

TRI-CONTINENTAL CORP
Form N-Q
May 26, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act File Number 811-00266
TRI-CONTINENTAL CORPORATION**

(Exact name of registrant as specified in charter)

50606 Ameriprise Financial Center, Minneapolis, Minnesota 55474

(Address of principal executive offices) (Zip code)

Scott R. Plummer - 5228 Ameriprise Financial Center, Minneapolis, MN 55474

(Name and address of agent for service)

Registrant's telephone number, including area code: (612) 671-1947

Date of fiscal year end: December 31

Date of reporting period: March 31, 2011

Item 1. Schedule of Investments

**Portfolio of
Investments***Tri-Continental Corporation***March 31, 2011 (Unaudited)***(Percentages represent value of investments compared to net assets)*

| Issuer | Shares | Value |
|---|---------------|-------------------|
| Common Stocks (99.0%) | | |
| CONSUMER DISCRETIONARY (10.2%) | | |
| Automobiles (0.1%) | | |
| Ford Motor Co. ^(a) | 53,800 | \$ 802,158 |
| Diversified Consumer Services (0.8%) | | |
| Apollo Group, Inc., Class A ^(a) | 224,800 | 9,376,408 |
| Internet & Catalog Retail (0.4%) | | |
| priceline.com, Inc. ^{(a)(b)} | 10,093 | 5,111,499 |
| Media (2.9%) | | |
| Comcast Corp., Class A | 491,500 | 12,149,880 |
| DIRECTV, Class A ^(a) | 444,900 | 20,821,320 |
| Time Warner Cable, Inc. | 16,400 | 1,169,976 |
| Total | | 34,141,176 |

Multiline Retail (0.5%)

Edgar Filing: TRI-CONTINENTAL CORP - Form N-Q

| | | |
|----------------------------|--------|------------------|
| Family Dollar Stores, Inc. | 87,615 | 4,496,402 |
| Macy's, Inc. | 40,628 | 985,635 |
| Total | | 5,482,037 |

Specialty Retail (5.4%)

| | | |
|---|---------|-------------------|
| AutoZone, Inc. ^{(a)(b)} | 68,700 | 18,793,572 |
| Best Buy Co., Inc. ^(b) | 81,252 | 2,333,558 |
| GameStop Corp., Class A ^{(a)(b)} | 308,200 | 6,940,664 |
| Limited Brands, Inc. | 544,430 | 17,900,858 |
| Ross Stores, Inc. | 180,749 | 12,854,869 |
| TJX Companies, Inc. | 67,893 | 3,376,319 |
| Total | | 62,199,840 |

Textiles, Apparel & Luxury Goods (0.1%)

| | | |
|-------------|--------|---------|
| Coach, Inc. | 18,435 | 959,357 |
|-------------|--------|---------|

| | | |
|-------------------------------------|--|--------------------|
| TOTAL CONSUMER DISCRETIONARY | | 118,072,475 |
|-------------------------------------|--|--------------------|

CONSUMER STAPLES (9.9%)

Beverages (1.0%)

| | | |
|---------------------|---------|------------|
| Coca-Cola Co. (The) | 177,215 | 11,758,215 |
|---------------------|---------|------------|

Food & Staples Retailing (3.0%)

| | | |
|--------------------------------------|---------|-------------------|
| Wal-Mart Stores, Inc. ^(b) | 515,129 | 26,812,464 |
| Walgreen Co. ^(b) | 190,782 | 7,657,990 |
| Total | | 34,470,454 |

Food Products (1.6%)

| | | |
|-----------------------------------|---------|-------------------|
| Campbell Soup Co. ^(b) | 5,700 | 188,727 |
| Hershey Co. (The) | 322,100 | 17,506,135 |
| Hormel Foods Corp. ^(b) | 22,091 | 615,013 |
| Total | | 18,309,875 |

| Issuer | Shares | Value |
|---------------|---------------|--------------|
|---------------|---------------|--------------|

Common Stocks (continued)**CONSUMER STAPLES (CONTINUED)****Household Products (0.2%)**

| | | |
|----------------------|--------|--------------|
| Kimberly-Clark Corp. | 40,100 | \$ 2,617,327 |
|----------------------|--------|--------------|

Tobacco (4.1%)

| | | |
|--|---------|------------|
| Lorillard, Inc. | 190,264 | 18,076,983 |
| Philip Morris International, Inc. ^(b) | 445,300 | 29,225,039 |

| | | |
|--------------|--|-------------------|
| Total | | 47,302,022 |
|--------------|--|-------------------|

| | | |
|-------------------------------|--|--------------------|
| TOTAL CONSUMER STAPLES | | 114,457,893 |
|-------------------------------|--|--------------------|

ENERGY (12.9%)**Energy Equipment & Services (2.2%)**

| | | |
|------------------------------|---------|------------|
| National Oilwell Varco, Inc. | 321,337 | 25,472,384 |
|------------------------------|---------|------------|

Oil, Gas & Consumable Fuels (10.7%)

| | | |
|------------------------------|---------|------------|
| Apache Corp. | 188,100 | 24,626,052 |
| Chevron Corp. ^(c) | 382,942 | 41,139,459 |
| ConocoPhillips | 408,014 | 32,583,998 |

Edgar Filing: TRI-CONTINENTAL CORP - Form N-Q

| | | |
|---------------------|---------|------------|
| Devon Energy Corp. | 1,900 | 174,363 |
| Exxon Mobil Corp. | 238,743 | 20,085,449 |
| Marathon Oil Corp. | 53,568 | 2,855,710 |
| Valero Energy Corp. | 81,000 | 2,415,420 |

Total **123,880,451**

TOTAL ENERGY **149,352,835**

FINANCIALS (15.4%)

Capital Markets (2.3%)

| | | |
|--|--------|------------|
| Franklin Resources, Inc. | 92,008 | 11,508,361 |
| Goldman Sachs Group, Inc. (The) ^(b) | 55,234 | 8,752,932 |
| T Rowe Price Group, Inc. ^(b) | 96,900 | 6,436,098 |

Total **26,697,391**

Commercial Banks (1.8%)

| | | |
|------------------------|-----------|------------|
| Fifth Third Bancorp | 883,636 | 12,264,868 |
| KeyCorp ^(b) | 1,007,471 | 8,946,342 |

Total **21,211,210**

Consumer Finance (2.4%)

| | | |
|--|---------|------------|
| Capital One Financial Corp. ^(b) | 459,035 | 23,851,459 |
| Discover Financial Services | 169,896 | 4,097,891 |

Total **27,949,350**

Diversified Financial Services (3.8%)

| | | |
|--------------------------------|-----------|------------|
| Citigroup, Inc. ^(a) | 1,450,493 | 6,411,179 |
| JPMorgan Chase & Co. | 749,657 | 34,559,188 |

Edgar Filing: TRI-CONTINENTAL CORP - Form N-Q

| | | |
|---------------|--------|-------------------|
| Moody's Corp. | 73,300 | 2,485,603 |
| Total | | 43,455,970 |

| Issuer | Shares | Value |
|---|---------|--------------------|
| Common Stocks (continued) | | |
| FINANCIALS (CONTINUED) | | |
| Insurance (4.0%) | | |
| Aflac, Inc. | 136,212 | \$ 7,189,269 |
| Hartford Financial Services Group, Inc. ^(b) | 349,587 | 9,414,378 |
| Lincoln National Corp. ^(b) | 365,230 | 10,971,509 |
| MetLife, Inc. | 83,200 | 3,721,536 |
| Prudential Financial, Inc. | 191,500 | 11,792,570 |
| Travelers Companies, Inc. (The) ^(b) | 61,796 | 3,675,626 |
| Total | | 46,764,888 |
| Real Estate Investment Trusts (REITs) (1.1%) | | |
| Apartment Investment & Management Co., Class A ^(b) | 134,300 | 3,420,621 |
| Public Storage ^(b) | 12,900 | 1,430,739 |
| Simon Property Group, Inc. | 73,686 | 7,896,192 |
| Total | | 12,747,552 |
| TOTAL FINANCIALS | | 178,826,361 |
| HEALTH CARE (11.1%) | | |
| Biotechnology (2.4%) | | |
| Biogen Idec, Inc. ^(a) | 192,900 | 14,156,931 |
| Cephalon, Inc. ^{(a)(b)} | 6,689 | 506,892 |
| Gilead Sciences, Inc. ^{(a)(b)} | 315,000 | 13,368,600 |
| Total | | 28,032,423 |

Health Care Equipment & Supplies (0.1%)

| | | |
|--------------------------|--------|-----------|
| Becton Dickinson and Co. | 20,425 | 1,626,239 |
|--------------------------|--------|-----------|

Health Care Providers & Services (3.6%)

| | | |
|---|---------|------------|
| Aetna, Inc. | 17,085 | 639,492 |
| Cardinal Health, Inc. | 35,079 | 1,442,799 |
| Humana, Inc. ^(a) | 24,709 | 1,728,148 |
| Medco Health Solutions, Inc. ^(a) | 220,400 | 12,377,664 |
| UnitedHealth Group, Inc. | 563,656 | 25,477,251 |

| | | |
|--------------|--|-------------------|
| Total | | 41,665,354 |
|--------------|--|-------------------|

Pharmaceuticals (5.0%)

| | | |
|--|---------|------------|
| Abbott Laboratories | 253,106 | 12,414,849 |
| Eli Lilly & Co. | 593,448 | 20,871,566 |
| Forest Laboratories, Inc. ^(a) | 264,565 | 8,545,450 |
| Johnson & Johnson | 266,844 | 15,810,507 |

| | | |
|--------------|--|-------------------|
| Total | | 57,642,372 |
|--------------|--|-------------------|

| | | |
|--------------------------|--|--------------------|
| TOTAL HEALTH CARE | | 128,966,388 |
|--------------------------|--|--------------------|

INDUSTRIALS (11.3%)**Aerospace & Defense (4.8%)**

| | | |
|--|---------|-----------|
| General Dynamics Corp. | 107,607 | 8,238,392 |
| Huntington Ingalls Industries, Inc. ^(a) | 14,106 | 585,399 |
| Lockheed Martin Corp. | 69,023 | 5,549,449 |
| Northrop Grumman Corp. | 84,636 | 5,307,524 |

| | | |
|---------------|---------------|--------------|
| Issuer | Shares | Value |
|---------------|---------------|--------------|

Common Stocks (continued)

INDUSTRIALS (CONTINUED)**Aerospace & Defense (cont.)**

| | | |
|-----------------------------|---------|-------------------|
| Raytheon Co. ^(b) | 374,184 | \$ 19,034,740 |
| United Technologies Corp. | 195,563 | 16,554,408 |
| Total | | 55,269,912 |

Air Freight & Logistics (0.6%)

| | | |
|--------------------------------------|--------|-----------|
| United Parcel Service, Inc., Class B | 96,441 | 7,167,495 |
|--------------------------------------|--------|-----------|

Commercial Services & Supplies (0.9%)

| | | |
|-----------------------------------|---------|-------------------|
| Pitney Bowes, Inc. ^(b) | 63,334 | 1,627,051 |
| RR Donnelley & Sons Co. | 483,797 | 9,153,439 |
| Total | | 10,780,490 |

Electrical Equipment (0.7%)

| | | |
|----------------------|---------|-----------|
| Emerson Electric Co. | 142,657 | 8,335,448 |
|----------------------|---------|-----------|

Industrial Conglomerates (3.2%)

| | | |
|----------------------|-----------|------------|
| General Electric Co. | 1,864,858 | 37,390,403 |
|----------------------|-----------|------------|

Professional Services (0.6%)

| | | |
|------------------------|--------|-----------|
| Dun & Bradstreet Corp. | 86,700 | 6,956,808 |
|------------------------|--------|-----------|

Trading Companies & Distributors (0.5%)

| | | |
|----------------------------------|--------|--------------------|
| WW Grainger, Inc. ^(b) | 40,000 | 5,507,200 |
| TOTAL INDUSTRIALS | | 131,407,756 |

INFORMATION TECHNOLOGY (18.1%)**Computers & Peripherals (7.3%)**

| | | |
|--|---------|-------------------|
| Apple, Inc. ^(a) | 150,621 | 52,483,888 |
| Dell, Inc. ^{(a)(b)} | 192,487 | 2,792,986 |
| Lexmark International, Inc., Class A ^{(a)(b)} | 202,000 | 7,482,080 |
| SanDisk Corp. ^(a) | 379,800 | 17,504,982 |
| Western Digital Corp. ^(a) | 108,800 | 4,057,152 |
| Total | | 84,321,088 |

IT Services (3.5%)

| | | |
|-------------------------------|---------|-------------------|
| IBM Corp. ^(b) | 224,900 | 36,674,443 |
| Teradata Corp. ^(a) | 83,000 | 4,208,100 |
| Total | | 40,882,543 |

Semiconductors & Semiconductor Equipment (4.3%)

| | | |
|----------------------------------|---------|-------------------|
| Intel Corp. | 740,100 | 14,927,817 |
| NVIDIA Corp. ^{(a)(b)} | 242,700 | 4,480,242 |
| Teradyne, Inc. ^{(a)(b)} | 321,300 | 5,722,353 |
| Texas Instruments, Inc. | 704,600 | 24,350,976 |
| Total | | 49,481,388 |

| Issuer | Shares | Value |
|--|---------------|--------------------|
| Common Stocks (continued) | | |
| INFORMATION TECHNOLOGY (CONTINUED) | | |
| Software (3.0%) | | |
| Microsoft Corp. | 1,374,194 | \$ 34,849,560 |
| TOTAL INFORMATION TECHNOLOGY | | 209,534,579 |
| MATERIALS (3.9%) | | |
| Chemicals (0.6%) | | |
| CF Industries Holdings, Inc. | 500 | 68,395 |
| Eastman Chemical Co. | 46,093 | 4,577,957 |
| EI du Pont de Nemours & Co. | 31,327 | 1,722,045 |
| Total | | 6,368,397 |
| Metals & Mining (3.3%) | | |
| Freeport-McMoRan Copper & Gold, Inc. | 404,788 | 22,485,973 |
| Newmont Mining Corp. ^(b) | 295,400 | 16,122,932 |
| Total | | 38,608,905 |
| TOTAL MATERIALS | | 44,977,302 |
| TELECOMMUNICATION SERVICES (3.2%) | | |
| Diversified Telecommunication Services (3.2%) | | |
| AT&T, Inc. | 696,794 | 21,321,896 |

| | | |
|---|-----------|-------------------------|
| Verizon Communications, Inc. ^(b) | 410,598 | 15,824,447 |
| Total | | 37,146,343 |
| TOTAL TELECOMMUNICATION SERVICES | | 37,146,343 |
| UTILITIES (3.0%) | | |
| Electric Utilities (1.7%) | | |
| Exelon Corp. | 479,635 | 19,780,148 |
| Multi-Utilities (1.3%) | | |
| Public Service Enterprise Group, Inc. | 473,600 | 14,923,136 |
| TOTAL UTILITIES | | 34,703,284 |
| Total Common Stocks (Cost: \$962,033,580) | | \$ 1,147,445,216 |
| Limited Partnerships (0.2%) | | |
| FINANCIALS (0.2%) | | |
| Capital Markets (0.2%) | | |
| WCAS Capital Partners II LP ^{(a)(d)(e)(f)(g)} | 4,292,803 | \$ 1,913,162 |
| TOTAL FINANCIALS | | 1,913,162 |
| Total Limited Partnerships (Cost: \$4,212,138) | | \$ 1,913,162 |

| | Shares | Value |
|---|-----------|---------------------|
| Money Market Fund (0.2%) | | |
| Columbia Short-Term Cash Fund, 0.229% ^{(h)(i)} | 2,680,558 | \$ 2,680,558 |
| Total Money Market Fund | | |
| (Cost: \$2,680,558) | | \$ 2,680,558 |

| Issuer | Effective Yield | Par/ Principal | Value |
|--|-----------------|-------------------|--------------|
| Investments of Cash Collateral Received for Securities on Loan (7.1%) | | | |
| Asset-Backed Commercial Paper (0.3%) | | | |
| Royal Park Investments Funding Corp. 06/17/11 | 0.601% | \$ 2,995,400 | \$ 2,995,400 |
| Certificates of Deposit (2.5%) | | | |
| Australia and New Zealand Bank Group, Ltd. 06/30/11 | 0.400% | 4,000,000 | 4,000,000 |
| Barclays Bank PLC 06/15/11 | 0.400% | 3,000,000 | 3,000,000 |
| Credit Industrial et Commercial 06/13/11 | 0.400% | 2,000,000 | 2,000,000 |
| Development Bank of Singapore Ltd. 05/09/11 | 0.400% | 2,000,000 | 2,000,000 |
| Erste Bank der Oesterreichischen Sparkassen AG 04/04/11 | 0.380% | 1,000,000 | 1,000,000 |
| KBC Bank NV 04/29/11 | 0.450% | 3,000,000 | 3,000,000 |
| N.V. Bank Nederlandse Gemeenten 04/27/11 | 0.380% | 4,000,000 | 4,000,000 |
| Norinchukin Bank 04/25/11 | 0.340% | 1,500,000 | 1,500,000 |
| Societe Generale 07/01/11 | 0.363% | 2,000,000 | 2,000,000 |
| Sumitomo Mitsui Banking Corp. 04/14/11 | 0.330% | 3,000,000 | 3,000,000 |
| Sumitomo Trust & Banking Co., Ltd. 05/25/11 | 0.370% | 1,998,172 | 1,998,172 |
| Swedbank AB 04/05/11 | 0.170% | 2,000,000 | 2,000,000 |

| | | | |
|--------------|--|--|-------------------|
| Total | | | 29,498,172 |
|--------------|--|--|-------------------|

Commercial Paper (0.4%)

| | | | |
|---------------------------------|--------|-----------|-----------|
| Macquarie Bank Ltd. 06/30/11 | 0.400% | 2,996,933 | 2,996,933 |
| PB Capital Corp. 05/16/11 | 0.591% | 1,996,886 | 1,996,886 |

| | | | |
|--------------|--|--|------------------|
| Total | | | 4,993,819 |
|--------------|--|--|------------------|

Other Short-Term Obligations (0.2%)

| | | | |
|--|--------|-----------|-----------|
| Natixis Financial Products LLC 04/01/11 | 0.470% | 2,000,000 | 2,000,000 |
|--|--------|-----------|-----------|

| Issuer | Effective Yield | Par/Principal | Value |
|---|------------------------|----------------------|----------------------|
| Investments of Cash Collateral Received for Securities on Loan (continued) | | | |
| Repurchase Agreements (3.7%) | | | |
| Barclays Capital, Inc. dated 10/13/10, matures 04/15/11, repurchase price \$5,000,563 ⁽ⁱ⁾ | 0.270% | \$ 5,000,000 | \$ 5,000,000 |
| Cantor Fitzgerald & Co. dated 03/31/11, matures 04/01/11, repurchase price \$20,000,128 ⁽ⁱ⁾ | 0.230% | 20,000,000 | 20,000,000 |
| Goldman Sachs & Co. dated 03/31/11, matures 04/01/11, repurchase price \$2,997,795 ⁽ⁱ⁾ | 0.160% | 2,997,781 | 2,997,781 |
| Issuer | Effective Yield | Par/Principal | Value |
| Investments of Cash Collateral Received for Securities on Loan (continued) | | | |
| Repurchase Agreements (continued) | | | |
| MF Global Holdings Ltd. dated 03/31/11, matures 04/01/11, repurchase price \$5,000,040 ⁽ⁱ⁾ | 0.290% | \$ 5,000,000 | \$ 5,000,000 |
| Mizuho Securities USA, Inc. dated 03/31/11, matures 04/01/11, repurchase price \$5,000,039 ⁽ⁱ⁾ | 0.280% | 5,000,000 | 5,000,000 |
| Nomura Securities dated 03/31/10, matures 04/01/11, repurchase price \$5,000,033 ⁽ⁱ⁾ | 0.240% | 5,000,000 | 5,000,000 |
| Total | | | 42,997,781 |
| Total Investments of Cash Collateral Received for Securities on Loan (Cost: \$82,485,172) | | | \$ 82,485,172 |

Total Investments**(Cost: \$1,051,411,448)^(k)****\$ 1,234,524,108^(l)**

Other Assets & Liabilities, Net

(75,103,337)

Net Assets**\$ 1,159,420,771**

The industries identified above are based on the Global Industry Classification Standard (GICS), which was developed by, and is the exclusive property of, Morgan Stanley Capital International Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

Investments in Derivatives**Futures Contracts Outstanding at March 31, 2011**

| Contract Description | Number of Contracts Long (Short) | Notional Market Value | Expiration Date | Unrealized Appreciation | Unrealized Depreciation |
|-----------------------------|---|--------------------------------------|----------------------------|------------------------------------|------------------------------------|
| S&P 500 Index | 14 | \$ 4,623,500 | June 2011 | \$ 49,727 | \$ |

Notes to Portfolio of Investments

(a) Non-income producing.

(b) At March 31, 2011, security was partially or fully on loan.

(c) At March 31, 2011, investments in securities included securities valued at \$702,447 that were partially pledged as collateral to cover initial margin deposits on open stock index futures contracts.

(d) The share amount for Limited Liability Companies (LLC) or Limited Partnerships (LP) represents capital contributions. At March 31, 2011, there was no capital committed to the LLC or LP for future investment.

(e) Identifies issues considered to be illiquid as to their marketability. The aggregate value of such securities at March 31, 2011 was \$1,913,162, representing 0.17% of net assets. Information concerning such security holdings at March 31, 2011 was as follows:

| Security | Acquisition Dates | Cost |
|-----------------------------|------------------------------|--------------|
| WCAS Capital Partners II LP | 12/11/90 thru 03/24/98 | \$ 4,292,803 |

(f) At March 31, 2011, the Fund owned one limited partnership investment that was purchased through a private offering and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. The investment is valued at fair value as determined in accordance with procedures approved by the Board of Directors of the Fund. The acquisition dates of investment in the limited partnership, along with the cost and value at March 31, 2011, were as follows:

| Security | Acquisition Dates | Cost | Value |
|-----------------|------------------------------|-------------|--------------|
|-----------------|------------------------------|-------------|--------------|

Edgar Filing: TRI-CONTINENTAL CORP - Form N-Q

WCAS Capital Partners II LP 12/11/90 thru 03/24/98 \$ 4,292,803 \$ 1,913,162

(g) Represents fair value as determined in good faith under procedures approved by the Board of Directors. At March 31, 2011, the value of these securities amounted to \$1,913,162, which represents 0.17% of net assets.

(h) Investments in affiliates during the period ended March 31, 2011:

| Issuer | Beginning Cost | Purchase Cost | Sales Cost/ Proceeds from Realized | | Ending Cost | Dividends or Interest Income | Value |
|-------------------------------|----------------|---------------|---------------------------------------|-----------|--------------|---------------------------------------|--------------|
| | | | Sales | Gain/Loss | | | |
| Columbia Short-Term Cash Fund | \$ 3,118,708 | \$ 10,556,335 | \$ (10,994,485) | \$ | \$ 2,680,558 | \$ 6,050 | \$ 2,680,558 |

(i) The rate shown is the seven-day current annualized yield at March 31, 2011.

(j) The table below represents securities received as collateral for repurchase agreements. This collateral, which is generally high quality short-term obligations, is deposited with the Fund's custodian and, pursuant to the terms of the repurchase agreement, must have an aggregate market value greater than or equal to the repurchase price plus accrued interest at all times. The value of securities and/or cash held as collateral for repurchase agreements is monitored on a daily basis to ensure the existence of the proper level of collateral.

Barclays Capital, Inc. (0.270%)

| Security Description | Value |
|---|--------------|
| Abbey National NA | \$ 331,297 |
| Arabella Ltd | 470,994 |
| BP Capital Markets PLC | 170,734 |
| BPCE | 666,641 |
| Dexia Delaware LLC | 762,938 |
| Electricite De France | 599,720 |
| European Investment Bank | 475,799 |
| Nationwide Building | 326,024 |
| Skandin Ens Banken AG | 579,663 |
| Societe Generale | 866,190 |
| Total Market Value of Collateral Securities | \$ 5,250,000 |

Cantor Fitzgerald & Co. (0.230%)

| Security Description | Value |
|----------------------------|-----------|
| Breeds Hill Capital Ltd | \$ 2,778 |
| Fannie Mae Interest Strip | 1,080,954 |
| Fannie Mae Pool | 9,520,712 |
| Fannie Mae Principal Strip | 101,881 |
| Fannie Mae REMICS | 317,028 |
| Federal Farm Credit Bank | 181,845 |

Edgar Filing: TRI-CONTINENTAL CORP - Form N-Q

| | |
|--|--------------|
| Federal Home Loan Banks | 269,812 |
| Federal Home Loan Mortgage Corp | 158,069 |
| Federal National Mortgage Association | 123,639 |
| FHLMC Structured Pass Through Securities | 55,363 |
| Freddie Mac Coupon Strips | 1,198 |
| Freddie Mac Gold Pool | 1,349,259 |
| Freddie Mac Non Gold Pool | 4,088,133 |
| Freddie Mac REMICS | 404,989 |
| Freddie Mac Strips | 105,315 |
| Ginnie Mae I Pool | 286,128 |
| Ginnie Mae II Pool | 870,363 |
| Government National Mortgage Association | 337,982 |
| LMA SA & LMA Americas | 957 |
| Metlife Short Term Funding | 1,314 |
| Sanofi-Aventis | 4,085 |
| Silver Tower US Fund | 912 |
| Suncorp-Metway Ltd | 2,804 |
| United States Treasury Inflation Indexed Bonds | 60,090 |
| United States Treasury Strip Coupon | 979,121 |
| United States Treasury Strip Principal | 95,271 |
| | |
| Total Market Value of Collateral Securities | \$20,400,002 |

Goldman Sachs & Co. (0.160%)

| Security Description | Value |
|---|--------------|
| Government National Mortgage Association | \$ 3,057,737 |
| Total Market Value of Collateral Securities | \$ 3,057,737 |

MF Global Holdings Ltd. (0.290%)

| Security Description | Value |
|---|--------------|
| Fannie Mae REMICS | \$ 109,833 |
| Freddie Mac Gold Pool | 3,194,796 |
| Freddie Mac REMICS | 70,742 |
| Ginnie Mae I Pool | 318,423 |
| Ginnie Mae II Pool | 1,316,470 |
| Government National Mortgage Association | 89,763 |
| Total Market Value of Collateral Securities | \$ 5,100,027 |

Mizuho Securities USA, Inc. (0.280%)

| Security Description | Value |
|-----------------------------|--------------|
|-----------------------------|--------------|

| | |
|--|---------------------|
| Fannie Mae Grantor Trust | \$ 46,111 |
| Fannie Mae Pool | 2,588,750 |
| Fannie Mae Principal Strip | 44,321 |
| Fannie Mae Whole Loan | 42,136 |
| Federal Farm Credit Bank | 530,995 |
| Federal Farm Credit Discount Notes | 64,458 |
| Federal Home Loan Bank Discount Notes | 238,394 |
| Federal Home Loan Banks | 366,061 |
| Federal Home Loan Mortgage Corp | 26,254 |
| Federal National Mortgage Association | 303,199 |
| FHLMC Structured Pass Through Securities | 36,482 |
| Freddie Mac Gold Pool | 242,535 |
| Freddie Mac Non Gold Pool | 568,546 |
| Government National Mortgage Association | 1,758 |
| Total Market Value of Collateral Securities | \$ 5,100,000 |

Nomura Securities (0.240%)

| Security Description | Value |
|--|---------------------|
| Fannie Mae Pool | \$ 3,714,073 |
| Freddie Mac Gold Pool | 1,385,927 |
| Total Market Value of Collateral Securities | \$ 5,100,000 |

^(k) At March 31, 2011, the cost of securities for federal income tax purposes was approximately \$1,051,411,000 and the approximate aggregate gross unrealized appreciation and depreciation based on that cost was:

| | |
|------------------------------------|-----------------------|
| Unrealized Appreciation | \$ 199,564,000 |
| Unrealized Depreciation | (16,451,000) |
| Net Unrealized Appreciation | \$ 183,113,000 |

^(l) Securities are valued using policies described in the notes to financial statements in the most recent shareholder report.

Fair Value Measurements

Generally accepted accounting principles (GAAP) require disclosure regarding the inputs and valuation techniques used to measure fair value and any changes in valuation inputs or techniques. In addition, investments shall be disclosed by major category.

The Fund categorizes its fair value measurements according to a three-level hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by prioritizing that the most observable input be used when available. Observable inputs are those that market participants would use in pricing an investment based on market data obtained from sources independent of the reporting entity. Unobservable inputs are those that reflect the Fund's assumptions about the information market participants would use in pricing an investment. An investment's level within the fair value hierarchy is based on the lowest level of any input that is deemed significant to the asset or liability's fair value measurement. The input levels are not necessarily an indication of the risk or liquidity associated with investments at that level. For example, certain U.S. government securities are generally high quality and liquid, however, they are reflected as Level 2 because the inputs used to determine fair value may not always be quoted prices in an active market.

Fair value inputs are summarized in the three broad levels listed below:

Level 1 Valuations based on quoted prices for investments in active markets that the Fund has the ability to access at the measurement date (including NAV for open-end mutual funds). Valuation adjustments are not applied to Level 1 investments.

Level 2 Valuations based on other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risks, etc.).

Level 3 Valuations based on significant unobservable inputs (including the Fund's own assumptions and judgment in determining the fair value of investments).

Inputs that are used in determining fair value of an investment may include price information, credit data, volatility statistics, and other factors. These inputs can be either observable or unobservable. The availability of observable inputs can vary between investments, and is affected by various factors such as the type of investment, and the volume and level of activity for that investment or similar investments in the marketplace. The inputs will be considered by the Fund Administrator, along with any other relevant factors in the calculation of an investment's fair value. The Fund uses prices and inputs that are current as of the measurement date, which may include periods of market dislocations. During these periods, the availability of prices and inputs may be reduced for many investments. This condition could cause an investment to be reclassified between the various levels within the hierarchy.

Investments falling into the Level 3 category are primarily supported by quoted prices from brokers and dealers participating in the market for those investments. However, these may be classified as Level 3 investments due to lack of market transparency and corroboration to support these quoted prices. Additionally, valuation models may be used as the pricing source for any remaining investments classified as Level 3. These models rely on one or more significant unobservable inputs and/or significant assumptions by the Fund Administrator. Inputs used in valuations may include, but are not limited to, financial statement analysis, capital account balances, discount rates and estimated cash flows, and comparable company data.

The following table is a summary of the inputs used to value the Fund's investments as of March 31, 2011:

| Description ^(a) | Fair value at March 31, 2011 | | | Total |
|----------------------------|--|---|--|-------|
| | Level 1 quoted prices in active markets for identical assets ^(b) | Level 2 other significant observable inputs | Level 3 significant unobservable inputs | |
| | | | | |

| | | | | |
|---|------------------|---------------|--------------|------------------|
| Equity Securities | | | | |
| Common Stocks | | | | |
| Consumer Discretionary | \$ 118,072,475 | \$ | \$ | \$ 118,072,475 |
| Consumer Staples | 114,457,893 | | | 114,457,893 |
| Energy | 149,352,835 | | | 149,352,835 |
| Financials | 178,826,361 | | | 178,826,361 |
| Health Care | 128,966,388 | | | 128,966,388 |
| Industrials | 131,407,756 | | | 131,407,756 |
| Information Technology | 209,534,579 | | | 209,534,579 |
| Materials | 44,977,302 | | | 44,977,302 |
| Telecommunication Services | 37,146,343 | | | 37,146,343 |
| Utilities | 34,703,284 | | | 34,703,284 |
| Total Equity Securities | 1,147,445,216 | | | 1,147,445,216 |
| Other | | | | |
| Limited Partnerships | | | | |
| Financials | | | 1,913,162 | 1,913,162 |
| Affiliated Money Market Fund ^(c) | 2,680,558 | | | 2,680,558 |
| Investments of Cash Collateral Received for Securities on Loan | | 82,485,172 | | 82,485,172 |
| Total Other | 2,680,558 | 82,485,172 | 1,913,162 | 87,078,892 |
| Investments in Securities | 1,150,125,774 | 82,485,172 | 1,913,162 | 1,234,524,108 |
| Derivatives ^(d) | | | | |
| Assets | | | | |
| Futures Contracts | 49,727 | | | 49,727 |
| Total | \$ 1,150,175,501 | \$ 82,485,172 | \$ 1,913,162 | \$ 1,234,573,835 |

(a) See the Portfolio of Investments for all investment classifications not indicated in the table.

(b) There were no significant transfers between Levels 1 and 2 during the period.

(c) Money market fund that is a sweep investment for cash balances in the Fund at March 31, 2011.

(d) Derivative instruments are valued at unrealized appreciation (depreciation).

The following table is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value.

| | |
|---|----------------------|
| | Limited Partnerships |
| Balance as of December 31, 2010 | \$ 2,019,088 |
| Accrued discounts/premiums | |
| Realized gain (loss) | |
| Change in unrealized appreciation (depreciation)* | (105,926) |
| Sales | |
| Purchases | |

Transfers into Level 3

Transfers out of Level 3

Balance as of March 31, 2011

\$ 1,913,162

* Change in unrealized appreciation (depreciation) relating to securities held at March 31, 2011 was \$(105,926).
Transfers in and/or out of Level 3 are determined based on the fair value at the beginning of the period for security positions held throughout the period.

Item 2. Control and Procedures.

(a) The registrant's principal executive officer and principal financial officer, based on their evaluation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing of this report, have concluded that such controls and procedures are adequately designed to ensure that material information required to be disclosed by the registrant in Form N-Q is accumulated and communicated to the registrant's management, including the principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) There was no change in the registrant's internal control over financial reporting 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.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) attached hereto as Exhibit 99.CERT.

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) Tri-Continental Corporation

By /s/ J. Kevin Connaughton

J. Kevin Connaughton
President and Principal Executive
Officer

Date May 20, 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 /s/ J. Kevin Connaughton

J. Kevin Connaughton
President and Principal Executive
Officer

Date May 20, 2011

By /s/ Michael G. Clarke

Michael G. Clarke
Treasurer and Principal Financial
Officer

Date May 20, 2011