

DREMAN CLAYMORE DIVIDEND & INCOME FUND  
Form N-Q  
April 02, 2007

**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, 2007

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 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. § 3507.

**Item 1. Schedule of Investments.**

Attached hereto.

**Dreman/Claymore Dividend & Income Fund****Portfolio of Investments****January 31, 2007 (unaudited)**

| Number of Shares |   | Value        |
|------------------|---|--------------|
|                  | <b>Long-Term Investments - 136.5%</b>       |              |
|                  | <b>Common Stocks - 97.2%</b>                |              |
|                  | <b>Consumer Discretionary - 0.3%</b>        |              |
| 123,700          | Regal Entertainment Group - Class A         | \$ 2,783,250 |
|                  |   | 2,783,250    |
|                  | <b>Consumer Staples - 27.6%</b>             |              |
| 2,037,500        | Altria Group Inc (a)                        | 178,057,125  |
| 2,096,500        | UST, Inc. (a)                               | 120,422,960  |
| 349,650          | Vector Group Ltd                            | 6,283,211    |
|                  |   | 304,763,296  |
|                  | <b>Energy - 16.0%</b>                       |              |
| 163,800          | Anadarko Petroleum Corp.                    | 7,166,250    |
| 116,600          | Apache Corp.                                | 8,508,302    |
| 288,700          | ARC Energy Trust (Canada)                   | 5,646,972    |
| 150,000          | Baytex Energy Trust (Canada)                | 2,577,000    |
| 192,500          | Bonavista Energy Trust (Canada)             | 4,779,775    |
| 43,800           | BP Prudhoe Bay Royalty Trust                | 3,201,780    |
| 303,400          | Chevron Corp                                | 22,111,792   |
| 686,200          | ConocoPhillips (a)                          | 45,570,542   |
| 347,400          | Crescent Point Energy Trust (Canada)        | 4,950,450    |
| 336,000          | Devon Energy Corp (a)                       | 23,550,240   |
| 100,000          | Double Hull Tankers, Inc. (Channel Islands) | 1,504,000    |
| 92,800           | Enerplus Resources Fund (Canada)            | 4,071,136    |
| 654,300          | Fairborne Energy Trust (Canada)             | 5,568,093    |
| 100,000          | Focus Energy Trust (Canada)                 | 1,551,000    |
| 325,000          | Harvest Energy Trust (Canada)               | 6,929,000    |
| 131,500          | Pengrowth Energy Trust - Class A (Canada)   | 2,227,610    |
| 685,000          | Penn West Energy Trust (Canada)             | 20,769,200   |
| 100,800          | San Juan Basin Royalty Trust                | 3,323,376    |
| 91,800           | Vermilion Energy Trust (Canada)             | 2,468,502    |
| 57,500           | Williams Coal Seam Gas Trust                | 730,250      |
|                  |   | 177,205,270  |
|                  | <b>Financials - 32.7%</b>                   |              |
| 99,400           | Allstate Corp.                              | 5,979,904    |
| 344,600          | American Home Mortgage Investment Corp.     | 12,040,324   |
| 250,600          | Apollo Investment Corp.                     | 5,563,320    |
| 818,300          | Bank of America Corp. (a)                   | 43,026,214   |
| 203,000          | CBRE Realty Finance, Inc.                   | 3,353,560    |
| 100,000          | Crystal River Capital, Inc.                 | 2,760,000    |
| 750,000          | Cypress Shapridge 144A (b)(e)               | 7,500,000    |
| 220,500          | Fieldstone Investment Corp.                 | 773,955      |
| 1,712,200        | Freddie Mac (a)                             | 111,173,146  |
| 68,600           | Hartford Financial Services Group, Inc.     | 6,510,826    |

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|           |                              |             |
|-----------|------------------------------|-------------|
| 163,900   | Jer Investors Trust, Inc.    | 3,356,672   |
| 724,800   | KeyCorp                      | 27,665,616  |
| 277,900   | KKR Financial Corp.          | 7,519,974   |
| 282,100   | Newcastle Investment Corp.   | 9,145,682   |
| 374,600   | Novastar Financial, Inc.     | 7,956,504   |
| 233,600   | PNC Financial Services Group | 17,232,672  |
| 415,000   | Regions Financial Corp.      | 15,047,900  |
| 448,600   | U.S. Bancorp                 | 15,970,160  |
| 65,000    | Wachovia Corp. (a)           | 3,672,500   |
| 1,232,800 | Washington Mutual, Inc. (a)  | 54,970,552  |
|           |                              | 361,219,481 |

**Healthcare - 12.7%**

|           |                              |             |
|-----------|------------------------------|-------------|
| 432,400   | Eli Lilly & Co.              | 23,401,488  |
| 349,900   | Merck & Co., Inc.            | 15,658,025  |
| 3,423,100 | Pfizer, Inc. (a)             | 89,822,144  |
| 211,400   | UnitedHealth Group, Inc. (a) | 11,047,764  |
|           |                              | 139,929,421 |

**Industrials - 1.9%**

|         |   |            |
|---------|---|------------|
| 44,400  | Paccar Inc.                                 | 2,969,028  |
| 56,800  | Eagle Bulk Shipping, Inc. (Marshall Island) | 1,030,920  |
| 300,000 | Freeport-McMoRan Copper & Gold Inc.         | 17,253,000 |
|         |   | 21,252,948 |

**Telecommunications - 1.6%**

|         |   |            |
|---------|---|------------|
| 107,000 | Alaska Communications Systems Group, Inc. | 1,729,120  |
| 429,500 | AT&T, Inc.                                | 16,162,085 |
|         |   | 17,891,205 |

**Utilities - 4.4%**

|         |                              |            |
|---------|------------------------------|------------|
| 361,900 | Empire District Electric Co. | 8,616,839  |
| 317,200 | Great Plains Energy, Inc.    | 9,937,876  |
| 324,700 | Peoples Energy Corp.         | 14,140,685 |
| 345,600 | Progress Energy, Inc.        | 16,429,824 |
|         |                              | 49,125,224 |

**Total Common Stocks - 97.2%**

(Cost \$874,844,911) 1,074,170,095

**Preferred Stocks - 31.6%**

**Consumer Discretionary - 0.2%**

|        |                                       |           |
|--------|---------------------------------------|-----------|
| 81,250 | Red Lion Hotels Capital Trust, 9.500% | 2,193,750 |
|        |                                       | 2,193,750 |

**Consumer Staples - 4.0%**

|         |                                      |            |
|---------|--------------------------------------|------------|
| 140,000 | Dairy Farmers of America, 7.875% (b) | 14,188,132 |
| 25,000  | Universal Corp., 6.750%              | 30,350,000 |
|         |                                      | 44,538,132 |

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| <b>Financials - 26.0%</b>             |   |             |
|---------------------------------------|---|-------------|
| 7,000,000                             | Abbey National Capital Trust I, 8.963% (c)                          | 9,307,466   |
| 200,000                               | ABN AMRO Capital Fund Trust VII, 6.080%                             | 5,016,000   |
| 80,000                                | AEGON N.V., 6.875% (Netherlands)                                    | 2,086,400   |
| 200,000                               | Affordable Residential, Series A, 8.250%                            | 5,100,000   |
| 33,400                                | Arch Capital Group, Ltd., 7.875% (Bermuda)                          | 866,730     |
| 340,000                               | Arch Capital Group, Ltd., 8.000% (Bermuda)                          | 8,976,000   |
| 20,000                                | Aspen Insurance Holdings Ltd, 7.401%                                | 515,000     |
| 218,100                               | Axis Capital Holdings Ltd., Series A, 7.250% (Bermuda)              | 5,664,057   |
| 50,000                                | Axis Capital Holdings Ltd., Series B, 7.500% (Bermuda)              | 5,323,440   |
| 80,000                                | Banco Santander, Series 1, 6.410% (Spain)                           | 2,015,200   |
| 10,000,000                            | Barclays Bank PLC, 8.550% (United Kingdom) (b) (c)                  | 11,144,830  |
| 11,000,000                            | CA Preferred Funding Trust, 7.000%                                  | 11,183,425  |
| 189,300                               | Chevy Chase Bank, Series C, 8.000%                                  | 4,967,232   |
| 310,000                               | CIT Group, Inc., Series A, 6.350%                                   | 8,168,500   |
| 300,000                               | Deutsche Bank Capital Funding Trust VIII, 6.375%                    | 7,662,000   |
| 1,000                                 | Doral Financial Corp., Series B, 8.350% (Puerto Rico)               | 17,500      |
| 8,660                                 | Doral Financial Corp., Series C, 7.250% (Puerto Rico)               | 145,488     |
| 412,000                               | Endurance Specialty Holdings, Ltd., 7.750% (Bermuda)                | 10,773,800  |
| 200,000                               | Fannie Mae, Series E, 5.100%  | 8,231,260   |
| 80,000                                | Fannie Mae, Series O, 7.000% (c)                                    | 4,290,000   |
| 200,000                               | First Republic Bank, 6.700%   | 5,180,000   |
| 50,000                                | Franklin Bank, Series A, 7.500%                                     | 1,265,000   |
| 100,000                               | Freddie Mac, Series O, 5.810%                                       | 1,340,500   |
| 25,000                                | Freddie Mac, Series T, 6.420%                                       | 5,410,000   |
| 80,000                                | Goldman Sachs Group, Inc., 6.200%                                   | 2,080,800   |
| 5,000,000                             | HCA Inc., 9.250% (b)  | 5,325,000   |
| 7,042,000                             | HSBC Capital Funding LP, 10.176% (Channel Islands) (b) (c)          | 10,273,102  |
| 12,840,000                            | HSBC Capital Funding LP, 9.547% (Channel Islands) (b) (c)           | 14,381,635  |
| 100,000                               | HSBC Holdings PLC, Series A, 6.200% (United Kingdom)                | 2,550,000   |
| 140,500                               | Lehman Brothers Holdings, Inc., Series F, 6.500%                    | 3,664,240   |
| 2,000,000                             | Lloyds TSB Bank PLC, 6.900% (United Kingdom)                        | 2,012,500   |
| 80,000                                | LTC Properties, Inc., Series F, 8.000%                              | 2,035,200   |
| 50,000                                | MetLife, Inc., Series B, 6.500%                                     | 1,335,500   |
| 10,000                                | Morgan Stanley, Series A, 6.074% (c)                                | 2,645,000   |
| 17,800                                | New Century Financial, 9.125%                                       | 432,540     |
| 21,000                                | Novastar Financial, Inc., Series C, 8.900%                          | 509,250     |
| 245,000                               | Odyssey Re Holdings Corp., Series A, 8.125%                         | 6,612,550   |
| 152,100                               | Odyssey Re Holdings Corp., Series B, 8.610% (c)                     | 3,972,092   |
| 13,354,000                            | Old Mutual Capital Funding, 8.000% (Channel Islands)                | 13,854,775  |
| 400,000                               | OMEGA Healthcare, Series D, 8.375%                                  | 10,437,520  |
| 31,000,000                            | Prudential PLC, 6.500% (United Kingdom)                             | 31,192,944  |
| 6,400,000                             | RBS Capital Trust, Series B, 6.800%                                 | 6,441,741   |
| 5,750,000                             | Royal Bank Of Scotland Group PLC, 7.648% (United Kingdom) (c)       | 6,661,548   |
| 12,000,000                            | Royal Bank Of Scotland Group PLC, Series 1, 9.118% (United Kingdom) | 13,222,068  |
| 100,000                               | Santander Finance Preferred SA Unipersonal, 6.800% (b)              | 2,515,630   |
| 577,400                               | Scottish Re Group Ltd., 7.250% (Cayman Islands) (c)                 | 12,991,500  |
| 6,775,000                             | UBS Preferred Fund, 8.622% (c)                                      | 7,474,749   |
|                                       |   | 287,271,710 |
| <b>Utilities - 1.4%</b>               |   |             |
| 80,000                                | Alabama Power Co., 5.300%   | 2,003,200   |
| 120,000                               | PPL Electric Utilities Corp., 6.250%                                | 3,135,000   |
| 385,500                               | Southern Union Co., 7.550%  | 9,911,205   |
|                                       |   | 15,049,405  |
| <b>Total Preferred Stocks - 31.6%</b> |   |             |
|                                       | (Cost \$342,995,519)  | 349,052,997 |

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|   |   |               |
|---|---|---------------|
| <b>Convertible Preferred Stocks - 4.6%</b>  |   |               |
| <b>Financials - 4.6%</b>                    |   |               |
| 505   | Fannie Mae, 5.375%  |               |
|   | (Cost \$49,831,000)   | 50,738,613    |
| <b>Investment Companies - 1.8%</b>          |   |               |
| 116,000                                     | Cohen & Steers REIT and Preferred Income Fund                                 | 3,702,720     |
| 246,200                                     | Evergreen Income Advantage Fund   | 3,569,900     |
| 222,600                                     | Hyperion Total Return Fund  | 2,054,598     |
| 190,000                                     | Nuveen Preferred and Convertible Income Fund II                               | 2,679,000     |
| 161,200                                     | Nuveen Quality Preferred Income Fund II                                       | 2,359,968     |
| 272,200                                     | Pioneer High Income Trust   | 5,054,754     |
| <b>Total Investment Companies</b>           |   |               |
|   | (Cost \$18,999,070)   | 19,420,940    |
| <b>Principal Amount</b>                     |   |               |
| <b>Corporate Bonds - 0.7%</b>               |   |               |
| <b>Financials - 0.7%</b>                    |   |               |
| \$2,000,000                                 | Preferred Term Securities XI Ltd., NR<br>6.28%, 9/24/33 (b)                   | 1,543,500     |
| 3,000,000                                   | Preferred Term Securities XIX Ltd., NR<br>4.53%, 12/22/35 (b) (c)             | 2,528,700     |
| 2,000,000                                   | Preferred Term Securities XX Ltd., NR<br>5.37%, 3/22/38 (b) (c)               | 1,730,800     |
| 2,000,000                                   | Preferred Term Securities XXI Ltd., NR<br>6.00%, 3/22/38 (c)                  | 1,846,100     |
| <b>Total Corporate Bonds</b>                |   |               |
|   | (Cost \$8,914,551)  | 7,649,100     |
| <b>Asset-Backed Securities - 0.2%</b>       |   |               |
| 2,000,000                                   | Kodiak, Inc., Series 2006-1A, (Cayman Islands) NR<br><br>Zero Coupon, 8/07/37 |               |
|   | (Cost \$2,000,000)  | 1,900,000     |
| <b>Number of Shares</b>                     |   |               |
| <b>Master Limited Partnership - 0.4%</b>    |   |               |
| <b>Real Estate - 0.4%</b>                   |   |               |
| 4,000,000                                   | Kodiak Funding, LP (d)  |               |
|   | (Cost \$3,760,000)  | 4,384,282     |
| <b>Total Long-Term Investments - 136.5%</b> |   |               |
|   | (Cost \$1,301,345,052)  | 1,507,316,026 |
| <b>Short-Term Investments - 1.7%</b>        |   |               |
| <b>Money Market Fund - 1.7%</b>             |   |               |

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|  |   |  |                         |
|--|---|--|-------------------------|
| 19,268,791   | JP Morgan Prime Money Market Fund   |  |                         |
|  | (Cost \$19,268,791)   |  | 19,268,791              |
| <br><b>Total Investments - 138.2%</b>                  |   |  |                         |
|  | (Cost \$1,320,613,843)  |  | 1,526,584,817           |
|  | Other Assets in excess of Liabilities - 0.3%  |  | 3,020,382               |
|  | Preferred Shares, at Liquidation Value - ( -38.5% of Net Assets Applicable to Common Shares or -27.8% of Total Investments) |  | (425,000,000)           |
| <b>Net Assets Applicable to Common Shares - 100.0%</b> |   |  | <b>\$ 1,104,605,199</b> |

LP - Limited Partnership

- (a) All or a portion of these securities have been physically segregated in connection with a swap agreement and open futures contracts.
  - (b) 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, 2007, these securities amounted to 6.4% of net assets applicable to common shares.
  - (c) Floating or variable rate security.
  - (d) 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 \$4,384,282 which represents 0.4% of Net Assets Applicable to Common Shares.
  - (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.

At January 31, 2007, the following futures contracts were outstanding:

| Short                  | Number of | Expiration | Original       | Value at         | Unrealized                      |
|------------------------|-----------|------------|----------------|------------------|---------------------------------|
| Contracts              | Contracts | Month      | Value          | January 31, 2007 | Appreciation/<br>(Depreciation) |
| US Treasury Bond (CBT) | 2,889     | Mar-07     | \$ 326,457,000 | \$ 318,151,125   | \$ 8,305,875                    |

At January 31, 2007, the following swap agreement was outstanding:

| Counterparty | Termination | Notional | Fixed | Floating | Unrealized    |
|--------------|-------------|----------|-------|----------|---------------|
|              | Date        | Amount   | Rate  | Rate     | Appreciation/ |

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|                           |           |                         |       |               |                                |
|---------------------------|-----------|-------------------------|-------|---------------|--------------------------------|
| Merrill Lynch & Co., Inc. | 9/21/2009 | (000)<br>\$ 150,000,000 | 4.34% | 1 Month LIBOR | (Depreciation)<br>\$ 3,002,434 |
|---------------------------|-----------|-------------------------|-------|---------------|--------------------------------|

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

| Country Breakdown* | % of Total Investments |
|--------------------|------------------------|
| United States      | 86.7%                  |
| United Kingdom     | 4.0%                   |
| Canada             | 3.6%                   |
| Channel Islands    | 2.4%                   |
| Bermuda            | 1.9%                   |
| Cayman Islands     | 0.9%                   |
| Spain              | 0.3%                   |
| Marshall Island    | 0.1%                   |
| Netherlands        | 0.1%                   |
| Puerto Rico**      | 0.0%                   |

\* Subject to change daily.

\*\* Amount is less than 0.1%.



**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 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) that occurred during the registrant's last fiscal quarter that may have 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 (17 CFR 270.30a-2(a)), 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.

Dreman/Claymore Dividend & Income Fund

By: /s/ Nicholas Dalmaso  
Nicholas Dalmaso  
Chief Legal and Executive Officer

Date: March 30, 2007

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 30, 2007

By: /s/ Steven M. Hill  
Steven M. Hill  
Treasurer and Chief Financial Officer

Date: March 30, 2007