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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