

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 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 Outfitters, Inc.	3,051,840
70,000	Bed Bath & Beyond, Inc. (b)	3,038,700
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. (Switzerland)	1,684,425
		8,794,585
	Energy - 6.0%	
41,900	Apache Corp.	4,096,144
9,000	Exxon Mobil Corp.	556,110
32,000	Schlumberger, Ltd. (Netherlands Antilles)	1,971,520
47,000	Transocean, Ltd. (Switzerland) (b)	3,021,630
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%	
	(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	4,564,800
	(Cost \$10,138,014)	10,945,200
	Total Long-Term Investments - 95.6%	
	(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 (Cost \$9,895,528)	9,895,528
	PRINCIPAL AMOUNT	VALUE
\$ 6,275,000	U.S. Government - 3.5% U.S. Treasury Note (coupon 0.875%, maturity 2/28/11) (Cost \$6,290,387)	6,293,630
	Total Short-Term Investments - 9.0%	
	(Cost \$16,185,915)	16,189,158
	Total Investments - 104.6%	
	(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 (100 shares per 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 Group, Inc.	January 11	70.00	50,830
200	Affiliated Managers Group, Inc.	January 11	75.00	158,000
154	Affiliated Managers 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, 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 Copper & Gold, Inc.	January 11	72.50	469,500
280	Freeport-McMoRan 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, 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.

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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 Tax Purposes	Gross Tax Unrealized Appreciation	Gross Tax Unrealized Depreciation	Net Tax Unrealized Depreciation on 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 (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