

**Annual
Report**

December 31, 2008


Old Mutual/Claymore Long-Short Fund OLA




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... your course to the **LATEST**,
most up-to-date **INFORMATION** about the
Old Mutual/Claymore Long-Short Fund

OLA
LISTED
NYSE | Old Mutual/
Claymore
Long-Short Fund

 **OLD MUTUAL** | Asset Management

 **CLAYMORE** SM

There can be no assurance the Fund will achieve its investment objective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

NOT FDIC-INSURED • NOT BANK-GUARANTEED • MAY LOSE VALUE

The shareholder report you are reading right now is just the beginning of the story. Online at www.claymore.com/ola, you will find:

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

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

Dear Shareholder

We thank you for your investment in the Old Mutual/Claymore Long-Short Fund (the “Fund”). This report covers the Fund’s performance for the fiscal year ended December 31, 2008. This has been an extraordinarily difficult time for all investors, and we are disappointed to report that the Fund’s return was negative for the period.

The Fund’s investment objective is to provide a high level of current income and gains with a secondary objective of long-term capital appreciation. The Fund seeks to achieve these objectives by investing in a diversified portfolio of common stocks and other equity securities utilizing a long/short strategy and opportunistically employing a strategy of writing (selling) calls on equity indices and, to a lesser extent, on individual securities held in the Fund’s portfolio. The Fund also seeks to enhance returns through an asset allocation strategy that involves purchasing or selling futures contracts on U.S. or foreign securities indices, foreign currencies and other assets.

Analytic Investors, LLC (“Analytic”) is the Fund’s investment sub-adviser. The firm, established in 1970, is a majority-owned subsidiary of Old Mutual (US) Holdings Inc., more commonly known as Old Mutual Asset Management. Analytic specializes in the creation and continuous management of optioned-equity and optioned-debt portfolios for mutual funds, foundations, insurance companies, endowments, profit-sharing plans, funds of hedge funds, and individual investors. As of December 31, 2008, Analytic managed or supervised approximately \$8.7 billion in assets.

We believe that the Fund provides shareholders with the potential to outperform the S&P 500 Index over full market cycles through its unique multi-strategy approach to investing. Analytic has employed the Fund’s strategy for nearly three decades in other investment products for institutional and retail investors. While the Fund’s options overlay has similarities to a covered call fund, the Fund’s long/short equity security selection and its asset allocation makes it different. We believe that this multi-strategy approach provides opportunities unavailable in a traditional covered call fund.

All Fund returns cited—whether based on net asset value (“NAV”) or market price—assume the reinvestment of all distributions. For the 12 months ended December 31, 2008, the Fund provided a total return based on market price of -39.88% and a total return based on NAV of -35.09%. As of December 31, 2008, the Fund’s market price of \$7.98 per share represented a discount of 22.07% to its NAV of \$10.24 per share. Past performance is not a guarantee of future results.

The market value of the Fund’s shares fluctuates from time to time, and it may be higher or lower than the Fund’s NAV. The current discount to NAV may provide an opportunity for suitable investors to purchase shares of the Fund below the market value of the securities in the underlying portfolio. We believe that, over the long term, the progress of the NAV will be reflected in the market price return to shareholders.

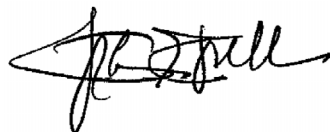
We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan (“DRIP”), which is described in detail on page 28 of the Fund’s annual report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the quarterly 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 and enjoy the benefits of compounding returns over time. Since the Fund endeavors to maintain a steady quarterly distribution rate, the DRIP plan effectively provides an income averaging technique, which allows shareholders to accumulate a larger number of Fund shares when the market price is depressed than when the price is higher.

The Fund provided investors with consistent quarterly distributions of \$0.40 per share during 2008. This represents an annualized distribution rate of 20.05% based upon the closing market price of \$7.98 per share on December 31, 2008. Each of the distributions was accompanied by a letter detailing the expected characterization of the distribution for tax purposes. These letters are also posted on the Fund’s website.

To learn more about the Fund’s performance and investment strategy, we encourage you to read the *Questions & Answers* section of the report, which begins on page 5. You will find information about Analytic’s investment philosophy and discipline, its views on the market environment and how it structured the Fund’s portfolio based on its views.

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.claymore.com/ola.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Thomas Futrell". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the right.

J. Thomas Futrell
Old Mutual/Claymore Long-Short Fund

Questions & Answers

Dennis M. Bein, CFA

**Chief Investment Officer, Portfolio Manager
Analytic Investors, LLC (“Analytic”)**

As Chief Investment Officer, Dennis Bein oversees the implementation of Analytic’s investment strategies. He is a major contributor to Analytic’s ongoing research efforts as well as to the new product development efforts and strategy applications. As Portfolio Manager, Bein directs the Old Mutual/Claymore Long-Short Fund’s (the “Fund’s”) management team on day-to-day portfolio management and research related to the Fund’s equity-based investment strategies. Bein joined Analytic in 1995 and has worked as an investment professional since 1990. He is a CFA charterholder and earned an M.B.A. from the Anderson Graduate School of Management at the University of California, Riverside.

The Fund is managed by Analytic Investors, LLC. In the following interview, Chief Investment Officer and Portfolio Manager Dennis Bein, CFA, explains the factors that impacted the Fund’s performance for the fiscal year ended December 31, 2008.

Before we discuss performance, will you remind us of the Fund’s investment objective and explain how your investment strategy seeks to achieve it?

The Fund’s primary investment objective is to provide a high level of current income and gains, with a secondary objective of long-term capital appreciation. The Fund seeks to achieve these objectives by investing in a diversified portfolio of common stocks and other equity securities, utilizing a long and short strategy and opportunistically employing a strategy of writing (selling) calls on equity indices, sectors and, to a lesser extent, individual securities held in the Fund’s portfolio.

We utilize quantitative models to develop an equity portfolio that we believe offers the potential for capital appreciation over time. The portfolio is constructed with a level of diversification and risk similar to that of the S&P 500, but is designed with the objective of outperforming the index over a full market cycle by having its long positions invested in the stocks that we believe will outperform, while selling short the stocks that we believe will underperform.¹ To generate income and help reduce volatility, we then apply a call option overlay. Finally, to potentially enhance returns, we also engage in asset allocation strategies by purchasing or selling futures contracts on U.S. or foreign securities indices as well as foreign currency forward contracts and other assets.

Will you tell us more about the specifics of your process?

There are three components of the strategy that we believe make the Fund unique among covered call funds.

Stock Selection. We begin by analyzing stock characteristics rather than focusing on individual stocks as many investment managers do. Our quantitative review is based on sophisticated mathematical models focused on variables that cover multiple dimensions of

a stock’s value, such as its valuation, growth potential, historical return patterns, liquidity and risk. The models identify characteristics that investors are currently rewarding or punishing by examining a universe of approximately 3,000 stocks to determine which financial characteristics are shared by the market’s largest gaining or losing stocks. Stocks possessing favorable characteristics are ranked and become candidates for the long portfolio. Stocks that possess unfavorable characteristics are candidates for the short portfolio. Ultimately a portfolio of at least 75 highly-ranked stocks is combined with short positions of at least 20 low-ranked stocks. We monitor the portfolio on a real-time basis utilizing our proprietary management system, which identifies media events or changes in fundamental factors that are potentially significant for the portfolio holdings. However, we trade securities only when we believe the incremental return potential will exceed the associated transaction costs.

Options Overlay. Our process is unique because we typically do not write (sell) call options on individual securities held in the Fund’s portfolio as a traditional covered call fund might. We prefer to sell call options on indices because we have strong convictions about the stocks held in the Fund’s portfolio. This strategy helps preserve the upside potential of the Fund’s individual equity holdings, which is more important to us than giving away the upside potential of the market sectors on which we have written the calls. We believe giving away market or sector upside potential in exchange for lower overall volatility and a higher yield provided by the call option premiums benefits the Fund.

Asset Allocation. We also engage in asset allocation strategies for the Fund by purchasing or selling futures contracts on U.S. or foreign securities indices, foreign currencies and other assets. This enables us to attempt to enhance Fund returns, to hedge against market and other risks in the portfolio and to obtain market exposure with reduced transaction costs. Essentially we take long and short equity markets and currency futures positions based on our global research models.

What is a short sale?

A short sale is three-step trading strategy that seeks to capitalize on an anticipated decline in the price of a security. First, arrangements are made to borrow shares of the security, typically from a broker. Next, the investor will sell the borrowed shares immediately in the open market with the intention of buying them back at some point in the future. Finally, to complete the cycle, at a later date the investor will repurchase the shares (hopefully at a lower price) and will return them to the lender. In the end, the investor will receive the difference if the share price falls, but will of course incur a loss if it rises.

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

1 The S&P 500 is an unmanaged, capitalization-weighted index of 500 stocks that cover approximately 75% of the U.S. equity market. It is a widely used gauge of the overall performance of the U.S. equity market.

What is an index option?

An index option is a contract which gives the buyer the right to participate in market gains over and above (in the case of a call) or below (in the case of a put) a specified price (the strike price) on or before a pre-determined date (the expiration date). After this pre-determined date, the option and its corresponding rights expire. For example, the seller of an index call option is obligated, until the expiration date, to pay the holder of the option the difference between the index price and the option's strike price, upon the holder's request. The price of the option is determined from trading activity in the options market and generally reflects the relationship between the current price for the index and the strike price, as well as the time remaining until the expiration date.

Will you provide an overview of the market environment during 2008?

In the Fund's semi-annual report for the six months ended June 30, 2008, we described the first half of 2008 as a time of economic uncertainty and turmoil in capital markets. Since that time, there has been pronounced deterioration in equity and credit markets not only in the U.S. but throughout the world. Credit markets became so intolerant of risk during the latter half of 2008 that for a period of time, they were essentially frozen. The combination of a housing slump, rising unemployment, a severe credit crunch and falling equity prices has led to a general loss of confidence, causing households and businesses to avoid spending and severely depressing aggregate demand. In early December, the Business Cycle Dating Committee of the National Bureau of Economic Research officially confirmed that the U.S. economy has been in a recession since December 2007. Aggressive policy responses by the U.S. government, including highly stimulative monetary policy, massive provision of liquidity, capital infusions, and guarantees of bank debt, have helped to keep the financial system viable and begun to loosen frozen credit markets.

Essentially all equity indices posted negative returns during 2008. The S&P 500, which is generally regarded as a good indicator of the broad stock market, returned -37.00% for the year. All ten sectors within the S&P 500 posted negative returns. The weakest sector was financials, down more than 50%; the strongest was consumer staples with a negative return of 14%.

How did the Fund perform during 2008?

All Fund returns cited—whether based on net asset value (“NAV”) or market price—assume the reinvestment of all distributions. For the 12 months ended December 31, 2008, the Fund provided total returns of -39.88% and -35.09% based on market price and NAV, respectively. As of December 31, 2008, the Fund's market price of \$7.98 per share represented a discount of 22.07%

to its NAV of \$10.24 per share. Past performance is not a guarantee of future results.

The market value and NAV of the Fund's shares fluctuate from time to time, and the Fund's market value may be higher or lower than its NAV. The current discount to NAV may provide an opportunity for suitable investors to purchase shares of the Fund below the market value of the securities in the underlying portfolio. We believe that, over the long term, the progress of the NAV will be reflected in the market price return to shareholders.

The Fund provided investors with consistent quarterly distributions of \$0.40 per share during 2008. This represents an annualized distribution rate of 20.05% based upon the closing market price of \$7.98 on December 31, 2008. Each of the distributions was accompanied by a letter detailing the expected characterization of the distribution for tax purposes. (These letters are also posted on the Fund's website.)

Will you tell us about the characteristics favored by your quantitative model during 2008?

During 2008, investors favored companies with attractive cash-flow-to-price ratios and asset utilization, while avoiding companies with above-average financial leverage. Companies with higher historical price-to-earnings ratios outperformed during the period, while those with above-average growth in valuation and high dividend yielding companies underperformed.

Analytic's process is based on the fundamental belief that there is persistency in the types of stock characteristics investors prefer, and we believe that portfolios that reflect these biases will add value in the long run. Investor behavior observed during the first six months of 2008 was quite consistent with that seen over recent years. Thematically, economic uncertainty ruled the second half of 2008, as investor sentiment swung between optimism and pessimism and the market was highly volatile. In this crisis-like atmosphere, Analytic's investment process was ineffective, hindered primarily by an emphasis on companies with attractive characteristics such as price momentum, as these companies generally performed well throughout the first half of the year but were penalized severely during the second half of the period. Also negative for performance was the Fund's lack of emphasis on high dividend yielding companies, as these companies generally performed poorly in the first half of the year but were rewarded during the last half of the period. Avoiding highly levered companies helped performance, as these companies were penalized over the period. An emphasis on companies with strong relative earnings yield helped during the first half of the period, as these companies' stocks outperformed, but severely hurt performance during the second half of the period as these companies' stocks were penalized by investors.

Which decisions regarding the common equity portfolio had the greatest positive impact on performance?

A major contributor to performance was a short position in Bear Stearns Cos. Inc. (not held in the portfolio at period end), one of the largest global investment banks and securities trading and brokerage firms which, on the brink of collapse after suffering significant losses from the subprime mortgage crisis, was taken over in March by another financial services firm at a fraction of its stock price a few days earlier. This position provides an example of the value of the complexity of our model, which includes approximately 70 factors. If we had analyzed Bear Stearns on just a few valuation factors, it would have looked attractive, but the insight provided by the full multi-factor model led to the decision to short the stock.

A short position in American International Group (AIG) (not held in the portfolio at period end), a world leader in financial and insurance services, also contributed to performance. Investors were overly concerned that the big insurance company was being backed into a corner by its large exposure to mortgages, causing shares to plummet. Shortly after, the Federal Reserve Board decided to allow the Federal Reserve Bank of New York to lend up to \$85 billion to the American International Group in a plan aimed at saving the insurer from a “disorderly failure” that could wreak economic havoc.

A notable long position that added value was Electronic Data Systems Corp. (EDS) (not held in the portfolio at period end), a global business and technology services company. Its shares moved up sharply in May when Hewlett-Packard Co. announced that it had reached an agreement to acquire EDS at a significant premium to the prior stock price.

Which areas of the equity portfolio hurt performance?

A long position in Sun Microsystems, Inc. (0.1% of total common stocks and securities sold short), a provider of network computing infrastructure solutions, detracted from Fund performance, as the multinational vendor of computer software and information technology services reported a sharp drop in revenue and announced that up to 2,500 jobs may be cut.

A long position in Corning Inc. (0.4% of total common stocks and securities sold short), a global, technology-based company that operates in display technologies, telecommunications, environmental technologies and life sciences, further hindered Fund performance, as the maker of glass for LCD televisions and computers, warned of disappointing glass sales volume and announced plans to reduce manufacturing capacity and incur restructuring charges.

A further negative was a short position in William Wrigley Jr. Company (not held in the portfolio at period end), the world’s leading chewing gum manufacturer. The company’s shares rose when the privately owned confectionary giant Mars Inc.

announced that it would team up with billionaire Warren Buffet to purchase Wrigley.

What was the impact on performance of the options and global asset allocation programs?

The net effect of the options program was positive during the period, as would be anticipated when equity markets are down. During the period, options written on the S&P 500 Index posted positive returns. In addition, options sold on certain sectors, such as broker/dealer and oil indices, contributed to performance, as these sectors underperformed due to the credit crisis and other concerns. Certain sector options underperformed, such as call options written on the banking index, as this sector began to recover toward the end of the year.

The global asset allocation strategy detracted from returns during the period. Most of the negative performance occurred in September, with both the equity and currency components of the strategy posting losses as rising risk aversion, global deleveraging and weakening economic activity hurt factor returns. Almost all equity factors had negative returns over the period, with valuation factors continuing their recent bad run, as markets continue to react more to the changing economic environment than to relative valuation plays. Our long tactical asset allocation equity position was unsuccessful as global equity markets were down sharply over the period.

Within the currency portion of the strategy, positive returns to relative strength and changes in interest rates were offset by large negative returns to interest differentials and valuation.

What is your outlook for the market and the Fund in the months ahead?

The year that just ended was a very difficult period for most investors, and, with the U.S. economy, as well as many other world economies, in a recession, the weakness in capital markets could continue for some time.

Analytic intends to continue to emphasize stocks with attractive historical price-to-earnings and cash-flow-to-price ratios. We also intend to focus on select companies with above-average interest coverage, while de-emphasizing companies with higher-than-average financial leverage. We further anticipate continuing to emphasize companies with above-average asset utilization, while moving away from companies with high trading volume and above-average analyst dispersion, which may reflect greater uncertainty about a company’s outlook.

We believe that the Fund’s structure, with a long and short equity portfolio, an index options program to preserve upside potential of individual securities, and an asset allocation strategy for exposure to world markets has the potential to provide attractive returns in a wide variety of market conditions.

OLA Risks and Other Considerations

The views expressed in this report reflect those of the portfolio manager only through the report period as stated on the cover. These views are subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any kind. The material may also include forward looking statements that involve risk and uncertainty, and there is no guarantee that any predictions will come to pass. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

As with any stock, the price of the Fund's common shares will fluctuate with market conditions and other factors. Shares of closed-end management investment companies frequently trade at a discount from their net asset value. If you sell your common shares, you may receive more or less than your original investment. The common shares are designed for long-term investors and should not be treated as a vehicle for trading.

The Fund will ordinarily have substantial exposure (both long and short) to common stocks and other equity securities in pursuing its investment objectives and policies. The market price of common stocks and other equity securities in which the Fund invests may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting equity securities markets generally, particular industries represented in those markets or the issuer itself.

The Fund makes substantial use of short sales for investment and risk management purposes, including when Analytic anticipates that the market price of securities will decline or will underperform relative to other securities held in the Fund's portfolio. The Fund intends to take short equity positions in an amount equal to approximately 30% of the Fund's net assets at the time of sale, but reserves the flexibility to hold short positions of up to 70% of net assets. Short sales are transactions in which the Fund sells a security or other instrument (such as an option, forward, futures or other derivative contract) that it does not own. When the Fund engages in a short sale on a security, it must borrow the security sold short and deliver it to the counterparty. The Fund will ordinarily have to pay a fee or premium to borrow particular securities and be obligated to repay the lender of the security any dividends or interest that accrue on the security during the period of the loan. The amount of any gain from a short sale will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses the Fund pays in connection with the short sale. Short sales expose the Fund to the risk that it will be required to cover its short position at a time when the securities have appreciated in value, thus resulting in a potentially unlimited loss to the Fund.

The distributions shareholders receive from the Fund are based primarily on the dividends it earns from its equity investments as well as the gains the Fund receives from writing options and using other derivative instruments, closing out short sales and selling portfolio securities, each of which can vary widely over the short and long term. The dividend income from the Fund's investments in equity securities will be influenced by both general economic activity and issuer-specific factors. In the event of a recession or adverse events affecting a specific industry or issuer, an issuer of equity securities held by the Fund may reduce the dividends paid on such securities. If prevailing market interest rates decline, interest rates on any debt instruments held by the Fund, and shareholders' income from the Fund, would likely decline as well.

There are various risks associated with the Option Strategy. The purchaser of an index option written by the Fund has the right to any appreciation in the cash value of the index over the strike price on the expiration date. Therefore, as the writer of an index call option; the Fund forgoes the opportunity to profit from increases in the index over the strike price of the option. However, the Fund has retained the risk of loss (net of premiums received) should the price of the Fund's portfolio securities decline. Similarly, as the writer of a call option on an individual security held in the Fund's portfolio, 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 (net of premiums received) should the price of the underlying security decline. The value of options written by the Fund, which will be priced daily, will be affected by, among other factors, changes in the value of underlying securities (including those comprising an index), changes in the dividend rates of underlying securities, changes in interest rates, changes in the actual or perceived volatility of the stock market and underlying securities and the remaining time to an option's expiration. The value of an option also may be adversely affected if the market for the option is reduced or becomes less liquid.

An investment in the Fund is subject to certain risks and other considerations, including, but not limited to: Equity Risk; Short Sale Risk; Options Risk; Management Risk; Tax Treatment of Distributions; Derivatives Risk; Counterparty Risk; Credit Risk; Income Risk; Medium- and Smaller-Company Risk; Focused Investment Risk; Interest Rate Risk; Liquidity Risk; Market Disruption and Geopolitical Risk; Leverage Risk; Foreign Investment Risk; Other Investment Companies Risk; and Inflation/Deflation Risk.

Fund Summary

As of December 31, 2008 (unaudited)

Fund Statistics

Share Price	\$7.98
Common Share Net Asset Value	\$10.24
Premium/(Discount) to NAV	-22.07%
Net Assets (\$000)	\$194,666

Total Returns

(Inception 8/25/05)	Market	NAV
One Year	-39.88%	-35.09%
Three Year - average annual	-12.51%	-10.05%
Since Inception - average annual	-15.71%	-8.91%

Sector Breakdown

	%*
Information Technology	14.5%
Financials	14.1%
Consumer Staples	12.7%
Health Care	12.7%
Industrials	12.4%
Consumer Discretionary	12.1%
Energy	9.8%
Telecommunications	4.3%
Materials	4.2%
Utilities	3.2%

* % of common stocks and securities sold short

Securities are classified by sectors that represent broad groupings of related industries.

Top Ten Long-Term Common Stocks

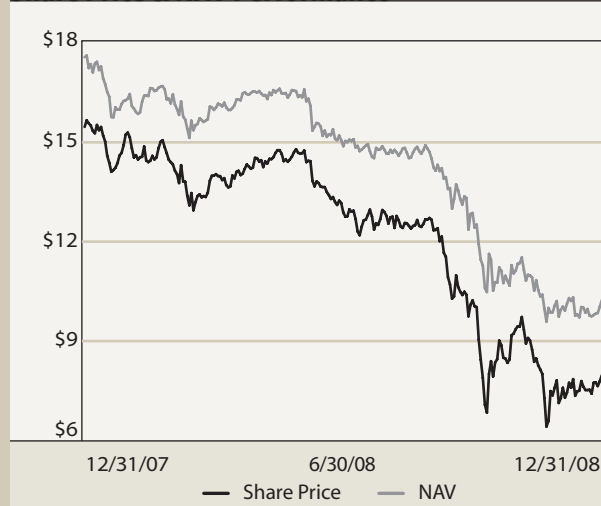
	% of Net Assets
Exxon Mobil Corp.	4.6%
Procter & Gamble Co.	2.9%
AT&T, Inc.	2.6%
Microsoft Corp.	2.5%
Chevron Corp.	2.3%
Hewlett-Packard Co.	2.1%
Verizon Communications, Inc.	2.1%
Wells Fargo & Co.	1.8%
Wal-Mart Stores, Inc.	1.6%
Philip Morris International, Inc.	1.6%

Top Five Securities Sold Short

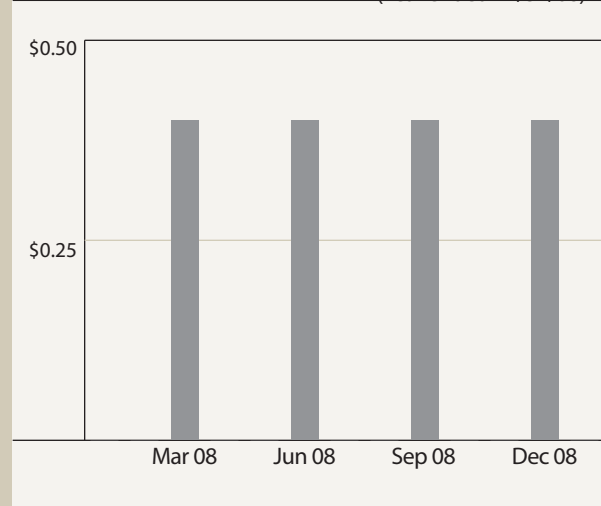
	% of Net Assets
Pitney Bowes, Inc.	1.2%
Autozone, Inc.	1.0%
Clorox Co.	1.0%
Affiliated Computer Services, Inc. - Class A	0.9%
General Mills, Inc.	0.9%

Past performance does not guarantee future results. All portfolio data is subject to change daily. For more current information, please visit www.claymore.com/ola. The above summaries are provided for informational purposes only and should not be viewed as recommendations.

Share Price & NAV Performance



Distributions to Shareholders (Year ended 12/31/08)



Fund Breakdown

	% of Net Assets
Long-Term Investments	124.7%
Short-Term Investments	12.1%
Total Investments	136.8%
Securities Sold Short	-38.1%
Total Value of Options Written	-2.0%
Other Assets less Liabilities	3.3%
Total Net Assets	100.0%

Portfolio of Investments

December 31, 2008

Number of Shares		Value	Number of Shares		Value
Long-Term Investments – 124.7%			Consumer Staples – 16.9%		
Consumer Discretionary – 13.9%					
1,951	Amazon.com, Inc. (a)	\$ 100,047	43,979	Altria Group, Inc. (b)	\$ 662,324
29,643	Best Buy Co., Inc. (b)	833,265	41,574	Archer-Daniels-Midland Co. (c)	1,198,578
65,677	Big Lots, Inc. (a) (c)	951,660	4,666	Avon Products, Inc.	112,124
3,349	Coach, Inc. (a)	69,559	32,163	Brown-Forman Corp. – Class B (c)	1,656,073
143,571	Comcast Corp. – Class A (b)	2,423,478	21,270	Coca-Cola Co. (b)	962,893
19,076	Dillard's, Inc. – Class A	75,732	2,541	Colgate-Palmolive Co.	174,160
7,705	DIRECTV Group, Inc. (a)	176,522	43,939	Costco Wholesale Corp. (c)	2,306,798
108,494	Eastman Kodak Co. (b)	713,891	26,629	CVS/Caremark Corp. (b)	765,317
31,449	Expedia, Inc. (a)	259,140	69,203	Dean Foods Co. (a) (b)	1,243,578
51,897	Family Dollar Stores, Inc. (c)	1,352,955	53,525	Estee Lauder Cos., Inc. – Class A (b)	1,657,134
258,748	Ford Motor Co. (a) (b)	592,533	17,597	Kraft Foods, Inc.	472,479
176	GameStop Corp. (a)	3,812	26,695	Molson Coors Brewing Co. – Class B (c)	1,305,919
31,085	Gap, Inc.	416,228	32,897	PepsiCo, Inc. (b)	1,801,769
12,152	Genuine Parts Co.	460,075	72,715	Philip Morris International, Inc. (b)	3,163,830
88,267	H&R Block, Inc. (b)	2,005,426	90,690	Procter & Gamble Co. (b)	5,606,456
48,511	Harman International Industries, Inc. (b)	811,589	84,152	Sara Lee Corp. (b)	823,848
167,332	Interpublic Group of Companies, Inc. (a) (b)	662,635	35,880	SUPERVALU, Inc.	523,848
42,217	Johnson Controls, Inc. (b)	766,661	112,549	SYSCO Corp. (b)	2,581,874
1,361	Kohl's Corp. (a)	49,268	130,198	Tyson Foods, Inc. – Class A (b)	1,140,534
329	Lowe's Cos., Inc.	7,080	756	UST, Inc.	52,451
3,255	Limited Brands, Inc.	32,680	59,148	Walgreen Co. (b)	1,459,181
28,690	McDonald's Corp. (b)	1,784,231	57,028	Wal-Mart Stores, Inc. (b)	3,196,990
30,954	McGraw-Hill Cos., Inc. (b)	717,823			32,868,158
27,498	New York Times Co. – Class A	201,560	Energy – 13.8%		
81,303	Newell Rubbermaid, Inc. (b)	795,143	15,377	Baker Hughes, Inc. (b)	493,140
204,938	News Corp. – Class A (c)	1,862,886	15,240	Cabot Oil & Gas Corp.	396,240
35,016	Nike, Inc. – Class B (b)	1,785,816	61,223	Chevron Corp. (b)	4,528,665
68,875	Office Depot, Inc. (a)	205,248	29,561	ConocoPhillips (c)	1,531,260
24,964	Polo Ralph Lauren Corp. (c)	1,133,615	6,836	Devon Energy Corp. (b)	449,194
15,637	RadioShack Corp.	186,706	104,195	El Paso Corp. (b)	815,847
52,232	Snap-On, Inc. (c)	2,056,896	6,006	EOG Resources, Inc.	399,880
373	Staples, Inc.	6,684	111,278	Exxon Mobil Corp. (b)	8,883,323
188	Tiffany & Co.	4,442	65,433	Halliburton Co. (b)	1,189,572
163,009	Time Warner, Inc. (c)	1,639,871	5,966	Hess Corp.	320,016
106	TJX Cos., Inc.	2,180	1,041	Marathon Oil Corp.	28,482
35,309	Walt Disney Co. (b)	801,161	1,411	Massey Energy Co.	19,458
53,916	Wendy's/Arby's Group, Inc. – Class A	266,345	19,041	Murphy Oil Corp. (b)	844,468
64,052	Wyndham Worldwide Corp.	419,541	6,957	National Oilwell Varco, Inc. (a)	170,029
11,456	Yum! Brands, Inc.	360,864	7,491	Noble Corp. (Cayman Islands)	165,476
		26,995,248	12,578	Noble Energy, Inc. (b)	619,089
			35,136	Occidental Petroleum Corp. (c)	2,107,809

See notes to financial statements.

Number of Shares		Value	Number of Shares		Value
Energy (continued)			Financials (continued)		
6,732	Peabody Energy Corp.	\$ 153,153	68,613	Regions Financial Corp. (b)	\$ 546,159
35,978	Pioneer Natural Resources Co. (b)	582,124	645	SunTrust Banks, Inc.	19,053
53,736	Schlumberger Ltd. (Netherlands Antilles) (b)	2,274,645	33,746	T Rowe Price Group, Inc. (c)	1,195,958
3,418	Sunoco, Inc.	148,546	12,877	Torchmark Corp.	575,602
3,421	Valero Energy Corp.	74,030	49,673	Travelers Cos., Inc. (b)	2,245,220
41,204	Williams Cos., Inc. (b)	596,634	46,307	US Bancorp. (b)	1,158,138
1,264	XTO Energy, Inc.	44,581	15,033	Wachovia Corp.	83,283
		26,835,661	119,671	Wells Fargo & Co. (b)	3,527,901
					33,708,737
Financials – 17.3%			Health Care – 17.7%		
14,990	American Express Co.	278,065	18,641	Abbott Laboratories (b)	994,870
9,956	AON Corp.	454,790	59,988	Aetna, Inc. (c)	1,709,658
115	Apartment Investment & Management Co. – Class A – REIT	1,328	4,081	Allergan, Inc.	164,546
20,304	AvalonBay Communities, Inc. – REIT (c)	1,230,016	62,189	AmerisourceBergen Corp. (c)	2,217,660
77,982	Bank of America Corp. (c)	1,097,987	33,135	Amgen, Inc. (a) (b)	1,913,546
63,363	Bank of New York Mellon Corp. (c)	1,795,074	21,042	Baxter International, Inc. (c)	1,127,641
10,089	BB&T Corp.	277,044	8,376	Becton Dickinson & Co. (b)	572,835
22,771	Boston Properties, Inc. – REIT (c)	1,252,405	61,042	Bristol-Myers Squibb Co. (c)	1,419,226
13,630	CB Richard Ellis Group, Inc. – Class A (a)	58,882	70,356	Cardinal Health, Inc. (b)	2,425,171
109,207	Charles Schwab Corp. (c)	1,765,877	43,018	Cigna Corp. (b)	724,853
35,219	Chubb Corp. (b)	1,796,169	44,611	Dentsply International, Inc. (b)	1,259,815
12,354	Citigroup, Inc.	82,895	3,525	Express Scripts, Inc. (a)	193,805
1,226	CME Group, Inc.	255,143	6,935	Genzyme Corp. (a) (b)	460,276
941	Developers Diversified Realty Corp. – REIT	4,592	7,643	Gilead Sciences, Inc. (a)	390,863
28,948	Discover Financial Services	275,874	36,016	Humana, Inc. (a) (c)	1,342,676
20,836	Federated Investors, Inc. – Class B	353,379	41,942	Johnson & Johnson (c)	2,509,390
13,244	Fifth Third Bancorp	109,395	45,795	Life Technologies Corp. (a) (c)	1,067,481
69,422	Host Hotels & Resorts, Inc. – REIT (b)	525,525	58,781	McKesson Corp. (c)	2,276,588
132,483	Hudson City Bancorp, Inc. (b)	2,114,429	56,664	Medco Health Solutions, Inc. (a) (c)	2,374,788
96,479	Janus Capital Group, Inc. (b)	774,726	12,489	Medtronic, Inc.	392,404
39,185	JPMorgan Chase & Co. (c)	1,235,503	54,733	Merck & Co, Inc. (b)	1,663,883
36,445	Kimco Realty Corp. – REIT (b)	666,215	74,527	PerkinElmer, Inc. (c)	1,036,671
27,261	Leucadia National Corp. (b)	539,768	124,604	Pfizer, Inc. (b)	2,206,737
50,105	Loews Corp. (c)	1,415,466	45,585	Stryker Corp. (c)	1,821,121
24,943	Marsh & McLennan Cos., Inc. (c)	605,367	258,448	Tenet Healthcare Corp. (a)	297,215
19,727	Merrill Lynch & Co., Inc. (d)	229,622	4,130	Thermo Fisher Scientific, Inc. (a)	140,709
25,095	Northern Trust Corp. (c)	1,308,453	12,947	UnitedHealth Group, Inc. (b)	344,390
52,313	NYSE Euronext (c)	1,432,330	938	Varian Medical Systems, Inc. (a)	32,868
10,042	Plum Creek Timber Co., Inc. – REIT	348,859	9,781	Watson Pharmaceuticals, Inc. (a)	259,881
7,400	PNC Financial Services Group, Inc.	362,600	5,801	Wyeth	217,596
9,010	Principal Financial Group, Inc.	203,356	24,756	Zimmer Holdings, Inc. (a) (b)	1,000,638
55,084	Progressive Corp. (b)	815,794			34,559,801
804	Prologis – REIT	11,168			
8,545	Public Storage – REIT (b)	679,327			

See notes to financial statements.

Number of Shares		Value	Number of Shares		Value
Industrials – 12.3%			Information Technology (continued)		
47,734	Boeing Co. (b)	\$ 2,036,810	114,739	Hewlett-Packard Co. (b)	\$ 4,163,878
10,340	C.H. Robinson Worldwide, Inc. (b)	569,010	200,521	Intel Corp. (b)	2,939,638
41,287	CSX Corp. (c)	1,340,589	10,241	International Business Machines Corp. (b)	861,883
26,761	Cummins, Inc. (b)	715,322	40,617	Jabil Circuit, Inc.	274,165
159	Fastenal Co.	5,541	5,813	Kla-Tencor Corp.	126,665
29,640	FedEx Corp. (b)	1,901,406	36,410	Lexmark International, Inc. – Class A (a) (b)	979,429
29,861	Fluor Corp. (c)	1,339,863	31,951	MEMC Electronic Materials, Inc. (a) (b)	456,260
28,912	General Dynamics Corp. (c)	1,665,042	4,055	Microchip Technology, Inc.	79,194
93,695	General Electric Co. (c)	1,517,859	250,081	Microsoft Corp. (b)	4,861,575
21,931	Jacobs Engineering Group, Inc. (a) (c)	1,054,881	101,506	Molex, Inc. (b)	1,470,822
25,838	Lockheed Martin Corp. (c)	2,172,459	123,494	Motorola, Inc. (b)	547,078
19,232	Manitowoc Co., Inc.	166,549	22,081	NetApp, Inc. (a)	308,472
9,435	Norfolk Southern Corp.	443,917	31,261	QLogic Corp. (a)	420,148
3,951	Northrop Grumman Corp.	177,953	4,261	QUALCOMM, Inc.	152,672
13,560	Pall Corp.	385,511	16,622	Salesforce.com, Inc. (a) (b)	532,070
8,940	Parker Hannifin Corp. (b)	380,308	65,865	Sun Microsystems, Inc. (a) (b)	251,604
18,731	Precision Castparts Corp. (b)	1,114,120	5,032	Teradata Corp. (a)	74,625
36,558	Raytheon Co. (b)	1,865,920	3,651	Teradyne, Inc. (a)	15,407
19,336	Republic Services, Inc.	479,339	141,718	Texas Instruments, Inc. (b)	2,199,463
41,524	RR Donnelley & Sons Co.	563,896	20,107	Tyco Electronics Ltd. (Bermuda)	325,934
6,595	Tyco International Ltd. (Bermuda) (b)	142,452	259,103	Unisys Corp. (a)	220,238
37,948	Union Pacific Corp. (b)	1,813,914	49,365	Western Union Co. (b)	707,894
23,428	Waste Management, Inc. (b)	776,404	57,620	Yahoo!, Inc. (a) (b)	702,964
16,219	WW Grainger, Inc. (c)	1,278,706			35,748,751
		23,907,771			
Information Technology – 18.4%			Materials – 4.9%		
66,560	Analog Devices, Inc. (b)	1,265,971	35,082	AK Steel Holding Corp.	326,964
9,985	Apple, Inc. (a) (b)	852,220	103,216	Alcoa, Inc. (b)	1,162,212
16,175	Applied Materials, Inc.	163,853	3,559	Ashland, Inc.	37,405
694	Autodesk, Inc. (a)	13,637	9,484	Ball Corp.	394,440
9,615	Automatic Data Processing, Inc.	378,254	8,671	CF Industries Holdings, Inc.	426,266
618	Broadcom Corp. – Class A (a)	10,487	19,748	Dow Chemical Co.	297,997
75,295	CA, Inc. (c)	1,395,216	84,836	Du Pont (E.I.) de Nemours & Co. (b)	2,146,351
92,130	Cisco Systems, Inc. (a) (b)	1,501,719	48,891	Ecolab, Inc. (c)	1,718,519
49,625	Computer Sciences Corp. (a) (b)	1,743,823	38,333	MeadWestvaco Corp.	428,946
9,016	Compuware Corp. (a)	60,858	3,886	Monsanto Co.	273,380
80,795	Convergys Corp. (a) (b)	517,896	18,618	Newmont Mining Corp. (b)	757,753
123,817	Corning, Inc. (c)	1,179,976	11,216	Praxair, Inc.	665,782
107,799	Dell, Inc. (a) (c)	1,103,862	240	Rohm & Haas Co.	14,830
60,587	eBay, Inc. (a) (b)	845,795	44,960	Sealed Air Corp. (b)	671,702
32,301	Electronic Arts, Inc. (a) (b)	518,108	4,370	Titanium Metals Corp.	38,500
57,943	EMC Corp. (a) (b)	606,663	3,364	Vulcan Materials Co.	234,067
2,985	Google, Inc. – Class A (a) (c)	918,335			9,595,114

See notes to financial statements.

Number of Shares		Value
Telecommunications – 5.5%		
32,350	American Tower Corp. – Class A (a) (b)	\$ 948,502
179,756	AT&T, Inc. (b)	5,123,046
169,355	Qwest Communications International, Inc. (b)	616,452
120,217	Verizon Communications, Inc. (b)	4,075,356
		10,763,356
Utilities – 4.0%		
35,453	AES Corp. (a)	292,133
11,561	Allegheny Energy, Inc.	391,455
3,882	Duke Energy Corp. (b)	58,269
42,417	Edison International (c)	1,362,434
7,525	Exelon Corp.	418,465
11,632	FirstEnergy Corp.	565,083
9,361	Integrus Energy Group, Inc.	402,336
70,435	PG&E Corp. (b)	2,726,539
8,221	Pinnacle West Capital Corp.	264,141
832	Public Service Enterprise Group, Inc.	24,269
66,106	TECO Energy, Inc. (b)	816,409
22,033	Xcel Energy, Inc.	408,712
		7,730,245
Total Long-Term Investments – 124.7%		
	(Cost \$341,925,484)	242,712,842
Principal Amount		
		Value
U.S. Government Securities – 11.6%		
\$ 22,550,000	U.S. Treasury Bill yielding 0.64% 10/22/09 maturity (c) (e) (Cost \$22,432,432)	22,488,889
Number of Shares		
		Value
Money Market Funds – 0.5%		
1,053,531	Dreyfus Institutional Reserve Money Market Fund (Cost \$1,053,531)	1,053,531
Total Short-Term Investments – 12.1%		
	(Cost \$23,485,963)	23,542,420
Total Investments – 136.8%		
	(Cost \$365,411,447)	266,255,262
	Securities Sold Short – (38.1%) (Proceeds \$87,853,121)	(74,231,399)
	Total Value of Options Written (Premiums received \$5,563,001) – (2.0%)	(3,829,800)
	Other Assets in excess of Other Liabilities – 3.3%	6,472,105
Net Assets – 100.0%		
		\$ 194,666,168

Number of Shares		Value
Securities Sold Short – 38.1%		
Common Stocks – 38.1%		
Consumer Discretionary – 5.7%		
45,727	Abercrombie & Fitch Co. – Class A	\$ 1,054,922
7,065	Apollo Group, Inc. – Class A	541,320
13,455	Autozone, Inc.	1,876,569
8,176	Bed Bath & Beyond, Inc.	207,834
19,414	Black & Decker Corp.	811,699
2,387	Carnival Corp. (Panama)	58,052
66,580	CBS Corp. – Class B	545,290
1,299	Darden Restaurants, Inc.	36,606
50,686	DR Horton, Inc.	358,350
678	EW Scripps Co. – Class A	1,498
61,482	Gannett Co., Inc.	491,856
30,314	Goodyear Tire & Rubber Co.	180,975
10,690	Harley-Davidson, Inc.	181,409
37,416	Home Depot, Inc.	861,316
21,264	International Game Technology	252,829
7,834	JC Penney Co., Inc.	154,330
36,994	KB Home	503,858
14,537	Macy's, Inc.	150,458
5,350	Marriott International, Inc. – Class A	104,058
5,047	Meredith Corp.	86,405
8,423	Omnicom Group, Inc.	226,747
12,241	Pulte Homes, Inc.	133,794
56,039	Scripps Networks Interactive, Inc. – Class A	1,232,858
2,237	Sherwin-Williams Co.	133,661
16,836	Stanley Works	574,108
3,519	Starwood Hotels & Resorts Worldwide, Inc.	62,990
2,806	Target Corp.	96,891
2,259	Viacom, Inc. – Class B	43,057
645	Washington Post Co. – Class B	251,711
		11,215,451
Consumer Staples – 3.8%		
33,506	Clorox Co.	1,861,593
20,049	Constellation Brands, Inc. – Class A	316,173
28,149	General Mills, Inc.	1,710,052
14,285	Hershey Co.	496,261
21,540	HJ Heinz Co.	809,904
18,646	Kellogg Co.	817,627
6,521	Kimberly-Clark Corp.	343,917

See notes to financial statements.

Number of Shares		Value	Number of Shares		Value
Consumer Staples (continued)			Health Care (continued)		
4,920	Kroger Co.	\$ 129,937	14,078	St. Jude Medical, Inc.	\$ 464,011
7,368	Lorillard, Inc.	415,187	37,093	Waters Corp.	1,359,458
11,967	Reynolds American, Inc.	482,390			5,664,806
		7,383,041			
Energy – 2.2%			Industrials – 7.9%		
30,073	Anadarko Petroleum Corp.	1,159,314	26,425	3M Co.	1,520,495
12,463	Apache Corp.	928,867	9,807	Burlington Northern Santa Fe Corp.	742,488
4,702	Chesapeake Energy Corp.	76,031	4,395	Caterpillar, Inc.	196,325
1,917	ENSCO International, Inc.	54,424	24,501	Danaher Corp.	1,387,002
26,427	Range Resources Corp.	908,825	15,420	Deere & Co.	590,894
22,017	Tesoro Corp.	289,964	5,619	Dun & Bradstreet Corp.	433,787
17,317	Transocean, Inc. (Cayman Islands)	818,228	17,269	Eaton Corp.	858,442
		4,235,653	20,910	Emerson Electric Co.	765,515
Financials – 5.6%			3,924	Expeditors International of Washington, Inc.	130,551
770	Aflac, Inc.	35,297	6,295	Honeywell International, Inc.	206,665
40,958	Allstate Corp.	1,341,784	29,675	Illinois Tool Works, Inc.	1,040,109
20,328	Capital One Financial Corp.	648,260	18,790	L-3 Communications Holdings, Inc.	1,386,326
47,306	CIT Group, Inc.	214,769	15,849	PACCAR, Inc.	453,281
8,465	Comerica, Inc.	168,030	95,405	Pitney Bowes, Inc.	2,430,919
9,309	Equity Residential – REIT	277,595	3,666	Rockwell Automation, Inc.	118,192
53,344	First Horizon National Corp.	563,842	509	Ryder System, Inc.	19,739
8,974	Goldman Sachs Group, Inc.	757,316	112,055	Southwest Airlines Co.	965,914
46,067	Hartford Financial Services Group, Inc.	756,420	16,307	Textron, Inc.	226,178
31,612	HCP, Inc. – REIT	877,865	15,567	United Parcel Service, Inc. – Class B	858,676
46,302	Keycorp	394,493	20,933	United Technologies Corp.	1,122,009
14,321	Legg Mason, Inc.	313,773			15,453,507
725	M&T Bank Corp.	41,622	Information Technology – 5.2%		
44,464	Marshall & Ilsley Corp.	606,489	39,729	Affiliated Computer Services, Inc. – Class A	1,825,548
18,567	MGIC Investment Corp.	64,613	1,824	Akamai Technologies, Inc.	27,524
48,947	Morgan Stanley	785,110	45,714	Altera Corp.	763,881
6,471	Prudential Financial, Inc.	195,813	107,780	Ciena Corp.	722,126
16,685	Simon Property Group, Inc. – REIT	886,474	8,696	Citrix Systems, Inc.	204,965
76,608	SLM Corp.	681,811	41,263	Fiserv, Inc.	1,500,735
19,751	Vornado Realty Trust – REIT	1,191,973	17,398	Intuit, Inc.	413,898
54,716	XL Capital Ltd. – Class A (Cayman Islands)	202,449	58,453	JDS Uniphase Corp.	213,353
		11,005,798	49,060	Linear Technology Corp.	1,085,207
Health Care – 2.9%			2,189	Mastercard, Inc. – Class A	312,874
17,371	DaVita, Inc.	861,081	11,786	National Semiconductor Corp.	118,685
12,743	Eli Lilly & Co.	513,161	29,533	Novell, Inc.	114,883
4,680	Intuitive Surgical, Inc.	594,313	44,902	Novellus Systems, Inc.	554,091
8,862	King Pharmaceuticals, Inc.	94,114	55,056	Nvidia Corp.	444,302
10,795	Laboratory Corp of America Holdings	695,306	31,625	Oracle Corp.	560,711
20,870	Quest Diagnostics, Inc.	1,083,362	16,687	Paychex, Inc.	438,534
			2,864	Tellabs, Inc.	11,800

See notes to financial statements.

Number of Shares		Value	Contracts (100 shares per contract)	Options Written(a)	Expiration Date	Exercise Price	Market Value
Information Technology (continued)							
3,308	VeriSign, Inc.	\$ 63,117	230	ISE U.S. Reg Banks Index	January 2009	\$ 22.50	\$ 29,900
39,327	Xilinx, Inc.	700,807	108	ISE SIndex	January 2009	72.50	11,880
		10,077,041	2,322	KBW Bank Index	January 2009	45.00	417,960
			249	Philadelphia Utility Index	January 2009	400.00	231,570
			415	S&P 500 Index	January 2009	875.00	1,572,850
			240	S&P 500 Index	January 2009	925.00	298,800
			1,173	S&P 500 Index	January 2009	930.00	1,266,840
Materials – 2.0%							
3,556	Allegheny Technologies, Inc.	90,785					
46,175	Bemis Co., Inc.	1,093,424					
7,003	Freeport-McMoRan Copper & Gold, Inc.	171,153					
23,371	International Paper Co.	275,778					
20,719	Nucor Corp.	957,218					
6,402	PPG Industries, Inc.	271,637					
1,696	United States Steel Corp.	63,091					
29,887	Weyerhaeuser Co.	914,841					
		3,837,927					
Telecommunications – 1.5%							
29,519	CenturyTel, Inc.	806,754					
154,001	Frontier Communications Corp.	1,345,969					
78,426	Windstream Corp.	721,519					
		2,874,242					
Utilities – 1.3%							
17,554	Consolidated Edison, Inc.	683,377					
18,496	Dominion Resources, Inc.	662,897					
85,304	Dynegy, Inc.	170,608					
11,633	Entergy Corp.	967,051					
		2,483,933					
Total Securities Sold Short – 38.1 %							
	(Proceeds \$87,853,121)	\$ 74,231,399					
Call Options Written (a)							
Total Options Written							
						(Premiums received \$5,563,001)	\$ 3,829,800

REIT – Real Estate Investment Trust

- (a) Non-income producing security.
- (b) All or a portion of these securities are held as collateral for Securities Sold Short.
- (c) All or a portion of these securities are held as collateral for futures or options.
- (d) Effective January 1, 2009, Bank of America completed its acquisition of Merrill Lynch.
- (e) Held as collateral for forward exchange currency contracts.

Securities are classified by sectors that represent broad groupings of related industries.

Statement of Assets and Liabilities

December 31, 2008

Assets	
Investments, at value (cost \$365,411,447)	\$ 266,255,262
Cash	4,872,707
Unrealized appreciation on forward currency exchange contracts	3,337,081
Variation margin on futures	196,694
Dividends and interest receivable	464,877
Other assets	4,559
Total assets	275,131,180
Liabilities	
Securities sold short, at value (proceeds \$87,853,121)	74,231,399
Options written, at value (premiums received of \$5,563,001)	3,829,800
Unrealized depreciation on forward currency exchange contracts	2,115,799
Advisory fee payable	159,646
Administration fee payable	4,390
Accrued expenses	123,978
Total liabilities	80,465,012
Net Assets	\$ 194,666,168
Composition of Net Assets	
Common stock, \$.01 par value per share; unlimited number of shares authorized, 19,005,240 shares issued and outstanding	\$ 190,052
Additional paid-in capital	320,244,358
Net unrealized depreciation on investments, futures, options, securities sold short, forwards and currency translation	(80,655,265)
Accumulated net realized loss on investments, futures, options, securities sold short, forwards and currency transactions	(42,271,894)
Accumulated net investment loss	(2,841,083)
Net Assets	\$ 194,666,168
Net Asset Value (based on 19,005,240 common shares outstanding)	\$ 10.24

See notes to financial statements.

Statement of Operations

For the year ended December 31, 2008

Investment Income

Dividends	\$ 6,435,561	
Interest	690,783	
Total income		\$ 7,126,344

Expenses

Advisory fee	2,729,252	
Dividends on securities sold short	2,329,922	
Custodian fee	499,563	
Trustees' fees and expenses	146,116	
Professional fees	140,911	
Fund accounting	93,807	
Printing expense	77,199	
Administration fee	69,482	
NYSE listing fee	21,228	
Transfer agent fee	18,589	
Insurance	18,361	
Miscellaneous	12,896	
Total expenses		6,157,326
Net investment income		969,018

Realized and Unrealized Gain (Loss):

Net realized gain (loss) on:		
Investments		\$ (66,155,320)
Futures		(23,830,976)
Options		20,600,660
Securities sold short		28,088,430
Foreign currency forwards and currency transactions		(13,238,546)
Net change in unrealized appreciation (depreciation) on:		
Investments		(73,627,854)
Futures		1,048,685
Options		844,338
Securities sold short		8,393,619
Foreign currency forwards and currency translation		3,910,295
Net realized and unrealized loss		(113,966,669)
Net Decrease in Net Assets Resulting from Operations		\$ (112,997,651)

See notes to financial statements.

Statement of Changes in Net Assets

	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007
Increase (Decrease) in Net Assets from Operations		
Net investment income (loss)	\$ 969,018	\$ (1,954,648)
Net realized gain (loss) on investments, futures, options, securities sold short, forwards and currency transactions	(54,535,752)	36,920,981
Net unrealized appreciation (depreciation) on investments, futures, options, securities sold short, forwards and currency translation	(59,430,917)	(25,521,665)
Net increase/(decrease) in net assets resulting from operations	(112,997,651)	9,444,668
Distributions to Common Shareholders		
From and in excess of net investment income	(2,755,313)	(30,408,384)
Return of capital	(27,653,071)	—
Total distributions to common shareholders	(30,408,384)	(30,408,384)
Total increase (decrease) in net assets	(143,406,035)	(20,963,716)
Net Assets		
Beginning of period	338,072,203	359,035,919
End of period (including accumulated net investment loss of (\$2,841,083) and (\$4,573,224), respectively)	\$ 194,666,168	\$ 338,072,203

See notes to financial statements.

Financial Highlights

Per share operating performance for a common share outstanding throughout the period	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007	For the Year Ended December 31, 2006	For the Period August 25, 2005* through December 31, 2005
Net asset value, beginning of period	\$ 17.79	\$ 18.89	\$ 18.80	\$ 19.10 ^(a)
Income from investment operations				
Net investment income (loss) ^(b)	0.05	(0.10)	0.07	0.04
Net realized and unrealized gain on investments, futures, options, securities sold short, forwards and foreign currency	(6.00)	0.60	1.62	0.10
Total from investment operations	(5.95)	0.50	1.69	0.14
Common shares' offering expenses charged to paid-in capital	-	-	-	(0.04)
Distributions to Common Shareholders				
From and in excess of net investment income	(0.14)	(1.60)	(1.60)	(0.40)
Return of capital	(1.46)	-	-	-
Total distributions to common shareholders	(1.60)	(1.60)	(1.60)	(0.40)
Net asset value, end of period	\$ 10.24	\$ 17.79	\$ 18.89	\$ 18.80
Market value, end of period	\$ 7.98	\$ 15.33	\$ 18.33	\$ 16.47
Total investment return ^(c)				
Net asset value	-35.09%	2.54%	9.36%	0.52%
Market value	-39.88%	-8.45%	21.70%	-15.76%
Ratios and supplemental data				
Net assets, end of period (thousands)	\$ 194,666	\$ 338,072	\$ 359,036	\$ 357,292
Ratios to average net assets, including dividend expense on securities sold short:				
Total expense ratio	2.26%	2.81%	2.00%	1.58% ^{(d)(e)}
Operating expense ratio	1.41%	1.50%	1.52%	1.34% ^(d)
Dividends paid on securities sold short	0.85%	1.31%	0.48%	0.24% ^{(d)(e)}
Net investment income (loss) ratio	0.36%	-0.55%	0.39%	0.75% ^{(d)(e)}
Portfolio turnover	223%	323%	248%	60%

* Commencement of investment operations.

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

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

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

(d) Annualized.

(e) The expense ratio includes dividend payments made on securities sold short. During the approximate four month period from August 25, 2005 through December 31, 2005, nine securities sold short made two quarterly payments. The annualized ratios noted above have been adjusted such that these securities would only reflect the equivalent of four quarterly dividends per security. Had this adjustment not been made, the expense ratio would have been 1.65% and the net investment income ratio would have been 0.68%.

Notes to Financial Statements | December 31, 2008

Note 1 – Organization:

Old Mutual/Claymore Long-Short Fund (the “Fund”) was organized as a Massachusetts business trust on December 3, 2004. The Fund is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the “1940 Act”).

The Fund’s primary investment objective is to provide a high level of current income and current gains. The Fund’s secondary investment objective is to provide long-term capital appreciation. The Fund seeks to achieve its investment objective by investing in a diversified portfolio of equity securities and by selling securities short in the S&P 500 Index that it believes will underperform relative to the average stock in the S&P 500. The Fund will also write (sell) call options on equity indices and, to a lesser extent, on individual securities held in the Fund’s portfolio. The Fund may also employ a variety of other strategies involving futures and forward contracts and other derivative instruments in an attempt to enhance the Fund’s investment returns. There can be no assurance that the Fund’s investment objective will be achieved.

Note 2 – Accounting Policies:

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

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

(a) Valuation of Investments and Derivatives

Equity securities listed on an exchange are valued at the last reported sale price on the primary exchange on which they are traded. Equity securities 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. 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. Debt securities are valued by independent pricing services or dealers using the mean of the closing bid and asked prices for such securities or, if such prices are not available, at prices for securities of comparable maturity, quality and type. Equity index options are valued at the closing price on the primary exchange on which they are traded. Futures and options on future contracts are valued at the settlement price determined by the exchange on which they are traded. Forward exchange currency contracts are valued daily at current exchange rates. All other types of securities, including restricted securities, and securities for which market quotations are not readily available, are valued as determined in accordance with procedures established in good faith by the Board of Trustees. Short-term securities having a remaining maturity of sixty days or less at the time of purchase are valued at amortized cost, which approximates market value.

For those securities whose quotations or prices are not available, the valuations are determined in accordance with procedures established in good faith by the Board of Trustees. Valuations in accordance with these procedures are intended to reflect each security’s (or asset’s) “fair value.” Such “fair value” is the amount that the Fund might reasonably expect to receive for the security (or asset) upon its current sale. Each such determination should be based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to: (i) the type of security, (ii) the initial cost of the security, (iii) the existence of any contractual restrictions on the security’s disposition, (iv) the price and extent of public trading in similar securities of the issuer or of comparable companies, (v) quotations or evaluated prices from broker-dealers

and/or pricing services, (vi) information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange traded securities), (vii) an analysis of the company’s financial statements, and (viii) an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold (e.g. the existence of pending merger activity, public offerings or tender offers that might affect the value of the security).

In September, 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standard No. 157, “Fair Value Measurements” (“FAS 157”). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 establishes three different categories for valuations. Level 1 valuations are those based upon quoted prices in active markets. Level 2 valuations are those based upon quoted prices in inactive markets or based upon significant observable inputs (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). Details of the valuations as of December 31, 2008 were as follows:

Valuations at December 31, 2008

Description	Securities	Derivatives	Total
(value in \$000s)			
Assets:			
Level 1	\$ 243,766	\$ —	\$ 243,766
Level 2	22,489	8,063	30,552
Level 3	—	—	—
Total	\$ 266,255	\$ 8,063	\$ 274,318
Liabilities:			
Level 1	\$ 74,231	\$ 3,830	\$ 78,061
Level 2	—	4,920	4,920
Level 3	—	—	—
Total	\$ 74,231	\$ 8,750	\$ 82,981

(b) Investment Transactions and Investment Income

Investment transactions are accounted for on the trade date. Realized gains and losses on investments are determined on the identified cost basis. Dividend income is recorded net of applicable withholding taxes on the ex-dividend date and interest income is recorded on an accrual basis. Discounts or premiums on debt securities purchased are accreted or amortized to interest income over the lives of the respective securities using the effective interest method.

(c) Futures

The Fund may engage in asset allocation strategies by purchasing or selling futures contracts on U.S. and foreign securities, indices and other assets. A futures contract provides for the future sale by one party and purchase by another party of a specified quantity of the security or other financial instrument at a specified price and time. A futures contract on an index is an agreement in which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of the index at the close of the last trading day of the contract and the price at which the index contract was originally written. Upon entering into futures contracts, the Fund maintains an amount of cash or liquid securities with a value equal to a percentage of the contract amount with either a futures commission merchant pursuant to rules and regulations promulgated under the 1940 Act, as amended, or with its custodian in an account in the broker’s name. This amount is known as initial margin. During the period the futures contract is open, payments are received from or made to the broker based upon changes in the value of the contract (the variation margin). The risk of loss associated with a futures contract is in excess of the variation margin reflected on the Statement of Assets and Liabilities. The Fund may use futures contracts in an attempt to enhance the Fund’s

investment returns, as an efficient way to gain broad market exposure with reduced transaction costs and/or to hedge against market and other risks in the Fund's portfolio. There are a number of risks associated with the use of futures contracts. A purchase or sale of a futures contract may result in losses in excess of the amount invested in the futures contract. If futures are used for hedging, there can be no guarantee that there will be a correlation between price movements in the hedging vehicle and in the Fund's portfolio securities being hedged.

(d) Options

The Fund will opportunistically employ an option strategy in an attempt to generate gains from option premiums, enhance distributions payable to the Fund's shareholders and reduce overall portfolio risk. The Fund intends to pursue its options strategy primarily by writing call options on equity indices. As the writer (seller) of an equity index call option, the Fund would receive cash (the premium) from the purchaser of the option, and the purchaser would have the right to receive from the Fund any appreciation in the cash value of the index over the strike price upon exercise. If the purchaser exercises the index option sold by the Fund, the Fund would pay the purchaser the difference between the cash value of the index and the strike price. In effect, the Fund sells the potential appreciation in the value of the index above the strike price in exchange for the premium.

(e) Securities Sold Short

The Fund may sell securities short. A short sale is a transaction in which the Fund sells securities it does not own, but rather has borrowed, in anticipation of a decline in the market price of the securities. The Fund is obligated to replace the borrowed securities at their market price at the time of replacement. The Fund's obligation to replace the securities borrowed in connection with a short sale will be fully secured by collateral held in a segregated account at the custodian. Short sales by the Fund involve certain risks and special considerations. Possible losses from short sales differ from losses that could be incurred from a purchase of a security because losses from a short sale may be unlimited, whereas losses from purchases cannot exceed the total amount invested.

Short equity securities listed on an exchange are valued at the last reported sale price on the primary exchange on which they are traded. Short equity securities for which there are no transactions on a given day are valued at the mean of the closing bid and asked prices. Short equity securities traded on NASDAQ are valued at the NASDAQ Official Closing Price. Readily marketable short equity 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.

(f) Currency Translation

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

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

Foreign exchange gain or loss on assets and liabilities, other than investments, are included in unrealized appreciation (depreciation) on foreign currency translations.

(g) Forward Exchange Currency Contracts

The Fund may enter into forward exchange currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchases and sales commitments denominated in foreign currencies and for investment purposes. A forward exchange currency contract is a commitment to purchase or sell a foreign currency on a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contracts and the closing of such contracts are included in net realized gain or loss on foreign currency forwards and currency transactions on the Statement of Operations.

Fluctuations in the value of open forward exchange currency contracts are recorded for financial reporting purposes as unrealized appreciation and depreciation on foreign currency forwards and currency translation on the Statement of Operations.

The Fund's custodian will place and maintain cash not available for investment or other liquid assets in a separate account of the Fund having a value at least equal to the aggregate amount of the Fund's commitments under forward exchange currency contracts entered into with respect to position hedges.

Risks may arise from the potential inability of a counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars, reflects the total exposure the Fund has in that particular currency contract.

(h) Distributions to Shareholders

The Fund declares and pays quarterly dividends to common shareholders. Distributions to shareholders are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. These dividends consist of investment company taxable income, which generally includes qualified dividend income, ordinary income, short-term capital gains and premiums received on certain written options. Realized short-term capital gains and premiums received on certain options are considered ordinary income for tax purposes and will be reclassified at the Fund's fiscal year end on the Fund's Statement of Assets and Liabilities from accumulated net realized gains to accumulated net investment loss. Any net realized long-term capital gains will be distributed annually to common shareholders.

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

Pursuant to an Investment Advisory Agreement (the "Agreement") between the Fund and Claymore Advisors, LLC (the "Adviser"), the Adviser will furnish offices, necessary facilities and equipment, oversee the activities of Analytic Investors, LLC ("Analytic" or the "Sub-Adviser"), provide personnel including certain officers required for its administrative management and pay the compensation of all officers and trustees of the Fund who are its affiliates. As compensation for these services, the Fund will pay the Adviser an annual fee, payable monthly, in an amount equal to 1.00% of the Fund's average daily total net assets.

Pursuant to a Sub-Advisory Agreement (the "Sub-Advisory Agreement") between the Fund, the Adviser and the Sub-Adviser, the Sub-Adviser under the supervision of the Fund's Board of Trustees and the Adviser, provides a continuous investment program for the Fund's portfolio; provides investment research, makes and executes recommendations for the purchase and sale of securities; and provides certain facilities and personnel, including certain officers required for its administrative management and pays the compensation of all officers and trustees of the Fund who are its affiliates. As compensation for its services, the Adviser pays

the Sub-Adviser a fee, payable monthly, in an annual amount equal to 0.50% of the Fund's average daily total net assets. Analytic is an affiliate of Old Mutual (US) Holdings, Inc.

The Adviser provides Fund Administration services to the Fund. For its services, the Adviser receives a fund administration fee payable monthly at the annual rate set forth below as a percentage of the average daily total net assets of the Fund:

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

The Bank of New York Mellon ("BNY") acts as the Fund's custodian, accounting agent, and transfer agent. As custodian, BNY is responsible for the custody of the Fund's assets. As accounting agent, BNY is responsible for maintaining the books and records of the Fund's securities and cash. As transfer agent, BNY is responsible for performing transfer agency services for the Fund.

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

Note 4 – Federal Income Taxes:

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

Due to inherent differences in the recognition of income, expenses, and realized gains/losses under U.S. generally accepted accounting principles and federal income tax purposes, permanent differences between book and tax basis reporting have been identified and appropriately reclassified on the Statement of Assets and Liabilities. A permanent book and tax difference relating to a distribution reclass in the amount of \$2,755,313 was reclassified from accumulated net investment loss to accumulated net realized loss. Also permanent book and tax differences relating to losses on foreign currency transactions in the amount of \$13,238,546 were reclassified from accumulated net realized loss to accumulated net investment loss. Additionally, a permanent book and tax difference relating to capital gain and return of capital distributions received from real estate investment trusts totaling \$150,934 was reclassified from accumulated net realized loss to accumulated net investment loss. Finally, a permanent book and tax difference relating to net operating losses in the amount of \$14,152,603 was reclassified from accumulated net investment loss to capital.

Capital losses and foreign currency transactions incurred after October 31 ("post-October" losses) within the taxable year are deemed to arise on the first business day of the Fund's next taxable year. The Fund incurred and elected to defer capital losses and foreign currency related losses from 2008 in the amount of \$10,379,228 and \$1,619,801, respectively.

Information on the tax components of investments, excluding short sales transactions and excluding written options, and net assets as of December 31, 2008 is as follows:

Cost of Investments for Tax Purposes	Gross Tax Unrealized Appreciation	Gross Tax Unrealized Depreciation	Net Tax Unrealized Depreciation on Investments	Net Tax Unrealized Appreciation on Derivatives and Foreign Currency
\$368,304,001	\$3,256,070	(\$105,304,809)	(\$102,048,739)	\$2,256,891

Information on the tax components of securities sold short as of December 31, 2008 is as follows:

Proceeds from Securities Sold Short for Tax Purposes	Gross Tax Unrealized Appreciation	Gross Tax Unrealized Depreciation	Net Tax Unrealized Appreciation On Securities Sold Short
\$87,787,981	\$17,404,324	(\$3,847,742)	\$13,556,582

Tax components of the following balances as of December 31, 2008 and 2007 are as follows:

	December 31, 2008	December 31, 2007
Accumulated Net Investment Loss	(\$1,619,801)	(\$4,518,893)
Accumulated Capital and Other Losses	(\$37,913,175)	—

For the years ended December 31, 2008 and 2007, the tax character of distributions paid to shareholders as reflected in the Statement of Changes in Net Assets, was as follows:

Distributions paid from:	2008	2007
Ordinary Income	\$ 2,749,600	\$ 26,761,014
Capital Gain	5,713	3,647,370
Return of Capital	27,653,071	—
	\$ 30,408,384	\$ 30,408,384

At December 31, 2008, for federal income tax purposes, the Fund had a capital loss carryforward of \$27,533,947 available to offset possible future capital gains. The capital loss carryforward is set to expire December 31, 2016.

The Fund adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48 ("FIN 48") *Accounting for Uncertainty in Income Taxes* on December 31, 2007. FIN 48 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The implementation of FIN 48 did not result in any unrecognized tax benefits in the accompanying financial statements.

Tax years for 2005, 2006 and 2007 are still subject to examination by major jurisdictions.

Note 5 – Investment Transactions and Options Written:

For the year ended December 31, 2008, purchases and sales of investments, excluding written options with maturities of less than one year and short-term securities, were \$733,135,606 and \$775,263,161, respectively.

The Fund entered into written call option contracts during the year ended December 31, 2008. Details of the transactions were as follows:

	Number of Contracts	Premiums Received
Options outstanding, beginning of year	6,550	\$ 8,372,488
Options written, during the year	160,248	202,896,631
Options expired, during the year	(28,939)	(24,463,126)
Options closed, during the year	(133,122)	(181,242,992)
Options outstanding, end of year	4,737	\$ 5,563,001

Note 6 – Derivatives:

At December 31, 2008, the following futures contracts were outstanding:

Long Contracts	Number of Contracts	Unrealized Appreciation (Depreciation)
90 Day Euro\$ IMM – June 2009 (Current notional value of \$247,175 per contract)	461	\$ 2,005,350
90 Day Euro\$ IMM – September 2009 (Current notional value of \$246,863 per contract)	461	610,813
Amsterdam Exchanges Index – January 2009 (Current notional value of 49,270 Euro per contract)	226	42,172
Australia SPI 200 Index – March 2009 (Current notional value of 93,650 Australian dollars per contract)	287	1,080,262
Canada S&P/TSE 60 Index – March 2009 (Current notional value of 107,980 Canadian dollars per contract)	124	724,648
Eurozone Dow Jones Euro STOXX 50 – March 2009 (Current notional value of 24,500 Euro per contract)	80	32,178
Italy S&P/MIB Index – March 2009 (Current notional value of 97,110 Euro per contract)	107	229,999
Sweden QMXS30 – January 2009 (Current notional value of 65,900 Swedish Krona per contract)	1,165	(87,966)
U.S. CBOE Volatility Index – January 2009 (Current notional value of \$41,940 per contract)	85	(998,502)
	2,996	\$ 3,638,954

Short Contracts	Number of Contracts	Unrealized Appreciation (Depreciation)
Japan TOPIX Index – March 2009 (Current notional value of 8,620,000 Japanese Yen per contract)	186	\$ (931,330)
Spain IBEX 35 Index – January 2009 (Current notional value of 91,130 Euro per contract)	95	(82,985)
U.S. S&P 500 – March 2009 (Current notional value of \$45,005 per contract)	258	(332,175)
United Kingdom FTSE 100 Index – March 2009 (Current notional value of 43,900 Pound Sterling per contract)	252	(371,140)
	791	\$ (1,717,630)
	3,787	\$ 1,921,324

All notional values are denominated in local currencies.

At December 31, 2008, the following forward exchange currency contracts were outstanding:

Long Contracts	Local Currency Value	Unrealized Appreciation (Depreciation)
Australian Dollar, 6,000,000 expiring 3/18/09	4,154,426	\$ 162,926
Japanese Yen, 3,100,000,000 expiring 3/18/09	34,249,128	370,828
New Zealand Dollar, 61,000,000 expiring 3/18/09	35,344,756	2,044,856
Swedish Krona, 140,000,000 expiring 3/18/09	17,687,353	171,808
		\$ 2,750,418

Short Contracts

Canadian Dollar, 39,000,000 expiring 3/18/09	31,596,500	\$ 157,286
Euro, 26,000,000 expiring 3/18/09	36,051,111	(1,729,291)
Norwegian Krone, 60,000,000 expiring 3/18/09	8,530,736	87,229
Pound Sterling, 6,000,000 expiring 3/18/09	8,613,272	342,148
Swiss Franc, 4,000,000 expiring 3/18/09	3,761,010	(386,508)
		\$ (1,529,136)
		\$ 1,221,282

Note 7 – Capital:
Common Shares

The Fund has an unlimited amount of common shares, \$0.01 par value, authorized and 19,005,240 issued and outstanding.

There were no transactions in common shares during the year ended December 31, 2008 or the year ended December 31, 2007.

At December 31, 2008, Claymore Securities, Inc. owned 5,476 shares.

Note 8 – Indemnifications:

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

Note 9 – Accounting Pronouncement:

In March 2008, the FASB issued Statement of Financial Accounting Standard No. 161 ("SFAS No. 161"), "Disclosures about Derivative Instruments and Hedging Activities." This standard is intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative instruments, b) how derivatives instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a fund's financial position, results of operations and cash flows. SFAS No. 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. As of December 31, 2008, management does not believe the adoption of SFAS No. 161 will impact the financial statement amounts; however, additional footnote disclosures may be required about the use of derivative instruments and hedging items.

Report of **Independent Registered Public Accounting Firm**

To the Shareholders and Board of Trustees of Old Mutual/Claymore Long-Short Fund

We have audited the accompanying statement of assets and liabilities of Old Mutual/Claymore Long-Short Fund (the "Fund"), including the portfolio of investments, as of December 31, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and for the period from August 25, 2005 (commencement of investment operations) through December 31, 2005. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Fund's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2008, by correspondence with the Fund's custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Old Mutual/Claymore Long-Short Fund as of December 31, 2008, and the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the three years in the period then ended and for the period from August 25, 2005 (commencement of investment operations) through December 31, 2005, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

Chicago, Illinois

February 18, 2009

Supplemental Information

(unaudited)

Federal Income Tax Information

Subchapter M on the Internal Revenue Code of 1986, as amended, requires the Fund to advise shareholders within 60 days of the Fund's tax year end as to the federal tax status of dividends and distributions received by shareholders during such tax period. The Fund hereby designates \$5,713 as long-term capital gains according to IRC Section 852(b)(3)(C).

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

Results of shareholder votes

The Annual Meeting of Shareholders of the Fund was held on July 21, 2008. Common shareholders voted on the election of Trustees.

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

	# of Shares In Favor	# of Shares Withheld
L. Kent Moore	16,093,700	422,450
Ronald A. Nyberg	16,095,871	420,280
Ronald E. Toupin, Jr.	16,093,634	422,517

The other Trustees of the Fund whose terms did not expire in 2008 are Randall C. Barnes, Steven D. Cosler, Robert M. Hamje, Matthew J. Appelstein and Nicholas Dalmaso.

Trustees

The Trustees of the Old Mutual/Claymore Long-Short Fund and their principal occupations during the past five years:

Name, Address,* Year of Birth and Position(s) Held with Registrant	Term of Office** and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations	Number of Portfolios in the Fund Complex*** Overseen by Trustee	Other Directorships Held by Trustee
Independent Trustees:				
Randall C. Barnes Year of Birth: 1951 Trustee	Since 2005	Private Investor (2001-present). Formerly, Senior Vice President & Treasurer, PepsiCo, Inc. (1993-1997), President, Pizza Hut International (1991-1993) and Senior Vice President, Strategic Planning and New Business Development (1987-1990) of PepsiCo, Inc. (1987-1997).	43	None.
Steven D. Cosler Year of Birth: 1955 Trustee	Since 2005	Formerly, President, Chief Executive Officer and Director of Priority Healthcare Corp. (2002-2005). Formerly, President and Chief Operating Officer of Priority Healthcare Corp. (2001-2002). Formerly, Executive Vice President and Chief Operating Officer of Priority Healthcare Corp. (2000-2001).	2	Director, SXC Health Solutions, Corp.
Robert M. Hamje Year of Birth: 1942 Trustee	Since 2005	Formerly, President and Chief Investment Officer of TRW Investment Management Co. (1990-2003).	2	Trustee, Old Mutual Advisor Mutual Funds.
L. Kent Moore Year of Birth: 1955 Trustee	Since 2005	Partner at WILSource Enterprise (December 2005-Present). Previously, Managing Director High Sierra Energy L.P., (2004-2005). Formerly, Portfolio Manager and Vice President of Janus Capital Corp. (2000-2002) and Senior Analyst/Portfolio Manager of Marsico Capital Management (1997-1999).	2	Trustee, Old Mutual Advisor Mutual Funds.
Ronald A. Nyberg Year of Birth: 1953 Trustee	Since 2005	Partner of Nyberg & Cassioppi, LLC, a law firm specializing in corporate law, estate planning and business transactions (2000-present). Formerly, Executive Vice President, General Counsel and Corporate Secretary of Van Kampen Investments (1982-1999).	46	None.
Ronald E. Toupin, Jr. Year of Birth: 1958 Trustee	Since 2005	Retired. Formerly, Vice President, Manager and Portfolio Manager of Nuveen Asset Management (1998-1999), Vice President of Nuveen Investment Advisory Corp. (1992-1999), Vice President and Manager of Nuveen Unit Investment Trusts (1991-1999), and Assistant Vice President and Portfolio Manager of Nuveen Unit Investment Trusts (1988-1999), each of John Nuveen & Co., Inc. (1982-1999).	43	None.
Interested Trustees:				
Matthew J. Appelstein† Year of Birth: 1961 Trustee	Since 2005	Senior Vice President of Product Strategy and Retirement Solutions Planning, Director of Investment Services, Old Mutual Asset Management (2003-present). Formerly, Senior Vice President of Consulting Relationships, Fidelity Management Trust Co. (1998-2003).	2	None.
Nicholas Dalmaso†† Year of Birth: 1965 Trustee	Since 2005	Attorney. Formerly, Senior Managing Director and Chief Administrative Officer (2007-2008) and General Counsel (2001-2007) of Claymore Advisors, LLC and Claymore Securities, Inc. (2001-2008). Formerly, Assistant General Counsel, John Nuveen and Company, Inc. (1999-2000). Former Vice President and Associate General Counsel of Van Kampen Investments, Inc. (1992-1999).	45	None.

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

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

-Messrs. Appelstein and Barnes, as Class I Trustees, are expected to stand for re-election at the Fund's 2009 annual meeting of shareholders.

-Messrs. Cosler, Dalmaso and Hamje, as Class II Trustees, are expected to stand for re-election at the Fund's 2010 annual meeting of shareholders.

-Messrs. Moore, Nyberg and Toupin, as Class III Trustees, are expected to stand for re-election at the Fund's 2011 annual meeting of shareholders.

*** The Claymore Fund Complex consists of U.S. registered investment companies advised or serviced by Claymore Advisors, LLC or Claymore Securities, Inc. The Claymore Fund Complex is overseen by multiple Boards of Trustees.

† Mr. Appelstein is an "interested person" (as defined in Section 2(a)(19) of the 1940 Act) of the Fund because of his position as an officer of Old Mutual Asset Management, the parent company of the Fund's Sub-Adviser.

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

Officers

The Officers of the Old Mutual/Claymore Long-Short Fund and their principal occupations during the past five years:

Name, Address*, Year of Birth and Position(s) Held with Registrant	Term of Office** and Length of Time Served	Principal Occupation During the Past Five Years and Other Affiliations
Officers:		
J.Thomas Futrell Year of birth: 1955 Chief Executive Officer	Since 2008	Senior Managing Director and Chief Investment Officer of Claymore Advisors, LLC and Claymore Securities, Inc. (2008-present). Chief Executive Officer of certain other funds in the Fund Complex. Formerly, Managing Director of Research, Nuveen Asset Management (2000-2007).
Kevin M. Robinson Year of birth: 1959 Chief Legal Officer	Since 2008	Senior Managing Director and General Counsel of Claymore Advisors, LLC, Claymore Securities, Inc. and Claymore Group Inc. (2007-present). Chief Legal Officer of certain other funds in the Fund Complex. Formerly, Associate General Counsel and Assistant Corporate Secretary of NYSE Euronext, Inc. (2000-2007).
Steven M. Hill Year of Birth: 1964 Chief Accounting Officer, Chief Financial Officer and Treasurer	Since 2005	Senior Managing Director of Claymore Advisors, LLC and Claymore Securities, Inc. (2005- present). Previously, Chief Financial Officer of Claymore Group Inc. (2005-2006). Managing Director of Claymore Advisors, LLC and Claymore Securities, Inc. (2003-2005). Treasurer of Henderson Global Funds and Operations Manager for Henderson Global Investors (North America) Inc. (2002-2003); Managing Director, FrontPoint Partners LLC (2001-2002); Vice President, Nuveen Investments (1999-2001); Chief Financial Officer, Skyline Asset Management LP (1999); Vice President, Van Kampen Investments and Assistant Treasurer, Van Kampen mutual funds (1989-1999).
Matthew J. Patterson Year of Birth: 1971 Secretary	Since 2006	Vice President; Assistant General Counsel of Claymore Group Inc. (2006-present). Secretary of certain funds in the Fund Complex. Previously, Chief Compliance Officer and Clerk, The Preferred Group of Mutual Funds (2005-2006); Chief Compliance Officer and Secretary, Caterpillar Investment Management Ltd (2005-2006); Securities Counsel, Caterpillar Inc. (2004-2006); Associate, Skadden, Arps, Slate, Meagher & Flom LLP (2002-2004).
Bruce Saxon Year of Birth: 1957 Chief Compliance Officer	Since 2006	Vice President-Fund Compliance Officer of Claymore Group Inc. (Feb 2006-present). Previously, Chief Compliance Officer/Assistant Secretary of Harris Investment Management, Inc. (2003-2006). Director-Compliance of Harrisdirect LLC (1999-2003).

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

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

Dividend Reinvestment Plan (unaudited)

Unless the registered owner of common shares elects to receive cash by contacting the Bank of New York Mellon (the "Plan Administrator"), all dividends declared on common shares of the Fund will be automatically reinvested by the Plan Administrator for shareholders in the Fund's Dividend Reinvestment Plan (the "Plan"), in additional common shares of the Fund.

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

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

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

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

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

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

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

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

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Fund Information

Board of Trustees

Matthew J. Appelstein*

Randall C. Barnes

Steven D. Cosler

Nicholas Dalmaso**

Robert M. Hamje

L. Kent Moore

Ronald A. Nyberg

Ronald E. Toupin, Jr.

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

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

Officers

J. Thomas Futrell
Chief Executive Officer

Kevin Robinson
Chief Legal Officer

Steven M. Hill
*Chief Accounting Officer, Chief
Financial Officer and Treasurer*

Matthew J. Patterson
Secretary

Bruce Saxon
Chief Compliance Officer

Investment Adviser

Claymore Advisors, LLC
Lisle, Illinois

Investment Sub-Adviser

Analytic Investors, LLC
Los Angeles, California

Administrator

Claymore Advisors, LLC
Lisle, Illinois

Accounting Agent, Custodian and Transfer Agent

The Bank of New York Mellon
New York, New York

Legal Counsel

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

Independent Registered Public Accounting Firm

Ernst & Young LLP
Chicago, Illinois

Privacy Principles of Old Mutual/Claymore Long-Short Fund for Shareholders

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

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

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

Questions concerning your shares of Old Mutual/Claymore Long-Short Fund?

- If your shares are held in a Brokerage Account, contact your Broker.
- If you have physical possession of your shares in certificate form, contact the Fund's Custodian and Transfer Agent:
The Bank of New York Mellon, 101 Barclay 11E, New York, New York 12086 (866) 488-3559

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

A description of the Fund's proxy voting policies and procedures related to portfolio securities is available without charge, upon request, by calling the Fund at (866) 882-0688.

Information regarding how the Fund voted proxies for portfolio securities, if applicable, during the most recent 12-month period ended June 30, is also available, without charge and upon request by calling (866) 882-0688 or by accessing the Fund's Form N-PX on the U.S. Securities and Exchange Commission's ("SEC") website at www.sec.gov or www.claymore.com.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC website at www.sec.gov or www.claymore.com. The Fund's Form N-Q may also be viewed and copied at the SEC's Public Reference Room in Washington, DC; information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330 or at www.sec.gov.

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

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may from time to time purchase its shares of common stock in the open market.

About the Fund Manager

Analytic Investors, LLC

Analytic Investors specializes in the application of systematic investment processes to evaluate and exploit opportunities in the global equity, fixed income and derivative securities markets. Based in Los Angeles and wholly owned by Old Mutual plc, Analytic employs 35 professionals and manages more than \$8 billion.

The firm manages a range of traditional, long-only equity products as well as a number of absolute return strategies. The firm was founded in 1970 and, since that time, has focused on delivering valued-added, risk-controlled investment strategies to its range of institutional, fund-of-fund, and high net worth clients.

Investment Philosophy

Analytic's philosophy is anchored in the conviction that the systematic application of quantitative techniques to assess opportunity has the potential to deliver quality, risk-adjusted performance, regardless of market cycle.

Analytic's quantitative methods bring together the best attributes of individual security selection and unbiased portfolio modeling, yielding a management style that is both disciplined and responsive.

Investment Process

Analytic's innovative research seeks to uncover the factors that are driving performance and are likely to be important going forward. Two core beliefs underlie the firm's investment process:

- The attractiveness of every security is determined by a multitude of factors that can be measured.
- The desirability of a security's characteristics change with economic conditions.

Sophisticated quantitative techniques enable Analytic to simultaneously analyze a variety of unique characteristics – such as relative valuation, growth potential, historical returns, liquidity and risk – in an effort to identify and exploit opportunities. Analytic uses thorough statistical analysis in an attempt to identify the merits of each security as well as the relationships between each security's measurable characteristics that may be driving its performance.

Analytic's proprietary multi-factor return models are applied in a risk-controlled environment. The firm's highly evolved and successful approach, supported by the research efforts of its investment team, capitalizes on opportunity while neutralizing systematic market exposure and overall risk.