

Edgar Filing: First Trust/Fiduciary Asset Management Covered Call Fund - Form N-Q

First Trust/Fiduciary Asset Management Covered Call Fund  
Form N-Q  
May 26, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-21586  
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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
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(Exact name of registrant as specified in charter)

1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
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(Address of principal executive offices) (Zip code)

W. Scott Jardine, Esq.  
First Trust Portfolios L.P.  
1001 Warrenville Road, Suite 300  
LISLE, IL 60532  
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(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 241-4141  
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Date of fiscal year end: DECEMBER 31  
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Date of reporting period: MARCH 31, 2005  
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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.

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ITEM 1. SCHEDULE OF INVESTMENTS.

The Schedule of Investments is attached herewith.

FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS  
 MARCH 31, 2005 (UNAUDITED)

SHARES	MARKET VALUE
COMMON STOCKS+ - 102.0%	
CAPITAL MARKETS - 6.7%	
49,700 Lehman Brothers Holdings, Inc. ....	\$ 4,679,752
215,500 Merrill Lynch & Company, Inc. ....	12,197,300
77,000 The Goldman Sachs Group, Inc. ....	8,469,230
	25,346,282
HEALTH CARE PROVIDERS & SERVICES - 6.6%	
64,000 Quest Diagnostics, Inc. ....	6,728,320
191,000 UnitedHealth Group, Inc. ....	18,217,580
	24,945,900
CONSUMER FINANCE - 6.0%	
208,500 American Express Company ....	10,710,645
495,000 MBNA Corp. ....	12,152,250
	22,862,895
INDUSTRIAL CONGLOMERATES - 5.4%	
327,500 General Electric Company ....	11,809,650
260,000 Tyco International Ltd. ....	8,788,000
	20,597,650
OIL & GAS - 5.4%	
74,300 Apache Corp. ....	4,549,389
139,200 Exxon Mobil Corp. ....	8,296,320
52,300 Occidental Petroleum Corp. ....	3,722,191
54,400 Valero Energy Corp. ....	3,985,888
	20,553,788
MACHINERY - 4.9%	
119,600 Caterpillar, Inc. ....	10,936,224
110,300 Deere & Company ....	7,404,439
	18,340,663
HEALTH CARE EQUIPMENT & SUPPLIES - 4.8%	
230,500 Boston Scientific Corp.* ....	6,751,345

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105,000 Medtronic, Inc. ....	5,349,750
77,000 Zimmer Holdings, Inc.* .....	5,991,370
	-----
	18,092,465
	-----
SOFTWARE - 4.7%	
318,000 BEA Systems, Inc.* .....	2,534,460
163,000 Computer Associates International, Inc. ....	4,417,300
84,700 Electronic Arts, Inc.* .....	4,385,766
310,000 Symantec Corp.* .....	6,612,300
	-----
	17,949,826
	-----
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT - 4.3%	
177,000 Broadcom Corp., Class A* .....	5,295,840
170,000 Intel Corp. ....	3,949,100
277,500 Texas Instruments, Inc. ....	7,073,475
	-----
	16,318,415
	-----

See Notes to Portfolio of Investments.

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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
PORTFOLIO OF INVESTMENTS - (CONTINUED)  
MARCH 31, 2005 (UNAUDITED)

SHARES	MARKET VALUE
-----	-----
COMMON STOCKS+ - (CONTINUED)	
METALS & MINING - 4.1%	
90,700 Nucor Corp. ....	\$ 5,220,692
101,000 Phelps Dodge Corp. ....	10,274,730
	-----
	15,495,422
	-----
DIVERSIFIED TELECOMMUNICATION SERVICES - 4.1%	
100,500 ALLTEL Corp. ....	5,512,425
226,900 Amdocs Ltd.* .....	6,443,960
99,000 Verizon Communications, Inc. ....	3,514,500
	-----
	15,470,885
	-----
COMMUNICATIONS EQUIPMENT - 3.4%	
316,100 Cisco Systems, Inc.* .....	5,655,029
197,700 QUALCOMM, Inc. ....	7,245,705
	-----
	12,900,734
	-----

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AIR FREIGHT & LOGISTICS - 3.4%		
134,900	FedEx Corp. ....	12,673,855
		-----
AEROSPACE & DEFENSE - 3.3%		
43,000	General Dynamics Corp. ....	4,603,150
79,000	United Technologies Corp. ....	8,031,140
		-----
		12,634,290
		-----
SPECIALTY RETAIL - 3.2%		
104,000	Best Buy Company, Inc. ....	5,617,040
65,000	Lowe's Companies, Inc. ....	3,710,850
73,300	The Home Depot, Inc. ....	2,802,992
		-----
		12,130,882
		-----
MEDIA - 3.1%		
245,200	Comcast Corp., Class A* ....	8,282,856
205,700	Time Warner, Inc.* ....	3,610,035
		-----
		11,892,891
		-----
COMMERCIAL BANKS - 2.7%		
85,000	Bank of America Corp. ....	3,748,500
129,000	Wachovia Corp. ....	6,567,390
		-----
		10,315,890
		-----
PHARMACEUTICALS - 2.7%		
386,700	Pfizer, Inc. ....	10,158,609
		-----
HOTELS, RESTAURANTS & LEISURE - 2.6%		
57,800	Harrah's Entertainment, Inc. ....	3,732,724
221,200	International Game Technology ....	5,897,192
		-----
		9,629,916
		-----
DIVERSIFIED FINANCIAL SERVICES - 2.4%		
203,200	Citigroup, Inc. ....	9,131,808
		-----
COMPUTERS & PERIPHERALS - 2.0%		
193,500	Dell, Inc.* ....	7,434,270
		-----

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See Notes to Portfolio of Investments.

FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

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SHARES		MARKET VALUE
-----		
COMMON STOCKS+ - (CONTINUED)		
	BIOTECHNOLOGY - 1.9%	
74,500	Amgen, Inc.* .....	\$ 4,336,645
49,400	Genentech, Inc.* .....	2,796,534
		-----
		7,133,179
		-----
	TEXTILES, APPAREL & LUXURY GOODS - 1.8%	
81,800	NIKE, Inc., Class B .....	6,814,758
		-----
	MULTILINE RETAIL - 1.8%	
121,400	Nordstrom, Inc. ....	6,723,132
		-----
	FOOD & STAPLES RETAILING - 1.6%	
116,000	CVS Corp. ....	6,103,920
		-----
	ELECTRICAL EQUIPMENT - 1.6%	
91,500	Emerson Electric Company .....	5,941,095
		-----
	HOUSEHOLD PRODUCTS - 1.5%	
107,700	The Procter & Gamble Company .....	5,708,100
		-----
	COMMERCIAL SERVICES - 1.4%	
222,500	Accenture Ltd.* .....	5,373,375
		-----
	INSURANCE - 1.4%	
95,000	American International Group, Inc. ....	5,263,950
		-----
	TECHNOLOGY HARDWARE & EQUIPMENT - 1.2%	
102,000	Automatic Data Processing, Inc. ....	4,584,900
		-----
	THRIFTS & MORTGAGE FINANCE - 1.0%	
62,100	MGIC Investment Corp. ....	3,829,707
		-----
	LEISURE EQUIPMENT & PRODUCTS - 1.0%	
115,000	Eastman Kodak Company .....	3,743,250
		-----
	TOTAL COMMON STOCKS+ .....	386,096,702
		-----
	(Cost \$398,479,535)	
	TOTAL INVESTMENTS - 102.0% .....	386,096,702
	(Cost \$398,479,535)**	

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CALL OPTIONS WRITTEN - (3.6%) .....	(13,738,593)
(Premiums received \$19,884,847)	
NET OTHER ASSETS & LIABILITIES - 1.6% .....	6,178,643
NET ASSETS - 100.0% .....	\$378,536,752
	=====

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- \* Non-income producing security.
  - \*\* Aggregate cost for federal tax purposes.
  - + Securities or partial securities on which call options were written; all Common Stocks are pledged as collateral.

See Notes to Portfolio of Investments.

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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
CALL OPTIONS WRITTEN - (3.6%)		
	Accenture Ltd. Calls	
875	@ 25 due Apr 05 .....	\$ (39,375)
175	@ 25 due May 05 .....	(11,813)
1,175	@ 25 due Aug 05 .....	(167,437)
		-----
		(218,625)
		-----
	ALLTEL Corp. Calls	
75	@ 55 due May 05 .....	(12,375)
75	@ 60 due Oct 05 .....	(9,937)
855	@ 60 due Jan 06 .....	(158,175)
		-----
		(180,487)
		-----
	Amdocs Ltd. Calls	
1,434	@ 30 due Jul 05 .....	(247,365)
795	@ 30 due Jan 06 .....	(262,350)
40	@ 35 due Jan 06 .....	(6,100)
		-----
		(515,815)
		-----
	American Express Company Calls	
150	@ 55 due Apr 05 .....	(1,500)
1,935	@ 60 due Jan 06 .....	(270,900)
		-----
		(272,400)
		-----
	American International Group, Inc. Calls	
503	@ 60 due May 05 .....	(52,815)
447	@ 65 due May 05 .....	(13,410)
		-----
		(66,225)

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	Amgen, Inc. Calls	
175	@ 60 due Apr 05 .....	(6,125)
570	@ 65 due Jan 06 .....	(148,200)
		(154,325)
	Apache Corp. Calls	
203	@ 65 due Apr 05 .....	(7,105)
332	@ 65 due Jul 05 .....	(83,000)
208	@ 65 due Oct 05 .....	(93,600)
		(183,705)
	Automatic Data Processing, Inc. Calls	
135	@ 45 due Apr 05 .....	(7,425)
750	@ 45 due May 05 .....	(90,000)
135	@ 47.5 due Aug 05 .....	(13,500)
		(110,925)
	Bank of America Corp. Call	
850	@ 47.5 due Aug 05 .....	(42,500)
	BEA Systems, Inc. Calls	
424	@ 10 due Sep 05 .....	(9,540)
2,756	@ 10 due Jan 06 .....	(110,240)
		(119,780)
	Best Buy Company, Inc. Calls	
148	@ 55 due Apr 05 .....	(17,020)
692	@ 55 due May 05 .....	(131,480)
200	@ 60 due Jan 06 .....	(64,000)
		(212,500)

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See Notes to Portfolio of Investments.

FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
	CALL OPTIONS WRITTEN - (CONTINUED)	
	Boston Scientific Corp. Calls	
395	@ 32.5 due May 05 .....	\$ (11,850)
1,910	@ 35 due Jan 06 .....	(286,500)
		(298,350)
	Broadcom Corp. Calls	
1,325	@ 35 due May 05 .....	(59,625)

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90	@ 35 due Aug 05 .....	(11,925)
355	@ 35 due Jan 06 .....	(95,850)
		-----
		(167,400)
		-----
	Caterpillar, Inc. Calls	
650	@ 100 due Aug 05 .....	(143,000)
546	@ 100 due Jan 06 .....	(267,540)
		-----
		(410,540)
		-----
	Cisco Systems, Inc. Calls	
341	@ 20 due Apr 05 .....	(1,705)
590	@ 22.5 due Apr 05 .....	(2,950)
1,563	@ 20 due Jul 05 .....	(54,705)
333	@ 20 due Oct 05 .....	(21,645)
334	@ 20 due Jan 06 .....	(33,400)
		-----
		(114,405)
		-----
	Citigroup, Inc. Calls	
915	@ 47.5 due Apr 05 .....	(4,575)
101	@ 47.5 due Jun 05 .....	(5,050)
915	@ 50 due Jun 05 .....	(9,150)
101	@ 50 due Jan 06 .....	(10,100)
		-----
		(28,875)
		-----
	Comcast Corp. Calls	
1,019	@ 35 due Jul 05 .....	(96,805)
1,433	@ 35 due Jan 06 .....	(340,337)
		-----
		(437,142)
		-----
	Computer Associates International, Inc. Calls	
575	@ 30 due May 05 .....	(7,475)
1,055	@ 30 due Aug 05 .....	(68,575)
		-----
		(76,050)
		-----
	CVS Corp. Calls	
400	@ 55 due Aug 05 .....	(78,000)
258	@ 50 due Jan 06 .....	(158,670)
502	@ 55 due Jan 06 .....	(175,700)
		-----
		(412,370)
		-----
	Deere & Company Calls	
223	@ 70 due Jun 05 .....	(40,140)
68	@ 75 due Jun 05 .....	(3,740)
326	@ 70 due Jan 06 .....	(156,480)
486	@ 80 due Jan 06 .....	(81,405)
		-----
		(281,765)
		-----

See Notes to Portfolio of Investments.

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MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
CALL OPTIONS WRITTEN - (CONTINUED)		
	Dell, Inc. Calls	
930	@ 40 due May 05 .....	\$ (60,450)
1,005	@ 42.5 due Aug 05 .....	(65,325)
		(125,775)
	Eastman Kodak Company Calls	
603	@ 35 due Jul 05 .....	(51,255)
547	@ 35 due Jan 06 .....	(123,075)
		(174,330)
	Electronic Arts, Inc. Calls	
545	@ 60 due May 05 .....	(23,163)
302	@ 60 due Jun 05 .....	(24,160)
		(47,323)
	Emerson Electric Company Call	
915	@ 70 due Jun 05 .....	(36,600)
	Exxon Mobil Corp. Calls	
80	@ 60 due Apr 05 .....	(8,400)
163	@ 60 due Jul 05 .....	(47,270)
739	@ 65 due Jul 05 .....	(84,985)
294	@ 65 due Oct 05 .....	(61,740)
116	@ 65 due Jan 06 .....	(31,320)
		(233,715)
	FedEx Corp. Calls	
923	@ 95 due May 05 .....	(147,680)
426	@ 100 due Jul 05 .....	(78,810)
		(226,490)
	Genentech, Inc. Calls	
52	@ 55 due Apr 05 .....	(13,000)
192	@ 60 due Sep 05 .....	(80,640)
250	@ 60 due Jan 06 .....	(150,000)
		(243,640)
	General Dynamics Corp. Calls	
286	@ 110 due May 05 .....	(42,900)
144	@ 110 due Aug 05 .....	(49,680)
		(92,580)
	General Electric Company Call	
3,275	@ 37.5 due Jun 05 .....	(147,375)

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	Harrah's Entertainment, Inc. Calls		
83	@ 65 due May 05 .....	(19,505)	
495	@ 70 due Aug 05 .....	(103,950)	
		(123,455)	-----
	Intel Corp. Calls		
430	@ 25 due Apr 05 .....	(4,300)	
1,270	@ 25 due Jul 05 .....	(76,200)	
		(80,500)	-----
	International Game Technology Calls		
1,021	@ 30 due Jul 05 .....	(66,365)	
1,191	@ 35 due Jan 06 .....	(65,505)	
		(131,870)	-----

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See Notes to Portfolio of Investments.

FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
	CALL OPTIONS WRITTEN - (CONTINUED)	
	Lehman Brothers Holdings, Inc. Calls	
203	@ 95 due Apr 05 .....	\$ (28,420)
91	@ 95 due May 05 .....	(25,025)
203	@ 95 due Jul 05 .....	(85,260)
		(138,705)
		-----
	Lowe's Companies, Inc. Calls	
440	@ 60 due Apr 05 .....	(4,400)
210	@ 60 due Jul 05 .....	(24,675)
		(29,075)
		-----
	MBNA Corp. Calls	
820	@ 25 due Apr 05 .....	(20,500)
845	@ 27.5 due Jun 05 .....	(14,788)
2,059	@ 30 due Jun 05 .....	(20,590)
1,226	@ 30 due Jan 06 .....	(52,105)
		(107,983)
		-----
	Medtronic, Inc. Calls	
685	@ 55 due May 05 .....	(17,125)
290	@ 55 due Aug 05 .....	(31,900)
75	@ 55 due Nov 05 .....	(13,875)
		(62,900)
		-----

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	Merrill Lynch & Company, Inc. Calls	
1,565	@ 60 due Apr 05 .....	(23,475)
590	@ 65 due Jan 06 .....	(103,250)
		(126,725)
	MGIC Investment Corp. Calls	
376	@ 65 due Apr 05 .....	(12,220)
125	@ 65 due Jun 05 .....	(17,188)
120	@ 75 due Jan 06 .....	(17,400)
		(46,808)
	NIKE, Inc. Calls	
479	@ 85 due May 05 .....	(81,430)
89	@ 85 due Jul 05 .....	(27,590)
250	@ 95 due Jul 05 .....	(10,625)
		(119,645)
	Nordstrom, Inc. Calls	
488	@ 55 due Jul 05 .....	(163,480)
285	@ 55 due Oct 05 .....	(135,375)
441	@ 55 due Jan 06 .....	(253,575)
		(552,430)
	Nucor Corp. Calls	
172	@ 65 due May 05 .....	(23,220)
166	@ 60 due Jul 05 .....	(69,720)
167	@ 65 due Jul 05 .....	(45,090)
235	@ 65 due Oct 05 .....	(101,050)
167	@ 65 due Jan 06 .....	(86,840)
		(325,920)

See Notes to Portfolio of Investments.

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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
-----		-----
	CALL OPTIONS WRITTEN - (CONTINUED)	
	Occidental Petroleum Corp. Calls	
198	@ 75 due May 05 .....	\$ (35,640)
325	@ 75 due Aug 05 .....	(104,000)
		(139,640)
	Pfizer, Inc. Calls	
1,598	@ 27.5 due Jun 05 .....	(87,890)

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1,958	@ 27.5 due Jan 06 .....	(352,440)
311	@ 30 due Jan 06 .....	(29,545)
		-----
		(469,875)
		-----
	Phelps Dodge Corp. Calls	
40	@ 105 due May 05 .....	(16,400)
162	@ 105 due Jul 05 .....	(104,490)
508	@ 110 due Jul 05 .....	(223,520)
300	@ 110 due Oct 05 .....	(223,500)
		-----
		(567,910)
		-----
	QUALCOMM, Inc. Calls	
685	@ 40 due Jul 05 .....	(82,200)
1,292	@ 40 due Oct 05 .....	(277,780)
		-----
		(359,980)
		-----
	Quest Diagnostics, Inc. Calls	
160	@ 100 due May 05 .....	(104,800)
320	@ 100 due Jan 06 .....	(363,200)
160	@ 105 due Jan 06 .....	(134,400)
		-----
		(602,400)
		-----
	Symantec Corp. Calls	
650	@ 25 due Apr 05 .....	(3,250)
1,000	@ 22.5 due May 05 .....	(75,000)
1,450	@ 22.5 due Jul 05 .....	(174,000)
		-----
		(252,250)
		-----
	Texas Instruments, Inc. Calls	
760	@ 27.5 due Apr 05 .....	(7,600)
2,015	@ 27.5 due Jul 05 .....	(171,275)
		-----
		(178,875)
		-----
	The Goldman Sachs Group, Inc. Calls	
570	@ 110 due Jul 05 .....	(290,700)
200	@ 110 due Jan 06 .....	(189,000)
		-----
		(479,700)
		-----
	The Home Depot, Inc. Calls	
141	@ 40 due May 05 .....	(7,755)
142	@ 42.5 due Aug 05 .....	(9,230)
450	@ 45 due Jan 06 .....	(40,500)
		-----
		(57,485)
		-----
	The Procter & Gamble Company Calls	
447	@ 55 due Jul 05 .....	(37,995)
630	@ 55 due Oct 05 .....	(107,100)
		-----
		(145,095)
		-----

# Edgar Filing: First Trust/Fiduciary Asset Management Covered Call Fund - Form N-Q

FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
 PORTFOLIO OF INVESTMENTS - (CONTINUED)  
 MARCH 31, 2005 (UNAUDITED)

NUMBER OF CONTRACTS		MARKET VALUE
CALL OPTIONS WRITTEN - (CONTINUED)		
	Time Warner, Inc. Calls	
686	@ 19 due May 05 .....	\$ (10,290)
1,028	@ 19 due Jul 05 .....	(35,980)
343	@ 20 due Jan 06 .....	(25,725)
		(71,995)
	Tyco International Ltd. Calls	
2,038	@ 35 due Apr 05 .....	(40,760)
562	@ 37.5 due Jul 05 .....	(16,860)
		(57,620)
	United Technologies Corp. Calls	
535	@ 105 due May 05 .....	(85,600)
255	@ 105 due Aug 05 .....	(85,425)
		(171,025)
	UnitedHealth Group, Inc. Calls	
710	@ 90 due Jun 05 .....	(589,300)
5	@ 95 due Jun 05 .....	(2,500)
60	@ 90 due Sep 05 .....	(60,300)
90	@ 95 due Sep 05 .....	(63,900)
483	@ 90 due Jan 06 .....	(608,580)
562	@ 95 due Jan 06 .....	(539,520)
		(1,864,100)
	Valero Energy Corp. Calls	
137	@ 70 due Apr 05 .....	(58,910)
61	@ 70 due May 05 .....	(39,040)
346	@ 70 due Jun 05 .....	(256,040)
		(353,990)
	Verizon Communications, Inc. Call	
990	@ 37.5 due Jul 05 .....	(39,600)
		(39,600)
	Wachovia Corp. Call	
1,290	@ 55 due Jan 06 .....	(212,850)
		(212,850)
	Zimmer Holdings, Inc. Calls	
95	@ 80 due Apr 05 .....	(6,175)
475	@ 75 due May 05 .....	(152,000)
200	@ 75 due Jun 05 .....	(78,000)
		(236,175)

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-----  
TOTAL CALL OPTIONS WRITTEN ..... (13,738,593)  
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(Premiums Received \$19,884,847)

See Notes to Portfolio of Investments.

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NOTES TO PORTFOLIO OF INVESTMENTS (UNAUDITED)  
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FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
MARCH 31, 2005

## 1. VALUATION AND INVESTMENT PRACTICES

### PORTFOLIO VALUATION:

The First Trust/Fiduciary Asset Management Covered Call Fund (the "Fund") determines the net asset value ("NAV") of its shares daily, as of the close of regular trading on the New York Stock Exchange ("NYSE"), normally 4:00 p.m. Eastern time, every day on which the NYSE is open for trading. The NAV is computed by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses, the value of call options written (sold) and dividends declared but unpaid), by the total number of shares outstanding.

The Fund's investments are valued at market value or, in the absence of market value with respect to any portfolio securities, at fair value as determined according to procedures adopted by the Fund's Board of Trustees. Portfolio securities listed on any exchange other than the NASDAQ National Market ("NASDAQ") are valued at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and ask prices on such day. Securities traded on the NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities. Portfolio securities traded in the over-the-counter market, but excluding securities trading on the NASDAQ, are valued at the closing bid prices. Fixed income securities with a remaining maturity of 60 days or more will be valued by the Fund using a pricing service. When price quotes are not available, fair market value is based on prices of comparable securities. Short-term investments that mature in 60 days or less are valued at amortized cost.

The Fund values exchange-traded options and other derivative contracts at the closing price on the exchange on which it is principally traded, or if not traded, or no closing price is available, at the mean between the last bid and ask price.

### OPTION CONTRACTS:

**COVERED CALL OPTIONS.** When the Fund purchases equity securities, it simultaneously writes (sells) covered call options on substantially all of such equity securities. The number of call options the Fund can write (sell) is limited by the amount of equity securities the Fund holds in its portfolio. The

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Fund will not write (sell) "naked" or uncovered call options. By writing (selling) call options, the Fund seeks to generate additional income, in the form of premiums received for writing (selling) the options, and provide a partial hedge against a market decline in the underlying equity security. Call options are marked-to-market daily and their value will be affected by changes in the value and dividend rates of the underlying equity securities, an increase in interest rates, changes in the actual or perceived volatility of the securities markets and the underlying equity securities and the remaining time to the options' expiration. The value of call options may also be adversely affected if the market for the options becomes less liquid or smaller.

Call options the Fund writes (sells) will either be exercised, expire or be cancelled pursuant to a closing transaction. If the price of the underlying equity security exceeds the option's exercise price, it is likely that the option holder will exercise the option. If a call option written (sold) by the Fund is exercised, the Fund would be obligated to deliver the underlying equity security to the option holder upon payment of the exercise price. In this case, the call option premium received by the Fund will be added to the amount realized on the sale of the equity security for purposes of determining gain or loss. If the price of the underlying equity security is less than the call option's exercise price, the call option will likely expire without being exercised. The call option premium will be treated as short term capital gain on the expiration date of the call option. The Fund may also elect to close out its position in a call option prior to its expiration by purchasing a call option of the same option series as the call option written (sold) by the Fund.

The Fund writes (sells) call options on at least 80% of the Fund's Managed Assets ("Managed Assets" is gross assets of the Fund minus the sum of the Fund's accrued and unpaid dividends on Common Shares and accrued liabilities, including the value of call options written). These call options give the option holder the right, but not the obligation, to purchase a security from the Fund at the strike price on or prior to the option's expiration date. The ability to successfully implement the Fund's investment strategy depends on the Sub-Adviser's ability to predict pertinent market movements, which cannot be assured. Thus, the use of options may require the Fund to sell portfolio securities at inopportune times or for prices other than current market value, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that it might otherwise sell. As the writer (seller) of a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call option, but has retained the risk of loss should the price of the

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NOTES TO PORTFOLIO OF INVESTMENTS (UNAUDITED) - (CONTINUED)

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underlying security decline. The writer (seller) of an option has no control over the time when it may be required to fulfill its obligation as a writer (seller) of the option. Once an option writer (seller) has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price.

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## SECURITIES TRANSACTIONS:

Securities transactions are recorded as of the trade date. Realized gains and losses from securities transactions are recorded on the identified cost basis.

### 2. UNREALIZED APPRECIATION/(DEPRECIATION)

As of March 31, 2005, the aggregate gross unrealized appreciation for all securities in which there was an excess of value over tax cost was \$6,070,777 and the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over value was \$18,453,610.

	NUMBER OF CONTRACTS	PREMIUMS
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WRITTEN OPTIONS		
Options outstanding at December 31, 2004 .....	84,203	\$24,108,747
Stock Split - eBay, Inc. ....	550	--
Options written .....	96,788	22,349,572
Options expired .....	(8,608)	(681,823)
Options exercised .....	(83,000)	(25,802,052)
Options closed .....	(450)	(89,597)
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Options outstanding at March 31, 2005 .....	89,483	\$19,884,847
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## ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

## ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.



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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.

(Registrant) FIRST TRUST/FIDUCIARY ASSET MANAGEMENT COVERED CALL FUND  
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By (Signature and Title)\* /S/ JAMES A. BOWEN  
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James A. Bowen, Chairman of the Board, President and  
Chief Executive Officer  
(principal executive officer)

Date MAY 24, 2005  
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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 and Title)\* /S/ JAMES A. BOWEN  
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James A. Bowen, Chairman of the Board, President and  
Chief Executive Officer  
(principal executive officer)

Date MAY 24, 2005  
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By (Signature and Title)\* /S/ MARK R. BRADLEY  
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Mark R. Bradley, Treasurer, Controller, Chief  
Financial Officer and Chief Accounting Officer  
(principal financial officer)

Date MAY 24, 2005  
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\* Print the name and title of each signing officer under his or her signature.