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Madison/Claymore Covered Call & Equity Strategy Fund
Form N-Q
November 24, 2009

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: July 1, 2009 - September 30, 2009

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.
Attached hereto.

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MCN | MADISON/CLAYMORE COVERED CALL & EQUITY STRATEGY FUND
 PORTFOLIO OF INVESTMENTS
 SEPTEMBER 30, 2009 (UNAUDITED)

| NUMBER OF SHARES | DESCRIPTION | VALUE |
|---------------------|---|------------------------------|
| | LONG-TERM INVESTMENTS 110.1% | |
| | COMMON STOCKS (A) 106.7% | |
| | COMPUTERS 2.2% | |
| 265,800 | Dell, Inc. (b) | \$ 4,056,108 |
| | CONSUMER DISCRETIONARY 19.6% | |
| 332,300 | American Eagle Outfitters, Inc. | 5,602,578 |
| 180,000 | Bed Bath & Beyond, Inc. (b) | 6,757,200 |
| 80,000 | Best Buy Co., Inc. | 3,001,600 |
| 80,000 | Coach, Inc. | 2,633,600 |
| 140,000 | Home Depot, Inc. | 3,729,600 |
| 210,000 | Lowe's Cos., Inc. | 4,397,400 |
| 140,000 | Starbucks Corp. (b) | 2,891,000 |
| 55,000 | Target Corp. | 2,567,400 |
| 232,000 | Williams-Sonoma, Inc. | 4,693,360 |
| | | ----- 36,273,738 ----- |
| | CONSUMER SERVICES 7.8% | |
| 293,400 | eBay, Inc. (b) | 6,927,174 |
| 100,000 | Garmin, Ltd. (Cayman Islands) | 3,774,000 |
| 130,000 | Intuit, Inc. (b) | 3,705,000 |
| | | ----- 14,406,174 ----- |
| | ENERGY 9.7% | |
| 68,000 | Apache Corp. | 6,244,440 |
| 32,000 | Schlumberger, Ltd. (Netherlands Antilles) | 1,907,200 |
| 47,000 | Transocean, Ltd. (Switzerland) (b) | 4,019,910 |
| 10,000 | Unit Corp. (b) | 412,500 |
| 70,000 | Valero Energy Corp. | 1,357,300 |
| 96,000 | XTO Energy, Inc. | 3,966,720 |
| | | ----- 17,908,070 ----- |
| | FINANCIALS 18.9% | |
| 55,000 | Affiliated Managers Group, Inc. (b) | 3,575,550 |
| 300 | American Express Co. | 10,170 |
| 205,278 | Bank of America Corp. | 3,473,304 |
| 160,000 | Capital One Financial Corp. | 5,716,800 |
| 420,000 | Citigroup, Inc. | 2,032,800 |
| 260,000 | Marshall & Ilsley Corp. | 2,098,200 |
| 150,000 | Morgan Stanley | 4,632,000 |
| 110,000 | State Street Corp. | 5,786,000 |
| 255,000 | Synovus Financial Corp. | 956,250 |
| 240,000 | Wells Fargo & Co. | 6,763,200 |
| | | ----- 35,044,274 ----- |

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| | | |
|---------|--|-------------|
| | HEALTH CARE 20.8% | |
| 60,000 | Biogen Idec, Inc. (b) | 3,031,200 |
| 85,000 | Community Health Systems, Inc. (b) | 2,714,050 |
| 85,045 | Genzyme Corp. (b) | 4,824,603 |
| 102,000 | Gilead Sciences, Inc. (b) | 4,751,160 |
| 310,000 | Mylan, Inc. (b) | 4,963,100 |
| 270,000 | Pfizer, Inc. | 4,468,500 |
| 199,800 | UnitedHealth Group, Inc. | 5,002,992 |
| 70,000 | Varian Medical Systems, Inc. (b) | 2,949,100 |
| 50,000 | Waters Corp. (b) | 2,793,000 |
| 57,500 | Zimmer Holdings, Inc. (b) | 3,073,375 |
| | | ----- |
| | | 38,571,080 |
| | | ----- |
| | INDUSTRIAL 1.5% | |
| 50,000 | United Parcel Services, Inc. - Class B | 2,823,500 |
| | | ----- |
| | INSURANCE 0.4% | |
| 108,800 | MGIC Investment Corp. | 806,208 |
| | | ----- |
| | SOFTWARE 3.1% | |
| 75,000 | Check Point Software Technologies (Israel) (b) | 2,126,250 |
| 220,000 | Symantec Corp. (b) | 3,623,400 |
| | | ----- |
| | | 5,749,650 |
| | | ----- |
| | TECHNOLOGY 22.7% | |
| 80,000 | Adobe Systems, Inc. (b) | 2,643,200 |
| 130,000 | Altera Corp. | 2,666,300 |
| 90,000 | Applied Materials, Inc. | 1,206,000 |
| 357,600 | Cisco Systems, Inc. (b) | 8,417,904 |
| 440,000 | EMC Corp. (b) | 7,497,600 |
| 600,000 | Flextronics International Ltd. (Singapore) (b) | 4,476,000 |
| 3,000 | Google, Inc. - Class A (b) | 1,487,550 |
| 190,000 | Microsoft Corp. | 4,919,100 |
| 157,300 | QLogic Corp. (b) | 2,705,560 |
| 164,000 | Yahoo!, Inc. (b) | 2,920,840 |
| 122,000 | Zebra Technologies Corp. - Class A (b) | 3,163,460 |
| | | ----- |
| | | 42,103,514 |
| | | ----- |
| | TOTAL COMMON STOCKS - 106.7% | |
| | (Cost \$278,259,728) | 197,742,316 |
| | | ----- |
| | EXCHANGE-TRADED FUNDS - 3.4% | |
| 150,000 | Powershares QQQ | 6,337,500 |
| | | ----- |
| | (Cost \$6,442,707) | |
| | TOTAL LONG-TERM INVESTMENTS 110.1% | |
| | (Cost \$284,702,435) | 204,079,816 |
| | | ----- |
| | SHORT-TERM INVESTMENTS 1.9% | |
| | MONEY MARKET FUNDS 1.9% | |

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| | | |
|-----------|--|----------------|
| 3,425,371 | AIM Liquid Assets Money Market Fund | 3,425,371 |
| | (Cost \$3,425,371) | |
| | TOTAL INVESTMENTS 112.0% | |
| | (Cost \$288,127,806) | 207,505,187 |
| | Other Assets in excess of Liabilities - 1.0% | 1,878,927 |
| | Borrowings - (1.6%) | (3,000,000) |
| | Total Value of Options Written - (11.4%) | (21,063,465) |
| | NET ASSETS 100.0% | \$ 185,320,649 |

- (a) All or a portion of this security position represents cover (directly or through conversion rights) for outstanding options written.
- (b) Non-income producing security.

| CONTRACTS (100 SHARES PER CONTRACT) | CALL OPTIONS WRITTEN (B) | EXPIRATION DATE |
|---|---------------------------------|-----------------|
| 200 | Adobe Systems, Inc. | January 2010 |
| 450 | Adobe Systems, Inc. | January 2010 |
| 150 | Adobe Systems, Inc. | October 2009 |
| 300 | Affiliated Managers Group, Inc. | January 2010 |
| 250 | Affiliated Managers Group, Inc. | December 2009 |
| 400 | Altera Corp. | December 2009 |
| 400 | Altera Corp. | January 2010 |
| 300 | Altera Corp. | January 2010 |
| 200 | Altera Corp. | March 2010 |
| 2 | American Express Co. | October 2009 |
| 1,300 | American Eagle Outfitters, Inc. | January 2010 |
| 1,000 | American Eagle Outfitters, Inc. | January 2010 |
| 365 | Apache Corp. | October 2009 |
| 315 | Apache Corp. | January 2010 |
| 300 | Applied Materials, Inc. | January 2010 |
| 600 | Applied Materials, Inc. | January 2010 |
| 1,500 | Bed Bath & Beyond, Inc. | January 2010 |

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| | | |
|-------|--|---------------|
| 300 | Bed Bath & Beyond, Inc. | November 2009 |
| 400 | Best Buy Co., Inc. | January 2010 |
| 200 | Best Buy Co., Inc. | December 2009 |
| 200 | Biogen Idec, Inc. | April 2010 |
| 400 | Biogen Idec, Inc. | January 2010 |
| 300 | Capital One Financial Corp. | December 2009 |
| 600 | Capital One Financial Corp. | January 2010 |
| 400 | Capital One Financial Corp. | January 2010 |
| 750 | Check Point Software Technologies (Israel) | January 2010 |
| 300 | Cisco Systems, Inc. | October 2009 |
| 1,899 | Cisco Systems, Inc. | January 2010 |
| 500 | Cisco Systems, Inc. | January 2010 |
| 400 | Cisco Systems, Inc. | April 2010 |
| 400 | Coach, Inc. | November 2009 |
| 400 | Coach, Inc. | November 2009 |
| 200 | Community Health Systems, Inc. | January 2010 |
| 450 | Community Health Systems, Inc. | March 2010 |
| 700 | Dell, Inc. | January 2010 |
| 1,600 | Dell, Inc. | January 2010 |
| 358 | Dell, Inc. | February 2010 |
| 1,000 | eBay, Inc. | January 2010 |
| 400 | eBay, Inc. | January 2010 |
| 234 | eBay, Inc. | January 2010 |
| 800 | eBay, Inc. | January 2010 |
| 500 | eBay, Inc. | April 2010 |
| 1,700 | EMC Corp. | January 2010 |
| 1,200 | EMC Corp. | January 2010 |
| 400 | EMC Corp. | April 2010 |
| 500 | EMC Corp. | January 2010 |
| 400 | Flextronics International Ltd. (Singapore) | October 2009 |
| 1,500 | Flextronics International Ltd. (Singapore) | April 2010 |

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| | | |
|-------|---|---------------|
| 600 | Garmin, Ltd. (Cayman Islands) | October 2009 |
| 200 | Garmin, Ltd. (Cayman Islands) | January 2010 |
| 300 | Genzyme Corp. | January 2010 |
| 550 | Genzyme Corp. | January 2010 |
| 215 | Gilead Sciences, Inc. | January 2010 |
| 125 | Gilead Sciences, Inc. | November 2009 |
| 30 | Google, Inc. | December 2009 |
| 200 | Home Depot, Inc. | November 2009 |
| 1,000 | Home Depot, Inc. | February 2010 |
| 600 | Intuit, Inc. | January 2010 |
| 300 | Intuit, Inc. | April 2010 |
| 300 | Lowe's Cos., Inc. | January 2010 |
| 800 | Lowe's Cos., Inc. | January 2010 |
| 1,000 | Lowe's Cos., Inc. | January 2010 |
| 182 | MGIC Investment Corp. | January 2010 |
| 500 | Microsoft Corp. | October 2009 |
| 800 | Microsoft Corp. | January 2010 |
| 600 | Microsoft Corp. | January 2010 |
| 340 | Mylan, Inc. | January 2010 |
| 1,460 | Mylan, Inc. | January 2010 |
| 700 | Mylan, Inc. | October 2009 |
| 500 | Powershares QQQ | December 2009 |
| 1,000 | Powershares QQQ | December 2009 |
| 400 | QLogic Corp. | January 2010 |
| 1,173 | QLogic Corp. | January 2010 |
| 320 | Schlumberger, Ltd. (Netherlands Antilles) | January 2010 |
| 1,000 | Starbucks Corp. | January 2010 |
| 200 | Starbucks Corp. | October 2009 |
| 200 | Starbucks Corp. | January 2010 |
| 300 | State Street Corp. | November 2009 |
| 600 | State Street Corp. | November 2009 |

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| | | |
|-----|------------------------------------|---------------|
| 700 | Symantec Corp. | October 2009 |
| 700 | Symantec Corp. | January 2010 |
| 350 | Target Corp. | October 2009 |
| 100 | Target Corp. | January 2010 |
| 100 | Target Corp. | January 2010 |
| 270 | Transocean, Ltd. (Switzerland) | January 2010 |
| 100 | Unit Corp. | December 2009 |
| 150 | United Parcel Services, Inc. | January 2010 |
| 200 | United Parcel Services, Inc. | October 2009 |
| 150 | United Parcel Services, Inc. | January 2010 |
| 533 | Varian Medical Systems, Inc. | January 2010 |
| 167 | Varian Medical Systems, Inc. | November 2009 |
| 100 | Waters Corp. | January 2010 |
| 400 | Waters Corp. | January 2010 |
| 600 | Wells Fargo & Co. | October 2009 |
| 900 | Wells Fargo & Co. | January 2010 |
| 820 | Williams-Sonoma, Inc. | November 2009 |
| 600 | Williams-Sonoma, Inc. | November 2009 |
| 500 | Williams-Sonoma, Inc. | February 2010 |
| 100 | XTO Energy, Inc. | November 2009 |
| 860 | XTO Energy, Inc. | January 2010 |
| 540 | Yahoo!, Inc. | October 2009 |
| 800 | Yahoo!, Inc. | January 2010 |
| 600 | Zebra Technologies Corp. - Class A | November 2009 |
| 220 | Zebra Technologies Corp. - Class A | February 2010 |
| 200 | Zebra Technologies Corp. - Class A | November 2009 |
| 275 | Zebra Technologies Corp. - Class A | December 2009 |
| 150 | Zimmer Holdings, Inc. | March 2010 |

TOTAL VALUE OF CALL OPTIONS WRITTEN
(Premiums received \$12,500,822)

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(b) Non-income producing security.

Country Allocation*

| | |
|----------------------|-------|
| United States | 92.2% |
| Singapore | 2.2% |
| Switzerland | 1.9% |
| Cayman Islands | 1.8% |
| Israel | 1.0% |
| Netherlands Antilles | 0.9% |

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

On July 17, 2009, Claymore Group Inc., the parent company of Claymore Advisors, LLC (the "Adviser"), entered into an Agreement and Plan of Merger between and among Claymore Group Inc., Claymore Holdings, LLC and GuggClay Acquisition, Inc., (with the latter two entities being wholly-owned, indirect subsidiaries of Guggenheim Partners, LLC ("Guggenheim")) whereby GuggClay Acquisition, Inc. will merge into Claymore Group Inc. which will be the surviving entity. This transaction was completed on October 14, 2009 (the "Effective Date") and resulted in a change-of-control whereby Claymore Group Inc. and its subsidiaries, including the Adviser, became indirect, wholly-owned subsidiaries of Guggenheim. The transaction is not expected to affect the daily operations of the Fund or the investment management activities of the Adviser.

Under the Investment Company Act of 1940, the consummation of this transaction resulted in the automatic termination of the Advisory Agreement. Accordingly, on September 28, 2009, the Board of Trustees approved an interim investment advisory agreement between Madison/Claymore Covered Call & Equity Strategy Fund (the "Fund") and the Adviser (the "Interim Advisory Agreement"). The Interim Advisory Agreement takes effect as of the Effective Date and will terminate upon the earlier of: (a) 150 calendar days after the Effective Date or (b) the approval of a new investment advisory agreement by the shareholders of the Fund. In addition, the advisory fees earned by the Adviser pursuant to the Interim Advisory Agreement will be held in an interest-bearing escrow account with the Fund's custodian during the term of the Interim Advisory Agreement. If the Fund's shareholders approve a new advisory agreement with the Adviser prior to the expiration of the term of the Interim Advisory Agreement, the amount in the escrow account (including any interest earned) with respect to the Fund shall be paid to the Adviser. If the Fund's shareholders do not approve a new advisory agreement with the Adviser prior to the expiration of the term of the Interim Advisory Agreement, the Adviser shall be paid, out of the escrow account with respect to the Fund, the lesser of (i) the Adviser's costs incurred in providing the services under the Interim Advisory Agreement (including any interest earned on that amount while in escrow) with respect to the Fund; or (ii) the total amount in the escrow account (including any interest earned) with respect to the Fund. Other than the effective dates and the provisions set forth above regarding the advisory fees' placement into an escrow account, the terms and conditions of the Interim Advisory Agreement are substantively identical to those of the Advisory Agreement.

See previously submitted notes to financial statements for the period ending June 30, 2009.

In September, 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, "Fair Valuation Measurements" ("FAS 157"). The Fund adopted FAS 157 effective on January 1, 2008. This standard clarifies the definition of fair value for financial

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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). In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" (FSP 157-4). FSP 157-4 provides guidance on how to determine the fair value of assets and liabilities when the volume and level of activity for the asset/liability has significantly decreased. FSP 157-4 requires disclosure in interim and annual periods of the inputs and valuation techniques used to measure fair value and a discussion of changes in valuation techniques. FSP 157-4 is effective for interim and annual reporting periods ending June 15, 2009. The Fund adopted FSP 157-4 effective on June 30, 2009. The following table represents the Fund's investments carried on the Statement of Assets and Liabilities by caption and by level within the fair value hierarchy as of September 30, 2009:

| Description | Level 1 | Level 2 | Level 3 |
|------------------------|------------|---------|---------|
| | ----- | ----- | ----- |
| (value in \$000s) | | | |
| Assets: | | | |
| Common Stocks: | | | |
| Computers | \$ 4,056 | \$ - | \$ - |
| Consumer Discretionary | 36,274 | - | - |
| Consumer Services | 14,406 | - | - |
| Energy | 17,908 | - | - |
| Financials | 35,044 | - | - |
| Health Care | 38,571 | - | - |
| Industrials | 2,823 | - | - |
| Insurance | 806 | - | - |
| Software | 5,750 | - | - |
| Technology | 42,104 | - | - |
| Exchange-Traded Funds | 6,338 | - | - |
| Money Market Fund | 3,425 | - | - |
| | ----- | ----- | ----- |
| Total | \$ 207,505 | \$ - | \$ - |
| | ===== | ===== | ===== |
| Liabilities: | | | |
| Written Options | \$ 21,063 | \$ - | \$ - |
| | ----- | ----- | ----- |
| Total | \$ 21,063 | \$ - | \$ - |
| | ===== | ===== | ===== |

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

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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 has 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 24, 2009

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 24, 2009

By: /s/ Steven M. Hill

Steven M. Hill
Treasurer and Chief Financial Officer

Date: November 24, 2009
