

WESTERN ASSET CLAYMORE INFLATION-LINKED SECURITIES & INCOME FUND
Form N-CSRS
September 05, 2007

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: 811-21403

Name of Registrant: Western Asset/Claymore Inflation-Linked Securities & Income Fund, formerly Western Asset/Claymore U.S. Treasury Inflation Protected Securities Fund

Address of Principal Executive Offices: 385 East Colorado Boulevard, Pasadena, CA 91101

Name and address of agent for service:

Charles A. Ruys de Perez

385 East Colorado Boulevard

Pasadena, CA 91101

Registrant's telephone number, including area code: (410) 539-0000

Date of fiscal year end: 12/31/2007

Date of reporting period: 06/30/2007

Item 1. Report to Shareholders.

Western Asset/Claymore Inflation-Linked Securities & Income Fund

Semi-Annual Report to Shareholders

June 30, 2007

Semi-Annual Report to Shareholders

Fund Highlights

(Amounts in Thousands, except per share amounts) (Unaudited)

	Six Months Ended June 30, 2007	Year Ended December 31, 2006
Net Asset Value	\$370,073	\$374,119
Per Share	\$12.69	\$12.83
Market Value Per Share	\$11.37	\$11.42
Net Investment Income	\$12,149	\$20,872
Per Common Share	\$0.42	\$0.72
Dividends Paid to Common Shareholders ^A	\$9,183	\$18,367
Per Common Share from Net Income	\$0.32	\$0.43
Per Common Share from Return of Capital		\$0.20
Dividends Paid to Preferred Shareholders		\$8,608
Per Common Share		\$0.30

The Fund

Western Asset/Claymore Inflation-Linked Securities & Income Fund (WIA or the Fund) is a diversified, closed-end management investment company which seeks to provide current income for its shareholders. Capital appreciation, when consistent with current income, is a secondary investment objective. Substantially all of the Fund's net investment income (after any interest in connection with forms of leverage (if applicable)) is distributed to the Fund's shareholders. A Dividend Reinvestment Plan is available to those shareholders of record desiring it. The Fund's common shares are listed on the New York Stock Exchange (NYSE) where they are traded under the symbol WIA.

Performance Information

Total return on market value measures investment performance in terms of appreciation or depreciation in market value per share, plus dividends and any capital gain distributions. Total return on net asset value measures investment performance in terms of appreciation or depreciation in net asset value per share, plus dividends and any capital gain distributions. Total return on market value assumes that dividends and distributions were reinvested on payment date at prices obtained under the Fund's dividend reinvestment plan. Total return on net asset value assumes that dividends and distributions were reinvested on payment date at net asset value. Average annual returns tend to smooth out variations in a fund's return, so that they differ from actual year-to-year results. No adjustment has been made for any income taxes payable by shareholders.

	Second Quarter 2007	Six Months Ended June 30, 2007	One Year	Average Annual Return Since Inception ^B
Total Return Based on:				
Market Value	(0.99)%	2.30%	7.76%	(1.33)%
Net Asset Value	(0.95)%	1.35%	3.67%	2.38%
Barclays U.S. Government Inflation-Linked 1-10 year Index ^{C,D}	(0.15)%	2.52%	4.14%	3.59%
Barclays U.S. Government Inflation-Linked All Maturities Index ^{D,E}	(0.70)%	1.72%	3.96%	3.99%

The performance data quoted represents past performance and does not guarantee future results. The performance stated may have been due to extraordinary market conditions, which may not be duplicated in the future. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month-end performance information please visit <http://www.westernclaymore.com>. The investment return and principal value of the Fund will fluctuate so that an investor's shares, when sold, may be worth more or less than the original cost. Calculations assume reinvestment of dividends and capital gain distributions. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

A Total dividend distributions for the year ended December 31, 2006 were \$18,367 of which \$12,596 was from net investment income and \$5,771 was a return of capital. Similar information, if applicable, will be provided for 2007 in the Fund's December 31, 2007 Annual Report.

B The Fund's inception date is September 30, 2003.

C This index is the U.S. component of the 1 to 10 year Barclays Global Inflation-Linked Bond Index, which measures the performance of the major government inflation-linked bond markets. Although it is not possible to invest directly in an index, it is possible to purchase investment vehicles designed to track the performance of certain indexes.

D This return does not include reinvestment of dividends or capital gain distributions.

E This index is the U.S. component of the all maturities Barclays Global Inflation-Linked Bond Index, which measures the performance of the major government inflation-linked bond markets.

Semi-Annual Report to Shareholders

Fund Highlights Continued

Investment Policies

As announced on May 14, 2007, the Fund's investment policies will be revised to include, among others, that its portfolio be invested as follows:

at least 80% of its total managed assets^F in inflation-linked securities

at least 60% of its total managed assets in U.S. TIPS

no more than 40% of its total managed assets in non-U.S. dollar investments, which gives the Fund the flexibility to invest up to 40% of its total managed assets in non-U.S. dollar inflation-linked securities (no more than 20% of its non-U.S. dollar exposure may be unhedged)

Up to 20% of the Fund's portfolio securities may represent corporate debt securities of investment-grade quality at the time of their purchase 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 completed the redemption of its outstanding preferred shares on November 15, 2006.

Dividend Reinvestment Plan

The Fund and Computershare Trust Company N.A. (Agent), as the Transfer Agent and Registrar of WIA, offer a convenient way to add shares of WIA to your account. WIA offers to all common shareholders a Dividend Reinvestment Plan (Plan). Under the Plan, cash distributions (e.g., dividends and capital gains) on the common shares are automatically invested in shares of WIA unless the shareholder elects otherwise by contacting the Agent at the address set forth below.

As a participant in the Dividend Reinvestment Plan, you will automatically receive your dividend or net capital gains distribution in newly issued shares of WIA, if the market price of the shares on the date of the distribution is at or above the net asset value (NAV) of the shares, minus estimated brokerage commissions that would be incurred upon the purchase of common shares on the open market. The number of shares to be issued to you will be determined by dividing the amount of the cash distribution to which you are entitled (net of any applicable withholding taxes) by the greater of the NAV per share on such date or 95% of the market price of a share on such date. If the market price of a share on such distribution date is below the NAV, less estimated brokerage commissions that would be incurred upon the purchase of common shares on the open market, the Agent will, as agent for the participants, buy shares of WIA through a broker on the open market. All common shares acquired on your behalf through the Plan will be automatically credited to an account maintained on the books of the Agent.

Additional Information Regarding the Plan

WIA will pay all costs applicable to the Plan, except for brokerage commissions for open market purchases by the Agent under the Plan, which will be charged to participants. All shares acquired through the Plan receive voting rights and are eligible for any stock split, stock dividend, or other rights accruing to shareholders that the Board of Trustees may declare.

You may terminate participation in the Plan at any time by giving notice to the Agent. Such termination shall be effective prior to the record date next succeeding the receipt of such instructions or by a later date of termination specified in such instructions. Upon termination, a participant will receive a certificate for the full shares credited to his or her account or may request the sale of all or part of such shares. Fractional shares credited to a terminating account will be paid for in cash at the current market price at the time of termination.

Dividends and other distributions invested in additional shares under the Plan are subject to income tax just as if they had been received in cash. After year end, dividends paid on the accumulated shares will be included in the Form 1099-DIV information return to the Internal Revenue Service and only one Form 1099-DIV will be sent to participants each year.

Inquiries regarding the Plan, as well as notices of termination, should be directed to Computershare Trust Company, N.A., P.O. Box 43010, Providence, Rhode Island 02940-3010 Investor Relations telephone number (800) 426-5523.

^F *Total managed assets* means the total assets of the Fund (including any assets attributable to leverage) minus accrued liabilities (other than liabilities representing leverage).

Semi-Annual Report to Shareholders

Schedule of Portfolio Holdings

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. You may obtain a free copy of the Fund's Form N-Q by calling 1-800-345-7999, visiting the Fund's website (<http://www.westernclaymore.com>), or by writing to the Fund, or you may obtain a copy of this report (and other information relating to the Fund) from the SEC's website (<http://www.sec.gov>). Additionally, the Fund's Form N-Q can be viewed or copied at the SEC's Public Reference Room in Washington D.C. Information about the operation of the Public Reference Room can be obtained by calling 1-800-732-0330.

Proxy Voting

You may request a free description of the policies and procedures that the Fund uses to determine how proxies relating to the Fund's portfolio securities are voted by calling 1-800-345-7999 or by writing to the Fund, or you may obtain a copy of these policies and procedures (and other information relating to the Fund) from the SEC's website (<http://www.sec.gov>). You may request a free report regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30, by calling 1-800-345-7999 or by writing to the Fund, or you may obtain a copy of this report (and other information relating to the Fund) from the SEC's website (<http://www.sec.gov>).

Semi-Annual Report to Shareholders

Portfolio Diversification

June 30, 2007^A

The pie chart and bar chart above represent the Fund's portfolio as of June 30, 2007. The Fund's portfolio is actively managed, and its portfolio composition, credit quality breakdown, and other portfolio characteristics will vary from time to time. U.S. Treasury Inflation Protected Securities are unrated, but are backed by the full faith and credit of the government of the United States of America and are therefore considered by the Fund's investment adviser to be comparable to bonds rated AAA/Aaa.

Quarterly Comparison of Market Price and Net Asset Value (NAV), Discount or Premium to NAV and Average Daily Volume of Shares Traded

	Market Price	Net Asset Value	Premium/ (Discount)	Average Daily Volume (Shares) ^D
September 30, 2006	\$ 11.56	\$ 13.08	(11.62)%	77,652
December 31, 2006	\$ 11.42	\$ 12.83	(10.99)%	106,351
March 31, 2007	\$ 11.64	\$ 12.97	(10.25)%	109,709
June 30, 2007	\$ 11.37	\$ 12.69	(10.40)%	91,711

^A The Fund is actively managed. As a result, the composition of its portfolio holdings and sectors is subject to change at any time.

^B Ratings shown are expressed as a percentage of the portfolio. Standard & Poor's Ratings Services provide capital markets with credit ratings for the evaluation and assessment of credit risk.

^C Expressed as a percentage of the portfolio.

^D Amounts not in thousands.

Semi-Annual Report to Shareholders

Portfolio of Investments

June 30, 2007 (Unaudited)

(Amounts in Thousands)

Western Asset/Claymore Inflation-Linked Securities & Income Fund

	% OF NET ASSETS	RATE	MATURITY DATE	PAR	VALUE
Long-Term Securities	110.3%				
U.S. Government and Agency Obligations	91.6%				
<i>Treasury Inflation-Protected Securities^A</i>	<i>91.6%</i>				
United States Treasury Inflation-Protected Security		3.875%	1/15/09	\$ 24,054	\$ 24,437 _B
United States Treasury Inflation-Protected Security		0.875%	4/15/10	9,708	9,220 _B
United States Treasury Inflation-Protected Security		2.375%	4/15/11	35,189	34,804 _B
United States Treasury Inflation-Protected Security		3.000%	7/15/12	28,732	29,289 _{B,C,D}
United States Treasury Inflation-Protected Security		1.875%	7/15/13	54,567	52,342 _B
United States Treasury Inflation-Protected Security		1.625%	1/15/15	26,297	24,444 _B
United States Treasury Inflation-Protected Security		2.000%	1/15/16	31,702	30,100 _B
United States Treasury Inflation-Protected Security		2.375%	1/15/17	32,277	31,513 _B
United States Treasury Inflation-Protected Security		2.375%	1/15/25	31,243	30,043 _B
United States Treasury Inflation-Protected Security		2.000%	1/15/26	71,588	64,843 _B
United States Treasury Inflation-Protected Security		2.375%	1/15/27	8,197	7,872
Total U.S. Government and Agency Obligations (Cost \$343,903)					338,907
U.S. Government Agency Mortgage-Backed Securities	4.8%				
<i>Fixed Rate Securities</i>	<i>4.8%</i>				
Fannie Mae		6.000%	1/1/37 to 7/1/37	17,970	17,780
Total U.S. Government Agency Mortgage-Backed Securities (Cost \$17,624)					17,780
Corporate Bonds and Notes	9.0%				
<i>Automobiles</i>	<i>3.1%</i>				
Ford Motor Co.		7.450%	7/16/31	7,435	5,939 _B
General Motors Corp.		8.375%	7/15/33	6,000	5,475 _B

Semi-Annual Report to Shareholders

Portfolio of Investments Continued

	% OF NET ASSETS	RATE	MATURITY DATE	PAR	VALUE
Corporate Bonds and Notes Continued					
<i>Diversified Financial Services</i>					
Fuji Co. Ltd.	0.3%	9.870%	12/31/49	\$ 1,025	\$ 1,065 _{E,F}
<i>Health Care Providers and Services</i>					
HCA Inc.	0.9%	5.750%	3/15/14	4,000	3,385
<i>Leisure Equipment and Products</i>					
Eastman Kodak Co.	0.3%	7.250%	11/15/13	1,200	1,200
<i>Media</i>					
Comcast Corp.	1.6%	5.900%	3/15/16	1,900	1,866
News America Inc.		7.625%	11/30/28	1,790	1,938
Time Warner Inc.		7.700%	5/1/32	1,750	1,892
					5,696
<i>Oil, Gas and Consumable Fuels</i>					
Hess Corp.	1.4%	7.875%	10/1/29	2,880	3,246
Hess Corp.		7.300%	8/15/31	120	129
Hess Corp.		7.125%	3/15/33	895	941
Kinder Morgan Energy Partners LP		7.300%	8/15/33	900	940
					5,256
<i>Wireless Telecommunication Services</i>					
Sprint Capital Corp.	1.4%	8.750%	3/15/32	4,610	5,178
Total Corporate Bonds and Notes					
(Cost \$35,419)					33,194
Yankee Bonds^G					
<i>Commercial Banks</i>					
Glitnir Banki Hf	0.9%	6.693%	6/15/16	1,240	1,277 _{E,F}
Kaupthing Bank Hf		7.125%	5/19/16	2,060	2,176 _E
					3,453
<i>Diversified Financial Services</i>					
UFJ Finance Aruba AEC	0.3%	6.750%	7/15/13	1,025	1,082
<i>Diversified Telecommunication Services</i>					
Deutsche Telekom International Finance BV	0.7%	8.250%	6/15/30	2,175	2,607 _H

<i>Foreign Government</i>	<i>2.9%</i>				
Russian Federation		5.000%	3/31/30	4,756	5,239 ^{E,F}
United Mexican States		7.500%	4/8/33	98	114

Semi-Annual Report to Shareholders

Western Asset/Claymore Inflation-Linked Securities & Income Fund Continued

	% OF NET ASSETS	RATE	MATURITY DATE	PAR	VALUE
Yankee Bonds Continued					