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Madison/Claymore Covered Call & Equity Strategy Fund
Form N-Q
November 21, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21582

Madison/Claymore Covered Call & Equity Strategy Fund

(Exact name of registrant as specified in charter)

2455 Corporate West Drive, Lisle, IL 60532

(Address of principal executive offices) (Zip code)

J. Thomas Futrell

Madison/Claymore Covered Call & Equity Strategy Fund

2455 Corporate West Drive, Lisle, IL 60532

(Name and address of agent for service)

Registrant's telephone number, including area code: 630-505-3700

Date of fiscal year end: December 31

Date of reporting period: September 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.ss. 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. SCHEDULE OF INVESTMENTS.

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Attached hereto.

MCN | MADISON/CLAYMORE COVERED CALL & EQUITY STRATEGY FUND
 PORTFOLIO OF INVESTMENTS
 SEPTEMBER 30, 2008 (UNAUDITED)

| NUMBER OF SHARES | DESCRIPTION | VALUE |
|---------------------|---|--------------|
| | LONG-TERM INVESTMENTS 118.0% | |
| | COMMON STOCKS 115.0% | |
| | COMPUTERS 2.1% | |
| 265,800 | Dell, Inc. (a) | \$ 4,380,384 |
| | CONSUMER DISCRETIONARY 25.8% | |
| 400,000 | American Eagle Outfitters, Inc. | 6,100,000 |
| 267,500 | Bed Bath & Beyond, Inc. (a) | 8,402,175 |
| 110,000 | Best Buy Co., Inc. | 4,125,000 |
| 156,000 | Coach, Inc. (a) | 3,906,240 |
| 140,000 | Home Depot, Inc. | 3,624,600 |
| 165,000 | Kohl's Corp. (a) | 7,603,200 |
| 210,000 | Lowe's Cos., Inc. | 4,974,900 |
| 230,000 | Starbucks Corp. (a) | 3,420,100 |
| 125,000 | Target Corp. | 6,131,250 |
| 320,000 | Williams-Sonoma, Inc. | 5,177,600 |
| | | 53,465,065 |
| | CONSUMER SERVICES 7.9% | |
| 263,400 | eBay, Inc. (a) | 5,894,892 |
| 100,000 | Garmin, Ltd. (Cayman Islands) | 3,394,000 |
| 225,000 | Intuit, Inc. (a) | 7,112,250 |
| | | 16,401,142 |
| | ENERGY 10.6% | |
| 68,000 | Apache Corp. | 7,091,040 |
| 52,000 | Schlumberger, Ltd. (Netherlands Antilles) | 4,060,680 |
| 38,000 | Transocean, Inc. (Cayman Islands) | 4,173,920 |
| 70,000 | Valero Energy Corp. | 2,121,000 |
| 96,000 | XTO Energy, Inc. | 4,465,920 |
| | | 21,912,560 |
| | FINANCIALS 25.1% | |
| 46,900 | Affiliated Managers Group, Inc. (a) | 3,885,665 |
| 112,000 | American Express Co. | 3,968,160 |
| 58,304 | Bank of America Corp. | 2,040,640 |
| 160,000 | Capital One Financial Corp. | 8,160,000 |
| 170,000 | Citigroup, Inc. | 3,486,700 |
| 248,200 | Marshall & Ilsley Corp. | 5,001,230 |
| 171,000 | Merrill Lynch & Co., Inc. | 4,326,300 |
| 150,000 | Morgan Stanley | 3,450,000 |
| 90,000 | State Street Corp. | 5,119,200 |
| 255,000 | Synovus Financial Corp. | 2,639,250 |

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| | | |
|---------|--|-------------|
| 260,000 | Wells Fargo & Co. | 9,757,800 |
| | | ----- |
| | | 51,834,945 |
| | | ----- |
| | HEALTH CARE 16.2% | |
| 66,600 | Amgen, Inc. (a) | 3,947,382 |
| 91,000 | Biogen Idec, Inc. (a) | 4,576,390 |
| 100,000 | Community Health Systems, Inc. (a) | 2,931,000 |
| 310,000 | Mylan, Inc. (a) | 3,540,200 |
| 270,000 | Pfizer, Inc. | 4,978,800 |
| 200,000 | UnitedHealth Group, Inc. | 5,078,000 |
| 40,900 | Varian Medical Systems, Inc. (a) | 2,336,617 |
| 41,300 | Waters Corp. (a) | 2,402,834 |
| 57,500 | Zimmer Holdings, Inc. (a) | 3,712,200 |
| | | ----- |
| | | 33,503,423 |
| | | ----- |
| | INDUSTRIAL 1.5% | |
| 50,000 | United Parcel Services, Inc. - Class B | 3,144,500 |
| | | ----- |
| | INSURANCE 0.4% | |
| 123,800 | MGIC Investment Corp. | 870,314 |
| | | ----- |
| | SOFTWARE 4.1% | |
| 160,000 | Check Point Software Technologies (Israel) (a) | 3,638,400 |
| 250,000 | Symantec Corp. (a) | 4,895,000 |
| | | ----- |
| | | 8,533,400 |
| | | ----- |
| | TECHNOLOGY 21.3% | |
| 65,000 | Adobe Systems, Inc. (a) | 2,565,550 |
| 100,000 | Altera Corp. | 2,068,000 |
| 160,000 | Applied Materials, Inc. | 2,420,800 |
| 345,000 | Cisco Systems, Inc. (a) | 7,783,200 |
| 394,000 | EMC Corp. (a) | 4,712,240 |
| 600,000 | Flextronics International Ltd. (Singapore) (a) | 4,248,000 |
| 10,000 | Google, Inc. - Class A (a) | 4,005,200 |
| 50,000 | Linear Technology Corp. | 1,533,000 |
| 170,000 | Microsoft Corp. | 4,537,300 |
| 157,300 | QLogic Corp. (a) | 2,416,128 |
| 250,000 | Yahoo!, Inc. (a) | 4,325,000 |
| 122,000 | Zebra Technologies Corp. - Class A (a) | 3,397,700 |
| | | ----- |
| | | 44,012,118 |
| | | ----- |
| | TOTAL COMMON STOCKS - 115.0% | |
| | (Cost \$319,443,322) | 238,057,851 |
| | | ----- |
| | EXCHANGE-TRADED FUND - 3.0% | |
| 160,000 | Powershares QQQ | |
| | (Cost \$7,215,732) | 6,225,600 |
| | | ----- |
| | TOTAL LONG-TERM INVESTMENTS 118.0% | |
| | (Cost \$326,659,054) | 244,283,451 |
| | | ----- |

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| | | |
|------------------|--|----------------|
| | SHORT-TERM INVESTMENTS 4.6% | |
| | MONEY MARKET FUNDS 3.8% | |
| 7,899,502 | AIM Liquid Assets Money Market Fund (Cost \$7,899,502) | 7,899,502 |
| | | ----- |
| PRINCIPAL AMOUNT | | VALUE |
| | | ----- |
| | U.S. GOVERNMENT 0.8% | |
| \$ 1,710,000 | U.S. Treasury Note (coupon 4.875%, maturity 1/31/09) (Cost \$1,734,718) | 1,732,177 |
| | | ----- |
| | TOTAL SHORT-TERM INVESTMENTS 4.6% | |
| | (Cost \$9,634,220) | 9,631,679 |
| | | ----- |
| | TOTAL INVESTMENTS 122.6% | |
| | (Cost \$336,293,274) | 253,915,130 |
| | Liabilities in excess of Other Assets - (0.1%) | (321,344) |
| | Borrowings - (14.3%) | (29,600,000) |
| | Total Value of Options Written - (8.2%) | (16,964,081) |
| | | ----- |
| | NET ASSETS 100.0% | \$ 207,029,705 |
| | | ===== |

(a) Non-income producing security.

| CONTRACTS (100 SHARES PER CONTRACT) | CALL OPTIONS WRITTEN (A) | EXPIRATION DATE | E |
|---|---------------------------------|-----------------|-------|
| ----- | ----- | ----- | ----- |
| 650 | Adobe Systems, Inc. | January 2009 | |
| 419 | Affiliated Managers Group, Inc. | December 2008 | |
| 1,000 | Altera Corp. | January 2009 | |
| 1,120 | American Express Co. | October 2008 | |
| 666 | Amgen, Inc. | January 2009 | |
| 580 | American Eagle Outfitters, Inc. | November 2008 | |
| 500 | American Eagle Outfitters, Inc. | November 2008 | |
| 2,920 | American Eagle Outfitters, Inc. | January 2009 | |
| 377 | Apache Corp. | October 2008 | |
| 303 | Apache Corp. | October 2008 | |
| 1,000 | Applied Materials, Inc. | January 2009 | |
| 600 | Applied Materials, Inc. | January 2009 | |

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| | | |
|-------|--|---------------|
| 200 | Bank of America Corp. | November 2008 |
| 183 | Bank of America Corp. | November 2008 |
| 200 | Bank of America Corp. | November 2008 |
| 2,675 | Bed Bath & Beyond, Inc. | January 2009 |
| 358 | Best Buy Co., Inc. | December 2008 |
| 400 | Best Buy Co., Inc. | January 2009 |
| 145 | Best Buy Co., Inc. | December 2008 |
| 310 | Biogen Idec, Inc. | January 2009 |
| 490 | Biogen Idec, Inc. | January 2009 |
| 1,600 | Capital One Financial Corp. | January 2009 |
| 1,600 | Check Point Software Technologies (Israel) | January 2009 |
| 2,300 | Cisco Systems, Inc. | January 2009 |
| 700 | Citigroup, Inc. | December 2008 |
| 1,560 | Coach, Inc. | February 2009 |
| 1,000 | Community Health Systems, Inc. | January 2009 |
| 658 | Dell, Inc. | November 2008 |
| 800 | Dell, Inc. | November 2008 |
| 1,200 | Dell, Inc. | January 2009 |
| 634 | eBay, Inc. | October 2008 |
| 300 | eBay, Inc. | October 2008 |
| 1,000 | eBay, Inc. | January 2009 |
| 500 | EMC Corp. | October 2008 |
| 655 | EMC Corp. | October 2008 |
| 2,785 | EMC Corp. | January 2009 |
| 2,100 | Flextronics International Ltd. (Singapore) | January 2009 |
| 1,700 | Flextronics International Ltd. (Singapore) | January 2009 |
| 400 | Garmin, Ltd. (Cayman Islands) | October 2008 |
| 450 | Garmin, Ltd. (Cayman Islands) | January 2009 |
| 150 | Garmin, Ltd. (Cayman Islands) | January 2009 |
| 100 | Google, Inc. - Class A | December 2008 |
| 328 | Home Depot, Inc. | February 2009 |

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| | | |
|-------|---|---------------|
| 1,072 | Home Depot, Inc. | January 2009 |
| 493 | Intuit, Inc. | January 2009 |
| 1,757 | Intuit, Inc. | January 2009 |
| 750 | Kohl's Corp. | January 2009 |
| 900 | Kohl's Corp. | January 2009 |
| 500 | Linear Technology Corp. | November 2008 |
| 400 | Lowe's Cos., Inc. | January 2009 |
| 900 | Lowe's Cos., Inc. | January 2009 |
| 800 | Lowe's Cos., Inc. | January 2009 |
| 360 | Marshall & Ilesley Corp. | December 2008 |
| 1,448 | Marshall & Ilesley Corp. | January 2009 |
| 310 | Merrill Lynch & Co., Inc. | January 2009 |
| 300 | Merrill Lynch & Co., Inc. | January 2009 |
| 738 | MGIC Investment Corp. | January 2009 |
| 200 | MGIC Investment Corp. | January 2009 |
| 300 | MGIC Investment Corp. | December 2008 |
| 700 | Microsoft Corp. | October 2008 |
| 1,000 | Microsoft Corp. | October 2008 |
| 300 | Morgan Stanley | January 2009 |
| 400 | Morgan Stanley | January 2009 |
| 158 | Mylan, Inc. | October 2008 |
| 2,942 | Mylan, Inc. | January 2009 |
| 700 | Pfizer, Inc. | December 2008 |
| 400 | Pfizer, Inc. | January 2009 |
| 400 | Powershares QQQ | November 2008 |
| 1,573 | QLogic Corp. | January 2009 |
| 260 | Schlumberger, Ltd. (Netherlands Antilles) | November 2008 |
| 260 | Schlumberger, Ltd. (Netherlands Antilles) | January 2009 |
| 400 | Starbucks Corp. | January 2009 |
| 900 | Starbucks Corp. | October 2008 |
| 780 | Starbucks Corp. | January 2009 |

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| | | |
|-------|---------------------------------------|---------------|
| 220 | Starbucks Corp. | January 2009 |
| 222 | State Street Corp. | February 2009 |
| 361 | State Street Corp. | February 2009 |
| 317 | State Street Corp. | November 2008 |
| 2,199 | Symantec Corp. | January 2009 |
| 300 | Symantec Corp. | April 2009 |
| 2,550 | Synovus Financial Corp. | February 2009 |
| 450 | Target Corp. | January 2009 |
| 800 | Target Corp. | January 2009 |
| 380 | Transocean, Inc. (Cayman Islands) | February 2009 |
| 1,300 | UnitedHealth Group, Inc. | March 2009 |
| 700 | UnitedHealth Group, Inc. | March 2009 |
| 500 | United Parcel Services, Inc. -Class B | January 2009 |
| 130 | Valero Energy Corp. | December 2008 |
| 570 | Valero Energy Corp. | December 2008 |
| 209 | Varian Medical Systems, Inc. | November 2008 |
| 200 | Varian Medical Systems, Inc. | November 2008 |
| 413 | Waters Corp. | November 2008 |
| 200 | Wells Fargo & Co. | October 2008 |
| 2,400 | Wells Fargo & Co. | January 2009 |
| 300 | Williams-Sonoma, Inc. | February 2009 |
| 52 | Williams-Sonoma, Inc. | February 2009 |
| 960 | XTO Energy, Inc. | January 2009 |
| 700 | Yahoo!, Inc. | January 2009 |
| 900 | Yahoo!, Inc. | January 2009 |
| 218 | Zebra Technologies Corp. - Class A | February 2009 |
| 200 | Zebra Technologies Corp. - Class A | November 2008 |
| 201 | Zebra Technologies Corp. - Class A | November 2008 |
| 400 | Zimmer Holdings, Inc. | January 2009 |
| 175 | Zimmer Holdings, Inc. | January 2009 |

TOTAL VALUE OF CALL OPTIONS WRITTEN

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(Premiums received \$22,673,360)

| | | |
|-----|---------------------|--------------|
| | PUT OPTIONS WRITTEN | |
| 500 | Cisco Systems, Inc. | January 2009 |
| 200 | Cisco Systems, Inc. | January 2009 |

TOTAL VALUE OF PUT OPTIONS WRITTEN
(Premiums received \$151,512)

TOTAL OPTIONS WRITTEN
(Premiums received \$22,824,872)

(a) Non-income producing security.

See previously submitted notes to financial statements for the period ending June 30, 2008.

Country Allocation*

| | |
|----------------------|-------|
| ----- | |
| United States | 92.3% |
| Cayman Islands | 3.0% |
| Singapore | 1.7% |
| Netherlands Antilles | 1.6% |
| Israel | 1.4% |

* Based on Total Investments (which does not take into consideration the Value of Options Written). Subject to change daily.

In September, 2006, the FASB issued Statement of Financial Accounting Standards No. 157, "Fair Valuation 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 (i.e. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (i.e. discounted cash flow analysis; non-market based methods used to determine fair valuation).

Valuations at September 30, 2008

| Description | Securities | Derivatives | Total |
|-------------------|------------|-------------|------------|
| | ----- | ----- | ----- |
| (value in \$000s) | | | |
| Assets: | | | |
| Level 1 | \$ 252,183 | | \$ 252,183 |
| Level 2 | 1,732 | - | 1,732 |
| Level 3 | - | - | - |
| | ----- | ----- | ----- |
| Total | \$ 253,915 | \$ - | \$ 253,915 |

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| | ===== | ===== | ===== |
|--------------|-------|-----------|-----------|
| Liabilities: | | | |
| Level 1 | \$ - | \$ 16,964 | \$ 16,964 |
| Level 2 | - | - | - |
| Level 3 | - | - | - |
| | ----- | ----- | ----- |
| Total | \$ - | \$ 16,964 | \$ 16,964 |
| | ===== | ===== | ===== |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) as of a date within 90 days of the filing date of this report and have concluded, based on such evaluation, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the registrant's last fiscal quarter that may have materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended (17 CFR 270.30a-2(a)), is attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Madison/Claymore Covered Call & Equity Strategy Fund

By: /s/ J. Thomas Futrell

 J. Thomas Futrell
 Chief Executive Officer

Date: November 21, 2008

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ J. Thomas Futrell

J. Thomas Futrell
Chief Executive Officer

Date: November 21, 2008

By: /s/ Steven M. Hill

Steven M. Hill
Treasurer and Chief Financial Officer

Date: November 21, 2008