E. Liberty Drive Wheaton, IL 60187	Common Shares	490,620	5.3%

(1) Based on information obtained from a Schedule 13G filed with the SEC on January 25, 2011.

PLAN OF DISTRIBUTION

Under the Sales Agreement among the Fund, the Investment Adviser and Cantor Fitzgerald, upon written instructions from the Fund, Cantor Fitzgerald will use its commercially reasonable efforts consistent with its sales and trading practices, to solicit offers to purchase the Common Shares under the terms and subject to the conditions set forth in the Sales Agreement. Cantor Fitzgerald's solicitation will continue until the Fund instructs Cantor Fitzgerald to suspend the solicitations and offers. The Fund will instruct Cantor Fitzgerald as to the amount of Common Shares to be sold by Cantor Fitzgerald. The Fund may instruct Cantor Fitzgerald not to sell Common Shares if the sales cannot be effected at or above the price designated by the Fund in any instruction. The Fund or Cantor Fitzgerald may suspend the offering of Common Shares upon proper notice and subject to other conditions.

Cantor Fitzgerald will provide written confirmation to the Fund not later than the opening of the trading day on the NYSE following any trading day on which Common Shares are sold under the Sales Agreement. Each confirmation will include the number of Common Shares sold on the preceding day, the net proceeds to the Fund and the compensation payable by the Fund to Cantor Fitzgerald in connection with the sales.

The Fund will pay Cantor Fitzgerald commissions for its services in acting as agent for the sale of Common Shares. Cantor Fitzgerald will be entitled to compensation up to 200 basis points of the gross proceeds of the sale of any Common Shares under the Sales Agreement, with the exact amount of such compensation to be mutually agreed upon by the Fund and Cantor Fitzgerald from time to time. There is no guaranty that there will be any sales of Common Shares pursuant to this Prospectus Supplement and the accompanying Prospectus.

Settlement for sales of Common Shares will occur on the third trading day following the date on which such sales are made, or on some other date that is agreed upon by the Fund and Cantor Fitzgerald in connection with a particular transaction, in return for payment of the net proceeds to the Fund. There is no arrangement for funds to be deposited in escrow, trust or similar arrangement.

In connection with the sale of Common Shares on behalf of the Fund, Cantor Fitzgerald may be deemed to be an "underwriter" within the meaning of the 1933 Act, and the compensation paid to Cantor Fitzgerald may be deemed to be underwriting commissions or discounts. The Fund and the Investment Adviser have agreed to provide indemnification and contribution to Cantor Fitzgerald against certain civil liabilities, including liabilities under the

1933 Act. The Fund and the Investment Adviser have also agreed to reimburse Cantor Fitzgerald for other specified expenses.

The offering of Common Shares pursuant to the Sales Agreement will terminate upon the earlier of (1) the sale of all Common Shares subject to the Sales Agreement or (2) the termination of the Sales Agreement. The Sales Agreement may be terminated by the Fund in its sole discretion at any time by giving 20 days' notice to Cantor Fitzgerald. The Sales Agreement may be terminated by the Investment Adviser in its sole discretion in the event the Investment Adviser ceases to act as investment adviser to the Fund. In addition, Cantor Fitzgerald may terminate the Sales Agreement under the circumstances specified in the Sales Agreement and in its sole discretion at any time following a period of 30 days from the date of the Sales Agreement by giving 20 days' notice to the Fund.

Under the 1940 Act, the Fund may not sell Common Shares at a price below the then current NAV per Common Share, after taking into account any commission or discount. To the extent that the market price per share of the Fund's Common Shares is less than the then current NAV per Common Share, after taking into account any commission or discount, on any given day, the Fund will instruct Cantor Fitzgerald not to make any sales on such day.

The principal business address of Cantor Fitzgerald is 499 Park Avenue, New York, New York 10022.

LEGAL MATTERS

Certain legal matters will be passed on by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York, as special counsel to the Fund in connection with the offering of Common Shares. Certain legal matters will be passed on by Andrews Kurth LLP, New York, New York, as special counsel to Cantor Fitzgerald in connection with the offering of Common Shares.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, 155 North Wacker Drive, Chicago, Illinois 60606, serves as the independent registered public accounting firm of the Fund and annually renders an opinion on the financial statements of the Fund. The Fund’s audited financial statements appearing in this Prospectus Supplement, including accompanying notes thereto and the report of Ernst & Young LLP thereon, have been included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

ADDITIONAL INFORMATION

This Prospectus Supplement and the accompanying Prospectus constitute part of a Registration Statement filed by the Fund with the SEC under the 1933 Act and the 1940 Act. This Prospectus Supplement and the accompanying Prospectus omit certain of the information contained in the Registration Statement, and reference is hereby made to the Registration Statement and related exhibits for further information with respect to the Fund and the Common Shares offered hereby. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the SEC. Each such statement is qualified in its entirety by such reference. The complete Registration Statement may be obtained from the SEC upon payment of the fee prescribed by its rules and regulations or free of charge through the SEC’s web site (http://www.sec.gov).

FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders of
Guggenheim Strategic Opportunities Fund

We have audited the accompanying statement of assets and liabilities of Guggenheim Strategic Opportunities Fund (formerly Claymore/Guggenheim Strategic Opportunities Fund) (the Fund), including the portfolio of investments, as of May 31, 2011, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and for the period from July 27, 2007 (commencement of investment operations) through May 31, 2008. 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 audit 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 May 31, 2011, by correspondence with the custodian, agent banks and brokers or by other appropriate auditing procedures where replies from brokers were not received. 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 Guggenheim Strategic Opportunities Fund at May 31, 2011, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and for the period from July 27, 2007 (commencement of investment operations) through May 31, 2008, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois
July 27, 2011

PORTFOLIO OF INVESTMENTS | MAY 31, 2011

Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Long-Term Investments – 138.5%					
	Corporate Bonds – 40.2%					
	Advertising – 0.2%					
$ 400,000	MDC Partners, Inc. (Canada)(a)	B+	11.00%	11/01/2016	11/01/13 @ 106	$ 444,500
	Aerospace & Defense – 0.4%					
700,000	Sequa Corp.(b)	CCC	11.75%	12/01/2015	12/01/11 @ 106	749,000
	Airlines - 7.4%					
1,407,144	Aircraft Certificate Owner Trust, Series 2003-1A, Class D(b)	BB+	6.46%	09/20/2022	N/A	1,382,519
2,000,000	Aircraft Certificate Owner Trust, Series 2003-1A, Class E(b)	BB+	7.00%	09/20/2022	N/A	1,860,000
1,194,736	America West Airlines 2001-1 Pass-Through Trust, Series 011G(a)	BB+	7.10%	04/02/2021	N/A	1,183,505
1,130,923	Atlas Air 1998-1 Pass-Through Trust, Series 1998-1, Class A	NR	7.38%	01/02/2018	N/A	1,119,614
258,380	Atlas Air 1999-1 Pass-Through Trust, Series 99-1, Class A-2	NR	6.88%	07/02/2011	N/A	248,045
3,094,000	AWAS Aviation Capital Ltd. (Ireland)(a) (b)	BBB-	7.00%	10/15/2016	10/18/13 @ 104	3,210,025
329,354	Continental Airlines 2007-1 Pass-Through Trust, Series 071C	B+	7.34%	04/19/2014	N/A	329,354
1,000,000	Delta Air Lines 2011-1 Class A Pass-Through Trust, Class A(a)	A-	5.30%	04/15/2019	N/A	1,002,500
785,000	Global Aviation Holdings, Inc.(a)	BB-	14.00%	08/15/2013	08/15/12 @ 111	769,300
749,364	UAL 2000-1 Pass-Through Trust, Series 001B(a)	B	8.03%	07/01/2011	N/A	760,604
1,845,703	UAL 2009-2A Pass-Through Trust, Series 09-2(a)	BBB	9.75%	01/15/2017	N/A	2,113,330
						13,978,796
	Auto Parts & Equipment – 0.1%					
250,000	Exide Technologies(b)	B	8.63%	02/01/2018	02/01/15 @ 104	265,625
	Banks – 7.7%					
1,000,000	Agfirst Farm Credit Bank(a) (b) (c)	A	7.30%	–	07/05/11 @ 100	916,660
1,250,000	Barclays Bank PLC (United Kingdom)(a) (c) (d)	A-	6.28%	–	12/15/34 @ 100	1,106,600
1,200,000	BNP Paribas (France)(a) (b) (c) (d)	A	7.20%	–	06/25/37 @ 100	1,188,000
350,000	Comerica Bank	A-	7.88%	09/15/2026	N/A	422,262
1,000,000	Credit Agricole SA (France)(a) (b) (c) (d)	BBB+	6.64%	–	05/31/17 @ 100	900,000
1,000,000	Fifth Third Bancorp(a)	BBB-	8.25%	03/01/2038	N/A	1,247,392
1,000,000	KeyCorp Capital III(a)	BB	7.75%	07/15/2029	N/A	1,067,045

1,250,000	Mellon Capital IV, Series 1(a) (c) (d)	A-	6.24%	–	06/20/12 @ 100	1,150,000
1,250,000	Northgroup Preferred Capital Corp.(a) (b) (c) (d)	A	6.38%	–	10/15/17 @ 100	1,233,087
700,000	PNC Preferred Funding Trust III(a) (b) (c) (d)	BBB	8.70%	–	03/15/13 @ 100	747,159
500,000	Rabobank Nederland NV (Netherlands)(a) (b) (c) (d)	AA-	11.00%	–	06/30/19 @ 100	650,900
1,400,000	Royal Bank of Scotland Group PLC, Series U (United Kingdom)(a) (c) (d)	C	7.64%	–	09/29/17 @ 100	1,158,500
650,000	Susquehanna Capital II(a)	BB-	11.00%	03/23/2040	03/23/15 @ 100	705,250
1,250,000	US AgBank FCB(a) (b) (c) (d)	A	6.11%	–	07/10/12 @ 100	869,425
1,000,000	Wells Fargo Capital XIII, Series GMTN(a) (c) (d)	A-	7.70%	–	03/26/13 @ 100	1,027,500
						14,389,780
	Building Materials – 0.7%					
1,250,000	Cemex SAB de CV (Mexico)(b)	B	9.00%	01/11/2018	01/11/15 @ 105	1,303,125
	Commercial Services – 1.6%					
490,000	Bankrate, Inc.(b)	B	11.75%	07/15/2015	07/15/13 @ 106	557,987
250,000	DynCorp International, Inc.(b)	B	10.38%	07/01/2017	07/01/14 @ 105	265,000
2,050,000	NCO Group, Inc.	CCC-	11.88%	11/15/2014	11/15/11 @ 103	1,783,500
280,000	PharmaNet Development Group, Inc.(a) (b)	B+	10.88%	04/15/2017	04/15/14 @ 105	347,200
						2,953,687

See notes to financial statements.

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PORTFOLIO OF INVESTMENTS | MAY 31, 2011
(CONTINUED)

Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Computers – 0.6%					
$ 455,000	Compucom Systems, Inc.(b)	B	12.50%	10/01/2015	10/01/11 @ 106	$ 488,556
450,000	iGate Corp.(b)	B+	9.00%	05/01/2016	05/01/14 @ 105	462,375
250,000	Stratus Technologies, Inc.(a)	B-	12.00%	03/29/2015	04/15/13 @ 1,120	235,625
						1,186,556
	Distribution & Wholesale – 0.7%					
370,000	Baker & Taylor, Inc.(b)	CCC+	11.50%	07/01/2013	07/01/13 @ 100	308,950
1,000,000	Intcomex, Inc.(a)	B3	13.25%	12/15/2014	12/15/12 @ 107	1,040,000
						1,348,950
	Diversified Financial Services – 4.7%					
2,000,000	International Lease Finance Corp.(a) (b)	BBB-	7.13%	09/01/2018	N/A	2,190,000
4,563,027	Lancer Finance Co. SPV Ltd. (British Virgin Islands)(a) (b)	Baa3	5.85%	12/12/2016	N/A	4,706,941
2,000,000	Svensk Exportkredit AB (Sweden)(a) (b) (c)	A+	6.38%	–	09/27/11 @ 100	1,889,670
						8,786,611
	Electric – 0.5%					
1,000,000	Wisconsin Energy Corp.(a) (d)	BBB-	6.25%	05/15/2067	05/15/17 @ 100	1,012,500
	Engineering & Construction – 0.9%					
2,000,000	Alion Science and Technology Corp.	CCC	10.25%	02/01/2015	02/01/12 @ 103	1,650,000
	Entertainment – 2.0%					
874,000	Agua Caliente Band of Cahuilla Indians(b)	BB+	6.35%	10/01/2015	N/A	861,642
375,000	Diamond Resorts Corp.(b)	B-	12.00%	08/15/2018	08/15/14 @ 106	404,063
500,000	Downstream Development Authority of the Quapaw Tribe of Oklahoma(b)	B-	12.00%	10/15/2015	10/15/11 @ 109	542,500
1,350,000	Lions Gate Entertainment, Inc.(a) (b)	B-	10.25%	11/01/2016	11/01/13 @ 105	1,388,812
700,000	River Rock Entertainment Authority(a)	B-	9.75%	11/01/2011	07/05/11 @ 100	616,000
						3,813,017
	Food – 1.1%					
500,000	BI-LO, LLC / BI-LO Finance Corp.(b)	B	9.25%	02/15/2019	02/15/15 @ 105	517,500
1,500,000	Bumble Bee Acquisition Corp.(b)	B	9.00%	12/15/2017	12/15/14 @ 105	1,541,250

						2,058,750
	Forest Products & Paper – 0.1%					
250,000	Verso Paper Holdings, LLC / Verso Paper, Inc.(b)	B	8.75%	02/01/2019	02/01/15 @ 104	250,000
	Health Care Services – 0.5%					
250,000	Apria Healthcare Group, Inc.(a)	BB+	11.25%	11/01/2014	11/01/11 @ 106	264,063
275,000	OnCure Holdings, Inc.	B	11.75%	05/15/2017	05/15/14 @ 106	286,688
295,000	Symbion, Inc.(e)	CCC	11.00%	08/23/2015	08/23/12 @ 106	279,512
						830,263
	Household Products & Housewares – 0.7%					
1,445,000	American Achievement Corp.(b)	B	10.88%	04/15/2016	10/15/13 @ 105	1,354,688
	Housewares – 0.1%					
75,000	American Standards Americas(b)	B	10.75%	01/15/2016	01/15/13 @ 105	78,563
	Insurance – 4.8%					
1,000,000	Allstate Corp.(a) (d)	BBB	6.50%	05/15/2057	05/15/37 @ 100	1,022,500
1,000,000	American Financial Group, Inc.(a)	BBB+	9.88%	06/15/2019	N/A	1,253,453
1,000,000	AXA SA (France)(a) (b) (c) (d)	BBB	6.46%	–	12/14/18 @ 100	910,000

See notes to financial statements.

PORTFOLIO OF INVESTMENTS | MAY 31, 2011
(CONTINUED)

Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Insurance (continued)					
$ 700,000	Blue Finance Ltd. (Cayman Islands)(b) (f) (g)	BB+	4.69%	04/10/2012	10/08/11 @ 101	$ 693,140
800,000	Ironshore Holdings US, Inc.(a) (b)	BBB-	8.50%	05/15/2020	N/A	890,528
1,000,000	MetLife Capital Trust IV(a) (b)	BBB	7.88%	12/15/2037	12/15/32 @ 100	1,117,110
700,000	National Life Insurance Co.(a) (b)	BBB+	10.50%	09/15/2039	N/A	918,697
800,000	Penn Mutual Life Insurance Co.(b)	A	7.63%	06/15/2040	N/A	898,584
1,250,000	Progressive Corp.(a) (d)	A-	6.70%	06/15/2037	06/15/17 @ 100	1,321,875
						9,025,887
	Internet – 0.8%					
1,510,000	GXS Worldwide, Inc.	B	9.75%	06/15/2015	06/15/12 @ 105	1,536,425
	Investment Companies – 0.7%					
900,000	Offshore Group Investment Ltd. (Cayman Islands)	B-	11.50%	08/01/2015	02/01/13 @ 109	992,250
210,000	Offshore Group Investments Ltd. (Cayman Islands)(b)	B-	11.50%	08/01/2015	02/01/13 @ 109	231,000
						1,223,250
	Iron & Steel – 0.1%					
240,000	Standard Steel, LLC/Standard Steel Finance Corp.(b)	B	12.00%	05/01/2015	05/01/13 @ 106	246,734
	Media – 0.3%					
500,000	DCP, LLC/DCP Corp.(b)	B+	10.75%	08/15/2015	08/15/13 @ 105	468,750
	Mining – 0.6%					
1,025,000	Midwest Vanadium Pty Ltd. (Australia)(b)	B-	11.50%	02/15/2018	02/15/15 @ 106	1,050,625
	Packaging & Containers – 0.9%					
1,325,000	Pregis Corp.	CCC	12.38%	10/15/2013	10/15/11 @ 103	1,315,063
300,000	Pretium Packaging LLC / Pretium Finance, Inc.(b)	B	11.50%	04/01/2016	04/01/14 @ 106	307,875
						1,622,938
	Retail – 0.9%					
800,000	CKE Restaurants, Inc.	B-	11.38%	07/15/2018	07/15/14 @ 106	876,000
750,000	Liz Claiborne, Inc.(b)	B-	10.50%	04/15/2019	04/15/14 @ 105	768,750
						1,644,750
	Software – 0.1%					
400,000	Open Solutions, Inc.(b)	CCC+	9.75%	02/01/2015		252,000

					02/01/12 @ 102	
	Telecommunications – 0.8%					
1,086,000	Clearwire Communications, LLC/Clearwire Finance, Inc.(b)	CCC+	12.00%	12/01/2015	12/01/12 @ 106	1,187,812
300,000	CommScope, Inc.(b)	B	8.25%	01/15/2019	01/15/15 @ 104	314,250
						1,502,062
	Transportation – 0.2%					
400,000	United Maritime Group, LLC/United Maritime Group Finance Corp.(a)	B	11.75%	06/15/2015	12/15/12 @ 106	420,000
	Total Corporate Bonds – 40.2%					
	(Cost $72,701,639)					75,447,832
	Asset Backed Securities – 50.2%					
	Automobile – 0.0%					
92,310	Bush Truck Leasing LLC, Class C(b)	NR	5.00%	09/25/2018	N/A	92,070

See notes to financial statements.

PORTFOLIO OF INVESTMENTS | MAY 31, 2011 (CONTINUED)

Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Collateralized Debt Obligation – 4.1%					
$ 1,371,214	Aspen Funding I Ltd., Series 2002-1A, Class A1L (Cayman Islands)(b) (f)	A	0.89%	07/10/2037	N/A	$ 1,121,804
217,062	Commodore CDO I Ltd., Series 1A, Class A (Cayman Islands)(b) (f)	BBB	0.78%	02/24/2034	N/A	199,198
827,464	Coronado CDO Ltd., Series 1A, Class A1 (Cayman Islands)(b) (f)	BB+	0.77%	09/04/2038	N/A	598,471
1,114,878	Diversified Asset Securitization Holdings III, Series 1A, Class A2 (Cayman Islands)(b)	A	7.42%	07/05/2036	N/A	1,012,276
4,029,673	Duke Funding Ltd., Series 2003-5A, Class 1W (Cayman Islands)(b) (f)	CCC	0.82%	08/07/2033	N/A	2,095,430
390,114	MWAM CBO Ltd., Series 2001-1A, Class A (Cayman Islands)(b) (f)	AA	1.00%	01/30/2031	N/A	368,986
1,207,879	Putnam Structured Product CDO, Series 2002-1A, Class A2 (Cayman Islands)(b) (f)	BB+	0.88%	01/10/2038	N/A	969,323
1,022,651	Putnam Structured Product CDO, Series 2003-A1LT, Class A1 (Cayman Islands)(b) (f)	BB-	0.65%	10/15/2038	N/A	889,349
480,031	Saybrook Point CBO Ltd., Series 2001-1A, Class A (Cayman Islands)(b) (f)	BB	0.74%	02/25/2031	N/A	442,214
						7,697,051
	Collateralized Loan Obligation – 19.5%					
500,000	Alm Loan Funding, Series 2010-3A, Class C (Cayman Islands)(b) (f)	Baa2	4.26%	11/20/2020	N/A	506,075
300,000	ARCC Commercial Loan Trust, Series 2006-1A, Class C(b) (f)	BB+	1.01%	12/20/2019	N/A	270,750
635,902	Armstrong Loan Funding Ltd., Series 2008-1A, Class B (Cayman Islands)(b) (f)	AA+	1.27%	08/01/2016	N/A	622,955
2,000,000	Black Diamond CLO Ltd., Series 2006-1A, Class B (Cayman Islands)(b) (f)	A+	0.66%	04/29/2019	N/A	1,706,500
2,000,000	Black Diamond CLO Ltd., Series 2006-1A, Class C (Cayman Islands)(b) (f)	BBB+	0.96%	04/29/2019	N/A	1,593,560
2,776,587	Business Loan Express, Series 2006-AA, Class A(a) (b) (f)	AAA	0.44%	10/20/2038	N/A	1,862,549
822,936	Business Loan Express, Series 2007-AA, Class A(b) (f)	AAA	0.60%	10/20/2040	05/20/20 @ 100	543,138
3,000,000	CapitalSource Commercial Loan Trust, Series 2006-2A, Class C(b) (f)	BBB+	0.88%	09/20/2022	07/20/12 @ 100	2,671,903
750,000	CapitalSource Commercial Loan Trust, Series 2006-2A, Class D(b) (f)	B+	1.72%	09/20/2022	N/A	655,980
1,000,000	Churchill Financial Cayman Ltd., Series 2007-1A, Class C (Cayman Islands)(b) (f)	A+	1.54%	07/10/2019	N/A	812,360
1,000,000	Churchill Financial Cayman Ltd., Series 2007-1A, Class D2 (Cayman Islands)(b)	BBB+	8.37%	07/10/2019	N/A	1,002,490

250,000	Cratos CLO Ltd., Series 2007-1A, Class C (Cayman Islands)(b) (f)	AA-	1.36%	05/19/2021	N/A	195,000
500,000	DFR Middle Market CLO Ltd., Series 2007-1A, Class C(b) (f)	A	2.57%	07/20/2019	N/A	451,755
800,000	Eastland CLO Ltd., Series 2007-1A, Class A2B (Cayman Islands)(a) (b) (f)	A+	0.60%	05/01/2022	N/A	622,712
500,000	Emporia Preferred Funding, Series 2005-1A, Class B1 (Cayman Islands)(b) (f)	AA-	0.84%	10/12/2018	N/A	428,980
1,000,000	Emporia Preferred Funding, Series 2005-1A, Class C (Cayman Islands)(b) (f)	A-	1.24%	10/12/2018	N/A	832,340
500,000	FM Leveraged Capital Fund, Series 2005-1A, Class B (Cayman Islands)(b) (f)	A+	0.86%	08/01/2017	N/A	437,075
1,000,000	Friedbergmilstein Private Capital Fund, Series 2004-1A, Class B2 (Cayman Islands)(b)	AA	5.41%	01/15/2019	N/A	943,880
1,000,000	GSC Partners CDO Fund Ltd., Series 2006-7A, Class C (Cayman Islands)(b) (f)	BBB+	1.26%	05/25/2020	N/A	660,000
1,000,000	MC Funding Ltd. / MC Funding 2006-1, LLC, Series 2006-1A, Class C (Cayman Islands)(b) (f)	Baa3	1.26%	12/20/2020	N/A	810,970
800,000	Mountain View Funding CLO, Series 2007-3A, Class A2 (Cayman Islands)(b) (f)	AAA	0.62%	04/16/2021	N/A	713,880
1,000,000	Nantucket CLO Ltd., Series 2006-1A, Class B (Cayman Islands)(b) (f)	AA	0.68%	11/24/2020	N/A	868,620
500,000	Navigator CDO Ltd., Series 2004-1A, Class B2 (Cayman Islands)(b)	BB+	5.59%	01/14/2017	N/A	493,125
1,500,000	Rosedale CLO Ltd., Series I-A, Class AIJ (Cayman Islands)(b) (f)	A+	0.68%	07/24/2021	N/A	1,342,905
514,262	Sargas CLO II Ltd., Series 2006-1A, Class E (Cayman Islands)(f)	B+	4.27%	10/20/2018	N/A	491,685
1,000,000	Standard Chartered PLC (United Kingdom)(f)	NR	0.29%	01/09/2013	N/A	901,250
2,000,000	Stanfield Modena CLO Ltd., Series 2004-1A, Class C (Cayman Islands)(b) (f)	BBB-	1.56%	09/22/2016	N/A	1,873,300
600,000	Start CLO Ltd., Series 2006-2, Class C (Cayman Islands)(f)	A+	1.06%	06/29/2012	N/A	599,352
1,000,000	Start CLO Ltd., Series 2006-2, Class D (Cayman Islands)(f)	BBB+	2.16%	06/29/2012	N/A	998,440
500,000	Start CLO Ltd., Series 2008-5X, Class C (Cayman Islands)	NR	22.14%	01/09/2013	N/A	497,875
2,000,000	TCW Global Project Fund, Series 2004-1A, Class A1 (Cayman Islands)(b) (f)	AAA	1.18%	06/15/2016	N/A	1,759,760
2,000,000	TCW Global Project Fund, Series 2004-1A, Class B1 (Cayman Islands)(b) (f)	BBB	2.23%	06/15/2016	N/A	1,322,020

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PORTFOLIO OF INVESTMENTS | MAY 31, 2011
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Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Collateralized Loan Obligation (continued)					
$ 1,000,000	TCW Global Project Fund, Series 2005-1A, Class B2 (Cayman Islands)(b)	A	5.79%	09/01/2017	N/A	$ 848,580
4,000,000	Telos CLO Ltd., Series 2006-1A, Class A2 (Cayman Islands)(a) (b) (f)	AA+	0.69%	10/11/2021	N/A	3,504,800
2,500,000	Telos CLO Ltd., Series 2006-1A, Class B (Cayman Islands)(a) (b) (f)	A+	0.78%	10/11/2021	N/A	2,071,475
1,000,000	Zohar CDO, Series 2007-3A, Class A2 (Cayman Islands)(b) (f)	BB+	0.86%	04/15/2019	N/A	605,860
						36,523,899
	Commercial Real Estate – 0.9%					
2,000,000	Wrightwood Capital Real Estate CDO Ltd., Series 2005-1A, Class A1 (Cayman Islands)(b) (f)	AAA	0.58%	11/21/2040	N/A	1,780,000
	Commercial Receivables – 1.4%					
500,000	FCC Financing Subsidiary, LLC, Series 2010-1A, Class B(b) (f)	NR	12.95%	03/31/2017	N/A	550,000
2,000,000	HFG Healthco-4, LLC, Series 2006-1A, Class A(b) (f)	Aa2	0.59%	06/05/2012	N/A	1,999,560
						2,549,560
	Credit Card – 2.5%					
1,000,000	LCP Rights Trust, Series 2010-1, Class A	BB	14.55%	07/17/2017	N/A	999,930
290,323	LCP Rights Trust, Series 2010-1, Class C	B	19.21%	07/17/2017	N/A	290,279
714,286	LCP Rights Trust, Series 2010-1, Class D	BB	14.55%	01/15/2016	N/A	714,186
1,500,000	LCP Rights Trust, Series 2010-1, Class F	B	19.21%	01/15/2016	N/A	1,499,610
500,000	LCP Rights Trust, Series 2010-1, Class G	BB	11.71%	09/18/2018	N/A	499,980
200,000	LCP Rights Trust, Series 2010-1, Class H	BB	14.56%	09/18/2018	N/A	199,986
400,000	LCP Rights Trust, Series 2010-1, Class I	NR	18.29%	09/18/2018	N/A	399,952
						4,603,923
	Financial – 0.0%					
34,047	Blue Falcon, Series A-2(b)	NR	3.21%	12/25/2016	N/A	33,599
	Insurance – 2.1%					
1,623,697	321 Henderson Receivables I, LLC, Series 2007-3A, Class A(a) (b)	BBB	6.15%	10/15/2048	08/15/35 @ 100	1,730,632
400,647	321 Henderson Receivables I, LLC, Series 2008-1A, Class A(a) (b)	AA+	6.19%	01/15/2044	06/15/24 @ 100	452,089
500,000	321 Henderson Receivables I, LLC, Series 2008-1A, Class B(a) (b)	AA	8.37%	01/15/2046	02/15/28 @ 100	569,121
500,000	321 Henderson Receivables I, LLC, Series 2008-1A, Class C(b)	A	9.36%	01/15/2048	07/15/29 @ 100	570,996
500,000	321 Henderson Receivables I, LLC, Series 2008-1A, Class D(b)	BBB	10.81%	01/15/2050	05/15/31 @ 100	603,672
						3,926,510

	Other – 0.8%					
1,500,000	Glenn Pool Oil & Gas Trust	NR	6.00%	08/02/2021	N/A	1,492,500
	Student Loan – 0.1%					
363,237	MRU Student Loan Trust, Series 2008-A, Class A1A(b)	AAA	7.40%	01/25/2041	N/A	155,008
202,567	MRU Student Loan Trust, Series 2008-A, Class B(b) (f)	AA	5.77%	01/25/2041	N/A	42,539
202,567	MRU Student Loan Trust, Series 2008-1A, Class C(b) (f)	A	7.77%	01/25/2041	N/A	34,436
						231,983
	Timeshare – 2.1%					
1,840,674	Diamond Resorts Owner Trust, Series 2009-1, Class A(a) (b)	A	9.31%	03/20/2026	11/20/13 @ 100	1,858,367
986,178	Sierra Receivables Funding Co., Series 2006-1A, Class A1(a) (b)	BBB-	5.84%	05/20/2018	06/20/12 @ 100	1,010,617
451,897	Silverleaf Finance, LLC, Series 2010-A, Class B(b)	BBB	8.00%	07/15/2022	09/15/15 @ 100	437,894
600,000	Silverleaf Finance, LLC, Series 2011-A, Class A(b)	NR	9.00%	06/15/2023	N/A	562,000
						3,868,878

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Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Transportation – 9.8%					
$ 1,879,179	Aircraft Lease Securitisation Ltd., Series 2007-1A, Class G3 (Channel Islands)(a) (b) (f)	A-	0.47%	05/10/2032	N/A	$ 1,757,032
13,408,051	Airplanes Pass-Through Trust, Series 2001-1A, Class A9(a) (f)	CCC	0.75%	03/15/2019	N/A	9,016,915
983,371	Aviation Capital Group Trust, Series 2000-1A, Class A1(b) (f)	BB	0.68%	11/15/2025	N/A	642,879
5,131,002	Aviation Capital Group Trust, Series 2003-2A, Class B1(a) (b) (f)	BBB	3.20%	09/20/2033	N/A	4,310,042
721,933	Blade Engine Securitization Ltd., Series 2006-1A, Class B (Cayman Islands)(b) (f)	BBB+	3.20%	09/15/2041	N/A	608,907
83,121	Helios Finance LP, Series 2007-S1, Class B1 (Cayman Islands)(b) (f)	BBB	0.90%	10/20/2014	N/A	82,750
1,128,259	Lease Investment Flight Trust, Series 1, Class A3(a) (f)	B+	0.63%	07/15/2016	N/A	1,105,693
778,552	Vega Containervessel PLC, Series 2006-1A, Class A (Ireland)(a) (b)	Ba3	5.56%	02/10/2021	N/A	731,839
						18,256,057
	Trust Preferred Stock – 1.8%					
6,000,000	Attentus CDO Ltd., Series 2007-3A, Class A1B (Cayman Islands)(b) (f)	AAA	0.55%	10/11/2042	N/A	3,288,480
	Whole Business – 5.1%					
500,000	Adams Outdoor Advertising LP, Series 2010-1, Class B(a) (b)	Ba2	8.84%	12/20/2040	N/A	536,520
1,000,000	Adams Outdoor Advertising LP, Series 2010-1, Class C(a) (b)	B3	10.76%	12/20/2040	N/A	1,076,289
1,488,068	Cajun Global LLC, Series 2011-1A, Class A2(a) (b)	BBB	5.96%	02/20/2041	N/A	1,540,151
3,760,000	Dominos Pizza Master Issuer, LLC, Series 2007-1, Class A2(a) (b)	BBB-	5.26%	04/25/2037	04/25/12 @ 100	3,816,400
600,000	NuCO2 Funding, LLC, Series 2008-1A, Class A1(b)	Baa2	7.25%	06/25/2038	N/A	634,428
2,000,000	Sonic Capital LLC, Series 2011-1A, Class A2(a) (b)	BBB	5.44%	05/20/2041	N/A	2,020,000
						9,623,788
	Total Asset Backed Securities – 50.2%					
	(Cost $85,876,520)					93,968,298
	Collateralized Mortgage Obligations – 26.4%					
	Commercial Mortgage Backed Securities – Traditional – 22.0%					
500,000	Banc of America Commercial Mortgage, Inc., Series 2003-2, Class G(b) (f)	A-	5.34%	03/11/2041	N/A	474,009
1,000,000		AA+	5.06%	11/10/2041	N/A	1,028,687

	Banc of America Commercial Mortgage, Inc., Series 2004-5, Class B(a) (f)					
600,000	Banc of America Commercial Mortgage, Inc., Series 2005-5, Class AJ(a) (f)	BBB+	5.15%	10/10/2045	N/A	611,320
1,500,000	Bear Stearns Commercial Mortgage Securities, Series 2005-PW10, Class AJ(a) (f)	BB+	5.47%	12/11/2040	N/A	1,453,632
500,000	Citigroup Commercial Mortgage Trust, Series 2004-C2, Class E(b) (f)	A-	5.02%	10/15/2041	N/A	468,596
1,200,000	Citigroup Commercial Mortgage Trust, Series 2007-C6, Class AM(f)	BBB+	5.70%	12/10/2049	N/A	1,235,888
2,000,000	Citigroup/Deutsche Bank Commercial Mortgage Trust, Series 2005-CD1, Class AJ(a) (f)	A3	5.22%	07/15/2044	N/A	1,963,787
13,500,000	Commercial Mortgage Pass-Through Certificates, Series 2006-C7, Class A4(a) (f) (i)	AAA	5.75%	06/10/2046	N/A	15,042,630
1,000,000	Commercial Mortgage Pass-Through Certificates, Series 2006-C7, Class AM(a) (f)	A	5.78%	06/10/2046	N/A	1,049,593
1,000,000	Commercial Mortgage Pass-Through Certificates, Series 2006-CN2A, Class F(a) (b) (f)	CCC+	5.57%	02/05/2019	N/A	979,080
1,500,000	Credit Suisse Mortgage Capital Certificates, Series 2006-C3, Class AM(a) (f)	BBB-	5.82%	06/15/2038	N/A	1,585,666
600,000	GS Mortgage Securities Corp. II, Series 2001-GL3A, Class E(b) (f)	A2	6.85%	08/05/2018	N/A	600,455
500,000	GS Mortgage Securities Corp. II, Series 2007-EOP, Class H(a) (b) (f)	BBB-	3.58%	03/06/2020	N/A	495,360
1,000,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2005-LDP3, Class AJ(a) (f)	BBB	4.97%	08/15/2042	N/A	993,217
2,600,000	JP Morgan Chase Commercial Mortgage Securities Corp., Series 2007-LD11, Class AM(a) (f)	BB+	5.82%	06/15/2049	N/A	2,507,344
2,000,000	Morgan Stanley Capital I, Series 2005-HQ6, Class AJ(a) (f)	A-	5.07%	08/13/2042	N/A	2,011,959
200,000	Morgan Stanley Capital I, Series 2005-IQ9, Class C	A-	4.91%	07/15/2056	N/A	190,600
1,000,000	Morgan Stanley Capital I, Series 2006-HQ10, Class AM(a)	Aa2	5.36%	11/12/2041	N/A	1,034,011
1,250,000	Morgan Stanley Capital I, Series 2006-IQ12, Class AM(a)	A	5.37%	12/15/2043	N/A	1,263,079
1,000,000	Morgan Stanley Capital I, Series 2006-T23, Class AM(a) (f)	A+	5.80%	08/12/2041	N/A	1,072,611

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Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Commercial Mortgage Backed Securities – Traditional (continued)					
$ 2,000,000	TIAA Seasoned Commercial Mortgage Trust, Series 2007-C4, Class AJ(a) (f)	A+	5.98%	08/15/2039	N/A	$ 2,046,480
2,000,000	Wachovia Bank Commercial Mortgage Trust, Series 2005-C20, Class AJ(a) (f)	BBB-	5.15%	07/15/2042	N/A	2,038,153
1,000,000	Wachovia Bank Commercial Mortgage Trust, Series 2005-C21, Class AJ(a) (f)	A-	5.20%	10/15/2044	N/A	1,027,594
						41,173,751
	Commercial Mortgage Backed Security – Military Housing – 0.9%					
1,000,000	Hampton Roads PPV, LLC(a) (b)	Ba2	6.07%	12/15/2041	N/A	810,630
1,000,000	Hampton Roads PPV, LLC(a) (b)	Ba2	6.17%	06/15/2053	N/A	796,710
						1,607,340
	Commercial Mortgage Backed Security – Non-Traditional – 0.4%					
750,000	Timberstar Trust, Series 2006-1A, Class C(a) (b)	A	5.88%	10/15/2036	N/A	797,253
	Residential Mortgage Backed Securities – 3.1%					
808,929	Asset Backed Funding Certificates, Series 2005-AQ1, Class A6(a) (h)	AAA	4.78%	06/25/2035	04/25/21 @ 100	793,752
2,801,575	Countrywide Home Equity Loan Trust, Series 2004-S, Class 1A(f)	CCC	0.44%	02/15/2030	N/A	1,676,521
100,718	Deutsche ALT-A Securities, Inc. Alternate Loan Trust, Series 2006-AB4, Class A1A(f)	CCC	6.01%	10/25/2036	01/25/18 @ 100	59,187
486,930	GSAA Trust, Series 2007-5, Class 1F2A(a) (f)	CCC	5.79%	03/25/2047	05/25/29 @ 100	373,253
769,441	IndyMac Index Mortgage Loan Trust, Series 2006-AR9, Class 3A1(f)	Caa1	5.27%	06/25/2036	05/25/20 @ 100	677,982
370,386	New Century Home Equity Loan Trust, Series 2004-A, Class AII9(f)	BBB+	5.23%	08/25/2034	08/25/18 @ 100	357,649
1,056,866	TBW Mortgage Backed Pass-Through Certificates, Series 2006-6, Class A3(h)	D	5.75%	01/25/2037	05/25/18 @ 100	579,435
2,432,141	TBW Mortgage Backed Pass-Through Certificates, Series 2006-6, Class A5B(h)	D	6.04%	01/25/2037	05/25/18 @ 100	1,337,118
						5,854,897
	Total Collateralized Mortgage Obligations – 26.4% (Cost $45,555,195)					49,433,241
	Term Loans – 3.1% (j)					
	Electronics – 0.2%					
283,064	Clientlogic Corp.(f)	B+	5.79%	01/30/2014	N/A	283,889
	Health Care, Education & Childcare – 0.5%					
834,167	Embanet(f)	CCC	3.28%	06/28/2012	N/A	814,839
	Leisure – 0.7%					

1,379,436	Bushnell Performance Optics(f)	BB-	4.57%	08/24/2013	N/A	1,355,296
	Retail – 0.8%					
1,110,391	Deb Shops, Inc.(f)	CCC	10.00%	04/23/2014	N/A	494,124
962,500	Mattress Holding Corp.(f)	B	2.56%	10/23/2014	N/A	921,594
150,000	Targus Group International, Inc.(f)	B	9.75%	05/25/2016	N/A	147,750
						1,563,468
	Technology – 0.9%					
493,750	Flexera Software, Inc.(f)	BB-	7.50%	01/20/2017	N/A	497,145
1,000,000	Information Global Solutions(f)	NR	6.44%	03/02/2014	N/A	905,000
300,000	Sirva Worldwide, Inc.(f)	B	10.75%	03/17/2017	N/A	292,875
						1,695,020
	Transportation – 0.0%					
34,630	Carey International, Inc.(f).	NR	9.00%	01/25/2014	N/A	13,852
	Total Term Loans – 3.1%					
	(Cost $6,332,196)					5,726,364

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Principal Amount	Description	Rating (S&P)*	Coupon	Value
	Preferred Stocks – 2.7%			
	Banks – 0.6%			
40,000	BB&T Capital Trust VI(a)	BBB	9.60%	$ 1,063,200
	Diversified Financial Services – 0.6%			
50,000	Deutsche Bank Contingent Capital Trust II(a)	BBB+	6.55%	1,250,000
37,600	Lehman Brothers Holdings, Inc., Series J(k)	NR	7.95%	413
				1,250,413
	Insurance – 0.3%			
20,000	Aegon NV PFD (Netherlands)(a)	BBB	6.38%	477,000
3,800	ING Groep NV (Netherlands)(a)	B	7.05%	90,934
				567,934
	Telecommunications – 0.6%			
1,000	Centaur Funding Corp. (Cayman Islands)(b)	Baa3	9.08%	1,170,625
	Transportation – 0.6%			
40,000	Seaspan Corp., Series C (Marshall Islands)	NR	9.50%	1,104,800
	Total Preferred Stocks – 2.7%			
	(Cost $5,704,813)			5,156,972
	Exchange Traded Funds – 15.8%			
80,900	Financial Select Sector SPDR Fund(a) (l)			1,282,265
24,900	iShares Dow Jones US Real Estate Index Fund(a) (l)			1,563,720
52,800	PowerShares QQQ Trust, Series 1(a) (l)			3,081,408
28,100	ProShares Ultra S&P500(a) (l)			1,545,219
26,000	SPDR Dow Jones Industrial Average ETF Trust(a) (l)			3,263,000
121,600	SPDR S&P 500 ETF Trust(a) (l)			16,402,624
28,800	SPDR S&P Retail ETF(a) (l)			1,559,232
25,000	Utilities Select Sector SPDR Fund(a) (l)			846,750
	(Cost $27,666,745)			29,544,218
	Exchange Traded Notes – 0.1%			
	Equity Fund – 0.1%			
2,800	iPATH S&P 500 VIX MID-Term Futures ETN(a) (l) (m)			139,468
	(Cost $172,131)			
	Total Long-Term Investments – 138.5%			
	(Cost $244,009,239)			259,416,393

See notes to financial statements.

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PORTFOLIO OF INVESTMENTS | MAY 31, 2011 (CONTINUED)

Principal Amount	Description	Rating (S&P)*	Coupon	Maturity	Optional Call Provisions**	Value
	Short-Term Investments – 2.6%					
	Money Market – 2.1%					
4,019,312	Federated Prime Obligation Fund					$ 4,019,312
	(Cost $4,019,312)					
Principal Amount	Municipal Bonds – 0.5%					
	Michigan – 0.5%					
$ 400,000	Michigan Finance Authority State Aid Revenue Notes, School District of the City of Detroit, Series 2011A-1	SP-1	6.45%	02/20/2012	N/A	405,968
480,000	Michigan Finance Authority State Aid Revenue Notes, School District of the City of Detroit, Series 2011A-2	SP-1	6.65%	03/20/2012	N/A	487,973
	(Cost $880,000)					893,941
	Short-Term Investments – 2.6%					
	(Cost $4,899,312)					4,913,253
	Total Investments – 141.1%					
	(Cost $248,908,551)					264,329,646
	Other Assets in excess of Liabilities – 2.2%					4,082,231
	Total Value of Options Written – (0.2%) (Premiums received – $383,942)					(408,713)
	Borrowings – (12.0%)					(22,432,914)
	Reverse Repurchase Agreements – (25.4%)					(47,618,513)
	TALF Loan – (5.7%)					(10,618,934)
	Net Assets – 100.0%					$ 187,332,803

AB – Stock Company
CBO – Collateralized Bond Obligation
CDO – Collateralized Debt Obligation
CLO – Collateralized Loan Obligation
FCB – Farmers Credit Bureau
LLC – Limited Liability Company
LP – Limited Partnership
N/A- Not Available
NV – Publicly Traded Company
PLC – Public Limited Company
PPV – Public/private venture
Pty Ltd. – Propriety Limited
SA – Corporation
S&P – Standard & Poor’s
SAB de CV – Publicly Traded Company

SPV – Special Purpose Vehicle

* Ratings shown are per Standard & Poor's, Moody's or Fitch. Securities classified as NR are not rated. (For securities not rated by Standard & Poor's Rating Group, the rating by Moody's Investor Services, Inc. is provided. Likewise, for securities not rated by Standard & Poor's Rating Group and Moody's Investor Services, Inc., the rating by Fitch Ratings is provided.)All ratings are unaudited. The ratings apply to the credit worthiness of the issuers of the underlying securities and not to the Fund or its shares.

** Date and price of the earliest optional call or put provision. There may be other call provisions at varying prices at later dates.

(a) All or a portion of these securities have been physically segregated in connection with borrowings, unfunded commitments and reverse repurchase agreements. As of May 31, 2011, the total amount segregated was $158,690,792.

(b) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At May 31, 2011, these securities amounted to $124,540,460, which represents 66.5% of net assets applicable to common shares.

(c) Perpetual maturity.

(d) Security has a fixed rate coupon which will convert to a floating or variable rate coupon on a future date.

(e) The issuer of this security may elect to pay interest entirely in cash, entirely by issuing payment-in-kind shares or pay 50% of the interest in cash and 50% of the interest by issuing payment-in-kind shares.

(f) Floating or variable rate coupon. The rate shown is as of May 31, 2011.

(g) Risk-Linked Security –A risk-linked security is issued by insurance companies and insurance related special purpose vehicles that apply securitization techniques to catastrophic property and casualty damages. The security is typically a debt obligation for which the return of principal and the payment of interest are contingent on the non-occurrence of a pre-defined "trigger event." Depending on the specific terms and structure of the security, this trigger could be the result of a hurricane, earthquake or some other catastrophic event.

(h) Security is a "Step-up" bond where the coupon increases or steps up at a predetermined date. The rate shown reflects the rate in effect at he end of the reporting period.

(i) All or a portion of this security was acquired, and has been physically segregated in connection with the Fund's participation in the Term Asset-Backed Securities Loan Facility program (the "TALF program") operated by the Federal Reserve Bank of NewYork. At May 31, 2011, the total amount physically segregated was $15,042,630. See notes to financial statements.

(j) Term loans held by the Fund have a variable interest rate feature which is periodically adjusted based on an underlying interest rate benchmark. In addition, term loans may include mandatory and/or optional prepayment terms. As a result, the actual maturity dates of the loan may be different than the amounts disclosed in the portfolio of investments. Term loans may be considered restricted in that the Fund may be contractually obligated to secure approval from the Agent Bank and/or Borrower prior to the sale or disposition of loan.

(k) Non-income producing as security is in default.

(l) All or a portion of this security position represents cover for outstanding options written.

(m) Non-income producing security.

See notes to financial statements.

PORTFOLIO OF INVESTMENTS | MAY 31, 2011 (CONTINUED)

Contracts (100 shares per contract)	Options Written (m)	Expiration Month	Exercise Price	Value
	Call Options Written - (0.2%)			
809	Financial Select Sector SPDR Fund	June 2011	$ 16.00	$ (11,326)
28	iPATH S&P 500 VIX Mid-Term Futures ETF	June 2011	52.00	(1,610)
249	iShares Dow Jones US Real Estate Index Fund	June 2011	62.00	(31,374)
1,216	SPDR S&P 500 ETF Trust	June 2011	134.00	(246,848)
528	Powershares QQQ Trust, Series 1	June 2011	59.00	(20,064)
281	ProShares Ultra S&P 500	June 2011	55.00	(31,332)
260	SPDR Dow Jones Industrial Average ETF	June 2011	127.00	(15,470)
288	SPDR S&P Retail ETF	June 2011	53.00	(44,064)
250	Utilities Select Sector SPDR Fund	June 2011	34.00	(6,625)
	Total Value of Call Options Written			$ (408,713)
	(Premiums received $383,942)			

See notes to financial statements.

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STATEMENT OF ASSETS AND LIABILITIES | MAY 31, 2011

Assets	
Investments in securities, at value (cost $248,908,551)	$264,329,646
Securities sold receivable	2,751,219
Interest receivable	2,189,191
Cash	1,489,601
Unrealized appreciation on swaps	933,236
Restricted cash	562,500
Dividends receivable	8,197
Other assets	185,700
Total assets	272,449,290
Liabilities	
Reverse repurchase agreements	47,618,513
Borrowings	22,432,914
Payable on TALF Loan	10,618,934
Payable for securities purchased	3,371,018
Options written, at value (premiums received of $383,942)	408,713
Advisory fee payable	226,176
Interest due on borrowings	98,640
Unrealized depreciation on unfunded commitments	76,813
Administration fee payable	5,797
Accrued expenses and other liabilities	258,969
Total liabilities	85,116,487
Net Assets	$187,332,803
Composition of Net Assets	
Common stock, $.01 par value per share; unlimited number of shares authorized, 9,317,708 shares issued and outstanding	$93,177
Additional paid-in capital	169,360,097
Accumulated net realized gain on investments, options, futures and swaps	709,042
Accumulated net unrealized appreciation on investments, options, swaps and unfunded commitments	16,252,747
Accumulated undistributed net investment income	917,740
Net Assets	$187,332,803
Net Asset Value (based on 9,317,708 common shares outstanding)	$20.11

See notes to financial statements.

STATEMENT OF OPERATIONS | FOR THE YEAR ENDED MAY 31, 2011

Investment Income		
Interest	$22,125,499	
Dividends	567,827	
Total income		$22,693,326
Expenses		
Investment advisory fee	2,461,526	
Interest expense	1,479,174	
Professional fees	193,215	
Fund accounting fee	120,954	
Trustees' fees and expenses	107,487	
Printing expense	88,716	
Administration fee	64,231	
Custodian fee	60,061	
Line of credit fee	57,936	
NYSE listing fee	21,607	
Transfer agent fee	20,118	
Insurance	14,629	
Miscellaneous	45,967	
Total expenses		4,735,621
Net investment income		17,957,705
Realized and Unrealized Gain (Loss) on Investments, Options, Swaps and Unfunded Commitments		
Net realized gain (loss) on:		
Investments		6,054,799
Options		(954,183)
Swaps		4,125,332
Net change in unrealized appreciation (depreciation) on:		
Investments		14,407,511
Options		(245,155)
Swaps		(318,839)
Unfunded commitments		(76,813)
Net realized and unrealized gain on investments, options, swaps and unfunded commitments		22,992,652
Net Increase in Net Assets Resulting from Operations		$40,950,357

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS |

	For the Year Ended May 31, 2011	For the Year Ended May 31, 2010
Increase in Net Assets from Operations		
Net investment income	$ 17,957,705	$ 16,099,616
Net realized gain on investments, options, foreign currency transaction, futures and swaps	9,225,948	4,755,490
Net change in unrealized appreciation on investments, options, swaps and unfunded commitments	13,766,704	43,077,264
Net increase in net assets resulting from operations	40,950,357	63,932,370
Distributions to Common Shareholders		
From net investment income	(17,370,509)	(16,931,384)
Capital Share Transactions		
Reinvestment of dividends	1,969,567	1,706,887
Net increase from capital share transactions	1,969,567	1,706,887
Total increase in net assets	25,549,415	48,707,873
Net Assets		
Beginning of period	161,783,388	113,075,515
End of period (including accumulated undistributed net investment income of $917,740 and $860,558, respectively)	$ 187,332,803	$ 161,783,388

See notes to financial statements.

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STATEMENT OF CASH FLOWS | FOR THE YEAR ENDED MAY 31, 2011

Cash Flows from Operating Activities:	
Net increase in net assets resulting from operations	$40,950,357
Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to	
Net Cash Used by Operating and Investing Activities:	
Net unrealized appreciation on investments	(14,407,511)
Net unrealized depreciation on options	245,155
Net unrealized depreciation on swaps	318,839
Net unrealized depreciation on unfunded commitments	76,813
Net accretion of bond discount and amortization of bond premium	(6,427,542)
Net realized gain on investments	(6,054,799)
Paydowns received	(3,152,962)
Net realized loss on options	954,183
Purchase of long-term investments	(167,086,777)
Cost of written options closed	(7,421,639)
Premiums received on call options written	6,149,013
Proceeds from sale of long-term investments	150,748,809
Net purchases of short-term investments	(4,899,312)
Decrease in dividends receivable	34,136
Increase in interest receivable	(459,673)
Increase in securities sold receivable	(2,751,219)
Increase in other assets	(87,773)
Increase in payable for securities purchased	3,029,768
Decrease in interest due on borrowings	(257,459)
Increase in advisory fee payable	28,704
Increase in administration fee payable	574
Increase in accrued expenses and other liabilities	46,778
Net Cash Used by Operating and Investing Activities	(10,423,537)
Cash Flows From Financing Activities:	
Distributions to common shareholders	(15,400,942)
Net increase in reverse repurchase agreements	15,997,268
Decrease in payable on TALF loan	(11,337)
Proceeds from borrowings	1,567,742
Payments made on borrowings	(6,000,197)
Net Cash Used in Financing Activities	(3,847,466)
Net decrease in cash	(14,271,003)
Cash at Beginning of Period	16,323,104
Cash at End of Period (including restricted cash)	$2,052,101
Supplemental Disclosure of Cash Flow Information: Cash paid during the period for interest	$1,380,534
Supplemental Disclosure of Non Cash Financing Activity: Dividend reinvestment	$1,969,567

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011

Note 1 – Organization:

Effective following the close of business on March 24, 2011, Claymore/Guggenheim Strategic Opportunities Fund announced that its name had changed to Guggenheim Strategic Opportunities Fund. Guggenheim Strategic Opportunities Fund (the "Fund") was organized as a Delaware statutory trust on November 13, 2006. The Fund is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended ("1940 Act").

The Fund's primary investment objective is to maximize total return through a combination of current income and capital appreciation.

Note 2 – Accounting Policies:

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") 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 consistently 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 over-the-counter ("OTC") market in which such securities are traded, as of the close of regular trading on the New York Stock Exchange ("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 the NASDAQ are valued at the NASDAQ Official Closing Price. Preferred stocks are valued at their sales price as of the close of the exchange on which they are traded. Preferred stocks for which the last sales price is not available are valued at the last available bid price. Debt securities (including asset-backed securities, collateralized mortgage obligations and term loans) are valued at the last available bid price. If bids are not available, debt securities are estimated using valuation models that incorporate market data that may include assumptions relating to current yields, timing of cash flows, dealer quotes, prepayment risk, value of underlying collateral, general market conditions, liquidity and prices of other debt securities with comparable coupon rates, maturities/duration, and credit quality. Municipal bonds are valued at the last available bid price for such securities or, if such prices are not available, at priced for securities of comparable maturity, quality and type. Foreign securities are translated from the local currency into U.S. dollars using the current exchange rate. The Fund's securities that are primarily traded in foreign markets may be traded in such markets on days that the NYSE is closed. As a result, the net asset value of the Fund may be significantly affected on days when holders of common shares have no ability to trade common shares on the NYSE. Investment companies are valued at the last available closing price. The Fund values exchange-traded options and other derivative contracts at the mean of the best bid and asked prices at the close on those exchanges on which they are traded. Short-term securities with remaining maturities of 60 days or less, at the time of purchase, are valued at amortized cost, which approximates market value.

For fixed income securities, fair valuations may include input from Guggenheim Partners Asset Management, LLC ("GPAM") utilizing a wide variety of market data including yields or prices of investments of comparable quality, type of issue, coupon, maturity, rating, indications of value from security dealers, evaluations of anticipated cash flows or collateral, spread over treasuries, and other information and analysis. GPAM also uses third party service providers to model certain securities using cash flow models to represent a fair market value.

For those securities where quotations or prices are not available, the valuations are determined in accordance with procedures established in good faith by management and approved 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). There were no securities fair valued at May 31, 2011.

The Fund has elected to value the Term Asset-Backed Securities Loan Facility ("TALF loan") using the fair value option, as permitted by GAAP, to mitigate the volatility in net assets caused by measuring related assets and liabilities differently. The fair value option requires that the TALF loan be marked-to-market giving consideration to relevant market factors, including changes in the market value of the pledged collateral. At May 31, 2011, the pledged collateral exceeded the value of the TALF loan.

The Fund adopted the Accounting Standards Update ("ASU"), Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements which provides guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for Level 2 or Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) on a gross basis (i.e. transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer, and iii) purchases, sales, issuances and settlements must be shown on a gross basis in the Level 3 rollforward rather than as one net number. The Fund adopted the disclosures required by this amendment, which did not have a material impact on the financial statements.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011 (CONTINUED)

The Fund values Level 1 securities using readily available market quotations in active markets. The Fund values Level 2 fixed income securities using independent pricing providers who employ matrix pricing models utilizing market prices, broker quotes and prices of securities with comparable maturities and qualities. In addition, the Fund values certain Level 2 fixed income securities using broker quotes. The Fund values Level 2 equity securities using various observable market inputs in accordance with procedures established in good faith by management and approved by the Board of Trustees as described above.

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 at May 31, 2011.

Description (value in $000s)	Level 1	Level 2	Level 3	Total
Assets:				
Corporate Bonds	$ –	$ 75,448	$ –	$ 75,448
Asset Backed Securities	–	93,968	–	93,968
Collateralized Mortgage Obligations	–	49,433	–	49,433
Term Loans	–	5,726	–	5,726
Municipal Bonds	–	894	–	894
Preferred Stocks				
Banks	1,063	–	–	1,063
Diversified Financial Services	1,250	–*	–	1,250
Insurance	568	–	–	568
Telecommunications	–	1,171	–	1,171
Transportation	1,105	–	–	1,105
Exchange-Traded Funds	29,544	–	–	29,544
Exchange-Traded Notes	140	–	–	140
Money Market Fund	4,019	–	–	4,019
Interest Rate Swaps	–	1,486	–	1,486
Total	$37,689	$228,126	$ –	$265,815
Liabilities:				
Credit Default Swaps	$ –	$ 553	$ –	$ 553
TALF Loan	–	10,619	–	10,619
Options Written	409	–	–	409
Unfunded Commitments	–	77	–	77
Total	$ 409	$11,249	$ –	$11,658

* Amount rounds to less than $1.

There were no transfers between Level 1 and Level 2 during the year ended May 31, 2011. There were three transfers, in the amount of $4,646,880, from Level 3 to Level 2 during the year ended May 31, 2011. The transfers from Level 3 to Level 2 occurred when observable valuation inputs became available for these securities.

The following table presents the activity of the Fund's investments measured at fair value using significant unobservable inputs (Level 3 valuations) for the year ended May 31, 2011.

Level 3 Holdings	Securities	Derivatives	Total
(value in $000s)			
Beginning Balance at 5/31/10	$ 4,632	$ –	$ 4,632
Net Realized Gain/Loss	–	–	–
Change in Unrealized Gain/Loss	15	–	15
Purchases	–	–	–
Sales	–	–	–
Transfer In	–	–	–
Transfer Out	(4,647)	–	(4,647)
Ending Balance at 5/31/11	$ –	$ –	$ –

(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. Paydown gains and losses on mortgage and asset-backed securities are treated as an adjustment to interest income. For the year ended May 31, 2011, the Fund recognized an increase of interest income and a decrease of net realized gain of $3,152,962. This reclassification is reflected on the Statement of Operations and had no effect on the net asset value of the Fund. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Discounts on debt securities purchased are accreted to interest income over the lives of the respective securities using the effective interest method. Premiums on debt securities purchased are amortized to interest income up to the next call date of the respective securities using the effective interest method.

(c) Restricted Cash

A portion of cash on hand is pledged with a broker for current or potential holdings, which includes options, swaps and securities purchased on a when issued or delayed delivery basis.

(d) Swaps

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. 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. Upon termination of a swap agreement, a payable to or receivable from swap counterparty is established on the Statement of Assets and Liabilities to reflect the net gain/loss, including interest income/expense, on terminated swap positions. The line item is removed upon settlement according to the terms of the swap agreement.

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 gain (loss) and, in the case of accruals for periodic payments, are included as part of unrealized appreciation (depreciation) on the Statement of Operations.

(e) Covered Call Options

The Fund will pursue its primary objective by employing an option strategy of writing (selling) covered call options on equity securities and indices. The Fund seeks to generate current gains from option premiums as a means to enhance distributions payable to the Fund's common shareholders.

When an option is written, the premium received is recorded as an asset with an equal liability and is subsequently marked to market to reflect the current market value of the option written. These liabilities are reflected as options written in the Statement of Assets and Liabilities. Premiums received from writing options which expire unexercised are recorded on the expiration date as a realized gain. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is also treated as a realized gain, or if the premium is less than the amount paid for the closing purchase transactions, as a realized loss. If an option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether there has been a realized gain or loss.

(f) Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the mean of the bid and asked price of respective exchange rates on the last day of the period. Purchases and sales of investments denominated in foreign currencies are translated at the exchange rate on the date of the transaction.

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

Foreign exchange realized gain or loss resulting from holding of a foreign currency, expiration of a currency exchange contract, difference in exchange rates between the trade date and settlement date of an investment purchased or sold, and the difference between dividends or interest actually received compared to the amount shown in a Fund's accounting records on the date of receipt is shown as net realized gains or losses on foreign currency transactions on the Fund's Statement of Operations.

Foreign exchange unrealized gain or loss on assets and liabilities, other than investments, is shown as unrealized appreciation (depreciation) on foreign currency translation on the Fund's Statement of Operations.

(g) Distributions to Shareholders

The Fund declares and pays monthly 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. To the extent distributions exceed net investment income, the excess will be deemed a return of capital. Any net realized long-term capital 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 GAAP.

(h) Recent Accounting Pronouncements

On May 12, 2011, the Financial Accounting Standards Board ("FASB") issued ASU 2011-04, modifying Topic 820, Fair Value Measurements and Disclosures. At the same time, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standard ("IFRS") 13, Fair Value Measurement. The objective by the FASB and IASB is convergence of their guidance on fair value measurements and disclosures. Specifically, the ASU requires reporting entities to disclose (i) the amounts of any transfers between Level 1 and Level 2, and the reasons for the transfers, (ii) for Level 3 fair value measurements, quantitative information about significant unobservable inputs used, (iii) a description of the valuation processes used by the reporting entity and, (iv) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs if a change in those inputs might result in a significantly higher or lower fair value measurement. The effective date of the ASU is for interim and annual periods beginning after December 15, 2011, and is therefore not effective for the current fiscal year. The Adviser is in the process of assessing the impact of the updated standards on the Fund's financial statements.

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

Pursuant to an Investment Advisory Agreement (the "Agreement") between the Fund and Guggenheim Funds Investment Advisors, LLC ("the Adviser"), the Adviser furnishes offices, necessary facilities and equipment, provides administrative services, oversees the activities of GPAM, provides personnel including certain officers required for the Fund's administrative management and compensates the officers or trustees of the Fund who are affiliates of the Adviser. As compensation for these services, the Fund pays the Adviser a fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily managed assets (net assets applicable to common shareholders plus any assets attributable to financial leverage).

Pursuant to a Sub-Advisory Agreement (the "Sub-Advisory Agreement") among the Fund, the Adviser and GPAM, GPAM 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 GPAM's affiliates. As compensation for its services, the Adviser pays GPAM a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average daily managed assets.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011 (CONTINUED)

Certain officers and trustees of the Fund may also be officers, directors and/or employees of the Adviser or GPAM. The Fund does not compensate its officers or trustees who are officers, directors and/or employees of the aforementioned firms.

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 a fund 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%

For the year ended May 31, 2011, the Fund recognized expenses of $64,231 for these services.

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 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.

At May 31, 2011, the following reclassifications were made to the capital accounts of the Fund to reflect permanent book/tax differences and income and gains available for distributions under income tax regulations, which are primarily due to the differences between book and tax treatment of investments in real estate trusts, swaps, and excise taxes paid. Net investment income, net realized gains and net assets were not affected by these changes.

Undistributed Net Investment Income/(Loss)	Accumulated Net Realized Gain/(Loss)	Paid in Capital
$(530,014)	$546,414	$(16,400)

Information on the components of investments, excluding purchased and written options, and net assets as of May 31, 2011, 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 Appreciation on Derivatives	Undistributed Ordinary Income/ (Accumulated Ordinary Loss)	Undistributed Long-Term Gains/ (Accumulated Capital Loss)
$249,464,458	$22,073,057	$(7,207,869)	$14,865,188	$1,380,980	$1,633,361	$ –

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

For the year ended May 31, 2011, the tax character of distributions paid to common shareholders as reflected in the Statement of Changes in Net Assets was as follows:

Distributions paid from	2011	2010
Ordinary Income	$17,370,509	$16,931,384

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:

During the year ended May 31, 2011, the cost of purchases and proceeds from sales of investments, excluding written options and short-term investments were $167,086,777 and $150,748,809, respectively.

Note 6 – Derivatives: (a) Covered Call Option

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).

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 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 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.

The Fund entered into written option contracts during the year ended May 31, 2011.

Details of the transactions were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of year	10,539	$ 818,148
Options written during the year	118,340	6,149,013
Options expired during the year	(47,863)	(1,287,902)
Options closed during the year	(70,893)	(4,240,753)
Options assigned during the year	(6,214)	(1,054,564)
Options outstanding, end of year	3,909	$ 383,942

(b) Swaps

Swap agreements are contracts between parties in which one party agrees to make periodic payments to the other party (the “Counterparty”) based on the change in market value or level of a specified rate, index or asset. In return, the Counterparty agrees to make periodic payments to the first party based on the return of a different specified rate, index or asset. Swap agreements will usually be done on a net basis, the Fund receiving or paying only the net amount of the two payments. The net amount of the excess, if any, of the Fund’s obligations over its entitlements with respect to each swap is accrued on a daily basis and an amount of cash or highly liquid securities having an aggregate value at least equal to the accrued excess is maintained in an account at the Fund’s custodian bank. The Fund has entered into master netting arrangements, established within the Fund’s International Swap and Derivatives Association, Inc. master agreements, which allow the Fund to net unrealized appreciation and depreciation for positions in swaps for each individual counterparty.

Total return swap agreements are contracts in which one party agrees to make payments of the total return from the underlying asset during a specified period in return for receiving payments equal to a fixed or floating rate of interest or the total return from another designated underlying asset.

Interest rate swap agreements involve the Fund’s agreement to exchange a stream of interest payments for another party’s stream of cash flows.

Credit default swap transactions involve the Fund’s agreement to exchange the credit risk of an issuer. A buyer of a credit default swap is said to buy protection by paying periodic fees in return for a contingent payment from the seller if the issuer has a credit event such as bankruptcy, a failure to pay outstanding obligations or deteriorating credit while the swap is outstanding. A seller of a credit default swap is said to sell protection and thus collects the periodic fees and profits if the credit of the issuer remains stable or improves while the swap is outstanding but the seller in a credit default swap contract would be required to pay an agreed-upon amount, which approximates the notional amount of the swap, to the buyer in the event of an adverse credit event of the issuer.

The Fund entered into swap agreements during the year ended May 31, 2011, to potentially enhance return. Details of the swap agreements outstanding as of May 31, 2011, are as follows:

Credit Default Swap Agreements

Counterparty	Reference Entity	Buy/Sell Protection	Termination Date	Implied Credit Spread at May 31, 2011 (2)	Notional Amount (000)	Receive Fixed Rate	Unrealized Appreciation/ (Depreciation)
Goldman Sachs(1)	Basket of distinct corporate entities	Sell	09/20/14	7.12%	$ 3,000	1.180%	$ (552,675)

Interest Rate Swap Agreements

Counterparty	Floating Rate	Termination Date	Notional Amount (000)	Receive Fixed Rate	Unrealized Appreciation (Depreciation)
Goldman Sachs (3)	3 Month LIBOR	01/04/38	$ 10,000	5.675%	$ 782,468
Goldman Sachs (3)	3 Month LIBOR	01/12/15	10,000	3.155	150,493
Goldman Sachs (3)	3 Month LIBOR	07/07/38	5,000	5.753	348,150
Goldman Sachs (3)	3 Month LIBOR	07/07/38	5,000	5.940	70,500
Goldman Sachs (3)	3 Month LIBOR	01/12/15	5,000	3.095	134,300
					$1,485,911
Total Unrealized Appreciation for Swap Agreements					$ 933,236

(1) The Fund receives a fixed rate based upon the notional amount of $3 million and if a defined credit event occurs, pays cumulative losses in excess of a stated percentage on an underlying basket of distinct corporate entities with an aggregate notional value of $3 billion. The maximum loss exposure is $3 million.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011 (CONTINUED)

(2) Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements on corporate issues or sovereign issues of an emerging country as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundless and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement. A credit spread identified as "Defaulted" indicates a credit event has occurred for the referenced entity or obligation.

(3) The Fund pays the floating rate and receives the fixed rate.

(c) Summary of Derivatives Information

The Fund is required by GAAP to disclose: 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 types of derivatives in the Fund by location as presented on the Statement of Assets Liabilities at May 31, 2011.

Statement of Asset and Liability Presentation of Fair Values of Derivative Instruments:

(value in $000s)				
	Asset Derivatives		Liability Derivatives	
Derivatives not accounted for as hedging instruments	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Equity risk	Unrealized appreciation on swaps	$ –	Options Written	$409
Interest rate risk	Unrealized appreciation on swaps	1,486	Unrealized depreciation on swaps	–
Credit risk	Unrealized appreciation on swaps	–	Unrealized depreciation on swaps	553
Total		$1,486		$962

The following table presents the effect of Derivatives Instruments on the Statement of Operations for the year ended May 31, 2011.

Effect of Derivative Instruments on the Statement of Operations:

(value in $000s)			
	Amount of Realized Gain (Loss) on Derivatives		
Derivatives not accounted for as hedging instruments	Options	Swaps	Total
Equity risk	$ (954)	$ 1,699	$ 745
Interest rate risk	–	2,390	2,390
Credit risk	–	36	36
Total	$ (954)	$ 4,125	$ 3,171

	Change in Unrealized Appreciation (Depreciation) on Derivatives		
Derivatives not accounted for as hedging instruments	Options	Swaps	Total
Equity risk	$ (245)	$ (88)	$ (333)
Interest rate risk	–	(908)	(908)
Credit risk	–	677	677
Total	$ (245)	$ (319)	$ (564)

Derivative notional amounts and values as of May 31, 2011, are indicative of the volume of the Fund's derivatives over the reporting year.

Note 7 – Leverage:

Reverse Repurchase Agreements

The Fund may enter into reverse repurchase agreements as part of its financial leverage strategy. Under a reverse repurchase agreement, the Fund temporarily transfers possession of a portfolio instrument to another party, such as a bank or broker-dealer, in return for cash. At the same time, the Fund agrees to repurchase the instrument at an agreed upon time (normally within seven days) and price, which reflects an interest payment. Such agreements are considered to be borrowings under the 1940 Act. The Fund may enter into such agreements when it is able to invest the cash acquired at a rate higher than the cost of the agreement, which would increase earned income. When the Fund enters into a reverse repurchase agreement, any fluctuations in the market value of either the instruments transferred to another party or the instruments in which the proceeds may be invested would affect the market value of the Fund's assets. As a result, such transactions may increase fluctuations in the market value of the Fund's assets. For the year ended May 31, 2011, the average daily balance for which reverse repurchase agreements were outstanding amounted to $37,018,252. The average interest rate was 2.13%. At May 31, 2011, there was $47,618,513 in reverse repurchase agreements outstanding. The total amount segregated in connection with the outstanding reverse repurchase agreements was $84,245,545.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011 (CONTINUED)

At May 31, 2011, the Fund had outstanding reverse repurchase agreements with various counterparties. Details of the reverse repurchase agreements by counterparty are as follows:

Counterparty	Range of Interest Rates	Range of Maturity Dates	Face Value
Banc of America Securities LLC	1.27% - 2.02%	07/20/11 - 08/16/11	$ 5,120,875
Barclays Capital, Inc.	0.85% - 2.31%	06/03/11 - 09/25/14	13,616,446
Credit Suisse Securities LLC	1.50%	07/07/11 - 07/18/11	2,030,877
Deutsche Bank Securities, Inc.	2.76%	08/10/11	1,380,000
Goldman Sachs & Co.	2.76%	08/17/11	212,340
Greenwich Capital Markets, Inc.	1.45% - 2.20%	06/24/11 - 08/10/11	9,326,100
Jefferies & Co., Inc.	2.44% - 2.79%	06/06/11 - 06/30/11	6,722,000
Morgan Stanley & Co., Inc.	1.05% - 1.50%	06/01/11 - 08/15/11	9,209,875
			$47,618,513

Borrowings

On November 20, 2008, the Fund entered into a $30,000,000 credit facility agreement with BNP Paribas. Interest on the amount borrowed is based on the 3-month LIBOR plus 0.85%. An unused commitment fee of 0.75% is charged on the difference between the $30,000,000 credit facility and the amount borrowed. At May 31, 2011, there was $22,432,914 outstanding in connection with the Fund’s credit facility. The average daily amount of borrowings on the credit facility during the year ended May 31, 2011, was $22,399,880 with a related average interest rate of 1.21%. The maximum amount outstanding during the year ended May 31, 2011 was $26,727,551. As of May 31, 2011, the total amount segregated in connection with borrowings was $65,334,776.

The credit facility agreement governing the loan facility includes usual and customary covenants. These covenants impose on the Fund asset coverage requirements, collateral requirements, investment strategy requirements, and certain financial obligations. These covenants place limits or restrictions on the Fund’s ability to (i) enter into additional indebtedness with a party other than the lender, (ii) change its fundamental investment policy, or (iii) pledge to any other party, other than to the lender, securities owned or held by the Fund over which BNY has a lien. In addition, the Fund is required to deliver financial information to the lender within established deadlines, maintain an asset coverage ratio (as defined in Section 18(g) of the 1940 Act) greater than 300%, comply with the rules of the stock exchange on which its share are listed, and maintain its classification as a “closed-end fund company” as defined in the 1940 Act.

TALF Program

The Fund may invest a portion of its total assets through participation in the Term Asset-Backed Securities Loan Facility program (the “TALF program”), a program developed by the Board of Governors of the Federal Reserve System and the U.S. Department of the Treasury and operated by the Federal Reserve Bank of New York (“FRBNY”). Under the TALF program, the FRBNY may provide loans to the Fund to purchase certain investment-grade, asset-backed securities which must be backed by auto loans, student loans, credit card loans, small business loans or certain commercial mortgage-backed securities ("Eligible Securities").

Per the terms of the TALF Program, the FRBNY lends to each borrower an amount equal to the lesser of par or market value of the Eligible Securities pledged as collateral minus a percentage of the par or market value of the Eligible Securities. The Fund pledges Eligible Securities as collateral for a TALF Program loan, which consist of securities that the Fund currently owns or securities that the Fund purchases with the loan proceeds. Loans acquired through the TALF Program may be prepaid at the option of the Fund without any prepayment penalty, and the Fund may satisfy its loan obligation in full at any time by surrendering the Eligible Securities pledged by the Fund to the FRBNY. The TALF program loans are non-recourse. If the Fund does not repay the loan, or if the Eligible Securities pledged by the Fund loses some or all of its value, under the terms of the TALF Program the FRBNY may enforce its rights only against the Eligible Securities pledged as collateral by the Fund and not against any other assets of the Fund.

The Fund is charged interest based on the terms of each loan and the type of Eligible Securities pledged as collateral by the Fund. During the year ended May 31, 2011, the Fund paid $419,464 of interest expense, which is included in Interest expense on the Statement of Operations.

As of May 31, 2011, borrowings under the TALF Program represent 3.9% of the Fund's total assets.

Details of the TALF loan outstanding at May 31, 2011, are as follows:

Loan Principal Amount	Loan Type	Collateral Description
$10,618,934	Commercial Mortgage Obligation	Commercial Mortgage Pass Through Certificates

Loan Interest Rate	Loan Maturity Date	Loan Value	Collateral Value
3.796%	9/25/14	$10,618,934	$15,042,630

Note 8 – Loan Commitments

Pursuant to the terms of certain Term Loan agreements, the Fund held unfunded loan commitments of as of May 31, 2011. The Fund is obligated to fund these loan commitments at the borrower's discretion. The Fund intends to reserve against such contingent obligations by designating cash, liquid securities, and liquid term loans as a reserve. As of May 31, 2011, the total amount segregated in connection with unfunded commitments was $9,100,471. The unrealized depreciation on these commitments of $76,813 as of May 31, 2011 is reported as "Unrealized depreciation on unfunded commitments" on the Statement of Assets and Liabilities.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2011 (CONTINUED)

At May 31, 2011, the Fund had the following unfunded loan commitments which could be extended at the option of the borrower:

Borrower	Expiration Date	Principal Amount	Unrealized Appreciation/ (Depreciation)
Endo Pharmaceuticals	10/10/2011	$1,000,000	$ –
Level 3 Communications LLC	4/21/2012	500,000	–
PTS Catalent	4/10/2013	500,000	(28,313)
Rural/Metro	9/28/2011	300,000	–
ServiceMaster	7/24/2013	800,000	(48,500)
Solera	8/15/2011	1,000,000	–
		$4,100,000	$(76,813)

Note 9 – Capital:

Common Shares

The Fund has an unlimited amount of common shares, $0.01 par value, authorized and 9,317,708 issued and outstanding.

Transactions in common shares were as follows:

	Year Ended May 31, 2011	Year Ended May 31, 2010
Beginning Shares	9,215,636	9,105,240
Shares issued through dividend reinvestment	102,072	110,396
Ending Shares	9,317,708	9,215,636

Note 10 – 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 11 – Subsequent Event:

The Fund evaluated subsequent events through the date the financial statements were available for issue and determined there were no additional material events that would require disclosure in the Fund's financial statements, except as noted below.

On June 1, 2011, the Fund declared a monthly dividend to common shareholders of $0.154 per common share. The dividend was payable on June 30, 2011, to shareholders of record on June 15, 2011.

On July 1, 2011, the Fund declared a monthly dividend to common shareholders of $0.154 per common share. The dividend was payable on July 29, 2011, to shareholders of record on July 15, 2011.

Guggenheim Strategic Opportunities Fund

up to 4,875,670 Common Shares

PROSPECTUS
SUPPLEMENT

Cantor Fitzgerald & Co.

December 16, 2011

BASE PROSPECTUS

$100,000,000

Guggenheim Strategic Opportunities Fund

Common Shares

Investment Objective and Philosophy. Guggenheim Strategic Opportunities Fund (the "Fund") is a diversified, closed-end management investment company. The Fund's investment objective is to maximize total return through a combination of current income and capital appreciation. The Fund will pursue a relative value-based investment philosophy, which utilizes quantitative and qualitative analysis to seek to identify securities or spreads between securities that deviate from their perceived fair value and/or historical norms. The Fund's sub-adviser seeks to combine a credit-managed fixed-income portfolio with access to a diversified pool of alternative investments and equity strategies. The Fund's investment philosophy is predicated upon the belief that thorough research and independent thought are rewarded with performance that has the potential to outperform benchmark indexes with both lower volatility and lower correlation of returns as compared to such benchmark indexes. The Fund cannot ensure investors that it will achieve its investment objective.

Investment Portfolio. The Fund will seek to achieve its investment objective by investing in a wide range of fixed-income and other debt and senior equity securities ("Income Securities") selected from a variety of sectors and credit qualities, including, but not limited to, corporate bonds, loans and loan participations, structured finance investments, U.S. government and agency securities, mezzanine and preferred securities and convertible securities, and in common stocks, limited liability company interests, trust certificates and other equity investments ("Common Equity Securities") that the Fund's sub-adviser believes offer attractive yield and/or capital appreciation potential, including employing a strategy of writing (selling) covered call and put options on such equities.

Offering. The Fund may offer, from time to time, up to $100,000,000 aggregate initial offering price of common shares of beneficial interest, par value $0.01 per share ("Common Shares"), in one or more offerings in amounts, at prices and on terms set forth in one or more supplements to this Prospectus (each a "Prospectus Supplement"). You should read this Prospectus and any related Prospectus Supplement carefully before you decide to invest in the Common Shares.

The Fund may offer Common Shares (1) directly to one or more purchasers, (2) through agents that the Fund may designate from time to time or (3) to or through underwriters or dealers. The Prospectus Supplement relating to a particular offering of Common Shares will identify any agents or underwriters involved in the sale of Common Shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between the Fund and agents or underwriters or among underwriters or the basis upon which such amount may be calculated. The Fund may not sell Common Shares through agents, underwriters or dealers without delivery of this Prospectus and a Prospectus Supplement. See "Plan of Distribution."

Investment Adviser and Sub-Adviser. Guggenheim Funds Investment Advisors, LLC (the "Investment Adviser") serves as the Fund's investment adviser and is responsible for the management of the Fund. Guggenheim Partners Asset Management, LLC (the "Sub-Adviser") will be responsible for the management of the Fund's portfolio of securities. Each of the Investment Adviser and the Sub-Adviser is a wholly-owned subsidiary of Guggenheim

Partners, LLC ("Guggenheim Partners"). Guggenheim Partners is a diversified financial services firm with wealth management, capital markets, investment management and proprietary investing businesses, whose clients are a mix of individuals, family offices, endowments, foundations, insurance companies and other institutions that have entrusted Guggenheim Partners with the supervision of more than $100 billion of assets as of December 31, 2010.

(continued on following page)

Investing in the Fund's Common Shares involves certain risks. See "Risks" on page 51 of this Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated April 8, 2011

(continued from previous page)

Investment Parameters. The Fund may allocate its assets among a wide variety of Income Securities and Common Equity Securities, provided that, under normal market conditions, the Fund will not invest more than: 60% of its total assets in Income Securities rated below-investment grade (commonly referred to as “high-yield” or “junk” bonds), which are considered speculative with respect to the issuer’s capacity to pay interest and repay principal; 50% of its total assets in Common Equity Securities consisting of common stock; 20% of its total assets in other investment companies, including registered investment companies, private investment funds and/or other pooled investment vehicles; 20% of its total assets in non-U.S. dollar-denominated Income Securities; and 10% of its total assets in Income Securities of issuers in emerging markets.

Common Shares. The Fund’s currently outstanding Common Shares are, and the Common Shares offered in this Prospectus will be, listed on the New York Stock Exchange (the “NYSE”) under the symbol “GOF.” The net asset value of the Common Shares at the close of business on April 8, 2011 was $19.93 per share, and the last sale price of the Common Shares on the NYSE on such date was $21.30. See “Market and Net Asset Value Information.”

Financial Leverage. The Fund may seek to enhance the level of its current distributions by utilizing financial leverage through the issuance of preferred shares (“Preferred Shares”), through borrowing or the issuance of commercial paper or other forms of debt (“Borrowings”), through reverse repurchase agreements, dollar rolls or similar transactions or through a combination of the foregoing (collectively “Financial Leverage”). The Fund’s total Financial Leverage may vary over time; however, the aggregate amount of Financial Leverage is not currently expected to exceed 33 1 / 3 % of the Fund’s Managed Assets (as defined herein) after such issuance and/or borrowing; however, the Fund may utilize Financial Leverage up to the limits imposed by the Investment Company Act of 1940, as amended. The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc. (“BNP Paribas”) pursuant to which the Fund may borrow up to $30 million. As of November 30, 2010, outstanding Borrowings under the committed facility agreement were approximately $22.4 million, which represented approximately 9.0% of the Fund’s Managed Assets as of such date. The Fund invests a portion of its total assets through participation in the Term Asset-Backed Securities Loan Facility program (the “TALF Program”), a program developed by the Board of Governors of the Federal Reserve System and the U.S. Department of the Treasury and operated by the Federal Reserve Bank of New York (“FRBNY”). Under the TALF Program, the FRBNY may provide loans to the Fund to purchase certain investment-grade, asset-backed securities which must be backed by auto loans, student loans, credit card loans, small business loans or certain commercial mortgage-backed securities. As of November 30, 2010, the Fund’s borrowings under the TALF Program represented approximately 4.3% of the Fund’s Managed Assets. In addition, as of November 30, 2010, the Fund had reverse repurchase agreements outstanding representing Financial Leverage equal to approximately 15.1% of the Fund’s Managed Assets. As of November 30, 2010, the Fund’s total Financial Leverage represented approximately 28.4% of the Fund’s Managed Assets.

You should read this Prospectus, which contains important information about the Fund, together with any Prospectus Supplement, before deciding whether to invest, and retain it for future reference. A Statement of Additional Information, dated April 8, 2011, containing additional information about the Fund, has been filed with the Securities and Exchange Commission (the “SEC”) and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page 86 of this Prospectus, by calling (800) 345-7999 or by writing to the Investment Adviser at Guggenheim Funds Investment Advisors, LLC, 2455 Corporate West Drive, Lisle, Illinois 60532, or you may obtain a copy (and other information regarding the Fund) from the SEC’s web site (http://www.sec.gov). Free copies of the Fund’s reports and its Statement of Additional Information will also be available from the Fund’s web site at www.guggenheimfunds.com/gof. The information contained in, or that can be accessed through, the Fund’s website is not part of this Prospectus.

The Fund's Common Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

You should rely only on the information contained or incorporated by reference in this Prospectus. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer of these securities in any state where the offer is not permitted.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

This Prospectus contains or incorporates by reference forward-looking statements, within the meaning of the federal securities laws, that involve risks and uncertainties. These statements describe the Fund’s plans, strategies, and goals and the Fund’s beliefs and assumptions concerning future economic and other conditions and the outlook for the Fund, based on currently available information. In this Prospectus, words such as “anticipates,” “believes,” “expects,” “objectives,” “goals,” “future,” “intends,” “seeks,” “will,” “may,” “could,” “should,” and similar expressions are used in an eff identify forward-looking statements, although some forward-looking statements may be expressed differently. The Fund is not entitled to the safe harbor for forward-looking statements pursuant to Section 27A of the Securities Act of 1933, as amended.

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PROSPECTUS SUMMARY

This is only a summary of information contained elsewhere in this Prospectus. This summary does not contain all of the information that you should consider before investing in the Fund's Common Shares. You should carefully read the more detailed information contained elsewhere in this Prospectus and any related Prospectus Supplement prior to making an investment in the Fund, especially the information set forth under the headings "Investment Objective and Policies" and "Risks." You may also wish to request a copy of the Fund's Statement of Additional Information, dated April 8, 2011 (the "SAI"), which contains additional information about the Fund.

The Fund	Guggenheim Strategic Opportunities Fund (the "Fund") is a diversified, closed-end management investment company that commenced operations on July 26, 2007. The Fund's objective is to maximize total return through a combination of current income and capital appreciation. The Fund's common shares of beneficial interest, par value $0.01 per share, are called "Common Shares" and the holders of Common Shares are called "Common Shareholders" throughout this Prospectus. Guggenheim Funds Investment Advisors, LLC (the "Investment Adviser") serves as the Fund's investment adviser and is responsible for the management of the Fund. Guggenheim Partners Asset Management, LLC (the "Sub-Adviser") is responsible for the management of the Fund's portfolio of securities. Each of the Investment Adviser and the Sub-Adviser are wholly-owned subsidiaries of Guggenheim Partners, LLC ("Guggenheim Partners").
The Offering	The Fund may offer, from time to time, up to $100,000,000 aggregate initial offering price of Common Shares, on terms to be determined at the time of the offering. The Fund will offer Common Shares at prices and on terms to be set forth in one or more supplements to this Prospectus (each a "Prospectus Supplement"). The Fund may offer Common Shares (1) directly to one or more purchasers, (2) through agents that the Fund may designate from time to time, or (3) to or through underwriters or dealers. The Prospectus Supplement relating to a particular offering will identify any agents or underwriters involved in the sale of Common Shares, and will set forth any applicable purchase price, fee, commission or discount arrangement between the Fund and agents or underwriters or among underwriters or the basis upon which such amount may be calculated. The Fund may not sell Common Shares through agents, underwriters or dealers without delivery of this Prospectus and a Prospectus Supplement describing the method and terms of the offering of Common Shares. See "Plan of Distribution."
Use of Proceeds	Unless otherwise specified in a Prospectus Supplement, the Fund intends to invest the net proceeds of an offering of Common Shares in accordance with its investment objective and policies as stated herein. It is currently

anticipated that the Fund will be able to invest substantially all of the net proceeds of an offering of Common Shares in accordance with its investment objective and policies within three months after the completion of such offering. Pending such investment, it is anticipated that the proceeds will be invested in U.S. government securities or high quality, short-term money market securities. The Fund may also use the proceeds for working capital

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purposes, including the payment of distributions, interest and operating expenses, although the Fund currently has no intent to issue Common Shares primarily for this purpose.

Investment Objective and Philosophy	The Fund's investment objective is to maximize total return through a combination of current income and capital appreciation. The Fund will pursue a relative value-based investment philosophy, which utilizes quantitative and qualitative analysis to seek to identify securities or spreads between securities that deviate from their perceived fair value and/or historical norms. The Sub-Adviser seeks to combine a credit- managed fixed-income portfolio with access to a diversified pool of alternative investments and equity strategies. The Fund's investment philosophy is predicated upon the belief that thorough research and independent thought are rewarded with performance that has the potential to outperform benchmark indexes with both lower volatility and lower correlation of returns as compared to such benchmark indexes. The Fund cannot ensure investors that it will achieve its investment objective. The Fund's investment objective is considered fundamental and may not be changed without the approval of Common Shareholders. See "Investment Objective and Policies—Investment Philosophy and Investment Process."
Investment Process	The Sub-Adviser's investment process is a collaborative effort between its Portfolio Construction Group, which utilizes tools such as Guggenheim Partners' Dynamic Financial Analysis Model to determine allocation of assets among a variety of sectors, and its Sector Specialists, who are responsible for security selection within these sectors and for implementing securities transactions, including the structuring of certain securities directly with the issuer or with investment banks and dealers involved in the origination of such securities.
Investment Portfolio	The Fund will seek to achieve its investment objective by investing in: Income Securities. The Fund may invest in a wide range of fixed- income and other debt and senior equity securities ("Income Securities") selected from a variety of sectors and credit qualities. The Fund may invest in Income Securities of any credit quality, including Income Securities rated below-investment grade (commonly referred to as "high-yield" or "junk" bonds), which are considered speculative with respect to the issuer's capacity to pay interest and repay principal. The sectors and types of Income Securities in which the Fund may invest, include, but are not limited to:

- corporate bonds;
- loans and loan participations (including senior secured floating rate loans, "second lien" secured floating rate loans, and other types of secured and unsecured loans with fixed and variable interest rates) (collectively, "Loans");
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structured finance investments (including residential and commercial mortgage-related securities, asset-backed securities, collateralized debt obligations and risk-linked securities);

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- U.S. government and agency securities;
- mezzanine and preferred securities; and
- convertible securities.

Common Equity Securities and Covered Call Option Strategy. The Fund may invest in common stocks, limited liability company interests, trust certificates and other equity investments ("Common Equity Securities") that the Sub-Adviser believes offer attractive yield and/or capital appreciation potential. As part of its Common Equity Securities strategy, the Fund currently intends to employ a strategy of writing (selling) covered call options and may, from time to time, buy or sell put options on individual Common Equity Securities and, to a lesser extent, on indices of securities and sectors of securities. This covered call option strategy is intended to generate current gains from option premiums as a means to enhance distributions payable to the Fund's Common Shareholders.

Structured Finance Investments. The Fund may invest in structured finance investments, which are Income Securities and Common Equity Securities typically issued by special purpose vehicles that hold income-producing securities (e.g., mortgage loans, consumer debt payment obligations and other receivables) and other financial assets. Structured finance investments are tailored, or packaged, to meet certain financial goals of investors. Typically, these investments provide investors with capital protection, income generation and/or the opportunity to generate capital growth. The Sub-Adviser believes that structured finance investments provide attractive risk-adjusted returns, frequent sector rotation opportunities and prospects for adding value through security selection. Structured finance investments include:

Mortgage-Related Securities. Mortgage-related securities are a form of derivative collateralized by pools of commercial or residential mortgages. Pools of mortgage loans are assembled as securities for sale to investors by various governmental, government-related and private organizations. These securities may include complex instruments such as collateralized mortgage obligations, REITs (including debt and preferred stock issued by REITs), and other real estate-related securities. The mortgage-related securities in which the Fund may invest include those with fixed, floating or variable interest rates, those with interest rates that change based on multiples of changes in a specified index of interest rates, and those with interest rates that change inversely to changes in interest rates, as well as those that do not bear interest. The Fund may invest in residential and commercial mortgage-related securities issued by governmental entities and private issuers, including subordinated mortgage-related securities. The underlying assets of certain mortgage-related securities may be subject to prepayments, which shorten the weighted average maturity and may lower the return of such securities.

Asset-Backed Securities. Asset-backed securities are a form of derivative issued by governmental entities and private issuers which utilizes securitization techniques similar to those used for mortgage- related securities. The collateral for these securities may include home

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equity loans, automobile and credit card receivables, boat loans, computer leases, airplane leases, mobile home loans, recreational vehicle loans and hospital account receivables. The Fund may invest in these and other types of asset-backed securities that may be developed in the future. Asset-backed securities are subject to the same risk of prepayment described above with respect to mortgage-related securities. Asset-backed securities may provide the Fund with a less effective security interest in the related collateral than do mortgage- related securities, and thus it is possible that recovery on repossessed collateral might be unavailable or inadequate to support payments on these securities.

Collateralized Debt Obligations. A collateralized debt obligation ("CDO") is an asset-backed security whose underlying collateral is typically a portfolio of bonds, bank loans, other structured finance securities and/or synthetic instruments. Where the underlying collateral is a portfolio of bonds, a CDO is referred to as a collateralized bond obligation ("CBO"). Where the underlying collateral is a portfolio of bank loans, a CDO is referred to as a collateralized loan obligation ("CLO"). Investors in CDOs bear the credit risk of the underlying collateral. Multiple tranches of securities are issued by the CDO, offering investors various maturity and credit risk characteristics. Tranches are categorized as senior, mezzanine, and subordinated/equity, according to their degree of risk. If there are defaults or the CDO's collateral otherwise underperforms, scheduled payments to senior tranches take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. CDOs are subject to the same risk of prepayment described with respect to certain mortgage-related and asset-backed securities. The value of CDOs may be affected by changes in the market's perception of the creditworthiness of the servicing agent for the pool, the originator of the pool, or the financial institution or fund providing the credit support or enhancement.

Risk-Linked Securities. Risk-linked securities ("RLS") are a form of derivative issued by insurance companies and insurance-related special purpose vehicles that apply securitization techniques to catastrophic property and casualty damages. RLS are typically debt obligations for which the return of principal and the payment of interest are contingent on the non-occurrence of a pre-defined "trigger event." Depending on the specific terms and structure of the RLS, this trigger could be the result of a hurricane, earthquake or some other catastrophic event.

Real Property Asset Companies. The Fund may invest in Income Securities and Common Equity Securities issued by companies that own, produce, refine, process, transport and market "real property assets," such as real estate and the natural resources upon or within real estate ("Real Property Asset Companies").

Personal Property Asset Companies. The Fund may invest in Income Securities and Common Equity Securities issued by companies that seek to profit primarily from the ownership, rental, leasing, financing

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