

Madison Strategic Sector Premium Fund
Form N-Q
November 23, 2011

OMB APPROVAL
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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)

Pamela M. Krill
Madison/Mosaic Legal and Compliance Department
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, 2011

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

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OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. s 3507.

Item 1. Schedule of Investments, September 30, 2011, Madison Strategic Sector Premium Fund

| | | |
|--|-----------|------------|
| Consumer Discretionary - 13.4% | | |
| American Eagle Outfitters Inc. | 80,000 \$ | 937,600 |
| Best Buy Co. Inc. | 80,000 | 1,864,000 |
| Kohl's Corp. | 35,000 | 1,718,500 |
| Lowe's Cos. Inc. | 80,000 | 1,547,200 |
| Staples Inc. | 80,000 | 1,064,000 |
| Target Corp. | 40,000 | 1,961,600 |
| | | 9,092,900 |
| Energy - 6.7% | | |
| Apache Corp. | 15,000 | 1,203,600 |
| Canadian Natural Resources Ltd. | 40,000 | 1,170,800 |
| Noble Corp.* | 30,000 | 880,500 |
| Schlumberger Ltd. | 22,000 | 1,314,060 |
| | | 4,568,960 |
| Financials - 16.4% | | |
| Affiliated Managers Group Inc.* | 25,000 | 1,951,250 |
| American Express Co. | 35,000 | 1,571,500 |
| Bank of America Corp. | 200,000 | 1,224,000 |
| Goldman Sachs Group Inc./The | 14,000 | 1,323,700 |
| Morgan Stanley | 100,000 | 1,350,000 |
| State Street Corp. | 60,000 | 1,929,600 |
| Wells Fargo & Co. | 75,000 | 1,809,000 |
| | | 11,159,050 |
| Health Care - 23.5% | | |
| Celgene Corp.* | 30,000 | 1,857,600 |
| Community Health Systems Inc.* | 75,000 | 1,248,000 |
| Gilead Sciences Inc.* | 60,000 | 2,328,000 |
| Medtronic Inc. | 40,000 | 1,329,600 |
| Mylan Inc./PA* | 90,000 | 1,530,000 |
| Pfizer Inc. | 39,800 | 703,664 |
| St Jude Medical Inc. | 50,000 | 1,809,500 |
| Stryker Corp. | 40,000 | 1,885,200 |
| Teva Pharmaceutical Industries Ltd., ADR | 45,000 | 1,674,900 |
| Zimmer Holdings Inc.* | 30,000 | 1,605,000 |
| | | 15,971,464 |
| Information Technology - 27.6% | | |
| Adobe Systems Inc.* | 65,000 | 1,571,050 |
| Applied Materials Inc. | 90,000 | 931,500 |
| Cisco Systems Inc. | 130,000 | 2,013,700 |
| Flextronics International Ltd.* | 184,900 | 1,040,987 |
| FLIR Systems Inc. | 65,000 | 1,628,250 |
| Google Inc., Class A* | 5,700 | 2,931,966 |
| Hewlett-Packard Co. | 60,000 | 1,347,000 |
| Microsoft Corp. | 95,000 | 2,364,550 |
| Symantec Corp.* | 80,000 | 1,304,000 |
| Visa Inc., Class A | 35,000 | 3,000,200 |

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|--|---------|---------------|------------|
| Yahoo! Inc.* | 50,000 | 658,000 | 18,791,203 |
| Total Common Stock (Cost \$74,768,915) | | 59,583,577 | |
| U.S. GOVERNMENT AND AGENCY OBLIGATIONS - 0.8% | | | |
| U.S. Treasury Note - 0.8% | | | |
| 0.875%, 1/31/12 | 550,000 | 551,569 | |
| Total U.S. Government and Agency Obligations (Cost \$551,252) | | 551,569 | |
| INVESTMENT COMPANIES - 7.5% | | | |
| iPATH S&P 500 VIX Short-Term Futures | | | |
| ETN* | 19,000 | 1,014,030 | |
| Powershares QQQ Trust Series 1 | 35,000 | 1,838,200 | |
| SPDR S&P 500 ETF Trust | 20,000 | 2,263,400 | |
| Total Investment Companies (Cost \$5,274,697) | | 5,115,630 | |
| Repurchase Agreement - 8.1% | | | |
| With U.S. Bank National Association issued 09/30/11 at 0.01%, due 10/03/11, collateralized by \$5,594,176 in Freddie Mac MBS Pool E99143 due 09/01/18. Proceeds at maturity are \$5,484,441 (Cost \$5,484,436) | | 5,484,436 | |
| TOTAL INVESTMENTS - 104.0% (Cost \$86,079,300) | | 70,735,212 | |
| NET OTHER ASSETS AND LIABILITIES - 0.1% | | 62,434 | |
| TOTAL CALL & PUT OPTIONS WRITTEN - (4.1%) | | (2,810,361) | |
| TOTAL ASSETS - 100% | | \$ 67,987,285 | |

*Non-income producing

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

ADR-American Depository Receipt

ETF-Exchange Traded Fund

ETN-Exchange Traded Note

Call Options Written

| Underlying Security | Contracts | Expiration | Strike Price | Market Value |
|--------------------------------|-----------|-------------------|--------------|--------------|
| Adobe Systems Inc. | | 32 October 2011 | 33.00 \$ | 16 |
| Adobe Systems Inc. | | 300 January 2012 | 28.00 | 29,700 |
| Affiliated Managers Group Inc. | | 250 December 2011 | 95.00 | 72,500 |
| American Eagle Outfitters Inc. | | 300 February 2012 | 12.00 | 39,750 |
| American Express Co. | | 350 January 2012 | 47.00 | 113,750 |

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|--|-------|---------------|--------|--------------|
| Apache Corp. | 150 | January 2012 | 110.00 | 13,500 |
| Applied Materials Inc. | 400 | January 2012 | 12.50 | 10,400 |
| Bank of America Corp. | 500 | January 2012 | 9.00 | 11,500 |
| Bank of America Corp. | 500 | January 2012 | 12.50 | 1,750 |
| Best Buy Co. Inc. | 300 | December 2011 | 33.00 | 3,000 |
| Canadian Natural Resources Ltd. | 400 | January 2012 | 45.00 | 7,000 |
| Celgene Corp. | 200 | October 2011 | 57.50 | 107,000 |
| Celgene Corp. | 100 | January 2012 | 62.50 | 46,750 |
| Cisco Systems Inc. | 1,300 | January 2012 | 17.50 | 75,400 |
| Flextronics International Ltd. | 500 | January 2012 | 10.00 | 750 |
| FLIR Systems Inc. | 200 | January 2012 | 26.00 | 44,500 |
| FLIR Systems Inc. | 450 | April 2012 | 28.00 | 96,750 |
| Gilead Sciences Inc. | 250 | January 2012 | 43.00 | 34,750 |
| Gilead Sciences Inc. | 100 | February 2012 | 41.00 | 24,850 |
| Goldman Sachs Group Inc./The | 100 | October 2011 | 160.00 | 200 |
| Google Inc. | 25 | December 2011 | 540.00 | 68,250 |
| Google Inc. | 32 | January 2012 | 560.00 | 88,320 |
| Hewlett-Packard Co. | 200 | February 2012 | 29.00 | 18,900 |
| iPATH S&P 500 VIX Short-Term Futures ETN | 190 | December 2011 | 23.00 | 595,650 |
| Kohl's Corp. | 100 | January 2012 | 50.00 | 40,000 |
| Kohl's Corp. | 150 | January 2012 | 48.00 | 75,000 |
| Lowe's Cos. Inc. | 200 | January 2012 | 21.00 | 19,600 |
| Lowe's Cos. Inc. | 300 | January 2012 | 20.00 | 41,700 |
| Medtronic Inc. | 250 | January 2012 | 40.00 | 10,625 |
| Microsoft Corp. | 200 | January 2012 | 27.50 | 15,100 |
| Microsoft Corp. | 650 | January 2012 | 26.00 | 84,175 |
| Morgan Stanley | 300 | January 2012 | 17.50 | 32,250 |
| Mylan Inc./PA | 400 | January 2012 | 21.00 | 21,200 |
| Mylan Inc./PA | 500 | January 2012 | 20.00 | 36,500 |
| Powershares QQQ Trust Series 1 | 350 | October 2011 | 55.00 | 33,425 |
| Schlumberger Ltd. | 220 | January 2012 | 85.00 | 11,000 |
| SPDR S&P 500 ETF Trust | 200 | October 2011 | 120.00 | 26,300 |
| St Jude Medical Inc. | 100 | October 2011 | 42.50 | 500 |
| St Jude Medical Inc. | 200 | January 2012 | 45.00 | 10,000 |
| St Jude Medical Inc. | 200 | April 2012 | 45.00 | 24,000 |
| Staples Inc. | 300 | January 2012 | 15.00 | 20,250 |
| Staples Inc. | 300 | January 2012 | 16.00 | 12,000 |
| State Street Corp. | 300 | November 2011 | 47.00 | 1,350 |
| Stryker Corp. | 200 | March 2012 | 50.00 | 68,000 |
| Symantec Corp. | 500 | January 2012 | 17.50 | 57,000 |
| Target Corp. | 200 | January 2012 | 50.00 | 62,000 |
| Target Corp. | 200 | January 2012 | 52.50 | 40,000 |
| Teva Pharmaceutical Industries Ltd. | 200 | January 2012 | 40.00 | 37,100 |
| Visa Inc. | 150 | January 2012 | 80.00 | 169,500 |
| Visa Inc. | 200 | January 2012 | 87.50 | 138,500 |
| Wells Fargo & Co. | 200 | January 2012 | 30.00 | 10,800 |
| Wells Fargo & Co. | 300 | January 2012 | 31.00 | 10,950 |
| Yahoo! Inc. | 500 | January 2012 | 15.00 | 62,000 |
| Zimmer Holdings Inc. | 300 | December 2011 | 55.00 | 102,000 |
| Total Call Options Written (Premiums received \$3,496,882) | | | | \$ 2,777,761 |

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|--|-----|--------------|-------|--------|
| Put Options Written | | | | |
| Microsoft Corp. | 200 | January 2012 | 24.00 | 32,600 |
| Total Put Options Written (Premiums received \$34,799) | | | \$ | 32,600 |

1. Portfolio Valuation: Securities traded on a national securities exchange are valued at their closing sale price except for securities traded on 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. 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 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 in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below:

Level 1 - 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, 2011 maximized the use of observable inputs and minimized the use of unobservable inputs. As of September 30, 2011, the Fund held no securities deemed as a Level 3.

The following is a summary of the inputs used as of September 30, 2011 in valuing the Fund's investments carried at fair value:

| Fund | Quoted Prices in Active Markets for Identical Securities (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Value at 9/30/2011 |
|---------------------------------------|---|---|--|-----------------------|
| Madison Strategic Sector Premium Fund | | | | |
| Assets: | | | | |
| Common Stocks | \$59,583,577 | \$ | - \$ | \$59,583,577 |
| Investment | | | | |
| Companies | 551,569 | | | 551,569 |
| U.S. Government and Agency | | | | |
| Obligations | | 5,115,630 | | 5,115,630 |

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|----------------------|--------------|----|------------|----|----------------|
| Repurchase Agreement | | | 5,484,436 | | 5,484,436 |
| | \$60,135,146 | \$ | 10,600,066 | \$ | - \$70,735,212 |
| Liabilities: | | | | | |
| Written Options | \$ 2,810,361 | \$ | - | \$ | - \$ 2,810,361 |
| | \$ 2,810,361 | \$ | - | \$ | - \$ 2,810,361 |

The Fund has adopted the Accounting Standard Update, Fair Value Measurements and Disclosures; Improving Disclosures about Fair Value Measurements which provides guidance on how investment assets and liabilities are to be valued and disclosed. Specifically, the amendment requires reporting entities to disclose i) the input and valuation techniques used to measure fair value for both recurring and nonrecurring fair value measurements, for Level 2 or Level 3 positions, ii) transfers between all levels (including Level 1 and Level 2) will be required to be disclosed on a gross basis (i.e. transfers out must be disclosed separately from transfers in) as well as the reason(s) for the transfer and iii) purchases, sales, issuances and settlements must be shown on a gross basis in the Level 3 rollforward rather than as one net number. The effective date of the amendment is for interim and annual periods beginning after December 15, 2009, and the requirement to provide the Level 3 activity for purchases, sales, issuance and settlements on a gross basis was effective for interim and annual period beginning after December 15, 2010. There were no transfers between classification levels during the period ended September 30, 2011.

The fund adopted guidance on enhanced disclosures about a fund's derivative and hedging activities in order to 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 fund items affect a fund's financial position, results of operations and cash flows

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

| 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 | \$2,810,361 |

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.

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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: November 23, 2011

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, Principal Executive Officer

Date: November 23, 2011

By: (signature)

Greg Hoppe, Principal Financial Officer

Date: November 23, 2011