

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) |
|--------|-----------------------------|

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 |
|------------------|--|----------------------------|
| | 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% | | |
| | Financial Select Sector SPDR Fund | January 2009 | 3 |
| 44,000 | Financial Select Sector SPDR Fund | 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
