

Edgar Filing: First Trust/Fiduciary Asset Management Covered Call Fund - Form N-Q

First Trust/Fiduciary Asset Management Covered Call Fund  
Form N-Q  
November 29, 2004

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21586  
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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
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(Exact name of registrant as specified in charter)

1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
-----

(Address of principal executive offices) (Zip code)

W. Scott Jardine, Esq.  
First Trust Portfolios L.P.  
1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
-----

(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 241-4141  
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Date of fiscal year end: DECEMBER 31, 2004  
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Date of reporting period: SEPTEMBER 30, 2004  
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Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (ss.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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule of Investments is attached herewith.

First Trust/Fiduciary Asset Management Covered Call Fund  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

SHARES		MARKET VALUE
-----		-----
COMMON STOCKS+ - 99.7%		
	DIVERSIFIED FINANCIALS - 13.9%	
162,000	American Express Company	\$ 8,336,520
183,000	Citigroup Inc.	8,073,960
77,000	Goldman Sachs Group, Inc.	7,179,480
475,000	MBNA Corp.	11,970,000
215,500	Merrill Lynch & Company, Inc.	10,714,660
129,000	Wachovia Corp.	6,056,550
		-----
		52,331,170
		-----
	CAPITAL GOODS - 11.6%	
113,600	Caterpillar, Inc.	9,139,120
91,500	Emerson Electric Company	5,662,935
36,000	General Dynamics Corp.	3,675,600
327,500	General Electric Company	10,997,450
260,000	Tyco International Ltd.	7,971,600
67,000	United Technologies Corp.	6,256,460
		-----
		43,703,165
		-----
	HEALTH CARE EQUIPMENT & SERVICES - 8.9%	
230,500	Boston Scientific Corp.*	9,157,765
65,000	Medtronic Inc.	3,373,500
64,000	Quest Diagnostics, Inc.	5,646,080
161,000	UnitedHealth Group, Inc.	11,872,140
47,000	Zimmer Holdings, Inc.*	3,714,880
		-----
		33,764,365
		-----
	TELECOMMUNICATION SERVICES - 7.0%	
85,500	ALLTEL Corp.	4,694,805
137,000	Amdocs Ltd.*	2,990,710
276,500	Nextel Communications, Inc., Class A*	6,591,760
137,000	QUALCOMM, Inc.	5,348,480
169,000	Verizon Communications, Inc.	6,655,220
		-----
		26,280,975
		-----
	RETAIL - 6.5%	
98,700	Best Buy Company, Inc.	5,353,488
116,000	CVS Corp.	4,887,080
70,000	Lowe's Companies, Inc.	3,804,500
114,700	Nordstrom, Inc.	4,386,128
160,500	The Home Depot, Inc.	6,291,600
		-----
		24,722,796
		-----
	SOFTWARE - 5.4%	
144,000	Computer Associates International, Inc.	3,787,200
210,000	Electronic Arts, Inc.*	9,657,900

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75,000	First Data Corp.	3,262,500
180,000	PeopleSoft, Inc.*	3,573,000
		-----
		20,280,600
		-----
	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 5.1%	
320,000	Applied Materials, Inc.*	5,276,800
134,000	Broadcom Corp., Class A*	3,656,860
278,000	Intel Corp.	5,576,680
228,500	Texas Instruments, Inc.	4,862,480
		-----
		19,372,820
		-----

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
Portfolio of Investments  
September 30, 2004 (Unaudited)

SHARES		MARKET VALUE
-----		-----
COMMON STOCKS+ - (CONTINUED)		
	COMPUTERS & PERIPHERALS - 4.9%	
155,500	Apple Computer, Inc.*	\$ 6,025,625
176,500	Dell, Inc.*	6,283,400
150,000	Hewlett-Packard Company	2,812,500
265,000	Micron Technology, Inc.*	3,187,950
		-----
		18,309,475
		-----
	CONSUMER DURABLES & APPAREL - 4.2%	
120,000	Centex Corp.	6,055,200
79,200	Lennar Corp., Class A	3,769,920
78,000	NIKE, Inc., Class B	6,146,400
		-----
		15,971,520
		-----
	PHARMACEUTICALS & BIOTECHNOLOGY - 4.0%	
74,500	Amgen, Inc.*	4,222,660
68,000	Genentech, Inc.*	3,564,560
242,500	Pfizer, Inc.	7,420,500
		-----
		15,207,720
		-----
	HOTELS, RESTAURANTS & LEISURE - 4.0%	
75,000	Harley-Davidson, Inc.	4,458,000
70,500	Harrah's Entertainment, Inc.	3,735,090
194,500	International Game Technology	6,992,275
		-----
		15,185,365
		-----
	ENERGY - 3.8%	
113,000	Apache Corp.	5,662,430
69,500	Kinder Morgan, Inc.	4,365,990
76,500	Occidental Petroleum Corp.	4,278,645
		-----
		14,307,065
		-----
	INTERNET SOFTWARE & SERVICES - 3.7%	

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111,500	Amazon.com, Inc.*	4,555,890
35,000	eBay, Inc.*	3,217,900
112,500	Symantec Corp.*	6,174,000
		-----
		13,947,790
		-----
	MATERIALS - 3.6%	
187,600	Alcoa, Inc.	6,301,484
50,300	Phelps Dodge Corp.	4,629,109
73,500	United States Steel Corp.	2,765,070
		-----
		13,695,663
		-----
	TRANSPORTATION - 3.1%	
134,900	FedEx Corp.	11,559,581
		-----
	BANKS - 2.9%	
135,000	Bank of America Corp.	5,849,550
127,000	Washington Mutual, Inc.	4,963,160
		-----
		10,812,710
		-----
	INSURANCE - 2.8%	
89,500	American International Group, Inc.	6,085,105
69,000	MGIC Investment Corp.	4,591,950
		-----
		10,677,055
		-----

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

SHARES		MARKET VALUE
-----		-----
COMMON STOCKS+ - (CONTINUED)		
	COMMUNICATIONS EQUIPMENT - 1.7%	
364,000	Cisco Systems, Inc.*	\$ 6,588,400
		-----
	MEDIA - 1.0%	
43,000	Gannett Company, Inc.	3,601,680
		-----
	COMMERCIAL SERVICES - 0.8%	
75,000	Automatic Data Processing, Inc.	3,099,000
		-----
	ELECTRONIC EQUIPMENT & INSTRUMENTS - 0.8%	
95,000	Eastman Kodak Company	3,060,900
		-----
	TOTAL COMMON STOCKS	376,479,815
		-----
	(Cost \$366,942,389)	
PRINCIPAL VALUE		
-----		
U.S. GOVERNMENT AGENCY DISCOUNT NOTES - 3.7%		
	FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA) - 3.7%	
\$ 7,000,000	1.795%, 12/15/04++	6,973,820

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7,000,000	1.945%, 3/16/05++	6,934,802
		-----
		13,908,622
		-----
	TOTAL U.S. GOVERNMENT AGENCY DISCOUNT NOTES	13,908,622
		-----
	(Cost \$13,911,043)	
	TOTAL INVESTMENTS - 103.4%	390,388,437
	(Cost \$380,853,431)**	
	CALL OPTIONS WRITTEN - (5.2%)	(19,614,615)
	(Premiums received \$18,065,657)	
	NET OTHER ASSETS & LIABILITIES - 1.8%	6,815,583
		-----
	NET ASSETS - 100.0%	\$ 377,589,405
		=====

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- \* Non-income producing security.
  - \*\* Aggregate cost for federal tax purposes.
  - + Securities or partial securities on which call options were written.
  - ++ Rate represents annualized yield at date of purchase.

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
CALL OPTIONS WRITTEN - (5.2%)		
	Alcoa, Inc. Call	
350	@ 32.5 due Oct 04	\$ (50,750)
905	@ 32.5 due Jan 05	(235,300)
106	@ 35 due Jan 05	(13,780)
515	@ 35 due Apr 05	(97,850)
		-----
		(397,680)
		-----
	ALLTEL Corp. Call	
150	@ 55 due Oct 04	(7,500)
480	@ 55 due Jan 05	(81,600)
225	@ 60 due Apr 05	(14,625)
		-----
		(103,725)
		-----

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
CALL OPTIONS WRITTEN - (CONTINUED)		
	Amazon.com, Inc. Call	
225	@ 42.5 due Nov 04	\$ (43,875)
560	@ 40 due Jan 05	(240,800)
330	@ 42.5 due Apr 05	(148,500)
		-----

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		(433,175)
		-----
	Amdocs Ltd. Call	
250	@ 22.5 due Oct 04	(5,000)
590	@ 22.5 due Jan 05	(88,500)
530	@ 25 due Apr 05	(63,600)
		-----
		(157,100)
		-----
	American Express Company Call	
810	@ 50 due Jan 05	(226,800)
810	@ 55 due Apr 05	(101,250)
		-----
		(328,050)
		-----
	American International Group, Inc. Call	
175	@ 70 due Oct 04	(5,250)
360	@ 70 due Nov 04	(37,800)
360	@ 75 due Feb 05	(36,000)
		-----
		(79,050)
		-----
	Amgen, Inc. Call	
120	@ 60 due Oct 04	(1,800)
450	@ 60 due Jan 05	(78,750)
175	@ 65 due Apr 05	(21,000)
		-----
		(101,550)
		-----
	Apache Corp. Call	
225	@ 50 due Nov 04	(42,750)
565	@ 45 due Jan 05	(350,300)
340	@ 50 due Apr 05	(136,000)
		-----
		(529,050)
		-----
	Apple Computer, Inc. Call	
300	@ 35 due Oct 04	(126,000)
780	@ 37.5 due Jan 05	(343,200)
475	@ 37.5 due Apr 05	(251,750)
		-----
		(720,950)
		-----
	Applied Materials, Inc. Call	
640	@ 17.5 due Oct 04	(9,600)
1,280	@ 17.5 due Jan 05	(121,600)
1,280	@ 18 due Apr 05	(153,600)
		-----
		(284,800)
		-----
	Automatic Data Processing, Inc. Call	
150	@ 42.5 due Nov 04	(11,250)
300	@ 42.5 due Jan 05	(42,000)
300	@ 45 due Feb 05	(25,500)
		-----
		(78,750)
		-----

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September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS		MARKET VALUE
CALL OPTIONS WRITTEN - (CONTINUED)		
	Bank of America Corp. Call	
270	@ 45 due Nov 04	\$ (9,450)
540	@ 45 due Jan 05	(35,100)
540	@ 45 due Feb 05	(45,900)
		(90,450)
	Best Buy Company, Inc. Call	
97	@ 50 due Dec 04	(53,350)
290	@ 55 due Dec 04	(71,050)
300	@ 50 due Jan 05	(186,000)
300	@ 55 due Jan 05	(96,000)
		(406,400)
	Boston Scientific Corp. Call	
395	@ 37.5 due Nov 04	(122,450)
955	@ 40 due Jan 05	(276,950)
955	@ 40 due Feb 05	(305,600)
		(705,000)
	Broadcom Corp. Call	
355	@ 27.5 due Nov 04	(74,550)
315	@ 30 due Nov 04	(36,225)
355	@ 30 due Jan 05	(81,650)
315	@ 30 due Feb 05	(78,750)
		(271,175)
	Caterpillar, Inc. Call	
336	@ 75 due Nov 04	(211,680)
360	@ 75 due Jan 05	(288,000)
440	@ 80 due Feb 05	(220,000)
		(719,680)
	Centex Corp. Call	
100	@ 50 due Nov 04	(25,500)
800	@ 50 due Jan 05	(272,000)
300	@ 55 due Apr 05	(84,000)
		(381,500)
	Cisco Systems, Inc. Call	
730	@ 20 due Oct 04	(3,650)
1,820	@ 20 due Jan 05	(127,400)
1,090	@ 22.5 due Apr 05	(43,600)
		(174,650)
	Citigroup Inc. Call	
365	@ 47.5 due Dec 04	(10,950)
825	@ 47.5 due Jan 05	(41,250)
640	@ 50 due Mar 05	(22,400)

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		(74,600)
	Computer Associates International, Inc. Call	
290	@ 25 due Nov 04	(62,350)
575	@ 25 due Jan 05	(158,125)
575	@ 27.5 due Feb 05	(92,000)
		(312,475)

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS		MARKET VALUE
CALL OPTIONS WRITTEN - (CONTINUED)		
	CVS Corp. Call	
210	@ 40 due Nov 04	\$ (55,650)
400	@ 40 due Jan 05	(136,000)
400	@ 42.5 due Feb 05	(84,000)
150	@ 45 due May 05	(33,750)
		(309,400)
	Dell, Inc. Call	
355	@ 35 due Nov 04	(51,475)
705	@ 37.5 due Jan 05	(59,925)
705	@ 37.5 due Feb 05	(81,075)
		(192,475)
	Eastman Kodak Company Call	
190	@ 30 due Oct 04	(44,650)
475	@ 30 due Jan 05	(161,500)
285	@ 32.5 due Apr 05	(71,250)
		(277,400)
	eBay, Inc. Call	
70	@ 85 due Oct 04	(50,400)
175	@ 85 due Jan 05	(201,250)
105	@ 90 due Apr 05	(108,150)
		(359,800)
	Electronic Arts, Inc. Call	
250	@ 50 due Oct 04	(2,500)
150	@ 45 due Dec 04	(49,500)
565	@ 50 due Dec 04	(70,625)
450	@ 47.5 due Jan 05	(119,250)
435	@ 52.5 due Jan 05	(45,675)
250	@ 50 due Mar 05	(61,250)
		(348,800)
	Emerson Electric Company Call	
185	@ 65 due Dec 04	(12,950)

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410	@ 65 due Jan 05	(45,100)
320	@ 65 due Mar 05	(52,800)
		-----
		(110,850)
		-----
	FedEx Corp. Call	
180	@ 85 due Oct 04	(27,000)
899	@ 85 due Jan 05	(386,570)
270	@ 90 due Apr 05	(91,800)
		-----
		(505,370)
		-----
	First Data Corp. Call	
150	@ 42.5 due Nov 04	(27,750)
300	@ 45 due Jan 05	(42,000)
300	@ 45 due Feb 05	(52,500)
		-----
		(122,250)
		-----
	Gannett Company, Inc. Call	
60	@ 85 due Oct 04	(2,400)
120	@ 85 due Nov 04	(16,800)
155	@ 85 due Jan 05	(34,100)
95	@ 90 due Apr 05	(14,250)
		-----
		(67,550)
		-----

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
CALL OPTIONS WRITTEN - (CONTINUED)		
	Genentech, Inc. Call	
240	@ 50 due Dec 04	\$ (103,200)
200	@ 55 due Dec 04	(40,000)
240	@ 52.5 due Jan 05	(98,400)
		-----
		(241,600)
		-----
	General Dynamics Corp. Call	
72	@ 100 due Nov 04	(27,360)
144	@ 100 due Jan 05	(76,320)
144	@ 105 due Feb 05	(48,960)
		-----
		(152,640)
		-----
	General Electric Company Call	
280	@ 35 due Dec 04	(11,200)
1,945	@ 35 due Jan 05	(116,700)
1,050	@ 35 due Mar 05	(94,500)
		-----
		(222,400)
		-----
	Goldman Sachs Group, Inc. Call	
120	@ 90 due Oct 04	(42,000)
470	@ 95 due Jan 05	(150,400)

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180 @ 95 due Apr 05	(88,200)
	-----
	(280,600)
	-----
Harley-Davidson, Inc. Call	
150 @ 65 due Nov 04	(6,000)
300 @ 65 due Jan 05	(34,500)
300 @ 65 due Feb 05	(48,000)
	-----
	(88,500)
	-----
Harrah's Entertainment, Inc. Call	
285 @ 50 due Nov 04	(96,900)
285 @ 50 due Jan 05	(119,700)
135 @ 55 due Jan 05	(20,250)
	-----
	(236,850)
	-----
Hewlett-Packard Company Call	
300 @ 17.5 due Nov 04	(54,000)
600 @ 17.5 due Jan 05	(120,000)
600 @ 20 due Feb 05	(51,000)
	-----
	(225,000)
	-----
Intel Corp. Call	
560 @ 22.5 due Oct 04	(2,800)
1,390 @ 22.5 due Jan 05	(83,400)
830 @ 25 due Apr 05	(37,350)
	-----
	(123,550)
	-----
International Game Technology Call	
1,410 @ 35 due Jan 05	(465,300)
535 @ 35 due Apr 05	(214,000)
	-----
	(679,300)
	-----
Kinder Morgan, Inc. Call	
175 @ 60 due Nov 04	(49,875)
345 @ 65 due Jan 05	(37,950)
175 @ 65 due Feb 05	(22,750)
	-----
	(110,575)
	-----

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS	MARKET VALUE
-----	-----
CALL OPTIONS WRITTEN - (CONTINUED)	
Lennar Corp. Call	
140 @ 50 due Nov 04	\$ (15,400)
372 @ 50 due Jan 05	(81,840)
280 @ 52.5 due Jan 05	(37,800)
	-----
	(135,040)

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		-----
	Lowe's Companies, Inc. Call	
490	@ 55 due Jan 05	(132,300)
210	@ 55 due Apr 05	(84,000)
		-----
		(216,300)
		-----
	MBNA Corp. Call	
945	@ 25 due Dec 04	(108,675)
2,140	@ 25 due Jan 05	(299,600)
1,665	@ 25 due Mar 05	(291,375)
		-----
		(699,650)
		-----
	Medtronic Inc. Call	
215	@ 50 due Jan 05	(75,250)
435	@ 55 due May 05	(84,825)
		-----
		(160,075)
		-----
	Merrill Lynch & Company, Inc. Call	
395	@ 50 due Oct 04	(35,550)
185	@ 50 due Nov 04	(27,750)
985	@ 55 due Jan 05	(73,875)
590	@ 55 due Apr 05	(85,550)
		-----
		(222,725)
		-----
	MGIC Investment Corp. Call	
120	@ 65 due Dec 04	(49,200)
320	@ 70 due Dec 04	(52,800)
250	@ 75 due Mar 05	(37,500)
		-----
		(139,500)
		-----
	Micron Technology, Inc. Call	
500	@ 13 due Nov 04	(12,500)
1,200	@ 11 due Jan 05	(204,000)
250	@ 12.5 due Jan 05	(22,500)
700	@ 13 due Apr 05	(70,000)
		-----
		(309,000)
		-----
	Nextel Communications, Inc. Call	
455	@ 22.5 due Nov 04	(95,550)
920	@ 25 due Jan 05	(119,600)
1,390	@ 25 due Feb 05	(208,500)
		-----
		(423,650)
		-----
	NIKE, Inc. Call	
390	@ 75 due Jan 05	(230,100)
160	@ 80 due Jan 05	(49,600)
230	@ 80 due Apr 05	(101,200)
		-----
		(380,900)
		-----

## Edgar Filing: First Trust/Fiduciary Asset Management Covered Call Fund - Form N-Q

Portfolio of Investments  
September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS -----	MARKET VALUE -----
CALL OPTIONS WRITTEN - (CONTINUED)	
Nordstrom, Inc. Call	
767 @ 40 due Jan 05	\$ (138,060)
230 @ 40 due Apr 05	(62,100)
150 @ 45 due Apr 05	(18,750)
	(218,910)
Occidental Petroleum Corp. Call	
465 @ 55 due Jan 05	(139,500)
300 @ 55 due Feb 05	(105,000)
	(244,500)
Peoplesoft, Inc. Call	
500 @ 20 due Oct 04	(17,500)
1,300 @ 20 due Jan 05	(175,500)
	(193,000)
Pfizer, Inc. Call	
450 @ 32.5 due Oct 04	(6,750)
75 @ 30 due Nov 04	(10,500)
1,025 @ 32.5 due Dec 04	(51,250)
75 @ 30 due Jan 05	(14,625)
800 @ 35 due Mar 05	(40,000)
	(123,125)
Phelps Dodge Corp. Call	
215 @ 80 due Jan 05	(316,050)
85 @ 90 due Jan 05	(72,250)
130 @ 80 due Apr 05	(214,500)
73 @ 90 due Apr 05	(75,920)
	(678,720)
QUALCOMM, Inc. Call	
275 @ 37.5 due Oct 04	(52,250)
685 @ 37.5 due Jan 05	(246,600)
410 @ 40 due April 05	(135,300)
	(434,150)
Quest Diagnostics, Inc. Call	
160 @ 85 due Nov 04	(72,000)
160 @ 90 due Jan 05	(49,600)
320 @ 90 due Feb 05	(118,400)
	(240,000)
Symantec Corp. Call	
790 @ 50 due Jan 05	(529,300)
335 @ 50 due Apr 05	(274,700)
	(804,000)

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	Texas Instruments, Inc. Call	
625	@ 22.5 due Jan 05	(84,375)
760	@ 22.5 due Apr 05	(167,200)
900	@ 25 due Apr 05	(94,500)
		(346,075)

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First Trust/Fiduciary Asset Management Covered Call Fund - (Continued)  
 Portfolio of Investments  
 September 30, 2004 (Unaudited)

NUMBER OF CONTRACTS		MARKET VALUE
CALL OPTIONS WRITTEN - (CONTINUED)		
	The Home Depot, Inc. Call	
325	@ 37.5 due Nov 04	\$ (78,000)
640	@ 37.5 due Jan 05	(185,600)
640	@ 40 due Feb 05	(115,200)
		(378,800)
	Tyco International Ltd. Call	
450	@ 32.5 due Oct 04	(2,250)
1,475	@ 32.5 due Jan 05	(110,625)
675	@ 35 due Apr 05	(47,250)
		(160,125)
	United States Steel Corp. Call	
150	@ 35 due Oct 04	(48,000)
370	@ 35 due Jan 05	(188,700)
215	@ 35 due Apr 05	(131,150)
		(367,850)
	United Technologies Corp. Call	
135	@ 95 due Oct 04	(7,425)
335	@ 95 due Nov 04	(65,325)
200	@ 100 due Feb 05	(36,000)
		(108,750)
	UnitedHealth Group, Inc. Call	
725	@ 70 due Dec 04	(384,250)
320	@ 75 due Jan 05	(92,800)
565	@ 70 due Mar 05	(389,850)
		(866,900)
	Verizon Communications, Inc. Call	
340	@ 40 due Oct 04	(8,500)
850	@ 40 due Jan 05	(97,750)
500	@ 42.5 due Apr 05	(37,500)
		(143,750)
	Wachovia Corp. Call	

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260	@ 47.5 due Oct 04	(7,800)
645	@ 47.5 due Jan 05	(83,850)
385	@ 47.5 due Apr 05	(67,375)
		-----
		(159,025)
		-----
	Washington Mutual, Inc. Call	
255	@ 40 due Oct 04	(5,100)
635	@ 40 due Jan 05	(76,200)
380	@ 40 due Apr 05	(66,500)
		-----
		(147,800)
		-----
	Zimmer Holdings, Inc. Call	
95	@ 80 due Nov 04	(27,075)
210	@ 75 due Dec 04	(138,600)
165	@ 75 due Mar 05	(141,900)
		-----
		(307,575)
		-----
	TOTAL CALL OPTIONS WRITTEN	(19,614,615)
		-----
	(Premiums received \$18,065,657)	

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First Trust/Fiduciary Asset Management Covered Call Fund  
September 30, 2004 (Unaudited)

### 1. VALUATION AND INVESTMENT PRACTICES

#### PORTFOLIO VALUATION:

The Fund will determine the net asset value of its Common Shares daily, as of 4:15 p.m. Eastern Time, every day on which the New York Stock Exchange is open. Net asset value is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses, the value of call options written (sold) and dividends declared but unpaid), by the total number of Common Shares outstanding.

The Fund's investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value as determined by, or under the direction of the Fund's Board of Trustees. Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") are valued at the last sale price on the business day of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities trading on the NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities trading on the NASDAQ, are valued at the closing bid prices. Fixed income securities with a remaining maturity of 60 days or more will be valued by the Fund using a pricing service. When price quotes are not available, fair market value is based on prices of comparable securities. Short-term investments that mature in 60 days or less are valued at amortized cost.

The Fund values exchange-traded options and other derivative contracts at the

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closing price on the exchange on which it is principally traded, or if not traded, or no closing price is available, at the mean between the last bid and asked price.

### OPTION CONTRACTS:

Covered Call Options. When the Fund purchases equity securities, it will simultaneously write (sell) covered call options on substantially all of such equity securities. The number of call options the Fund can write (sell) is limited by the amount of equity securities the Fund holds in its portfolio. The Fund will not write (sell) "naked" or uncovered call options. By writing (selling) call options, the Fund seeks to generate additional income, in the form of premiums received for writing (selling) the options, and provide a partial hedge against a market decline in the underlying equity security. Call options are marked-to-market daily and their value will be affected by changes in the value and dividend rates of the underlying equity securities, an increase in interest rates, changes in the actual or perceived volatility of the securities markets and the underlying equity securities and the remaining time to the options' expiration. The value of call options may also be adversely affected if the market for the options becomes less liquid or smaller.

### SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis.

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### First Trust/Fiduciary Asset Management Covered Call Fund September 30, 2004 (Continued) (Unaudited)

Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date; interest income is not accrued until settlement date. The Fund instructs the custodian to segregate assets of the Fund with a current value at least equal to the amount of its when-issued purchase commitments.

### 2. UNREALIZED APPRECIATION/(DEPRECIATION)

On September 30, 2004, net unrealized appreciation for Federal tax purposes was \$9,535,006 consisting of \$12,895,292 aggregate gross unrealized appreciation for all securities in which there is an excess of value over tax cost and \$3,360,286 aggregate gross unrealized depreciation for all securities in which there is an excess of tax cost over value.

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### ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).

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(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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.

(Registrant) FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
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By (Signature and Title)\* /S/ JAMES A. BOWEN  
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James A. Bowen, President, Chairman of the Board  
and Trustee  
(principal executive officer)

Date November 24, 2004  
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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 and Title)\* /S/ JAMES A. BOWEN  
-----

James A. Bowen, President, Chairman of the Board  
and Trustee  
(principal executive officer)

Date November 24, 2004  
-----

By (Signature and Title)\* /S/ MARK R. BRADLEY  
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Mark R. Bradley, Chief Financial Officer  
and Treasurer  
(principal financial officer)

Date November 24, 2004  
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\* Print the name and title of each signing officer under his or her signature.