

TRI-CONTINENTAL CORP
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 811-0266

Tri-Continental Corporation
(Exact name of Registrant as specified in charter)

100 Park Avenue
New York, New York 10017
(Address of principal executive offices) (Zip code)

Lawrence P. Vogel
100 Park Avenue
New York, New York 10017
(Name and address of agent for service)

Registrant's telephone number, including area code: (212) 850-1864

Date of fiscal year end: 12/31

Date of reporting period: 3/31/05

ITEM 1. SCHEDULE OF INVESTMENTS.

Tri-Continental Corporation

Schedule of Investments (unaudited)

March 31, 2005

| | Shares | Value |
|---|--------------|-------------------|
| COMMON STOCKS | | |
| AND WARRANTS 97.6% | | |
| AEROSPACE AND | | |
| DEFENSE 1.7% | | |
| General Dynamics Corporation | 135,700 shs. | \$ 14,526,685 |
| Honeywell International Inc. | 688,900 | 25,633,969 |
| | | <u>40,160,654</u> |
| AIR FREIGHT | | |
| AND LOGISTICS 0.5% | | |
| FedEx Corp. | 115,810 | 10,880,349 |
| BEVERAGES 2.6% | | |
| Coca-Cola Company (The) | 793,300 | 33,056,811 |
| PepsiCo, Inc. | 553,900 | 29,373,317 |
| | | <u>62,430,128</u> |
| BIOTECHNOLOGY 1.8% | | |
| Amgen Inc.* | 289,100 | 16,816,947 |
| Gilead Sciences, Inc.* | 185,800 | 6,650,711 |
| Pharmion Corporation* | 681,300 | 19,747,481 |
| | | <u>43,215,139</u> |
| BUILDING PRODUCTS 0.5% | | |
| Masco Corporation | 333,400 | 11,558,978 |
| CAPITAL MARKETS 2.5% | | |
| Bank of New York Company, Inc. (The) | 370,000 | 10,748,500 |
| Goldman Sachs Group, Inc. (The) | 166,400 | 18,302,336 |
| Merrill Lynch & Co. Inc. | 313,400 | 17,738,440 |
| Morgan Stanley | 247,370 | 14,161,932 |
| | | <u>60,951,208</u> |
| CHEMICALS 1.8% | | |

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| | | |
|--|----------------|-------------|
| Dow Chemical Co. (The) | 446,100 | 22,238,085 |
| Praxair, Inc. | 439,200 | 21,020,112 |
| | | <hr/> |
| | | 43,258,197 |
| | | <hr/> |
| COMMERCIAL BANKS 3.4% | | |
| Bank of America Corporation | 630,440 | 27,802,404 |
| Fifth Third Bancorp | 259,600 | 11,158,906 |
| Wachovia Corporation | 593,563 | 30,218,292 |
| Wells Fargo & Company | 209,800 | 12,546,040 |
| | | <hr/> |
| | | 81,725,642 |
| | | <hr/> |
| COMMERCIAL SERVICES AND SUPPLIES 2.3% | | |
| Cendant Corporation | 728,800 | 14,969,552 |
| ServiceMaster Company (The) | 1,379,000 | 18,616,500 |
| Waste Management Inc. | 733,000 | 21,147,050 |
| | | <hr/> |
| | | 54,733,102 |
| | | <hr/> |
| COMMUNICATIONS EQUIPMENT 4.9% | | |
| Cisco Systems, Inc.* | 2,256,880 | 40,432,005 |
| Lucent Technologies, Inc.* | 5,238,700 | 14,406,425 |
| Lucent Technologies, Inc.* | 36,077 wts | 24,352 |
| Nokia Corp. (ADR) | 1,910,100 shs. | 29,472,843 |
| Nortel Networks Corporation * | 5,613,300 | 15,324,309 |
| QUALCOMM Inc. | 512,100 | 18,760,784 |
| | | <hr/> |
| | | 118,420,718 |
| | | <hr/> |
| COMPUTERS AND PERIPHERALS 3.3% | | |
| Dell Inc.* | 241,860 | 9,293,471 |
| EMC Corporation* | 1,756,400 | 21,638,848 |
| Hewlett-Packard Company | 710,130 | 15,580,252 |
| International Business Machines Corporation | 367,120 | 33,547,426 |
| | | <hr/> |
| | | 80,059,997 |
| | | <hr/> |
| CONSUMER FINANCE 1.0% | | |
| American Express Company | 453,830 | 23,313,247 |
| | | <hr/> |
| CONTAINERS AND PACKAGING 0.7% | | |
| Smurfit-Stone Container Company* | 1,008,900 | 15,602,638 |
| | | <hr/> |

DIVERSIFIED FINANCIAL

SERVICES 4.2%

| | | |
|-------------------------|-----------|-------------|
| CIT Group Inc. | 296,200 | 11,255,600 |
| Citigroup Inc. | 1,580,830 | 71,042,500 |
| J.P. Morgan Chase & Co. | 524,100 | 18,133,860 |
| | | <hr/> |
| | | 100,431,960 |
| | | <hr/> |

DIVERSIFIED

TELECOMMUNICATION

SERVICES 2.5%

| | | |
|------------------------------------|-----------|------------|
| Citizens Communications Company | 1,190,000 | 15,398,600 |
| SBC Communications Inc. | 371,500 | 8,800,835 |
| Sprint (FON Group) | 798,500 | 18,165,875 |
| Verizon Communications Inc. | 487,300 | 17,299,150 |
| | | <hr/> |
| | | 59,664,460 |
| | | <hr/> |

Tri-Continental Corporation

| | March 31, 2005 | |
|--|-------------------|---------------|
| Schedule of Investments (unaudited) | Shares | Value |
| ELECTRIC UTILITIES 0.6% | | |
| PPL Corporation | 248,500 | \$ 13,416,515 |
| ELECTRONIC EQUIPMENT AND INSTRUMENTS 0.6% | | |
| Jabil Circuit, Inc.* | 530,040 | 15,116,741 |
| ENERGY EQUIPMENT AND SERVICES 0.4% | | |
| Noble Corporation* | 186,300 (1) | 10,471,923 |
| FOOD AND STAPLES RETAILING 3.3% | | |
| Kroger Company (The)* | 1,057,500 | 16,951,725 |
| Sysco Corporation | 305,000 | 10,919,000 |
| Wal-Mart Stores, Inc. | 1,023,820 | 51,303,620 |
| | | 79,174,345 |
| FOOD PRODUCTS 0.8% | | |
| Dean Foods Company* | 565,100 | 19,382,930 |
| HEALTH CARE EQUIPMENT AND SUPPLIES 1.2% | | |
| Boston Scientific Corporation* | 401,400 | 11,757,006 |
| Medtronic, Inc. | 322,400 | 16,426,280 |
| | | 28,183,286 |
| HEALTH CARE PROVIDERS AND SERVICES 0.6% | | |
| WellPoint Inc.* | 107,600 | 13,487,660 |
| HOTELS, RESTAURANTS AND LEISURE 1.1% | | |
| Applebee's International, Inc. | 484,900 | 13,351,722 |
| Marriott International, Inc. Class [A] | 211,400 | 14,134,204 |
| | | 27,485,926 |
| HOUSEHOLD PRODUCTS 1.7% | | |

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| | | |
|---|-----------|-------------|
| Colgate-Palmolive Company | 385,200 | 20,095,884 |
| Procter & Gamble Company (The) | 374,612 | 19,854,436 |
| | | <hr/> |
| | | 39,950,320 |
| | | <hr/> |
| INDEX DERIVATIVES 0.8% | | |
| iShares DJ Select Dividend Index Fund | 306,400 | 18,331,912 |
| | | <hr/> |
| INDUSTRIAL | | |
| CONGLOMERATES 5.7% | | |
| General Electric Company | 2,598,850 | 93,714,531 |
| Tyco International Ltd. | 1,281,040 | 43,299,152 |
| | | <hr/> |
| | | 137,013,683 |
| | | <hr/> |
| INSURANCE 3.7% | | |
| American International Group, Inc. | 704,700 | 39,047,427 |
| Hartford Financial Services Group, Inc. | 156,300 | 10,715,928 |
| PartnerRe Ltd. | 156,500 | 10,109,900 |
| Prudential Financial, Inc. | 508,500 | 29,187,900 |
| | | <hr/> |
| | | 89,061,155 |
| | | <hr/> |
| INTERNET AND | | |
| CATALOG RETAIL 0.6% | | |
| eBay Inc.* | 377,320 | 14,057,057 |
| | | <hr/> |
| INTERNET SOFTWARE | | |
| AND SERVICES 1.1% | | |
| Ask Jeeves, Inc.* | 454,900 | 12,764,494 |
| Yahoo!, Inc.* | 382,500 | 12,987,788 |
| | | <hr/> |
| | | 25,752,282 |
| | | <hr/> |
| MACHINERY 1.7% | | |
| Deere & Company | 192,100 | 12,895,673 |
| Illinois Tool Works Inc. | 318,980 | 28,558,279 |
| | | <hr/> |
| | | 41,453,952 |
| | | <hr/> |
| MEDIA 5.4% | | |
| Clear Channel Communications, Inc. | 788,900 | 27,193,383 |
| Comcast Corporation Class <input type="checkbox"/> A <input type="checkbox"/> * | 571,600 | 19,274,352 |
| News Corp. (Class A) | 740,300 | 12,525,876 |
| Time Warner Inc.* | 2,151,000 | 37,750,050 |

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| | | |
|---|---------|-------------|
| Tribune Company | 347,700 | 13,862,799 |
| Univision Communications Inc. Class [A]* | 674,500 | 18,676,905 |
| | | <hr/> |
| | | 129,283,365 |
| | | <hr/> |
| METALS AND MINING 1.8% | | |
| Alcoa Inc. | 944,900 | 28,715,511 |
| Freeport-McMoRan Copper & Gold, Inc. Class [B] | 381,600 | 15,115,176 |
| | | <hr/> |
| | | 43,830,687 |
| | | <hr/> |
| MULTI-LINE RETAIL 0.7% | | |
| May Department Stores Company | 484,800 | 17,947,296 |
| | | <hr/> |
| MULTI-UTILITIES AND UNREGULATED POWER 0.5% | | |
| Duke Energy Corporation | 450,200 | 12,610,102 |
| | | <hr/> |

Tri-Continental Corporation

| | March 31, 2005 |
|--|--|
| Schedule of Investments (unaudited) | |
| | Value |
| | Shares, Shares Subject to Put or Partnership Interest |
| | <u>Value</u> |
| OIL AND GAS 4.2% | |
| BP p.l.c. (ADR) | 219,800 shs. \$ 13,715,520 |
| Chevron Texaco Corporation | 166,300(1) 9,696,953 |
| Exxon Mobil Corporation | 1,307,925(2) 77,952,330 |
| | <u>101,364,803</u> |
| PAPER AND FOREST PRODUCTS 0.5% | |
| Weyerhaeuser Company | 189,020 12,947,870 |
| | <u>12,947,870</u> |
| PERSONAL PRODUCTS 0.4% | |
| Gillette Company | 206,200 10,408,976 |
| | <u>10,408,976</u> |
| PHARMACEUTICALS 9.3% | |
| Andrx Corp.* | 1,082,700 24,555,636 |
| Forest Laboratories, Inc.* | 488,200 18,038,990 |
| Johnson & Johnson | 541,263 36,351,223 |
| Lilly Eli & Company | 369,200 19,235,320 |
| Merck & Co. Inc. | 498,400 16,133,208 |
| Novartis (ADR) | 506,300 23,684,714 |
| Pfizer Inc. | 2,358,738 61,964,047 |
| Wyeth | 532,300 22,452,414 |
| | <u>222,415,552</u> |
| SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 2.9% | |
| Applied Materials, Inc. | 743,300 12,082,341 |
| Broadcom Corporation | |
| Class [A]* | 398,500 11,953,008 |
| Intel Corporation | 1,987,490 46,169,393 |
| | <u>70,204,742</u> |
| SOFTWARE 6.2% | |
| Check Point Software Technologies Ltd.* | 499,700 10,855,982 |

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| | | |
|---|-------------|---------------|
| Computer Associates International, Inc. | 808,500 | 21,910,350 |
| Microsoft Corp. | 2,933,056 | 70,877,298 |
| Novell, Inc.* | 3,023,500 | 18,004,943 |
| Oracle Corporation* | 561,100 | 6,999,722 |
| Symantec Corporation* | 935,800 | 19,988,688 |
| | | <hr/> |
| | | 148,636,983 |
| | | <hr/> |
| SPECIALTY RETAIL 1.8% | | |
| Advance Auto Parts, Inc.* | 247,700 | 12,496,465 |
| The Gap, Inc. | 702,100 | 15,333,864 |
| Michaels Stores, Inc. | 419,100 | 15,213,330 |
| | | <hr/> |
| | | 43,043,659 |
| | | <hr/> |
| THRIFTS AND MORTGAGE FINANCE 2.1% | | |
| Fannie Mae | 408,200 | 22,226,490 |
| Freddie Mac | 223,700 | 14,137,840 |
| Radian Group Inc. | 285,800 | 13,644,092 |
| | | <hr/> |
| | | 50,008,422 |
| | | <hr/> |
| TOBACCO 2.4% | | |
| Altria Group, Inc. | 883,180 | 57,751,140 |
| | | <hr/> |
| WIRELESS TELECOMMUNICATION SERVICES 1.8% | | |
| American Tower Corporation Class [A]* | 689,600 | 12,571,408 |
| Crown Castle International Corp.* | 1,967,400 | 31,596,444 |
| | | <hr/> |
| | | 44,167,852 |
| | | <hr/> |
| TOTAL COMMON STOCKS AND WARRANTS | | |
| (Cost \$2,210,903,658) | | <hr/> |
| | | 2,343,367,553 |
| | | <hr/> |
| TRI-CONTINENTAL FINANCIAL DIVISION 0.1% | | |
| WCAS Capital Partners II, L.P.[] | \$4,673,677 | 2,168,259 |
| Whitney Subordinated Debt Fund, L.P.[] | 2,207,549 | 920,833 |

TOTAL TRI-CONTINENTAL

FINANCIAL DIVISION

(Cost \$6,881,226)

3,089,092

PUT OPTIONS* 0.1%

ENERGY EQUIPMENT

AND SERVICES 0.0%

Noble Corporation,

expiring June 2005 at \$55

186,300 shs.

526,297

Tri-Continental Corporation

Schedule of Investments (unaudited)

March 31, 2005

| | Shares Subject to Put/Call or Principal Amount | Value |
|--|--|-----------------------------|
| | <u> </u> | <u> </u> |
| OIL AND GAS 0.1% | | |
| ChevronTexaco Corporation, expiring June 2005 at \$55 | 83,200sh\$. | 108,160 |
| ChevronTexaco Corporation, expiring June 2005 at \$60 | 83,100 | 290,850 |
| Exxon Mobil Corporation, expiring July 2005 at \$55 | 327,000 | 359,700 |
| Exxon Mobil Corporation, expiring July 2005 at \$60 | 327,000 | 981,000 |
| | | <u>1,739,710</u> |
| TOTAL PUT OPTIONS (Cost \$1,699,716) | | <u>2,266,007</u> |
| FIXED TIME DEPOSITS 2.0% | | |
| BNP Paribas, Grand Cayman 2.86%, 4/1/2005 (Cost \$48,709,000) | \$48,709,000 | 48,709,000 |
| TOTAL INVESTMENTS (Cost \$2,268,193,600**) 99.8% | | <u>2,397,431,652</u> |
| CALL OPTIONS WRITTEN | | |
| ChevronTexaco Corporation, expiring June 2005 at \$65 (Premium received \$202,879) |) (166,300shs. | (91,465) |
| Exxon Mobil Corporation, expiring July 2005 at \$65 (Premium received \$676,867) | (327,000) | (376,050) |
| Exxon Mobil Corporation, expiring July 2005 at \$70 (Premium received \$238,702) | (327,000) | (147,150) |
| Noble Corporation, expiring June 2005 at \$60 (Premium received \$276,795) | (93,200) | (191,060) |

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Noble Corporation,
 expiring June 2005 at \$65
 (Premium received \$122,888) (93,100) (86,117)

TOTAL CALL OPTIONS

WRITTEN

(Premium received \$1,518,131) (891,842)

OTHER ASSETS LESS

OTHER LIABILITIES 0.2% 4,912,414

NET ASSETS 100.0% \$ 2,401,452,224

* Non-income producing security.

** The cost of investments for federal income tax purposes was \$2,269,787,301. The tax basis gross unrealized appreciation and depreciation of portfolio securities were \$249,311,879 and \$121,667,528, respectively.

□ At March 31, 2005, the Tri-Continental Financial Division comprised two investments in limited partnerships that were purchased through private offerings and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. These investments are valued at fair value as determined in accordance with procedures approved by the Board of Directors. The acquisition dates of investments in the limited partnerships, along with their cost and values at March 31, 2005, were as follows:

| Investment | Acquisition Date(s) | Cost | Value |
|--------------------------------------|---------------------|--------------|--------------|
| WCAS Capital Partners II, L.P. | 12/11/90 to 3/24/98 | \$ 4,673,677 | \$ 2,168,259 |
| Whitney Subordinated Debt Fund, L.P. | 7/12/89 to 11/10/98 | 2,207,549 | 920,833 |
| Total | | \$ 6,881,226 | \$ 3,089,092 |

(1) All shares subject to call.

(2) 654,000 shares subject to call.

ADR - American Depositary Receipt.

Security Valuation - Securities (including options) traded on an exchange are valued at the last sales price on the primary exchange or market on which they are traded. Securities not listed on an exchange or security market, or securities for which there is no last sales price, are valued at the mean of the most recent bid and asked prices or are valued by J. & W. Seligman & Co. Incorporated (the "Manager") based on quotations provided by primary market makers in such securities. Securities for which market quotations are not readily available or are otherwise no longer valid or reliable are valued at fair value determined in accordance with procedures approved by the Board of Directors. This can occur in the event of, among other things, natural disasters, acts of terrorism, market disruptions, intra-day trading halts, and extreme market volatility. Short-term holdings that mature in more than 60 days are valued at current market quotations. Short-term holdings maturing in 60 days or less are valued at amortized cost.

ITEM 2. CONTROLS AND PROCEDURES.

- a. The registrant's principal executive officer and principal financial officer have concluded, based upon their evaluation of the registrant's disclosure controls and procedures as conducted within 90 days of the filing date of this report, that these disclosure controls and procedures provide reasonable assurance that material information required to be disclosed by the registrant in the report it files or submits on Form N-Q is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms and that such material information is accumulated and communicated to the registrant's management, including its principal executive officer and principal financial officer, as appropriate, in order to allow timely decisions regarding required disclosure.
- b. The registrant's principal executive officer and principal financial officer are aware of no changes 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.

- (a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
-

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.

TRI-CONTINENTAL CORPORATION

By: /S/ BRIAN T. ZINO

Brian T. Zino
President and Chief Executive Officer

Date: May 25, 2005

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 in the capacities and on the dates indicated.

By: /S/ BRIAN T. ZINO

Brian T. Zino
President and Chief Executive Officer

Date: May 25, 2005

By: /S/ LAWRENCE P. VOGEL

Lawrence P. Vogel
Vice President, Treasurer and Chief Financial Officer

Date: May 25, 2005

TRI-CONTINENTAL CORPORATION

EXHIBIT INDEX

- (a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
-