



# Madison/Claymore Covered Call & Equity Strategy Fund (MCN)

## Investment Objective

- High Level of Current Income and Current Gains

The Fund's investment objective is to provide a high level of current income and current gains, with a secondary objective of long-term capital appreciation.

### Investment Parameters

The Fund will pursue 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. The Fund will, on an ongoing and consistent basis, sell covered call options to seek to generate a reasonably steady return from option premiums.

The Fund will, under normal market conditions, allocate 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 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. (This new policy replaces the prior policy pursuant to which the Fund would allocate at least 80% of its total assets to covered calls).

The Fund will invest, 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. (This new policy replaces the prior policy pursuant to which the Fund would invest at least 65% of its total assets in common stocks of large cap issuers that meet the Fund's selection criteria).

### Madison Asset Management, LLC

Madison Asset Management, LLC, a wholly-owned subsidiary of Madison Investment Advisors, Inc., is the Fund's Investment Manager. Founded in 1974, Madison Investment Advisors is independently owned and based in Madison, Wisconsin. Madison and its subsidiaries manage fixed-income portfolios, risk-sensitive equity accounts and personalized balanced portfolios. Madison Investment Advisors acts as Investment Adviser for individuals, corporations, pension funds, endowments, insurance companies and mutual funds.

## Fund Overview (as of 11/06/2009)

Share Price	\$8.61	Inception <sup>1</sup>	7/27/2004
NAV	\$9.54	Inception NAV	\$14.33
Premium/(Discount)	(9.75%)	Inception Price	\$15.00
Daily Volume	115,157	Ticker	MCN
Current Distribution Rate <sup>2</sup>	9.11%	Exchange	NYSE
Dividend Per Share <sup>3</sup>	\$0.19620	CUSIP	556582104
Leverage	0.00%	Website	claymore.com/mcn
Expense Ratio (Common Shares) <sup>4</sup>	1.52%	Contact Fund	800-851-0264
Expense Ratio (Total Fund) <sup>4</sup>	1.33%	Email	mcn@claymore.com

## Performance History (as of 10/31/2009)

	Share Price	NAV		Share Price	NAV
2009 YTD	47.39%	32.64%	2008	-38.12%	-34.52%
1 Year	36.27%	22.71%	2007	-16.85%	-3.81%
3 Year	-7.55%	-4.90%	2006	11.86%	10.22%
5 Year	-1.30%	0.34%	2005	8.49%	6.36%
10 Year	N/A	N/A	2004 (Partial Year)	1.35%	7.80%
Since Inception	-1.31%	1.04%			

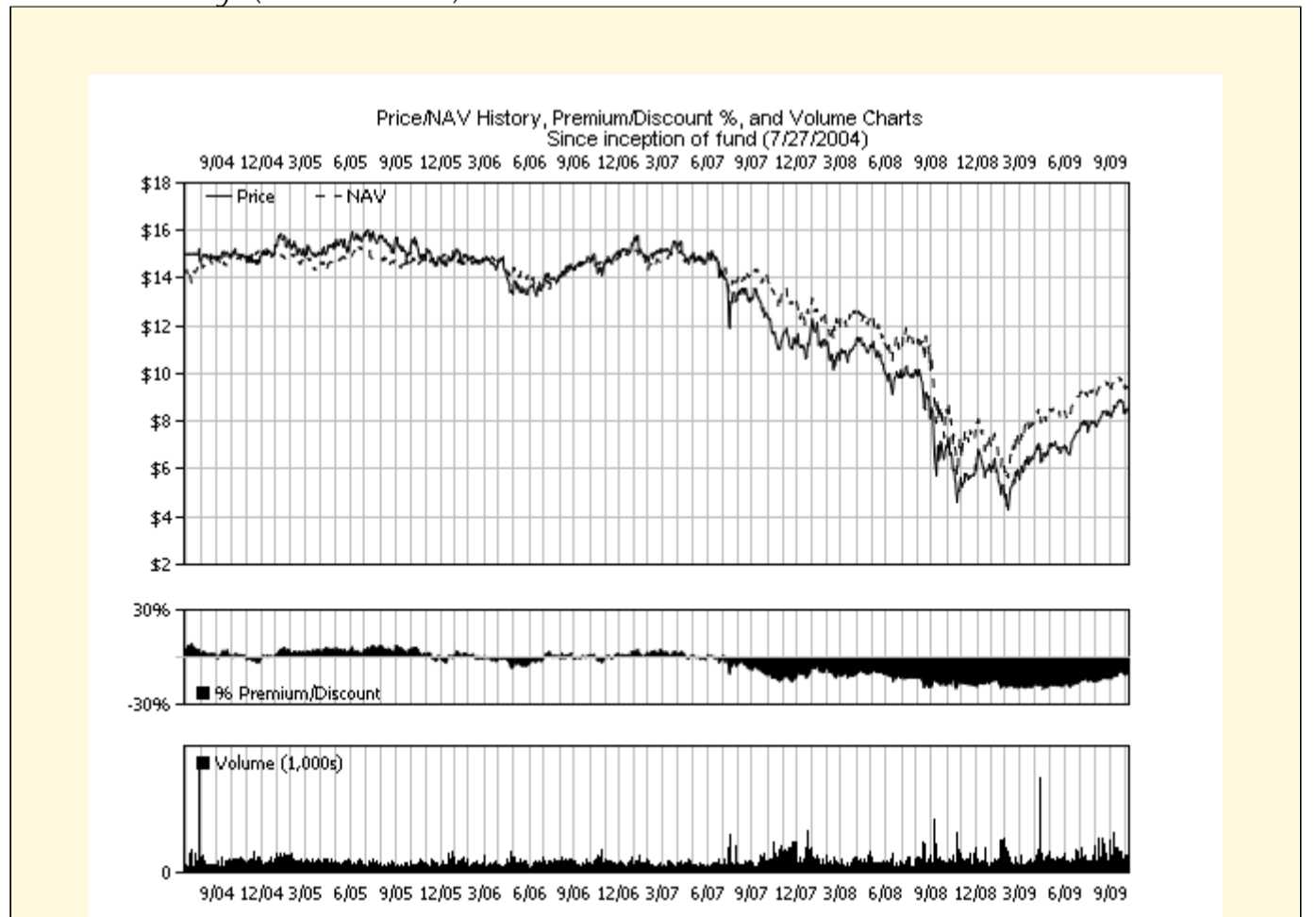
Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Since Inception returns assume a purchase of common shares at the initial offering price of \$15.00 per share for market price returns or initial net asset value (NAV) of \$14.33 per share for NAV returns. Returns for periods of less than one year are not annualized. All distributions are assumed to be reinvested either in accordance with the dividend reinvestment plan (DRIP) for market price returns or NAV for NAV returns. Until the DRIP price is available from the Plan Agent, the market price returns reflect the reinvestment at the closing market price on the last business day of the month. Once the DRIP is available around mid-month, the market price returns are updated to reflect reinvestment at the DRIP price.

## Distribution History

Payable Date	Total Distribution Amount *
11/30/2009	\$0.196200
08/31/2009	\$0.180000
05/29/2009	\$0.180000
02/27/2009	\$0.240000
11/28/2008	\$0.240000
08/29/2008	\$0.280000

\* See the Funds Section 19a-1 letters, if any, under the "Fund News" section of the News and Literature Tab of the Fund's website for estimates of distribution sources other than income. See the "Tax Information" tab of the Fund's website for final characterization of the Funds distributions for federal income tax purposes. Past performance is not indicative of future results.

## Price History (as of 11/06/2009)



Past performance is not indicative of future results.

<sup>1</sup> Based on prospectus information

<sup>2</sup> Latest declared quarterly dividend per share annualized and divided by the current share price. To the extent any portion of the current distribution is estimated to be sourced from something other than income, such as return of capital, the source would be disclosed on a Section 19a-1 letter located under the "Fund News" section of the "News & Literature" section of the Fund's website. The distribution rate may include net investment income, capital gains and/or return of capital. The distribution rate alone is not indicative of Fund performance.

<sup>3</sup> Quarterly dividend per share is subject to change. The distribution amount may include net investment income, capital gains and/or return of capital. The distribution amount alone is not indicative of Fund performance.

<sup>4</sup> Expense ratio is annualized

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## Portfolio Composition (as of 10/31/2009)

Portfolio Concentration		Option Strategy Information		Top 10 Holdings	
Large-Cap Stocks	74.68%	Option Type (Stock/Index)	Stock	Cisco Systems	3.74%
Mid-Cap Stocks	22.08%		Primarily	EMC Corp	3.43%
ETF Index	3.24%	Option Strategy At Time Calls Are	out-of-	EBay	3.14%
Options Liability*	-8.98%	Written	the	Wells Fargo	3.08%
Cash & Other	8.98%		money	Bed Bath and Beyond	3.03%
				Apache Corp	2.94%
				PowerShares QQQ Trust	2.81%
Sector Concentration				State Street Corp	2.60%
Technology	25.95%			Capital One Financial	2.57%
Consumer Discretionary	17.21%			American Eagle	2.50%
Financial	16.05%				
Health, Drugs	14.37%				
Energy	9.19%				
Software	6.45%				
Consumer Services	5.86%				
ETFs	3.24%				
Industrials	1.42%				
Insurance	0.25%				

Subject to change daily

\* Based on market value, this represents the amount needed to close the option positions

### Claymore Advisors, LLC

Claymore Advisors, LLC, an affiliate of Claymore Securities, Inc., serves as the Fund's Investment Adviser. Claymore Securities, Inc. is a privately-held financial services company offering unique investment solutions for financial advisors and their valued clients. Claymore entities have provided supervision, management, servicing or distribution through closed-end funds, unit investment trusts and exchange-traded funds. Additional information on Claymore's closed-end funds is available at [www.claymore.com/CEFs](http://www.claymore.com/CEFs).

## Contact Information

Investors For questions concerning the Fund, please contact Transfer Agent, The Bank of New York Mellon.

Financial Advisors For questions concerning the Fund, please contact the Investment Adviser, Claymore Advisors, LLC

MCN Transfer Agent  
The Bank of New York Mellon  
101 Barclay Street  
New York, NY 10286  
866-488-3559

MCN Investment Adviser  
Claymore Advisors, LLC  
2455 Corporate West Drive  
Lisle, IL 60532  
800-851-0264

MCN Investment Manager  
Madison Asset Management, LLC  
550 Science Drive  
Madison, WI 53711

Claymore Securities, Inc. Member FINRA/SIPC (11/09)

## Risks and Other Considerations

This information does not represent an offer to sell securities of the Fund nor is it soliciting an offer to buy securities of the Fund. There can be no assurance that the Fund will achieve its investment objective. 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. Both the net asset value and the market value of shares of common stock may be subject to higher volatility and a decline in value. Certain risks are associated with the leveraging of common stock.

An investment in the Fund is subject to certain risks and other considerations. Such risks and considerations include, but are not limited to: 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 consider the Fund's investment objective and risks carefully before you invest.

The Fund is authorized to utilize leverage through the issuance of preferred shares and/or the Fund may also 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.

A strategy of writing (selling) covered call options entails various risks. For example, the correlation between the equity securities and options markets may, at times, be imperfect and can furthermore be affected by market behavior and unforeseen events, thus causing a given transaction to not achieve its objectives. There may be times when the Fund will be required to purchase or sell equity securities to meet its obligations under the options contracts on certain options at inopportune times when it may not be beneficial to the Fund. The Fund will forego the opportunity to profit from increases in the market value of equity securities that it has written call options on, above the sum of the premium and the strike price of the option. Furthermore, the Fund's downside protection on equity securities it has written call options on would be limited to the amount of the premium received for writing the call option and thus the Fund would be at risk for any further price declines in the stock below that level.

NOT FDIC-INSURED

NOT BANK-GUARANTEED

MAY LOSE VALUE