

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Madison Covered Call & Equity Strategy Fund  
Form N-Q  
November 28, 2016

OMB APPROVAL

OMB Number: 3235-0578

Expires: March 31, 2019

Estimated average burden  
hours per response....10.5

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 Covered Call & Equity Strategy Fund  
(Exact name of registrant as specified in charter)

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

Lisa R. Lange  
Chief Legal Officer & Chief Compliance Officer  
Madison Asset Management, LLC  
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: September 30, 2016

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the 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.

---

Madison Funds | September 30, 2016

Covered Call & Equity Strategy Fund  
Portfolio of Investments (unaudited)

Shares Value (Note 1)

Item

1.  
Schedule  
of  
Investments.

COMMON  
STOCKS

-  
81.2%  
Consumer  
Discretionary  
-  
16.0%  
CarMax  
Inc  
63,800 \$ 3,403,730

(A)  
CBS  
Corp.,  
64,200 4,609,108

B  
(A)  
Discovery  
Communications  
Inc  
120,300 3,165,093

C  
\*  
Dollar  
General  
Corp.  
51,700 3,618,483

(A)  
Johnson  
Controls  
International  
53,234 4,176,978

PLC  
(A)  
Nordstrom  
Inc  
13,500 3,294,380

(A)  
Starbucks  
Corp.  
59,200 3,205,088  
(A)

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

TJX  
 Cos.  
~~32,100~~ 2,400,438  
 Inc./The  
 (A)  
 26,173,298

Consumer  
 Staples  
 -  
 5.7%  
 CVS  
 Health  
~~38,900~~ 3,461,711  
 Corp.  
 (A)  
 Diageo  
 PLC  
~~30,300~~ 3,516,012  
 ADR  
 (A)  
 JM  
 Smucker,  
~~17,600~~ 2,385,504  
 Co./The  
 (A)  
 9,363,227

Energy  
 -  
 10.9%  
 Apache  
~~62,000~~ 4,017,423  
 Corp.  
 (A)  
 Baker  
 Hughes  
~~71,400~~ 3,603,558  
 Inc.  
 (A)  
 EOG  
 Resources  
~~35,300~~ 3,413,863  
 Inc.  
 (A)  
 Occidental  
 Petroleum  
~~48,300~~ 3,522,036  
 Corp.  
 (A)  
 Schlumberger  
~~11,000~~ 3,224,240  
 (A)  
 17,781,120

Financials  
 -  
 9.0%  
~~40,600~~ 3,657,654  
 Financial  
 Services  
 Group

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Inc./The  
 (A)  
 Progressive  
 Corp. 422,350  
 (A)  
 State  
 Street  
 Corp. 2,562,384  
 (A)  
 T.  
 Rowe  
 Price  
 Group 3,794,490  
 Inc.  
 (A)  
 Wells  
 Fargo  
 & 2,289,276  
 Co.  
 14,726,154  
 Health  
 Care  
 -  
 16.5%  
 Agilent  
 Technologies  
 Inc. 2,561,696  
 (A)  
 Allergan  
 PLC  
 \* 3,684,960  
 (A)  
 Biogen  
 Inc.  
 \* 3,787,663  
 (A)  
 Celgene  
 Corp.  
 \* 2,372,831  
 (A)  
 Cerner  
 Corp.  
 \* 4,044,625  
 (A)  
 Express  
 Scripts  
 Holding  
 Co. 3,879,150  
 \*  
 (A)  
 42,700 3,378,424

Gilead  
Sciences  
Inc.

(A)  
McKesson  
Corp 3,284,975

(A)  
26,994,324

See accompanying Notes to Portfolios of Investments.

1

---

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Madison Funds | September 30, 2016

Covered Call & Equity Strategy Fund  
Portfolio of Investments (unaudited)

Industrials

- 5.6%

PACCAR  
Inc. (A) 61,000 3,585,580

United

Technologies  
Corp. 36,000 3,048,000

(A)

W.W.

Grainger  
Inc. (A) 10,900 2,450,756

9,084,336

Information

Technology

- 15.1%

Apple  
Inc. (A) 48,000 5,426,400

Intel

Corp. 70,800 2,672,700

(A)

Microsoft

Corp. 56,000 3,225,600

(A)

Nuance

Communications  
Inc. \* 17,100 2,137,300

Oracle

Corp. 95,500 3,751,240

(A)

PayPal

Holdings  
Inc. \* 82,400 3,375,928

(A)

QUALCOMM

Inc. (A) 60,000 4,110,000

24,699,168

Telecommunication

Service

- 2.4%

T-Mobile

U.S.  
Inc. \* 81,600 3,812,352

(A)

Total Common Stocks 132,633,979

( Cost \$140,609,610 )

INVESTMENT  
COMPANIES

- 4.8%

SPDR

S&P

500	21,000	4,542,300
-----	--------	-----------

ETF

Trust

(A)

Vanguard

Total

Stock	29,900	3,328,767
-------	--------	-----------

Market

ETF

(A)

Total Investment		
Companies		7,871,067

( Cost \$7,892,754 )

SHORT-TERM

INVESTMENTS

- 10.1%

State

Street

Institutional

U.S.

Government	16,480,247	16,480,247
------------	------------	------------

Money

Market

Fund,

0.27%,

Premier

Class

Total Short-Term		
Investments		16,480,247

( Cost \$16,480,247 )

Par Value

U.S.

GOVERNMENT

AND

AGENCY

OBLIGATIONS

- 6.1%

U.S.

Treasury

Bill (B)	\$ 10,000,000	9,997,043
----------	---------------	-----------

(C),

0.416%,

10/27/16		
Total U.S. Government		9,997,043

and Agency

Obligations



Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

( Cost \$9,997,043 )

TOTAL  
INVESTMENTS - 166,982,336  
102.2% ( Cost  
\$174,979,654 )  
NET OTHER ASSETS  
AND LIABILITIES - 78,430  
0.0%  
TOTAL CALL & PUT  
OPTIONS WRITTEN - (3,631,765)  
(2.2%)  
TOTAL NET ASSETS - \$ 163,429,001  
100.0%

\* Non-income  
producing.

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

(B) Rate noted represents annualized yield at  
time of purchase.

(C) All or a portion of these securities are  
segregated as collateral for put options  
written. As of September 30, 2016, the  
total amount segregated was \$9,997,043.

American  
AD Depository

Receipt.

Exchange

ETF

Fund.

Public

PLC

Company.

See accompanying Notes to Portfolios of Investments.

2

---

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Madison Funds | September 30, 2016

Covered Call & Equity Strategy Fund  
Portfolio of Investments (unaudited)

Contracts (Call Options Written Contract)	Expiration Date	Strike Price	Value (Note 1)
Agilent Technologies Inc. 50	October 2016	\$ 45.00	\$35,925
Agilent Technologies Inc. 98	November 2016	47.50	28,908
Agilent Technologies Inc. 96	November 2016	50.00	10,388
Allergan PLC 90	October 2016	240.00	18,900
Allergan PLC 70	October 2016	245.00	7,700
Apache Corp. 264	October 2016	55.00	238,260
Apache Corp. 167	October 2016	57.50	112,308
Apache Corp. 198	January 2017	60.00	141,570
Apple Inc. 306	October 2016	110.00	118,575
Apple Inc. 174	November 2016	110.00	97,440
Baker Hughes Inc. 369	October 2016	50.00	61,020
Baker Hughes Inc. 212	October 2016	52.50	12,932
Baker Hughes Inc. 142	October 2016	55.00	2,769
Biogen Inc. 105	October 2016	315.00	90,825
Biogen Inc. 16	October 2016	330.00	5,840
CarMax Inc. 225	October 2016	55.00	15,188
80		57.50	1,400

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

CarMax Inc.	October 2016		
CarMax 333 Inc.	October 2016	60.00	1,665
CBS Corp., 707 Class B	October 2016	52.50	197,960
CBS Corp., 33 Class B	December 2016	52.50	50,963
Celgene 227 Corp.	October 2016	115.00	4,653
Cerner 418 Corp.	October 2016	62.50	32,395
Cerner 152 Corp.	October 2016	65.00	2,280
Cerner 85 Corp.	January 2017	67.50	9,350
CVS Health Corp.	January 2017	95.00	43,763
Diageo 148 PLC	October 2016	110.00	95,460
Diageo 153 PLC	October 2016	115.00	36,425
Dollar General Corp.	January 2017	75.00	48,100
Dollar General Corp.	January 2017	77.50	7,595
EOG Resources Inc.	October 2016	87.50	154,800
EOG Resources Inc.	October 2016	95.00	68,515
Express Scripts 438 Holding Co.	January 2017	72.50	110,157
Express Scripts 111 Holding Co.	January 2017	75.00	17,024
Gilead Sciences Inc.	October 2016	85.00	8,326
354		36.00	73,809

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Intel Corp.	October 2016		
Intel Corp.	October 2016	37.00	48,144
JM Shooker Co./The Johnson	October 2016	140.00	8,800
Controls International PLC	January 2017	46.00	72,610
McKesson Corp.	October 2016	170.00	19,000
Microsoft Corp.	October 2016	57.50	82,320
Nordstrom Inc.	October 2016	55.00	27,940
Occidental Petroleum Corp.	November 2016	80.00	9,677
Occidental Petroleum Corp.	January 2017	77.50	39,270
Oracle Corp.	October 2016	41.00	1,662
Oracle Corp.	January 2017	40.00	56,880
PACCAR Inc.	November 2016	55.00	76,475

See accompanying Notes to Portfolios of Investments.

3

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

Madison Funds | September 30, 2016

Covered Call & Equity Strategy Fund  
Portfolio of Investments (unaudited)

PACCAR Inc. 449	November 2016	60.00	66,228
PayPal Holds Inc. 328	October 2016	38.00	108,240
PayPal Holds Inc. 496	January 2017	42.00	95,976
PNC Financial Services Group Inc./The PNC Financial Services Group Inc./The	October 2016	87.50	56,550
PNC Financial Services Group Inc./The	October 2016	90.00	37,120
Progressive Corp./The	October 2016	33.00	3,050
QUALCOMM Inc. 600	January 2017	65.00	331,500
Schlumberg Ltd. 205	October 2016	82.50	7,482
Schlumberg Ltd. 205	January 2017	80.00	61,705
SPDR S&P 500210 ETF Trust	October 2016	218.00	29,190
Starbucks Corp. 296	October 2016	57.50	1,628
Starbucks Corp. 296	January 2017	57.50	26,640
State Street Corp. 192	November 2016	72.50	25,920
State Street Corp. 176	January 2017	72.50	41,976
T-Mobile U.S270 Inc. 546	October 2016	46.00	43,335
		47.00	57,330

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

T-Mobile U.S. Inc.	October 2016		
T. Rowe Price Group Inc.	October 2016	70.00	1,050
T. Rowe Price Group Inc.	January 2017	70.00	33,488
TJX Cos. Inc./The	January 2017	80.00	36,915
United Technologies Corp.	January 2017	105.00	64,350
Vanguard Total Stock Market ETF	October 2016	112.00	22,425
W.W. Grainger Inc.	October 2016	230.00	27,795
Total Call Options Written ( Premiums received \$3,357,142 \$ 3,585,859 )			
Put Options Written			
Gilead Sciences Inc.	October 2016	80.00	37,293
Nordstrom Inc.	October 2016	47.50	8,613
Total Put Options Written ( Premiums received \$79,480 ) \$ 45,906			
Total Options Written, at Value ( Premiums received \$3,436,622 ) \$ 3,631,765			

See accompanying Notes to Portfolios of Investments.

Madison Funds | September 30, 2016

Madison Covered Call & Equity  
Strategy Fund Notes to Portfolio of  
Investments (unaudited)

1. Portfolio Valuation: Madison Covered Call & Equity Strategy Fund (the "Fund") values securities traded on a national securities exchange are valued at their closing sale price, except for securities traded on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), which are valued at the NASDAQ official closing price ("NOCP"), and options, which are valued at the mean between the best bid and best ask price across all option exchanges. Debt securities having maturities of 60 days or less are valued at amortized cost, which approximates market value. Debt securities having longer maturities, are valued on the basis of the last available bid prices or current market quotations provided by dealers or pricing services approved by the Fund. Mutual funds are valued at their Net Asset Value ("NAV"). Securities for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures approved by the Board of Trustees.

At times, the Fund maintains cash balances at financial institutions in excess of federally insured limits. The Fund monitors this credit risk and has not experienced any losses related to this risk.

2. Fair Value Measurements: The Fund has adopted Financial Accounting Standards Board ("FASB") applicable guidance on fair value measurements. Fair value is defined as the price that each fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy is used to maximize the use of observable market data "inputs" and minimize the use of unobservable "inputs" and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk (for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique). Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available under the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below:

Level 1 - unadjusted quoted prices in active markets for identical investments

Level 2 - other significant observable inputs (including quoted prices for similar investments, interest rate volatilities, prepayment speeds, credit risk, benchmark yields, transactions, bids, offers, new issues, spreads and other relationships observed in the markets among comparable securities, underlying equity of the issuer; and proprietary pricing models such as yield measures calculated using factors such as cash flows, financial or collateral performance and other reference data, etc.)

Level 3 - significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value for the period ended September 30, 2016, maximized the use of observable inputs and minimized the use of unobservable inputs.

Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

There were no transfers between classification levels during the period ended September 30, 2016. As of and during the period ended September 30, 2016, the Fund did not hold securities deemed as a Level 3.

The following is a summary of the inputs used as of September 30, 2016, in valuing the Fund's investments carried at fair value:

Fund	Quoted Prices in Active Markets for Identical Investments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Value at 9/30/16
<b>Assets<sup>1</sup></b>				
Common Stocks	\$ 132,633,979	\$ —	\$ —	\$ 132,633,979
Investment Companies	7,871,067	—	—	7,871,067
Short-Term Investments	16,480,247	—	—	16,480,247
U.S. Government and Agency Obligations	—	9,997,043	—	9,997,043
	\$ 156,985,293	\$ 9,997,043	\$ —	\$ 166,982,336
<b>Liabilities</b>				
Options Written	\$ 3,631,765	\$ —	\$ —	\$ 3,631,765

<sup>1</sup> Please see the Portfolio of Investments for a listing of all securities within each category.

Derivatives: The FASB issued guidance intended to enhance financial statement disclosure for derivative instruments and hedging activities and enable investors to understand: a) how and why a Fund uses derivative investments, b) how derivative instruments and related hedge fund items are accounted for, and c) how derivative instruments and related hedge items affect a Fund's financial position, results of operations and cash flows.

See accompanying Notes to Portfolio of Investments.



Madison Funds | September 30, 2016

Madison Covered Call & Equity  
Strategy Fund Notes to Portfolio of  
Investments (unaudited)

The following table presents the types of derivatives in the Fund and their effect:

	Liability
Derivatives not accounted for as hedging instruments	Derivatives
	Fair Value
Equity contracts – Options written	\$3,631,765

3. Federal Income Taxes: Information on the tax components of investments, excluding option contracts, as of September 30, 2016, is as follows:

Cost	\$174,979,654
Gross appreciation	1,822,028
Gross depreciation	(9,819,346 )
Net depreciation	\$(7,997,318 )

4. Discussion of Risks: Please see the Fund's prospectus for a complete discussion of risks associated with investing in the Fund.

**Equity Risk.** The value of the securities held by the Fund may decline 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.

**Option Risk.** 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 retains 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 risks, as well as lower market liquidity, generally greater market volatility and less complete financial information than for U.S. issuers.

## Edgar Filing: Madison Covered Call & Equity Strategy Fund - Form N-Q

**Mid-Cap Company Risk.** 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 Risk.** 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 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

See accompanying Notes to Portfolio of Investments.

6

---

Madison Funds | September 30, 2016

Madison Covered Call & Equity  
Strategy Fund Notes to Portfolio of  
Investments (unaudited)

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 the NAV and market price of, and dividends on, the common shares than a comparable portfolio without leverage.

**Recent Market Developments Risk.** Global and domestic financial markets have periodically experienced periods of unprecedented turmoil. Recently, markets have witnessed more stabilized economic activity as expectations for an economic recovery increased. However, risks to a robust resumption of growth persist. A return to unfavorable economic conditions or sustained economic slowdown could adversely impact the Fund's portfolio. Financial market conditions, as well as various social and political tensions in the United States and around the world, may contribute to increased market volatility and have long-term effects on the United States and worldwide financial markets and cause further economic uncertainties or deterioration in the United States and worldwide. The Fund's Investment Adviser does not know how long the financial markets will continue to be affected by these events and cannot predict the effects of these or similar events in the future on the United States and global economies and securities markets.

**Cybersecurity Risk.** The Fund is also subject to cybersecurity risk, which includes the risks associated with computer systems, networks and devices to carry out routine business operations. These systems, networks and devices employ a variety of protections that are designed to prevent cyberattacks. Despite the various cyber protections utilized by the Fund, the Investment Adviser, and other service providers, their systems, networks, or devices could potentially be breached. The Fund, its shareholders, and the Investment Adviser could be negatively impacted as a result of a cybersecurity breach. The Fund cannot control the cybersecurity plans and systems put in place by service providers or any other third parties whose operations may affect the Fund. The Fund does monitor this risk closely.

**Additional Risks.** While investments in securities have been keystones in wealth building and management, at times these investments have produced surprises. Those who enjoyed growth and income of their investments generally were rewarded for the risks they took by investing in the markets. Although the Investment Adviser seeks to appropriately address and manage the risks identified and disclosed to you in connection with the management of the securities in the Fund, you should understand that the very nature of the securities markets includes the possibility that there may be additional risks of which we are not aware. We certainly seek to identify all applicable risks and then appropriately address them, take appropriate action to reasonably manage them and to make you aware of them so you can determine if they exceed your risk tolerance. Nevertheless, the often volatile nature of the securities markets and the global economy in which we work suggests that the risk of the unknown is something to consider in connection with an investment in securities. Unforeseen events could under certain circumstances produce a material loss of the value of some or all of the securities we manage for you in the Fund.

See accompanying Notes to Portfolio of Investments.

7

---

Item 2. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer determined that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) are effective, based on their evaluation of these controls and procedures within 90 days of the date of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the Act. There were no significant changes in the Trust's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. The officers identified no significant deficiencies or material weaknesses.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

Certifications of principal executive and principal financial officers as required by Rule 30a-2(a) under the Act.

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 Covered Call & Equity Strategy Fund

By: /s/ Lisa R. Lange  
Lisa R. Lange, Chief Compliance Officer

Date: November 28, 2016

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/ Katherine L. Frank  
Katherine L. Frank, Principal Executive Officer

Date: November 28, 2016

By: /s/ Greg Hoppe  
Greg Hoppe, Principal Financial Officer

Date: November 28, 2016