

Edgar Filing: DREMAN CLAYMORE DIVIDEND & INCOME FUND - Form N-Q

DREMAN CLAYMORE DIVIDEND & INCOME FUND  
Form N-Q  
March 31, 2008

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 811-21455

Dreman/Claymore Dividend & Income Fund

(Exact name of registrant as specified in charter)

2455 Corporate West Drive, Lisle, IL 60532

(Address of principal executive offices)

(Zip code)

Nicholas Dalmaso

2455 Corporate West Drive, Lisle, IL 60532

(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 505-3700

Date of fiscal year end: October 31

Date of reporting period: January 31, 2008

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.

ITEM 1. SCHEDULE OF INVESTMENTS.

DREMAN/CLAYMORE DIVIDEND & INCOME FUND  
PORTFOLIO OF INVESTMENTS

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JANUARY 31, 2008 (UNAUDITED)

## NUMBER OF SHARES

	TOTAL INVESTMENTS - 152.4%
	COMMON STOCKS - 86.6%
	CONSUMER DISCRETIONARY - 0.3%
123,700	Regal Entertainment Group - Class A
	CONSUMER STAPLES - 18.9%
2,037,500	Altria Group, Inc.
367,132	Vector Group Ltd.
	ENERGY - 33.0%
163,800	Anadarko Petroleum Corp.
116,600	Apache Corp.
821,500	ARC Energy Trust (Canada)
150,000	Baytex Energy Trust (Canada)
889,700	Bonavista Energy Trust (Canada) (d)
43,800	BP Prudhoe Bay Royalty Trust
303,400	Chevron Corp.
686,200	ConocoPhillips
1,200,900	Crescent Point Energy Trust (Canada)
337,000	Devon Energy Corp.
100,000	Double Hull Tankers, Inc. (Channel Islands)
361,200	Enerplus Resources Fund (Canada)
1,210,100	Fairborne Energy Trust (Canada)
100,000	Focus Energy Trust (Canada)
546,828	Harvest Energy Trust (Canada)
82,900	NAL Oil & Gas Trust (Canada)
365,600	Pengrowth Energy Trust - Class A (Canada)
813,000	Penn West Energy Trust (Canada)
100,800	San Juan Basin Royalty Trust
91,800	Vermilion Energy Trust (Canada)
95,200	W.P. Stewart & Co. (Bermuda)
57,500	Williams Coal Seam Gas Trust
	FINANCIALS - 26.5%
99,400	Allstate Corp.
228,300	Apollo Investment Corp.
540,000	Bank of America Corp.
750,000	Cypress Shapridge Investments, Inc. - REIT (a) (c)
1,515,000	Fannie Mae
68,600	Hartford Financial Services Group, Inc.
724,800	KeyCorp.
233,600	PNC Financial Services Group, Inc.
415,000	Regions Financial Corp.
448,600	U.S. Bancorp
348,300	Wachovia Corp.
2,889,300	Washington Mutual, Inc.

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	HEALTH CARE - 3.5%
362,400	Eli Lilly & Co.
211,400	UnitedHealth Group, Inc.
	INDUSTRIALS - 0.6%
333,900	Contrans Income Fund (Canada)
56,800	Eagle Bulk Shipping, Inc. (Marshall Island)
104,900	New Flyer Industries, Inc. (Canada)
	TELECOMMUNICATIONS - 0.2%
107,000	Alaska Communications Systems Group, Inc.
	UTILITIES - 3.6%
361,900	Empire District Electric Co.
317,200	Great Plains Energy, Inc.
319,600	Progress Energy, Inc.
	TOTAL COMMON STOCKS - 86.6%
	(Cost \$680,850,052)
	PREFERRED STOCKS - 46.6%
	CONSUMER DISCRETIONARY - 0.2%
81,250	Red Lion Hotels Capital Trust, 9.500%
	CONSUMER STAPLES - 1.5%
140,000	Dairy Farmers of America, 7.875% (a)
	FINANCIALS - 43.2%
200,000	ABN AMRO Capital Fund Trust VII, 6.080%
80,000	AEGON N.V., 6.875% (Netherlands)
33,400	Arch Capital Group, Ltd., 7.875% (Bermuda)
340,000	Arch Capital Group, Ltd., 8.000% (Bermuda)
20,000	Aspen Insurance Holdings Ltd., 7.401% (Bermuda) (b)
218,100	Axis Capital Holdings Ltd., Series A, 7.250% (Bermuda)
50,000	Axis Capital Holdings Ltd., Series B, 7.500% (Bermuda) (b)
10,000,000	Barclays Bank PLC, 8.550% (United Kingdom) (a) (b)
11,000,000	CA Preferred Funding Trust, 7.000%
189,300	Chevy Chase Bank, Series C, 8.000%
60,000	CIT Group, Inc., Series A, 6.350%
300,000	Deutsche Bank Capital Funding Trust VIII, 6.375%
412,000	Endurance Specialty Holdings, Ltd., 7.750% (Bermuda)
200,000	Fannie Mae, Series E, 5.100%
4,400,000	Fannie Mae, 8.250%
80,000	Fannie Mae, Series O, 7.000% (b)
1,200,000	Fannie Mae, 6.750%
280,000	Fannie Mae, Series P, 5.580% (a)
48,700	Franklin Bank Corp., Series A, 7.500%

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100,000	Freddie Mac, Series O, 5.810%
25,000	Freddie Mac, Series T, 6.420%
80,000	Goldman Sachs Group, Inc., 6.200%
200,000	Hilltop Holdings, Inc. 8.250%
7,042,000	HSBC Capital Funding LP, 10.176% (Channel Islands) (a) (b)
12,840,000	HSBC Capital Funding LP, 9.547% (Channel Islands) (a) (b)
100,000	HSBC Holdings PLC, Series A, 6.200% (United Kingdom)
140,500	Lehman Brothers Holdings, Inc., Series F, 6.500%
2,000,000	Lloyds TSB Bank PLC, 6.900% (United Kingdom)
80,000	LTC Properties, Inc. - REIT, Series F, 8.000%
200,000	Merrill Lynch & Co., Inc. 6.700%
50,000	MetLife, Inc., Series B, 6.500%
100,000	Morgan Stanley, Series A, 4.958% (b)
245,000	Odyssey Re Holdings Corp., Series A, 8.125%
152,100	Odyssey Re Holdings Corp., Series B, 7.176% (b)
13,354,000	Old Mutual Capital Funding, 8.000% (Channel Islands)
400,000	OMEGA Healthcare - REIT, Series D, 8.375%
31,000,000	Prudential PLC, 6.500% (United Kingdom) (d)
5,400,000	RBS Capital Trust, Series B, 6.800%
3,250,000	Royal Bank Of Scotland Group PLC, 7.648% (United Kingdom) (b)
100,000	Santander Finance Preferred SA Unipersonal, 6.800% (Spain)
577,400	Scottish Re Group Ltd., 7.250% (Cayman Islands) (b)

	UTILITIES - 1.7%
80,000	Alabama Power Co., 5.300%
120,000	PPL Electric Utilities Corp., 6.250%
385,500	Southern Union Co., 7.550%

TOTAL PREFERRED STOCKS - 46.6%  
(Cost \$413,865,158)

CONVERTIBLE PREFERRED STOCKS - 8.6%  
CONSUMER STAPLES - 3.7%

25,000	Universal Corp., 6.750% (d)
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	FINANCIALS - 4.9%
505	Fannie Mae, 5.375% (d)

TOTAL CONVERTIBLE PREFERRED STOCKS  
(Cost \$74,831,000)

	INVESTMENT COMPANIES - 1.8%
116,000	Cohen & Steers REIT and Preferred Income Fund
246,200	Evergreen Income Advantage Fund
222,600	Hyperion Total Return Fund
190,000	Nuveen Multi-Strategy Income and Growth Fund 2
161,200	Nuveen Quality Preferred Income Fund II
272,200	Pioneer High Income Trust

TOTAL INVESTMENT COMPANIES

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(Cost \$18,999,072)

PRINCIPAL AMOUNT		OPTIONAL CALL PROVISION	
<hr/>			
	CORPORATE BONDS - 5.3%		
	COMMUNICATIONS - 0.4%		
\$	300,000	Idearc, Inc., 8.000%, 11/15/16	11/15/11 @ 10
	2,700,000	Univision Communications 9.75%, 3/15/15 (a)	3/15/11 @ 10
	CONSUMER DISCRETIONARY - 1.0%		
	900,000	ARAMARK Corp., 8.500%, 2/01/15	2/01/11 @ 10
	3,000,000	Ford Motor Co. 7.450%, 7/16/31	N/
	3,000,000	General Motors Corp. 8.375%, 7/15/33	N/
	2,000,000	Hertz Corp. (The), 10.500%, 1/01/16	1/01/11 @ 10
	2,535,000	Station Casinos, Inc. 6.500%, 2/01/14	2/01/09 @ 10
	ENERGY - 0.4%		
	2,871,000	Compton Petroleum Finance Corp., 7.625%, 12/01/13 (Canada)	12/01/09 @ 10
	500,000	Connacher Oil and Gas Ltd., 10.250%, 12/15/15 (Canada) (a)	12/15/11 @ 10
	FINANCIALS - 1.0%		
	3,000,000	Ford Motor Credit Co., 7.375%, 7/16/31	N/
	2,000,000	Preferred Term Securities XI Ltd., NR	N/
		Subordinate Income Notes 17.0%, 9/24/33 (a) (b)	N/
	3,000,000	Preferred Term Securities XIX Ltd., NR	N/
		Subordinate Income Notes 16.27%, 12/22/35 (a) (b)	N/
	2,000,000	Preferred Term Securities XX Ltd., NR	N/
		Subordinate Income Notes 14.0%, 3/22/38 (a) (b)	N/
	2,000,000	Preferred Term Securities XXI Ltd., NR	N/
		Subordinate Income Notes 13.71%, 3/22/38 (b)	N/
	HEALTH CARE - 1.2%		
	1,900,000	Community Health Systems, 8.875%, 7/15/15	7/15/11 @ 10
	2,300,000	HCA, Inc., 6.500%, 2/15/16	N/
	4,500,000	HCA, Inc., 9.250%, 11/15/16	11/15/11 @ 10
	1,600,000	ReAble Therapeutics Finance Corp., 10.875%, 11/15/04 (a)	11/15/11 @ 10
	INDUSTRIALS - 0.5%		
	1,500,000	Casella Waste Systems, Inc., 9.750%, 2/01/13	4/28/08 @ 10
	2,000,000	Crown Cork & Seal Co., Inc., 8.000%, 4/15/23	4/28/08 @ 10
	500,000	Owens-Illinois, Inc., 7.800%, 5/15/18	N/
	MATERIALS - 0.4%		
	5,000,000	Abitibi-Consolidated Co., 8.375%, 4/01/15 (Canada)	N/
	RETAIL - 0.4%		
	1,900,000	Rite Aid Corp., Series A, 8.625%, 3/01/15	3/01/11 @ 10
	2,000,000	Neiman-Marcus Group, Inc., B- 9.000% 10/15/15	2/15/10 @ 10

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TOTAL CORPORATE BONDS - 5.3%  
(Cost \$50,984,347)

2,400,000	TERM-LOANS - 1.7%
600,000	Bausch & Lomb Term Loan, Parent Tranche, 8.08%, 4/26/15 (b)
8,000,000	Bausch & Lomb Term Loan, Delayed Tranche, 6.51%, 4/26/15 (b)
4,995,000	First Data Corp., Tranche B3, 7.633%, 9/24/14 (b)
	TXU Bank, Tranche B2, 8.396%, 10/10/14 (b)

TOTAL TERM-LOANS  
(Cost \$15,762,428)

## NUMBER OF SHARES

4,000,000	LIMITED PARTNERSHIP - 0.1%
	REAL ESTATE - 0.1%
	Kodiak Funding, LP (c)
	(Cost \$3,570,000)
6,584,978	SHORT-TERM INVESTMENTS - 0.8%
	Dreyfus Money Market Bond Fund
	(Cost \$6,584,978)

CONTRACTS  
(100 SHARES  
PER CONTRACT)

CALL OPTIONS PURCHASED (E)

EXPIRATION  
DATE

4,000	CALL OPTIONS PURCHASED - 0.9%
44,000	Financial Select Sector SPDR Fund
	Financial Select Sector SPDR Fund

January 2009	3
January 2009	3

TOTAL CALL OPTIONS PURCHASED  
(Cost \$14,839,584)

TOTAL INVESTMENTS - 152.4%  
(Cost \$1,280,286,619)

Liabilities in excess of Other Assets - (0.2%)  
Total Options Written (Premiums received \$18,449,426) - (2.3%)  
Preferred Shares, at Liquidation Value - (-49.9% of Net  
Assets Applicable to Common Shares or -32.7% of Total  
Investments)

NET ASSETS APPLICABLE TO COMMON SHARES - 100.0%

LP - Limited Partnership

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REIT - Real Estate Investment Trust

- (a) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At January 31, 2008, these securities amounted to 7.8% of net assets applicable to common shares.
- (b) Floating or variable rate security.
- (c) Security is valued in accordance with Fair Valuation procedures established in good faith by the Board of Trustees. The total market value of such securities is \$5,654,500 which represents 0.7% of Net Assets Applicable to Common Shares.
- (d) All or a portion of this security position represents cover for outstanding options written.
- (e) Non-income producing security.

Ratings shown are per Standard & Poor's; securities classified NR are not rated by Standard & Poor's.

All percentages shown in the Portfolio of Investments are based on Net Assets Applicable to Common Shares unless otherwise noted.

See previously submitted notes to financial statements for the period ending October 31, 2007

DREMAN/CLAYMORE DIVIDEND & INCOME FUND  
PORTFOLIO OF INVESTMENTS  
JANUARY 31, 2008

## CONTRACTS

(100 SHARES  
PER CONTRACT)

PUT OPTIONS WRITTEN (E)

EXPIRATION  
DATE

48,000

Financial Select Sector SPDR Fund

January 2009

TOTAL OPTIONS WRITTEN  
(Premiums received \$18,449,426)

- (e) Non-income producing security.

At January 31, 2008, the following swap agreement was outstanding:

TERMINATION

NOTIONAL

FIXED

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COUNTERPARTY	DATE	AMOUNT	RATE	
Merrill Lynch & Co., Inc.	9/21/2009	\$ 150,000,000	4.34%	1 Mon

For the swap noted, the Fund pays a fixed rate and receives the floating rate.

COUNTRY BREAKDOWN*	% OF TOTAL INVESTMENTS
UNITED STATES	78.4%
CANADA	11.7%
UNITED KINGDOM	3.6%
CHANNEL ISLAND	2.8%
BERMUDA	2.4%
CAYMAN ISLANDS	0.5%
MARSHALL ISLAND	0.2%
SPAIN	0.2%
NETHERLANDS	0.2%

\* SUBJECT TO CHANGE DAILY.

## ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded, based on such evaluation, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) 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.

Separate certifications for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, are attached hereto.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the



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Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dreman/Claymore Dividend & Income Fund

By: /s/ Nicholas Dalmaso

Nicholas Dalmaso  
Chief Legal and Executive Officer

Date: March 31, 2008

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/ Nicholas Dalmaso

Nicholas Dalmaso  
Chief Legal and Executive Officer

Date: March 31, 2008

By: /s/ Steven M. Hill

Steven M. Hill  
Treasurer and Chief Financial Officer

Date: March 31, 2008