

Madison Strategic Sector Premium Fund
Form N-Q
November 07, 2007

OMB APPROVAL
OMB Number: 3235-0578
Expires: April 30, 2010
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 811-21713

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)

W. Richard Mason
Madison/Mosaic Legal and Compliance Department
8777 N. Gainey Center Drive, Suite 220
Scottsdale, AZ 85258
(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, 2007

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 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.

Item 1. Schedule of Investments.**Madison Strategic Sector Premium Fund****Portfolio of Investments - September 30, 2007 (unaudited)**

| Number of Shares | Value |
|---|-------------|
| Common Stocks - 100.6% | |
| <i>Consumer Services - 7.6%</i> | |
| 95,000 eBay Inc.* | \$3,706,900 |
| 3,000 Google, Inc-Class A* | 1,701,810 |
| 103,000 Intuit Inc | 3,120,900 |
| <i>Consumer Discretionary - 24.8%</i> | |
| 50,000 Abercrombie & Fitch Co-Class A | 4,035,000 |
| 119,200 American Eagle Outfitters, Inc | 3,136,152 |
| 98,000 Bed Bath & Beyond Inc* | 3,343,760 |
| 87,000 Best Buy Co, Inc | 4,003,740 |
| 90,000 Home Depot Inc | 2,919,600 |
| 110,000 Lowe's Cos, Inc | 3,082,200 |
| 60,000 Target Corp | 3,814,200 |
| 100,000 Williams Sonoma Co | 3,262,000 |
| <i>Exchange Traded Funds - 2.8%</i> | |
| 60,000 Powershares QQQQ | 3,084,600 |
| <i>Energy - 2.8%</i> | |
| 23,000 Apache Corp | 2,071,380 |
| 21,000 Unit Corp* | 1,016,400 |
| <i>Financials - 17.8%</i> | |
| 20,000 Affiliated Managers Group Inc* | 2,550,200 |
| 50,000 Capital One Financial Corp | 3,321,500 |
| 90,000 Citigroup, Inc. | 4,200,300 |
| 100,000 Countrywide Financial Corp | 1,901,000 |
| 15,400 Discover Financial Services | 320,320 |
| 57,500 Merrill Lynch & Co., Inc | 4,098,600 |
| 55,000 Morgan Stanley & Co | 3,465,000 |
| <i>Health Care - 23.9%</i> | |

Edgar Filing: Madison Strategic Sector Premium Fund - Form N-Q

| | |
|---|-----------|
| 65,400 Amgen, Inc.* | 3,699,678 |
| 58,000 Biogen Idec Inc* | 3,847,140 |
| 61,500 Boston Scientific Corp* | 857,925 |
| 20,000 Genentech Inc* | 1,560,400 |
| 37,000 Genzyme Corp* | 2,292,520 |
| 49,900 Health Management Associates, Inc. | 346,306 |
| 35,000 Medtronic Inc | 1,974,350 |
| 125,000 Mylan, Inc* | 1,995,000 |
| 23,000 Patterson Cos, Inc | 888,030 |
| 109,800 Pfizer Inc | 2,682,414 |
| 85,000 UnitedHealth Group | 4,116,550 |
| 57,000 Varian Medical Systems | 2,387,730 |

Insurance - 1.4%

| | |
|------------------------------|-----------|
| 50,000 MGIC Investment Corp. | 1,615,500 |
|------------------------------|-----------|

Software - 3.5%

| | |
|--------------------------|-----------|
| 70,000 ACI Worldwide Inc | 1,564,500 |
| 120,000 Symantec Corp* | 2,325,600 |

Technology - 16.0%

| | |
|---|-----------|
| 47,000 Altera Corp | 1,131,760 |
| 60,000 Applied Materials, Inc. | 1,242,000 |
| 80,000 Cisco Systems, Inc.* | 2,648,800 |
| 100,000 Dell Inc* | 2,760,000 |
| 190,500 Flextronics International Ltd.* | 2,129,790 |
| 71,000 Linear Technology Corp | 2,484,290 |
| 96,000 Qlogic Corp* | 1,291,200 |
| 30,000 Qualcomm Inc | 1,267,800 |
| 40,000 Xilinx Inc | 1,045,600 |
| 50,000 Zebra Technologies Corp-Class A* | 1,824,500 |

Total Long-Term Investments

| | |
|----------------------|---------------|
| (Cost \$118,548,958) | \$112,134,945 |
|----------------------|---------------|

* Non-income producing.

Contracts

(100 shares

per contract) **Call Options Written - (7.1%)**

| |
|------------------------------------|
| 500 Abercrombie & Fitch Co-Class A |
| 126 ACI Worldwide Inc |
| 329 ACI Worldwide Inc |
| 180 ACI Worldwide Inc |

Expiration

Date

Exercise

Price

Market

Value

| | | |
|---------------|----------|--------------|
| November 2007 | \$ 72.50 | \$ (505,000) |
| October 2007 | 25.00 | (2,205) |
| November 2007 | 30.00 | (1,645) |
| November 2007 | 35.00 | (900) |

Edgar Filing: Madison Strategic Sector Premium Fund - Form N-Q

| | | | |
|---------------------------------------|---------------|--------|-------------|
| 65 ACI Worldwide Inc | February 2008 | 30.00 | (3,900) |
| 200 Affiliated Managers Group Inc | December 2007 | 110.00 | (418,000) |
| 270 Altera Corp | January 2008 | 20.00 | (126,900) |
| 200 Altera Corp | March 2008 | 25.00 | (37,000) |
| 401 American Eagle Outfitters, Inc | January 2008 | 25.00 | (132,330) |
| 394** American Eagle Outfitters, Inc | January 2008 | 26.625 | (143,318) |
| 200 American Eagle Outfitters, Inc | January 2008 | 30.00 | (25,500) |
| 445 Amgen, Inc | October 2007 | 57.50 | (42,720) |
| 54 Amgen, Inc | January 2008 | 65.00 | (3,645) |
| 155 Amgen, Inc | April 2008 | 60.00 | (52,700) |
| 170 Apache Corp | January 2008 | 70.00 | (361,250) |
| 60 Apache Corp | January 2008 | 80.00 | (75,900) |
| 600 Applied Materials, Inc | January 2008 | 20.00 | (114,000) |
| 480 Bed Bath & Beyond, Inc | November 2007 | 40.00 | (6,000) |
| 200 Bed Bath & Beyond, Inc | January 2008 | 37.50 | (24,500) |
| 270 Best Buy Co, Inc | December 2007 | 45.00 | (86,400) |
| 300 Best Buy Co, Inc | December 2007 | 50.00 | (28,500) |
| 100** Best Buy Co, Inc | January 2008 | 53.375 | (6,750) |
| 150 Best Buy Co, Inc | January 2008 | 47.50 | (32,250) |
| 580 Biogen Idec Inc | January 2008 | 50.00 | (1,015,000) |
| 615 Boston Scientific Corp | October 2007 | 12.50 | (98,400) |
| 250 Capital One Financial Corp | December 2007 | 75.00 | (33,125) |
| 127 Capital One Financial Corp | January 2008 | 70.00 | (48,895) |
| 500 Cisco Systems, Inc | January 2008 | 27.50 | (318,750) |
| 100 Cisco Systems, Inc | April 2008 | 35.00 | (21,650) |
| 150 Countrywide Financial Corp | October 2007 | 17.50 | (31,500) |
| 300 Countrywide Financial Corp | October 2007 | 20.00 | (21,750) |
| 400 Countrywide Financial Corp | January 2008 | 25.00 | (30,000) |
| 404 Dell Inc | November 2007 | 27.50 | (54,540) |
| 596 Dell Inc | January 2008 | 27.50 | (123,670) |
| 500 eBay Inc | January 2008 | 32.50 | (380,000) |
| 450 eBay Inc | January 2008 | 35.00 | (252,000) |
| 1,905 Flextronics International Ltd. | January 2008 | 12.50 | (73,343) |
| 26 Genentech Inc | December 2007 | 80.00 | (7,410) |
| 174 Genentech Inc | January 2008 | 75.00 | (113,100) |
| 170 Genzyme Corp | January 2008 | 65.00 | (47,600) |
| 200 Genzyme Corp | January 2008 | 70.00 | (24,500) |
| 30 Google, Inc-Class A | January 2008 | 500.00 | (249,300) |
| 499 Health Management Associates, Inc | October 2007 | 7.50 | (2,495) |
| 900 Home Depot, Inc | November 2007 | 37.50 | (18,000) |
| 1,030 Intuit Inc | January 2008 | 32.50 | (113,300) |

Edgar Filing: Madison Strategic Sector Premium Fund - Form N-Q

| | | | |
|-------------------------------------|---------------|-------|---------------|
| 710 Linear Technology Corp | January 2008 | 35.00 | (152,650) |
| 1,000 Lowe's Cos, Inc | January 2008 | 32.50 | (47,500) |
| 100 Lowe's Cos, Inc | January 2008 | 30.00 | (11,250) |
| 350 Medtronic Inc | November 2007 | 52.50 | (157,500) |
| 575 Merrill Lynch & Co, Inc | January 2008 | 80.00 | (120,750) |
| 300 MGIC Investment Corp | December 2007 | 35.00 | (74,250) |
| 200 MGIC Investment Corp | January 2008 | 40.00 | (27,500) |
| 228 Morgan Stanley*** | October 2007 | 75.00 | (24,510) |
| 242 Morgan Stanley | January 2008 | 65.00 | (87,120) |
| 80 Morgan Stanley | January 2008 | 90.00 | (3,600) |
| 328 Mylan, Inc | January 2008 | 15.00 | (64,780) |
| 776 Mylan, Inc | January 2008 | 17.50 | (56,260) |
| 46 Mylan, Inc | April 2008 | 17.50 | (5,750) |
| 230 Patterson Cos, Inc | October 2007 | 35.00 | (87,400) |
| 374 Pfizer Inc | December 2007 | 27.50 | (6,545) |
| 562 Pfizer Inc | January 2008 | 25.00 | (51,985) |
| 150 Powershares QQQQ | October 2007 | 46.00 | (84,525) |
| 450 Powershares QQQQ | October 2007 | 48.00 | (167,850) |
| 300 Qlogic Corp | October 2007 | 12.50 | (31,500) |
| 460 Qlogic Corp | January 2008 | 12.50 | (82,800) |
| 300 Qualcomm Inc | January 2008 | 40.00 | (133,500) |
| 300 Symantec Corp | October 2007 | 17.50 | (60,000) |
| 900 Symantec Corp | January 2008 | 20.00 | (103,500) |
| 100 Target Corp | January 2008 | 60.00 | (71,000) |
| 500 Target Corp | January 2008 | 65.00 | (215,000) |
| 50 Unit Corp | March 2008 | 50.00 | (18,750) |
| 270 UnitedHealth Group | January 2008 | 55.00 | (17,550) |
| 280 UnitedHealth Group | January 2008 | 50.00 | (60,200) |
| 150 UnitedHealth Group | March 2008 | 55.00 | (18,000) |
| 473 Varian Medical Systems Inc | November 2007 | 45.00 | (34,293) |
| 1,000 Williams-Sonoma Inc | November 2007 | 32.50 | (192,500) |
| 400 Xilinx Inc | January 2008 | 25.00 | (108,000) |
| 500 Zebra Technologies Corp. - CL A | February 2008 | 35.00 | (190,000) |
| Total Call Options Written | | | |
| (Premiums Received \$7,888,573) | | | \$(7,877,958) |

** 150 shares per contract

***Due to spin-off, 100 shares of Morgan Stanley and 50 shares

Discover Financial Services per contract

Contracts

(100 shares

per contract) **Put Options Written - (0.1%)**

Expiration Date Exercise Market Value
Price

Edgar Filing: Madison Strategic Sector Premium Fund - Form N-Q

| | | | | |
|-----|--------------------------------|---------------|-------|----------|
| 480 | American Eagle Outfitters, Inc | November 2007 | 25.00 | (45,600) |
| 750 | Mylan Laboratories Inc | January 2008 | 15.00 | (54,375) |

| | | | | |
|---------------------------------|-------------------------------|--|--|------------|
| Total Put Options Written | (Premiums Received \$173,314) | | | \$(99,975) |
|---------------------------------|-------------------------------|--|--|------------|

Short-term Note - 2.7%

United States Treasury Note issued 11/30/2005
at 4.25%, due 11/30/2007

| | |
|--|-----------|
| Proceeds at maturity are \$3,000,000 (Cost \$2,996,817) | 3,002,112 |
|--|-----------|

Repurchase Agreement - 4.1%

Morgan Stanley issued 9/28/07 at 3.80%, due
10/2/07, collateralized by \$4,625,216 in United
States Treasury Notes due 6/30/11. Proceeds at
maturity are \$4,531,435 (Cost \$4,530,000).

4,530,000

Total Investments - 107.4%

| | |
|---|----------------------|
| (Cost \$126,075,775) | 119,667,057 |
| Liabilities less cash and other assets - (0.2%) | (247,965) |
| Total Call Options Written - (7.1%) | (7,877,958) |
| Total Put Options Written - (0.1%) | (99,975) |
| Net Assets - 100% | \$111,441,159 |

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 Strategic Sector Premium Fund

By: (signature)

W. Richard Mason, Secretary

Date: October 24, 2007

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: (signature)

Katherine L. Frank, Chief Executive Officer

Date: October 24, 2007

By: (signature)

Greg Hoppe, Chief Financial Officer

Date: October 24, 2007