

FIDUCIARY/CLAYMORE MLP OPPORTUNITY FUND

Form 497

August 13, 2012

PROSPECTUS SUPPLEMENT

(to Prospectus dated April 20, 2012)

Fiduciary/Claymore MLP Opportunity Fund

Up to 8,915,743 Common Shares

Fiduciary/Claymore MLP Opportunity Fund (the “Fund”) is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund’s investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The “total return” sought by the Fund includes appreciation in the net asset value of the Fund’s Common Shares and all distributions made by the Fund to its Common Shareholders, regardless of the tax characterization of such distributions, including distributions characterized as return of capital. The Fund has been structured to seek to provide an efficient vehicle through which Common Shareholders may invest in a portfolio of publicly traded securities of master limited partnerships (“MLPs”) and MLP Affiliates (as defined in the accompanying Prospectus) (collectively with MLPs, “MLP entities”). MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund is treated as a regular corporation, or “C” corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. If this expectation is not realized, the Fund will have a larger corporate income tax expense sooner than expected, which will result in less cash available to distribute to Common Shareholders in such taxable years. Moreover, although MLP distributions that are treated as returns of capital are generally not taxable to the Fund to that extent, such returns of capital reduce the Fund’s tax basis in its investments, resulting in potential increased gains (or decreased losses) upon dispositions of such investments. While the Fund will generally seek to maximize the portion of the Fund’s distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard.

The Fund has entered into a Controlled Equity OfferingSM Sales Agreement (the “Sales Agreement”) among the Fund, the Fund’s investment Adviser, Guggenheim Funds Investment Advisors, LLC (the “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 10,165,343 Common Shares, from time to time, through Cantor Fitzgerald as agent for the Fund for the offer and sale of Common Shares. As of the date of this Prospectus Supplement, the Fund had offered and sold 1,249,600 Common Shares pursuant to the Sales Agreement and 8,915,743 Common Shares remain eligible to be sold pursuant to the Sales Agreement.

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 “FMO.” As of August 3, 2012, the last reported sale price for the Fund’s Common Shares on the NYSE was \$23.51 per share. The net asset value (“NAV”) per share of the Fund’s Common Shares as of the close of business on August 3, 2012 was \$21.02.

(continued on following page)

Investing in the Fund’s Common Shares involves certain risks that are described in the “Risks” section beginning on page 53 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.

The Securities and Exchange Commission has not 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.

The date of this Prospectus Supplement is August 13, 2012.

(continued from previous page)

This Prospectus Supplement, together with the accompanying Prospectus, dated April 20, 2012, 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 20, 2012 (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 87 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 (888) 991-0091 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/fmo.

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 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 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.

PROSPECTUS SUPPLEMENT 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 20, 2012, especially the information set forth in the accompanying Prospectus 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 20, 2012 (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 Fiduciary/Claymore MLP Opportunity Fund (the "Fund") is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund'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 "Adviser") serves as the Fund's investment adviser, pursuant to an investment advisory agreement with the Fund. As compensation for its services, the Fund pays the Adviser a fee, payable monthly, in an annual amount equal to 1.00% of the Fund's average Managed Assets (from which the Adviser pays to the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average Managed Assets). Advisory Research Inc. (the "Sub-Adviser") serves as the Fund's

investment sub-adviser, pursuant to a sub-advisory agreement with the Fund and the Adviser. As compensation for its services, the Adviser pays the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average Managed Assets. The FAMCO MLP team, a division of the Sub-Adviser, is responsible for the management of the Fund's portfolio of securities.

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 "FMO." As of August 3, 2012, the last reported sale price for the Fund's Common Shares was \$23.51. The net asset value ("NAV") per share of the Fund's Common Shares at the close of business on August 3, 2012 was \$21.02.

Distributions

The Fund has paid distributions to Common Shareholders quarterly 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 Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. If this expectation is not realized, the Fund will have a larger corporate income tax expense sooner than expected, which

will result in less cash available to distribute to Common Shareholders in such taxable years. Moreover, although MLP distributions that are treated as returns of capital are generally not taxable to the Fund to that extent, such returns of capital reduce the Fund's tax basis in its investments, resulting in potential increased gains (or decreased losses) upon dispositions of such investments. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of tax-deferred return of capital, no assurance can be given in this regard. See "Distributions" in the accompanying Prospectus.

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 10,165,343 Common Shares, from time to time, through Cantor Fitzgerald as the Fund's agent for the offer and sale of the Common Shares. As of the date of this Prospectus Supplement, the Fund had offered and sold 1,249,600 Common Shares pursuant to the Sales Agreement and 8,915,743 Common Shares remain eligible to be sold pursuant to the Sales Agreement.

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 53 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 cash, cash equivalents or other securities, including U.S. government securities or high quality, short-term debt securities. The Fund may also use the proceeds for working capital purposes, including the

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payment of distributions, interest and operating expenses, although the Fund currently has no intent to use the proceeds of this offering primarily for this purpose.

U.S. Federal Income Tax
Consideration

The Fund is treated as a regular corporation, or “C” corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). See “U.S. Federal Income Tax Considerations” in the accompanying Prospectus and “Taxation” in the SAI.

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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 the Fund's annual report to shareholders for the period ended November 30, 2011, and are incorporated by reference into the SAI. The unaudited information for the six months ended May 31, 2012 is included in this Prospectus Supplement under the heading "Unaudited Financial Statements."

	For the Six Months Ended May 31, 2012 (Unaudited)		For the Year Ended November 30, 2011		For the Year Ended November 30, 2010		For the Year Ended November 30, 2009	
Per share operating performance for a share outstanding throughout the period								
Net asset value, beginning of period	\$20.17		\$19.69		\$15.00		\$12.09	
Income from investment operations								
Net investment loss(a)(b)	(0.21)		(0.41)		(0.36)		(0.44)	
Net realized and unrealized gain/loss (b)	0.10		2.28		6.41		4.76	
Total from investment operations	(0.11)		1.87		6.05		4.32	
Common shares' offering expenses charged to paid-in capital	(0.01)		–		(0.02)		–	*
Distributions to Common Shareholders (c)								
Return of capital	(0.73)		(1.39)		(1.34)		(1.41)	
Net asset value, end of period	\$19.32		\$20.17		\$19.69		\$15.00	
Market value, end of period	\$20.98		\$21.71		\$20.96		\$16.24	
Total investment return (d)								
Net asset value	-0.70	%	9.60	%	41.57	%	38.03	%
Market value	0.12	%	10.73	%	38.56	%	57.32	%
Ratios and supplemental data								
Net assets, end of period (thousands)	\$499,298		\$494,532		\$479,171		\$282,089	
Ratios to Average Net Assets applicable to Common Shares:								
Net operating expense ratio, including fee waivers	1.51	%(i)	1.57	%	1.52	%	1.76	%
Interest expense	0.53	%(i)	0.49	%	0.56	%	1.23	%
Current and deferred tax expense/(benefit)	(0.99)	%(i)	7.30	%	22.37	%	23.33	%
Total net expense ratio	1.05	%(i)	9.36	%	24.45	%	26.32	%
Gross operating expense ratio, excluding fee waivers	1.53	%(i)	1.59	%	1.60	%	1.76	%
Interest expense	0.53	%(i)	0.49	%	0.56	%	1.23	%
Current and deferred tax expense/(benefit)	(0.99)	%(i)	7.30	%	22.37	%	23.33	%
Total gross expense ratio	1.07	%(i)	9.38	%	24.53	%	26.32	%
Net investment income/(loss), excluding interest expense and tax expense/benefit	(1.51)	%(i)	(1.57)	%(i)	(1.48)	%(i)	(2.14)	%(i)

Net investment income/(loss), including interest expense and tax expense/benefit	(1.05)	)%(i)	(9.36)	)%	(24.41)	)%	(26.70))%
Portfolio Turnover Rate	9	%	19	%	15	%	30	%
Senior Indebtedness								
Total borrowings outstanding (in thousands)	\$ 190,000		\$ 190,000		\$ 170,000		\$ 110,263	
Asset coverage per \$1,000 of indebtedness (e)	\$3,628		\$3,603		\$3,819		\$3,558	

* Less than \$0.01.

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

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

(c) See Notes to Financial Statements (Note 2(c)). For the years ended November 30, 2011, November 30, 2010 and November 30, 2008, approximately \$1.02, 1.34 and \$0.08 per common share, respectively, represents qualified dividend income for federal income tax purposes.

The remaining distributions represent return of capital for federal income tax purposes. For GAAP purposes, all of the distributions were considered return of capital.

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

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

(f) Commencement of investment operations.

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

(h) Certain reclassifications have been made to conform with current presentation.

(i) Annualized.

	For the Year Ended November 30, 2008	For the Year Ended November 30, 2007	For the Year Ended November 30, 2006	For the Year Ended November 30, 2005	For the Period December 28, 2004(f) through November 30, 2005	
Per share operating performance for a share outstanding throughout the period						
Net asset value, beginning of period	\$23.11	\$22.49	\$19.78	\$19.10	(g)	
Income from investment operations						
Net investment loss(a)(b)	(0.70)	(0.67)	(0.33)	(0.26)		
Net realized and unrealized gain/loss (b)	(8.85)	2.66	4.29	1.92		
Total from investment operations	(9.55)	1.99	3.96	1.66		
Common shares' offering expenses charged to paid-in capital	-	-	-	(0.04)		
Distributions to Common Shareholders (c)						
Return of capital	(1.47)(h)	(1.37)	(1.25)	(0.94)		
Net asset value, end of period	\$12.09	\$23.11	\$22.49	\$19.78		
Market value, end of period	\$11.42	\$22.66	\$21.87	\$17.99		
Total investment return (d)						
Net asset value	-43.55 %	8.53 %	20.70 %	8.38 %		
Market value	-45.67 %	9.70 %	29.68 %	-5.81 %		
Ratios and supplemental data						
Net assets, end of period (thousands)	\$221,155	\$418,438	\$406,295	\$357,441		
Ratios to Average Net Assets applicable to Common Shares:						
Net operating expense ratio, including fee waivers	1.79 %	1.62 %	1.69 %	1.48 %		
Interest expense	1.83 %	2.13 %	2.17 %	1.02 %		
Current and deferred tax expense/(benefit)	(31.96)%	5.65 %	13.03 %	5.91 %		
Total net expense ratio	(28.34)%	9.40 %	16.89 %	8.41 %		
Gross operating expense ratio, excluding fee waivers	1.79 %	1.62 %	1.69 %	1.48 %		
Interest expense	1.83 %	2.13 %	2.17 %	1.02 %		
Current and deferred tax expense/(benefit)	(31.96)%	5.65 %	13.03 %	5.91 %		
Total gross expense ratio	(28.34)%	9.40 %	16.89 %	8.41 %		
Net investment income/(loss), excluding interest expense and tax expense/benefit	(1.71)%	(0.62)%	0.55 %	(0.37)%		
Net investment income/(loss), including interest expense and tax expense/benefit	28.42 %	(8.40)%	(14.66)%	(7.30)%		
Portfolio Turnover Rate	22 %	11 %	21 %	41 %		
Senior Indebtedness						
Total borrowings outstanding (in thousands)	\$72,263	\$175,000	\$150,000	\$150,000		
Asset coverage per \$1,000 of indebtedness (e)	\$4,060	\$3,391	\$3,709	\$3,383		

- * Less than \$0.01.
- (a) Based on average shares outstanding during the period.
- (b) The character of dividends received for each period is based upon estimates made at the time the distribution was received. Any necessary adjustments are reflected in the following fiscal year when the actual character is known. See Note 2(b) of the Notes to Financial Statements, incorporated by reference in the SAI, for additional information.
- (c) See Notes to Financial Statements (Note 2(c)). For the years ended November 30, 2011, November 30, 2010 and November 30, 2008, approximately \$1.02, 1.34 and \$0.08 per common share, respectively, represents qualified dividend income for federal income tax purposes.
The remaining distributions represent return of capital for federal income tax purposes. For GAAP purposes, all of the distributions were considered return of capital.
- (d) Total investment return is calculated assuming a purchase of a common share at the beginning of the period and a sale on the last day of the period reported either at net asset value (“NAV”) or market price per share. Dividends and distributions are assumed to be reinvested at NAV for NAV returns or the prices obtained under the Fund’s Dividend Reinvestment Plan for market value returns. Total investment return does not reflect brokerage commissions. A return calculated for a period of less than one year is not annualized.
- (e) Calculated by subtracting the Fund’s total liabilities (not including the borrowings) from the Fund’s total assets and dividing by the total borrowings.
- (f) Commencement of investment operations.
- (g) Before deduction of offering expenses charged to capital.
- (h) Certain reclassifications have been made to conform with current presentation.
- (i) Annualized.

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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, 2012 (except as noted below), after giving effect to the anticipated net proceeds of the offering of Common Shares pursuant to the Sales Agreement, 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)
Dividend Reinvestment Plan Fees(3)	None

	Percentage of Net Assets Attributable to Common Shares(4)
Annual Expenses	
Management Fees(5) (6)	1.26%
Interest Payments on Borrowed Funds(7)	0.52%
Other Expenses(8)	0.21%
Current Income Tax Expense	0.64%
Deferred Income Tax Expense(9)	6.59%
Total Annual Expenses	9.22%

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- (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) The Adviser has incurred on behalf of the Fund all costs associated with the Fund's effective registration statement and the offering of Common Shares pursuant to the Sales Agreement. The Fund has agreed, in connection with the offering of Common Shares pursuant to the Sales Agreement, to reimburse the Adviser for offering expenses incurred by the Adviser on the Fund's behalf in an amount up to the lesser of 0.60% of the total offering price of the Common Shares sold pursuant to the Sales Agreement, or the Fund's actual offering costs, which are estimated to be \$600,000.
- (3) Common Shareholders will pay brokerage charges if they direct the Plan Agent to sell Common Shares held in a dividend reinvestment account. See "Automatic Dividend Reinvestment Plan" in the accompanying Prospectus.
- (4)

Based upon net assets attributable to Common Shares as of May 31, 2012, after giving effect to the anticipated net proceeds of the offering of Common shares pursuant to the Sales Agreement. The proceeds may be greater or less than the amount assumed herein, depending on the number of shares sold and the market price of the Common Shares at the time of any sale. There is no guarantee that there will be any future sales of Common Shares pursuant to the Sales Agreement. The number of Common Shares actually sold pursuant to the Sales Agreement may be less than as assumed herein.

- (5) The Fund pays the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets (net assets plus any assets attributable to Financial Leverage). The fee shown above is based upon outstanding Financial Leverage of 28% of the Fund's Managed Assets. If Financial Leverage of more than 28% of the Fund's Managed Assets is used, the management fees shown would be higher.
- (6) The Adviser has agreed to waive the advisory fees payable with respect to the assets attributable to Common Shares issued pursuant to the Fund's shelf registration statement (including Common Shares sold pursuant to the Sales Agreement) for the first three months after such Common Shares are issued and to waive half the advisory fees payable with respect to the assets attributable to such Common Shares for the subsequent three months. After giving effect to such waiver, the Fund's Management Fees as a Percentage of Net Assets Attributable to Common Shares would be 1.14%.
- (7) Based upon outstanding Borrowings of the Fund in an amount equal to 28% of the Fund's Managed Assets and a borrowing rate of 1.42% (the borrowing rate on the Fund's committed facility agreement with BNP Paribas Prime Brokerage, Inc. as of May 31, 2012).
- (8) Other expenses are estimated based upon those incurred during the fiscal year ended November 30, 2011. Other expenses do not include expense related to realized or unrealized investment gains or losses.
- (9) For the fiscal year ended November 30, 2011, the Fund accrued approximately \$32.6 million in net deferred tax expense primarily related to unrealized appreciation on investments. Deferred income tax expense represents an

estimate of the Fund’s potential tax expense if it were to recognize the unrealized gains/losses on portfolio assets that occurred during the fiscal year ended November 30, 2011, based on the market value and basis of the Fund’s assets as of November 30, 2011.

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 9.22% (including the Fund’s estimate of Deferred Income Tax Expense for the fiscal year ended November 30, 2011) of net assets attributable to Common Shares, (2) the Sales Load of \$20 and estimated offering costs of \$6 and (3) a 5% annual return*:

	Cumulative Expenses Paid for the Period of:			
	1 Year	3 Years	5 Years	10 Years
Total Expenses paid by Common Shareholders	\$116	\$286	\$441	\$775

* 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 the estimated “Other expenses” set forth in the Annual Expenses table are accurate and that all dividends and distributions are reinvested at net asset value.

DEFERRED INCOME TAX EXPENSE

The annual expense table set forth under “Summary of Fund Expenses” includes an estimate of deferred income tax expenses. For the fiscal year ended November 30, 2011, the Fund accrued approximately \$32.6 million in net deferred tax expense primarily related to unrealized appreciation on investments. Such deferred income tax expense represents an estimate of the Fund’s potential tax expense if it were to recognize the unrealized gains/losses on portfolio assets that occurred during the fiscal year ended November 30, 2011, based on the market value and basis of the Fund’s assets as of November 30, 2011. An estimate of deferred income tax expense/(benefit) is dependent upon the Fund’s net investment gains/losses and realized and unrealized gains/losses on investments, and such expenses may vary greatly from year to year depending on the nature of the Fund’s investments, the performance of those investments and general market conditions. Therefore, any estimate of deferred income tax expense/(benefit) cannot be reliably predicted from year to year. Actual income tax expense (if any) will be incurred over many years, depending on if and when investment gains/losses are realized, the then-current basis of the Fund’s assets, the level of net loss carry-forwards and other factors. The Fund’s deferred income tax expense/(benefit) for the current fiscal year or any future fiscal year may vary greatly from the deferred income tax expense estimated based on the fiscal year ended November 30, 2011. The Fund’s deferred income tax expense/(benefit) as a percentage of net assets attributable to Common Shares at the end of each fiscal year, from inception through November 30, 2011, has been as follows:

	Deferred Income Tax Expense/(Benefit)
Period December 28, 2004 (commencement of operations)	
through November 30, 2005	5.52%
Year ended November 30, 2006	11.91%
Year ended November 30, 2007	5.81%
Year ended November 30, 2008	(52.31)%
Year ended November 30, 2009	19.49%
Year ended November 30, 2010	16.89%
Year ended November 30, 2011	6.59%

The table set forth below presents the Fund’s annual operating expenses as a percentage of net assets attributable to Common Shares, excluding Deferred Income Tax Expense.

	Percentage of Net Assets Annual Expenses Attributable to Common Shares
Management Fees	1.26%
Interest Payments on Borrowed Funds	0.52%
Other Expenses	0.21%
Current Income Tax Expense	0.64%
Total Annual Expenses (Excluding Deferred Income Tax Expense)	2.63%

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CAPITALIZATION

The Fund may offer and sell up to 10,165,343 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. As of the date of this Prospectus Supplement, the Fund had offered and sold 1,249,600 Common Shares pursuant to the Sales Agreement and 8,915,743 Common Shares remain eligible to be sold pursuant to the Sales Agreement. The price per share of any Common Share sold hereunder may be greater or less than the price of \$23.51 (the last reported sale price for the Fund's Common Shares on the NYSE as of August 3, 2012) assumed herein, depending on the market price of the Common Shares at the time of such sale. Furthermore, there is no guarantee that the Fund will sell all of the Common Shares available for sale hereunder or that there will be any sales of Common Shares hereunder. 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, 2012:

- (i) on a historical basis; and
- (ii) on an as adjusted basis to reflect the assumed sale of 8,915,743 of Common Shares at a price of \$23.51 per share (the last reported sale price for the Fund's Common Shares on the NYSE as of August 3, 2012), in an offering under this Prospectus Supplement and the accompanying Prospectus less the assumed commission of \$4,192,182 (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 \$600,000.

	Actual (unaudited)	As Adjusted (unaudited)
Short-Term Debt:		
Borrowings	\$ 190,000,000	\$ 190,000,000
Common Shareholder's Equity:		
Common shares of beneficial interest, par value \$0.01 per share; unlimited shares authorized, 25,840,191 shares issued and outstanding (actual), and 34,755,934 shares issued and outstanding (as adjusted)	258,402	347,559
Additional paid-in capital	294,269,783	498,997,562
Net unrealized appreciation on investments, net of tax	192,113,618	192,113,618
Accumulated net realized gain on investments, net of tax	54,122,682	54,122,682
Accumulated net investment loss, net of tax	(41,466,037)	(41,466,037)
Net assets	\$499,298,448	\$ 704,115,384

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 the maximum number of Common Shares available for sale under this Prospectus Supplement and the accompanying Prospectus, the net proceeds to the Fund from this offering will be approximately \$204,816,936 after deducting the estimated commission and estimated offering expenses. There is no guarantee that there will be any sales of Common Shares remaining for sale pursuant to the Sales Agreement. The price per share of any Common Share sold hereunder may be greater or less than the price assumed herein, depending on the market price of the Common Shares at the time of such sale. Furthermore, there is no guarantee that the Fund will sell all of the Common Shares available for sale hereunder or that there will be any sales of Common Shares hereunder. As a result, the actual net proceeds received by the Fund may be less than the amount of net proceeds estimated in this paragraph.

The Fund intends to invest the net proceeds from the offering in accordance with its investment objective and policies as stated in this accompanying Prospectus. It is currently anticipated that the Fund will be able to invest substantially all of the net proceeds of the 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 cash, cash equivalents or other securities, including U.S. government securities or high quality, short-term debt 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 proceeds for these purposes.

RECENT DEVELOPMENTS

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

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, the NAV per Common Share and the premium or discount to net asset value per Common Share at which the Common Shares were trading. NAV is generally determined on each Tuesday that the NYSE is open for business and the last business day of each calendar month. See “Net Asset Value” for information as to the determination of the Fund’s NAV.

	Market Price		NAV per Common Share on Date of Market Price High and Low(1)		Premium/(Discount) on Date of Market Price High and Low(2)	
	High	Low	High	Low	High	Low
During Quarter Ended May 31, 2012	\$23.17	\$20.54	\$21.37	\$19.22	8.42%	6.87%

(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 August 3, 2012 was \$23.51, \$21.02 and 11.85%, 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 August 3, 2012, 25,840,191 Common Shares of the Fund were outstanding.

Distributions

The Fund has paid distributions to Common Shareholders quarterly 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 Fund's next regularly scheduled quarterly distribution will be for the fiscal quarter ending August 31, 2012 and, if approved by the Board of Trustees, is expected to be paid to common shareholders on or about August 31, 2012. The distributions the Fund has paid since the end of its most recently concluded fiscal year are:

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Payment Date	Distribution per Common Share
May 31, 2012	\$ 0.37100
January 31, 2012	\$ 0.36300

The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. If this expectation is not realized, the Fund will have a larger corporate income tax expense sooner than expected, which will result in less cash available to distribute to Common Shareholders in such taxable years. Moreover, although MLP distributions that are treated as returns of capital are generally not taxable to the Fund to that extent, such returns of capital reduce the Fund's tax basis in its investments, resulting in potential increased gains (or decreased losses) upon dispositions of such investments. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard. For example, for the taxable year ended November 30, 2011, 74% of the distributions made by the Fund to the holders of Common Shares constituted taxable dividend income and 26% constituted return of capital. See "Distributions" in the accompanying Prospectus.

Management of the Fund

Board of Trustees. The Board of Trustees has appointed Donald C. Cacciapaglia as Trustee of the Fund. Mr. Cacciapaglia was also elected by the Board of Trustees to serve as Chief Executive Officer of the Fund. Mr. Cacciapaglia succeeds Kevin M. Robinson as Trustee and Chief Executive Officer of the Fund. Mr. Robinson continues to serve as Chief Legal Officer of the Fund.

Name, Business Address and Age	Position Held with Fund	Term of Office(1) and Length Time Served	Principal Occupation During The Past Five Years	Number of Portfolios in Fund Complex(2) Overseen by Trustee	Other Directorships held by Trustee During the Past Five Years
Donald C. Cacciapaglia* 2455 Corporate West Drive Lisle, Illinois 60532	Trustee; Chief Executive Officer	Since 2012	Senior Managing Director of Guggenheim Investments; President and Chief Executive Officer of Guggenheim Funds Distributors, LLC and President	50	Independent Board Member, Equitrust Life Insurance Company, Guggenheim

and Chief Executive Officer of Guggenheim Funds Investment Advisors, LLC. (2010 – present).	Life and Annuity
Chief Executive officer of funds in the Fund Complex; President and Chief Executive Officer of funds in the Rydex fund complex (2012 – present).	Company Paragon Life Insurance
Formerly, Chief Operating Officer of Guggenheim Partners Asset Management, LLC (2010 – 2011); Chairman and CEO of Channel Capital Group Inc. and Channel Capital Group LLC (2002 – 2010); Managing Director of PaineWebber (1996 – 2002).	Company of Indiana (2011 – present).

- * Mr. Cacciapaglia is an interested person of the Fund because of his position as an officer of the Investment Adviser and certain of its affiliates.
- (1) Each Trustee generally serves a three year term concurrent with the class of Trustees for which he serves. Mr. Cacciapaglia was appointed as a Class I Trustee. It is currently anticipated that the Class I Trustees will next stand for election at the Fund’s annual meeting of Shareholders for the Fund’s fiscal year ending November 30, 2014.
 - (2) As of the date of this Prospectus Supplement, the “Fund Complex” consists of 15 closed-end funds, including the Fund, and 44 exchange-traded funds. The Fund Complex is overseen by multiple boards of trustees.

As an Interested Trustee, Mr. Cacciapaglia receives no compensation from the Fund. As of December 31, 2011, the most recently completed calendar year prior to the date of this Prospectus Supplement, Mr. Cacciapaglia did not own any shares of the Fund or other funds in the Fund Complex that he oversees.

Executive Officers. The Board has appointed Ann Edgeworth as Interim Chief Compliance Officer of the Fund.

Name, Business Address and Age	Position	Term of Office(1) and Length of Time Served	Principal Occupations During the Past Five Years
Ann Edgeworth 2455 Corporate West Drive Lisle, Illinois 60532	Interim Chief Compliance Officer	Since 2012	Director of Foreside Compliance Services, LLC (2011 – present). Formerly, Vice President of State Street (2007 – 2011); Director, Investors Bank & Trust (2004 – 2007).

Year of Birth: 1961

- (1) Officers serve at the pleasure of the Board and until his or her successor is appointed and qualified or until his or her resignation or removal.

The Fund and certain other funds in the Fund Complex have entered into an Interim Fund Compliance Services Agreement with Foreside Compliance Services, LLC (“Foreside”), dated as of May 15, 2012 (the “Compliance Agreement”), pursuant to which Ms. Edgeworth serves as Chief Compliance Officer of the Fund. Pursuant to the Compliance Agreement, the Fund agreed to indemnify and hold harmless Foreside, its affiliates and their directors, officers, employees and agents and any person who controls Foreside within the meaning of Section 15 of the Securities Act, against any loss, liability, claim, damage or expense (including the reasonable cost of investigating or defending any alleged loss, liability, claim, damages or expense and reasonable counsel fees incurred in connection therewith) arising out of or based upon (i) Foreside’s performance of its duties under the Compliance Agreement, or (ii) the breach of any obligation, representation or warranty under the Compliance Agreement by the Fund. The fees and expenses payable pursuant to the Compliance Agreement are allocated among the Fund and the other funds in the Fund Complex that are parties to the Compliance Agreement in a manner determined by the Board of Trustees to be fair and equitable.

Description of Capital Structure – Capitalization

The following information regarding the Fund’s authorized shares is as of August 3, 2012.

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	25,840,191

SUPPLEMENT TO TAXATION

The following summary of certain U.S. federal income tax considerations supplements the discussion set forth under the heading “Taxation” in the SAI and is subject to the qualifications and assumptions set forth therein.

The Fund has net operating loss carryovers (“NOLs”) available to reduce its taxable income in future years. The Fund’s ability to use its NOLs could be limited by section 382 of the Code if the Fund were to undergo an “ownership change.” In general, an ownership change occurs if 5% shareholders (and certain persons or groups treated as 5% shareholders) of the Fund’s stock increase their ownership percentage in the aggregate by more than 50 percentage points within any three-year period. If an ownership change were to occur, section 382 would impose an annual limitation on the amount of post-ownership change taxable income that the Fund may offset with pre-ownership change NOLs. Such a limitation arising under section 382 could significantly reduce the benefit of the Fund’s NOLs.

The Fund does not expect that this offering will result in an ownership change under Section 382. This offering will, however, make it more likely that future transactions involving the Fund’s Common Shares could result in such an ownership change. Accordingly, there can be no assurance that the Fund will not in the future experience an ownership change that would limit the Fund’s ability to use its NOLs. Such a limitation would, for any given year, have the effect of potentially increasing the amount of the Fund’s U.S. federal income (and state) tax liability, thus reducing the amount of after-tax cash available for distribution to the Fund’s shareholders, which reduction could be significant.

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PLAN OF DISTRIBUTION

Under the Sales Agreement among the Fund, the 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 guarantee that there will be any sales of Common Shares that remain eligible for sale pursuant to the Sales Agreement.

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 of Cantor Fitzgerald may be deemed to be underwriting commissions or discounts. The Fund and the 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 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 Adviser in its sole discretion in the event the 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.

As of the date of this Prospectus Supplement, the Fund had offered and sold 1,249,600 Common Shares pursuant to the Sales Agreement and has paid commissions to Cantor Fitzgerald of \$417,582, resulting in net proceeds to the Fund of \$27,421,206 (before the payment of any offering expenses). As of the date of this Prospectus Supplement, 8,915,743 Common Shares remain eligible to be sold pursuant to the Sales Agreement.

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

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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 the underwriters in connection with the offering of Common Shares.

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>).

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UNAUDITED FINANCIAL STATEMENTS
 PORTFOLIO OF INVESTMENTS | MAY 31, 2012 (UNAUDITED)

Number of Shares	Description	Value
	Long-Term Investments – 166.2%	
	Master Limited Partnerships – 166.2%	
	Coal – 3.9%	
100,000	Alliance Holdings GP, LP	\$ 4,157,000
131,800	Alliance Resource Partners, LP	7,513,918
217,270	Natural Resource Partners, LP	4,984,174
365,000	Oxford Resource Partners, LP(e)	2,803,200
		19,458,292
	Diversified Gas Infrastructures – 83.9%	
208,500	American Midstream Partners, LP	4,115,790
762,287	Copano Energy, LLC(e)	20,429,292
754,725	Crestwood Midstream Partners, LP, Class C(a)(b)(c)(f)	18,456,463
991,850	DCP Midstream Partners, LP(e)	39,009,460
563,529	El Paso Pipeline Partners, LP(e)	18,489,386
1,816,700	Energy Transfer Equity, LP(e)	66,000,711
329,237	Energy Transfer Partners, LP(e)	14,285,593
1,501,525	Enterprise Products Partners, LP(e)	73,214,359
356,235	Exterran Partners, LP(e)	7,028,517
381,225	MarkWest Energy Partners, LP(e)	18,275,927
308,425	ONEOK Partners, LP(e)	16,840,005
1,060,858	Regency Energy Partners, LP(e)	22,829,664
508,415	Targa Resources Partners, LP(e)	19,940,036
599,625	TC PipeLines, LP(e)	24,584,625
490,300	Western Gas Partners, LP(e)	21,617,327
635,500	Williams Partners, LP(e)	33,617,950
		418,735,105
	Marine Transportation – 5.1%	
907,909	Teekay Offshore Partners, LP (Marshall Islands)(e)	25,149,079
	Midstream Oil Infrastructure – 61.5%	
580,312	Buckeye Partners, LP, Class B(a)(b)(c)(f)	25,740,566
242,022	Enbridge Energy Management, LLC(c)(f)	7,548,666
1,211,954	Enbridge Energy Partners, LP(e)	35,437,535
923,305	Genesis Energy, LP(e)	26,563,485
169,725	Holly Energy Partners, LP(e)	9,601,343
693,790	Inergy Midstream, LP	14,465,522
1,013,206	Kinder Morgan Management, LLC(c)(e)(f)	71,968,022
498,776	Magellan Midstream Partners, LP(e)	34,320,777
250,000	NuStar GP Holdings, LLC(e)	7,972,500
846,576	Plains All American Pipeline, LP(e)	66,481,613
219,675	TransMontaigne Partners, LP	6,928,549

		307,028,578
	Oil and Gas Production – 5.7%	
323,462	EV Energy Partners, LP(e)	16,587,131
100,160	LRR Energy, LP	1,451,319
412,346	Pioneer Southwest Energy Partners, LP(e)	10,589,045
		28,627,495

See notes to financial statements.

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PORTFOLIO OF INVESTMENTS (MAY 31, 2012 (UNAUDITED) (CONTINUED))

Number of Shares	Description	Value
1,547,361	Propane – 6.1%	
174,050	Inergy, LP(e)	\$ 26,506,294
	NGL Energy Partners, LP	4,041,441
		30,547,735
	Total Master Limited Partnerships – 166.2%	
	(Cost \$495,008,798)	829,546,284
Principal Amount	Description	Value
\$ 630,888	Term Loans – 0.0%*	
	Clearwater Subordinated Note NR(a)(b)(c)(d)	\$ 208,193
	(Cost \$630,888)	
	Total Long-Term Investments – 166.2%	
	(Cost \$495,639,686)	829,754,477
Number of Shares	Description	Value
	Short-Term Investments – 0.5%	
	Money Market – 0.5%	
2,581,960	Dreyfus Treasury & Agency Cash Management - Investor Shares	\$ 2,581,960
	(Cost \$2,581,960)	
	Total Investments – 166.7%	
	(Cost \$498,221,646)	832,336,437
	Liabilities in excess of Other Assets – (28.7%)	(143,037,989)
	Borrowings – (38.0% of Net Assets or 22.8% of Total Investments)	(190,000,000)
	Net Assets – 100.0%	\$499,298,448

LLC – Limited Liability Company

LP – Limited Partnership

* Represents less than 0.1% of net assets.

- (a) Security is restricted and may be resold only in transactions exempt from registration, normally to qualified institutional buyers. At May 31, 2012, restricted securities' aggregate market value amounted to \$44,405,222 or 8.9% of net assets.
- (b) Security is valued in accordance with FairValuation procedures established in good faith by management and approved by the Board of Trustees. The total market value of such securities is \$44,405,222 which represents 8.9% of net assets.
- (c) Non-income producing security.
- (d) Company has filed for protection in federal bankruptcy court.
- (e) All or a portion of these securities have been physically segregated in connection with swap agreements or as collateral for borrowings outstanding. As of May 31, 2012, the total amount segregated was \$474,213,527.

(f) While non-income producing, security makes regular in-kind distributions.
CBO – Collateralized Bond Obligation

See notes to financial statements.

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STATEMENT OF ASSETS AND LIABILITIES | MAY 31, 2012 (UNAUDITED)

Assets	
Investments in securities, at value (cost \$498,221,646)	\$832,336,437
Receivable for fund shares issued through dividend reinvestment	703,940
Interest receivable	52
Other assets	83,393
Total assets	833,123,822
Liabilities	
Borrowings	190,000,000
Net deferred tax liability	139,090,045
Current tax liability	2,066,690
Net unrealized depreciation on interest rate swaps	1,848,262
Advisory fee payable	587,593
Interest due on borrowings	14,888
Administration fee payable	12,451
Accrued expenses and other liabilities	205,445
Total liabilities	333,825,374
Net Assets	\$499,298,448
Composition of Net Assets	
Common shares, \$.01 par value per share; unlimited number of shares authorized, 25,840,191 shares issued and outstanding	\$258,402
Additional paid-in capital	294,269,783
Net unrealized appreciation on investments and swaps, net of tax	192,113,618
Accumulated net realized gain on investments and swaps, net of tax	54,122,682
Accumulated net investment loss, net of tax	(41,466,037)
Net Assets	\$499,298,448
Net Asset Value (based on 25,840,191 common shares outstanding)	\$19.32

See notes to financial statements.

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STATEMENT OF OPERATIONS | FOR THE SIX MONTHS ENDED MAY 31, 2012 (UNAUDITED)

Investment Income		
Distributions from master limited partnerships	\$22,857,303	
Less: Return of capital distributions	(22,856,934)	
Total investment income		\$369
Expenses		
Advisory fee	3,603,576	
Interest expense and fees on borrowings	1,406,161	
Professional fees	123,592	
Administration fee	74,054	
Fund accounting	65,901	
Printing expense	65,716	
Trustees' fees and expenses	46,914	
Custodian fee	46,669	
Insurance	19,582	
NYSE listing fee	12,261	
Miscellaneous	10,620	
Transfer agent fee	9,225	
Total expenses		5,484,271
Advisory fees waived		(73,787)
Net expenses		5,410,484
Net investment loss before taxes		(5,410,115)
Deferred tax benefit		1,789,727
Net investment loss		(3,620,388)
Realized and Unrealized Gain/(Loss) on Investments		
Net realized gain/(loss) on investments before taxes		21,218,606
Net realized gain/(loss) on swaps		(917,956)
Deferred tax expense		(3,505,683)
Current tax expense		(3,210,000)
Net realized gain/(loss) on investments		13,584,967
Net change in unrealized depreciation on investments before taxes		(23,667,955)
Net change in unrealized appreciation on swaps		816,118
Deferred tax benefit		7,559,645
Net unrealized depreciation on investments and swaps		(15,292,192)
Net realized and unrealized gain/(loss) on investments and swaps		(1,707,225)
Net Increase in Net Assets Resulting from Operations		\$(5,327,613)

See notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS I

	For the Six Months Ended May 31, 2012 (Unaudited)	For the Year Ended November 30, 2011
Increase/(Decrease) in Net Assets from Operations		
Net investment loss	\$(3,620,388)	\$(5,938,855)
Net realized gain/(loss)	13,584,967	9,503,029
Net change in unrealized appreciation/(depreciation)	(15,292,192)	41,766,425
Net increase/(decrease) in net assets resulting from operations	(5,327,613)	45,330,599
Distributions to Common Shareholders		
Return of capital – See Note 2(c)	(18,528,095)	(33,869,623)
	(18,528,095)	(33,869,623)
Capital Share Transactions		
Net proceeds from common shares issued through add-on offerings	27,421,205	–
Net proceeds from common shares issued through dividend reinvestment	1,367,820	3,899,791
Common share offering costs charged to paid-in capital	(167,033)	–
Net increase from capital share transactions	28,621,992	3,899,791
Total increase in net assets	4,766,284	15,360,767
Net Assets		
Beginning of period	494,532,164	479,171,397
End of period (including accumulated net investment losses of \$41,466,037 and \$37,845,649, respectively, net of tax)	\$499,298,448	\$494,532,164

See notes to financial statements.

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STATEMENT OF CASH FLOWS | FOR THE SIX MONTHS ENDED MAY 31, 2012 (UNAUDITED)

Cash Flows from Operating Activities:	
Net decrease in net assets resulting from operations	\$(5,327,613)
Adjustments to Reconcile Net Increase in Net Assets Resulting from Operations to	
Net Cash Used by Operating and Investing Activities:	
Net change in unrealized depreciation on investments and swaps before taxes	22,851,837
Net realized gain on investments before taxes	(21,218,606)
Purchases of long-term investments	(102,645,259)
Proceeds from sale of long-term investments	81,391,870
Net purchases of short-term investments	(2,581,960)
Increase in receivable for shares issued through dividend reinvestment	(703,940)
Decrease in distributions receivable	561,215
Increase in interest receivable	(37)
Increase in other assets	(14,758)
Decrease in deferred tax liability	(5,843,689)
Increase in current tax liability	590,000
Decrease in due to custodian bank	(26,181)
Decrease in interest due on borrowings	(683)
Increase in advisory fee payable	26,232
Increase in administration fee payable	799
Decrease in accrued expenses and other liabilities	(10,016)
Return of capital distributions received from investee companies	22,856,934
Investee companies bankruptcy reorganization fees	(42)
Net Cash Used by Operating Activities	\$(10,093,897)
Cash Flows From Financing Activities:	
Net proceeds from issuance of common shares	27,421,205
Distributions to Common Shareholders	(17,160,275)
Offering expenses in connection with common shares issued through add-on offering	(167,033)
Net Cash Provided by Financing Activities	10,093,897
Net change in cash	-
Cash at Beginning of Period	-
Cash at End of Period	-
Supplemental Disclosure of Cash Flow Information: Cash paid during the period for interest	\$1,406,844
Supplemental Disclosure of Cash Flow Information: Taxes paid during the period	\$2,620,000
Supplemental Disclosure of Non Cash Financing Activity: Dividend reinvestment	\$1,367,820
Supplemental Disclosure of Non Cash Financing Activity: In kind stock dividends received during the period	\$2,251,854
Supplemental Disclosure of Non Cash Financing Activity: In kind return of capital received during the period	\$1,896,230

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED)

Note 1 – Organization:

Fiduciary/Claymore MLP Opportunity Fund (the “Fund”) was organized as a Delaware statutory trust on October 4, 2004. The Fund is registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended.

The Fund’s investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund has been structured to seek to provide an efficient vehicle through which its shareholders may invest in a portfolio of publicly traded securities of master limited partnerships (“MLPs”) and MLP affiliates. MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will be return of capital. While the Fund will generally seek to maximize the portion of the Fund’s distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard. There can be no assurance that the Fund will achieve its investment objective.

Note 2 – Accounting Policies:

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles (“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 followed by the Fund.

(a) Valuation of Investments

Readily marketable securities listed on an exchange are valued at the last reported sale price on the primary exchange or in the principal over the counter (“OTC”) market on which they are traded. Readily marketable securities traded on an exchange or OTC for which there are no transactions on a given day are valued at the mean of the closing bid and asked prices. Securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Debt securities are valued by independent pricing services or dealers using the last available bid price for such securities or, if such prices are not available, at prices for securities of comparable maturity, quality and type. Short-term securities with maturities of 60 days or less at the time of purchase are valued at amortized cost, which approximates 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”. Fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. 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 are three different categories for valuations. Level 1 valuations are those based upon quoted prices in active markets. Level 2 valuations are those based upon quoted prices in inactive markets or based upon significant observable inputs (e.g. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (e.g. discounted cash flow analysis; non-market based methods used to determine fair valuation).

The Fund values Level 1 securities using readily available market quotations in active markets. The Fund values Level 2 equity securities using various observable market inputs. Money market funds are valued at net asset value. The Fund values Level 2 derivatives using independent pricing providers who employ matrix pricing models utilizing market prices, broker quotes and interest rate fluctuations.

As of May 31, 2012, the Clearwater Subordinated Note was a Level 3 security. For the Clearwater Subordinated Note, there were various factors considered in reaching the fair value determination including, but not limited to, the following: the type of security, analysis of the company's performance, and the present value of the potential future expected cash flows of the investment.

The following table represents the Fund's investments carried on the Statement of Assets and Liabilities by caption and by level within the fair value hierarchy as of May 31, 2012:

Description	Level 1	Level 2	Level 3	Total
Valuations (in \$000s)				
Assets:				
Term Loans	\$-	\$-	\$208	\$208
Master Limited Partnerships:				
Coal	19,458	-	-	19,458
Diversified Gas Infrastructures	400,279	18,456	-	418,735
Marine Transportation	25,149	-	-	25,149
Midstream Oil Infrastructure	281,288	25,741	-	307,029
Oil and Gas Production	28,627	-	-	28,627
Propane	30,548	-	-	30,548
Money Market	2,582	-	-	2,582
Total	\$787,931	\$44,197	\$208	\$832,336

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

Description	Level 1	Level 2	Level 3	Total
Liabilities:				
Derivatives	\$ –	\$ 1,848	\$ –	\$ 1,848
Total	\$ –	\$ 1,848	\$ –	\$ 1,848

Level 3 holdings	
Beginning Balance at 11/30/11	
Term Loans	\$ 234
Total Realized Gain/Loss	
Term Loans	(52)
Change in Unrealized Gain/Loss	
Term Loans	52
Purchases	–
Sales	
Term Loans	(26)
Transfers In	–
Transfer Out	–
Ending Balance at 5/31/12	
Term Loans	208
Total Level 3 holdings	\$ 208

All net realized and unrealized gains/losses in the above table are reflected in the Statement of Operations.

The transfers in and out of the Fund as of the report date when compared to the valuation levels at the end of the previous fiscal year are as follows:

	(000)s
Transfers from Level 2 to Level 1:	\$ 10,504

The transfer from Level 2 to Level 1 was as a result of Teekay Offshore Partners, LP restricted shares becoming registered and commencing trading on an exchange.

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income and return of capital distributions are recorded on the ex-dividend date and interest income is recorded on an accrual basis. Return of capital distributions received by the Fund are recorded as a reduction to the cost basis for the specific security. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

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

For the period ended May 31, 2012, the Fund estimated greater than 99.9% of its distributions from MLPs as return of capital and less than 0.1% of its distributions from short-term investments as investment income, which is reflected in the Statement of Operations.

(c) Distributions to Shareholders

The Fund intends to make quarterly distributions to shareholders. Distributions to shareholders are recorded on the ex-dividend date. Distributions are determined in accordance with GAAP which may differ from their ultimate characterization for federal income tax purposes. A distribution may be wholly or partially taxable to a shareholder if the Fund has current earnings and profits (as determined for U.S. federal income tax purposes) in the taxable year of the distribution, even if the Fund has an overall deficit in the Fund's accumulated earnings and profits and/or net operating loss or capital loss carryforwards that reduce or eliminate corporate income taxes in that taxable year. The Fund is unable to make final determinations as to the tax character of the distributions to shareholders until after the end of the calendar year. The Fund will inform shareholders of the final tax character of the distributions on IRS Form 1099 DIV in January 2013. For the year ended November 30, 2011, 74% of the distributions were considered qualified dividend income and 26% were considered return of capital for federal income tax purposes.

The final tax character of the distributions were as follows:

	2011
Qualified dividend income	\$ 25,063,521
Tax return of capital	8,806,102
Total	\$ 33,869,623

On a GAAP basis, the source of the Fund's distributions to shareholders for the year ended November 30, 2011 was paid-in capital.

(d) Recent Accounting Pronouncements

On May 12, 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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 of 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 it is therefore not effective for the current reporting period. Guggenheim Funds Investment Advisors, LLC (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 between the Fund and the Adviser, the Adviser furnishes offices, necessary facilities and equipment, provides administrative services, oversees the activities of

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NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

FAMCO MLP (“FAMCO” or the “Sub-Adviser”), a division of Advisory Research Inc., provides personnel including certain officers required for its administrative management and compensates the officers and 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 plus any assets attributable to financial leverage).

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

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

The Adviser and Sub-Adviser agreed to waive the advisory fees on all shares issued pursuant to the Fund’s shelf registration for the first three months those shares are outstanding and waive half the advisory fees on those shares for the next three months. Advisory fees of \$73,787, of which \$36,893 was waived by the Sub-Adviser, were waived for the period ended May 31, 2012. See Note 8 for additional information regarding offerings of shares pursuant to the Fund’s shelf registration statement.

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

Managed Assets	Rate
First	
\$200,000,000	0.0275%
Next	
\$300,000,000	0.0200%
Next	
\$500,000,000	0.0150%
Over	
\$1,000,000,000	0.0100%

The Bank of New York Mellon (“BNY”) acts as the Fund’s custodian and accounting 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.

Note 4 – Income Taxes:

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

Information on the tax components of investments as of May 31, 2012, is as follows:

Cost of investments for tax purposes	Gross tax unrealized appreciation	Gross tax unrealized depreciation	Net tax unrealized appreciation on investments	Net tax unrealized depreciation on derivatives
\$456,421,338	\$388,349,308	\$(12,434,209)	\$375,915,099	\$(1,848,262)

The Fund accrues deferred income taxes for its future tax liability or benefit associated with that portion of MLP distributions considered to be a tax-deferred return of capital as well as capital appreciation or depreciation of its investments. To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. The need to establish a valuation allowance for deferred tax assets is assessed periodically by the Fund based on the criterion established by ASC 740, Income Taxes, (“ASC 740”) that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future MLP cash distributions), the duration of statutory carryforward periods and the associated risk that operating loss carryforwards may expire unused.

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

NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

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

Current federal	\$
income tax expense	250,000
Current state income	
tax expense	2,960,000
Deferred federal	
income tax benefit	(4,938,722)
Deferred state	
income tax benefit	(904,966)
Total current and	
deferred tax benefit	(2,633,688)

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

	Rate
Application of	
statutory income tax	
rate	35.00%
State income taxes	
benefit	23.10%
Increase in valuation	
allowance	(25.02)%
Total	33.08%

Components of the Fund's deferred tax assets and liabilities as of May 31, 2012, are as follows:

Deferred tax assets:	
Deferred tax benefit on net operating loss and AMT credit carryforwards	\$20,601,496
AMT tax credit	192,704
Valuation allowance	(10,301,440)
Deferred tax asset	\$10,492,760
Deferred tax liabilities:	
Deferred tax on unrealized gain on investments and swap	\$(151,649,495)
Net deferred tax liability	\$(141,156,735)

On January 13, 2011, the State of Illinois enacted a temporary increase of its corporate and individual income tax rates. The Illinois corporate income tax rate for taxable income recognized for the 2011 through 2014 tax years increased 2.2% from the pre-enactment rate of 4.8% to the rate of 7.0%. For years after 2014 through 2024, the rate

decreases to 5.25%. After 2024, the tax rate is scheduled to return to the pre-enactment rate of 4.8%.

At November 30, 2011 (the most recent fiscal year ended for federal income tax purposes), the Fund had a remaining net operating loss carryforward for federal income tax purposes of \$28,878,149. The net operating loss carryforward is set to expire as follows: \$5,654,206 in 2026, \$10,333,986 in 2027 and \$12,889,957 in 2029. At November 30, 2011, the Fund utilized capital losses of \$14,771,029. As of November 30, 2011, no capital loss carryforward remained. At November 30, 2011 (the most recent fiscal year ended for federal income tax purposes), the Fund had a remaining net operating loss for state tax purposes of \$71,156,553, before valuation allowance described below.

The Fund periodically reviews the recoverability of any deferred tax asset based on the weight of available evidence. When assessing the recoverability of any deferred tax asset, significant weight is given to the Fund's forecast of future taxable income, which is based principally on the expected continuation of MLP cash distributions at or near current levels. Consideration is also given to the effects of the potential of additional future realized and unrealized gains or losses on investments and the period over which deferred tax assets can be realized, as the expiration dates for the federal tax loss carryforwards range from seventeen to twenty years and capital loss carryforwards expire in five years. Recovery of a deferred tax asset is dependent on continued payment of the MLP cash distributions at or near current levels in the future and the resultant generation of taxable income.

The valuation allowance for state income tax purposes by period end was as follows.

Period Ended	Valuation Allowance
May 31, 2012	\$ 3,064,103
November 30, 2011	2,237,222
November 30, 2010	868,170
November 30, 2009	1,138,993
November 30, 2008	652,188
November 30, 2007	1,665,241
November 30, 2006	675,523
	\$10,301,440

The valuation allowance for state income tax purposes was recorded as it is unlikely that the Fund will be able to utilize the net operating losses sourced to states (other than Illinois). The Fund will continue to assess the need for a valuation allowance in the future. The Fund will review its financial forecasts in relation to actual results and expected trends on an ongoing basis. If a valuation allowance is required in the future, it could have an impact on the Fund's net assets and results of operations in the period it is recorded.

For all open tax years and all major jurisdictions, management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Uncertain tax positions taken or expected to be taken in the course of preparing the Fund's tax returns that would not meet a more-likely-than-not threshold of being sustained by the applicable tax authority and would be recorded as tax expense in the current year. Open tax years are those that are open for examination by taxing authorities (i.e. generally the last four tax year ends

and the interim tax period since then). Furthermore, management of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Note 5 – Investments in Securities:

For the period ended May 31, 2012, purchases and sales of investments, excluding short-term securities, were \$102,645,259 and \$81,391,870, respectively.

Note 6 – Derivatives:

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

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NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

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

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

The Fund had interest rate swap agreements outstanding during the period ended May 31, 2012, in order to hedge its exposure to short-term rates paid on its credit facility. As of May 31, 2012, the total amount segregated in connection with swap agreements was \$20,899,760. As of May 31, 2012, the Fund had swaps with a total notional value of \$60,000,000 outstanding. Details of the swap agreements outstanding as of May 31, 2012, were as follows:

Counterparty	Termination Date	Notional Amount (\$000)	Fixed Rate	Receive Floating Rate	Unrealized Appreciation/Depreciation
Merrill Lynch	01/30/2013	\$ 30,000	3.49%	1-Month LIBOR	\$ (989,019)
Morgan Stanley	03/19/2013	\$ 30,000	3.13%	1-Month LIBOR	(859,243)
					\$(1,848,262)

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

The unrealized depreciation on interest rate swaps of \$1,848,262 is presented as a liability on the Statement of Assets and Liabilities.

The following table presents the effect of Derivative Instruments on the Statement of Operations for the period ended May 31, 2012.

Effect of Derivative Instruments Before Taxes on the Statement of Operations for the period ended May 31, 2012:

(Values in \$000s)

Amount of Realized Gain/(Loss) on Derivatives Before Taxes

Interest Rate Risk	Swaps
	\$(918)
Change in Unrealized Appreciation/Depreciation on Derivatives Before Taxes	
Interest Rate Risk	Swaps
	\$816

The Fund did not enter into any new swap agreements during the period ended May 31, 2012.

Note 7 – Borrowings:

On September 30, 2008, the Fund entered into a credit facility agreement with an approved counterparty. Effective May 14, 2010, interest on the amount borrowed was reduced to 3-month LIBOR plus 0.95%, and the unused fee was reduced to a 0.70% charge on the difference between the total credit facility and the amount borrowed. Effective January 26, 2011, the maximum commitment under the credit facility agreement was increased to \$225,000,000, the unused fee was eliminated, and the interest on the amount borrowed remained at 3-month LIBOR plus 0.95%. For the period ended May 31, 2012, the amount outstanding in connection with the Fund's credit facility was \$190,000,000. As of May 31, 2012, securities with a market value of \$453,313,767 have been segregated and pledged as collateral for the credit facility.

The average daily amount of borrowings on the credit facility during the period ended May 31, 2012, was \$190,000,000 with a related weighted average interest rate of 1.46%, inclusive of the program fees. The maximum amount outstanding during the period ended May 31, 2012, was \$190,000,000.

Note 8 – Capital: Common Shares

The Fund has an unlimited amount of common shares, \$0.01 par value, authorized and 25,840,191 issued and outstanding.

Transactions in common shares were as follows:

	Year Period Ended	Year Ended November
	May 31, 2012	30, 2011
Beginning shares	24,523,912	24,334,852
Shares issued through dividend reinvestment	66,679	189,060
Common shares issued through at-the-market offering	1,249,600	–
Ending shares	25,840,191	24,523,912

On May 6, 2011, the Fund's shelf registration allowing for delayed or continuous offering of additional shares became effective. The shelf registration statement allows for the issuance of up to an additional \$218,859,845 of common shares. On December 16, 2011, the Fund entered into an at-the-market offering sales agreement with the Adviser and

Cantor Fitzgerald & Co. to offer and sell common shares, from time to time, through Cantor Fitzgerald & Co. as agent for the Fund.

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NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

The Adviser has paid the costs associated with the offering of shares and is reimbursed by the Fund up to 0.60% of the public offering price of each share sold under these offerings, not to exceed actual offering costs incurred or \$167,033. The Fund paid \$167,033 associated with these offerings.

On April 20, 2012, the Fund's updated shelf registration allowing for delayed or continuous offering of additional shares became effective. The shelf registration statement allows for the issuance of up to an additional 8,915,743 common shares.

Note 9 – Concentration of Risk:

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

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

Note 10 – Restricted Securities:

The Fund may invest up to 40% of its managed assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on resale. The Fund will typically acquire restricted securities in directly negotiated transactions. Restricted securities are fair valued in accordance with procedures established in good faith by management and approved by the Fund's Board of Trustees. As of May 31, 2012, the Fund held the following restricted securities:

Security	Date of Acquisition	Shares/Par	Current Cost	Fair Market Value (unrestricted)*	Price at Acquisition Date 05/31/2012	Price
Buckeye Partners, LP, Class B	01/18/2011	490,654	\$24,998,907	\$21,763,658	\$ 68.35	\$44.3564
Buckeye Partners, LP, Class B	06/10/2011	89,658	\$ 4,568,091	\$3,976,908	\$ 62.28	\$44.3564
Clearwater Subordinate Note	09/29/2008	\$583,234	\$ 583,234	\$192,467	\$ 100.00	\$ 33.00

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Clearwater						
Subordinate Note	01/09/2009	\$47,654	\$ 47,654	\$15,726	\$ 100.00	\$ 33.00
Crestwood						
Midstream						
Partners, LP, Class				\$		
C	04/01/2011	754,725	17,004,790	\$18,456,463	\$ 30.56	\$24.4545
				\$		
Total			47,202,676	\$44,405,222		

*Valuation of unrestricted common stock on the acquisition date of the restricted shares

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NOTES TO FINANCIAL STATEMENTS | MAY 31, 2012 (UNAUDITED) (CONTINUED)

Note 11 – 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 12 – Regulatory Matters:

The Adviser has notified the Fund of the following: In 2009, the Securities and Exchange Commission ("SEC") staff conducted an examination of the Adviser and in 2010 reported to the Adviser that the SEC staff believed certain deficiencies existed in connection with the management of a liquidated closed-end fund formerly advised by the Adviser and a third-party Sub-Adviser. In April 2012, the Adviser and a current and a former employee of the Adviser each received separate letters from the SEC staff (commonly referred to as a Wells Notice) stating that the staff intends to recommend to the SEC that action be brought against the Adviser and the current and former employee for allegedly failing to cause the fund to adequately disclose certain investments made by the fund and providing the recipients of the letters with an opportunity to respond to the potential allegations.

The Adviser has replied to the Wells Notice and responded to the SEC staff's allegations. Although there can be no assurance as to the outcome, the Adviser has advised the Fund that it believes its disclosures were proper and that resolution of this matter will not materially and adversely affect its financial condition or its ability to act as an investment adviser to the Fund.

Note 13 – Subsequent Events:

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.

Fiduciary/Claymore MLP Opportunity Fund

Up to 8,915,743 Common Shares

PROSPECTUS
SUPPLEMENT

Cantor Fitzgerald & Co.

August 13, 2012

BASE PROSPECTUS

\$191,021,057

Fiduciary/Claymore MLP Opportunity Fund

Common Shares

Investment Objective. Fiduciary/Claymore MLP Opportunity Fund (the “Fund”) is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund’s investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The “total return” sought by the Fund includes appreciation in the net asset value of the Fund’s Common Shares and all distributions made by the Fund to its Common Shareholders, regardless of the tax characterization of such distributions, including distributions characterized as return of capital. The Fund has been structured to seek to provide an efficient vehicle through which Common Shareholders may invest in a portfolio of publicly traded securities of master limited partnerships (“MLPs”) and MLP Affiliates (as defined in this Prospectus) (collectively with MLPs, “MLP entities”). MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. There can be no assurance that the Fund will achieve its investment objective.

Investment Parameters. Under normal market conditions, the Fund invests at least 80% of its Managed Assets (as defined in this Prospectus) in MLP entities and invests at least 65% of its Managed Assets in equity securities of MLP entities. A substantial portion of the MLP entities in which the Fund invests are engaged primarily in the energy, natural resources and real estate sectors of the economy. The Fund may invest up to 40% of its Managed Assets in unregistered or otherwise restricted securities, including up to 20% of its Managed Assets in securities issued by non-public companies. The Fund may invest a total of up to 25% of its Managed Assets in debt securities of MLP entities and non-MLP entity issuers, including securities rated below investment grade. The Fund may also invest in common stock of large capitalization companies, including companies engaged primarily in such sectors. To seek to generate current income, the Fund may employ an option strategy of writing (selling) covered call options on common stocks held in the Fund’s portfolio.

Offering. The Fund may offer, from time to time, up to \$191,021,057 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.”

Tax Status. Because of the Fund’s concentration in MLP investments, the Fund is not eligible to be treated as a “regulated investment company” under the Internal Revenue Code of 1986, as amended (the “Code”). Instead, the Fund is treated as a regular corporation for U.S. federal income tax purposes and, as a result, unlike most investment

companies, is subject to corporate income tax to the extent the Fund recognizes taxable income. The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. If this expectation is not realized, the Fund will have a larger corporate income tax expense sooner than expected, which will result in less cash available to distribute to Common Shareholders in such taxable years. Moreover, although MLP distributions that are treated as returns of capital are generally not taxable to the Fund to that extent, such returns of capital reduce the Fund's tax basis in its investments, resulting in potential increased gains (or decreased losses) upon dispositions of such investments. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard. For example, for the taxable year ended November 30, 2011, 74% of the distributions made by the Fund to the holders of Common Shares constituted taxable dividend income and 26% constituted return of capital.

(continued on following page)

Investing in the Fund's Common Shares involves certain risks that are described in the "Risks" section beginning on page 53 of this Prospectus.

The Securities and Exchange Commission has not 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 20, 2012

(continued from previous page)

Adviser and Sub-Adviser. The Fund's investment adviser is Guggenheim Funds Investment Advisors, LLC (the "Adviser"). Advisory Research, Inc. (the "Sub-Adviser") serves as the Fund's sub-adviser. The FAMCO MLP team, a division of the Sub-Adviser, is responsible for the management of the Fund's portfolio of securities. The FAMCO MLP team is dedicated to managing MLPs and energy infrastructure strategies for open and closed-end mutual funds, public and corporate pension plans, endowments and foundations and private wealth individuals. In March 2012, the FAMCO MLP team and its business was transferred from Fiduciary Asset Management Inc. (the "Predecessor Sub-Adviser") to the Sub-Adviser. Each of the Sub-Adviser and the Predecessor Sub-Adviser is a wholly owned subsidiary of Piper Jaffray Companies.

Common Shares. The Fund's currently outstanding Common Shares are, and the Common Shares offered by this Prospectus, will be, subject to notice of issuance, listed on the New York Stock Exchange (the "NYSE") under the symbol "FMO". The net asset value of the Common Shares at the close of business on April 20, 2012 was \$20.93 per share, and the last reported sale price of the Common Shares on the NYSE on such date was \$22.93. See "Market and Net Asset Value Information."

Financial Leverage. The Fund may seek to enhance the level of its current distributions by the use of financial leverage through the issuance of preferred shares ("Preferred Shares"), through borrowing or the issuance of commercial paper or other forms of debt ("Borrowings") or through a combination of Preferred Shares and Borrowings (collectively "Financial Leverage"). The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc. pursuant to which the Fund may borrow up to \$225 million. On November 30, 2011, outstanding Borrowings under the committed facility agreement were approximately \$190 million, which represented 28% of the Fund's Managed Assets as of such date. See "Use of Financial Leverage" and "Description of Capital Structure—Borrowings."

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 20, 2012, (the "SAI") 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 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, or request other information about the Fund (including the Fund's annual and semi-annual reports) or make shareholder inquiries by calling (888) 991-0091 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 <http://www.guggenheimfunds.com>.

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.

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You should rely only on the information contained or incorporated by reference in this Prospectus. The Fund has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information in this Prospectus is accurate only as of the date of this Prospectus. The Fund's business, financial condition and prospects may have changed since that date.

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 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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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 in this Prospectus and any related Prospectus Supplement, 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 20, 2012 (the "SAI"), which contains additional information about the Fund.

The Fund

Fiduciary/Claymore MLP Opportunity Fund (the "Fund") is a non-diversified, closed-end management investment company that commenced investment operations on December 28, 2004. The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The Fund's investment adviser is Guggenheim Funds Investment Advisors, LLC (the "Adviser"). Advisory Research Inc. (the "Sub-Adviser") serves as the Fund's sub-adviser. The FAMCO MLP team, a division of the Sub-Adviser, is responsible for the management of the Fund's portfolio of securities. 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.

The Offering

The Fund may offer, from time to time, up to \$191,021,057 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 any such offering. Pending such investment, it is anticipated that the

proceeds will be invested in cash, cash equivalents or other securities, including U.S. government securities or high quality, short-term debt 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 issue Common Shares primarily for these purposes.

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Investment Objective and Policies

The Fund's investment objective is to provide a high level of after-tax total return with an emphasis on current distributions paid to shareholders. The "total return" sought by the Fund includes appreciation in the net asset value of the Fund's Common Shares and all distributions made by the Fund to its Common Shareholders, regardless of the tax characterization of such distributions, including distributions characterized as return of capital. There can be no assurance that the Fund will achieve its investment objective.

The Fund has been structured to seek to provide an efficient vehicle through which Common Shareholders may invest in a portfolio of publicly traded securities of master limited partnerships ("MLPs") and MLP Affiliates (as defined below) (collectively with MLPs, "MLP entities"). MLPs combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. If this expectation is not realized, the Fund will have a larger corporate income tax expense sooner than expected, which will result in less cash available to distribute to Common Shareholders in such taxable years. Moreover, although MLP distributions that are treated as returns of capital are generally not taxable to the Fund to that extent, such returns of capital reduce the Fund's tax basis in its investments, resulting in potential increased gains (or decreased losses) upon dispositions of such investments. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard. For example, for the taxable year ended November 30, 2011, 74% of the distributions made by the Fund to the holders of Common Shares constituted taxable dividend income and 26% constituted return of capital.

Portfolio Investment Parameters

Under normal market conditions, the Fund invests at least 80% of its Managed Assets (as defined below) in MLP entities, and invests at least 65% of its Managed Assets in equity securities of MLP entities. "Managed Assets" of the Fund means the total assets of the Fund, including the assets attributable to the proceeds from any financial leverage, minus liabilities, other than liabilities related to any financial leverage. "MLP Affiliates" includes affiliates of MLPs that own primarily general partner interests or, in some cases, subordinated units, registered or unregistered common units, or other limited partner units in an MLP. "Equity securities" of MLP entities include MLP common units, MLP subordinated units, MLP general partner interests, MLP preferred units and equity securities of MLP Affiliates, including I-Shares. The market capitalization of equity securities of particular MLP entities currently ranges from approximately \$69 million to \$37 billion. However, the Fund may invest in equity securities of MLP entities without regard for their market capitalization. A substantial portion of the MLP entities in which the Fund invests are engaged primarily in the energy, natural resources and real estate sectors of the economy. For as long as the word "MLP" is in the name of the Fund, the Fund will invest at least

80% of its net

assets, plus the amount of any borrowings for investment purposes, in MLP entities.

The Fund may also invest in common stocks of large capitalization companies, including companies engaged in the energy, natural resources and real estate sectors. To seek to generate current income, the Fund may employ an option strategy of writing (selling) covered call options on common stocks held in the Fund's portfolio.

The Fund may invest up to 40% of its Managed Assets in unregistered or otherwise restricted securities, which may consist of equity securities of MLP entities and other securities of public and non-public companies, provided that the Fund will not invest more than 20% of its Managed Assets in restricted securities issued by non-public companies.

The Fund may invest a total of up to 25% of its Managed Assets in debt securities of MLP entities and other issuers, including debt securities rated below investment grade (that is, rated Ba or lower by Moody's Investors Service, Inc. ("Moody's"), BB or lower by Standard & Poor's Ratings Group ("S&P"), comparably rated by another statistical rating organization, or, if unrated, as determined by the Sub-Adviser to be of comparable credit quality). The Fund will typically purchase below investment grade securities which, at the time of acquisition, are rated at least B3 by Moody's, B- by S&P, comparably rated by another statistical rating organization, or, if unrated, determined by the Sub-Adviser to be of comparable credit quality. The Fund may invest in debt securities without regard for their maturity.

The Fund may invest up to 20% of its Managed Assets in equity securities of issuers other than MLP entities.

The Fund's Investments

Master Limited Partnerships. An MLP is an entity receiving partnership taxation treatment under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and whose partnership interests or "units" are traded on securities exchanges like shares of corporate stock. To qualify as an MLP for U.S. federal income tax purposes, an entity must receive at least 90% of its gross income for each taxable year from qualifying sources such as interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, gain from the sale or disposition of a capital asset held for the production of income described in the foregoing, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, mining, refining, marketing and transportation (including pipelines), of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. An MLP consists of a general partner and limited partners. The general partner manages the partnership, has an

ownership stake in the partnership and is eligible to receive an incentive distribution. The limited partners provide capital to the partnership, have a limited (if any) role in the operation and management of the partnership and

receive cash distributions. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Due to their partnership structure, MLPs generally do not pay income taxes. Thus, unlike investors in corporate securities, direct MLP investors are generally not subject to double taxation (i.e., corporate level tax and tax on corporate dividends) on their shares of the MLP's profits.

MLP Equity Securities. Equity securities issued by MLPs currently consist of common units, subordinated units and preferred units.

MLP Common Units. MLP common units are typically listed and traded on national securities exchanges, including the New York Stock Exchange (the "NYSE"), the American Stock Exchange (the "AMEX") and the NASDAQ Stock Market (the "NASDAQ"). The Fund will typically purchase MLP common units through open market transactions, but may also acquire MLP common units through direct placements. Holders of MLP common units have limited control and voting rights. Holders of MLP common units are entitled to receive minimum quarterly distributions, including arrearage rights, from the MLP. Minimum quarterly distributions to holders of common units must be satisfied before any distributions may be paid to subordinated unit holders or incentive distributions may be paid to the general partner.

MLP Subordinated Units. MLP subordinated units are not typically listed on an exchange or publicly traded. The Fund will typically purchase MLP subordinated units through negotiated transactions directly with affiliates of MLPs and institutional holders of such units or will purchase newly-issued subordinated units directly from MLPs. Holders of MLP subordinated units are entitled to receive minimum quarterly distributions after payments to holders of common units have been satisfied and prior to incentive distributions to the general partner. MLP subordinated units do not provide arrearage rights. Most MLP subordinated units are convertible into common units after the passage of a specified period of time or upon the achievement by the MLP of specified financial goals.

MLP Preferred Units. MLP preferred units are typically not listed on an exchange or publicly traded. The Fund will typically purchase MLP preferred units through negotiated transactions directly with MLPs, affiliates of MLPs and institutional holders of such units. Holders of MLP preferred units can be entitled to a wide range of voting and other rights, depending on the structure of each separate security.

I-Shares. I-Shares represent an ownership interest issued by an MLP Affiliate. The MLP Affiliate uses the proceeds from the sale of I-Shares to purchase limited partnership interests in the MLP in the form of I-units. Thus, I-Shares represent an indirect interest in MLP limited partnership interest. I-units have similar features as MLP common units in terms of

voting rights, liquidation preference and distribution. I-Shares themselves have limited voting rights and are similar in that respect to MLP common units. I-Shares differ from MLP common

units primarily in that instead of receiving cash distributions, holders of I-Shares will receive distributions of additional I-Shares in an amount equal to the cash distributions received by common unit holders. I-Shares are traded on the NYSE or the AMEX.

General Partner Interests. General partner interests of MLPs are typically retained by the original sponsors of an MLP, such as its founders, corporate partners and entities that sell assets to the MLP. A holder of general partner interests can be liable in certain circumstances for amounts greater than the amount of the holder's investment in the general partner interest. General partner interests often confer direct board participation rights in, and in many cases control over, the operations of the MLP. General partner interests are not publicly traded, but may be owned by publicly traded entities. General partner interests receive cash distributions, typically 2% of an MLP's aggregate cash distributions, which are contractually defined in the partnership agreement. In addition, holders of general partner interests typically receive incentive distribution rights, which provide them with a larger proportionate share of the aggregate MLP cash distributions as the distributions increase. General partner interests generally cannot be converted into common units. The general partner interest can be redeemed by the MLP if the MLP unit holders choose to remove the general partner, typically with a supermajority vote by limited partner unit holders.

Equity Securities of MLP Affiliates and Other Equity Securities. The Fund may invest in (i) equity securities issued by MLP Affiliates, including the general partners of MLPs, and (ii) equity securities of issuers other than MLP entities, including common stocks of issuers engaged primarily in the energy, natural resources and real estate sectors. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units. The Fund intends to purchase equity securities through market transactions, but may also acquire equity securities through direct placements.

Restricted Securities. The Fund may invest up to 40% of its Managed Assets in unregistered or otherwise restricted securities. "Restricted securities" are securities that are unregistered, held by control persons of the issuer or are subject to contractual restrictions on resale. The Fund will typically acquire restricted securities in directly negotiated transactions.

In connection with its investments in restricted securities generally, the Fund may invest up to 20% of its Managed Assets in restricted securities issued by non-public companies. In some instances, such an investment may be made with the expectation that the assets of such non-public company will be contributed to a newly-formed MLP entity or sold to or merged with an existing MLP entity in the future.

Debt Securities. The Fund may invest a total of up to 25% of its Managed Assets in debt securities of MLP entities and other issuers, including debt securities rated below investment grade (that is, rated Ba or lower by Moody's, BB or lower by S&P, comparably rated by another statistical rating organization, or, if unrated, as determined by

the Sub-Adviser to be of comparable credit quality). The Fund will typically purchase below investment grade securities which, at the time of acquisition, are rated at least B3 by Moody's, B- by S&P, comparably rated by another statistical rating organization, or, if unrated, determined by the Sub-Adviser to be of comparable credit quality.

Royalty Trusts. The Fund may invest up to 15% of its Managed Assets in royalty trusts. Royalty trusts are publicly traded investment vehicles that gather income on royalties and pay out almost all cash flows to shareholders as distributions. Royalty trusts typically have no physical operations and no management or employees. Typically royalty trusts own the rights to royalties on the production and sales of a natural resource, including oil, gas, minerals and timber. Royalty trusts are, in some respects, similar to certain MLPs and include risks similar to those MLPs.

Energy Sector Investments. Many MLP entities operate within the energy sector. Therefore, a substantial portion of the MLP entities in which the Fund may invest are engaged primarily in the energy sector of the economy. Energy sector MLP entities in which the Fund may invest engage in transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal, or exploring, developing, managing or producing such commodities or products.

Other Sector Investments. The Fund may invest in MLP entities in the natural resources and real estate sectors and may invest in MLP entities operating in any other sector of the economy. MLP entities and other companies operating in the natural resources sector include companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. MLP entities and other companies operating in the real estate sector include companies which may develop land, own or manage residential, commercial and undeveloped properties, own mortgage securities and provide financing to owners and developers of multi-family housing or other real estate or building ventures.

Covered Call Option Strategy. The Fund may employ an option strategy of writing (selling) covered call options on a portion of the securities, including common stocks and MLP common units, in the Fund's portfolio to seek to augment its income and gains by generating option premiums while possibly offsetting a portion of a market decline in the underlying security. Call options are contracts representing the right to purchase a security at a specified price (the "strike price") at or before (depending on the type of option) a specified future date (the "expiration date"). The price of the option is determined from trading activity in the broad options market, and generally reflects the relationship between the current market price for the underlying security and the strike price, as well as the time remaining until

the expiration date. The Fund may not sell “naked” call options, i.e. options representing more shares of the security than are held in the portfolio. The Fund anticipates that it may employ its

option strategy on a consistent and on-going basis, although it expects that the Fund may pursue such strategy to a greater extent during the period in which the Fund is investing the proceeds from this offering in securities of MLP entities.

Foreign Securities. The Fund may invest up to 25% of its Managed Assets in U.S. dollar-denominated securities of foreign issuers. Such investments in securities of foreign issuers may include investments in American Depositary Receipts, or “ADRs,” and may include unsponsored or unregistered depositary receipts. ADRs are certificates evidencing ownership of shares of a foreign issuer that are issued by depositary banks and generally trade on an established market in the United States or elsewhere.

Diversification. The Fund may invest up to 15% of its Managed Assets, at the time of purchase, in securities of any single issuer. **Strategic Transactions.** The Fund may, but is not required to, use various strategic transactions in futures, options and other derivatives contracts (other than the covered call option strategy described above) for purposes such as seeking to hedge various market risks inherent in the Fund’s portfolio, to earn income, to manage the effective maturity or duration of income-producing securities in the Fund’s portfolio or in connection with the Fund’s utilization of Financial Leverage. In the course of pursuing these investment strategies, the Fund may purchase and sell exchange-listed and over-the-counter put and call options on individual securities, equity and fixed-income indices, interest rates, exchange-traded funds and other instruments, purchase and sell futures contracts and options thereon, enter into various transactions such as swaps, caps, floors or collars. Such strategic transactions are generally accepted under modern portfolio management practices and are regularly used by many investment companies and other institutional investors. Such transactions entail certain execution, market, liquidity, hedging and tax risks. See “Investment Objective and Policies—Certain Other Investment Practices—Strategic Transactions and Derivatives” and “Risks—Derivatives Risks.”

Use of Financial
Leverage

The Fund may seek to enhance the level of the Fund’s current distributions through the use of financial leverage. The Fund may leverage through the issuance of preferred shares (“Preferred Shares”). The Fund may also borrow or issue debt securities (“Borrowings,” and collectively with the Preferred Shares, “Financial Leverage”). The amounts of the Fund’s Financial Leverage outstanding may vary over time and such amounts will be reported in the Fund’s audited and unaudited financial statements contained in the Fund’s annual and semi-annual reports to shareholders. The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc., pursuant to which the Fund may borrow up to \$225 million. On November 30, 2011, outstanding Borrowings under the committed facility agreement were approximately \$190 million, which represented 28% of the Fund’s Managed Assets as of such date. The issuance of additional Common Shares

would enable the Fund to increase the amount of Financial Leverage while maintaining the

percentage of the Fund's Managed Assets attributable to Financial Leverage. The Fund may utilize Financial Leverage up to the limits imposed by the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund may also borrow for temporary purposes, such as the settlement of transactions, in accordance with the limits imposed by the 1940 Act. So long as the net rate of return on the Fund's investments purchased with the proceeds of Financial Leverage exceeds the cost of such Financial Leverage, such excess amounts will be available to pay higher distributions to holders of the Fund's Common Shares. There can be no assurance that a leveraging strategy will be successful during any period during which it is employed. See "Use of Financial Leverage" and "Risks—Financial Leverage Risk." As used in this Prospectus, the term "Managed Assets" includes any assets attributable to the proceeds of Financial Leverage.

Advantages over Direct Investment
in MLP Entities

The Fund has been structured to seek to provide an efficient vehicle through which the Fund's shareholders may invest in a portfolio of publicly traded securities of MLP entities. An investment in the Fund offers investors several advantages as compared to direct investments in MLP entities, including the following:

- The Fund allows shareholders to invest, through a single investment vehicle, in a portfolio that includes a number of MLP entities
- The Fund may purchase securities of MLP entities through direct placements. Purchasing restricted or unrestricted securities of MLP entities through direct placements may offer the potential for increased returns as compared to purchasing securities of MLP entities through open market transactions. Such opportunities, however, are typically available only to institutional investors, such as the Fund.
- Common Shareholders will receive a single IRS Form 1099. Direct investors in MLPs receive an IRS Schedule K-1 from each MLP in which they are invested.
- An investment in the Fund will not cause a shareholder to be required to file state income tax returns in any state in which such investor is not otherwise required to file a tax return. Direct investors in an MLP are considered limited partners of the MLP and may be required to file state income tax returns in each state in which the MLP operates.
- Common Shareholders are not limited by the passive activity loss rules in their ability to use any losses resulting from their purchase and sale of Common Shares to offset other gains. The passive activity loss rules limit the ability of certain direct investors in MLPs to use their allocable share of any losses generated by an MLP.
- For Common Shareholders who are tax-exempt investors, including employee benefit plans and IRA accounts, distributions received from the Fund will generally not be

treated as unrelated business taxable income (“UBTI”) unless such investor’s Common Shares are debt-financed. Income received by tax-exempt investors directly from MLPs is generally treated as UBTI.

- Subject to certain holding period and other requirements, distributions by the Fund that are taxable as dividends (i.e., distributions out of the Fund’s current or accumulated earnings and profits) will be eligible for the dividends received deduction in the case of corporate shareholders and, in the case of dividends paid in taxable years beginning on or before December 31, 2012, will be treated as “qualified dividend income” for shareholders taxed as individuals.

Common Shareholders will bear the Fund’s operating costs, including management fees, custody and administration charges, and the costs of operating as an investment company.

Tax Considerations

The Fund is treated as a regular corporation, or “C” corporation, for U.S. federal income tax purposes. Accordingly, the Fund generally is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%). Because of the Fund’s concentration in MLP investments, the Fund is not eligible to elect to be treated as a regulated investment company under the Code.

The types of MLPs in which the Fund intends to invest historically have made cash distributions to their limited partners in excess of the amount of their taxable income allocable to their limited partners. This is the result of a variety of factors, including significant non-cash deductions, such as accelerated depreciation. The portion, if any, of the cash distributions received by the Fund with respect to its investment in the equity securities of an MLP that exceeds the Fund’s allocable share of the MLP’s net taxable income will not be treated as taxable income to the Fund, but rather will be treated as a return of capital to the extent of the Fund’s basis in such MLP equity securities.

The Fund expects to pay cash distributions to its shareholders in excess of the Fund’s taxable income. Distributions by the Fund of cash or property in respect of the Common Shares will be treated as dividends for U.S. federal income tax purposes to the extent paid from the Fund’s current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Subject to certain holding period and other requirements, any such dividend will be eligible (i) to be treated as “qualified dividend income” in the case of shareholders taxed as individuals and (ii) for the dividends received deduction in the case of corporate shareholders. The favorable U.S. federal tax treatment of certain ordinary income dividends as “qualified dividend income” is set to expire for tax years beginning on or after January 1, 2013, unless further Congressional action is taken. If the Fund’s distributions exceed the Fund’s current and accumulated earnings and profits, such excess will be treated first as a tax-free return of capital to the extent of the shareholder’s tax basis in the Common Shares (thus reducing a shareholder’s adjusted tax basis in the Common Shares),

and thereafter as capital gain assuming the Common Shares are held as a capital asset. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard. Upon the sale of Common Shares, a shareholder generally will recognize capital gain or loss equal to the difference between the amount realized on the sale and the shareholder's adjusted tax basis in the Common Shares sold. See "U.S. Federal Income Tax Considerations."

Distributions

The Fund intends to pay substantially all of its net investment income to Common Shareholders through quarterly distributions. In general, net investment income of the Fund will consist of cash and paid-in-kind distributions from MLP entities, dividends from common stocks, interest from debt securities, gains from option writing and income from other investments of the Fund; less operating expenses, taxes on the Fund's taxable income and realized gains and the costs of any Financial Leverage utilized by the Fund.

The Fund will make distributions that will be treated for U.S. federal income tax purposes as (i) first, taxable dividends to the extent of your allocable share of the Fund's current or accumulated earnings and profits, (ii) second, return of capital to the extent of your tax basis in your shares of the Fund (for the portion of those distributions that exceed the Fund's current and accumulated earnings and profits) and (iii) third, taxable gains (for the balance of those distributions). The Fund anticipates that a significant portion of the distributions received by the Fund from the MLPs in which it invests will consist of return of capital. While the Fund will generally seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital, no assurance can be given in this regard.

If you will be holding the Common Shares in your own name or if you hold your Common Shares with a brokerage firm that participates in the Fund's Dividend Reinvestment Plan (the "Plan"), unless you elect to receive cash, all dividends and distributions that are declared by the Fund will be automatically reinvested in additional Common Shares of the Fund pursuant to the Plan. If you hold your Common Shares with a brokerage firm that does not participate in the Plan, you will not be able to participate in the Plan and any dividend reinvestment may be effected on different terms than those described herein. Consult your financial adviser for more information. See "Automatic Dividend Reinvestment Plan."

Management of the Fund

Guggenheim Funds Investment Advisors, LLC serves as the Fund's investment adviser, pursuant to an investment advisory agreement with the Fund. As compensation for its services, the Fund pays the Adviser a fee, payable monthly, in an annual amount equal to 1.00% of the Fund's average Managed Assets (from which the Adviser pays to the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average

Managed Assets).

Advisory Research, Inc. serves as the Fund's investment sub-adviser, pursuant to a sub-advisory agreement with the Fund and the Adviser. The FAMCO MLP team, a division of the Sub-Adviser, is responsible

for the management of the Fund's portfolio of securities. The FAMCO MLP team is dedicated to managing MLPs and energy infrastructure strategies for open and closed-end mutual funds, public and corporate pension plans, endowments and foundations and private wealth individuals. In March 2012, the FAMCO MLP team and its business was transferred from Fiduciary Asset Management Inc. (the "Predecessor Sub-Adviser") to the Sub-Adviser. Each of the Sub- Adviser and the Predecessor Sub-Adviser is a wholly owned subsidiary of Piper Jaffray Companies. As compensation for its services, the Adviser pays the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average Managed Assets.

Listing and Symbol

The Fund's currently outstanding Common Shares are, and the Common Shares offered by this Prospectus, will be, subject to notice of issuance, listed on the NYSE under the symbol "FMO."

Special Risk Considerations

Not a Complete Investment Program. The Fund is intended for investors seeking a high level of after-tax total return, with an emphasis on current distributions paid to shareholders, over the long term. The Fund is not meant to provide a vehicle for those who wish to play short- term swings in the stock market. An investment in the Common Shares of the Fund should not be considered a complete investment program. Each Common Shareholder should take into account the Fund's investment objective as well as the Common Shareholder's other investments when considering an investment in the Fund.

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire principal amount that you invest. An investment in the Common Shares of the Fund represents an indirect investment in the securities owned by the Fund. The value of those securities may fluctuate, sometimes rapidly and unpredictably. The value of the securities owned by the Fund will affect the value of the Common Shares. At any point in time, your Common Shares may be worth less than your original investment, including the reinvestment of Fund dividends and distributions.

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

Tax Risks. Much of the benefit the Fund derives from its investment in equity securities of MLPs is a result of MLPs generally being treated as partnerships for U.S. federal income tax purposes. Partnerships do not pay U.S. federal income tax at the partnership level. Rather, each partner of a partnership, in computing its U.S. federal income tax liability, will include its allocable share of the partnership's income,

gains, losses, deductions and expenses. A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would also have the effect of reducing the amount of cash available for distribution by the MLP and causing such distributions received by the Fund to be taxed as dividend income to the extent of the MLP's current or accumulated earnings and profits (thus accelerating the recognition of taxable income). Thus, if any of the MLPs owned by the Fund were treated as corporations for U.S. federal income tax purposes, the after-tax return to the Fund with respect to its investment in such MLPs would be materially reduced, which could cause a substantial decline in the value of the Common Shares.

If the Fund invests in the equity securities of an MLP, the Fund will be a partner in such MLP. Accordingly, the Fund will be required to include in its taxable income the Fund's allocable share of the income, gains, losses, deductions and expenses recognized by each such MLP, regardless of whether the MLP distributes cash to the Fund. Historically, MLPs have been able to offset a significant portion of their income with tax deductions. The portion, if any, of a distribution received by the Fund from an MLP that exceeds the Fund's allocable share of the MLP's taxable income is essentially treated as return of capital. However, any such return of capital will decrease the Fund's adjusted basis in the equity securities of the MLP, which will result in an increase in the amount of gain (or decrease in the amount of loss) that will be recognized by the Fund for tax purposes on the sale of any such equity securities. In addition, the Fund will incur a current income tax liability on its allocable share of the portion of the MLP's income that is not offset by the MLP's tax deductions. The percentage of an MLP's income that is offset by the MLP's tax deductions will fluctuate over time. For example, new acquisitions by MLPs generate accelerated depreciation and other tax deductions, and therefore a decline in acquisition activity by the MLPs owned by the Fund could increase the Fund's current tax liability. A decline in the percentage of the MLPs' income that is offset by tax deductions or an increase in the Fund's portfolio turnover could increase the Fund's tax liability and reduce the portion of the distributions paid by the Fund that is treated as return of capital and/or capital gain, as the case may be, and increase the portion treated as taxable dividend income. This generally would result in lower after-tax distributions to shareholders.

Changes in tax laws or regulations, or future interpretations of such laws or regulations, could adversely affect the Fund or the MLP entities in which the Fund invests. In addition, the favorable U.S. federal tax treatment of certain qualified dividends is set to expire for taxable years beginning on or after January 1, 2013, unless further Congressional action is taken. If no action is taken, dividends paid by the Fund to certain non-corporate U.S. shareholders

(including individuals) will be fully taxable at ordinary income rates.
Long-term capital gains rates for certain non-corporate U.S. Shareholders

(including individuals) are scheduled to increase to 20% for taxable years beginning after December 31, 2012.

Deferred Tax Risk. As a limited partner in the MLPs, the Fund includes its allocable share of the MLP's taxable income in computing its own taxable income. Because the Fund is treated as a regular corporation, or "C" corporation, for U.S. federal income tax purposes, the Fund will incur tax expenses. In calculating the Fund's net asset value, the Fund will account for its deferred tax liability and/or asset.

The Fund will accrue a deferred income tax liability, at an assumed federal, state and local income tax rate, for its future tax liability associated with the capital appreciation of its investments and the distributions received by the Fund on equity securities of MLPs considered to be return of capital. Any deferred tax liability will reduce the Fund's net asset value. Upon the sale of an equity security in an MLP, the Fund generally will be liable for any previously deferred taxes. No assurance can be given that such taxes will not exceed the Fund's deferred tax assumptions for purposes of computing the Fund's net asset value per share, which would result in an immediate reduction of the Fund's net asset value per share.

The Fund will accrue a deferred tax asset which reflects an estimate of the Fund's future tax benefit associated with realized and unrealized net operating losses and capital losses. Any deferred tax asset will increase the Fund's net asset value. To the extent the Fund has a deferred tax asset, consideration is given as to whether or not a valuation allowance is required, which would offset the value of some or all of the deferred tax asset. The need to establish a valuation allowance for a deferred tax asset is assessed periodically by the Fund based on the criterion established by the Financial Accounting Standards Board, Accounting Standards Codification 740 (ASC 740) that it is more likely than not that some portion or all of the deferred tax asset will not be realized. In the assessment for a valuation allowance, consideration is given to all positive and negative evidence related to the realization of the deferred tax asset. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future MLP cash distributions), the duration of statutory carryforward periods and the associated risk that operating loss carryforwards may expire unused.

The Fund's deferred tax liability and/or asset is estimated using estimates of effective tax rates expected to apply to taxable income in the years such taxes are realized. For purposes of estimating the Fund's deferred tax liability and/or asset for financial statement reporting and determining its net asset value, the Fund will be required to rely, to some extent, on information provided by the MLPs in which it invests. Such information may not be received in a timely manner, with the result that the Fund's estimates regarding its deferred tax liability and/or asset could vary dramatically from

the Fund's actual tax liability and, as a result, the determination of the Fund's actual tax liability may have a material impact on the Fund's net asset value. From time to time, the Fund may modify its estimates or assumptions

regarding its deferred tax liability and/or asset as new information becomes available. Modifications of such estimates or assumptions or changes in applicable tax law could result in increases or decreases in the Fund's net asset value per share, which could be material.

Limitations on Use of Net Operating Losses. In the event that the Fund experiences an "ownership change" for purposes of Section 382 of the Code, which generally is any change in ownership of more than 50% of the Fund's common stock over a three-year period, the Fund's ability to use net operating loss and capital loss carryovers to offset future taxable income could be substantially limited. Although the Fund does not expect that the offering of Common Shares pursuant to the Fund's effective registration statement should cause an "ownership change" for purposes of Section 382 of the Code, it is possible that future issuances or sales of Common Shares or other securities or certain other direct or indirect changes in ownership when combined with this and prior issuances may result in an ownership change.

Affiliated Party Risk. Certain MLPs in which the Fund may invest depend upon their parent or sponsor entities for the majority of their revenues. Were their parent or sponsor entities to fail to make such payments or satisfy their obligations, the revenues and cash flows of such MLPs and ability of such MLPs to make distributions to unit holders, such as the Fund, would be adversely affected.

Equity Securities Risk. A substantial percentage of the Fund's assets will be invested in equity securities, including MLP common units, MLP subordinated units, MLP preferred units, equity securities of MLP Affiliates, including I-Shares, and common stocks of other issuers. Equity risk is the risk that MLP units or other equity securities held by the Fund will fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, changes in interest rates, and the particular circumstances and performance of particular companies whose securities the Fund holds. The price of an equity security of an issuer may be particularly sensitive to general movements in the stock market; or a drop in the stock market may depress the price of most or all of the equity securities held by the Fund. In addition, MLP units or other equity securities held by the Fund may decline in price if the issuer fails to make anticipated distributions or dividend payments because, among other reasons, the issuer experiences a decline in its financial condition.

MLP subordinated units typically are convertible to MLP common units at a one-to-one ratio. The price of MLP subordinated units is typically tied to the price of the corresponding MLP common unit, less a discount. The size of the discount depends upon a variety of factors, including the likelihood of conversion, the length of time remaining until conversion and the size of the block of subordinated units being purchased or sold.

The Fund may invest in equity securities issued by MLP Affiliates, including general partners of MLPs. Such issuers may be organized and/or taxed as corporations and therefore may not offer the

advantageous tax characteristics of MLP units. Investments in the MLP Affiliates would be expected by the Sub-Adviser to provide economic exposure to the MLP asset class; however, such investments may not exhibit precise price correlation to any particular MLP or the MLP asset class generally.

I-Shares represent an indirect investment in MLP I-units. Prices and volatilities of I-Shares tend to correlate to the price of common units, although the price correlation is not precise. I-Shares differ from MLP common units primarily in that instead of receiving cash distributions, holders of I-Shares will receive distributions of additional I-Shares, in an amount equal to the cash distributions received by common unit holders. I-Shares have limited voting rights. Holders of I-Shares are subject to the same risks as holders of MLP common units.

Concentration Risk. Because the Fund is focused in MLP entities in the energy, natural resources and real estate sectors of the economy, the Fund may be more susceptible to risks associated with such sectors. The Fund will concentrate its investments in the industry or group of industries that make up the energy sector. A downturn in the energy sector could have a larger impact on the Fund than on an investment company that does not concentrate in such sector. At times, the performance of securities of companies in the energy sector may lag the performance of other sectors or the broader market as a whole.

Energy Sector Risks. Many MLP entities operate within the energy sector. Therefore, the Fund will concentrate its investments in the industry or group of industries that make up the energy sector. As a result, the Fund will be more susceptible to adverse economic or regulatory occurrences affecting the energy sector. There are several risks associated with investments in MLP entities and other companies operating in the energy sector, including the following:

Commodity Price Risk. MLP entities and other companies operating in the energy sector may be affected by fluctuations in the prices of energy commodities, including, for example, natural gas, natural gas liquids, crude oil and coal, in the short- and long-term. Fluctuations in energy commodity prices may be influenced by changes in general economic conditions or political circumstances (especially of key energy producing and consuming countries); market conditions; weather patterns; domestic production levels; volume of imports; energy conservation; domestic and foreign governmental regulation; international politics; policies of the Organization of Petroleum Exporting Countries (“OPEC”); taxation; tariffs; and the availability and costs of local, intrastate and interstate transportation methods. Companies engaged in crude oil and natural gas exploration, development or production, natural gas gathering and processing, crude oil refining and transportation and coal mining or sales may be directly affected by their respective natural resources

commodity prices. The volatility of commodity prices may also indirectly affect certain companies engaged in the transportation, processing, storage or distribution of such commodities. Some companies that own the underlying

commodities may be unable to effectively mitigate or manage direct margin exposure to commodity price levels. The energy sector as a whole may also be impacted by the perception that the performance of energy sector companies is directly linked to commodity prices.

Supply and Demand Risk. MLP entities and other companies operating in the energy sector may be impacted by the levels of supply and demand for energy commodities. MLP entities and other companies operating in the energy sector could be adversely affected by reductions in the supply of or demand for energy commodities. The volume of production of energy commodities and the volume of energy commodities available for transportation, storage, processing or distribution could be affected by a variety of factors, including depletion of resources; depressed commodity prices; catastrophic events; labor relations; increased environmental or other governmental regulation; equipment malfunctions and maintenance difficulties; import volumes; international politics, policies of OPEC; and increased competition from alternative energy sources. Alternatively, a decline in demand for energy commodities could result from factors such as adverse economic conditions (especially in key energy-consuming countries); increased taxation; increased environmental or other governmental regulation; increased fuel economy; increased energy conservation or use of alternative energy sources; legislation intended to promote the use of alternative energy sources; or increased commodity prices.

Depletion Risk. MLP entities and other energy companies engaged in the exploration, development, management or production of energy commodities face the risk that commodity reserves are depleted over time. Such companies seek to increase their reserves through expansion of their current businesses, acquisitions, further development of their existing sources of energy commodities, exploration of new sources of energy commodities or by entering into long-term contracts for additional reserves; however, there are risks associated with each of these potential strategies. If such companies fail to acquire additional reserves in a cost-effective manner and at a rate at least equal to the rate at which their existing reserves decline, their financial performance may suffer. Additionally, failure to replenish reserves could reduce the amount and affect the tax characterization of the distributions paid by such companies.

Regulatory Risk. The energy sector is highly regulated. MLP entities and other companies operating in the energy sector are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Examples of governmental regulations which impact MLP entities and other companies operating in the energy sector include regulation of the construction, maintenance and operation of facilities, environmental regulation, safety regulation, labor regulation, trade regulation and the regulation of the prices charged for products and services.

Compliance with these regulations is enforced by numerous governmental

agencies and authorities through administrative, civil and criminal penalties. Stricter laws or regulations or stricter enforcement policies with respect to existing regulations would likely increase the costs of regulatory compliance and could have an adverse effect on the financial performance of MLP entities and other companies operating in the energy sector. MLP entities may be adversely affected by additional regulatory requirements enacted in response to environmental disasters, which may impose additional costs or limit certain operations by MLPs operating in various sectors.

Environmental Risk. There is an inherent risk that MLPs may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle. For example, an accidental release from wells or gathering pipelines could subject them to substantial liabilities for environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase the compliance costs of MLPs, and the cost of any remediation that may become necessary. MLPs may not be able to recover these costs from insurance. Specifically, the operations of wells, gathering systems, pipelines, refineries and other facilities are subject to stringent and complex federal, state and local environmental laws and regulations. These include, for example: (i) the federal Clean Air Act and comparable state laws and regulations that impose obligations related to air emissions, (ii) the federal Clean Water Act and comparable state laws and regulations that impose obligations related to discharges of pollutants into regulated bodies of water, (iii) the federal Resource Conservation and Recovery Act (“RCRA”) and comparable state laws and regulations that impose requirements for the handling and disposal of waste from facilities; and (iv) the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), also known as “Superfund,” and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by MLPs or at locations to which they have sent waste for disposal. Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes, including RCRA, CERCLA, the federal Oil Pollution Act and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment. Voluntary initiatives and mandatory controls have

been adopted or are being discussed both in the United States and worldwide to reduce emissions of “greenhouse gases” such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures and future measures could result in increased costs to certain companies in which the Fund may invest to operate and maintain facilities and administer and manage a greenhouse gas emissions program and may reduce demand for fuels that generate greenhouse gases and that are managed or produced by companies in which the Fund may invest. In the wake of a Supreme Court decision holding that the Environmental Protection Agency (“EPA”) has some legal authority to deal with climate change under the Clean Air Act, the EPA and the Department of Transportation jointly wrote regulations to cut gasoline use and control greenhouse gas emissions from cars and trucks. These measures, and other programs addressing greenhouse gas emissions, could reduce demand for energy or raise prices, which may adversely affect the total return of certain of the Fund’s investments.

Acquisition Risk. MLP entities owned by the Fund may depend on their ability to make acquisitions that increase adjusted operating surplus per unit in order to increase distributions to unit holders. The ability of such MLP entities to make future acquisitions is dependent on their ability to identify suitable targets, negotiate favorable purchase contracts, obtain acceptable financing and outbid competing potential acquirers. To the extent that MLP entities are unable to make future acquisitions, or such future acquisitions fail to increase the adjusted operating surplus per unit, their growth and ability to make distributions to unit holders will be limited. There are risks inherent in any acquisition, including erroneous assumptions regarding revenues, acquisition expenses, operating expenses, cost savings and synergies; assumption of liabilities; indemnification; customer losses; key employee defections; distraction from other business operations; and unanticipated difficulties in operating or integrating new product areas and geographic regions.

Interest Rate Risk. Rising interest rates could increase the costs of capital thereby increasing operating costs and reducing the ability of MLP entities and other companies operating in the energy sector to carry out acquisitions or expansions in a cost-effective manner. As a result, rising interest rates could negatively affect the financial performance of MLP entities and other companies operating in the energy sector in which the Fund invests. Rising interest rates may also impact the price of the securities of MLP entities and other companies operating in the energy sector as the yields on alternative investments increase.

Weather Risk. Weather plays a role in the seasonality of some MLP Entities’ cash flows. MLP Entities in the propane industry, for example, rely on the winter season to generate almost all of their earnings. In an unusually warm

winter season, propane MLP Entities experience decreased demand for their product.

Although most MLP Entities can reasonably predict seasonal weather demand based on normal weather patterns, extreme weather conditions, such as the hurricanes that severely damaged cities along the Gulf Coast in recent years, demonstrate that no amount of preparation can protect an MLP Entity from the unpredictability of the weather. The damage done by extreme weather also may serve to increase many MLP Entities' insurance premiums.

Catastrophic Event Risk. MLP entities and other companies operating in the energy sector are subject to many dangers inherent in the production, exploration, management, transportation, processing and distribution of natural gas, natural gas liquids, crude oil, refined petroleum and petroleum products and other hydrocarbons. These dangers include leaks, fires, explosions, damage to facilities and equipment resulting from natural disasters, inadvertent damage to facilities and equipment and terrorist acts. Since the September 11th terrorist attacks, the U.S. government has issued warnings that energy assets, specifically U.S. pipeline infrastructure, may be targeted in future terrorist attacks. These dangers give rise to risks of substantial losses as a result of loss or destruction of commodity reserves; damage to or destruction of property, facilities and equipment; pollution and environmental damage; and personal injury or loss of life. Any occurrence of such catastrophic events could bring about a limitation, suspension or discontinuation of the operations of MLP entities and other companies operating in the energy sector. MLP entities and other companies operating in the energy sector may not be fully insured against all risks inherent in their business operations and therefore accidents and catastrophic events could adversely affect such companies' financial conditions and ability to pay distributions to shareholders.

Legislation Risk. There have been proposals in Congress to eliminate certain tax incentives widely used by oil and gas companies and to impose new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect MLP entities and other companies operating in the energy sector in which the Fund invests and/or the energy sector generally.

Industry Specific Risks. MLP entities and energy companies are also subject to risks that are specific to the industry they serve.

Midstream. Midstream MLPs entities and energy companies that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including, fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others. Pipeline companies are subject to the demand for natural gas, natural gas liquids, crude oil or refined products

in the markets they serve, changes in the availability of products

for gathering, transportation, processing or sale due to natural declines in reserves and production in the supply areas serviced by the companies' facilities, sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities, and environmental regulation. Demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served, and demographic and seasonal factors. Companies that own interstate pipelines that transport natural gas, natural gas liquids, crude oil or refined petroleum products are subject to regulation by the Federal Energy Regulatory Commission ("FERC") with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such a company could have a material adverse effect on its business, financial condition, results of operations and cash flows of those companies and their ability to pay cash distributions or dividends. In addition, FERC has a tax allowance policy, which permits such companies to include in their cost of service an income tax allowance to the extent that their owners have an actual or potential tax liability on the income generated by them. If FERC's income tax allowance policy were to change in the future to disallow a material portion of the income tax allowance taken by such interstate pipeline companies, it would adversely impact the maximum tariff rates that such companies are permitted to charge for their transportation services, which would in turn adversely affect the results of operations and cash flows of those companies and their ability to pay cash distributions or dividends to their unit holders or shareholders. Gathering and processing companies are subject to natural declines in the production of oil and natural gas fields, which utilize their gathering and processing facilities as a way to market their production, prolonged declines in the price of natural gas or crude oil, which curtails drilling activity and therefore production, and declines in the prices of natural gas liquids and refined petroleum products, which cause lower processing margins. In addition, some gathering and processing contracts subject the gathering or processing company to direct commodities price risk.

Upstream. Exploration, development and production companies are particularly vulnerable to declines in the demand for and prices of crude oil and natural gas. Reductions in prices for crude oil and natural gas can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher, resulting in the plugging and abandonment of, and cessation of production from, that reservoir. In addition, lower commodity prices not only reduce revenues but also can result in substantial downward adjustments in reserve estimates. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and future exploration and development costs and engineering and geological interpretations and judgments. Different reserve engineers may make different estimates of

reserve quantities and related revenue based on the same data. Actual oil and gas prices, development expenditures and operating expenses will vary from those assumed in reserve estimates, and these variances may be significant. Any significant variance from the assumptions used could result in the actual quantity of reserves and future net cash flow being materially different from those estimated in reserve reports. In addition, results of drilling, testing and production and changes in prices after the date of reserve estimates may result in downward revisions to such estimates. Substantial downward adjustments in reserve estimates could have a material adverse effect on a given exploration and production company's financial position and results of operations. In addition, due to natural declines in reserves and production, exploration and production companies must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions.

Oil and Gas Production. In addition to other risks described herein, companies involved in the transportation, gathering, processing, exploration, development or production of crude oil, natural gas and/or refined petroleum products are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including, fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events and economic conditions, among others. In addition the oil and gas industries may be adversely affected by increased regulations, increased operating costs and reductions in the supply of and/or demand for crude oil, natural gas and refined petroleum products as a result of accidents or catastrophic events and the reactions thereto.

Propane. Propane MLP entities are subject to earnings variability based upon weather conditions in the markets they serve, fluctuating commodity prices, increased use of alternative fuels, increased governmental or environmental regulation, and accidents or catastrophic events, among others.

Coal. MLPs entities and energy companies with coal assets are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including, fluctuating commodity prices, the level of their customers' coal stockpiles, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, mining accidents or catastrophic events, health claims and economic conditions, among others. They are also subject to supply variability based on geological conditions that reduce the productivity of mining operations, the availability of regulatory permits for mining activities and the availability of coal that meets the standards of the Clean Air Act.



Marine Transportation. Marine transportation companies are exposed to the highly cyclical nature of the tanker industry and may be subject to volatile changes in charter rates and vessel values, which may adversely affect the earnings of tanker companies. Fluctuations in charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products. Changes in demand for transportation of oil over longer distances and the supply of tankers to carry that oil may materially affect the revenues, profitability and cash flows of tanker companies. The successful operation of vessels in the charter market depends upon, among other things, obtaining profitable spot charters and minimizing time spent waiting for charters and traveling unladen to pick up cargo. The value of tanker vessels may fluctuate and could adversely affect the value of tanker company securities in the Fund's portfolio. Declining tanker values could affect the ability of tanker companies to raise cash by limiting their ability to refinance their vessels, thereby adversely impacting tanker company liquidity. Tanker company vessels are at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes, boycotts and government requisitioning of vessels. These sorts of events could interfere with shipping lanes and result in market disruptions and a significant loss of tanker company earnings.

Other Sector Risks. The Fund also may invest in securities of MLP entities in the natural resources sector and the real estate sector, among other sectors, which may subject the Fund to additional risks associated with investments in those sectors.

Natural Resources Sector Risks. The natural resources sector includes companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. The Fund's investments in MLP entities and other companies operating in the natural resources sector will be subject to the risk that prices of these securities may fluctuate widely in response to the level and volatility of commodity prices; exchange rates; import controls; domestic and global competition; environmental regulation and liability for environmental damage; mandated expenditures for safety or pollution control; the success of exploration projects; depletion of resources; tax policies; and other governmental regulation. Investments in the natural resources sector can be significantly affected by changes in the supply of or demand for various natural resources. The value of investments in the natural resources sector may be adversely affected by a change in inflation.

Real Estate Sector Risks. The Fund may invest in MLP entities or other companies operating in the real estate sector, which may

develop land; own or manage residential, commercial and undeveloped properties; own mortgage securities; and provide financing to owners and developers of multi-family housing or other real estate or building ventures. To the extent that the Fund invests in securities of MLP entities and other companies operating in the real estate sector, the Fund's performance may be linked to the performance of the real estate markets. Property values may fall due to increasing vacancies or declining rents resulting from economic, legal, cultural or technological developments. Changes in interest rates or inflation may adversely affect the value of investments in the real estate sector. Other factors such as catastrophic events, lack of adequate insurance; and environmental issues may contribute to the risks of a real estate investment.

Small Capitalization Risk. The Fund may invest in securities of MLP entities and other issuers that have comparatively smaller capitalizations relative to issuers whose securities are included in major benchmark indices, which present unique investment risks. These companies often have limited product lines, markets, distribution channels or financial resources; and the management of such companies may be dependent upon one or a few key people. The market movements of equity securities issued by MLP entities with smaller capitalizations may be more abrupt or erratic than the market movements of equity securities of larger, more established companies or the stock market in general. Historically, smaller capitalization companies have sometimes gone through extended periods when they did not perform as well as larger companies. In addition, equity securities of smaller capitalization companies generally are less liquid than those of larger companies. This means that the Fund could have greater difficulty selling such securities at the time and price that the Fund would like.

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

Risks Associated with an Investment in Initial Public Offerings. Securities purchased in initial public offerings (“IPOs”) are often subject to the general risks associated with investments in companies

with small market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in an IPO may be highly volatile. At any particular time or from time to time, the Fund may not be able to invest in IPOs, or to invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be available to the Fund. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. The Fund's investment performance during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to do so. IPO securities may be volatile, and the Fund cannot predict whether investments in IPOs will be successful.

Risks Associated with a Private Investment in Public Equity Transactions. Investors in private investment in public equity ("PIPE") transactions purchase securities directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company's common stock. Because the sale of the securities is not registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities are "restricted" and cannot be immediately resold by the investors into the public markets. Until the Fund can sell such securities into the public markets, its holdings will be less liquid and any sales will need to be made pursuant to an exemption under the Securities Act.

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

Distribution Risk. The Fund will seek to maximize the portion of the Fund's distributions to Common Shareholders that will consist of return of capital. To the extent that the Fund's cash flow is derived primarily from MLP distributions that consist of return of capital, the Fund's anticipates that a significant portion of the Fund's distributions to Common Shareholders will consist of return of capital. However, to the extent that the Fund's cash flow is derived from distributions of the Fund's share of an MLP's taxable income, or from other amounts that are attributable to taxable income, such as income or gain on the sale of portfolio securities or in connection with derivatives transactions, the portion of the Fund's distributions to Common Shareholders treated as taxable dividend income could be increased. In

addition, if the Fund generates current earnings and profits (as determined for U.S. federal income tax purposes) in a particular taxable year, a distribution by the Fund to its shareholders in that year will be wholly or partially taxable even if the Fund has an overall deficit in its accumulated earnings and profits and/or net operating loss or capital loss

carryforwards that reduce or eliminate corporate income taxes in that taxable year. There can be no assurance as to what portion of any future distribution will consist of return of capital (as opposed to taxable dividend income). For example, for the taxable year ended November 30, 2011, 74% of the distributions made by the Fund to the holders of Common Shares constituted taxable dividend income and 26% constituted return of capital.

Risks Associated with Options on Securities. There are several risks associated with transactions in options on securities. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. 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. There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. If trading were suspended in an option purchased by the Fund, the Fund would not be able to close out the option. If the Fund were unable to close out a covered call option that it had written on a security, it would not be able to sell the underlying security unless the option expired without exercise.

Liquidity Risk. MLP common units and equity securities of MLP Affiliates, including I-Shares, and other issuers often trade on national securities exchanges, including the NYSE, the AMEX and the NASDAQ. However, certain securities, including those of issuers with smaller capitalizations, may trade less frequently. The market movements of such securities with limited trading volumes may be more abrupt or erratic. As a result of the limited liquidity of such securities, the Fund could have greater difficulty selling such securities at the time and price that the Fund would like and may be limited in its ability to make alternative investments.

Valuation Risk. Market prices generally will be unavailable for some of the Fund's investments, including MLP subordinated units, direct ownership of general partner interests and restricted or unregistered securities of certain MLP entities and private companies. The value of such securities will be determined by fair valuations determined by the Board of Trustees or its designee in accordance with procedures governing the valuation of portfolio securities adopted by the Board of Trustees. Proper valuation of such securities may require more reliance on the judgment of the Sub-Adviser than for valuation of securities for which an active trading market exists.

Interest Rate Risk. Interest rate risk is the risk that fixed income securities, such as preferred and debt securities, and certain equity securities will decline in value because of a rise in market interest rates. When market interest rates rise, the market value of such

securities generally will fall. The net asset value and market price of the Common Shares will tend to decline as a result of the Fund's investment in such securities if market interest rates rise.

During periods of declining interest rates, the issuer of a fixed-income security may exercise its option to prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities. This is known as call or prepayment risk. Preferred and debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem such a security if the issuer can refinance it at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer. During periods of rising interest rates, the average life of certain types of securities may be extended because of a lower likelihood of prepayments. This may lock in a below market interest rate, increase the security's duration and reduce the value of the security. This is known as extension risk.

In typical interest rate environments, prices of fixed income securities with longer maturities generally fluctuate more in response to changes in interest rates than do the prices of fixed income securities with shorter-term maturities. Because the Fund may invest a portion of its assets in fixed-income securities without regard to their maturities, to the extent the Fund invests in fixed income securities with longer maturities, the net asset value and market price of the Common Shares would fluctuate more in response to changes in interest rates than if the Fund were to invest such portion of its assets in shorter-term fixed income securities.

Market interest rates for investment grade fixed income securities in which the Fund may invest are significantly below historical average rates for such securities. Interest rates below historical average rates may result in increased risk that these rates will rise in the future (which would cause the value of the Fund's net assets to decline) and may increase the degree to which asset values may decline in such events.

Lower Grade Securities Risk. The Fund may invest in fixed-income securities rated below investment grade (that is, rated Ba or lower by Moody's; BB or lower by S&P; comparably rated by another statistical rating organization; or, if unrated, as determined by the Sub-Adviser to be of comparable credit quality), which are commonly referred to as "junk bonds." Investment in securities of below-investment grade quality involves substantial risk of loss. Securities of below investment grade quality are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal when due and therefore involve a greater risk of default or decline in market value due to adverse economic and issuer-specific developments. Securities of below investment grade quality display increased price sensitivity to changing interest rates and to a deteriorating economic environment. The market values for debt securities of

below-investment grade quality tend to be more volatile and such securities tend to be less liquid than investment grade debt securities.

Portfolio Turnover Risk. The Fund's portfolio turnover rate may vary greatly from year to year. The Fund cannot predict its annual portfolio turnover rate with accuracy; however, under normal market conditions it is not expected to exceed 30%. Portfolio turnover rate will not be considered as a limiting factor in the execution of the Fund's

investment decisions. High portfolio turnover may result in the Fund's recognition of gains that will be taxable at the Fund level and may increase the Fund's current and accumulated earnings and profits, which will result in a greater portion of distributions to Common Shareholders being treated as dividends. Additionally, high portfolio turnover results in correspondingly higher brokerage commissions and transaction costs borne by the Fund.

Foreign Securities. Investing in securities of foreign companies (or foreign governments) may involve certain risks not typically associated with investing in domestic companies. The prices of foreign securities may be affected by factors not present with securities traded in the U.S. markets, including, political and economic conditions, less stringent regulation and higher volatility. As a result, many foreign securities may be less liquid and more volatile than U.S. securities. Dividend and interest income may be subject to withholding and other foreign taxes, which may adversely affect the net return on such investments. The Fund's investments in securities of foreign issuers may consist of investments in ADRs. ADRs are certificates evidencing ownership of shares of a foreign issuer that are issued by depositary banks and generally trade on an established market, in the United States or elsewhere. Although ADRs are alternatives to directly purchasing the underlying foreign securities in their national markets and currencies, they continue to be subject to many of the risks associated with investing directly in foreign securities.

Derivatives Risk. In addition to the risks associated with the covered call option strategy described above, the Fund may participate in certain derivative transactions. Such transactions entail certain execution, market, liquidity, hedging and tax risks. Participation in the options or futures markets involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies (other than its covered call option writing strategy and put option writing strategy). If the Sub-Adviser's prediction of movements in the direction of the securities and interest rate markets is inaccurate, the consequences to the Fund may leave the Fund in a worse position than if it had not used such strategies.

Market Discount Risk. The Fund's Common Shares have a limited trading history and have traded both at a premium and at a discount in relation to NAV. The Fund cannot predict whether the Common Shares will trade in the future at a premium or discount to NAV. The Fund's Common Shares have recently traded at a substantial premium to NAV per share, which may not be sustainable. If the Common Shares are trading at a premium to net asset value at the time you purchase Common Shares, the NAV per share of the Common Shares purchased will be less than the purchase price paid. Shares of closed-end investment companies frequently trade at a discount from NAV, but in some cases have traded above NAV. Continued development of alternative vehicles for investment in securities of MLP entities may contribute to reducing or eliminating any premium or may result in the

Common Shares trading at a discount. The risk of the Common Shares trading at a discount is a risk separate from the risk of a decline in the Fund's NAV as a result of the Fund's investment activities. The Fund's NAV will be reduced immediately following an offering of the Common Shares due to the costs of such offering, which will be borne

entirely by the Fund. The sale of Common Shares by the Fund (or the perception that such sales may occur) may have an adverse effect on prices of Common Shares in the secondary market. An increase in the number of Common Shares available may put downward pressure on the market price for Common Shares. The Fund may, from time to time, seek the consent of holders of Common Shares to permit the issuance and sale by the Fund of Common Shares at a price below the Fund's then current NAV, subject to certain conditions, and such sales of Common Shares at price below NAV, if any, may increase downward pressure on the market price for Common Shares. These sales, if any, also might make it more difficult for the Fund to sell additional Common Shares in the future at a time and price it deems appropriate.

Whether Common Shareholder will realize a gain or loss upon the sale of Common Shares depends upon whether the market value of the Common Shares at the time of sale is above or below the price the Common Shareholder paid, taking into account transaction costs for the Common Shares, and is not directly dependent upon the Fund's NAV. Because the market value of the Common Shares will be determined by factors such as the relative demand for and supply of the shares in the market, general market conditions and other factors outside the Fund's control, the Fund cannot predict whether the Common Shares will trade at, below or above NAV, or at, below or above the public offering price for the Common Shares.

Dilution Risk. The voting power of current Common Shareholders will be diluted to the extent that current Common Shareholders do not purchase Common Shares in any future offerings of Common Shares or do not purchase sufficient Common Shares to maintain their percentage interest. If the Fund is unable to invest the proceeds of such offering as intended, the Fund's per Common Share distribution may decrease and the Fund may not participate in market advances to the same extent as if such proceeds were fully invested as planned. If the Fund sells Common Shares at a price below NAV pursuant to the consent of holders of Common Shares, shareholders will experience a dilution of the aggregate NAV per Common Share because the sale price will be less than the Fund's then-current NAV per Common Share. This dilution will be experienced by all shareholders, irrespective of whether they purchase Common Shares in any such offering. See "Description of Capital Structure—Common Shares— Issuance of Additional Common Shares."

Other Investment Companies Risk. The Fund may invest in securities of other open- or closed-end investment companies, including exchange-traded funds. As a stockholder in an investment company, the Fund would bear its ratable share of that investment company's expenses, and would remain subject to payment of the Fund's investment management fees with respect to the assets so invested. Common Shareholders would therefore be subject to

duplicative expenses to the extent the Fund invests in other investment companies. In addition, the securities of other investment companies may also be leveraged and will therefore be subject to the same leverage risks described in this Prospectus.

Royalty Trust Risk. Royalty trusts are, in some respects, similar to certain MLPs and include risks similar to those MLPs, including commodity price volatility risk, cash flow risk and depletion risk.

Financial Leverage Risk. Although the use of Financial Leverage by the Fund may create an opportunity for increased after-tax total return for the Common Shares, it also results in additional risks and can magnify the effect of any losses. If the income and gains earned on securities purchased with Financial Leverage proceeds are greater than the cost of Financial Leverage, the Fund's return will be greater than if Financial Leverage had not been used. Conversely, if the income or gains from the securities purchased with such proceeds does not cover the cost of Financial Leverage, the return to the Fund will be less than if Financial Leverage had not been used.

Financial Leverage involves risks and special considerations for shareholders, including the likelihood of greater volatility of net asset value, market price and dividends on the Common Shares than a comparable portfolio without leverage; the risk that fluctuations in interest rates on borrowings and short-term debt or in the dividend rates on any Financial Leverage that the Fund must pay will reduce the return to the Common Shareholders; and the effect of Financial Leverage in a declining market, which is likely to cause a greater decline in the net asset value of the Common Shares than if the Fund were not leveraged, which may result in a greater decline in the market price of the Common Shares.

It is also possible that the Fund will be required to sell assets, possibly at a loss (or at a gain which could give rise to corporate level tax), in order to redeem or meet payment obligations on any leverage. Such a sale would reduce the Fund's net asset value and also make it difficult for the net asset value to recover. The Fund in its best judgment nevertheless may determine to continue to use Financial Leverage if it expects that the benefits to the Fund's shareholders of maintaining the leveraged position will outweigh the current reduced return.

Because the fees received by the Adviser and Sub-Adviser are based on the Managed Assets of the Fund (including the proceeds of any Financial Leverage), the Adviser and Sub-Adviser have a financial incentive for the Fund to utilize Financial Leverage, which may create a conflict of interest between the Adviser and the Sub-Adviser and the Common Shareholders. There can be no assurance that a leveraging strategy will be successful during any period during which it is employed.

Recent economic and market event have contributed to severe market volatility and caused severe liquidity strains in the credit markets. If dislocations in the credit markets continue, the Fund's leverage costs may increase and there is a risk that the Fund may not be able to renew or replace existing leverage on favorable terms or at all. If the cost of leverage is no longer favorable, or if the Fund is otherwise required to reduce its leverage, the Fund may not be able to maintain distributions on common shares at historical levels and common shareholders will bear any costs associated with selling portfolio securities.

Competition Risk. Since the time of the Fund's initial public offering a number of alternative vehicles for investment in a portfolio of MLPs and their affiliates, including other publicly traded investment companies and private funds, have emerged. In addition, recent tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact the Fund's ability to meet its investment

objective, which in turn could adversely impact its ability to make dividend payments.

Legislation Risk. At any time after the date of this Prospectus, legislation may be enacted that could negatively affect the assets of the Fund or the issuers of such assets. Changing approaches to regulation may have a negative impact on entities in which the Fund invests. There can be no assurance that future legislation, regulation or deregulation will not have a material adverse effect on the Fund or will not impair the ability of the issuers of the assets held in the Fund to achieve their business goals, and hence, for the Fund to achieve its investment objective.

Affiliated Transaction Restrictions. From time to time, the Fund may “control” or may be an “affiliate”, each as defined in the 1940 Act, of one or more portfolio companies. In general, under the 1940 Act, the Fund would “control” a portfolio company if it owned 25% or more of its outstanding voting securities and would be an “affiliate” of a portfolio company if it owned 5% or more of its outstanding voting securities. The 1940 Act contains prohibitions and restrictions relating to transactions between investment companies and their affiliates (including the Adviser and Sub-Adviser), principal underwriters and affiliates of those affiliates or underwriters. Under these restrictions, the Fund and any portfolio company that the Fund controls are generally prohibited from knowingly participating in a joint transaction, including co-investments in a portfolio company, with an affiliated person, including any trustees or officers of the Fund, the Adviser or Sub-Adviser or any entity controlled or advised by any of them. These restrictions also generally prohibit the Fund’s affiliates, principal underwriters and affiliates of those affiliates or underwriters from knowingly purchasing from or selling to the Fund or any portfolio company controlled by the Fund certain securities or other property and from lending to and borrowing from the Fund or any portfolio company controlled by the Fund monies or other properties. The Fund and its affiliates may be precluded from co-investing in private placements of securities, including in any portfolio companies controlled by the Fund. The Fund, its affiliates and portfolio companies controlled by the Fund may from time to time engage in certain joint transactions, purchases, sales and loans in reliance upon and in compliance with the conditions of certain positions promulgated by the SEC. There can be no assurance that the Fund would be able to satisfy these conditions with respect to any particular transaction. As a result of these prohibitions, restrictions may be imposed on the size of positions or the type of investments that the Fund could make.

Potential Conflicts of Interest of the Adviser and Sub-Adviser. The Adviser and Sub-Adviser provide a wide array of portfolio management and other asset management services to a mix of clients and may engage in ordinary course activities in which their respective interests or those of their clients may compete or conflict with those of the Fund. For example, the

Sub-Adviser may provide investment management services to other funds and accounts that follow investment objectives similar to that of the Fund. In certain circumstances, and subject to its fiduciary obligations under the Investment Advisers Act of 1940, the Sub-Adviser may have to allocate a limited investment opportunity among its clients, which include

closed-end funds, open-end funds, other commingled funds and other accounts. The Adviser and Sub-Adviser have adopted policies and procedures designed to address such situations and other potential conflicts of interests.

Delay in Investing the Proceeds of this Offering. Although the Fund currently intends to invest the proceeds from any sale of the Common Shares offered hereby as soon as practicable following the completion of such offering, such investments may be delayed if suitable investments are unavailable at the time. The trading market and volumes for MLP entities and energy company shares may at times be less liquid than the market for other securities. Prior to the time the proceeds of this offering are invested, such proceeds may be invested in cash, cash equivalents or other securities, pending investment in MLP entities or energy company securities. Income received by the Fund from these securities would subject the Fund to corporate tax before any payment of distributions to Common Shareholders. As a result, the return and yield on the Common Shares following any offering pursuant to this Prospectus may be lower than when the Fund is fully invested in accordance with its objective and policies. See “Use of Proceeds.”

Non-Diversified Status. The Fund is a non-diversified investment company under the Investment Company Act of 1940, as amended (the “1940 Act”) and will not elect to be treated as a regulated investment company under the Code. As a result, there are no regulatory requirements under the 1940 Act or the Code that limit the proportion of the Fund’s assets that may be invested in securities of a single issue. Accordingly, the Fund may invest a greater portion of its assets in a more limited number of issuers than a diversified fund. There are a limited number of publicly traded MLPs. The Fund will select its investments in MLPs from this small pool of issuers together with securities issued by any newly public MLPs, and will invest in securities of other MLP entities and securities of issuers other than MLP entities, consistent with its investment objective and policies. An investment in the Fund may present greater risk to an investor than an investment in a diversified portfolio because changes in the financial condition or market assessment of a single issuer may cause greater fluctuations in the value of the Fund’s Common Shares.

Management Risk. The Fund is subject to management risk because it is an actively managed portfolio. In acting as the Fund’s sub-adviser, responsible for management of the Fund’s portfolio securities, the Sub-Adviser will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Market Disruption and Geopolitical Risk. Continuing U.S. military operations in Iraq and Afghanistan, instability in the Middle East and terrorist

attacks in the United States and around the world have contributed to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets and may cause further economic uncertainties or deterioration in the United States and worldwide. The Adviser and Sub-Adviser do not know how long the financial markets will continue to be affected by these events and cannot predict the effects of these or similar events in the future on the U.S. and global economies and securities markets. Global political and economic

instability could affect the operations of MLP entities and other companies in the energy and natural resources sectors in unpredictable ways, including through disruptions of natural resources supplies and markets and the resulting volatility in commodity prices. Recent political and military instability in a variety of countries throughout the Middle East and North Africa has heightened these risks.

Recent Market and Economic Developments. Global financial markets have experienced periods of unprecedented turmoil. The debt and equity capital markets in the United States were negatively impacted by significant write-offs in the financial services sector relating to subprime mortgages and the re-pricing of credit risk in the broader market, among other things. These events, along with the deterioration of the housing market, the failure of major financial institutions and the concerns that other financial institutions as well as the global financial system were also experiencing severe economic distress materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial firms in particular. These events contributed to severe market volatility and caused severe liquidity strains in the credit markets. Volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund.

Recently markets have witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist. However, risks to a robust resumption of growth persist. 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 or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect the Fund. MLPs that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the MLP sector is dependent on several factors, including the recovery of the financial sector, the general economy and the commodity markets.

The current financial market situation, as well as various social, political, and psychological tensions in the United States and around the world, may continue to contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets; and may cause further economic uncertainties or deterioration in the United States and worldwide.

The prolonged continuation or further deterioration of the current U.S. and global economic downturn could adversely impact the Fund's portfolio. Neither the Adviser nor the Sub-Adviser knows how long the financial markets will continue to be affected by these events and cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets in the Fund's portfolio. The 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. Given the risks described above, an investment in Common Shares may not be appropriate for all prospective investors. A prospective investor should carefully consider his or her ability to assume these risks before making an investment in the Fund.

Legal and Regulatory Risks; Government Intervention. The instability in the financial markets discussed above has led the U.S. Government to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. Federal, state, and other governments, their regulatory agencies, or self regulatory organizations may take actions that affect the regulation of the instruments in which the Fund invests, or the issuers of such instruments. Governments or their agencies may also acquire distressed assets from financial institutions and acquire ownership interests in those institutions. The long-term implications of government ownership and disposition of these assets are unclear, and may have positive or negative effects on the liquidity, valuation and performance of the Fund's portfolio holdings.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was signed into law in July 2010, has resulted in significant revisions to the U.S. financial regulatory framework. The Dodd-Frank Act covers a broad range of topics, including, among many others, a reorganization of federal financial regulators; a process designed to ensure financial system stability and the resolution of potentially insolvent financial firms; new rules for derivatives trading; the creation of a consumer financial protection watchdog; the registration and regulation of managers of private funds; the regulation of credit rating agencies; and new federal requirements for residential mortgage loans. The regulation of various types of derivative instruments pursuant to the Dodd-Frank Act may adversely affect MLPs and other issuers in which the Fund invests that utilize derivatives strategies for hedging or other purposes. The ultimate impact of the Dodd-Frank Act, and resulting regulation, is not yet certain and issuers in which the Fund invests may also be affected by the new legislation and regulation in ways that are currently unforeseeable.

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 Adviser nor the Sub-Adviser can predict the effects of these regulations on the Fund's portfolio. The 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.

On February 9, 2012, the U.S. Commodity Futures Trading Commission (“CFTC”) adopted amendments to its rules that, once effective, may affect the ability of the Adviser to continue to claim an exclusion from the definition of the term “commodity pool operator” under the Commodity Exchange Act (“CEA”) with respect to the Fund. In order to claim the exclusion, the Fund would be limited in its ability to use futures or options on futures or engage in swaps transactions. If the Fund did not continue to claim the exclusion, the Adviser and/or Sub-Adviser would become subject to registration and regulation as a commodity pool operator with respect to the Fund, which would subject the Fund to additional registration and regulatory requirements and increased operating expenses. Certain rules related to these amendments have not yet been finalized or proposed and as a result the impact of the rule changes on the operations of the Fund and the Adviser and Sub-Adviser is not fully known at this time.

Certain lawmakers support an increase in federal revenue as a component of a plan to address the growing federal budget deficit. Also, comprehensive federal tax reform is the subject of political attention. There can be no assurance that any change in federal tax law will not adversely affect MLPs and other issuers in which the Fund invests or the Fund itself.

At any time after the date of this Prospectus, legislation may be enacted that could negatively affect the assets of the Fund. Legislation or regulation may change the way in which the Fund itself is regulated. The Adviser and the Sub-Adviser cannot predict the effects of any new governmental regulation that may be implemented, and there can be no assurance that any new governmental regulation will not adversely affect the Fund’s ability to achieve its investment objective.

Anti-Takeover Provisions in the Fund’s Governing Documents

The Fund’s Agreement and Declaration of Trust and Bylaws (the “Governing Documents”) include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to an open-end fund. These provisions could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then-current market price of the Common Shares. See “Anti-Takeover and Other Provisions in the Fund’s Governing Documents” and “Risks—Anti-Takeover Provisions.”

Custodian, Administrator and Transfer Agent

The Bank of New York Mellon serves as the custodian of the Fund’s assets pursuant to a custody agreement. Under the custody agreement, the custodian holds the Fund’s assets in compliance with the 1940 Act. For its services, the custodian will receive a monthly fee based upon, among other things, the average value of the total assets of the Fund, plus certain charges for securities transactions.

Computershare Shareowner Services LLC serves as the Fund's, dividend disbursing agent, agent under the Fund's Automatic Dividend Reinvestment Plan (the "Plan Agent"), transfer agent and registrar with respect to the Common Shares of the Fund.

Guggenheim Funds Investment Advisors, LLC serves as the Fund's administrator. Pursuant to an administrative agreement, Guggenheim Funds Investment Advisors, LLC provides certain administrative, bookkeeping and accounting services to the Fund.

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 November 30, 2011 (except as noted below). 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)	— %(1)
Offering Expenses Borne by the Fund (as a percentage of offering price)	— %(1)(2)
Dividend Reinvestment Plan Fees(3)	None

	Percentage of Net Assets Attributable to Common Shares(4)
Annual Expenses	
Management Fees (5) (6)	1.38%
Interest Payments on Borrowed Funds (7)	0.57%
Other Expenses (8)	0.21%
Current Income Tax Expense	0.62%
Deferred Income Tax Expense (9)	6.59%
Total Annual Expenses	9.37%

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- (1) If Common Shares to which this Prospectus relates are sold to or through underwriters, the Prospectus Supplement will set forth any applicable sales load and the estimated offering expenses borne by the Fund.
 - (2) The Adviser has incurred on behalf of the Fund all costs associated with the Fund's registration statement and any offerings pursuant to such registration statement. The Fund has agreed, in connection with any offering, to reimburse the Adviser for offering expenses incurred by the Adviser on the Fund's behalf in an amount up to the lesser of the Fund's actual offering costs or 0.60% of the total offering price of the Common Shares sold in such offering.
 - (3) Common Shareholders will pay brokerage charges if they direct the Plan Agent to sell Common Shares held in a dividend reinvestment account. See "Automatic Dividend Reinvestment Plan."
 - (4) Based upon net assets attributable to common shares as of November 30, 2011.
 - (5) The Fund pays the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily Managed Assets (net assets plus any assets attributable to Financial Leverage). The fee shown above is based upon outstanding Financial Leverage of 28% of the Fund's Managed Assets. If Financial Leverage of more than 28% of the Fund's Managed Assets is used, the management fees shown would be higher. Management fees calculated based on management fees earned for the year ended November 30, 2011 divided by average net assets attributable to Common Shareholders for the year ended November 30, 2011.
 - (6) The Adviser has agreed to waive the advisory fees payable with respect to the assets attributable to Common Shares issued pursuant to the Fund's shelf registration

statement (including Common Shares issued pursuant to this Prospectus) for the first three months after such Common Shares are issued and to waive half the advisory fees payable with respect to the assets attributable to such Common Shares for the subsequent three months.

- (7) Based upon the Fund's outstanding Borrowings as of November 30, 2011 of approximately \$190 million and the borrowing rate on the facility as of November 30, 2011, of 1.48%. The Fund has entered into a committed facility agreement with BNP Paribas Prime Brokerage, Inc., pursuant to which the Fund may borrow up to \$225 million.
- (8) Other expenses are estimated based upon those incurred during the fiscal year ended November 30, 2011. Other expenses do not include expense related to realized or unrealized investment gains or losses.

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- (9) For the fiscal year ended November 30, 2011, the Fund accrued approximately \$32.6 million in net deferred tax expense primarily related to unrealized appreciation on investments. Deferred income tax expense represents an estimate of the Fund's potential tax expense if it were to recognize the unrealized gains/losses on portfolio assets that occurred during the fiscal year ended November 30, 2011, based on the market value and basis of the Fund's assets as of November 30, 2011.

Example

As required by relevant Securities and Exchange Commission 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 9.37% (including the Fund's estimate of Deferred Income Tax Expense for the fiscal year ended November 30, 2011) of net assets attributable to Common Shares and (2) a 5% annual return*:

	Cumulative Expenses Paid for the Period of:			
	1 Year	3 Years	5 Years	10 Years
Total Expenses paid by Common Shareholders (1)	\$92	\$263	\$420	\$756

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- (1) The example above does not include sales loads or estimated offering costs.

* 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 the estimated "Other expenses" set forth in the Annual Expenses table are accurate and that all dividends and distributions are reinvested at net asset value.

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 the Fund's annual report to shareholders for the period ended November 30, 2011, and are incorporated by reference into the SAI.

	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended	For the Period December 28, 2004(f)through November 30, 2005
Per share operating performance for a share outstanding throughout the period	November 30, 2011	November 30, 2010	November 30, 2009	November 30, 2008	November 30, 2007	November 30, 2006 through	
Net asset value, beginning of period	\$ 19.69	\$ 15.00	\$ 12.09	\$ 23.11	\$ 22.49	\$ 19.78	\$ 19.10 (g)
Income from investment operations							
Net investment loss(a)(b)	(0.41)	(0.36)	(0.44)	(0.70)	(0.67)	(0.33)	(0.26)
Net realized and unrealized gain/loss (b)	2.28	6.41	4.76	(8.85)	2.66	4.29	1.92
Total from investment operations	1.87	6.05	4.32	(9.55)	1.99	3.96	1.66
Common shares' offering expenses charged to paid-in capital	–	(0.02)	–	* –	–	–	(0.04)
Distributions to Common Shareholders (c)							
Return of capital	(1.39)	(1.34)	(1.41)	(1.47)(h)	(1.37)	(1.25)	(0.94)
Net asset value, end of period	\$ 20.17	\$ 19.69	\$ 15.00	\$ 12.09	\$ 23.11	\$ 22.49	\$ 19.78
Market value, end of period	\$ 21.71	\$ 20.96	\$ 16.24	\$ 11.42	\$ 22.66	\$ 21.87	\$ 17.99
Total investment return (d)							

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Net asset value	9.60	%	41.57	%	38.03	%	-43.55	%	8.53	%	20.70	%	8.38	%
Market value	10.73	%	38.56	%	57.32	%	-45.67	%	9.70	%	29.68	%	-5.81	%
Ratios and supplemental data														
Net assets, end of period (thousands)	\$ 494,532		\$ 479,171		\$ 282,089		\$ 221,155		\$ 418,438		\$ 406,295		\$ 357,441	
Ratios to Average Net Assets applicable to Common Shares:														
Net operating expense ratio, including														
fee waivers	1.57	%	1.52	%	1.76	%	1.79	%	1.62	%	1.69	%	1.48	%
Interest expense	0.49	%	0.56	%	1.23	%	1.83	%	2.13	%	2.17	%	1.02	%
Current and deferred tax														
expense/(benefit)	7.30	%	22.37	%	23.33	%	(31.96)	)%	5.65	%	13.03	%	5.91	%
Total net expense ratio	9.36	%	24.45	%	26.32	%	(28.34)	)%	9.40	%	16.89	%	8.41	%
Gross operating expense ratio, excluding														
fee waivers	1.59	%	1.60	%	1.76	%	1.79	%	1.62	%	1.69	%	1.48	%
Interest expense	0.49	%	0.56	%	1.23	%	1.83	%	2.13	%	2.17	%	1.02	%
Current and deferred tax														
expense/(benefit)	7.30	%	22.37	%	23.33	%	(31.96)	)%	5.65	%	13.03	%	5.91	%
Total gross expense ratio	9.38	%	24.53	%	26.32	%	(28.34)	)%	9.40	%	16.89	%	8.41	%
Net investment income/(loss), excluding interest expense and tax														
expense/benefit	(1.57)	)%	(1.48)	)%	(2.14)	)%	(1.71)	)%	(0.62)	)%	0.55	%	(0.37))%
Net investment income/(loss), including interest expense and tax														
expense/benefit	(9.36)	)%	(24.41)	)%	(26.70)	)%	28.42	%	(8.40)	)%	(14.66)	)%	(7.30))%
Portfolio Turnover Rate	19	%	15	%	30	%	22	%	11	%	21	%	41	%
Senior Indebtedness														
Total borrowings outstanding														

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(in thousands)	\$ 190,000	\$ 170,000	\$ 110,263	\$ 72,263	\$ 175,000	\$ 150,000	\$ 150,000
Asset coverage per \$1,000							
of indebtedness (e)	\$ 3,603	\$ 3,819	\$ 3,558	\$ 4,060	\$ 3,391	\$ 3,709	