

Madison/Claymore Covered Call & Equity Strategy Fund  
Form N-Q  
November 18, 2010

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)

Kevin M. Robinson

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, 2010 – September 30, 2010

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 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. § 3507.



Item 1. Schedule of Investments.  
Attached hereto.

MCN | MADISON/CLAYMORE COVERED CALL  
& EQUITY STRATEGY FUND  
Portfolio of Investments  
September 30, 2010 (unaudited)

| Number<br>of Shares | Description            | Value        |
|---------------------|------------------------|--------------|
|                     | Long-Term Investments  |              |
|                     | - 95.6%                |              |
|                     | Common Stocks (a) -    |              |
|                     | 89.6%                  |              |
|                     | Computers - 1.9%       |              |
| 265,800             | Dell, Inc. (b)         | \$ 3,444,768 |
|                     | Consumer Discretionary |              |
|                     | - 13.7%                |              |
| 204,000             | American Eagle         | 3,051,840    |
|                     | Outfitters, Inc.       |              |
| 70,000              | Bed Bath & Beyond,     | 3,038,700    |
|                     | Inc. (b)               |              |
| 100,000             | Best Buy Co., Inc.     | 4,083,000    |
| 138,700             | Home Depot, Inc.       | 4,394,016    |
| 210,000             | Lowe's Cos., Inc.      | 4,680,900    |
| 50,000              | Target Corp.           | 2,672,000    |
| 88,200              | Williams-Sonoma, Inc.  | 2,795,940    |
|                     |                        | 24,716,396   |
|                     | Consumer Services -    |              |
|                     | 4.9%                   |              |
| 291,400             | eBay, Inc. (b)         | 7,110,160    |
| 55,500              | Garmin, Ltd.           | 1,684,425    |
|                     | (Switzerland)          |              |
|                     |                        | 8,794,585    |
|                     | Energy - 6.0%          |              |
| 41,900              | Apache Corp.           | 4,096,144    |
| 9,000               | Exxon Mobil Corp.      | 556,110      |
| 32,000              | Schlumberger, Ltd.     | 1,971,520    |
|                     | (Netherlands Antilles) |              |
| 47,000              | Transocean, Ltd.       | 3,021,630    |
|                     | (Switzerland) (b)      |              |
| 70,000              | Valero Energy Corp.    | 1,225,700    |
|                     |                        | 10,871,104   |
|                     | Financials - 20.0%     |              |

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|         |                                        |            |
|---------|----------------------------------------|------------|
| 40,000  | Affiliated Managers Group, Inc. (b)    | 3,120,400  |
| 205,278 | Bank of America Corp.                  | 2,691,195  |
| 160,000 | Capital One Financial Corp.            | 6,328,000  |
| 420,000 | Citigroup, Inc. (b)                    | 1,638,000  |
| 38,000  | Goldman Sachs Group, Inc. (The)        | 5,494,040  |
| 260,000 | Marshall & Ilsley Corp.                | 1,830,400  |
| 150,000 | Morgan Stanley                         | 3,702,000  |
| 110,000 | State Street Corp.                     | 4,142,600  |
| 255,000 | Synovus Financial Corp.                | 627,300    |
| 45,000  | Visa, Inc. - Class A                   | 3,341,700  |
| 130,000 | Wells Fargo & Co.                      | 3,266,900  |
|         |                                        | 36,182,535 |
|         | Health Care - 21.1%                    |            |
| 90,000  | Biogen Idec, Inc. (b)                  | 5,050,800  |
| 65,000  | Celgene Corp. (b)                      | 3,744,650  |
| 30,000  | Community Health Systems, Inc. (b)     | 929,100    |
| 85,045  | Genzyme Corp. (b)                      | 6,020,335  |
| 130,000 | Gilead Sciences, Inc. (b)              | 4,629,300  |
| 170,000 | Mylan, Inc. (b)                        | 3,197,700  |
| 270,000 | Pfizer, Inc.                           | 4,635,900  |
| 199,800 | UnitedHealth Group, Inc.               | 7,014,978  |
| 55,200  | Zimmer Holdings, Inc. (b)              | 2,888,616  |
|         |                                        | 38,111,379 |
|         | Industrial - 0.7%                      |            |
| 20,000  | United Parcel Services, Inc. - Class B | 1,333,800  |
|         | Insurance - 0.6%                       |            |
| 108,800 | MGIC Investment Corp. (b)              | 1,004,224  |
|         | Materials - 2.7%                       |            |
| 58,000  | Freeport-McMoRan Copper & Gold, Inc.   | 4,952,620  |
|         | Software - 1.8%                        |            |
| 220,000 | Symantec Corp. (b)                     | 3,337,400  |
|         | Technology - 16.2%                     |            |
| 120,000 | Adobe Systems, Inc. (b)                | 3,138,000  |
| 120,000 | Applied Materials, Inc.                | 1,401,600  |
| 275,000 | Cisco Systems, Inc. (b)                | 6,022,500  |
| 71,300  | EMC Corp. (b)                          | 1,448,103  |

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|                  |                                                                                                            |             |
|------------------|------------------------------------------------------------------------------------------------------------|-------------|
| 590,300          | Flextronics International Ltd. (Singapore) (b)                                                             | 3,565,412   |
| 10,000           | Google, Inc. - Class A (b)                                                                                 | 5,257,900   |
| 120,000          | Microsoft Corp.                                                                                            | 2,938,800   |
| 50,000           | QUALCOMM, Inc.                                                                                             | 2,256,000   |
| 164,000          | Yahoo!, Inc. (b)                                                                                           | 2,323,880   |
| 30,800           | Zebra Technologies Corp. - Class A (b)                                                                     | 1,036,112   |
|                  |                                                                                                            | 29,388,307  |
|                  | Total Common Stocks - 89.6%<br>(Cost \$237,799,585)                                                        | 162,137,118 |
|                  | Exchange-Traded Funds (a) - 6.0%                                                                           |             |
| 130,000          | Powershares QQQ                                                                                            | 6,380,400   |
| 40,000           | SPDR S&P 500 ETF Trust<br>(Cost \$10,138,014)                                                              | 4,564,800   |
|                  |                                                                                                            | 10,945,200  |
|                  | Total Long-Term Investments - 95.6%<br>(Cost \$247,937,599)                                                | 173,082,318 |
|                  | Short-Term Investments - 9.0%                                                                              |             |
|                  | Money Market Funds - 5.5%                                                                                  |             |
| 9,895,528        | AIM Liquid Assets Money Market Fund<br>(Cost \$9,895,528)                                                  | 9,895,528   |
| PRINCIPAL AMOUNT |                                                                                                            | VALUE       |
| \$ 6,275,000     | U.S. Government - 3.5%<br>U.S. Treasury Note<br>(coupon 0.875%,<br>maturity 2/28/11)<br>(Cost \$6,290,387) | 6,293,630   |
|                  | Total Short-Term Investments - 9.0%<br>(Cost \$16,185,915)                                                 | 16,189,158  |
|                  | Total Investments - 104.6%<br>(Cost \$264,123,514)                                                         | 189,271,476 |
|                  | Liabilities in excess of Other Assets - (0.1%)                                                             | (147,432)   |
|                  |                                                                                                            | (8,136,681) |

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Total Value of Options  
Written - (4.5%)  
Net Assets - 100.0%                      \$     180,987,363

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

| Contracts<br>(100 shares per<br>contract) | Call Options Written (b)           | Expiration Month | Exercise Price | Value         |
|-------------------------------------------|------------------------------------|------------------|----------------|---------------|
| 300                                       | Adobe Systems, Inc.                | January 11       | \$     29.00   | \$     26,550 |
| 300                                       | Adobe Systems, Inc.                | January 11       | 33.00          | 6,900         |
| 300                                       | Adobe Systems, Inc.                | January 11       | 35.00          | 3,600         |
| 300                                       | Adobe Systems, Inc.                | October 10       | 33.00          | 750           |
| 46                                        | Affiliated Managers<br>Group, Inc. | January 11       | 70.00          | 50,830        |
| 200                                       | Affiliated Managers<br>Group, Inc. | January 11       | 75.00          | 158,000       |
| 154                                       | Affiliated Managers<br>Group, Inc. | March 11         | 70.00          | 190,960       |
| 104                                       | Apache Corp.                       | January 11       | 100.00         | 53,560        |
| 200                                       | Apache Corp.                       | January 11       | 110.00         | 35,900        |
| 115                                       | Apache Corp.                       | April 11         | 95.00          | 118,737       |
| 200                                       | Applied Materials, Inc.            | January 11       | 12.50          | 9,000         |
| 300                                       | Applied Materials, Inc.            | January 11       | 15.00          | 1,800         |
| 300                                       | Applied Materials, Inc.            | October 10       | 15.00          | 150           |
| 1,552                                     | Bank of America Corp.              | October 10       | 13.00          | 64,408        |
| 500                                       | Bank of America Corp.              | November 10      | 16.00          | 4,000         |
| 600                                       | Bed Bath & Beyond,<br>Inc.         | January 11       | 38.00          | 403,500       |
| 100                                       |                                    | February 11      | 40.00          | 56,000        |

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|       |                                |             |       |         |
|-------|--------------------------------|-------------|-------|---------|
|       | Bed Bath & Beyond, Inc.        |             |       |         |
| 300   | Best Buy Co., Inc.             | January 11  | 40.00 | 101,250 |
| 221   | Biogen Idec, Inc.              | January 11  | 55.00 | 103,870 |
| 200   | Biogen Idec, Inc.              | January 11  | 60.00 | 47,500  |
| 479   | Biogen Idec, Inc.              | April 11    | 60.00 | 167,650 |
| 310   | Capital One Financial Corp.    | January 11  | 47.00 | 22,010  |
| 300   | Capital One Financial Corp.    | January 11  | 50.00 | 9,600   |
| 450   | Celgene Corp.                  | January 11  | 55.00 | 254,250 |
| 200   | Celgene Corp.                  | April 11    | 57.50 | 113,000 |
| 300   | Cisco Systems, Inc.            | January 12  | 30.00 | 23,250  |
| 300   | Cisco Systems, Inc.            | October 10  | 25.00 | 150     |
| 300   | Cisco Systems, Inc.            | October 10  | 27.00 | 300     |
| 1,000 | Citigroup, Inc.                | December 10 | 4.00  | 18,500  |
| 200   | Community Health Systems, Inc. | January 11  | 40.00 | 6,500   |
| 500   | Dell, Inc.                     | January 11  | 17.50 | 2,750   |
| 243   | Dell, Inc.                     | November 10 | 17.00 | 486     |
| 500   | eBay, Inc.                     | January 11  | 22.50 | 146,500 |
| 217   | eBay, Inc.                     | January 11  | 30.00 | 5,208   |
| 400   | eBay, Inc.                     | October 10  | 24.00 | 32,000  |
| 676   | EMC Corp.                      | October 10  | 19.00 | 96,330  |
| 90    | Exxon Mobil Corp.              | October 10  | 60.00 | 19,170  |
| 400   | Flextronics International Ltd. | January 11  | 10.00 | 1,800   |
| 500   | Flextronics International Ltd. | October 10  | 5.00  | 53,500  |

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|       |                                         |             |        |         |
|-------|-----------------------------------------|-------------|--------|---------|
| 300   | Freeport-McMoRan<br>Copper & Gold, Inc. | January 11  | 72.50  | 469,500 |
| 280   | Freeport-McMoRan<br>Copper & Gold, Inc. | February 11 | 80.00  | 320,600 |
| 455   | Garmin, Ltd.                            | October 10  | 30.00  | 50,050  |
| 200   | Genzyme Corp.                           | January 11  | 55.00  | 329,500 |
| 250   | Genzyme Corp.                           | January 11  | 67.50  | 156,250 |
| 200   | Genzyme Corp.                           | October 10  | 57.50  | 272,500 |
| 380   | Goldman Sachs Group,<br>Inc. (The)      | January 11  | 160.00 | 144,400 |
| 100   | Google, Inc.                            | January 11  | 530.00 | 305,500 |
| 220   | Home Depot, Inc.                        | January 11  | 35.00  | 11,660  |
| 300   | Home Depot, Inc.                        | November 10 | 28.00  | 120,000 |
| 200   | Home Depot, Inc.                        | February 11 | 29.00  | 75,000  |
| 600   | Lowe's Cos., Inc.                       | January 11  | 25.00  | 28,800  |
| 600   | Lowe's Cos., Inc.                       | October 10  | 22.00  | 39,000  |
| 500   | Lowe's Cos., Inc.                       | October 10  | 25.00  | 1,000   |
| 400   | Lowe's Cos., Inc.                       | October 10  | 27.00  | 400     |
| 500   | Marshall & Ilsley Corp.                 | January 11  | 10.00  | 5,000   |
| 300   | Marshall & Ilsley Corp.                 | December 10 | 10.00  | 2,250   |
| 500   | MGIC Investment Corp.                   | December 10 | 9.00   | 58,000  |
| 1,000 | Microsoft Corp.                         | April 11    | 25.00  | 163,500 |
| 300   | Morgan Stanley                          | October 10  | 27.00  | 2,400   |
| 278   | Mylan, Inc.                             | October 10  | 22.00  | 417     |
| 700   | Pfizer, Inc.                            | December 10 | 15.00  | 162,050 |
| 600   | Powershares QQQ                         | January 11  | 45.00  | 325,200 |
| 200   | Powershares QQQ                         | January 11  | 49.00  | 53,500  |



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|     |                              |             |        |         |
|-----|------------------------------|-------------|--------|---------|
| 400 | Powershares QQQ              | December 10 | 46.00  | 170,200 |
| 100 | Powershares QQQ              | December 10 | 46.00  | 44,150  |
| 250 | QUALCOMM, Inc.               | January 11  | 40.00  | 156,250 |
| 250 | QUALCOMM, Inc.               | October 10  | 40.00  | 129,375 |
| 320 | Schlumberger, Ltd.           | November 10 | 65.00  | 48,480  |
| 400 | SPDR S&P 500 ETF Trust       | October 10  | 109.00 | 230,800 |
| 400 | State Street Corp.           | November 10 | 40.00  | 42,200  |
| 200 | Symantec Corp.               | April 11    | 16.00  | 22,100  |
| 500 | Target Corp.                 | January 11  | 55.00  | 97,500  |
| 200 | Transocean, Ltd.             | January 11  | 90.00  | 5,600   |
| 270 | Transocean, Ltd.             | November 10 | 52.50  | 338,175 |
| 200 | United Parcel Services, Inc. | January 11  | 67.50  | 54,600  |
| 300 | UnitedHealth Group, Inc.     | October 10  | 33.00  | 68,100  |
| 300 | UnitedHealth Group, Inc.     | December 10 | 32.00  | 116,250 |
| 300 | Valero Energy Corp.          | October 10  | 17.00  | 21,300  |
| 400 | Valero Energy Corp.          | December 10 | 18.00  | 31,400  |
| 450 | Visa, Inc.                   | January 11  | 75.00  | 199,125 |
| 400 | Wells Fargo & Co.            | October 10  | 35.00  | 400     |
| 343 | Williams-Sonoma, Inc.        | November 10 | 27.00  | 198,940 |
| 539 | Williams-Sonoma, Inc.        | November 10 | 30.00  | 161,700 |
| 400 | Yahoo!, Inc.                 | January 11  | 17.50  | 8,400   |
| 400 | Yahoo!, Inc.                 | October 10  | 13.00  | 50,200  |
| 100 | Zebra Technologies Corp.     | November 10 | 30.00  | 40,500  |

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|       |                                                                     |             |        |           |
|-------|---------------------------------------------------------------------|-------------|--------|-----------|
| 208   | Zebra Technologies Corp.                                            | February 11 | 30.00  | 99,840    |
| 552   | Zimmer Holdings, Inc.                                               | January 11  | 60.00  | 41,400    |
|       | Total Value of Call Options Written (Premiums received \$8,048,960) |             |        | 7,883,681 |
| 100   | Put Options Written Goldman Sachs Group, Inc. (The)                 | January 11  | 140.00 | 79,250    |
| 1,000 | Microsoft Corp.                                                     | April 11    | 22.00  | 116,500   |
| 500   | Target Corp.                                                        | January 11  | 47.50  | 57,250    |
|       | Total Value of Put Options Written (Premiums received \$473,082)    |             |        | 253,000   |
|       | Total Options Written (Premiums received \$8,522,042)               |             | \$     | 8,136,681 |

(b) Non-income producing security.

|                      |       |
|----------------------|-------|
| Country Allocation*  |       |
| United States        | 94.6% |
| Switzerland          | 2.5%  |
| Singapore            | 1.9%  |
| Netherlands Antilles | 1.0%  |

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

See previously submitted notes to financial statements for the period ending June 30, 2010.

At September 30, 2010, the cost and related gross unrealized appreciation and depreciation on investments for tax purposes are as follows:

| Cost of Investments for<br>Tax Purposes | Gross Tax<br>Unrealized<br>Appreciation | Gross Tax<br>Unrealized<br>Depreciation | Net Tax<br>Unrealized<br>Depreciation<br>on<br>Investments |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|------------------------------------------------------------|
| \$ 265,017,857                          | \$ 5,732,501                            | \$(81,478,882)                          | \$ (75,746,381)                                            |

In accordance with ASC 820, Fair Value Measurements and Disclosures ("ASC 820"), 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. ASC 820 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).

The Fund has adopted the Accounting Standard Update, Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements which provides guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for Level 2 or Level 3 positions ii) transfers between all levels (including Level 1 and Level 2) on a gross basis (i.e. transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements must be shown on a gross basis in the Level 3 rollforward rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, however, the requirement to provide the Level 3 activity for purchases, sales, issuances and settlements on a gross basis will be effective for interim and annual periods beginning after December 15, 2010.

The Fund values Level 1 securities using readily available market quotations in active markets. 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 quoted prices that are fair valued using procedures approved by the Board of Trustees. The Fund did not have any Level 3 securities at September 30, 2010.

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, 2010:

| Description<br>(value in \$000s) | Level 1    | Level 2 | Level 3 | Total      |
|----------------------------------|------------|---------|---------|------------|
| Assets:                          |            |         |         |            |
| Common stocks                    | \$ 162,137 | \$ -    | \$ -    | \$ 162,137 |
| Exchange-Traded Funds            | 10,945     |         |         | 10,945     |
| Money Market Fund                | 9,895      | -       | -       | 9,895      |

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|                 |    |         |       |       |                 |
|-----------------|----|---------|-------|-------|-----------------|
| U.S Government  |    | -       | 6,294 | -     | 6,294           |
| Total           | \$ | 182,977 | \$    | 6,294 | \$ - \$ 189,271 |
| Liabilities:    |    |         |       |       |                 |
| Written Options |    | 8,137   | -     | -     | 8,137           |
| Total           | \$ | 8,137   | \$    | -     | \$ - \$ 8,137   |

There were no transfers between Level 1 and Level 2.

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 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.

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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 and Legal Officer

Date: November 18, 2010

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 and Legal Officer

Date: November 18, 2010

By: /s/ Bruce Albelda  
Bruce Albelda  
Interim Chief Financial Officer, Interim Chief Accounting Officer and Interim Treasurer

Date: November 18, 2010