

WESTERN ASSET/CLAYMORE INFLATION-LINKED OPPORTUNITIES & INCOME FUND  
Form N-CSR  
February 27, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number 811-21477

Western Asset/Claymore Inflation-Linked Opportunities & Income Fund  
(Exact name of registrant as specified in charter)

385 East Colorado Boulevard, Pasadena, CA  
(Address of principal executive offices)

91101  
(Zip code)

Robert I. Frenkel, Esq.

Legg Mason & Co., LLC

100 First Stamford Place

Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-888-777-0102

Date of fiscal year end: December 31

Date of reporting period: December 31, 2011

ITEM 1. REPORT TO STOCKHOLDERS.

The **Annual** Report to Stockholders is filed herewith.

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December 31, 2011

**Annual Report**

**Western Asset/Claymore Inflation-Linked Opportunities & Income Fund  
(WIW)**

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE
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II Western Asset/Claymore Inflation-Linked Opportunities & Income Fund

**Fund objectives**

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

**What's inside**

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**Letter to shareholders**

**Dear Shareholder,**

We thank you for your investment in Western Asset/Claymore Inflation-Linked Opportunities & Income Fund. As investment adviser for the Fund, we are pleased to submit the Fund's annual shareholder report for the twelve-month reporting period ended December 31, 2011.

For the twelve-month period ended December 31, 2011, the Fund returned 11.61% based on its net asset value ( NAV )<sup>i</sup> and 4.90% based on its New York Stock Exchange ( NYSE ) market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Government Inflation-Linked 1-10 Year Index<sup>ii</sup> and the Barclays U.S. Government Inflation-Linked All Maturities Index<sup>iii</sup>, returned 9.00% and 13.98%, respectively, for the same period. The Barclays World Government Inflation-Linked All Maturities Index<sup>iv</sup> and the Fund's Custom Benchmark<sup>v</sup> returned 10.65% and 13.46%, respectively, over the same time frame. All Fund returns cited whether based on NAV or market price assume the reinvestment of all distributions. Past performance does not guarantee future results. The market price of the Fund's shares fluctuates from time to time, and it may be higher or lower than the Fund's NAV.

The largest contributor to the Fund's absolute performance during the reporting period was its exposure to U.S. Treasury Inflation-Protected Securities ( TIPS )<sup>vi</sup>. They generated strong results given declining Treasury yields and rising inflation expectations in the U.S. late in the reporting period.

Our allocations to Australian and Canadian inflation-linked securities ( linkers ) were also rewarded. They generated strong results given the countries' relative strength versus other developed countries, as well as periods of rising inflation expectations.

A number of the Fund's investment grade bonds also benefited the Fund's performance. In particular, our holdings in Kraft Foods, Vale Overseas, Freeport-McMoran and Petrobras International Finance Co. were among our top performing positions.

Several individual high-yield bond holdings were also positive for our results. Contributing the most were our positions in El Paso Corp. and Energy Future Holdings.

The largest detractor from the Fund's absolute performance for the period was its allocation to French linkers.

They performed poorly given the fallout from the European sovereign debt crisis and declining inflation expectations.

The Fund employed U.S. Treasury futures and options, Eurodollar futures and options, and Euriborvii options during the reporting period to manage its yield curveviii positioning and durationix. The use of these instruments detracted from performance. Credit default swaps on both single names and credit indices were used to manage our credit exposure. The use of these instruments detracted slightly from performance. Currency forwards and currency options, which were used to manage our currency exposures, contributed to results.

As of December 31, 2011, the Fund's market price of \$12.61 per share represented a discount of 11.57% to its NAV of \$14.26 per share. In January and February of 2011, the Fund provided its investors with monthly distributions of \$0.0365 per share. In each month from March through December of 2011, the Fund paid monthly distributions of \$0.0335 per share. In addition, in December 2011, the Fund paid a supplemental distribution of \$0.0875 per share. Also in December, the Fund made its January 2012 distribution of \$0.0335 per share, which will be paid on January 31, 2012 to shareholders of record as of December 30, 2011. The supplemental distribution and the January 2012 distribution consisted solely of net investment income and were made to allow the Fund to meet its distribution requirement for 2011. Total distributions of \$0.529 during 2011 represented an annual distribution rate of 4.20% based on the Fund's last closing market price of \$12.61 as of December 31, 2011.

The Fund's investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary objective. Under the Fund's investment policies, under normal market conditions and at the time of purchase, the Fund will invest:

- At least 80% of its total managed assetsx in inflation-linked securities
- No more than 40% of its total managed assets in below investment grade securities
- Up to 100% of its total managed assets in non-U.S. dollar investments, which gives the Fund the flexibility to invest up to 100% of its total managed assets in non-U.S. dollar inflation-linked securities (up to 100% of its non-U.S. dollar exposure may be unhedged)

Each of the foregoing policies is a non-fundamental policy that may be changed without shareholder approval. The Fund has also adopted the following non-fundamental policy, which, to the extent required by applicable law, may only be changed after notice to shareholders: under normal market conditions, the Fund will invest at least 80% of its total managed assets in inflation-protected securities and non-inflation-protected securities and instruments with the potential to enhance the Fund's income. The Fund may invest up to 20% of the portfolio in debt instruments of emerging market issuers that are not inflation-linked securities. Reverse repurchase agreements and other forms of leverage will not exceed 38% of the Fund's total managed assets. The Fund currently expects that the average effective durationxi of its portfolio will range between zero and fifteen years, although this target duration may change from time to time.

Shareholders have the opportunity to reinvest their dividends from the Fund through the Dividend Reinvestment

IV Western Asset/Claymore Inflation-Linked Opportunities & Income Fund

**Letter to shareholders (cont d)**

Plan ( DRIP ), which is described in detail on page 45 of this report. In general, if shares are trading at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly dividend distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market price of the Fund s common shares is at a premium above NAV, the DRIP reinvests participants dividends in newly-issued common shares at NAV, subject to an IRS limitation that the purchase price cannot be more than 5% below the market price per share. The DRIP provides a cost-effective means to accumulate additional shares.

We appreciate your investment and look forward to serving your investment needs in the future. For the most up-to-date information on your investment, please visit the Fund s website at [www.guggenheimfunds.com/wiw](http://www.guggenheimfunds.com/wiw).

Sincerely,

Guggenheim Funds Investment Advisors, LLC

January 31, 2012

- i Net asset value ( NAV ) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund s market price as determined by supply of and demand for the Fund s shares.
- ii The Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.
- iii The Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of \$500 million or more.
- iv The Barclays World Government Inflation-Linked All Maturities Index measures the performance of the major government inflation-linked bond markets.
- v The Custom Benchmark is comprised of 90% Barclays U.S. Government Inflation-Linked All Maturities Index, 5% Barclays Capital U.S. Credit Index and 5% JPMorgan Emerging Markets Bond Index Plus ( EMBI+ ). The Barclays Capital U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher). The EMBI+ is a total return index that tracks the traded market for U.S. dollar-denominated Brady and other similar sovereign restructured bonds traded in the emerging markets.



vi U.S. Treasury Inflation-Protected Securities ( TIPS ) are inflation-indexed securities issued by the U.S. Treasury in five-year, ten-year and twenty-year maturities. The principal is adjusted to the Consumer Price Index, the commonly used measure of inflation. The coupon rate is constant, but generates a different amount of interest when multiplied by the inflation-adjusted principal.

vii The Euro Interbank Offered Rate ( Euribor ) is the benchmark rate at which euro interbank term deposits within the Eurozone are offered by one prime bank to another prime bank.

viii The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.

ix Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.

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

xi Effective duration measures the expected sensitivity of market price to changes in interest rates, taking into account the effects of structural complexities. (For example, some bonds can be prepaid by the issuer.)

## Investment commentary

### Economic review

Economic growth in the U.S. accelerated over the twelve months ended December 31, 2011. However, the pace of the expansion was less robust than during most other periods exiting a severe recession. U.S. gross domestic product ( GDP )i growth, as reported by the U.S. Department of Commerce, was 0.4% and 1.3% in the first and second quarters of 2011, respectively. Third quarter GDP growth then rose to 1.8%. The economy then gathered further momentum late in the year, as the Commerce Department's initial estimate for fourth quarter GDP growth was 2.8% the fastest pace since the second quarter of 2010. This was attributed, in part, to higher consumer spending, which rose 2.0% in the fourth quarter, versus 1.7% and 0.7% gains in the third and second quarters, respectively.

Two factors holding back the economy were the weak job market and continued strains in the housing market. While there was some improvement in early 2011 and late in the reporting period, unemployment remained elevated. When 2011 began, unemployment, as reported by the U.S. Department of Labor, was 9.4%. After dipping below 9.0% in March 2011 (to 8.9%), unemployment moved back to 9.0% in April. Unemployment stayed above 9.0% over the next five months before declining to 8.9% in October. Unemployment then fell to 8.6% in November and 8.5% in December, the latter being the lowest rate since February 2009. The housing market showed some encouraging signs, although home prices still appear to be searching for a bottom. Looking back, existing-home sales moved somewhat higher in January 2011, according to the National Association of Realtors ( NAR ). Existing-home sales then fluctuated over the next eight months before rising during each of the last three months of the year. In addition, the year ended with the lowest inventory of unsold homes since April 2006. However, existing-home prices remained weak versus a year ago, with the NAR reporting that the median existing-home price for all housing types was \$164,500 in December 2011, down 2.5% from December 2010.

While the manufacturing sector continued to expand, it experienced a soft patch during a portion of the reporting period. Based on the Institute for Supply Management's PMI ( PMI )ii, in February 2011, the manufacturing sector expanded at its fastest pace since May 2004, with a reading of 61.4 (a reading below 50 indicates a contraction, whereas a reading above 50 indicates an expansion). The PMI then generally moderated over the next several months and was 50.6 in August 2011, its lowest reading in two years. However, the manufacturing sector gained some momentum late in the period and ended December at 53.9, its highest reading in the last six months.

The Federal Reserve Board ( Fed )iii took a number of actions as it sought to meet its dual mandate of fostering maximum employment and price stability. As has been the case since December 2008, the Fed kept the federal funds rateiv at a historically low range between zero and 0.25%. In addition, in August 2011, the Fed declared its intention to keep the federal funds rate steady until mid-2013. Then, in September 2011, the Fed announced its intention to purchase \$400 billion of longer-term Treasury securities and to sell an equal amount of shorter-term Treasury securities by June 2012 (often referred to as Operation Twist ). At its meeting in December, the Fed potentially opened the door to another

VI Western Asset/Claymore Inflation-Linked Opportunities & Income Fund

**Investment commentary (cont d)**

round of quantitative easing in 2012, saying it is prepared to employ its tools to promote a stronger economic recovery in a context of price stability. Finally, in January 2012 (after the reporting period ended), the Fed extended the period it expects to keep rates on hold, saying economic conditions including low rates of resource utilization and a subdued outlook for inflation over the medium run are likely to warrant exceptionally low levels for the federal funds rate at least through late 2014.

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

Sincerely,

Western Asset Management Company

January 27, 2012

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results.

- i Gross domestic product ( GDP ) is the market value of all final goods and services produced within a country in a given period of time.
- ii The Institute for Supply Management s PMI is based on a survey of purchasing executives who buy the raw materials for manufacturing at more than 350 companies. It offers an early reading on the health of the manufacturing sector.
- iii The Federal Reserve Board ( Fed ) is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- iv The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.

**Fund overview**

**Q. What is the Fund's investment strategy?**

A. The Fund's investment objective is to provide current income. Capital appreciation, when consistent with current income, is a secondary investment objective. Under normal market conditions and at the time of purchase, the Fund will invest at least 80% of its total managed assets in inflation-linked securities. The Fund may also invest up to 40% of its total managed assets in below investment grade securities. The Fund may invest up to 100% of its total managed assets in non-U.S. dollar investments which gives the Fund flexibility to invest up to 100% of its total managed assets in non-U.S. dollar inflation-linked securities (up to 100% of its non-U.S. dollar exposure may be unhedged). The Fund currently expects that the average effective duration of its portfolio will range between zero and fifteen years, although this target duration may change from time to time. There can be no assurance that the Fund will achieve its investment objectives.

At Western Asset Management Company (Western Asset), the Fund's investment manager, we utilize a fixed-income team approach, with decisions derived from interaction among various investment management sector specialists. The sector teams are comprised of Western Asset's senior portfolio managers, research analysts and an in-house economist. Under this team approach, management of client fixed-income portfolios will reflect a consensus of interdisciplinary views within the Western Asset organization.

**Q. What were the overall market conditions during the Fund's reporting period?**

A. Given changing perceptions for the economy and a number of macro issues, the performance of the spread sectors (non-Treasuries) fluctuated during the reporting period. Most spread sectors rallied during the first four months of the period as expectations for the economy were generally positive. While the spread sectors generally posted positive results in May, they underperformed equal-duration Treasuries. Risk aversion then increased from June through September given a host of disappointing economic data, a further escalation of the European sovereign debt crisis and the Standard & Poor's rating downgrade of U.S. sovereign debt. However, most spread sectors rallied in October given hopes of progress in Europe and some better-than-expected economic data. While risk aversion returned in November given an escalation of the European sovereign debt crisis, risk appetite returned in December as the economy appeared to gather some momentum heading into 2012.

Both short- and long-term Treasury yields fluctuated but, overall, moved lower during the reporting period. When the period began, two- and ten-year Treasury yields were 0.61% and 3.30%, respectively. Yields initially moved higher given expectations for stronger growth in 2011 and the potential for rising inflation. Two- and ten-year Treasury yields peaked at 0.87% and 3.75%, respectively, in February 2011. Yields then declined during much of the next seven months due to disappointing economic data and several flights to quality. Two-year Treasuries hit their low for the reporting period of 0.16% on September 19, 2011. Ten-year Treasuries reached their reporting period trough of 1.72% on September 22, 2011. Yields then moved higher in October as investor risk appetite increased. Two-year Treasury

**Fund overview (cont d)**

yields were then relatively stable during the last two months of the year, whereas ten-year Treasury yields declined in November and December. When the reporting period ended on December 31, 2011, two-year Treasury yields were 0.25% and ten-year Treasury yields were 1.89%. All told, the Barclays Capital U.S. Aggregate Indexiv returned 7.84% for the twelve months ended December 31, 2011.

Inflation was fairly contained during the reporting period. For the twelve months ended December 31, 2011, the seasonally unadjusted rate of inflation, as measured by the Consumer Price Index for All Urban Consumers (CPI-U)v, was 3.0%. The CPI-U less food and energy was 2.2% over the same time frame. Inflation-protected securities generated strong results during the twelve months ended December 31, 2011, with the Barclays Capital U.S. TIPS Indexvi gaining 13.56%.

**Q. How did we respond to these changing market conditions?**

**A.** A number of adjustments were made to the Fund during the reporting period. We increased our allocation to cash and reduced our exposures to U.S. TIPS, non-agency mortgage-backed securities (MBS) and high-yield bonds. We also pared the Fund's exposure to investment grade corporate bonds, largely by reducing its allocation to the Financials sector.

The Fund employed U.S. Treasury futures and options, Eurodollar futures and options, and Euriborvii options during the reporting period to manage its yield curveviii positioning and duration. The use of these instruments detracted from performance. Credit default swaps on both single names and credit indices were used to manage our credit exposure. The use of these instruments detracted slightly from performance. Currency forwards and currency options, which were used to manage our currency exposures, contributed to results.

**Performance review**

For the twelve months ended December 31, 2011, Western Asset/Claymore Inflation-Linked Opportunities & Income Fund returned 11.61% based on its net asset value (NAV)ix and 4.90% based on its New York Stock Exchange (NYSE) market price per share. The Fund's unmanaged benchmarks, the Barclays U.S. Government Inflation-Linked 1-10 Year Indexx and the Barclays U.S. Government Inflation-Linked All Maturities Indexxi, returned 9.00% and 13.98%, respectively, for the same period. The Barclays World Government Inflation-Linked All Maturities Indexxii and the Fund's Custom Benchmarkxiii returned 10.65% and 13.46%, respectively, over the same time frame.

During the twelve-month period, the Fund made distributions to shareholders totaling \$0.529 per share. The performance table shows the Fund's twelve-month total return based on its NAV and market price as of December 31, 2011. **Past performance is no guarantee of future results.**

**Performance Snapshot as of December 31, 2011**

<b>Price Per Share</b>	<b>12-Month Total Return*</b>
\$14.26 (NAV)	11.61%
\$12.61 (Market Price)	4.90%

All figures represent past performance and are not a guarantee of future results.

\* Total returns are based on changes in NAV or market price, respectively.  
 Total return assumes the reinvestment of all distributions at NAV.  
 Total return assumes the reinvestment of all distributions in additional shares in accordance with the Fund’s Dividend Reinvestment Plan.

**Q. What were the leading contributors to performance?**

A. The largest contributor to the Fund’s absolute performance during the reporting period was its exposure to U.S. TIPS. They generated strong results given declining Treasury yields and rising inflation expectations in the U.S. late in the reporting period.

Our allocations to Australian and Canadian inflation-linked securities (linkers) were also rewarded. They generated strong results given the countries’ relative strength versus other developed countries, as well as periods of rising inflation expectations.

A number of the Fund’s investment grade bonds also benefited the Fund’s performance. In particular, our holdings in Kraft Foods, Vale Overseas, Freeport-McMoran and Petrobras International Finance Co. were among our top performing positions.

Several individual high-yield bond holdings were also positive for our results. Contributing the most were our positions in El Paso Corp. and Energy Future Holdings.

**Q. What were the leading detractors from performance?**

A. The largest detractor from the Fund's absolute performance for the period was its allocation to French linkers. They performed poorly given the fallout from the European sovereign debt crisis and declining inflation expectations.

Thank you for your investment in Western Asset/Claymore Inflation-Linked Opportunities & Income Fund. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Western Asset Management Company

January 17, 2012

**RISKS:** Bonds are subject to a variety of risks, including interest rate, credit and inflation risks. As interest rates rise, bond prices fall, reducing the value of a fixed-income investment's price. The Fund is subject to the additional risks associated with inflation-protected securities, including liquidity risk, prepayment risk, extension risk and deflation risk. Investments in foreign companies, including emerging markets, involve risks beyond those inherent solely in domestic investments. Leverage may cause a fund to be more volatile than if the fund had not been leveraged, which may increase the risk of investment loss. To the extent that the Fund invests in asset-backed, mortgage-backed or mortgage-related securities, its exposure to prepayment and extension risks may be greater than investments in other fixed-income securities. International investments are subject to currency fluctuations, as well as social, economic and political risks. These risks are magnified in emerging markets.

Portfolio holdings and breakdowns are as of December 31, 2011 and are subject to change

**Fund overview (cont d)**

and may not be representative of the portfolio managers' current or future investments. Please refer to pages 8 through 12 for a list and percentage breakdown of the Fund's holdings.

The mention of sector breakdowns is for informational purposes only and should not be construed as a recommendation to purchase or sell any securities. The information provided regarding such sectors is not a sufficient basis upon which to make an investment decision. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies discussed should consult their financial professional. The Fund's top five sector holdings (as a percentage of net assets) as of December 31, 2011 were: U.S. Treasury Inflation-Protected Securities (87.3%), Non-U.S. Treasury Inflation-Protected Securities (4.7%), Corporate Bonds & Notes (3.7%), Collateralized Mortgage Obligations (0.8%) and Collateralized Senior Loans (0.6%). The Fund's portfolio composition is subject to change at any time.

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

- i Total managed assets equals the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).
- ii Effective duration measures the expected sensitivity of market price to changes in interest rates, taking into account the effects of structural complexities. (For example, some bonds can be prepaid by the issuer.)
- iii Duration is the measure of the price sensitivity of a fixed-income security to an interest rate change of 100 basis points. Calculation is based on the weighted average of the present values for all cash flows.
- iv The Barclays Capital U.S. Aggregate Index is a broad-based bond index comprised of government, corporate, mortgage- and asset-backed issues, rated investment grade or higher, and having at least one year to maturity.
- v The Consumer Price Index for All Urban Consumers (CPI-U) is a measure of the average change in prices over time of goods and services purchased by households, which covers approximately 87% of the total population and includes, in addition to wage earners and clerical worker households, groups such as professional, managerial and technical workers, the self-employed, short-term workers, the unemployed and retirees and others not in the labor force.
- vi The Barclays Capital U.S. TIPS Index represents an unmanaged market index made up of U.S. Treasury Inflation-Linked Index securities.
- vii The Euro Interbank Offered Rate (Euribor) is the benchmark rate at which euro interbank term deposits within the Eurozone are offered by one prime bank to another prime bank.
- viii The yield curve is the graphical depiction of the relationship between the yield on bonds of the same credit quality but different maturities.
- ix Net asset value (NAV) is calculated by subtracting total liabilities and outstanding preferred stock (if any) from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total investments) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.
- x The Barclays U.S. Government Inflation-Linked 1-10 Year Index measures the performance of the intermediate U.S. TIPS market.



- x i The Barclays U.S. Government Inflation-Linked All Maturities Index measures the performance of the U.S. TIPS market. The Index includes TIPS with one or more years remaining maturity with total outstanding issue size of \$500 million or more.
- x ii The Barclays World Government Inflation-Linked All Maturities Index measures the performance of the major government inflation-linked bond markets.
- x iii The Custom Benchmark is comprised of 90% Barclays U.S. Government Inflation-Linked All Maturities Index, 5% Barclays Capital U.S. Credit Index and 5% JPMorgan Emerging Markets Bond Index Plus ( EMBI+ ). The Barclays Capital U.S. Credit Index is an index composed of corporate and non-corporate debt issues that are investment grade (rated Baa3/BBB- or higher). The EMBI+ is a total return index that tracks the traded market for U.S. dollar-denominated Brady and other similar sovereign restructured bonds traded in the emerging markets.

**Fund at a glance (unaudited)**

**Investment breakdown (%) as a percent of total investments**

The bar graph above represents the Fund's investments as of December 31, 2011 and December 31, 2010 and does not include derivatives such as written options, forward foreign currency contracts, futures contracts and swap contracts. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

Represents less than 0.1%.

**Spread duration (unaudited)**

**Economic Exposure December 31, 2011**

Spread duration measures the sensitivity to changes in spreads. The spread over Treasuries is the annual risk-premium demanded by investors to hold non-Treasury securities. Spread duration is quantified as the % change in price resulting from a 100 basis points change in spreads. For a security with positive spread duration, an increase in spreads would result in a price decline and a decline in spreads would result in a price increase. This chart highlights the market sector exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

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B U.S. GIMI	Barclays U.S. Government Inflation-Linked All Maturities Index
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WIW	Western Asset/Claymore Inflation-Linked Opportunitites & Income Fund

**Effective duration (unaudited)**

**Interest Rate Exposure December 31, 2011**

Effective duration measures the sensitivity to changes in relevant interest rates. Effective duration is quantified as the % change in price resulting from a 100 basis points change in interest rates. For a security with positive effective duration, an increase in interest rates would result in a price decline and a decline in interest rates would result in a price increase. This chart highlights the interest rate exposure of the Fund's sectors relative to the selected benchmark sectors as of the end of the reporting period.

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B U.S. GIMI	Barclays U.S. Government Inflation-Linked All Maturities Index
HY	High Yield
IG Credit	Investment Grade Credit
MBS	Mortgage-Backed Securities
WIW	Western Asset/Claymore Inflation-Linked Opportunitites & Income Fund

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**Schedule of investments**

December 31, 2011

**Western Asset/Claymore Inflation-Linked Opportunities & Income Fund**

<b>Security</b>	<b>Rate</b>	<b>Maturity Date</b>	<b>Face Amount</b>	<b>Value</b>
<b>U.S. Treasury Inflation Protected Securities 87.3%</b>				
U.S. Treasury Bonds, Inflation Indexed	2.375%	1/15/25	4,420,674	\$ 5,620,471
U.S. Treasury Bonds, Inflation Indexed	2.000%	1/15/26	135,763,530	166,883,111
U.S. Treasury Bonds, Inflation Indexed	1.750%	1/15/28	43,104,697	51,836,760
U.S. Treasury Bonds, Inflation Indexed	2.500%	1/15/29	7,614,645	10,159,010
U.S. Treasury Bonds, Inflation Indexed	3.875%	4/15/29	11,032,974	17,191,613
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/40	8,014,446	10,755,010
U.S. Treasury Bonds, Inflation Indexed	2.125%	2/15/41	11,529,100	15,572,390
U.S. Treasury Notes, Inflation Indexed	2.000%	4/15/12	54,812,026	55,051,828
U.S. Treasury Notes, Inflation Indexed	0.625%	4/15/13	10,509,453	10,686,800
U.S. Treasury Notes, Inflation Indexed	2.000%	1/15/14	67,229,284	71,194,736
U.S. Treasury Notes, Inflation Indexed	1.250%	4/15/14	33,243,347	34,835,404
U.S. Treasury Notes, Inflation Indexed	2.000%	7/15/14	6,775,163	7,299,709
U.S. Treasury Notes, Inflation Indexed	1.625%	1/15/15	9,890,156	10,666,691
U.S. Treasury Notes, Inflation Indexed	0.500%	4/15/15	21,419,835	22,412,173
U.S. Treasury Notes, Inflation Indexed	2.000%	1/15/16	30,746,447	34,366,349
U.S. Treasury Notes, Inflation Indexed	0.125%	4/15/16	9,006,963	9,389,759
U.S. Treasury Notes, Inflation Indexed	2.500%	7/15/16	23,983,324	27,738,201
U.S. Treasury Notes, Inflation Indexed	2.375%	1/15/17	24,084,918	27,957,315
U.S. Treasury Notes, Inflation Indexed	1.625%	1/15/18	30,609,955	34,857,087
U.S. Treasury Notes, Inflation Indexed	1.375%	7/15/18	18,407,727	20,841,008
U.S. Treasury Notes, Inflation Indexed	2.125%	1/15/19	5,800,630	6,894,594
U.S. Treasury Notes, Inflation Indexed	1.250%	7/15/20	30,961,808	35,020,715
U.S. Treasury Notes, Inflation Indexed	1.125%	1/15/21	43,537,147	48,554,107
U.S. Treasury Notes, Inflation Indexed	0.625%	7/15/21	24,714,882	26,439,140
<b>Total U.S. Treasury Inflation Protected Securities (Cost</b>	<b>\$678,578,620)</b>			<b>762,223,981</b>
<b>Asset-Backed Securities 0.2%</b>				
Bayview Financial Acquisition Trust, 2004-C A1	0.924%	5/28/44	31,221	28,706(a)
Bear Stearns Asset-Backed Securities Inc., 2007-SD2 2A1	0.694%	9/25/46	147,042	72,246(a)
Bear Stearns Asset-Backed Securities Trust, 2001-3 A1	1.194%	10/27/32	8,331	7,056(a)
Countrywide Asset-Backed Certificates, 2004-2 M1	1.044%	5/25/34	531,498	335,805(a)
Greenpoint Mortgage Funding Trust, 2005-HE1	0.894%	9/25/34	464,244	401,081(a)
MSCC HELOC Trust, 2005-1 A	0.484%	7/25/17	43,889	36,900(a)
	1.419%	10/25/33	352,886	290,719(a)(b)

New Century Home Equity Loan Trust, 2003-A M1				
RAAC Series, 2006-RP3 A	0.564%	5/25/36	1,197,372	717,970(a)(b)
Security National Mortgage Loan Trust, 2006-3A A2	5.830%	1/25/37	300,000	198,850(a)(b)
<b>Total Asset-Backed Securities (Cost \$1,333,014)</b>				<b>2,089,333</b>

See Notes to Financial Statements.

**Western Asset/Claymore Inflation-Linked Opportunities & Income Fund**

<b>Security</b>	<b>Rate</b>	<b>Maturity Date</b>	<b>Face Amount</b>	<b>Value</b>
<b>Collateralized Mortgage Obligations 0.8%</b>				
Banc of America Funding Corp., 2005-F 4A1	2.781%	9/20/35	273,112	\$ 179,443(a)
Banc of America Funding Corp., 2006-D 6A1	5.339%	5/20/36	1,296,295	785,951(a)
Bayview Commercial Asset Trust, 2005-2A A2	0.644%	8/25/35	38,015	28,716(a)(b)
Bear Stearns Adjustable Rate Mortgage Trust, 2004-1 23A1	5.476%	4/25/34	324,075	304,529(a)
Bear Stearns Alt-A Trust, 2007-1 1A1	0.454%	1/25/47	297,922	95,718(a)
Citigroup Mortgage Loan Trust Inc., 2005-11A3	4.900%	12/25/35	467,673	404,804(a)
Citigroup Mortgage Loan Trust Inc., 2007-6 1A1A	2.319%	3/25/37	779,930	361,688(a)
Countrywide Alternative Loan Trust, 2004-33 1A1	2.682%	12/25/34	10,727	7,849(a)
Countrywide Alternative Loan Trust, 2004-33 2A1	2.952%	12/25/34	10,028	7,499(a)
Countrywide Home Loans Mortgage Pass-Through Trust, 2003-56 6A1	2.907%	12/25/33	1,783,091	