

Madison Strategic Sector Premium Fund
Form N-Q
May 27, 2010

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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: March 31, 2010

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 - March 31, 2010 (unaudited)

| | | Number of Shares | Value |
|------------------------------------|-------|---------------------|--------------|
| COMMON STOCKS: 84.3% of net assets | | | |
| CONSUMER DISCRETIONARY: | 12.6% | | |
| American Eagle Outfitters, Inc. | | 30,900 | 572,268.00 |
| Bed Bath & Beyond Inc.* | | 400 | 17,504.00 |
| Best Buy Co., Inc. | | 60,000 | 2,552,400.00 |
| Home Depot Inc. | | 30,000 | 970,500.00 |
| Kohls Corp.* | | 26,500 | 1,451,670.00 |
| Lowe's Companies, Inc. | | 110,000 | 2,666,400.00 |
| Target Corp. | | 30,000 | 1,578,000.00 |
| Williams-Sonoma, Inc. | | 24,300 | 638,847.00 |
| CONSUMER SERVICES: | 6.4% | | |
| eBay Inc.* | | 127,000 | 3,422,650.00 |
| Garmin Ltd. | | 47,900 | 1,843,192.00 |
| ENERGY: | 11.8% | | |
| Apache Corp. | | 28,000 | 2,842,000.00 |
| Schlumberger Ltd. | | 22,000 | 1,396,120.00 |
| Transocean Ltd.* | | 29,000 | 2,505,020.00 |
| Weatherford International Ltd.* | | 70,000 | 1,110,200.00 |
| XTO Energy Inc. | | 40,000 | 1,887,200.00 |
| EXCHANGE TRADED FUNDS | 4.2% | | |
| Powershares QQQ | | 35,000 | 1,686,300.00 |
| SPDR Trust Series 1 | | 15,000 | 1,754,850.00 |
| FINANCIALS: | 14.6% | | |
| Affiliated Managers Group, Inc.* | | 10,000 | 790,000.00 |
| Bank of America Corp. | | 61,867 | 1,104,325.95 |
| Capital One Financial Corp. | | 67,800 | 2,807,598.00 |
| Citigroup Inc. | | 190,000 | 769,500.00 |
| Marshall & Ilsley Corp. | | 95,000 | 764,750.00 |
| Morgan Stanley | | 68,000 | 1,991,720.00 |
| State Street Corp. | | 50,000 | 2,257,000.00 |
| Wells Fargo & Co. | | 50,000 | 1,556,000.00 |
| HEALTH CARE: | 17.8% | | |
| Biogen Idec* | | 43,100 | 2,472,216.00 |

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| | | | |
|-------------|---|---------|---------------|
| | Genzyme Corp.* | 36,000 | 1,865,880.00 |
| | Gilead Sciences, Inc.* | 45,000 | 2,046,600.00 |
| | Medtronic Inc. | 35,000 | 1,576,050.00 |
| | Mylan, Inc.* | 35,500 | 806,205.00 |
| | Pfizer Inc. | 109,800 | 1,883,070.00 |
| | UnitedHealth Group, Inc. | 86,000 | 2,809,620.00 |
| | Zimmer Holdings Inc.* | 21,000 | 1,243,200.00 |
| INSURANCE: | | 1.4% | |
| | Aflac Inc. | 17,000 | 922,930.00 |
| | MGIC Investment Corp.* | 25,000 | 274,250.00 |
| SOFTWARE: | | 0.5% | |
| | Check Point Software Technologies Ltd.* | 700 | 24,542.00 |
| | Symantec Corp.* | 25,000 | 423,000.00 |
| TECHNOLOGY: | | 15.0% | |
| | Applied Materials, Inc. | 39,400 | 531,112.00 |
| | Cisco Systems, Inc.* | 170,000 | 4,425,100.00 |
| | Dell Inc.* | 100,000 | 1,501,000.00 |
| | EMC Corp.* | 100,000 | 1,804,000.00 |
| | Flextronics International Ltd.* | 234,900 | 1,841,616.00 |
| | Qualcomm Inc.* | 32,000 | 1,343,680.00 |
| | Yahoo! Inc.* | 60,000 | 991,800.00 |
| | TOTAL COMMON STOCKS (Cost \$90,828,739) | | \$ 69,721,886 |

| | Contracts (100 shares per contract) | Expiration Date | Exercise Price | Value |
|---|---|--------------------|-------------------|------------|
| CALL OPTIONS WRITTEN: | | | | |
| Aflac Inc. | 170 | May 2010 | 49.00 | 98,600.00 |
| American Eagle Outfitters, Inc. | 165 | May 2010 | 17.50 | 25,575.00 |
| American Eagle Outfitters, Inc. | 144 | August 2010 | 17.50 | 30,960.00 |
| Apache Corp. | 146 | April 2010 | 95.00 | 100,010.00 |
| Apache Corp. | 134 | April 2010 | 105.00 | 10,050.00 |
| Bed Bath & Beyond Inc. | 4 | May 2010 | 40.00 | 1,720.00 |
| Best Buy Co., Inc. | 300 | September 2010 | 38.00 | 179,250.00 |
| Best Buy Co., Inc. | 300 | January 2011 | 17.50 | 37,800.00 |
| Best Buy Co., Inc. | 100 | January 2011 | 40.00 | 56,250.00 |
| Biogen Idec | 295 | April 2010 | 55.00 | 81,862.50 |
| Biogen Idec | 136 | July 2010 | 50.00 | 116,280.00 |
| Capital One Financial Corp. | 300 | June 2010 | 40.00 | 106,500.00 |
| Capital One Financial Corp. | 200 | September 2010 | 40.00 | 96,500.00 |
| Check Point Software Technologies Ltd. | 7 | July 2010 | 30.00 | 3,745.00 |
| Cisco Systems, Inc. | 400 | April 2010 | 24.00 | 83,400.00 |
| Cisco Systems, Inc. | 500 | July 2010 | 24.00 | 130,250.00 |
| Cisco Systems, Inc. | 500 | July 2010 | 25.00 | 93,750.00 |
| Cisco Systems, Inc. | 300 | October 2010 | 25.00 | 73,200.00 |

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| | | | | |
|-------------------------------|-----|----------------|--------|------------|
| eBay Inc. | 200 | April 2010 | 24.00 | 60,100.00 |
| eBay Inc. | 250 | July 2010 | 25.00 | 75,500.00 |
| eBay Inc. | 500 | October 2010 | 25.00 | 185,000.00 |
| EMC Corp. | 700 | July 2010 | 18.00 | 69,300.00 |
| EMC Corp. | 300 | October 2010 | 19.00 | 29,550.00 |
| Garmin Ltd. | 315 | July 2010 | 33.00 | 174,825.00 |
| Genzyme Corp. | 160 | April 2010 | 52.50 | 15,200.00 |
| Genzyme Corp. | 200 | July 2010 | 57.50 | 32,000.00 |
| Gilead Sciences, Inc. | 200 | May 2010 | 49.00 | 8,100.00 |
| Gilead Sciences, Inc. | 250 | August 2010 | 50.00 | 27,500.00 |
| Home Depot Inc. | 300 | August 2010 | 32.00 | 55,350.00 |
| Kohl's Corp. | 150 | April 2010 | 50.00 | 72,000.00 |
| Kohl's Corp. | 115 | July 2010 | 50.00 | 69,000.00 |
| Lowe's Companies, Inc. | 700 | July 2010 | 25.00 | 57,050.00 |
| Lowe's Companies, Inc. | 400 | October 2010 | 24.00 | 73,200.00 |
| Marshall & Ilsley Corp. | 250 | September 2010 | 7.50 | 33,125.00 |
| Medtronic Inc | 350 | May 2010 | 46.00 | 38,500.00 |
| Morgan Stanley | 280 | October 2010 | 33.00 | 39,060.00 |
| Mylan, Inc. | 290 | April 2010 | 17.50 | 153,700.00 |
| Mylan, Inc. | 65 | October 2010 | 21.00 | 18,362.50 |
| Mylan, Inc. | 300 | January 2011 | 17.50 | 48,150.00 |
| Pfizer Inc. | 300 | September 2010 | 19.00 | 9,600.00 |
| Pfizer Inc. | 500 | January 2011 | 7.50 | 62,000.00 |
| Powershares QQQ | 350 | June 2010 | 46.00 | 106,925.00 |
| Qualcomm, Inc | 200 | October 2010 | 40.00 | 88,000.00 |
| Schlumberger Ltd | 220 | May 2010 | 65.00 | 42,900.00 |
| SPDR Trust Series 1 | 150 | May 2010 | 112.00 | 95,925.00 |
| State Street Corp. | 200 | May 2010 | 46.00 | 32,000.00 |
| State Street Corp. | 300 | August 2010 | 47.00 | 78,000.00 |
| Symantec Corp. | 50 | January 2011 | 17.50 | 7,500.00 |
| Target Corp. | 300 | April 2010 | 49.00 | 111,000.00 |
| Transocean Ltd | 90 | May 2010 | 85.00 | 39,375.00 |
| Transocean Ltd | 200 | January 2011 | 90.00 | 146,000.00 |
| UnitedHealth Group, Inc. | 200 | June 2010 | 33.00 | 34,100.00 |
| UnitedHealth Group, Inc. | 200 | September 2010 | 36.00 | 30,300.00 |
| Weatherford International Ltd | 400 | August 2010 | 20.00 | 14,400.00 |
| Wells Fargo & Co. | 200 | April 2010 | 29.00 | 44,600.00 |
| Wells Fargo & Co. | 300 | July 2010 | 29.00 | 95,250.00 |
| Williams-Sonoma, Inc. | 243 | August 2010 | 22.50 | 116,640.00 |
| XTO Energy Inc. | 80 | May 2010 | 47.00 | 10,560.00 |
| XTO Energy Inc. | 320 | August 2010 | 47.00 | 69,280.00 |
| Yahoo! Inc. | 300 | October 2010 | 17.00 | 32,250.00 |
| Zimmer Holdings Inc. | 100 | June 2010 | 60.00 | 22,250.00 |
| Zimmer Holdings Inc. | 110 | September 2010 | 60.00 | 39,600.00 |

TOTAL CALL OPTIONS WRITTEN (Premiums Received \$3,437,335) \$ 3,988,730

SHORT-TERM INVESTMENTS:

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Repurchase Agreement - 20.4%
US Bank issued 3/31/10 at 0.01%, due
4/1/10, collateralized by \$17,227,711 in Fannie
Mae MBS # due
7/1/18. Proceeds at
maturity are \$16,889,852 (Cost \$16,889,847). 16,889,847

TOTAL INVESTMENTS: 104.7% of net assets (Cost \$107,718,587) \$ 86,611,733

LIABILITIES LESS CASH AND OTHER ASSETS: 0.1% 113,729

TOTAL CALL OPTIONS WRITTEN: (4.8%) (3,988,730)

NET ASSETS: 100% \$ 82,736,732

Notes to Quarterly Holdings Report

Securities Valuation: Securities traded on a national securities exchange are valued at their closing sale price. Repurchase agreements and other securities having maturities of 60 days or less are valued at amortized cost, which approximates market value. Securities having longer maturities, for which quotations are readily available, are valued at the mean between their closing bid and ask prices. 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.

The Funds adopted Financial Accounting Standards Board (“FASB”) guidance on fair value measurements effective January 1, 2008. Fair value is defined as the price that the Funds would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. A three-tier hierarchy distinguishes between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes.

Various inputs as noted above are used in determining the value of the Fund's investments and other financial instruments. These inputs are summarized in the three broad levels listed below.

Level 1: Quoted prices in active markets for identical securities

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)

Level 3: Significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. In April 2009, the FASB issued guidance on how to determine the fair value of assets and liabilities when the volume and level of activity for the asset/liability have significantly decreased as well as guidance on identifying circumstances that indicate a transaction is not orderly. As of March 31, 2010, none of the Funds held securities deemed as a Level 3.

The following is a summary representing the Fund's investments carried on the Statements of Assets and Liabilities by caption and by level within the fair value hierarchy as of March 31, 2010:

| | Level 1 | Level 2 | Level 3 | Value at 3/31/10 |
|----------------------|---------------|---------------|---------|------------------|
| Assets: | | | | |
| Common | \$ 69,721,886 | \$ - | \$ - | \$ 69,721,886 |
| Stocks | | | | |
| Repurchase Agreement | | \$ 16,889,847 | | 16,889,847 |
| Total | \$ 69,721,886 | \$ 16,889,847 | \$ - | \$ 86,611,733 |
| Liabilities: | | | | |
| Written | \$ 3,988,730 | \$ - | \$ - | \$ 3,988,730 |
| Options | | | | |
| Total | \$ 3,988,730 | \$ - | \$ - | \$ 3,988,730 |

In March 2008, the FASB issued guidance intended to enhance financial statement disclosures for derivative instruments and hedging activities and enable investors to understand: a) how and why a fund uses derivative instruments, 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. This guidance is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Fund adopted this guidance effective January 2009.

The following table presents the types of derivatives in the Fund by location as presented on the Statement of Assets and Liabilities as of March 31, 2010:

Statement of Asset & Liability Presentation of Fair Values of Derivative Instruments

| Derivatives not accounted for as hedging instruments | Asset Derivatives | | Liability Derivatives | |
|--|--|------------|--|-------------|
| | Statement of Assets and Liabilities Location | Fair Value | Statement of Assets and Liabilities Location | Fair Value |
| Equity contracts | -- | -- | Options written | \$3,988,730 |

The following table presents the effect of Derivative Instruments on the Statement of Operations for the period ended March 31, 2010:

| Derivatives not accounted for as hedging instruments | Realized Gain on Derivatives: | Change in Unrealized Depreciation on Derivatives |
|--|-------------------------------|--|
| Equity contracts – options | \$633,610 | \$833,546 |

In January 2010, amended guidance was issued by FASB for fair value measurement disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation, inputs and valuation techniques used to measure fair value. The amended guidance is effective for financial statements for fiscal years and interim periods beginning after December 15, 2009 except for disclosures about purchases, sales, issuances and

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settlements relating to Level 3 measurements, which are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Earlier adoption is permitted. In the period of initial adoption, the Fund will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. However, those disclosures are required for periods ending after initial adoption. The impact of this guidance on the Fund's financial statements and disclosures, if any, is currently being assessed.

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, CCO

Date: May 26, 2010

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: May 26, 2010

By: (signature)

Greg Hoppe, Chief Financial Officer

Date: May 26, 2010