Madison/Claymore Covered Call & Equity Strategy Fund
Form N-CSR
March 05, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

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: January 1, 2011 - December 31, 2011

Item 1. Reports to Stockholders.

The registrant's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “Investment Company Act”), is as follows:

www.guggenheimfunds.com/mcn

... your road to the LATEST,

most up-to-date INFORMATION about the

Madison/Claymore Covered Call & Equity Strategy Fund

The shareholder report you are reading right now is just the beginning of the story. Online at www.guggenheimfunds.com/mcn, you will find:

- Daily, weekly and monthly data on share prices, distributions and more
- Portfolio overviews and performance analyses
- Announcements, press releases and special notices
- Fund and adviser contact information

Madison Asset Management, LLC and Guggenheim Funds Investment Advisors, LLC are continually updating and expanding shareholder information services on the Fund's website, in an ongoing effort to provide you with the most current information about how your Fund's assets are managed, and the results of our efforts. It is just one more way we are working to keep you better informed about your investment in the Fund.

MCN l Madison/Claymore Covered Call & Equity Strategy Fund

Dear Shareholder l

We thank you for your investment in the Madison/Claymore Covered Call & Equity Strategy Fund (the "Fund"). This report covers the Fund's performance for the fiscal year ended December 31, 2011.

The Fund's primary investment objective is to provide a high level of current income and current gains, with a secondary objective of long-term capital appreciation. The Fund pursues its investment objectives by investing in a portfolio consisting primarily of high-quality, large-capitalization common stocks that are, in the view of the Fund's investment manager, selling at a reasonable price in relation to their long-term earnings growth rates. On an ongoing and consistent basis, the Fund sells covered call options to seek to generate a reasonably steady return from option premiums. There can be no assurance that the Fund will achieve its investment objectives.

Under normal market conditions, the Fund allocates at least 80% of its total assets to an integrated investment strategy pursuant to which the Fund invests in a portfolio of equity securities and writes (sells) covered call options on a portion of the equity securities held in the Fund's portfolio; pending investment in equity securities or as covered call options, the assets of the Fund allocated to its integrated investment strategy are held in cash or cash equivalents. The Fund invests, under normal market conditions, at least 65% of its investments in equity securities in common stocks of large capitalization issuers that meet the Fund's selection criteria.

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12 months ended December 31, 2011, the Fund provided a total return based on market price of -9.99% and a total return based on NAV of -4.37%. As of December 31, 2011, the Fund's market price of $7.47 per share represented a discount of 13.64% to its NAV of $8.65 per share. Past performance does not guarantee future results. The market price of the Fund's shares fluctuates from time to time, and it may be higher or lower than the Fund's NAV.

Guggenheim Funds Investment Advisors, LLC ("GFIA") serves as the investment adviser to the Fund. GFIA is a subsidiary of Guggenheim Partners, LLC, a global diversified financial services firm with more than $125 billion in assets under management and supervision.

Madison Asset Management, LLC ("MAM" or the "Investment Manager"), a wholly owned subsidiary of Madison Investment Advisors, Inc., is the Fund's investment manager. Founded in 1974, Madison Investment Advisors, Inc. is an independently owned firm that, together with its affiliates, manages approximately $16 billion in individual, corporate, pension, insurance, endowment, and mutual fund assets as of December 31, 2011.

The Fund paid quarterly distributions of $0.18 per common share in February, May, August and November of 2011. The most recent dividend represents an annualized distribution rate of 9.64% based on the Fund's last closing market price of $7.47 as of December 31, 2011.

We encourage shareholders to consider the opportunity to reinvest their distributions from the Fund through the Dividend Reinvestment Plan ("DRIP"), which is described in detail on page 27 of the Fund's annual report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the quarterly dividend distribution in common shares of the Fund purchased in the market at a price less than NAV. Conversely, when the market

price of the Fund's common shares is at a premium above NAV, the DRIP reinvests participants' dividends in newly-issued common shares at NAV, subject to an IRS limitation that the purchase price cannot be more than 5% below the market price per share. The DRIP provides a cost-effective means to accumulate additional shares and enjoy the benefits of compounding returns over time.

To learn more about the Fund's performance and investment strategy, we encourage you to read the Questions & Answers section of the report, which begins on page 5. You will find information about the Investment Manager's investment philosophy and discipline, its views on the market environment and how it structured the Fund's portfolio based on its views.

We appreciate your investment and look forward to serving your investment needs in the future. For the most up-to-date information on your investment, please visit the Fund's website at www. guggenheimfunds.com/mcn.

Sincerely,

Kevin M. Robinson

Chief Executive Officer and Chief Legal Officer
Madison/Claymore Covered Call & Equity Strategy Fund

January 31, 2012

MCN l Madison/Claymore Covered Call & Equity Strategy Fund

Questions & Answers l

Madison Asset Management, LLC ("MAM" or the "Investment Manager") is pleased to address the results of the Madison/Claymore Covered Call & Equity Strategy Fund (the "Fund") for the fiscal year ended December 31, 2011.

MAM, a subsidiary of Madison Investment Advisors, Inc., together with its affiliates, manages approximately $16 billion in individual, corporate, pension, insurance, endowment, and mutual fund assets as of December 31, 2011.

Before discussing performance, please describe the Fund's investment objective and explain how MAM's investment strategy seeks to achieve it.

The Fund's primary investment objective is to provide a high level of current income and current gains, with a secondary objective of long-term capital appreciation. The Fund pursues its investment objectives by investing in a portfolio consisting primarily of high-quality, large-capitalization common stocks that are, in the view of MAM, selling at reasonable prices in relation to their long-term earnings growth rates. The Fund may also invest in mid-cap stocks. The Fund will, on an ongoing and consistent basis, sell covered call options to seek to generate a reasonably steady return from option premiums. There can be no assurance that the Fund will achieve its investment objectives.

The Fund is managed by two teams of investment professionals at MAM. MAM regards these teams as a "right hand" and "left hand," meaning they work together to make common stock and option decisions. Fundamental analysis is used to select solid companies with good growth prospects and attractive valuations. MAM then seeks attractive call options to write on those stocks. It is the Investment Manager's belief that this partnership of active management between the equity and option teams provides investors with an innovative, risk-moderated approach to equity investing. The Investment Manager seeks 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 a bottom-up investor, MAM focuses on the fundamental

businesses of the companies under consideration for investment. This stock selection philosophy strays away from the "beat the street" mentality, as MAM seeks 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, MAM seeks to bring elements of consistency, stability and predictability to the Fund's shareholders.

Once attractive and solid names are selected for the Fund, a call writing strategy is employed. 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 happened in the market during 2011?

The year began with considerable optimism, as stock indices rose briskly in the first quarter, a continuation of the upward trend that began in the summer of 2010. Stock prices had on their side the strength of corporate profits and balance sheets combined with reasonable market valuations as measured by price/earnings ratios. But these positives were continuously tested by extraneous events as the year moved forward. The first blow came with the chain reaction of freedom movements in the Middle East and North Africa. Change and uncertainty are never well received by stock markets, particularly given the potentially negative effect on oil prices. The tragic earthquake and tsunami in Japan soon followed, with the recognition this much damage to one of the world's largest economies would likely have serious global impact. During this period, equity markets ended their upward trend and moved sideways with an uptick in volatility. The U.S. debt downgrade in early August coupled with intensifying risks in Europe resulted in a meaningful market correction and a steep increase in volatility. Beyond the initial impact of the downturn, the second half of the year was focused primarily on the European debt crisis and its potential to negatively impact global economic growth. During this phase, stock prices fluctuated extensively but recovered from the correction and resumed an upward bias, particularly as the calendar year came to a close. Despite what appeared to be a very troubling year with significant uncertainty, the S&P 500 Index ("S&P 500") managed a 2.09% return while the CBOE S&P BuyWrite Index ("BXM"), representing a passive covered call strategy on the S&P 500, returned 5.72% aided by a very strong December.

As the stock market began its long recovery from the March 2009 lows, volatility had steadily declined from historic highs and trended lower since then with only minor interruptions. With the exception of short-lived spikes due to the North Africa and Japan situations, the CBOE Market Volatility Index ("VIX"), which shows the market's expectation of 30-day volatility, remained in the 15 to 20 range for much of the first half of 2011. The ensuing correction in the stock market raised fear levels significantly and the VIX surged above the 45 level. As the dust settled toward year end, volatility, again, retreated steadily and ended the year at 23.4. Despite the decline from recent highs, volatility will likely remain elevated given the abundance of ongoing economic and geo-political uncertainty.

How did the Fund perform during 2011?

All Fund returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12 months ended December 31, 2011, the Fund provided a total return based on market price of -9.99% and a total return based on NAV of -4.37%. As of December 31,

2011, the Fund's market price of $7.47 per share represented a discount of 13.64% to its NAV of $8.65 per share. Past performance does not guarantee future results. The market price of the Fund's shares fluctuates from time to time, and it may be higher or lower than the Fund's NAV. During 2011, the Fund's market price discount to NAV ranged from 7.3% to 14.9%.

The Fund paid quarterly distributions of $0.18 per common share in February, May, August and November of 2011. The most recent dividend represents an annualized distribution rate of 9.64% based on the Fund's last closing market price of $7.47 as of December 31, 2011.

What were the main determinants of the Fund's performance during the year?

Although the Fund's performance lagged the S&P 500 and the BXM on a one year basis, much of the underperformance occurred during the first quarter and early second quarter of the year as stock prices continued to trend higher. The S&P 500 surged over 30% from early September 2010 to mid-February 2011 causing many call options in the Fund to move deeply into the money (stock price moved above the option strike price). As a consequence, an unusually high level of the Fund's equity holdings were assigned (sold by virtue of the call option being exercised), which resulted in an elevated level of cash. Given the unabated upward move in the market over the preceding five-month period and the Investment Manager's disciplined valuation philosophy, the high levels of cash were not immediately reinvested because the Investment Manager considered valuation levels to be unattractive. As the equity prices continued to move higher through the middle of 2011, the Fund's short-term relative performance suffered.

The Investment Manager is cognizant that cash levels cannot remain at elevated levels for an extended period of time, given the Fund's objective of generating high current income from call writing. However, the

Investment Manager also believes that purchasing the underlying equity positions at reasonable, not extended, valuations is extremely important in generating sustainable long-term total returns. Short-term results can vary substantially from index or benchmark returns; however, longer-term results over a market cycle are more indicative of potential returns of this investment strategy.

As the market corrected in late July and early August, the cash level was reduced significantly as underlying stock valuations became more attractive. The duration of most short-term market moves is often impossible to gauge and the market continued to move down following the Fund's new purchases. The entry point was, however, quite attractive relative to levels earlier in the year and the Fund benefitted as the markets trended higher through the end of the year.

Overall stock performance during the year was muted by the high level of correlation in the market and the Fund's sector exposure. The Fund's investment strategy is geared toward investing in sectors which have historically provided high quality growth opportunities, reasonable valuations and attractive option premiums. These sectors typically include information technology, consumer discretionary, health care and financials. In 2011, these sectors did not lead, with the exception of health care. Other defensive sectors such as utilities and consumer staples were the leaders as uncertainty prevailed. These sectors are under-represented in the Fund. Strong stock performance in the health care and consumer discretionary sectors and selective technology holdings helped to offset weakness in the financial sector.

Describe the Fund's portfolio equity and option structure.

As of December 31, 2011, the Fund held 40 equity securities and unexpired covered call options had been written against 85.8% of the Fund's stock holdings. During 2011, the Fund generated premiums of $16.1 million from its covered call writing activities. It is the strategy of the Fund to write "out-of-the-money" call options; as of December 31, 2011, 79% of the Fund's call options (71 of 90 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.) The Investment Manager has also begun writing options "closer-to-the-money" in order to capture higher premium income and provide the Fund added protection from a reversal in the market's most recent upward trend.

In addition to its covered call strategy the Fund may, to a lesser extent (not more than 20% of its total assets) also pursue an option strategy that includes the sale (writing) of put options on certain of the common stocks in the Fund's portfolio. As of December 31, 2011, the Fund held two written put options –Best Buy Co., Inc. and Microsoft Corp. The total notional value of the contracts was less than 1.3% of the Fund's total assets as of December 31, 2011.

Which sectors are prevalent in the Fund?

From a sector perspective, the Fund's largest exposure as of December 31, 2011, was to the information technology (and technology related) sector, followed by health care, financials, consumer discretionary, energy and materials. The Fund had no representation in the consumer staples, telecommunication services and utilities sectors as of year end.

Discuss how risk is managed through the Fund’s investment process:

Risk management is a critical component of the Investment Manager’s overall philosophy and investment process. The primary means for managing risk are as follows:

1. Focus on the underlying security. The Investment Manager’s bottom-up stock selection process is geared toward investing in companies with very strong fundamentals including market leadership, balance sheet strength, attractive growth prospects, sustainable competitive advantages, predictable cash flows, and high-quality management teams. Purchasing such companies at attractive valuations is vital to providing an added margin of safety and the Investment Manager’s “growth-at-a-reasonable-price (GARP)” philosophy is specifically tuned to such valuation discipline.

2. Active covered call writing. The Investment Manager actively sells (writes) individual equity call options on equities that are owned by the Fund. The specific characteristics of the call options (strike price, expiration, degree of coverage) are dependent on the Investment Manager’s outlook on the underlying equity and/or general market conditions. If equity prices appear overvalued due to individual company strength or surging markets, the Investment Manager may choose to become more defensive with the Fund’s option strategy by selling call options that are closer to the current equity market price, generating larger option premiums which would help defend against a market reversal. The Investment Manager may also sell call options on a greater percentage of the portfolio in an effort to provide for more downside protection. Following a market downturn, the Investment Manager may sell options further out-of-the-money in order to allow the Fund to benefit from a market recovery. In such an environment, the Investment Manager may also determine that a lesser percentage of the portfolio be covered by call options in order to more fully participate in market upside.

3. Cash management and timing. Generally, the Investment Manager believes that the Fund should be fully invested under normal market conditions. A covered call strategy is unique relative to most equity portfolios as the short-term nature of call options can lead to the assignment or sale of underlying stock positions on a fairly regular basis. As a result, the Fund’s cash levels are likely to frequently fluctuate based on the characteristics of the call options and the market conditions. The thoughtful reinvestment of cash adds a layer of risk management to the investment process. This is most evident following a strong surge in equity prices above the strike prices of call options written against individual stocks in the Fund (call options move in-the-money). This could lead to a larger than normal wave of stock sales via call option assignment which would increase the Fund’s cash position following a period of very strong stock performance. Given the Investment Manager’s disciplined focus on purchasing underlying securities at appropriate valuation levels, the immediate reinvestment of cash may be delayed until market conditions and valuations become more attractive. If market conditions continue to surge for a period of time, the Fund may underperform due to higher than normal cash levels; however, it is the Investment Manager’s belief that maintaining a strong valuation discipline will provide greater downside protection over a full market cycle.

What is MAM's outlook for the market and Fund for 2012?

Looking forward, although impressed with the resiliency of the U.S. economy, MAM expects below-average economic growth for 2012 as the debt deleveraging process continues. Many of the cautionary macroeconomic issues that hung over the start of 2011 still persisted at year end: weak housing, strained government budgets, and stagnant wage growth. Europe remained a wild card, and the progression of the debt crisis appears likely to lead to continued periods of "risk on" and "risk off" for global financial markets throughout the coming year. All told, MAM believes volatility is here to stay until the heightened level of global uncertainty begins to subside. In terms of stocks, although the year-end economic backdrop was far from optimal, MAM believes attractive valuations on high-quality U.S. and international stocks are reasonable. Filtering out the daily market "noise," many high-quality multinationals appeared to offer good long-term return potential. When attractive valuations are paired with strong free cash flow generation and high earnings predictability, we believe high-quality companies offer the ideal characteristics to navigate through a growth challenged economic environment.

The Fund begins the new year with high quality, well diversified equity holdings, a relatively low level of cash and a high level of option coverage (percentage of the portfolio holdings with call options written). This positions the Fund well to weather the uncertainty surrounding the current investment environment.

Index Definitions

Indices are unmanaged, reflect no expenses and it is not possible to invest directly in an index.

The S&P 500 Index is an unmanaged, capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility, is widely known as the VIX Index. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward looking and is calculated from both calls and puts. The VIX Index is a widely used measure of market risk and is often referred to as the "investor fear gauge."

The CBOE S&P 500 BuyWrite Index (BXM) is a benchmark index designed to show the hypothetical performance of a portfolio that purchases all the constituents of the S&P 500 Index and then sells at-the-money (meaning same as purchase price) calls of one-month duration against those positions.

MCN Risks and Other Considerations

The views expressed in this report reflect those of the Investment Manager only through the report period as stated on the cover. These views are subject to change at any time, based on market and other conditions and should not be construed as a recommendation of any kind. The material may also include forward looking statements that involve risk and uncertainty, and there is no guarantee that any predictions will come to pass. There can be no assurance that the Fund will achieve its investment objectives. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

Equity Risk: The value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate, or factors relating to specific companies in which the Fund invests.

Risks Associated with Options on Securities: There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of a covered call option, the Fund forgoes, during the option’s life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price. When the Fund writes covered put options, it bears the risk of loss if the value of the underlying stock declines below the exercise price. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise. While the Fund’s potential gain in writing a covered put option is limited to the interest earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire value of the stock.

Foreign Investment Risk: Investing in non-U.S. issuers may involve unique risks such as currency, political, and economic risk, as well as less market liquidity, generally greater market volatility and less complete financial information than for U.S. issuers.

Risks of Mid-Cap Companies: Mid-cap companies often are newer or less established companies than larger companies. Investments in mid-cap companies carry additional risks because earnings of these companies tend to be less predictable; they often have limited product lines, markets, distribution channels or financial resources; and the management of such companies may be dependent upon one or a few key people. The market movements of equity securities of mid-cap companies may be more abrupt or erratic than the market movements of equity securities of larger, more established companies or the stock market in general.

Industry Concentration Risk: To the extent that the Fund makes substantial investments in a single industry, the Fund will be more susceptible to adverse economic or regulatory occurrences affecting those sectors.

Fund Distribution Risk: In order to make regular quarterly distributions on its common shares, the Fund may have to sell a portion of its investment portfolio at a time when independent investment judgment may not dictate such action. In addition, the Fund's ability to make distributions more frequently than annually from any net realized capital gains by the Fund is subject to the Fund obtaining exemptive relief from the Securities and Exchange Commission, which cannot be assured. To the extent the total quarterly distributions for a year exceed the Fund's net investment company income and net realized capital gain for that year, the excess will generally constitute a return of the Fund's capital to its common shareholders. Such return of capital distributions generally are tax-free up to the amount of a common shareholder's tax basis in the common shares (generally, the amount paid for the common shares). In addition, such excess distributions will decrease the Fund's total assets and may increase the Fund's expense ratio.

Financial Leverage: The Fund is authorized to utilize leverage through the issuance of preferred shares and/or the Fund may borrow or issue debt securities for financial leveraging purposes and for temporary purposes such as settlement of transactions. Although the use of any financial leverage by the Fund may create an opportunity for increased net income, gains and capital appreciation for the Common Shares, it also results in additional risks and can magnify the effect of any losses. If the income and gains earned on securities purchased with financial leverage proceeds are greater than the cost of financial leverage, the Fund's return will be greater than if financial leverage had not been used. Conversely, if the income or gain from the securities purchased with such proceeds does not cover the cost of financial leverage, the return to the Fund will be less than if financial leverage had not been used. Financial leverage also increases the likelihood of greater volatility of net asset value and market price of and dividends on the Common Shares than a comparable portfolio without leverage.

An investment in the Fund includes, but is not limited to, risks and considerations such as: Investment Risk, Not a Complete Investment Program, Equity Risk, Risks Associated with Options on Securities, Limitation on Option Writing Risk, Risks of Mid-Cap Companies, Income Risk, Foreign Securities Risk, Industry Concentration Risk, Derivatives Risk, Illiquid Securities Risk, Fund Distribution Risk, Market Discount Risk, Other Investment Companies, Financial Leverage Risk, Management Risk, Risks Related to Preferred Securities, Interest Rate Risk, Inflation Risk, Current Developments Risk and Anti-Takeover Provisions.

Please see www.guggenheimfunds.com/mcn for a more detailed discussion about Fund risks and considerations.

MCN l Madison/Claymore Covered Call & Equity Strategy Fund

Fund Summary | As of December 31, 2011 (unaudited)

Fund Statistics	
Share Price	$7.47
Common Share Net Asset Value	$8.65
Premium/(Discount) to NAV	-13.64%
Net Assets ($000)	$166,764

Total Returns (Inception 7/28/04)	Market	NAV
One Year	-9.99%	-4.37%
Three Year - average annual	16.99%	13.44%
Five Year - average annual	-3.80%	-1.66%
Since Inception - average annual	0.18%	2.04%

Sector Breakdown*	% of Long Term Investments
Information Technology	26.7%
Health Care	20.0%
Financials	19.6%
Consumer Discretionary	15.5%
Energy	9.5%
Exchange Traded Funds	7.1%
Materials	1.6%

Top Ten Holdings	% of Long-Term Investments
Target Corp.	4.2%
Microsoft Corp	3.9%
Gilead Sciences, Inc.	3.8%
Wells Fargo & Co.	3.7%
State Street Corp.	3.6%
SPDR S&P MidCap 400 ETF Trust	3.5%
Powershares QQQ Trust, Series 1	3.5%
Cisco Systems, Inc.	3.4%
Google, Inc.	3.1%
Affiliated Managers Group, Inc.	3.0%

Sectors and holdings are subject to change daily. For more current information, please visit www.guggenheimfunds.com/mcn. The above summaries are provided for informational purposes only and should not be viewed as recommendations. Past performance does not guarantee future results.

*Securities are classified by sectors that represent broad groupings of related industries.

Portfolio Composition	% of Net Assets
Common Stocks	88.0%
Exchange Traded Funds	6.7%
Short-Term Investments	11.6%
Options Written	-3.9%
Other**	-2.4%
Net Assets	100.0%

**Represents other assets less liabilities.

MCN l Madison/Claymore Covered Call & Equity Strategy Fund

Portfolio of Investments l December 31, 2011

Number of Shares	Description	Value
	Long-Term Investments - 94.7%	
	Common Stocks - 88.0%	
	Consumer Discretionary - 14.6%	
154,000	American Eagle Outfitters, Inc. (b)	$ 2,354,660
200,000	Best Buy Co., Inc. (b)	4,674,000
28,900	Home Depot, Inc. (b)	1,214,956
60,000	Kohl’s Corp. (b)	2,961,000
170,000	Lowe’s Cos., Inc. (b)	4,314,600
160,000	Staples, Inc. (b)	2,222,400
130,000	Target Corp. (b)	6,658,600
		24,400,216
	Energy - 9.0%	
50,000	Apache Corp. (b)	4,529,000
100,000	Canadian Natural Resources, Ltd. (Canada) (b)	3,737,000
150,000	Petroleo Brasileiro SA, ADR (Brazil) (b)	3,727,500
45,000	Schlumberger, Ltd. (Curacao) (b)	3,073,950
		15,067,450
	Financials - 18.6%	
50,000	Affiliated Managers Group, Inc.(a) (b)	4,797,500
475,000	Bank of America Corp. (b)	2,641,000
43,000	Goldman Sachs Group, Inc. (b)	3,888,490
240,000	Morgan Stanley (b)	3,631,200
140,000	State Street Corp. (b)	5,643,400
80,000	T Rowe Price Group, Inc. (b)	4,556,000
210,000	Wells Fargo & Co. (b)	5,787,600
		30,945,190
	Health Care - 18.9%	
45,000	Celgene Corp.(a) (b)	3,042,000
150,600	Community Health Systems, Inc. (a) (b)	2,627,970
147,000	Gilead Sciences, Inc. (a) (b)	6,016,710
200,000	Mylan, Inc. (a) (b)	4,292,000
100,000	St. Jude Medical, Inc. (b)	3,430,000
80,000	Stryker Corp. (b)	3,976,800
100,000	Teva Pharmaceutical Industries, Ltd., ADR (Israel) (b)	4,036,000
78,037	Zimmer Holdings, Inc. (b)	4,168,737
		31,590,217
	Information Technology - 25.3%	
160,000	Adobe Systems, Inc. (a) (b)	4,523,200
160,000	Applied Materials, Inc. (b)	1,713,600
300,000	Cisco Systems, Inc. (b)	5,424,000

540,300	Flextronics International, Ltd. (Singapore) (a) (b)	3,058,098
135,000	FLIR Systems, Inc. (b)	3,384,450
7,500	Google, Inc., Class A (a) (b)	4,844,250
180,000	Hewlett-Packard Co. (b)	4,636,800
235,000	Microsoft Corp. (b)	6,100,600
120,000	Symantec Corp. (a) (b)	1,878,000

Number of Shares	Description	Value
45,000	Visa, Inc., Class A (b)	$ 4,568,850
124,000	Yahoo!, Inc. (a) (b)	2,000,120
		42,131,968
	Materials - 1.6%	
70,000	Freeport-McMoRan Copper & Gold, Inc. (b)	2,575,300
	Total Common Stocks - 88.0%	
	(Cost $174,687,983)	146,710,341
	Exchange Traded Funds - 6.7%	
100,000	PowerShares QQQ Trust, Series 1 (b)	5,583,000
35,000	SPDR S&P MidCap 400 ETF Trust (b)	5,583,900
	(Cost $10,850,062)	11,166,900
	Total Long-Term Investments - 94.7%	
	(Cost $185,538,045)	157,877,241
	Short-Term Investments - 11.6%	
	Money Market Fund - 10.0%	
16,651,102	Invesco Liquid Assets Money Market Fund	
	(Cost $16,651,102)	16,651,102
Principal Amount	Description	Value
	U.S. Government - 1.6%	
$ 1,500,000	U.S. Treasury Note, 0.875%, 01/31/2012 (b)	1,501,073
1,200,000	U.S. Treasury Note, 1.50%, 07/15/2012 (b)	1,209,235
	(Cost $2,710,264)	2,710,308
	Total Short-Term Investments - 11.6%	
	(Cost $19,361,366)	19,361,410
	Total Investments - 106.3%	
	(Cost $204,899,411)	177,238,651
	Liabilities in Excess of Other Assets - (2.4%)	(4,027,817)
	Total Value of Options Written - (3.9%) (Premiums received $9,336,591)	(6,446,733)
	Net Assets - 100.0%	$ 166,764,101

ADR - American Depositary Receipt
SA - Corporation
S&P - Standard & Poor's

(a) Non-income producing security.
(b) All or a portion of this security is segregated as collateral for written options. As of December 31, 2011, the total

amount segregated was $140,706,836.

See notes to financial statements.

MCN l Madison/Claymore Covered Call & Equity Strategy Fund l PortfolioofInvestments continued

Contracts (100 shares per contract)	Call Options Written (a)	Expiration Month	Exercise Price	Value
700	Adobe Systems, Inc.	January 2012	$ 29.00	$ (36,750)
590	Adobe Systems, Inc.	January 2012	34.00	(2,360)
210	Adobe Systems, Inc.	April 2012	28.00	(49,035)
100	Adobe Systems, Inc.	July 2012	30.00	(21,850)
300	Affiliated Managers Group, Inc.	June 2012	105.00	(196,500)
600	American Eagle Outfitters, Inc.	February 2012	13.00	(144,000)
740	American Eagle Outfitters, Inc.	February 2012	14.00	(118,400)
200	American Eagle Outfitters, Inc.	May 2012	15.00	(29,500)
350	Apache Corp.	January 2012	110.00	(2,975)
150	Apache Corp.	July 2012	95.00	(125,625)
800	Applied Materials, Inc.	January 2012	12.50	(800)
400	Applied Materials, Inc.	April 2012	12.00	(11,400)
400	Applied Materials, Inc.	April 2012	13.00	(4,400)
2,000	Bank of America Corp.	January 2012	9.00	(2,000)
900	Bank of America Corp.	February 2012	8.00	(1,350)
933	Bank of America Corp.	April 2012	6.00	(41,518)
400	Best Buy Co., Inc.	January 2012	27.00	(3,400)
400	Best Buy Co., Inc.	January 2012	34.00	(600)
500	Best Buy Co., Inc.	June 2012	25.00	(82,000)
500	Canadian Natural Resources, Ltd.	January 2012	45.00	(2,500)
500	Canadian Natural Resources, Ltd.	March 2012	40.00	(77,500)
450	Celgene Corp.	January 2012	60.00	(349,875)
500	Cisco Systems, Inc.	January 2012	19.00	(7,750)
1,000	Cisco Systems, Inc.	April 2012	17.00	(184,000)
1,000	Cisco Systems, Inc.	July 2012	20.00	(86,500)
400	Community Health Systems, Inc.	June 2012	20.00	(53,000)
500	Flextronics International, Ltd.	April 2012	7.00	(5,500)
500	Flextronics International, Ltd.	July 2012	6.00	(28,250)
600	FLIR Systems, Inc.	January 2012	26.00	(21,000)
750	FLIR Systems, Inc.	April 2012	27.00	(82,500)
200	Freeport-McMoRan Copper & Gold, Inc.	January 2012	50.00	(200)
454	Freeport-McMoRan Copper & Gold, Inc.	May 2012	41.00	(99,880)
300	Gilead Sciences, Inc.	January 2012	44.00	(2,250)
300	Gilead Sciences, Inc.	February 2012	40.00	(63,450)
400	Gilead Sciences, Inc.	May 2012	40.00	(144,000)
270	Gilead Sciences, Inc.	August 2012	43.00	(79,515)
130	Goldman Sachs Group, Inc.	April 2012	115.00	(13,845)
75	Google, Inc.	June 2012	665.00	(311,625)
1,000	Hewlett-Packard Co.	May 2012	29.00	(109,500)
400	Hewlett-Packard Co.	August 2012	29.00	(70,800)

289	Home Depot, Inc.	January 2012	35.00	(205,190)
400	Kohl's Corp.	January 2012	50.00	(42,000)
200	Kohl's Corp.	July 2012	55.00	(36,500)
1,000	Lowe's Cos., Inc.	January 2012	21.00	(440,000)
700	Lowe's Cos., Inc.	January 2012	24.00	(113,050)
1,800	Microsoft Corp.	January 2012	27.50	(18,900)
250	Microsoft Corp.	April 2012	29.00	(6,750)
800	Morgan Stanley	January 2012	24.00	(800)
300	Mylan, Inc.	January 2012	19.00	(81,000)
200	Mylan, Inc.	January 2012	20.00	(38,400)

Contracts (100 shares per contract)	Call Options Written (a)	Expiration Month	Exercise Price	Value
400	Mylan, Inc.	January 2012	$ 24.00	$ (6,800)
300	Mylan, Inc.	April 2012	22.00	(50,400)
400	Mylan, Inc.	July 2012	24.00	(56,000)
600	Petroleo Brasileiro SA	January 2012	30.00	(900)
300	Petroleo Brasileiro SA	January 2012	35.00	(300)
300	Petroleo Brasileiro SA	February 2012	25.00	(36,000)
300	Petroleo Brasileiro SA	April 2012	26.00	(43,500)
150	PowerShares QQQ Trust, Series 1	March 2012	56.00	(33,600)
750	PowerShares QQQ Trust, Series 1	March 2012	57.00	(128,625)
100	PowerShares QQQ Trust, Series 1	April 2012	56.00	(27,650)
450	Schlumberger, Ltd.	January 2012	85.00	(900)
300	SPDR S&P MidCap 400 ETF Trust	March 2012	155.00	(330,000)
50	SPDR S&P MidCap 400 ETF Trust	June 2012	162.00	(53,250)
300	St. Jude Medical, Inc.	January 2012	45.00	(1,500)
150	St. Jude Medical, Inc.	April 2012	40.00	(9,750)
300	St. Jude Medical, Inc.	April 2012	47.50	(1,500)
400	Staples, Inc.	January 2012	15.00	(3,000)
900	Staples, Inc.	January 2012	16.00	(4,500)
300	Staples, Inc.	June 2012	15.00	(24,750)
300	State Street Corp.	January 2012	47.00	(1,050)
500	State Street Corp.	February 2012	38.00	(177,500)
300	State Street Corp.	May 2012	41.00	(95,250)
300	State Street Corp.	August 2012	44.00	(87,000)
200	Stryker Corp.	January 2012	50.00	(21,000)
600	Stryker Corp.	March 2012	50.00	(142,500)
700	Symantec Corp.	January 2012	20.00	(700)
500				