

Madison/Claymore Covered Call & Equity Strategy Fund
Form N-Q
November 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company 811-21582
Act file number

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)

Kevin M. Robinson

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, 2012 – September 30, 2012

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Item 1. Schedule of Investments.

Attached hereto.

MCN Madison/Claymore Covered Call & Equity Strategy Fund

Portfolio of Investments

September 30, 2012 (unaudited)

| Number of Shares | Description | Value |
|------------------|---|-------------|
| | Long-Term Investments - 87.2% | |
| | Common Stocks - 86.3% | |
| | Consumer Discretionary - 9.1% | |
| 43,000 | Bed Bath & Beyond, Inc.(a)(b) | \$2,709,000 |
| 270,000 | Best Buy Co., Inc. | 4,641,300 |
| 60,000 | Kohl's Corp.(b) | 3,073,200 |
| 160,000 | Staples, Inc.(b) | 1,843,200 |
| 50,000 | Target Corp.(b) | 3,173,500 |
| | | 15,440,200 |
| | Energy - 8.6% | |
| 60,000 | Apache Corp.(b) | 5,188,200 |
| 75,000 | Canadian Natural Resources, Ltd. (Canada)(b) | 2,309,250 |
| 120,000 | Petroleo Brasileiro SA, ADR (Brazil)(b) | 2,752,800 |
| 60,000 | Schlumberger, Ltd. (Curacao)(b) | 4,339,800 |
| | | 14,590,050 |
| | Financials - 17.4% | |
| 30,000 | Affiliated Managers Group, Inc.(a)(b) | 3,690,000 |
| 381,700 | Bank of America Corp.(b) | 3,370,411 |
| 50,000 | Goldman Sachs Group, Inc.(b) | 5,684,000 |
| 300,000 | Morgan Stanley(b) | 5,022,000 |
| 140,000 | State Street Corp.(b) | 5,874,400 |
| 40,000 | T Rowe Price Group, Inc.(b) | 2,532,000 |
| 100,000 | Wells Fargo & Co.(b) | 3,453,000 |
| | | 29,625,811 |
| | Health Care - 18.9% | |
| 50,000 | Celgene Corp.(a)(b) | 3,820,000 |
| 60,000 | Community Health Systems, Inc.(a)(b) | 1,748,400 |
| 23,000 | Gilead Sciences, Inc.(a)(b) | 1,525,590 |
| 240,000 | Mylan, Inc.(a)(b) | 5,856,000 |
| 85,000 | St. Jude Medical, Inc.(b) | 3,581,050 |
| 65,000 | Stryker Corp.(b) | 3,617,900 |
| 130,000 | Teva Pharmaceutical Industries, Ltd., ADR (Israel)(b) | 5,383,300 |
| 50,000 | UnitedHealth Group, Inc. | 2,770,500 |
| 55,700 | Zimmer Holdings, Inc.(b) | 3,766,434 |
| | | 32,069,174 |
| | Industrials - 3.7% | |

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| | | |
|-------------------------|--|--------------|
| 70,000 | Jacobs Engineering Group, Inc.(a) | 2,830,100 |
| 55,000 | Norfolk Southern Corp.(b) | 3,499,650 |
| | | 6,329,750 |
| | Information Technology - 26.3% | |
| 69,000 | Adobe Systems, Inc.(a)(b) | 2,239,740 |
| 50,000 | Altera Corp.(b) | 1,699,250 |
| 4,000 | Apple, Inc.(b) | 2,669,040 |
| 160,000 | Applied Materials, Inc.(b) | 1,786,400 |
| 250,000 | Cisco Systems, Inc.(b) | 4,772,500 |
| 95,000 | EMC Corp.(a) | 2,590,650 |
| 75,000 | Facebook, Inc., Class A(a)(b) | 1,623,750 |
| 600,000 | Flextronics International, Ltd. (Singapore)(a)(b) | 3,600,000 |
| 160,000 | FLIR Systems, Inc.(b) | 3,196,000 |
| 11,500 | Google, Inc., Class A(a)(b) | 8,676,750 |
| 220,000 | Hewlett-Packard Co.(b) | 3,753,200 |
| 90,000 | Microsoft Corp.(b) | 2,680,200 |
| 190,000 | Symantec Corp.(a)(b) | 3,420,000 |
| 124,000 | Yahoo!, Inc.(a)(b) | 1,980,900 |
| | | 44,688,380 |
| | Materials - 2.3% | |
| 100,000 | Freeport-McMoRan Copper & Gold, Inc.(b) | 3,958,000 |
| | Total Common Stocks - 86.3% | |
| | (Cost \$165,753,448) | 146,701,365 |
| | Exchange Traded Fund - 0.9% | |
| 10,000 | SPDR S&P 500 ETF Trust(b) (Cost \$1,372,512) | 1,439,300 |
| | Total Long-Term Investments - 87.2% | |
| | (Cost \$167,125,960) | 148,140,665 |
| | Short-Term Investments - 21.0% | |
| | Money Market Fund - 15.9% | |
| 27,041,501 | Invesco Liquid Assets Money Market Fund (Cost \$27,041,501) | 27,041,501 |
| Principal Amount | Description | Value |
| | U.S. Government - 5.1% | |
| 3,275,000 | U.S. Treasury Bill, 0.10% 02/14/13(b) | 3,273,732 |
| 5,450,000 | U.S. Treasury Bill, 0.10% 02/21/13(b) (Cost \$8,721,514) | 5,447,782 |
| | | 8,721,514 |
| | Total Short-Term Investments - 21.0% | |
| | (Cost \$35,763,015) | 35,763,015 |
| | Total Investments - 108.2% | |

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| | |
|--|----------------|
| (Cost \$202,888,975) | 183,903,680 |
| Liabilities in excess of Other Assets - (5.1%) | (8,676,368) |
| Total Value of Options Written - (3.1%) (Premiums received \$4,756,773) | (5,292,562) |
| Net Assets - 100.0% | \$ 169,934,750 |

ADR - American Depositary Receipt

SA - Corporation

S&P - Standard & Poor's

(a) Non-income producing security.

(b) All or a portion of this security is segregated as collateral for written options. As of September 30, 2012, the total amount segregated was \$143,075,270.

See previously submitted notes to financial statements for the period ended June 30, 2012.

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| Contracts (100 shares per contract) | Call Options Written (a) | Expiration Month | Exercise Price | Value |
|-------------------------------------|--------------------------------------|------------------|----------------|-------------|
| 300 | Adobe Systems, Inc. | January 2013 | \$ 34.00 | \$ (40,350) |
| 390 | Adobe Systems, Inc. | April 2013 | 35.00 | (68,445) |
| 300 | Affiliated Managers Group, Inc. | December 2012 | 105.00 | (571,500) |
| 100 | Altera Corp. | January 2013 | 37.00 | (11,500) |
| 200 | Apache Corp. | January 2013 | 95.00 | (35,400) |
| 300 | Apache Corp. | April 2013 | 95.00 | (108,750) |
| 100 | Apache Corp. | October 2012 | 87.50 | (14,450) |
| 40 | Apple, Inc. | February 2013 | 700.00 | (151,000) |
| 500 | Applied Materials, Inc. | January 2013 | 11.00 | (34,500) |
| 400 | Applied Materials, Inc. | April 2013 | 12.00 | (19,600) |
| 300 | Applied Materials, Inc. | October 2012 | 11.00 | (10,200) |
| 200 | Applied Materials, Inc. | October 2012 | 13.00 | (200) |
| 2,100 | Bank of America Corp. | October 2012 | 8.00 | (184,800) |
| 800 | Bank of America Corp. | November 2012 | 10.00 | (9,200) |
| 917 | Bank of America Corp. | December 2012 | 9.00 | (45,392) |
| 430 | Bed Bath & Beyond, Inc. | February 2013 | 62.50 | (201,025) |
| 300 | Canadian Natural Resources Ltd. | December 2012 | 29.00 | (93,000) |
| 200 | Celgene Corp. | January 2013 | 67.50 | (213,500) |
| 300 | Celgene Corp. | January 2013 | 70.00 | (261,000) |
| 500 | Cisco Systems, Inc. | January 2013 | 17.50 | (98,500) |
| 500 | Cisco Systems, Inc. | April 2013 | 18.00 | (99,500) |
| 500 | Cisco Systems, Inc. | October 2012 | 21.00 | (750) |
| 300 | Community Health Systems, Inc. | December 2012 | 30.00 | (54,000) |
| 400 | Facebook, Inc. | October 2012 | 22.00 | (38,000) |
| 2,000 | Flextronics International Ltd. | January 2013 | 7.50 | (13,000) |
| 400 | FLIR Systems, Inc. | January 2013 | 20.00 | (44,000) |
| 300 | FLIR Systems, Inc. | October 2012 | 19.00 | (40,500) |
| 200 | FLIR Systems, Inc. | October 2012 | 21.00 | (1,000) |
| 200 | FLIR Systems, Inc. | October 2012 | 27.00 | (1,000) |
| 200 | Freeport-McMoRan Copper & Gold, Inc. | February 2013 | 43.00 | (37,800) |
| 300 | Freeport-McMoRan Copper & Gold, Inc. | November 2012 | 35.00 | (147,750) |
| 300 | Freeport-McMoRan Copper & Gold, Inc. | November 2012 | 36.00 | (123,750) |
| 230 | Gilead Sciences, Inc. | November 2012 | 50.00 | (379,500) |
| 100 | Goldman Sachs Group, Inc. | April 2013 | 130.00 | (31,250) |
| 200 | Goldman Sachs Group, Inc. | October 2012 | 100.00 | (281,000) |
| 55 | Google, Inc. | January 2013 | 710.00 | (383,075) |
| 300 | Hewlett-Packard Co. | November 2012 | 20.00 | (2,250) |
| 400 | Kohl's Corp. | October 2012 | 50.00 | (76,000) |
| 300 | Microsoft Corp. | January 2013 | 31.00 | (23,700) |
| 1,000 | Morgan Stanley | October 2012 | 18.00 | (19,500) |
| 500 | Mylan, Inc. | April 2013 | 25.00 | (73,000) |
| 200 | Norfolk Southern Corp. | December 2012 | 72.50 | (4,500) |
| 300 | Petroleo Brasileiro SA | October 2012 | 21.00 | (62,400) |
| 300 | Petroleo Brasileiro SA | October 2012 | 31.00 | (300) |

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| | | | | |
|-------|--------------------------------------|---------------|--------|----------------|
| 300 | Schlumberger Ltd. | November 2012 | 70.00 | (123,000) |
| 100 | SPDR S&P 500 ETF Trust | November 2012 | 146.00 | (19,450) |
| 300 | St Jude Medical, Inc. | April 2013 | 42.00 | (99,000) |
| 400 | Staples, Inc. | December 2012 | 13.00 | (16,000) |
| 400 | Staples, Inc. | December 2012 | 14.00 | (8,000) |
| 600 | State Street Corp. | November 2012 | 45.00 | (18,600) |
| 200 | Stryker Corp. | December 2012 | 55.00 | (49,000) |
| 1,200 | Symantec Corp. | January 2013 | 20.00 | (66,000) |
| 200 | T Rowe Price Group, Inc. | January 2013 | 65.00 | (47,000) |
| 200 | T Rowe Price Group, Inc. | October 2012 | 60.00 | (74,000) |
| 300 | Target Corp. | January 2013 | 60.00 | (137,250) |
| 200 | Target Corp. | April 2013 | 65.00 | (50,700) |
| 100 | Teva Pharmaceutical Industries, Ltd. | January 2013 | 45.00 | (5,550) |
| 250 | Wells Fargo & Co. | April 2013 | 37.00 | (30,000) |
| 500 | Yahoo!, Inc. | October 2012 | 16.00 | (17,000) |
| 120 | Zimmer Holdings, Inc. | December 2012 | 65.00 | (51,000) |
| | Total Value of Call Options Written | | | (4,921,387) |
| | (Premiums received \$4,412,696) | | | |
| | Put Options Written | | | |
| (40) | Apple, Inc. | February 2013 | 675.00 | (233,700) |
| (430) | Bed Bath & Beyond, Inc. | February 2013 | 57.50 | (95,675) |
| (400) | Symantec Corp. | January 2013 | 17.50 | (41,800) |
| | Total Value of Put Options Written | | | (371,175) |
| | (Premiums received \$344,077) | | | |
| | Total Value of Options Written | | | |
| | (Premiums received \$4,756,773) | | | \$ (5,292,562) |

Country Allocation^

| | |
|---------------|-------|
| United States | 87.6% |
| Israel | 3.6% |
| Curacao | 2.9% |
| Singapore | 2.4% |
| Brazil | 1.9% |
| Canada | 1.6% |

^Subject to change daily. Based on long-term investments.

At September 30, 2012, the cost and related gross unrealized appreciation and depreciation on investments for tax purposes are as follows:

| Cost of Investments for Tax Purposes | Gross Tax Unrealized Appreciation | Gross Tax Unrealized Depreciation | Net Tax Unrealized Depreciation on Investments |
|---|---|---|--|
| \$202,919,067 | \$ 8,678,821 | \$(27,694,208) | \$(19,015,387) |

Readily marketable portfolio securities listed on an exchange or traded in the over-the-counter market are generally valued at their last reported sale price. If no sales are reported, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day, then the security is valued in accordance with procedures established in good faith by management and approved by the Board of Trustees. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Portfolio securities traded on more than one securities exchange are valued at the last sale price at the close of the exchange representing the principal market for such securities. Debt securities are valued using the mean of the closing bid and asked prices for such securities or, if prices are not available, at prices for securities of comparable maturity, quality and type. Exchange-traded options are valued at the mean of the best bid and best asked prices across all option exchanges. Short-term debt securities having a remaining maturity of sixty days or less are valued at amortized cost, which approximates market value.

For those securities whose bid or asked prices are not available, the valuations are determined in accordance with procedures established in good faith by management and approved by the Board of Trustees. Valuations in accordance with these procedures are intended to reflect each security's (or asset's) "fair value". Fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. 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

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and sold (e.g., the existence of pending merger activity, public offerings or tender offers that might affect the value of the security).

There are 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).

The Fund values Level 1 securities using readily available market quotations in active markets. Money Market Funds are valued at Net Asset

Value. The Fund values Level 2 fixed income securities using independent pricing providers who employ matrix pricing models utilizing market prices, broker quotes and prices of securities with comparable maturities and qualities. The Fund values Level 2 equity securities using various observable market inputs as described above. The Fund did not have any Level 3 securities during the three months ended September 30, 2012.

The following table represents the Fund's investments carried by caption and by level within the fair value hierarchy at September 30, 2012.

| Description (value in \$000s) | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|------------------|----------------|------------|------------------|
| Assets: | | | | |
| Common Stocks | \$146,701 | \$- | \$- | \$146,701 |
| Exchange Traded Fund | 1,439 | - | - | 1,439 |
| Money Market Fund | 27,042 | - | - | 27,042 |
| U.S. Government | - | 8,722 | - | 8,722 |
| Total | \$175,182 | \$8,722 | \$- | \$183,904 |
| Liabilities: | | | | |
| Written Options | \$5,293 | \$- | \$- | 5,293 |
| Total | \$5,293 | \$- | \$- | \$5,293 |

During the three months ended September 30, 2012, there were no transfers between levels.

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 on 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, 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/Kevin M. Robinson
Kevin M. Robinson
Chief Executive Officer and Chief Legal Officer

Date: November 27, 2012

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/Kevin M. Robinson
Kevin M. Robinson
Chief Executive Officer and Chief Legal Officer

Date: November 27, 2012

By: /s/John Sullivan
John Sullivan
Chief Financial Officer, Chief Accounting Officer and Treasurer

Date: November 27, 2012