Madison Strategic Sector Premium Fund
Form N-CSRS
August 26, 2013

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21713

Madison Strategic Sector Premium Fund
(Exact name of registrant as specified in charter)

550 Science Drive, Madison, WI 53711
(Address of principal executive offices)(Zip code)

Pamela M. Krill
Madison Legal and Compliance Department
550 Science Drive
Madison, WI 53711
(Name and address of agent for service)

Registrant's telephone number, including area code: 608-274-0300

Date of fiscal year end: December 31

Date of reporting period: June 30, 2013

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The

OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. s 3507.

Item 1

SEMI-ANNUAL REPORT

June 30, 2013

Madison Strategic Sector
Premium Fund (MSP)

Active Equity Management combined with a Covered Call Option Strategy

Madison Asset Management, LLC

www.madisonfunds.com

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Review of Period

What happened in the market during the first half of 2013?

The first half of 2013 demonstrated the resilience of the U.S. economy, particularly when compared to the difficulties seen overseas. Emerging market volatility escalated as expectations for world economic growth were lowered given a slowdown in China and continued struggles in Europe. Meanwhile, investors in the domestic markets were encouraged as U.S. economic growth remained more or less on track, overcoming some sizeable fiscal headwinds along the way. With helpful incremental boosts from housing, autos, and emergent energy production, consensus estimates for 2013 U.S. economic growth remained positive at near 2%. Robust corporate profit margins gave little indication of retreating from their lofty status. U.S. investors responded in kind to this spate of good news, sending U.S. stocks up sharply during the periods opening months.

The second half of the period looked to follow suit, as the private economy showed remarkable resilience. U.S. economic growth appeared on track to remain near 2% for 2013. Given the fiscal headwind, this suggested an impressive private economic growth rate of approximately 4%. Ironically, this good news on the U.S. economic front was not so well received once investors realized it could result in a shift in Federal Reserve stimulus. In late June, Fed Chairman Ben Bernanke, responding to the buoyancy of the private economy, announced that the Fed would likely begin to cut back on its extreme level of monetary policy. In short, they projected a planned tapering of quantitative easing, eventually taking the $85 billion of monthly government bond purchases down to zero by mid 2014 – assuming the economy remains on its recent trajectory. The Fed was clearly communicating that U.S. economic growth appeared to be sustainable without the aid of extreme monetary measures. In a vacuum, this might sound like good news, but to liquidity-induced investors, it was anything but. Equity markets sold off on the perceived "tightening" by the Fed.

Even with this late-quarter pullback, the domestic markets produced exceptional returns, with the S&P 500 rising 13.82% for the period. The CBOE S&P BuyWrite Index (BXM), which represents a passive version of a covered call strategy, rose 4.87%. Smaller stocks also did well domestically, with the Russell Midcap(R) Index up 15.2% and the major small cap indices up slightly more than this. The broad international indices also remained positive, with the MSCI EAFE Index up 4.5%, although the emerging markets were harder hit, as the Russell Emerging Markets Index dipped -7.9%.

From a sector perspective within the S&P 500, a change in leadership occurred early in the second quarter. In the early part of the period, the top-performing sectors were traditionally defensive sectors such as Utilities, Telecom and Consumer Staples. Although typically laggards in an upward trending market, these defensive sectors enjoyed the benefit of yield as investors continued to focus on high dividend yielding stocks in the low-yield environment. As economic news began to strengthen later in the period, investors shifted toward cyclical sectors such as Industrials, Consumer Discretionary and Technology and moved away from the defensive sectors.

With equity markets moving steadily higher for most of the period, volatility remained historically low. Low volatility results in lower call option premiums and can signal a level of investor complacency. Given the continuing instability in Europe and lackluster global economic outlook, complacency can be somewhat troubling.

How did the fund perform given the marketplace conditions during the first six months of 2013?

For the six months ended June 30, 2013, the fund's Net Asset Value (NAV) rose 6.74%, ahead of the CBOE S&P BuyWrite Index (BXM) return of 4.87% but lagging the S&P 500 return of 13.82%. The fund's market price rose

9.21%, narrowing the discount to NAV. The fund outpaced the BXM Index consistently throughout the period. Despite little exposure to the defensive sectors which led the market early in the period, the fund steadily outperformed the BXM Index which has the S&P 500 Index as its underlying stock allocation. Later in the period, the fund benefitted from stronger performance in the Technology

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and Consumer Discretionary Sectors in which the fund has greater exposure. The most significant headwind to the fund was extremely active assignment activity as a result of the strong upward momentum of the overall market. An upward trending market will result in the prices of a number of underlying stocks rising above the strike prices of their respective call option, resulting in the stock potentially being assigned or called away at the option strike price. The result was the fund received significant amounts of cash which was reinvested opportunistically. However, the higher cash balance was a headwind to performance given the general upward trend of the market.

SHARE PRICE AND NAV PERFORMANCE FOR MADISON STRATEGIC SECTOR PREMIUM FUND

Describe the fund’s portfolio equity and option structure.

As of June 30, 2013, the fund held 43 equity securities and unexpired call options had been written against 72% of the fund’s stock holdings. It is the strategy of the fund to write "out-of-the-money" call options, and as of June 30, 2013, 65% of the fund’s call options (36 of 55 different options) remained "out-of-the-money."(Out-of-the-money means the stock price is below the strike price at which the shares could be called away by the option holder). This level was lower than previous periods due to the strong upward move in equities this year which moved a number of call options in-the-money. Of the 55 option positions written, six were put options which were sold against existing equity holdings that also have covered call options written. The writing of out-of-the-money put options allows the fund to increase the level of income generated and provides for a lower entry point for adding to existing equity holdings. The cash potentially required to purchase additional shares of the underlying stocks in the event a put option is assigned, is segregated from other cash and held in separated short-term Treasury securities. In addition, the fund had purchased one protective put option holding against the S&P 500 Index. The fund will opportunistically own protective put options in order to provide additional insurance against a potential market decline.

Which sectors are prevalent in the fund?

From a sector perspective, MSP’s largest exposure as of June 30, 2013, was to the Technology Sector, followed by Consumer Discretionary and Energy. The fund had smaller, underweight holdings in the Financial, Health Care, Materials and Industrial Sectors and was absent the Consumer Staples, Telecommunication Services and Utilities Sectors, which although defensive in nature, typically provide less attractive call writing opportunities.

SECTOR ALLOCATION AS A PERCENTAGE OF NET ASSETS AS OF 6/30/13	
Consumer Discretionary	13.0%
Energy	11.0%
Financials	6.4%
Health Care	6.7%
Industrials	6.3%
Information Technology	25.8%
Materials	5.6%
Money Market Funds	20.8%
Options Purchased	0.5%
Investment Companies	5.1%
U.S. Treasury Bills	13.1%
Options Written	(2.3)%
	(12.0)%

Net Other Assets and
Liabilities

Discuss the fund's security and option selection process.

The fund is managed by primarily focusing on active stock selection before adding the call option overlay utilizing individual equity call options rather than index options. We use fundamental analysis to select solid companies with good growth prospects and attractive valuations. We then seek attractive call options to write on those stocks. It is our belief that this partnership of active management of the equity and option strategies provides investors with an innovative, risk-moderated approach to equity investing. The fund's portfolio managers seek to invest in a portfolio of common stocks that have favorable "PEG" ratios (Price-Earnings ratio to Growth rate) as well as financial strength and industry leadership. As bottom-up investors, we focus on the fundamental businesses of our companies. Our stock selection philosophy strays away from the "beat the street" mentality, as we seek companies that have sustainable competitive advantages, predictable cash flows, solid balance sheets and high-quality management teams. By concentrating on long-term prospects and circumventing the "instant gratification" school of thought, we believe we bring elements of consistency, stability and predictability to our shareholders.

Once we have selected attractive and solid names for the fund, we employ our call writing strategy. This procedure entails selling calls that are primarily out-of the-money, meaning that the strike price is higher than the common stock price, so that the fund can participate in some stock appreciation. By receiving option premiums, the fund receives a high level of investment income and adds an element of downside protection. Call options may be written over a number of time periods and at differing strike prices in an effort to maximize the protective value to the strategy and spread income evenly throughout the year.

What is the management's outlook for the market and fund in 2013?

We believe real GDP will grow in excess of 2% during the second half of 2013 aided by amplified confidence and reduced fiscal drag brought about by the sequester. Business confidence is expected to increase as more clarity surfaces in regard to fiscal, regulatory, and tax issues. In addition, consumer confidence should rise as the employment situation continues to strengthen and wealth expands through gains in both the housing and stock markets. Lastly, inflation is likely to remain at the lower end of the Fed's target range given recent trends in commodity prices along with moderate wage gains. We plan to carefully monitor and adjust our economic forecast based upon economic reports, fiscal policy, and geopolitical events.

U.S. equity markets rallied steadily during the first half of 2013, however, any indication that the Fed will begin to reduce its asset purchases is not likely to be well received. We saw the negative market reaction to Bernanke's tapering comments in late June and we would expect that as the economy slowly improves, the Fed will come under increasing pressure to pull back on its stimulative policies. Any such movement will reintroduce volatility into equity markets, providing more attractive entry points for many individual stocks and an improvement in call option pricing.

TOP TEN HOLDINGS AS OF 6/30/13

	% of net assets
QUALCOMM Inc.	3.60%
Apache Corp.	3.51%
Schlumberger Ltd.	3.38%
Oracle Corp.	3.10%
Apple Inc.	2.85%
Expeditors International of Washington Inc.	2.79%
Powershares QQQ Trust Series 1 ETF	2.56%
SPDR S&P 500 ETF Trust	2.51%
Microsoft Corp.	2.26%
Morgan Stanley	2.24%

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Portfolio of Investments (unaudited)

	Shares	Value (Note 2)
COMMON STOCKS - 74.8%		
Consumer Discretionary - 13.0%		
Advance Auto Parts Inc. (A)	20,000	$ 1,623,400
Amazon.com Inc. * (A)	4,000	1,110,760
Best Buy Co. Inc. (A)	41,800	1,142,394
CBS Corp., Class B (A)	27,000	1,319,490
DIRECTV * (A)	23,000	1,417,260
Discovery Communications Inc., Class C *	11,500	801,090
Kohl's Corp. (A)	20,000	1,010,200
Lululemon Athletica Inc. * (A)	23,000	1,506,960
		9,931,554
Energy - 11.0%		
Apache Corp. (A)	32,000	2,682,560
Canadian Natural Resources Ltd. (A)	35,000	989,100
Occidental Petroleum Corp. (A)	15,000	1,338,450
Petroleo Brasileiro S.A., ADR (A)	60,000	805,200
Schlumberger Ltd.	36,000	2,579,760
		8,395,070
Financials - 6.4% (A)		
Bank of America Corp.	49,800	640,428
BB&T Corp.	46,000	1,558,480
Morgan Stanley	70,000	1,710,100
T. Rowe Price Group Inc.	13,000	950,950
		4,859,958
Health Care - 6.7%		
Allergan Inc. (A)	16,000	1,347,840
Celgene Corp. * (A)	6,500	759,915
Mylan Inc. * (A)	20,000	620,600
Teva Pharmaceutical Industries Ltd., ADR	35,000	1,372,000
UnitedHealth Group Inc.	15,000	982,200
		5,082,555
Industrials - 6.3% (A)		
C.H. Robinson Worldwide Inc.	20,000	1,126,200
Expeditors International of Washington Inc.	56,000	2,128,560
United Technologies Corp.	17,000	1,579,980
		4,834,740
Information Technology - 25.8%		
Communications Equipment - 4.5% (A)		

	Shares	Value (Note 2)
Cisco Systems Inc.	30,000	729,300
QUALCOMM Inc.	45,000	2,748,600
		3,477,900
Computers & Peripherals - 5.0%		
Apple Inc.	5,500	2,178,440
EMC Corp. (A)	70,000	1,653,400
		3,831,840
	Shares	Value (Note 2)
Internet Software & Services - 2.8%		
eBay Inc. * (A)	30,000	$ 1,551,600
Facebook Inc., Class A *	25,000	621,500
		2,173,100
IT Services - 1.6% (A)		
Accenture PLC, Class A	17,000	1,189,364
Semiconductors & Semiconductor Equipment - 3.5% (A)		
Broadcom Corp., Class A	30,000	1,016,997
Linear Technology Corp.	44,000	1,620,960
		2,637,957
Software - 8.4% (A)		
Check Point Software Technologies Ltd. *	23,000	1,142,640
Microsoft Corp.	50,000	1,726,500
Nuance Communications Inc. *	65,000	1,194,700
Oracle Corp.	77,000	2,365,440
		6,429,280
Materials - 5.6%		
Freeport-McMoRan Copper & Gold Inc. (A)	55,000	1,518,550
Monsanto Co.	12,000	1,185,600
Mosaic Co./The (A)	29,000	1,560,490
		4,264,640
Total Common Stocks (Cost $59,168,288)		57,107,958
	Contracts	
PUT OPTIONS PURCHASED – 0.5%		
S&P 500 Index, Put, July 2013, $1,625	115	382,950
Total Put Options Purchased (Cost $410,665)		382,950
	Shares	
INVESTMENT COMPANIES - 5.1% (A)		
Powershares QQQ Trust Series 1 ETF	27,500	1,958,275
SPDR S&P 500 ETF Trust	12,000	1,920,120
		3,878,395

	Par Value	
Total Investment Companies (Cost $3,864,243)		
U.S. GOVERNMENT AND AGENCY OBLIGATIONS - 13.1%		
U.S. Treasury Bills - 13.1% (B)		
0.023%, 9/5/13	$5,000,000	4,999,794
0.036%, 10/10/13	5,000,000	4,999,509
Total U.S. Government and Agency Obligations (Cost $9,999,303)		9,999,303

See accompanying Notes to Financial Statements.

MSP | Madison Strategic Sector Premium Fund | Portfolio of Investments (unaudited) - continued | June 30, 2013

	Shares	Value (Note 2)
SHORT-TERM INVESTMENTS - 20.8%		
State Street Institutional U.S. Government Money Market Fund	15,896,607	$ 15,896,607
Total Short-Term Investments (Cost $15,896,607)		15,896,607
TOTAL INVESTMENTS - 114.3% (Cost $89,339,106**)		87,265,213
NET OTHER ASSETS AND LIABILITIES - (12.0%)		(9,163,344)
TOTAL CALL & PUT OPTIONS WRITTEN - (2.3%)		(1,729,086)
TOTAL NET ASSETS - 100.0%		$ 76,372,783

*Non-income Producing

**Aggregate cost for Federal tax purposes was $87,971,069.

(A) All or a portion of these securities' positions represent covers (directly or through conversion rights) for outstanding options written.

(B) All or a portion of these securities are segregated as collateral for put options written. As of June 30, 2013, the total amount segregated was $9,999,303.