

Madison/Claymore Covered Call Fund  
Form N-Q  
May 25, 2006

**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 Fund**

(Exact name of registrant as specified in charter)

**2455 Corporate West Drive, Lisle, IL 60532**

(Address of principal executive offices) (Zip code)

**Nicholas Dalmaso, Chief Legal and Executive Officer**

**Madison/Claymore Covered Call Fund**

**2455 Corporate West Drive, Lisle, IL 60532**

(Name and address of agent for service)

Registrant's telephone number, including area code: 1-630-505-3700

Date of fiscal year end: December 31

Date of reporting period: March 31, 2006

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.

**MADISON/CLAYMORE COVERED CALL FUND***Portfolio of Investments**March 31, 2006 (unaudited)*

| NUMBER<br>OF SHARES                 | DESCRIPTION                         | VALUE        |
|-------------------------------------|-------------------------------------|--------------|
| <b>COMMON STOCKS 87.5%</b>          |                                     |              |
| <b>Business Services 5.7%</b>       |                                     |              |
| 100,000                             | Cintas Corp.                        | \$ 4,262,000 |
| 170,000                             | First Data Corp.                    | 7,959,400    |
| 63,000                              | Fiserv, Inc. (a)                    | 2,680,650    |
| 40,000                              | Hewitt Associates, Inc. (a)         | 1,189,600    |
|                                     |                                     | 16,091,650   |
| <b>Consumer Discretionary 21.4%</b> |                                     |              |
| 10,000                              | Abercrombie & Fitch Co.             | 583,000      |
| 210,000                             | American Eagle Outfitters, Inc.     | 6,270,600    |
| 270,000                             | Bed Bath & Beyond, Inc. (a)         | 10,368,000   |
| 45,000                              | Best Buy Co., Inc.                  | 2,516,850    |
| 70,000                              | Family Dollar Stores, Inc.          | 1,862,000    |
| 30,000                              | Harley-Davidson, Inc.               | 1,556,400    |
| 200,000                             | Home Depot, Inc.                    | 8,460,000    |
| 150,000                             | Kohl's Corp. (a)                    | 7,951,500    |
| 145,000                             | Lowe's Cos., Inc.                   | 9,343,800    |
| 64,000                              | Ross Stores, Inc.                   | 1,868,160    |
| 120,000                             | Target Corp.                        | 6,241,200    |
| 75,000                              | Williams-Sonoma, Inc. (a)           | 3,180,000    |
|                                     |                                     | 60,201,510   |
| <b>Computers 1.6%</b>               |                                     |              |
| 150,000                             | Dell, Inc. (a)                      | 4,464,000    |
| <b>Consumer Services 0.5%</b>       |                                     |              |
| 26,500                              | Intuit, Inc. (a)                    | 1,409,535    |
| <b>Exchange Traded Funds 1.1%</b>   |                                     |              |
| 74,000                              | Nasdaq-100 Index Tracking Stock     | 3,103,560    |
| <b>Financials 12.0%</b>             |                                     |              |
| 10,000                              | Affiliated Managers Group, Inc. (a) | 1,066,100    |
| 55,000                              | Capital One Financial Corp.         | 4,428,600    |
| 107,000                             | Citigroup, Inc.                     | 5,053,610    |
| 266,000                             | Countrywide Financial Corp.         | 9,762,200    |
| 70,000                              | Merrill Lynch & Co., Inc.           | 5,513,200    |
| 125,000                             | Morgan Stanley Co.                  | 7,852,500    |
|                                     |                                     | 33,676,210   |
| <b>Healthcare 17.9%</b>             |                                     |              |
| 125,000                             | Amgen, Inc. (a)                     | 9,093,750    |
| 151,000                             | Biogen Idec, Inc. (a)               | 7,112,100    |
| 185,000                             | Biomet, Inc.                        | 6,571,200    |

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|                                          |                                                                                                                                                                                         |             |
|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 136,200                                  | Boston Scientific Corp. (a)                                                                                                                                                             | 3,139,410   |
| 100,000                                  | Community Health Systems, Inc. (a)                                                                                                                                                      | 3,615,000   |
| 270,000                                  | Health Management Associates, Inc.                                                                                                                                                      | 5,823,900   |
| 30,000                                   | Laboratory Corp. of America Holdings (a)                                                                                                                                                | 1,754,400   |
| 160,000                                  | Patterson Cos., Inc. (a)                                                                                                                                                                | 5,632,000   |
| 67,600                                   | Pfizer, Inc.                                                                                                                                                                            | 1,684,592   |
| 5,000                                    | Waters Corp. (a)                                                                                                                                                                        | 215,750     |
| 82,000                                   | Zimmer Holdings, Inc. (a)                                                                                                                                                               | 5,543,200   |
|                                          |                                                                                                                                                                                         | 50,185,302  |
| <b>Industrial 4.2%</b>                   |                                                                                                                                                                                         |             |
| 50,500                                   | Dover Corp.                                                                                                                                                                             | 2,452,280   |
| 135,530                                  | FLIR Systems, Inc. (a)                                                                                                                                                                  | 3,850,407   |
| 70,000                                   | United Parcel Services Corp.-Class B                                                                                                                                                    | 5,556,600   |
|                                          |                                                                                                                                                                                         | 11,859,287  |
| <b>Insurance 2.4%</b>                    |                                                                                                                                                                                         |             |
| 100,000                                  | MGIC Investment Corp.                                                                                                                                                                   | 6,663,000   |
| <b>Software 4.2%</b>                     |                                                                                                                                                                                         |             |
| 320,000                                  | Check Point Software Technologies Ltd. (Israel) (a)                                                                                                                                     | 6,406,400   |
| 316,000                                  | Symantec Corp. (a)                                                                                                                                                                      | 5,318,280   |
|                                          |                                                                                                                                                                                         | 11,724,680  |
| <b>Technology 16.5%</b>                  |                                                                                                                                                                                         |             |
| 332,000                                  | Altera Corp. (a)                                                                                                                                                                        | 6,852,480   |
| 200,000                                  | Applied Materials, Inc.                                                                                                                                                                 | 3,502,000   |
| 310,000                                  | Cisco Systems, Inc. (a)                                                                                                                                                                 | 6,717,700   |
| 115,000                                  | EBAY, Inc. (a)                                                                                                                                                                          | 4,491,900   |
| 452,500                                  | Flextronics International Ltd. (Singapore) (a)                                                                                                                                          | 4,683,375   |
| 8,000                                    | Google, Inc. (a)                                                                                                                                                                        | 3,120,000   |
| 47,600                                   | Hewlett-Packard Co.                                                                                                                                                                     | 1,566,040   |
| 427,000                                  | Intel Corp.                                                                                                                                                                             | 8,262,450   |
| 120,000                                  | Linear Technology Corp.                                                                                                                                                                 | 4,209,600   |
| 31,666                                   | Maxim Integrated Products                                                                                                                                                               | 1,176,392   |
| 70,000                                   | Xilinx, Inc.                                                                                                                                                                            | 1,782,200   |
|                                          |                                                                                                                                                                                         | 46,364,137  |
| <b>TOTAL LONG TERM INVESTMENTS 87.5%</b> |                                                                                                                                                                                         |             |
| (Cost \$243,841,862)                     |                                                                                                                                                                                         | 245,742,871 |
| <b>SHORT-TERM INVESTMENTS 19.4%</b>      |                                                                                                                                                                                         |             |
| <b>Money Market Funds 0.0%</b>           |                                                                                                                                                                                         |             |
| 22,472                                   | AIM Liquid Assets Money Market Fund (Cost \$22,472)                                                                                                                                     | 22,472      |
| <b>Repurchase Agreement 16.7%</b>        |                                                                                                                                                                                         |             |
| 47,027,000                               | Morgan Stanley Co. (issued 03/31/06, yielding 4.32%; collateralized by \$50,645,000 par of U.S. Treasury Notes due 1/15/15; to be sold on 04/03/06 at \$47,043,930) (Cost \$47,027,000) | 47,027,000  |
| <b>U.S. Government and Agencies 2.7%</b> |                                                                                                                                                                                         |             |
| 7,747,000                                | U.S. Treasury Note (yielding 4.35%, maturity 08/03/06) (Cost \$7,630,963)                                                                                                               | 7,630,963   |
| <b>TOTAL SHORT-TERM INVESTMENTS</b>      |                                                                                                                                                                                         | 54,680,435  |

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(Cost \$54,680,435)

## **TOTAL INVESTMENTS 106.9%**

(Cost \$298,522,297)

300,423,306

Liabilities in excess of other assets (0.6%)

(1,632,599)

Total Value of Options Written (6.3%)

(17,839,412)

## **Net Assets 100.0%**

\$ 280,951,295

### **Contracts**

(100 shares

| per contract) | CALL OPTIONS WRITTEN (a)                        | Expiration Date | Exercise Price | Value   |
|---------------|-------------------------------------------------|-----------------|----------------|---------|
| 100           | Abercrombie & Fitch Co.                         | November 2006   | 60.00          | 63,000  |
| 100           | Affiliated Managers Group, Inc.                 | June 2006       | 80.00          | 276,000 |
| 800           | Altera Corp.                                    | June 2006       | 17.50          | 284,000 |
| 800           | Altera Corp.                                    | June 2006       | 20.00          | 132,000 |
| 600           | Altera Corp.                                    | September 2006  | 20.00          | 139,500 |
| 1,120         | Altera Corp.                                    | January 2007    | 20.00          | 341,600 |
| 400           | American Eagle Outfitters, Inc.                 | May 2006        | 25.00          | 216,000 |
| 800           | American Eagle Outfitters, Inc.                 | January 2007    | 25.00          | 584,000 |
| 900           | American Eagle Outfitters, Inc.                 | January 2007    | 27.50          | 531,000 |
| 200           | Amgen, Inc.                                     | July 2006       | 75.00          | 61,000  |
| 350           | Amgen, Inc.                                     | July 2006       | 80.00          | 43,750  |
| 700           | Amgen, Inc.                                     | July 2006       | 85.00          | 28,000  |
| 430           | Applied Materials, Inc.                         | April 2006      | 18.00          | 11,825  |
| 300           | Applied Materials, Inc.                         | July 2006       | 18.00          | 29,250  |
| 370           | Applied Materials, Inc.                         | January 2007    | 20.00          | 38,850  |
| 800           | Bed Bath & Beyond, Inc.                         | May 2006        | 37.50          | 174,000 |
| 500           | Bed Bath & Beyond, Inc.                         | May 2006        | 42.50          | 12,500  |
| 300           | Bed Bath & Beyond, Inc.                         | May 2006        | 45.00          | 2,250   |
| 1,100         | Bed Bath & Beyond, Inc.                         | August 2006     | 37.50          | 352,000 |
| 450           | Best Buy Co., Inc.                              | June 2006       | 45.00          | 522,000 |
| 500           | Biogen Idec, Inc.                               | April 2006      | 40.00          | 365,000 |
| 250           | Biogen Idec, Inc.                               | April 2006      | 45.00          | 67,500  |
| 760           | Biogen Idec, Inc.                               | January 2007    | 45.00          | 547,200 |
| 1,850         | Biomet, Inc.                                    | July 2006       | 37.50          | 272,875 |
| 346           | Boston Scientific Corp.                         | May 2006        | 25.00          | 14,705  |
| 595           | Boston Scientific Corp.                         | May 2006        | 27.50          | 7,437   |
| 221           | Boston Scientific Corp.                         | May 2006        | 30.00          | 1,105   |
| 150           | Capital One Financial Corp.                     | June 2006       | 85.00          | 24,000  |
| 200           | Capital One Financial Corp.                     | September 2006  | 85.00          | 68,000  |
| 200           | Capital One Financial Corp.                     | January 2007    | 85.00          | 115,000 |
| 400           | Check Point Software Technologies Ltd. (Israel) | April 2006      | 22.50          | 2,000   |
| 1,400         | Check Point Software Technologies Ltd. (Israel) | July 2006       | 22.50          | 73,500  |
| 250           | Check Point Software Technologies Ltd. (Israel) | January 2007    | 20.00          | 61,875  |
| 1,150         | Check Point Software Technologies Ltd. (Israel) | January 2007    | 22.50          | 155,250 |
| 807           | Cintas Corp.                                    | May 2006        | 45.00          | 28,245  |
| 193           | Cintas Corp.                                    | August 2006     | 45.00          | 24,608  |
| 295           | Cisco Systems, Inc.                             | April 2006      | 17.50          | 125,375 |
| 1,300         | Cisco Systems, Inc.                             | July 2006       | 20.00          | 308,750 |
| 1,505         | Cisco Systems, Inc.                             | January 2007    | 22.50          | 278,425 |
| 300           | Citigroup, Inc.                                 | September 2006  | 47.50          | 51,000  |
| 216           | Community Health Systems, Inc.                  | September 2006  | 40.00          | 23,220  |
| 800           | Countrywide Financial Corp.                     | April 2006      | 35.00          | 168,000 |
| 500           | Countrywide Financial Corp.                     | April 2006      | 37.50          | 27,500  |

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|       |                                            |                |        |         |
|-------|--------------------------------------------|----------------|--------|---------|
| 400   | Countrywide Financial Corp.                | July 2006      | 35.00  | 136,000 |
| 960   | Countrywide Financial Corp.                | January 2007   | 37.50  | 355,200 |
| 1,500 | Dell, Inc.                                 | August 2006    | 30.00  | 288,750 |
| 505   | Dover Corp.                                | June 2006      | 40.00  | 444,400 |
| 1,150 | EBAY, Inc.                                 | January 2007   | 42.50  | 414,000 |
| 425   | Family Dollar Stores, Inc.                 | April 2006     | 25.00  | 74,375  |
| 275   | Family Dollar Stores, Inc.                 | July 2006      | 25.00  | 72,875  |
| 900   | First Data Corp.                           | May 2006       | 42.50  | 436,500 |
| 500   | First Data Corp.                           | August 2006    | 42.50  | 290,000 |
| 300   | First Data Corp.                           | August 2006    | 45.00  | 117,000 |
| 330   | Fiserv, Inc.                               | June 2006      | 45.00  | 25,575  |
| 300   | Fiserv, Inc.                               | January 2007   | 45.00  | 81,000  |
| 227   | Flextronics International Ltd. (Singapore) | July 2006      | 12.50  | 3,972   |
| 2,000 | Flextronics International Ltd. (Singapore) | January 2007   | 12.50  | 95,000  |
| 1,355 | FLIR Systems, Inc.                         | January 2007   | 27.50  | 582,650 |
| 80    | Google, Inc.                               | January 2007   | 380.00 | 475,200 |
| 300   | Harley-Davidson, Inc.                      | May 2006       | 55.00  | 27,000  |
| 400   | Hewitt Associates, Inc.                    | June 2006      | 25.00  | 200,000 |
| 476   | Hewlett-Packard Co.                        | May 2006       | 30.00  | 168,980 |
| 230   | Health Management Associates, Inc.         | August 2006    | 22.50  | 18,400  |
| 400   | Home Depot, Inc.                           | May 2006       | 42.50  | 50,000  |
| 500   | Home Depot, Inc.                           | August 2006    | 40.00  | 197,500 |
| 1,100 | Home Depot, Inc.                           | August 2006    | 42.50  | 261,250 |
| 3,250 | Intel Corp.                                | April 2006     | 25.00  | 16,250  |
| 50    | Intel Corp.                                | April 2006     | 27.50  | 250     |
| 250   | Intel Corp.                                | July 2006      | 25.00  | 3,125   |
| 100   | Intel Corp.                                | July 2006      | 27.50  | 500     |
| 265   | Intuit, Inc.                               | April 2006     | 45.00  | 222,600 |
| 900   | Kohl's Corp.                               | April 2006     | 50.00  | 319,500 |
| 300   | Kohl's Corp.                               | July 2006      | 45.00  | 276,000 |
| 300   | Kohl's Corp.                               | July 2006      | 50.00  | 159,000 |
| 300   | Laboratory Corp. of America Holdings       | May 2006       | 50.00  | 267,000 |
| 184   | Linear Technology Corp.                    | November 2006  | 37.50  | 35,880  |
| 200   | Lowe's Cos., Inc.                          | April 2006     | 60.00  | 94,000  |
| 200   | Lowe's Cos., Inc.                          | April 2006     | 65.00  | 19,000  |
| 500   | Lowe's Cos., Inc.                          | July 2006      | 65.00  | 160,000 |
| 550   | Lowe's Cos., Inc.                          | July 2006      | 70.00  | 68,750  |
| 300   | Maxim Integrated Products                  | January 2007   | 40.00  | 93,000  |
| 400   | Merrill Lynch & Co., Inc.                  | April 2006     | 65.00  | 558,000 |
| 100   | Merrill Lynch & Co., Inc.                  | April 2006     | 72.50  | 66,000  |
| 200   | Merrill Lynch & Co., Inc.                  | July 2006      | 70.00  | 203,000 |
| 250   | MGIC Investment Corp.                      | June 2006      | 65.00  | 97,500  |
| 750   | MGIC Investment Corp.                      | September 2006 | 65.00  | 412,500 |
| 400   | Morgan Stanley Co.                         | April 2006     | 55.00  | 316,000 |
| 600   | Morgan Stanley Co.                         | July 2006      | 60.00  | 270,000 |
| 250   | Morgan Stanley Co.                         | January 2007   | 65.00  | 101,250 |
| 300   | Nasdaq-100 Index Tracking Stock            | April 2006     | 41.00  | 41,250  |
| 440   | Nasdaq-100 Index Tracking Stock            | June 2006      | 41.00  | 92,400  |
| 1,200 | Patterson Cos., Inc.                       | July 2006      | 35.00  | 255,000 |
| 390   | Patterson Cos., Inc.                       | October 2006   | 35.00  | 117,975 |
| 10    | Patterson Cos., Inc.                       | October 2006   | 40.00  | 1,025   |
| 149   | Pfizer, Inc.                               | June 2006      | 25.00  | 13,038  |
| 427   | Pfizer, Inc.                               | September 2006 | 27.50  | 20,282  |
| 342   | Ross Stores, Inc.                          | August 2006    | 27.50  | 107,730 |
| 200   | Ross Stores, Inc.                          | August 2006    | 30.00  | 34,500  |
| 98    | Ross Stores, Inc.                          | November 2006  | 30.00  | 24,010  |
| 200   | Symantec Corp.                             | April 2006     | 20.00  | 1,000   |
| 500   | Symantec Corp.                             | July 2006      | 17.50  | 52,500  |
| 500   | Symantec Corp.                             | July 2006      | 20.00  | 18,750  |
| 1,300 | Symantec Corp.                             | January 2007   | 20.00  | 156,000 |
| 600   | Target Corp.                               | July 2006      | 55.00  | 87,000  |
| 600   | Target Corp.                               | July 2006      | 57.50  | 45,000  |

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|     |                              |              |       |         |
|-----|------------------------------|--------------|-------|---------|
| 200 | United Parcel Services Corp. | July 2006    | 75.00 | 120,000 |
| 500 | United Parcel Services Corp. | July 2006    | 80.00 | 123,750 |
| 50  | Waters Corp.                 | May 2006     | 45.00 | 5,125   |
| 220 | Williams-Sonoma, Inc.        | May 2006     | 37.50 | 114,400 |
| 145 | Williams-Sonoma, Inc.        | May 2006     | 40.00 | 44,225  |
| 385 | Williams-Sonoma, Inc.        | August 2006  | 40.00 | 167,475 |
| 400 | Xilinx, Inc.                 | June 2006    | 25.00 | 76,000  |
| 300 | Xilinx, Inc.                 | January 2007 | 25.00 | 108,000 |
| 820 | Zimmer Holdings, Inc.        | June 2006    | 70.00 | 180,400 |

## **Total Value of Call Options Written**

(Premiums received \$16,371,116) 17,234,662

## **PUT OPTIONS WRITTEN (a)**

|     |                                 |              |        |         |
|-----|---------------------------------|--------------|--------|---------|
| 200 | American Eagle Outfitters, Inc. | January 2007 | 20.00  | 11,500  |
| 600 | American Eagle Outfitters, Inc. | January 2007 | 22.50  | 60,000  |
| 400 | EBAY, Inc.                      | January 2007 | 37.50  | 128,000 |
| 500 | EBAY, Inc.                      | January 2007 | 42.50  | 285,000 |
| 50  | Google, Inc.                    | January 2007 | 340.00 | 120,250 |

## **Total Value of Put Options Written**

(Premiums received \$757,274) 604,750

## **TOTAL OPTIONS WRITTEN**

(Premiums received \$17,128,390) \$ 17,839,412

(a) Non-income producing security.

See previously submitted notes to financial statements for the period ending December 31, 2005.

## **Country Allocation\***

|               |       |
|---------------|-------|
| United States | 96.3% |
| Israel        | 2.1%  |
| Singapore     | 1.6%  |

\* Based on Total Investments (which excludes Value of Options Written). Subject to change daily.

**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 were no changes in the registrant's internal controls 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 have materially affected or are 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 Fund

By: /s/ Nicholas Dalmaso  
Nicholas Dalmaso

Chief Legal and Executive Officer

Date: May 24, 2006

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/ Nicholas Dalmaso  
Nicholas Dalmaso

Chief Legal and Executive Officer

Date: May 24, 2006

By: /s/ Steven M. Hill  
Steven M. Hill

Treasurer and Chief Financial Officer

Date: May 24, 2006