

TRI-CONTINENTAL CORP  
Form N-CSR  
March 06, 2014

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

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANIES**  
**Investment Company Act file number 811-00266**

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

**225 Franklin Street, Boston, Massachusetts 02110**  
**(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: (800) 345-6611**

**Date of fiscal year end: December 31**

**Date of reporting period: December 31, 2013**

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR 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 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. Reports to Stockholders.**

# **Annual Report**

December 31, 2013

## **Tri-Continental Corporation**

Tri-Continental Corporation

## Letter to Stockholders

### Dear Stockholders,

We are pleased to present the annual stockholder report for Tri-Continental Corporation (the Fund). The report includes the Fund's investment results, a discussion with the Fund's portfolio managers, a portfolio of investments and financial statements as of December 31, 2013.

The Fund's Common Stock gained 27.76%, based on net asset value, and 29.58%, based on market price, for the 12 months ended December 31, 2013. The Fund's benchmark, the S&P 500 Index, returned 32.39% during the same 12-month period.

During 2013, the Fund paid four distributions, in accordance with its earned distribution policy, that aggregated \$0.676 per share of Common Stock of the Fund. Distributions are based upon amounts distributed by underlying portfolio companies owned by the Fund.

On November 20, 2013, William P. Carmichael was unanimously elected to the Fund's Board of Directors. Mr. Carmichael commenced his service with the Board, in the role of Chairman, effective January 1, 2014. Stephen R. Lewis, Jr., the Fund's former Chairman, retired from his service as Chairman upon Mr. Carmichael's election. Mr. Lewis will continue to serve as a member of the Board, subject to his re-election by stockholders at the Fund's next annual meeting. Per the Fund's retirement policy, it is expected that Mr. Lewis will retire from the Board effective at the end of 2014. Mr. Carmichael has, since 2003, served on the board of trustees of certain other funds in the Columbia Family of Funds, of which the Fund is a part. Mr. Carmichael has agreed to stand for election by stockholders at the Fund's next annual meeting.

The Fund will hold its 84<sup>th</sup> Annual Meeting of Stockholders on April 11, 2014 in Minneapolis, MN.

Information about the Fund, including daily pricing, current performance, Fund holdings, stockholder reports, the most current prospectus for the Fund, distributions and other information can be found at [columbiamanagement.com](http://columbiamanagement.com) under the Closed-End Funds tab.

We would like to thank you for your support of Tri-Continental Corporation.

Regards,

J. Kevin Connaughton

President

Annual Report 2013

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The views expressed in this report reflect the current views of the respective parties. These views are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict, so actual outcomes and results may differ significantly from the views expressed. These views are subject to change at any time based upon economic, market or other conditions and the respective parties disclaim any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Columbia Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any particular Columbia Fund. References to specific securities should not be construed as a recommendation or investment advice.

Tri-Continental Corporation

## Performance Overview

### Performance Summary

- > Tri-Continental Corporation (the Fund) Common Stock gained 27.76%, based on net asset value, and 29.58%, based on market price, for the 12 months ended December 31, 2013.
- > The Fund's benchmark, the S&P 500 Index, returned 32.39% for the same 12-month period.
- > Security selection helped the Fund's quantitative strategy generate higher returns than its benchmark. However, the Fund's flexible capital and income strategy was a drag on performance as the equity market soared.

#### Average Annual Total Returns (%) (for period ended December 31, 2013)

|                 | Inception | 1 Year | 5 Years | 10 Years |
|-----------------|-----------|--------|---------|----------|
| Market Price    | 01/05/29  | 29.58  | 18.31   | 6.31     |
| Net Asset Value | 01/05/29  | 27.76  | 18.55   | 5.99     |
| S&P 500 Index   |           | 32.39  | 17.94   | 7.41     |

The performance information shown represents past performance and is not a guarantee of future results. The investment return and principal value of your investment will fluctuate so that your shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information shown. You may obtain performance information current to the most recent month-end by visiting [columbiamanagement.com](http://columbiamanagement.com).

Returns reflect changes in market price or net asset value, as applicable, and assume reinvestment of distributions. Returns do not reflect the deduction of taxes that investors may pay on distributions or the sale of shares.

The S&P 500 Index, an unmanaged index, measures the performance of 500 widely held, large-capitalization U.S. stocks and is frequently used as a general measure of market performance.

Indices are not available for investment, are not professionally managed and do not reflect sales charges, fees, brokerage commissions, taxes or other expenses of investing. Securities in the Fund may not match those in an index.

#### Price Per Share

|                      | December 31, 2013 | September 30, 2013 | June 30, 2013 | March 31, 2013 |
|----------------------|-------------------|--------------------|---------------|----------------|
| Market Price (\$)    | 19.98             | 18.32              | 17.92         | 17.55          |
| Net Asset Value (\$) | 23.11             | 21.43              | 20.54         | 20.20          |

#### Distributions Paid Per Common Share<sup>(a)</sup>

| Payable Date       | Per Share Amount (\$) |
|--------------------|-----------------------|
| March 26, 2013     | 0.1900                |
| June 25, 2013      | 0.1615                |
| September 24, 2013 | 0.1620                |
| December 24, 2013  | 0.1625                |

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(a) Preferred Stockholders were paid dividends totaling \$2.50 per share.

The net asset value of the Fund's shares may not always correspond to the market price of such shares. Common stock of many closed-end funds frequently trade at a discount from their net asset value. The Fund is subject to stock market risk, which is the risk that stock prices overall will decline over short or long periods, adversely affecting the value of an investment in the Fund.



## Manager Discussion of Fund Performance

For the 12-month period that ended December 31, 2013, Tri-Continental Corporation (the Fund) Common Stock returned 27.76%, based on net asset value, and 29.58%, based on market price. The Fund underperformed its benchmark, the S&P 500 Index, which returned 32.39% for the same time period.

The Fund is managed in two distinct segments. The quantitative segment uses quantitative models to select stocks. The flexible capital and income segment uses a flexible capital and income strategy to invest across a company's investable capital structure, including stocks, bonds and convertible securities. Each segment accounted for approximately 50% of the Fund's assets. Both segments delivered solid gains for the 12-month period. Security selection helped the Fund's quantitative portfolio generate higher returns than its benchmark. However, the Fund's flexible capital and income segment detracted from relative performance as its exposure to fixed income markets were a drag on results in a soaring equity market.

### Growth Picked Up, Equity Markets Responded

After a year of strong equity performance in 2012, 2013 was an even better year as investors shrugged off a host of policy, spending and geopolitical concerns to bid prices on stocks and other risky assets higher. Improving economic news also supported the equity markets' strongest showing since the late 1990s. Among income-oriented market sectors, convertible securities were strong performers and high-yield bonds delivered solid single-digit gains. However, most investment grade fixed-income sectors delivered modestly negative returns for the year.

### Significant Performance Factors

2013 was a good year for risk. Low or non-dividend paying stocks outperformed higher dividend payers by a wide margin. Higher beta stocks, as measured by their volatility relative to the broad market, outperformed lower beta names. Small-cap stocks outperformed large-cap stocks. And stocks with the greatest earnings variability outperformed those with low variability or stable earnings. Market characteristics that are broadly considered "risk-on" performed better than those that are considered "risk-off."

The market characteristics that dominated in 2013 had mixed results for the Fund. The quantitative model that drives security selection within the quantitative portfolio focuses on three factors: valuation, catalyst and quality. In terms of valuation, stocks that are judged to be inexpensive relative to their peers outperformed. The 20% of S&P 500 Index stocks with the highest scores on valuation measures outperformed the 20% of stocks with the lowest scores by more than 8 percentage points. The catalyst factor produced mixed results in 2013. Second quintile stocks (those that rank between the 21<sup>st</sup> and 40<sup>th</sup> percentile of our catalyst measure within the S&P 500 Index) performed well, but all other rankings performed negatively. Finally, given the market's preference for stocks with riskier characteristics, the highest quality companies, which the Fund seeks to identify, underperformed lower quality companies by more than 10 percentage points during the period.

### Individual Contributors and Detractors

Security selection drove Fund performance within the Fund's quantitative segment. Within financials, Prudential Financial benefited as interest rates started to rise mid-way through the year. Strong equity markets have been supportive of Prudential's annuity and asset management businesses. MasterCard benefited from a strengthening economy and higher consumer spending. Security selection within

#### Portfolio Management

Brian Condon, CFA

David King, CFA

Oliver Buckley

Yan Jin

**Top Ten Holdings (%)**  
**(at December 31, 2013)**

|  |     |
|--|-----|
| Apple, Inc.  | 2.6 |
| JPMorgan Chase & Co.   | 1.9 |
| Verizon Communications, Inc.   | 1.9 |
| Chevron Corp.  | 1.6 |
| Cisco Systems, Inc.  | 1.6 |
| ConocoPhillips   | 1.6 |
| Microsoft Corp.  | 1.5 |
| Pfizer, Inc.   | 1.4 |
| Raytheon Co.   | 1.4 |
| MasterCard, Inc., Class A  | 1.3 |
| Percentages indicated are based upon total investments (excluding Money Market Funds). |     |

For further detail about these holdings, please refer to the section entitled [Portfolio of Investments](#).

Fund holdings are as of the date given, are subject to change at any time, and are not recommendations to buy or sell any security.

**Investment Risks**

The net asset value of the Fund's shares may not always correspond to their market price. Shares of closed-end funds frequently trade at a discount from their net asset value. The Fund's performance will reflect, in part, the investment decisions of its portfolio managers. Securities selected using the Fund's quantitative methods may perform differently from the market as a whole and there can be no assurance the Fund's quantitative methodology will enable it to achieve its objective. The Fund's share price may be adversely affected if the market value of its portfolio securities falls, fails to rise, or fluctuates due to factors affecting a single issuer, sector of the economy, industry or the market as a whole. The Fund's investment in foreign securities introduces risks not associated with investments in U.S. companies, including country risk, currency risk and custody risk which may result from political, regulatory, economic, social, and other conditions or events in a particular country, currency fluctuations and less developed custody and settlement practices. These risks may be more significant in emerging markets countries. The Fund's use of leverage may magnify losses and increase volatility of returns. The Fund's use of derivatives may expose it to greater risks than are associated with investing directly in the investments underlying the derivatives. The Fund's investments in fixed income securities

Tri-Continental Corporation

## Manager Discussion of Fund Performance *(continued)*

expose it to credit risk, interest rate risk, and prepayment and extension risk. These risks may be more pronounced for longer-term securities and high-yield securities (junk bonds). The Fund may invest in convertible securities, including convertible common and preferred stocks and convertible bonds. Convertible securities are subject to both the risks of their security type prior to conversion as well as their security type after conversion. The Fund may be forced to convert a convertible security at an inopportune time, which may decrease the Fund's return.

### Portfolio Breakdown (%) (at December 31, 2013)

|                                     |              |
|-------------------------------------|--------------|
| <b>Common Stocks</b>                | <b>68.6</b>  |
| Consumer Discretionary              | 6.1          |
| Consumer Staples                    | 6.1          |
| Energy                              | 7.4          |
| Financials                          | 12.6         |
| Health Care                         | 8.8          |
| Industrials                         | 7.4          |
| Information Technology              | 11.5         |
| Materials                           | 3.3          |
| Telecommunication Services          | 2.9          |
| Utilities                           | 2.5          |
| <b>Convertible Bonds</b>            | <b>11.4</b>  |
| <b>Convertible Preferred Stocks</b> | <b>7.3</b>   |
| Consumer Staples                    | 0.9          |
| Energy                              | 0.8          |
| Financials                          | 2.7          |
| Health Care                         | 0.2          |
| Industrials                         | 0.7          |
| Telecommunication Services          | 0.5          |
| Utilities                           | 1.5          |
| <b>Corporate Bonds &amp; Notes</b>  | <b>12.0</b>  |
| <b>Money Market Funds</b>           | <b>0.4</b>   |
| <b>Preferred Debt</b>               | <b>0.3</b>   |
| <b>Total</b>                        | <b>100.0</b> |

Percentages indicated are based upon total investments. The Fund's portfolio composition is subject to change.

consumer discretionary and within computers and peripherals in the information technology sector detracted from results in the Fund's quantitative segment. The largest individual detractors included VMware, a virtualization infrastructure solutions provider in the technology sector, which moved lower as the company's outlook was below expectations. In the energy sector, Diamond Offshore Drilling, a global offshore oil and gas driller, was hurt by an aging rig fleet, which has affected some of its contracts.

Within the Fund's flexible capital and income segment, Raytheon and Johnson & Johnson were top contributors to performance. Omnicare convertible security also added to results as did Goodrich Petroleum bonds.

The Fund uses S&P 500 Index futures to equitize its cash position. These derivatives had no material impact on Fund performance during the period.

### Portfolio Changes

During the year, the stock selection models in our quantitative segment led us to invest in Boeing, Goldman Sachs Group and Medtronic. We sold positions in Bristol-Myers Squibb, The TJX Companies, and Discovery Communications. The flexible capital and income segment's equity weight was modestly above its target baseline, the bond weight was below baseline and the segment's allocation to convertible securities was

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generally neutral. There were no significant positioning changes during the period to the segment.

Our quantitative strategy is based on individual stock selection. As a result, we do not rely on macroeconomic scenarios or market outlooks to make security selections. We do not try to predict when equities (as an asset class) will perform well or when they will perform poorly. Instead, we seek to keep the Fund substantially invested at all times, with security selection driven by our quantitative models, which we work to improve and enhance over time while we keep portfolio holdings focused on our three themes of valuation, catalyst and quality.

## Portfolio of Investments

December 31, 2013

(Percentages represent value of investments compared to net assets)

### Common Stocks 68.1%

| Issuer   | Shares  | Value (\$)        |
|--|---------|-------------------|
| <b>Consumer Discretionary 6.0%</b>               |         |                   |
| <b>Auto Components 0.2%</b>                      |         |                   |
| Delphi Automotive PLC                            | 43,200  | 2,597,616         |
| <b>Diversified Consumer Services 0.1%</b>        |         |                   |
| H&R Block, Inc.                                  | 54,400  | 1,579,776         |
| <b>Hotels, Restaurants &amp; Leisure 0.3%</b>    |         |                   |
| Starwood Hotels & Resorts Worldwide, Inc.        | 65,700  | 5,219,865         |
| <b>Household Durables 0.4%</b>                   |         |                   |
| Whirlpool Corp.                                  | 36,100  | 5,662,646         |
| <b>Media 2.1%</b>                                |         |                   |
| Comcast Corp., Class A                           | 343,700 | 17,860,370        |
| DIRECTV <sup>(a)</sup>                           | 73,200  | 5,057,388         |
| Viacom, Inc., Class B                            | 84,200  | 7,354,028         |
| Total  |         | 30,271,786        |
| <b>Specialty Retail 2.4%</b>                     |         |                   |
| Best Buy Co., Inc.                               | 243,600 | 9,714,768         |
| GameStop Corp., Class A                          | 52,400  | 2,581,224         |
| Gap, Inc. (The)                                  | 46,200  | 1,805,496         |
| Home Depot, Inc. (The)                           | 209,800 | 17,274,932        |
| Lowe's Companies, Inc.                           | 75,900  | 3,760,845         |
| Total  |         | 35,137,265        |
| <b>Textiles, Apparel &amp; Luxury Goods 0.5%</b> |         |                   |
| Nike, Inc., Class B                              | 50,100  | 3,939,864         |
| VF Corp.   | 66,800  | 4,164,312         |
| Total  |         | 8,104,176         |
| <b>Total Consumer Discretionary</b>              |         | <b>88,573,130</b> |

### Consumer Staples 6.0%

#### Beverages 0.1%

|                             |        |           |
|-----------------------------|--------|-----------|
| Coca-Cola Enterprises, Inc. | 32,600 | 1,438,638 |
|-----------------------------|--------|-----------|

#### Food & Staples Retailing 2.1%

|                    |        |           |
|--------------------|--------|-----------|
| CVS Caremark Corp. | 51,800 | 3,707,326 |
|--------------------|--------|-----------|

|                  |         |            |
|------------------|---------|------------|
| Kroger Co. (The) | 338,800 | 13,392,764 |
|------------------|---------|------------|

|                       |         |            |
|-----------------------|---------|------------|
| Wal-Mart Stores, Inc. | 175,800 | 13,833,702 |
|-----------------------|---------|------------|

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|   |               |                    |
|---|---------------|--------------------|
| Total                                       |               | 30,933,792         |
| <b>Food Products 1.0%</b>                   |               |                    |
| Archer-Daniels-Midland Co.                  | 50,000        | 2,170,000          |
| Tyson Foods, Inc., Class A                  | 358,300       | 11,988,718         |
| Total                                       |               | 14,158,718         |
| <b>Household Products 0.6%</b>              |               |                    |
| Kimberly-Clark Corp.                        | 20,000        | 2,089,200          |
| Procter & Gamble Co. (The)                  | 90,000        | 7,326,900          |
| Total                                       |               | 9,416,100          |
| <b>Common Stocks (continued)</b>            |               |                    |
|   | <b>Issuer</b> | <b>Shares</b>      |
|   |               | <b>Value (\$)</b>  |
| <b>Tobacco 2.2%</b>                         |               |                    |
| Altria Group, Inc.                          | 285,200       | 10,948,828         |
| Lorillard, Inc.                             | 251,300       | 12,735,884         |
| Philip Morris International, Inc.           | 104,300       | 9,087,659          |
| Total                                       |               | 32,772,371         |
| <b>Total Consumer Staples</b>               |               | <b>88,719,619</b>  |
| <b>Energy 7.4%</b>                          |               |                    |
| <b>Energy Equipment &amp; Services 1.1%</b> |               |                    |
| Diamond Offshore Drilling, Inc.             | 28,092        | 1,598,997          |
| Ensco PLC, Class A                          | 120,000       | 6,861,600          |
| National Oilwell Varco, Inc.                | 88,953        | 7,074,432          |
| Total                                       |               | 15,535,029         |
| <b>Oil, Gas &amp; Consumable Fuels 6.3%</b> |               |                    |
| Anadarko Petroleum Corp.                    | 24,200        | 1,919,544          |
| Apache Corp.                                | 27,200        | 2,337,568          |
| BP PLC, ADR                                 | 155,000       | 7,534,550          |
| Chevron Corp. <sup>(b)</sup>                | 191,998       | 23,982,470         |
| ConocoPhillips                              | 322,900       | 22,812,885         |
| Exxon Mobil Corp.                           | 70,500        | 7,134,600          |
| Murphy Oil Corp.                            | 30,700        | 1,991,816          |
| Phillips 66                                 | 146,200       | 11,276,406         |
| Valero Energy Corp.                         | 279,700       | 14,096,880         |
| Total                                       |               | 93,086,719         |
| <b>Total Energy</b>                         |               | <b>108,621,748</b> |
| <b>Financials 12.6%</b>                     |               |                    |
| <b>Capital Markets 2.7%</b>                 |               |                    |
| Ares Capital Corp.                          | 405,000       | 7,196,850          |
| BlackRock, Inc.                             | 52,100        | 16,488,087         |
| Goldman Sachs Group, Inc. (The)             | 66,000        | 11,699,160         |
| State Street Corp.                          | 67,200        | 4,931,808          |
| Total                                       |               | 40,315,905         |
| <b>Commercial Banks 2.7%</b>                |               |                    |
| Bank of Montreal                            | 110,000       | 7,332,600          |

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|                             |         |            |
|-----------------------------|---------|------------|
| Comerica, Inc.              | 62,200  | 2,956,988  |
| Cullen/Frost Bankers, Inc.  | 100,000 | 7,443,000  |
| Fifth Third Bancorp         | 197,100 | 4,145,013  |
| Huntington Bancshares, Inc. | 775,000 | 7,478,750  |
| KeyCorp                     | 215,200 | 2,887,984  |
| U.S. Bancorp                | 183,500 | 7,413,400  |
| Total                       |         | 39,657,735 |

The accompanying Notes to Financial Statements are an integral part of this statement.

Tri-Continental Corporation

**Portfolio of Investments** *(continued)*

December 31, 2013

**Common Stocks** *(continued)*

|   | <b>Issuer</b>                                    | <b>Shares</b> | <b>Value (\$)</b>  |
|---|--|---------------|--------------------|
| <b>Consumer Finance 0.7%</b>                      |  |               |                    |
|   | Discover Financial Services                      | 39,300        | 2,198,835          |
|   | SLM Corp.  | 292,000       | 7,673,760          |
|   | Total  |               | 9,872,595          |
| <b>Diversified Financial Services 2.8%</b>        |  |               |                    |
|   | Berkshire Hathaway, Inc., Class B <sup>(a)</sup> | 29,300        | 3,473,808          |
|   | Citigroup, Inc.                                  | 169,800       | 8,848,278          |
|   | JPMorgan Chase & Co.                             | 482,900       | 28,239,992         |
|   | Total  |               | 40,562,078         |
| <b>Insurance 2.0%</b>                             |  |               |                    |
|   | ACE Ltd.   | 25,500        | 2,640,015          |
|   | Aflac, Inc.                                      | 110,000       | 7,348,000          |
|   | Aon PLC  | 35,800        | 3,003,262          |
|   | Prudential Financial, Inc.                       | 173,800       | 16,027,836         |
|   | Total  |               | 29,019,113         |
| <b>Real Estate Investment Trusts (REITs) 1.7%</b> |  |               |                    |
|   | Colony Financial, Inc.                           | 175,000       | 3,550,750          |
|   | Public Storage                                   | 80,000        | 12,041,600         |
|   | Simon Property Group, Inc.                       | 18,100        | 2,754,096          |
|   | Starwood Property Trust, Inc.                    | 265,000       | 7,340,500          |
|   | Total  |               | 25,686,946         |
|   | <b>Total Financials</b>                          |               | <b>185,114,372</b> |

**Health Care 8.8%****Biotechnology 1.3%**

|  |   |         |            |
|--|---|---------|------------|
|  | Amgen, Inc.                                 | 28,500  | 3,253,560  |
|  | Celgene Corp. <sup>(a)</sup>                | 28,500  | 4,815,360  |
|  | Gilead Sciences, Inc. <sup>(a)</sup>        | 112,800 | 8,476,920  |
|  | Pharmacyclics, Inc. <sup>(a)</sup>          | 5,500   | 581,790    |
|  | Vertex Pharmaceuticals, Inc. <sup>(a)</sup> | 25,900  | 1,924,370  |
|  | Total                                       |         | 19,052,000 |
| <b>Health Care Equipment &amp; Supplies 1.5%</b> |   |         |            |
|  | Becton Dickinson and Co.                    | 50,700  | 5,601,843  |
|  | Medtronic, Inc.                             | 241,700 | 13,871,163 |



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|  |               |               |                    |
|--|---------------|---------------|--------------------|
| St. Jude Medical, Inc.                           |               | 39,600        | 2,453,220          |
| Total  |               |               | 21,926,226         |
| <b>Health Care Providers &amp; Services 1.4%</b> |               |               |                    |
| AmerisourceBergen Corp.                          |               | 178,600       | 12,557,366         |
| WellPoint, Inc.                                  |               | 81,400        | 7,520,546          |
| Total  |               |               | 20,077,912         |
| <b>Pharmaceuticals 4.6%</b>                      |               |               |                    |
| AbbVie, Inc.                                     |               | 232,500       | 12,278,325         |
| Eli Lilly & Co.                                  |               | 231,300       | 11,796,300         |
| <b>Common Stocks (continued)</b>                 |               |               |                    |
|  | <b>Issuer</b> | <b>Shares</b> | <b>Value (\$)</b>  |
| GlaxoSmithKline PLC, ADR                         |               | 137,500       | 7,341,125          |
| Johnson & Johnson                                |               | 94,600        | 8,664,414          |
| Merck & Co., Inc.                                |               | 147,500       | 7,382,375          |
| Pfizer, Inc.                                     |               | 685,309       | 20,991,015         |
| Total  |               |               | 68,453,554         |
| <b>Total Health Care</b>                         |               |               | <b>129,509,692</b> |
| <b>Industrials 7.3%</b>                          |               |               |                    |
| <b>Aerospace &amp; Defense 2.7%</b>              |               |               |                    |
| Boeing Co. (The)                                 |               | 122,100       | 16,665,429         |
| Northrop Grumman Corp.                           |               | 30,700        | 3,518,527          |
| Raytheon Co.                                     |               | 218,300       | 19,799,810         |
| Total  |               |               | 39,983,766         |
| <b>Air Freight &amp; Logistics 0.6%</b>          |               |               |                    |
| United Parcel Service, Inc., Class B             |               | 87,800        | 9,226,024          |
| <b>Airlines 0.4%</b>                             |               |               |                    |
| Southwest Airlines Co.                           |               | 318,400       | 5,998,656          |
| <b>Electrical Equipment 1.7%</b>                 |               |               |                    |
| Emerson Electric Co.                             |               | 205,900       | 14,450,062         |
| Rockwell Automation, Inc.                        |               | 52,500        | 6,203,400          |
| Roper Industries, Inc.                           |               | 26,600        | 3,688,888          |
| Total  |               |               | 24,342,350         |
| <b>Industrial Conglomerates 0.7%</b>             |               |               |                    |
| General Electric Co.                             |               | 390,534       | 10,946,668         |
| <b>Machinery 0.1%</b>                            |               |               |                    |
| Parker Hannifin Corp.                            |               | 10,300        | 1,324,992          |
| <b>Professional Services 0.3%</b>                |               |               |                    |
| Dun & Bradstreet Corp. (The)                     |               | 37,800        | 4,639,950          |
| <b>Road &amp; Rail 0.8%</b>                      |               |               |                    |
| CSX Corp.  |               | 267,500       | 7,695,975          |
| Union Pacific Corp.                              |               | 20,600        | 3,460,800          |
| Total  |               |               | 11,156,775         |
| <b>Total Industrials</b>                         |               |               | <b>107,619,181</b> |

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|  |           |            |
|--|-----------|------------|
| <b>Information Technology 11.4%</b>          |           |            |
| <b>Communications Equipment 1.8%</b>         |           |            |
| Cisco Systems, Inc.                          | 1,059,100 | 23,776,795 |
| QUALCOMM, Inc.                               | 43,500    | 3,229,875  |
| Total  |           | 27,006,670 |
| <b>Computers &amp; Peripherals 2.6%</b>      |           |            |
| Apple, Inc.                                  | 68,050    | 38,183,535 |
| <b>Internet Software &amp; Services 0.6%</b> |           |            |
| Google, Inc., Class A <sup>(a)</sup>         | 3,625     | 4,062,574  |
| VeriSign, Inc. <sup>(a)</sup>                | 85,800    | 5,129,124  |
| Total  |           | 9,191,698  |

The accompanying Notes to Financial Statements are an integral part of this statement.

**Portfolio of Investments** *(continued)*

December 31, 2013

**Common Stocks** *(continued)*

|  | Issuer                               | Shares  | Value (\$)         |
|--|--------------------------------------|---------|--------------------|
| <b>IT Services 1.8%</b>                                  |                                      |         |                    |
|  | Automatic Data Processing, Inc.      | 92,500  | 7,474,925          |
|  | MasterCard, Inc., Class A            | 22,500  | 18,797,850         |
|  | Total                                |         | 26,272,775         |
| <b>Semiconductors &amp; Semiconductor Equipment 1.7%</b> |                                      |         |                    |
|  | Analog Devices, Inc.                 | 204,900 | 10,435,557         |
|  | Broadcom Corp., Class A              | 151,100 | 4,480,115          |
|  | Intel Corp.                          | 38,100  | 989,076            |
|  | KLA-Tencor Corp.                     | 12,700  | 818,642            |
|  | Microchip Technology, Inc.           | 167,500 | 7,495,625          |
|  | NVIDIA Corp.                         | 87,100  | 1,395,342          |
|  | Total                                |         | 25,614,357         |
| <b>Software 2.9%</b>                                     |                                      |         |                    |
|  | CA, Inc.                             | 18,200  | 612,430            |
|  | Microsoft Corp.                      | 581,300 | 21,758,059         |
|  | Oracle Corp.                         | 490,100 | 18,751,226         |
|  | VMware, Inc., Class A <sup>(a)</sup> | 8,900   | 798,419            |
|  | Total                                |         | 41,920,134         |
| <b>Total Information Technology</b>                      |                                      |         | <b>168,189,169</b> |

**Materials 3.3%****Chemicals 2.5%**

|  |                                       |         |            |
|--|---------------------------------------|---------|------------|
|  | CF Industries Holdings, Inc.          | 43,700  | 10,183,848 |
|  | Dow Chemical Co. (The)                | 165,000 | 7,326,000  |
|  | Eastman Chemical Co.                  | 30,700  | 2,477,490  |
|  | EI du Pont de Nemours & Co.           | 118,500 | 7,698,945  |
|  | LyondellBasell Industries NV, Class A | 72,400  | 5,812,272  |
|  | PPG Industries, Inc.                  | 16,100  | 3,053,526  |
|  | Total                                 |         | 36,552,081 |

**Paper & Forest Products 0.8%**

|  |                         |         |            |
|--|-------------------------|---------|------------|
|  | International Paper Co. | 252,100 | 12,360,463 |
|--|-------------------------|---------|------------|

**Total Materials****48,912,544****Telecommunication Services 2.8%****Diversified Telecommunication Services 2.8%**

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|   |         |                   |
|---|---------|-------------------|
| AT&T, Inc.                              | 202,500 | 7,119,900         |
| CenturyLink, Inc.                       | 230,000 | 7,325,500         |
| Verizon Communications, Inc.            | 555,600 | 27,302,184        |
| Total                                   |         | 41,747,584        |
| <b>Total Telecommunication Services</b> |         | <b>41,747,584</b> |

**Utilities 2.5%**

**Electric Utilities 0.5%**

|                   |         |           |
|-------------------|---------|-----------|
| Duke Energy Corp. | 102,500 | 7,073,525 |
|-------------------|---------|-----------|

**Common Stocks (continued)**

|  | Issuer | Shares  | Value (\$) |
|--|--------|---------|------------|
| <b>Independent Power Producers &amp; Energy Traders 0.5%</b> |        |         |            |
| AES Corp. (The)  |        | 556,600 | 8,076,266  |

**Multi-Utilities 1.5%**

|                                       |         |            |
|---------------------------------------|---------|------------|
| Ameren Corp.                          | 80,200  | 2,900,032  |
| Dominion Resources, Inc.              | 112,500 | 7,277,625  |
| Public Service Enterprise Group, Inc. | 365,000 | 11,694,600 |

|       |  |            |
|-------|--|------------|
| Total |  | 21,872,257 |
|-------|--|------------|

|                        |  |                   |
|------------------------|--|-------------------|
| <b>Total Utilities</b> |  | <b>37,022,048</b> |
|------------------------|--|-------------------|

**Total Common Stocks**

|                       |  |                      |
|-----------------------|--|----------------------|
| (Cost: \$792,058,030) |  | <b>1,004,029,087</b> |
|-----------------------|--|----------------------|

**Convertible Preferred Stocks 7.3%**

**Consumer Staples 0.9%**

**Food Products 0.9%**

|  |        |           |
|--|--------|-----------|
| Bunge Ltd., 4.875%                         | 66,000 | 7,073,352 |
| Post Holdings, Inc., 3.750% <sup>(c)</sup> | 45,000 | 5,332,995 |

|       |  |            |
|-------|--|------------|
| Total |  | 12,406,347 |
|-------|--|------------|

|                               |  |                   |
|-------------------------------|--|-------------------|
| <b>Total Consumer Staples</b> |  | <b>12,406,347</b> |
|-------------------------------|--|-------------------|

**Energy 0.8%**

**Oil, Gas & Consumable Fuels 0.8%**

|  |       |            |
|--|-------|------------|
| Chesapeake Energy Corp., 5.750% <sup>(c)</sup> | 9,500 | 11,008,125 |
|--|-------|------------|

|                     |  |                   |
|---------------------|--|-------------------|
| <b>Total Energy</b> |  | <b>11,008,125</b> |
|---------------------|--|-------------------|

**Financials 2.7%**

**Commercial Banks 0.5%**

|                           |       |           |
|---------------------------|-------|-----------|
| Wells Fargo & Co., 7.500% | 6,300 | 6,961,500 |
|---------------------------|-------|-----------|

**Diversified Financial Services 0.5%**

|                               |       |           |
|-------------------------------|-------|-----------|
| Bank of America Corp., 7.250% | 6,900 | 7,320,900 |
|-------------------------------|-------|-----------|

**Real Estate Investment Trusts (REITs) 1.7%**

|   |         |           |
|---|---------|-----------|
| Alexandria Real Estate Equities, Inc., 7.000% | 290,000 | 7,213,750 |
|---|---------|-----------|

|                                |         |           |
|--------------------------------|---------|-----------|
| Health Care REIT, Inc., 6.500% | 140,000 | 7,176,400 |
|--------------------------------|---------|-----------|

|                          |         |           |
|--------------------------|---------|-----------|
| Weyerhaeuser Co., 6.375% | 132,500 | 7,425,300 |
|--------------------------|---------|-----------|

|                               |        |           |
|-------------------------------|--------|-----------|
| iStar Financial, Inc., 4.500% | 62,500 | 3,907,937 |
|-------------------------------|--------|-----------|

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|  |        |                   |
|--|--------|-------------------|
| Total  |        | 25,723,387        |
| <b>Total Financials</b>                          |        | <b>40,005,787</b> |
| <b>Health Care 0.2%</b>                          |        |                   |
| <b>Health Care Equipment &amp; Supplies 0.2%</b> |        |                   |
| Alere, Inc., 3.000%                              | 12,300 | 3,521,490         |
| <b>Total Health Care</b>                         |        | <b>3,521,490</b>  |

The accompanying Notes to Financial Statements are an integral part of this statement.

Tri-Continental Corporation

**Portfolio of Investments** *(continued)*

December 31, 2013

**Convertible Preferred Stocks** *(continued)*

| Issuer  | Shares  | Value (\$)         |
|---|---------|--------------------|
| <b>Industrials 0.7%</b>   |         |                    |
| <b>Aerospace &amp; Defense 0.5%</b>                               |         |                    |
| United Technologies Corp., 7.500%                                 | 110,000 | 7,201,700          |
| <b>Machinery 0.2%</b>   |         |                    |
| Stanley Black & Decker, Inc., 6.250% <sup>(a)</sup>               | 34,500  | 3,560,400          |
| <b>Total Industrials</b>  |         | <b>10,762,100</b>  |
| <b>Telecommunication Services 0.5%</b>                            |         |                    |
| <b>Wireless Telecommunication Services 0.5%</b>                   |         |                    |
| Crown Castle International Corp., 4.500% <sup>(a)</sup>           | 75,000  | 7,483,500          |
| <b>Total Telecommunication Services</b>                           |         | <b>7,483,500</b>   |
| <b>Utilities 1.5%</b>   |         |                    |
| <b>Electric Utilities 1.0%</b>                                    |         |                    |
| NextEra Energy, Inc., 5.599%                                      | 122,500 | 7,043,811          |
| PPL Corp., 8.750%   | 140,000 | 7,403,200          |
| Total   |         | 14,447,011         |
| <b>Multi-Utilities 0.5%</b>                                       |         |                    |
| CenterPoint Energy, Inc., 3.719% <sup>(d)</sup>                   | 142,500 | 7,570,313          |
| <b>Total Utilities</b>  |         | <b>22,017,324</b>  |
| <b>Total Convertible Preferred Stocks</b><br>(Cost: \$97,179,828) |         | <b>107,204,673</b> |

**Corporate Bonds & Notes 11.9%**

| Issuer  | Coupon Rate | Principal Amount (\$) | Value (\$) |
|---|-------------|-----------------------|------------|
| <b>Corporate Bonds &amp; Notes 11.9%</b>                        |             |                       |            |
| <b>Aerospace &amp; Defense 0.3%</b>                             |             |                       |            |
| ADS Tactical, Inc.<br>Senior Secured <sup>(c)</sup><br>04/01/18 | 11.000%     | 4,100,000             | 3,813,000  |
| <b>Automotive 1.4%</b>  |             |                       |            |
| Allison Transmission, Inc. <sup>(c)</sup><br>05/15/19           | 7.125%      | 6,000,000             | 6,480,000  |
| Goodyear Tire & Rubber Co. (The)                                |             |                       |            |

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|                           |        |           |            |
|---------------------------|--------|-----------|------------|
| 03/01/21                  | 6.500% | 7,000,000 | 7,420,000  |
| Visteon Corp.<br>04/15/19 | 6.750% | 6,000,000 | 6,375,000  |
| Total                     |        |           | 20,275,000 |

**Banking 0.2%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Synovus Financial Corp.<br>Senior Unsecured<br>02/15/19 | 7.875% | 3,100,000 | 3,487,500 |
|---|--------|-----------|-----------|

**Corporate Bonds & Notes (continued)**

| Issuer  | Coupon Rate | Principal Amount (\$) | Value (\$) |
|---|-------------|-----------------------|------------|
| <b>Building Materials 0.5%</b>                          |             |                       |            |
| Stanley Black & Decker, Inc. <sup>(d)</sup><br>12/15/53 | 5.750%      | 7,300,000             | 7,683,250  |

**Construction Machinery 0.5%**

|  |        |           |           |
|--|--------|-----------|-----------|
| United Rentals North America, Inc.<br>09/15/20 | 8.375% | 6,400,000 | 7,136,000 |
|--|--------|-----------|-----------|

**Diversified Manufacturing 1.0%**

|  |        |           |            |
|--|--------|-----------|------------|
| Gardner Denver, Inc.<br>Senior Unsecured <sup>(c)</sup><br>08/15/21      | 6.875% | 7,200,000 | 7,182,000  |
| Hamilton Sundstrand Corp.<br>Senior Unsecured <sup>(c)</sup><br>12/15/20 | 7.750% | 6,850,000 | 7,261,000  |
| Total  |        |           | 14,443,000 |

**Electric 0.5%**

|   |        |           |           |
|---|--------|-----------|-----------|
| AES Corp. (The)<br>Senior Unsecured<br>07/01/21 | 7.375% | 6,500,000 | 7,328,750 |
|---|--------|-----------|-----------|

**Food and Beverage 0.7%**

|  |        |           |            |
|--|--------|-----------|------------|
| Chiquita Brands International, Inc./LLC<br>Senior Secured <sup>(c)</sup><br>02/01/21 | 7.875% | 3,436,000 | 3,719,470  |
| Post Holdings, Inc. <sup>(c)</sup><br>12/01/21                                       | 6.750% | 3,086,000 | 3,194,010  |
| Shearers Foods, Inc. LLC<br>Senior Secured <sup>(c)</sup><br>11/01/19                | 9.000% | 3,032,000 | 3,198,760  |
| Total  |        |           | 10,112,240 |

**Health Care 1.0%**

|   |        |           |            |
|---|--------|-----------|------------|
| Alere, Inc.<br>06/15/20                 | 6.500% | 7,150,000 | 7,310,875  |
| HCA, Inc.<br>Senior Secured<br>03/15/22 | 5.875% | 7,013,000 | 7,240,923  |
| Total                                   |        |           | 14,551,798 |

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### Home Construction 0.5%

|                        |        |           |           |
|------------------------|--------|-----------|-----------|
| Beazer Homes USA, Inc. |        |           |           |
| 06/15/18               | 9.125% | 6,800,000 | 7,276,000 |

### Independent Energy 1.4%

|                          |        |           |           |
|--------------------------|--------|-----------|-----------|
| Goodrich Petroleum Corp. |        |           |           |
| 03/15/19                 | 8.875% | 6,999,000 | 7,278,960 |
| Laredo Petroleum, Inc.   |        |           |           |
| 02/15/19                 | 9.500% | 5,154,000 | 5,759,595 |

The accompanying Notes to Financial Statements are an integral part of this statement.



**Portfolio of Investments** *(continued)*

December 31, 2013

**Corporate Bonds & Notes** *(continued)*

|                                | <b>Issuer</b> | <b>Coupon<br/>Rate</b> | <b>Principal<br/>Amount (\$)</b> | <b>Value (\$)</b> |
|--------------------------------|---------------|------------------------|----------------------------------|-------------------|
| Stone Energy Corp.<br>11/15/22 |               | 7.500%                 | 7,200,000                        | 7,524,000         |
| Total                          |               |                        |                                  | 20,562,555        |

**Media Non-Cable 0.5%**

|                                |  |        |           |           |
|--------------------------------|--|--------|-----------|-----------|
| AMC Networks, Inc.<br>07/15/21 |  | 7.750% | 6,500,000 | 7,328,750 |
|--------------------------------|--|--------|-----------|-----------|

**Metals 0.9%**

|   |  |        |           |            |
|---|--|--------|-----------|------------|
| Alpha Natural Resources, Inc.<br>04/15/18                 |  | 9.750% | 5,200,000 | 5,512,000  |
| United States Steel Corp.<br>Senior Unsecured<br>04/01/21 |  | 6.875% | 7,150,000 | 7,561,125  |
| Total   |  |        |           | 13,073,125 |

**Pharmaceuticals 0.7%**

|   |  |        |           |            |
|---|--|--------|-----------|------------|
| Jaguar Holding Co. II/Merger Sub, Inc.<br>Senior Unsecured <sup>(c)</sup><br>12/01/19 |  | 9.500% | 4,900,000 | 5,512,500  |
| Salix Pharmaceuticals Ltd. <sup>(c)</sup><br>01/15/21                                 |  | 6.000% | 4,680,000 | 4,797,000  |
| Total   |  |        |           | 10,309,500 |

**Retailers 0.7%**

|  |  |         |           |            |
|--|--|---------|-----------|------------|
| 99 Cents Only Stores<br>12/15/19                           |  | 11.000% | 3,050,000 | 3,454,125  |
| Rite Aid Corp.<br>03/15/20<br>Senior Unsecured<br>02/15/27 |  | 9.250%  | 4,300,000 | 4,934,250  |
|  |  | 7.700%  | 2,260,000 | 2,333,450  |
| Total  |  |         |           | 10,721,825 |

**Wireless 0.9%**

|  |  |        |           |           |
|--|--|--------|-----------|-----------|
| Altice Finco SA <sup>(c)</sup><br>01/15/24               |  | 8.125% | 666,000   | 690,975   |
| NII International Telecom SCA <sup>(c)</sup><br>08/15/19 |  | 7.875% | 7,500,000 | 5,662,500 |

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|  |        |           |            |
|--|--------|-----------|------------|
| Sprint Communications, Inc. <sup>(c)</sup><br>11/15/18 | 9.000% | 6,100,000 | 7,335,250  |
| Total  |        |           | 13,688,725 |

**Wirelines 0.2%**

|                                     |        |           |           |
|-------------------------------------|--------|-----------|-----------|
| Level 3 Financing, Inc.<br>06/01/20 | 7.000% | 3,500,000 | 3,705,625 |
|-------------------------------------|--------|-----------|-----------|

**Total Corporate Bonds & Notes**

(Cost: \$168,509,101) **175,496,643**

**Convertible Bonds 11.3%**

| Issuer   | Coupon Rate | Principal Amount (\$) | Value (\$) |
|--|-------------|-----------------------|------------|
| <b>Automotive 0.4%</b>   |             |                       |            |
| Navistar International Corp.<br>Senior Subordinated Notes <sup>(c)</sup><br>10/15/18 | 4.500%      | 5,050,000             | 5,174,634  |

**Brokerage 0.2%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Walter Investment Management Corp.<br>Senior Subordinated Notes<br>11/01/19 | 4.500% | 3,600,000 | 3,595,500 |
|---|--------|-----------|-----------|

**Building Materials 0.4%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Cemex SAB de CV<br>Subordinated Notes<br>03/15/18 | 3.750% | 4,300,000 | 5,831,875 |
|---|--------|-----------|-----------|

**Food and Beverage 0.3%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Chiquita Brands International, Inc.<br>Senior Unsecured<br>08/15/16 | 4.250% | 3,800,000 | 3,686,000 |
|---|--------|-----------|-----------|

**Gaming 0.5%**

|                                       |        |           |           |
|---------------------------------------|--------|-----------|-----------|
| MGM Resorts International<br>04/15/15 | 4.250% | 5,400,000 | 7,425,000 |
|---------------------------------------|--------|-----------|-----------|

**Health Care 1.1%**

|   |        |           |            |
|---|--------|-----------|------------|
| HeartWare International, Inc.<br>Senior Unsecured<br>12/15/17 | 3.500% | 3,000,000 | 3,600,000  |
| Omnicare, Inc.<br>04/01/42                                    | 3.750% | 5,220,000 | 7,916,391  |
| Teleflex, Inc.<br>Senior Subordinated Notes<br>08/01/17       | 3.875% | 2,570,000 | 4,054,175  |
| Total   |        |           | 15,570,566 |

**Home Construction 0.4%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Lennar Corp. <sup>(c)</sup><br>11/15/21 | 3.250% | 3,130,000 | 5,626,175 |
|---|--------|-----------|-----------|

**Independent Energy 0.2%**

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|  |        |           |           |
|--|--------|-----------|-----------|
| Endeavour International Corp.<br>07/15/16                              | 5.500% | 4,400,000 | 3,536,500 |
| <b>Integrated Energy 0.2%</b>  |        |           |           |
| GT Advanced Technologies, Inc.<br>Senior Unsecured<br>12/15/20         | 3.000% | 3,520,000 | 3,571,110 |
| <b>Media Non-Cable 0.3%</b>  |        |           |           |
| Liberty Interactive LLC<br>Senior Unsecured <sup>(c)</sup><br>03/30/43 | 0.750% | 3,410,000 | 4,245,177 |

The accompanying Notes to Financial Statements are an integral part of this statement.

Tri-Continental Corporation

**Portfolio of Investments** *(continued)*

December 31, 2013

**Convertible Bonds** *(continued)*

| Issuer   | Coupon<br>Rate | Principal<br>Amount (\$) | Value (\$) |
|--|----------------|--------------------------|------------|
| <b>Metals 0.6%</b>   |                |                          |            |
| Alpha Natural Resources, Inc.<br>12/31/20                                    | 4.875%         | 3,380,000                | 3,646,175  |
| Jaguar Mining, Inc.<br>Senior Unsecured <sup>(c)(e)</sup><br>11/01/14        | 4.500%         | 3,200,000                | 320,000    |
| James River Coal Co. <sup>(c)</sup><br>06/01/18                              | 10.000%        | 5,802,000                | 1,842,135  |
| Molycorp, Inc.<br>Senior Unsecured<br>09/01/17                               | 6.000%         | 4,650,000                | 3,554,065  |
| Total  |                |                          | 9,362,375  |
| <b>Non-Captive Consumer 0.3%</b>   |                |                          |            |
| DFC Global Corp.<br>Senior Unsecured<br>04/15/17                             | 3.250%         | 5,177,000                | 4,652,777  |
| <b>Non-Captive Diversified 0.3%</b>  |                |                          |            |
| Air Lease Corp.<br>Senior Unsecured<br>12/01/18                              | 3.875%         | 2,700,000                | 3,624,750  |
| <b>Other Financial Institutions 0.5%</b>                                     |                |                          |            |
| Forest City Enterprises, Inc.<br>Senior Unsecured <sup>(c)</sup><br>08/15/20 | 3.625%         | 6,898,000                | 7,057,827  |
| <b>Pharmaceuticals 0.6%</b>  |                |                          |            |
| Dendreon Corp.<br>Senior Unsecured<br>01/15/16                               | 2.875%         | 9,500,000                | 5,890,000  |
| InterMune, Inc.<br>Senior Unsecured<br>09/15/18                              | 2.500%         | 4,050,000                | 3,607,031  |
| Total  |                |                          | 9,497,031  |
| <b>Property &amp; Casualty 0.5%</b>  |                |                          |            |
| MGIC Investment Corp.<br>Senior Unsecured<br>05/01/17                        | 5.000%         | 3,380,000                | 3,813,248  |

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|  |        |           |           |
|--|--------|-----------|-----------|
| Radian Group, Inc.<br>Senior Unsecured<br>11/15/17 | 3.000% | 2,620,000 | 3,717,125 |
| Total  |        |           | 7,530,373 |

**Railroads 0.5%**

|  |        |           |           |
|--|--------|-----------|-----------|
| Greenbrier Companies, Inc. (The)<br>Senior Unsecured<br>04/01/18 | 3.500% | 6,000,000 | 7,095,000 |
|--|--------|-----------|-----------|

**Convertible Bonds (continued)**

| Issuer | Coupon Rate | Principal Amount (\$) | Value (\$) |
|--------|-------------|-----------------------|------------|
|--------|-------------|-----------------------|------------|

**Refining 0.5%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Clean Energy Fuels Corp.<br>Senior Unsecured <sup>(c)</sup><br>10/01/18 | 5.250% | 7,300,000 | 7,449,431 |
|---|--------|-----------|-----------|

**REITs 0.5%**

|   |        |           |           |
|---|--------|-----------|-----------|
| Blackstone Mortgage Trust, Inc.<br>Senior Unsecured<br>12/01/18 | 5.250% | 6,950,000 | 7,243,568 |
|---|--------|-----------|-----------|

**Technology 2.1%**

|   |        |           |            |
|---|--------|-----------|------------|
| Ciena Corp.<br>Senior Unsecured <sup>(c)</sup><br>10/15/18                    | 3.750% | 5,300,000 | 7,614,033  |
| Ixia<br>Senior Notes<br>12/15/15  | 3.000% | 3,300,000 | 3,555,750  |
| Mentor Graphics Corp.<br>04/01/31   | 4.000% | 5,600,000 | 7,444,500  |
| NQ Mobile, Inc.<br>Senior Unsecured <sup>(c)</sup><br>10/15/18                | 4.000% | 2,324,000 | 1,626,800  |
| Nuance Communications, Inc.<br>Senior Unsecured<br>11/01/31                   | 2.750% | 7,720,000 | 7,541,475  |
| Powerwave Technologies, Inc.<br>Subordinated Notes <sup>(e)</sup><br>10/01/27 | 3.875% | 2,000,000 | 10,000     |
| TiVo, Inc.<br>Senior Unsecured <sup>(c)</sup><br>03/15/16                     | 4.000% | 2,700,000 | 3,677,063  |
| Total   |        |           | 31,469,621 |

**Tobacco 0.4%**

|  |        |           |           |
|--|--------|-----------|-----------|
| Vector Group Ltd.<br>Senior Unsecured <sup>(d)</sup><br>01/15/19 | 2.500% | 4,800,000 | 5,697,600 |
|--|--------|-----------|-----------|

**Transportation Services 0.5%**

|  |        |           |           |
|--|--------|-----------|-----------|
| DryShips, Inc.<br>Senior Unsecured<br>12/01/14 | 5.000% | 4,200,000 | 4,244,625 |
|--|--------|-----------|-----------|

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|   |        |           |                    |
|---|--------|-----------|--------------------|
| Wabash National Corp.<br>Senior Unsecured<br>05/01/18   | 3.375% | 2,700,000 | 3,547,503          |
| Total   |        |           | 7,792,128          |
| <b>Total Convertible Bonds</b><br>(Cost: \$156,943,668) |        |           | <b>166,735,018</b> |

The accompanying Notes to Financial Statements are an integral part of this statement.

**Portfolio of Investments** *(continued)*

December 31, 2013

**Preferred Debt 0.3%**

| Issuer   | Coupon Rate | Principal Amount (\$) | Value (\$)       |
|--|-------------|-----------------------|------------------|
| <b>Banking 0.3%</b>                                |             |                       |                  |
| Synovus Financial Corp. <sup>(d)</sup><br>12/31/49 | 7.875%      | 140,000               | 3,787,000        |
| Total  |             |                       | 3,787,000        |
| <b>Total Preferred Debt</b><br>(Cost: \$3,545,450) |             |                       | <b>3,787,000</b> |

**Money Market Funds 0.4%**

|   | Shares    | Value (\$)       |
|---|-----------|------------------|
| Columbia Short-Term Cash Fund, 0.096% <sup>(f)(g)</sup> | 4,586,660 | 4,586,660        |
| JPMorgan Prime Money Market Fund, 0.010% <sup>(f)</sup> | 1,816,890 | 1,816,890        |
| <b>Total Money Market Funds</b><br>(Cost: \$6,403,550)  |           | <b>6,403,550</b> |

|   |                      |
|---|----------------------|
| <b>Total Investments</b><br>(Cost: \$1,224,639,627) | <b>1,463,655,971</b> |
| <b>Other Assets &amp; Liabilities, Net</b>          | <b>9,714,549</b>     |
| <b>Net Assets</b>                                   | <b>1,473,370,520</b> |

**Investments in Derivatives****Futures Contracts Outstanding at December 31, 2013**

At December 31, 2013, securities totaling \$437,185 were pledged as collateral to cover initial margin requirements on open futures contracts.

| Contract Description | Number of Contracts Long (Short) | Trading Currency | Notional Market Value (\$) | Expiration Date | Unrealized Appreciation (\$) | Unrealized Depreciation (\$) |
|----------------------|----------------------------------|------------------|----------------------------|-----------------|------------------------------|------------------------------|
| S&P 500 Index        | 12                               | USD              | 5,523,300                  | March 2014      | 108,634                      |                              |

**Notes to Portfolio of Investments**

(a) Non-income producing.

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- (b) This security, or a portion of this security, has been pledged as collateral in connection with open futures contracts. These values are denoted within the Investments in Derivatives section of the Portfolio of Investments.
  
- (c) Security exempt from registration pursuant to Rule 144A under the Securities Act of 1933. This security may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2013, the value of these securities amounted to \$119,820,860 or 8.13% of net assets.
  
- (d) Variable rate security.
  
- (e) Represents securities that have defaulted on payment of interest. The Fund has stopped accruing interest on these securities. At December 31, 2013, the value of these securities amounted to \$330,000, which represents 0.02% of net assets.
  
- (f) The rate shown is the seven-day current annualized yield at December 31, 2013.
  
- (g) As defined in the Investment Company Act of 1940, an affiliated company is one in which the Fund owns 5% or more of its outstanding voting securities, or a company which is under common ownership or control with the Fund. Holdings and transactions in these affiliated companies during the year ended December 31, 2013, are as follows:

|                               |                            |                           |                                 | <b>Dividends</b>        |                                |                   |
|-------------------------------|----------------------------|---------------------------|---------------------------------|-------------------------|--------------------------------|-------------------|
| <b>Issuer</b>                 | <b>Beginning Cost (\$)</b> | <b>Purchase Cost (\$)</b> | <b>Proceeds From Sales (\$)</b> | <b>Ending Cost (\$)</b> | <b>Affiliated Issuers (\$)</b> | <b>Value (\$)</b> |
| Columbia Short-Term Cash Fund | 4,647,865                  | 64,256,348                | (64,317,553)                    | 4,586,660               | 4,017                          | 4,586,660         |

### Abbreviation Legend

ADR American Depositary Receipt

### Currency Legend

USD US Dollar

### 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.

The accompanying Notes to Financial Statements are an integral part of this statement.



Tri-Continental Corporation

## Portfolio of Investments *(continued)*

December 31, 2013

### Fair Value Measurements *(continued)*

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 Investment Manager, 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 may rely on one or more significant unobservable inputs and/or significant assumptions by the Investment Manager. 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.

Under the direction of the Fund's Board of Trustees (the Board), the Investment Manager's Valuation Committee (the Committee) is responsible for overseeing the valuation procedures approved by the Board. The Committee consists of voting and non-voting members from various groups within the Investment Manager's organization, including operations and accounting, trading and investments, compliance, risk management and legal.

The Committee meets at least monthly to review and approve valuation matters, which may include a description of specific valuation determinations, data regarding pricing information received from approved pricing vendors and brokers and the results of Board-approved valuation control policies and procedures (the Policies). The Policies address, among other things, instances when market quotations are or are not readily available, including recommendations of third party pricing vendors and a determination of appropriate pricing methodologies; events that require specific valuation determinations and assessment of fair value techniques; securities with a potential for stale pricing, including those that are illiquid, restricted, or in default; and the effectiveness of third party pricing vendors, including periodic reviews of vendors. The Committee meets more frequently, as needed, to discuss additional valuation matters, which may include the need to review back-testing results, review time-sensitive information or approve related valuation actions. The Committee reports to the Board, with members of the Committee meeting with the Board at each of its regularly scheduled meetings to discuss valuation matters and actions during the period, similar to those described earlier.

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For investments categorized as Level 3, the Committee monitors information similar to that described above, which may include: (i) data specific to the issuer or comparable issuers, (ii) general market or specific sector news and (iii) quoted prices and specific or similar security transactions. The Committee considers this data and any changes from prior periods in order to assess the reasonableness of observable and unobservable inputs, any assumptions or internal models used to value those securities and changes in fair value. This data is also used to corroborate, when available, information received from approved pricing vendors and brokers. Various factors impact the frequency of monitoring this information (which may occur as often as daily). However, the Committee may determine that changes to inputs, assumptions and models are not required as a result of the monitoring procedures performed.

The accompanying Notes to Financial Statements are an integral part of this statement.

**Portfolio of Investments** *(continued)*

December 31, 2013

**Fair Value Measurements** *(continued)*

The following table is a summary of the inputs used to value the Fund's investments at December 31, 2013:

| Description                  | Level 1<br>Quoted Prices in<br>Active<br>Markets for<br>Identical<br>Assets (\$) | Level 2<br>Other Significant<br>Observable Inputs<br>(\$) | Level 3<br>Significant<br>Unobservable Inputs<br>(\$) | Total (\$)    |
|------------------------------|--|---|---|---------------|
| Equity Securities            |  |   |   |               |
| Common Stocks                |  |   |   |               |
| Consumer Discretionary       | 88,573,130   |   |   | 88,573,130    |
| Consumer Staples             | 88,719,619   |   |   | 88,719,619    |
| Energy                       | 108,621,748  |   |   | 108,621,748   |
| Financials                   | 185,114,372  |   |   | 185,114,372   |
| Health Care                  | 129,509,692  |   |   | 129,509,692   |
| Industrials                  | 107,619,181  |   |   | 107,619,181   |
| Information Technology       | 168,189,169  |   |   | 168,189,169   |
| Materials                    | 48,912,544   |   |   | 48,912,544    |
| Telecommunication Services   | 41,747,584   |   |   | 41,747,584    |
| Utilities                    | 37,022,048   |   |   | 37,022,048    |
| Convertible Preferred Stocks |  |   |   |               |
| Consumer Staples             |  | 12,406,347  |   | 12,406,347    |
| Energy                       |  | 11,008,125  |   | 11,008,125    |
| Financials                   | 28,884,100   | 11,121,687  |   | 40,005,787    |
| Health Care                  | 3,521,490  |   |   | 3,521,490     |
| Industrials                  | 10,762,100   |   |   | 10,762,100    |
| Telecommunication Services   |  | 7,483,500   |   | 7,483,500     |
| Utilities                    | 7,403,200  | 14,614,124  |   | 22,017,324    |
| Total Equity Securities      | 1,054,599,977  | 56,633,783  |   | 1,111,233,760 |
| Bonds                        |  |   |   |               |
| Corporate Bonds & Notes      |  | 175,496,643   |   | 175,496,643   |
| Convertible Bonds            |  | 166,735,018   |   | 166,735,018   |
| Preferred Debt               | 3,787,000  |   |   | 3,787,000     |
| Total Bonds                  | 3,787,000  | 342,231,661   |   | 346,018,661   |

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|                           |               |             |               |
|---------------------------|---------------|-------------|---------------|
| Mutual Funds              |               |             |               |
| Money Market Funds        | 6,403,550     |             | 6,403,550     |
| Total Mutual Funds        | 6,403,550     |             | 6,403,550     |
| Investments in Securities | 1,064,790,527 | 398,865,444 | 1,463,655,971 |
| Derivatives               |               |             |               |
| Assets                    |               |             |               |
| Futures Contracts         | 108,634       |             | 108,634       |
| Total                     | 1,064,899,161 | 398,865,444 | 1,463,764,605 |

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

The Fund's assets assigned to the Level 2 input category are generally valued using the market approach, in which a security's value is determined through reference to prices and information from market transactions for similar or identical assets.

There were no transfers of financial assets between Levels 1 and 2 during the period.

Derivative instruments are valued at unrealized appreciation (depreciation).

The accompanying Notes to Financial Statements are an integral part of this statement.

Tri-Continental Corporation

## Statement of Assets and Liabilities

December 31, 2013

|  |                        |
|--|------------------------|
| <b>Assets</b>  |                        |
| Investments, at value                                  |                        |
| Unaffiliated issuers (identified cost \$1,220,052,967) | \$1,459,069,311        |
| Affiliated issuers (identified cost \$4,586,660)       | 4,586,660              |
| Total investments (identified cost \$1,224,639,627)    | 1,463,655,971          |
| Receivable for:  |                        |
| Investments sold                                       | 9,769,453              |
| Dividends  | 1,877,403              |
| Interest   | 4,438,452              |
| Reclaims   | 968                    |
| Variation margin                                       | 19,200                 |
| Equity-linked notes (Note 8)                           | 167,245                |
| Prepaid expenses                                       | 67,842                 |
| Other assets   | 43,681                 |
| Total assets   | 1,480,040,215          |
| <b>Liabilities</b>                                     |                        |
| Disbursements in excess of cash                        | 18,489                 |
| Payable for:   |                        |
| Investments purchased                                  | 5,568,557              |
| Common Stock payable                                   | 28                     |
| Preferred Stock dividends                              | 470,463                |
| Investment management fees                             | 14,290                 |
| Stockholder servicing and transfer agent fees          | 5,696                  |
| Administration fees                                    | 2,218                  |
| Compensation of board members                          | 46,171                 |
| Stockholders meeting fees                              | 346                    |
| Other expenses   | 543,437                |
| Total liabilities                                      | 6,669,695              |
| Net assets   | 1,473,370,520          |
| Preferred stock  | 37,637,000             |
| <b>Net assets for Common Stock</b>                     | <b>\$1,435,733,520</b> |
| Net asset value per share of outstanding Common Stock  | \$23.11                |
| Market price per share of Common Stock                 | \$19.98                |

The accompanying Notes to Financial Statements are an integral part of this statement.

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## Statement of Capital Stock and Surplus

December 31, 2013

### Capital Stock

\$2.50 Cumulative Preferred Stock, \$50 par value, assets coverage per share \$1,957

|                               |         |              |
|-------------------------------|---------|--------------|
| Shares issued and outstanding | 752,740 | \$37,637,000 |
|-------------------------------|---------|--------------|

Common Stock, \$0.50 par value:

|                               |            |            |
|-------------------------------|------------|------------|
| Shares issued and outstanding | 62,136,052 | 31,068,026 |
|-------------------------------|------------|------------|

### Surplus

|                 |  |               |
|-----------------|--|---------------|
| Capital surplus |  | 1,628,340,698 |
|-----------------|--|---------------|

|                                     |  |         |
|-------------------------------------|--|---------|
| Undistributed net investment income |  | 676,386 |
|-------------------------------------|--|---------|

|                               |  |               |
|-------------------------------|--|---------------|
| Accumulated net realized loss |  | (463,476,568) |
|-------------------------------|--|---------------|

Unrealized appreciation (depreciation) on:

|                                  |  |             |
|----------------------------------|--|-------------|
| Investments unaffiliated issuers |  | 239,016,344 |
|----------------------------------|--|-------------|

|                   |  |         |
|-------------------|--|---------|
| Futures contracts |  | 108,634 |
|-------------------|--|---------|

|                   |  |                        |
|-------------------|--|------------------------|
| <b>Net assets</b> |  | <b>\$1,473,370,520</b> |
|-------------------|--|------------------------|

The accompanying Notes to Financial Statements are an integral part of this statement.

Tri-Continental Corporation

## Statement of Operations

Year ended December 31, 2013

### Net investment income

Income:

|                                |              |
|--------------------------------|--------------|
| Dividends unaffiliated issuers | \$30,603,788 |
| Dividends affiliated issuers   | 4,017        |
| Interest                       | 19,089,195   |
| Foreign taxes withheld         | (54,862)     |
| Total income                   | 49,642,138   |

Expenses:

|   |           |
|---|-----------|
| Investment management fees                    | 4,812,713 |
| Stockholder servicing and transfer agent fees | 387,809   |
| Administration fees                           | 752,847   |
| Compensation of board members                 | 51,883    |
| Stockholders meeting fees                     | 64,789    |
| Custodian fees                                | 17,749    |
| Printing and postage fees                     | 139,373   |
| Professional fees                             | 58,571    |
| Other   | 329,429   |
| Total expenses                                | 6,615,163 |

Net investment income<sup>(a)</sup> 43,026,975

### Realized and unrealized gain (loss) net

Net realized gain (loss) on:

|                               |             |
|-------------------------------|-------------|
| Investments                   | 138,019,749 |
| Foreign currency translations | (332)       |
| Futures contracts             | 929,307     |

Net realized gain 138,948,724

Net change in unrealized appreciation (depreciation) on:

|                   |             |
|-------------------|-------------|
| Investments       | 131,332,714 |
| Futures contracts | 88,836      |

Net change in unrealized appreciation (depreciation) 131,421,550

Net realized and unrealized gain 270,370,274

**Net increase in net assets resulting from operations \$313,397,249**



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(a) Net investment income for Common Stock is \$41,145,125, which is net of Preferred Stock dividends of \$1,881,850.

The accompanying Notes to Financial Statements are an integral part of this statement.

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## Statement of Changes in Net Assets

|   | Year Ended<br>December 31, 2013 | Year Ended<br>December 31, 2012 |
|---|---------------------------------|---------------------------------|
| <b>Operations</b>   |                                 |                                 |
| Net investment income   | \$43,026,975                    | \$40,135,438                    |
| Net realized gain   | 138,948,724                     | 88,428,406                      |
| Net change in unrealized appreciation (depreciation)          | 131,421,550                     | 36,171,162                      |
| Net increase in net assets resulting from operations          | 313,397,249                     | 164,735,006                     |
| <b>Distributions to stockholders</b>                          |                                 |                                 |
| Net investment income   |                                 |                                 |
| Preferred Stock   | (1,881,850)                     | (1,881,850)                     |
| Common Stock  | (42,214,926)                    | (37,995,752)                    |
| Total distributions to stockholders                           | (44,096,776)                    | (39,877,602)                    |
| Increase (decrease) in net assets from capital stock activity | (16,852,169)                    | (19,731,798)                    |
| Total increase in net assets                                  | 252,448,304                     | 105,125,606                     |
| Net assets at beginning of year                               | 1,220,922,216                   | 1,115,796,610                   |
| <b>Net assets at end of year</b>                              | <b>\$1,473,370,520</b>          | <b>\$1,220,922,216</b>          |
| Undistributed net investment income                           | \$676,386                       | \$2,461,850                     |

The accompanying Notes to Financial Statements are an integral part of this statement.

**Statement of Changes in Net Assets** *(continued)*

|  | Year Ended<br>December 31, 2013 |                     | Year Ended<br>December 31, 2012 |                     |
|--|---------------------------------|---------------------|---------------------------------|---------------------|
|  | Shares                          | Dollars (\$)        | Shares                          | Dollars (\$)        |
| <b>Capital stock activity</b>  |                                 |                     |                                 |                     |
| Common Stock issued at market price in distributions                           | 698,558                         | 12,700,935          | 747,244                         | 11,809,653          |
| Common Stock issued for investment plan purchases                              | 94,934                          | 1,723,896           | 344,461                         | 5,377,332           |
| Common Stock purchased from investment plan participants                       | (1,118,982)                     | (20,483,855)        | (1,549,971)                     | (24,265,282)        |
| Common Stock purchased in the open market                                      | (591,396)                       | (10,793,145)        | (806,299)                       | (12,683,718)        |
| Net proceeds from issuance of shares of Common Stock upon exercise of warrants |                                 |                     | 32,487                          | 30,217              |
| <b>Total net decrease</b>  | <b>(916,886)</b>                | <b>(16,852,169)</b> | <b>(1,232,078)</b>              | <b>(19,731,798)</b> |

The accompanying Notes to Financial Statements are an integral part of this statement.

## Financial Highlights

Per share operating performance data is designed to allow investors to trace the operating performance, on a per Common Stock share basis, from the beginning net asset value to the ending net asset value, so that investors can understand what effect the individual items have on their investment, assuming it was held throughout the period. Generally, the per share amounts are derived by converting the actual dollar amounts incurred for each item, as disclosed in the financial statements, to their equivalent per Common Stock share amounts, using average Common Stock shares outstanding during the period.

Total return measures the Fund's performance assuming that investors purchased shares of the Fund at the market price or net asset value as of the beginning of the period, invested all distributions paid, as provided for in the Fund's Prospectus and Automatic Dividend Investment and Cash Purchase Plan, and then sold their shares at the closing market price or net asset value per share on the last day of the period. The computations do not reflect any sales charges or transaction costs on your investment or taxes investors may incur on distributions or on the sale of shares of the Fund, and are not annualized for periods of less than one year.

The ratios of expenses and net investment income to average net assets for Common Stock for the periods presented do not reflect the effect of dividends paid to Preferred Stockholders.

|   | Year Ended December 31, |         |         |         |         |
|---|-------------------------|---------|---------|---------|---------|
|   | 2013                    | 2012    | 2011    | 2010    | 2009    |
| <b>Per share data</b>                           |                         |         |         |         |         |
| Net asset value, beginning of period            | \$18.77                 | \$16.77 | \$15.96 | \$13.73 | \$11.29 |
| <b>Income from investment operations</b>        |                         |         |         |         |         |
| Net investment income                           | 0.69                    | 0.63    | 0.33    | 0.30    | 0.20    |
| Net realized and unrealized gain                | 4.36                    | 2.00    | 0.79    | 2.28    | 2.42    |
| Increase from payments by affiliate             |                         |         |         |         | 0.04    |
| Total from investment operations                | 5.05                    | 2.63    | 1.12    | 2.58    | 2.66    |
| <b>Less distributions to Stockholders from:</b> |                         |         |         |         |         |
| Net investment income                           |                         |         |         |         |         |
| Preferred Stock                                 | (0.03)                  | (0.03)  | (0.03)  | (0.03)  | (0.03)  |
| Common Stock                                    | (0.68)                  | (0.60)  | (0.28)  | (0.25)  | (0.17)  |
| Tax return of capital                           |                         |         |         |         |         |
| Common Stock                                    |                         |         |         |         | (0.02)  |
| Total distributions to Stockholders             | (0.71)                  | (0.63)  | (0.31)  | (0.28)  | (0.22)  |
| Capital stock transactions at market price      |                         |         |         | (0.07)  |         |
| Net asset value, end of period                  | \$23.11                 | \$18.77 | \$16.77 | \$15.96 | \$13.73 |

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|  |                    |                    |                    |                    |                       |
|--|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Adjusted net asset value, end of period <sup>(a)</sup>       | \$23.04            | \$18.71            | \$16.72            | \$15.90            | \$13.69               |
| Market price, end of period                                  | \$19.98            | \$16.00            | \$14.23            | \$13.76            | \$11.52               |
| <b>Total return</b>  |                    |                    |                    |                    |                       |
| Based upon net asset value                                   | 27.76%             | 16.24%             | 7.15%              | 18.58%             | 24.11% <sup>(b)</sup> |
| Based upon market price                                      | 29.58%             | 16.77%             | 5.46%              | 21.85%             | 19.24%                |
| <b>Ratios to average net assets<sup>(c)</sup></b>            |                    |                    |                    |                    |                       |
| Expenses to average net assets for Common Stock              | 0.50%              | 0.52%              | 0.59%              | 0.60%              | 0.98%                 |
| Net investment income to average net assets for Common Stock | 3.12%              | 3.28%              | 1.80%              | 1.84%              | 1.46%                 |
| <b>Supplemental data</b>                                     |                    |                    |                    |                    |                       |
| Net assets, end of period (000s):                            |                    |                    |                    |                    |                       |
| Common Stock   | \$1,435,734        | \$1,183,285        | \$1,078,160        | \$1,061,251        | \$946,344             |
| Preferred Stock  | 37,637             | 37,637             | 37,637             | 37,637             | 37,637                |
| <b>Total net assets</b>                                      | <b>\$1,473,371</b> | <b>\$1,220,922</b> | <b>\$1,115,797</b> | <b>\$1,098,888</b> | <b>\$983,981</b>      |
| Portfolio turnover   | 62%                | 68%                | 97%                | 86%                | 70%                   |

### Notes to Financial Highlights

(a) Assumes the exercise of outstanding warrants.

(b) The Fund received a payment by an affiliate. Had the Fund not received this payment, the total return would have been lower by 0.47%.

(c) In addition to the fees and expenses which the Fund bears directly, the Fund indirectly bears a pro rata share of the fees and expenses of the acquired funds in which it invests. Such indirect expenses are not included in the reported expense ratios.

The accompanying Notes to Financial Statements are an integral part of this statement.

## Notes to Financial Statements

December 31, 2013

### Note 1. Organization

Tri-Continental Corporation (the Fund) is a diversified fund. The Fund is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a closed-end management investment company.

The Fund has 1 million authorized shares of preferred capital stock (Preferred Stock) and 159 million authorized shares of common stock (Common Stock). The issued and outstanding Common Stock trades primarily on the New York Stock Exchange (NYSE) under the symbol TY .

Tri-Continental Corporation's Preferred Stock is entitled to two votes and the Common Stock is entitled to one vote per share at all meetings of Stockholders. In the event of a default in payments of dividends on the Preferred Stock equivalent to six quarterly dividends, the Preferred Stockholders are entitled, voting separately as a class to the exclusion of Common Stockholders, to elect two additional directors, such right to continue until all arrearages have been paid and current Preferred Stock dividends are provided for. Generally, the vote of Preferred Stockholders is required to approve certain actions adversely affecting their rights.

### Note 2. Summary of Significant Accounting Policies

#### Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles (GAAP) requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

#### Security Valuation

All equity securities are valued at the close of business of the NYSE. Equity securities are valued at the last quoted sales price on the principal exchange or market on which they trade, except for securities traded on the NASDAQ Stock Market, which are valued at the NASDAQ official close price. Unlisted securities or listed securities for which there were no sales during the day are valued at the mean of the latest quoted bid and ask prices on such exchanges or markets.

Debt securities generally are valued by pricing services approved by the Board of Directors (the Board) based upon

market transactions for normal, institutional-size trading units of similar securities. The services may use various pricing techniques which take into account appropriate factors such as yield, quality, coupon rate, maturity, type of issue, trading characteristics and other data, as well as broker quotes. Debt securities for which quotations are readily available may also be valued based upon an over-the-counter or exchange bid quotation.

Foreign equity securities are valued based on quotations from the principal market in which such securities are normally traded. If any foreign share prices are not readily available as a result of limited share activity the securities are valued at the mean of the latest quoted bid and ask prices on such exchanges or markets. Foreign currency exchange rates are generally determined at 4:00 p.m. Eastern (U.S.) time. However, many securities markets and exchanges outside the U.S. close prior to the close of the NYSE; therefore, the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the close of the NYSE. In those situations, foreign securities will be fair valued pursuant to the policy adopted by the Board, including utilizing a third party pricing service to determine these fair values. The third party pricing service takes into account multiple factors, including, but not limited to, movements in the U.S. securities markets, certain depositary receipts, futures contracts and foreign exchange rates that have occurred subsequent to the close of the

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foreign exchange or market, to determine a good faith estimate that reasonably reflects the current market conditions as of the close of the NYSE. The fair value of a security is likely to be different from the quoted or published price, if available.

Investments in open-end investment companies, including money market funds, are valued at net asset value.

Short-term securities purchased within 60 days to maturity are valued at amortized cost, which approximates market value. The value of short-term securities originally purchased with maturities greater than 60 days is determined based on an amortized value to par upon reaching 60 days to maturity. Short-term securities maturing in more than 60 days from the valuation date are valued at the market price or approximate market value based on current interest rates.

Futures and options on futures contracts are valued based upon the settlement price established each day by the board of trade or exchange on which they are traded.

Investments for which market quotations are not readily available, or that have quotations which management believes are not reliable, are valued at fair value as determined in good faith under consistently applied procedures established by and under the general supervision of the Board. If a security or

## Notes to Financial Statements *(continued)*

December 31, 2013

class of securities (such as foreign securities) is valued at fair value, such value is likely to be different from the last quoted market price for the security.

The determination of fair value often requires significant judgment. To determine fair value, management may use assumptions including but not limited to future cash flows and estimated risk premiums. Multiple inputs from various sources may be used to determine fair value.

### Foreign Currency Transactions and Translations

The values of all assets and liabilities denominated in foreign currencies are translated into U.S. dollars at that day's exchange rates. Net realized and unrealized gains (losses) on foreign currency transactions and translations include gains (losses) arising from the fluctuation in exchange rates between trade and settlement dates on securities transactions, gains (losses) arising from the disposition of foreign currency and currency gains (losses) between the accrual and payment dates on dividends, interest income and foreign withholding taxes.

For financial statement purposes, the Fund does not distinguish that portion of gains (losses) on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and unrealized gains (losses) on investments in the Statement of Operations.

### Derivative Instruments

The Fund invests in certain derivative instruments, as detailed below, to meet its investment objectives. Derivatives are instruments whose values depend on, or are derived from, in whole or in part, the value of one or more other assets, such as securities, currencies, commodities or indices. Derivative instruments may be used to maintain cash reserves while maintaining exposure to certain other assets, to offset anticipated declines in values of investments, to facilitate trading, to reduce transaction costs and to pursue higher investment returns. The Fund may also use derivative instruments to mitigate certain investment risks, such as foreign currency exchange rate risk, interest rate risk and credit risk. Derivatives may involve various risks, including the potential inability of the counterparty to fulfill its obligation under the terms of the contract, the potential for an illiquid secondary market (making it difficult for the Fund to sell, including at favorable prices) and the potential for market movements which may expose the Fund to gains or losses in excess of the amount shown in the Statement of Assets and Liabilities. The notional amounts of derivative instruments, if applicable, are not recorded in the financial statements.

A derivative instrument may suffer a mark to market loss if the value of the contract decreases due to an unfavorable

change in the market rates or values of the underlying instrument. Losses can also occur if the counterparty does not perform under the contract. A Fund's risk of loss from counterparty credit risk on over-the-counter derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund and the amount of any initial margin held by the counterparty. With exchange traded or centrally cleared derivatives, there is minimal counterparty credit risk to the Fund since the exchange's clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the counterparty credit risk is limited to failure of the clearinghouse. However, credit risk still exists in exchange traded or centrally cleared derivatives with respect to initial and variation margin that is held in a broker's customer accounts. While brokers are required to segregate customer margin from their own assets, in the event that a broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the broker for all its clients, U.S. bankruptcy laws will typically allocate that shortfall on a pro-rata basis across all the broker's customers, potentially resulting in losses to the Fund.

In order to better define its contractual rights and to secure rights that will help the Fund mitigate its counterparty risk, the Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) or similar agreement with its derivative contract counterparties. An ISDA Master Agreement is an agreement between a Fund and a counterparty that governs over-the-counter derivatives and forward foreign currency exchange contracts and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative instrument's payables and/or receivables with collateral held and/or posted and create one single



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net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default (close-out netting) including the bankruptcy or insolvency of the counterparty. Note, however, that bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral (margin) requirements differ by type of derivative. Margin requirements are established by the exchange or clearinghouse for exchange traded and centrally cleared derivatives. Brokers can ask for margin in excess of the minimum in certain circumstances. Collateral terms are contract specific for over-the-counter derivatives. For

## Notes to Financial Statements *(continued)*

December 31, 2013

over-the-counter derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any variation margin currently pledged by the Fund and/or the counterparty. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold (e.g. \$500,000) before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty nonperformance. The Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

Certain ISDA Master Agreements allow counterparties to over-the-counter derivatives to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a stated percentage over a specified time period or the Fund fails to meet the terms of the ISDA Master Agreement, which would cause the Fund to accelerate payment of any net liability owed to the counterparty. The Fund also has termination rights if the counterparty fails to meet the terms of the ISDA Master Agreement. In addition to considering counterparty credit risk, the Fund would consider terminating the derivative contracts based on whether termination would result in a net liability owed from the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities.

### **Futures Contracts**

Futures contracts are exchange traded and represent commitments for the future purchase or sale of an asset at a specified price on a specified date. The Fund bought and sold futures contracts to maintain appropriate equity market exposure while keeping sufficient cash to accommodate daily redemptions. These instruments may be used for other purposes in future periods. Upon entering into futures contracts, the Fund bears risks that it may not achieve the anticipated benefits of the futures contracts and may realize a loss. Additional risks include counterparty credit risk, the possibility of an illiquid market, and that a change in the value of the contract or option may not correlate with changes in the value of the underlying asset.

Upon entering into a futures contract, the Fund pledges cash or securities with the broker in an amount sufficient to meet the initial margin requirement. The initial margin deposit must be maintained at an established level over the life of the

contract. Cash deposited as initial margin is recorded in the Statement of Assets and Liabilities as margin deposits. Securities deposited as initial margin are designated in the Portfolio of Investments. Subsequent payments (variation margin) are made or received by the Fund each day. The variation margin payments are equal to the daily change in the contract value and are recorded as variation margin receivable or payable and are offset in unrealized gains or losses. The Fund recognizes a realized gain or loss when the contract is closed or expires. Futures contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Assets and Liabilities.

### **Effects of Derivative Transactions in the Financial Statements**

The following tables are intended to provide additional information about the effect of derivatives on the financial statements of the Fund, including: the fair value of derivatives by risk category and the location of those fair values in the Statement of Assets and Liabilities; the impact of derivative transactions over the period in the Statement of Operations including realized gains or losses and unrealized gains or losses. The derivative schedules following the Portfolio of Investments present additional information regarding derivative instruments outstanding at the end of the period, if any.

The following table is a summary of the fair value of derivative instruments at December 31, 2013:

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| <b>Risk Exposure Category</b> | <b>Asset Derivatives<br/>Statement of Assets and Liabilities Location</b> | <b>Fair Value (\$)</b> |
|-------------------------------|---|------------------------|
| Equity risk                   | Net assets unrealized appreciation on futures contracts                   | 108,634*               |

\* Includes cumulative appreciation (depreciation) as reported in the tables following the Portfolio of Investments. Only the current day's variation margin is reported in receivables or payables in the Statement of Assets and Liabilities.

The following table indicates the effect of derivative instruments in the Statement of Operations for the year ended December 31, 2013:

| <b>Risk Exposure Category</b> | <b>Amount of Realized Gain (Loss) on Derivatives Recognized in<br/>Income</b>                   | <b>Futures Contracts (\$)</b>           |
|-------------------------------|---|---|
| Equity risk                   | <b>Change in Unrealized Appreciation (Depreciation) on Derivatives<br/>Recognized in Income</b> | 929,307                                 |
| Equity risk                   | <b>Risk Exposure Category</b>   | <b>Futures Contracts (\$)</b><br>88,836 |

## Notes to Financial Statements *(continued)*

December 31, 2013

The following table is a summary of the volume of derivative instruments for the year ended December 31, 2013:

| Derivative Instrument        | Contracts Opened |
|------------------------------|------------------|
| Futures contracts            | 160              |
| <b>Security Transactions</b> |                  |

Security transactions are accounted for on the trade date. Cost is determined and gains (losses) are based upon the specific identification method for both financial statement and federal income tax purposes.

### Income Recognition

Corporate actions and dividend income are generally recorded net of any non-reclaimable tax withholdings, on the ex-dividend date or upon receipt of ex-dividend notification in the case of certain foreign securities.

Interest income is recorded on an accrual basis. Market premiums and discounts, including original issue discounts, are amortized and accreted, respectively, over the expected life of the security on all debt securities, unless otherwise noted.

### Federal Income Tax Status

The Fund intends to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code, as amended, and will distribute substantially all of its taxable income (including net short-term capital gains), if any, for its tax year, and as such will not be subject to federal income taxes. In addition, the Fund intends to distribute in each calendar year substantially all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to federal excise tax. Therefore, no federal income or excise tax provision is recorded.

### Foreign Taxes

The Fund may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries, as applicable, based upon its current interpretation of tax rules and regulations that exist in the markets in which it invests.

Realized gains in certain countries may be subject to foreign taxes at the Fund level, based on statutory rates. The Fund accrues for such foreign taxes on realized and unrealized gains at the appropriate rate for each jurisdiction, as applicable. The amount, if any, is disclosed as a liability on the Statement of Assets and Liabilities.

### Dividends to Stockholders

The Fund has an earned distribution policy. Under this policy, the Fund intends to make quarterly distributions to holders of Common Stock that are approximately equal to net investment income, less dividends payable on the Fund's Preferred Stock. Capital gains, when available, are distributed to Common Stockholders along with the last income distribution of the calendar year.

Dividends and other distributions to Stockholders are recorded on ex-dividend dates.

### **Guarantees and Indemnifications**

Under the Fund's organizational documents and, in some cases, by contract, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Trust or its funds. In addition, certain of the Fund's contracts with its service providers contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown since the amount of any future claims that may be made against the Fund cannot be determined, and the Fund has no historical basis for predicting the likelihood of any such claims.

### **Note 3. Fees and Compensation Paid to Affiliates**

#### **Investment Management Fees**

Under an Investment Management Services Agreement, Columbia Management Investment Advisers, LLC (the Investment Manager), a wholly-owned subsidiary of Ameriprise Financial, Inc. (Ameriprise Financial), determines which securities will be purchased, held or sold. The investment management fee is an annual fee that is equal to 0.355% of the Fund's average daily net assets.

#### **Administration Fees**

Under an Administrative Services Agreement, the Investment Manager also serves as the Fund Administrator. The Fund pays the Fund Administrator an annual fee for administration and accounting services equal to a percentage of the Fund's average daily net assets that declines from 0.06% to 0.03% as the Fund's net assets increase. The effective administration fee rate for the year ended December 31, 2013 was 0.06% of the Fund's average daily net assets.

#### **Other Expenses**

Other expenses are for, among other things, miscellaneous expenses of the Fund or the Board, including payments to a company providing limited administrative services to the Fund and the Board. That company's expenses include boardroom

Tri-Continental Corporation

## Notes to Financial Statements *(continued)*

December 31, 2013

and office expense, employee compensation, employee health and retirement benefits, and certain other expenses. For the year ended December 31, 2013, other expenses paid to this company were \$4,326.

### Compensation of Board Members

Board members are compensated for their services to the Fund as disclosed in the Statement of Operations. Under a Deferred Compensation Plan (the Plan), the Board members who are not interested persons of the Fund, as defined under the 1940 Act, may elect to defer payment of up to 100% of their compensation. Deferred amounts are treated as though equivalent dollar amounts had been invested in shares of certain funds managed by the Investment Manager. The Fund's liability for these amounts is adjusted for market value changes and remains in the Fund until distributed in accordance with the Plan.

### Stockholder Servicing Fees

Under a Stockholder Service Agent Agreement, Columbia Management Investment Services Corp. (the Stockholder Servicing Agent), an affiliate of the Investment Manager and a wholly-owned subsidiary of Ameriprise Financial, maintains Fund Stockholder accounts and records and provides Fund Stockholder services. Under the Agreement, the Fund pays the Stockholder Servicing Agent a \$21 fee per common stock open account.

The Fund and certain other associated investment companies (together, the Guarantors) have severally, but not jointly, guaranteed the performance and observance of all the terms and conditions of a lease entered into by Seligman Data Corp. (SDC), including the payment of rent by SDC (the Guaranty). SDC was the legacy Seligman funds' former stockholder servicing agent.

The lease and the Guaranty expire in January 2019. At December 31, 2013, the Fund's total potential future obligation over the life of the Guaranty is \$692,153. The liability remaining at December 31, 2013 for non-recurring charges associated with the lease amounted to \$426,622 and is included within payable for other expenses in the Statement of Assets and Liabilities. SDC is owned by six associated investment companies, including the Fund. The Fund's ownership interest in SDC at December 31, 2013 is included within other assets in the Statement of Assets and Liabilities at a cost of \$43,681.

### Note 4. Federal Tax Information

The timing and character of income and capital gain distributions are determined in accordance with income tax regulations, which may differ from GAAP because of temporary or permanent book to tax differences.

At December 31, 2013, these differences are primarily due to differing treatment for capital loss carryforwards, deferral/reversal of wash sales losses, Trustees' deferred compensation, foreign currency transactions, re-characterization of distributions for investments and derivative investments. To the extent these differences are permanent, reclassifications are made among the components of the Fund's net assets in the Statement of Assets and Liabilities. Temporary differences do not require reclassifications. In the Statement of Assets and Liabilities the following reclassifications were made:

|  |             |
|--|-------------|
| Undistributed net investment income  | (\$715,663) |
| Accumulated net realized loss  | 310,936     |
| Paid-in capital  | 404,727     |
| Net investment income and net realized gains (losses), as disclosed in the Statement of Operations, and net assets were not affected by this reclassification. |             |

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The tax character of distributions paid during the years indicated was as follows:

|   | <b>Year Ended<br/>December 31,</b> | <b>Year Ended<br/>December 31,</b> |
|---|------------------------------------|------------------------------------|
|   | <b>2013 (\$)</b>                   | <b>2012 (\$)</b>                   |
| Ordinary income   | 44,096,776                         | 39,877,602                         |
| Short-term capital gain distributions, if any, are considered ordinary income distributions for tax purposes. |                                    |                                    |

At December 31, 2013, the components of distributable earnings on a tax basis were as follows:

|                               |               |
|-------------------------------|---------------|
| Undistributed ordinary income | \$3,083,066   |
| Unrealized appreciation       | \$236,583,973 |

At December 31, 2013, the cost of investments for federal income tax purposes was \$1,227,071,998 and the aggregate gross unrealized appreciation and depreciation based on that cost was:

|                             |               |
|-----------------------------|---------------|
| Unrealized appreciation     | \$254,854,410 |
| Unrealized depreciation     | (18,270,437)  |
| Net unrealized appreciation | \$236,583,973 |

The following capital loss carryforward, determined at December 31, 2013, may be available to reduce taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Internal Revenue Code:

|      | <b>Year of Expiration</b> | <b>Amount (\$)</b> |
|------|---------------------------|--------------------|
| 2017 |                           | 463,214,980        |

## Notes to Financial Statements *(continued)*

December 31, 2013

For the year ended December 31, 2013, \$142,641,024 of capital loss carryforward was utilized.

Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. However, management's conclusion may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). Generally, the Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

### Note 5. Portfolio Information

The cost of purchases and proceeds from sales of securities, excluding short-term obligations, aggregated to \$829,592,786 and \$835,794,276, respectively, for the year ended December 31, 2013.

### Note 6. Capital Stock Transactions

Under the Fund's Charter, dividends on Common Stock cannot be declared unless net assets, after deducting the amount of such dividends and all unpaid dividends declared on Preferred Stock, equal at least \$100 per share of Preferred Stock outstanding. The Preferred Stock is subject to redemption at the Fund's option at any time on 30 days' notice at \$55 per share (or a total of \$41,400,700 for the shares outstanding) plus accrued dividends, and entitled in liquidation to \$50 per share plus dividends accrued or in arrears, as the case may be.

#### Automatic Dividend and Cash Purchase Plan

The Fund, in connection with its Automatic Dividend Investment and Cash Purchase Plan (the Plan) and other Stockholder plans, acquires and issues shares of its own Common Stock, as needed, to satisfy Plan requirements. A total of 94,934 shares were issued to Plan participants during the period for proceeds of \$1,723,896, a weighted average discount of 13.1% from the net asset value of those shares. In addition, a total of 698,558 shares were issued at market price in distributions during the period for proceeds of \$12,700,935, a weighted average discount of 13.9% from the net asset value of those shares.

For Stockholder accounts established after June 1, 2007, unless the Stockholder Servicing Agent is otherwise instructed by the Stockholder, distributions on the Common Stock are paid in book shares of Common Stock which are entered in the Stockholder's account as book credits. Each Stockholder may also elect to receive distributions 75% in shares and 25% in cash, 50% in shares and 50% in cash, or 100% in cash. Any

such election must be received by the Stockholder Servicing Agent by the record date for a distribution. If the Stockholder holds shares of Common Stock through a financial intermediary (such as a broker), the Stockholder should contact the financial intermediary to discuss reinvestment and distribution options. Elections received after a record date for a distribution will be effective in respect of the next distribution. Shares issued to the Stockholder in respect of distributions will be at a price equal to the lower of: (i) the closing sale price of the Common Stock on the NYSE on the ex-dividend date or (ii) the greater of net asset value per share of Common Stock and 95% of the closing price of the Common Stock on the NYSE on the ex-dividend date. The issuance of Common Stock at less than net asset value per share will dilute the net asset value of all Common Stock outstanding at that time.

For the year ended December 31, 2013, the Fund purchased 591,396 shares of its Common Stock in the open market at an aggregate cost of \$10,793,145, which represented a weighted average discount of 13.4% from the net asset value of those acquired shares. For the year ended December 31, 2013, the Fund purchased 1,118,982 shares of its Common Stock from Plan participants at a cost of \$20,483,855, which represented a weighted average discount of 13.7% from the net asset value of those acquired shares. Shares of Common Stock repurchased to satisfy Plan requirements or in the open market are retired and no longer outstanding.

Under the Fund's stock repurchase program for 2013, the amount of the Fund's outstanding Common Stock that the Fund may repurchase from Stockholders and in the open market is 5%, provided that, with respect to shares purchased in the open market, the discount must be greater than



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10%. The intent of the stock repurchase program is, among other things, to moderate the growth in the number of shares outstanding, increase the NAV of the Fund's outstanding shares, reduce the dilutive impact on stockholders who do not take capital gain distributions in additional shares and increase the liquidity of the Fund's Common Stock in the marketplace.

### **Warrants**

At December 31, 2013, the Fund reserved 197,100 shares of Common Stock for issuance upon exercise of 8,148 Warrants, each of which entitled the holder to purchase 24.19 shares of Common Stock at \$0.93 per share.

Assuming the exercise of all Warrants outstanding at December 31, 2013, net assets would have increased by \$183,303 and the net asset value of the Common Stock would have been \$23.04 per share. The number of Warrants exercised during the year ended December 31, 2013 and 2012 was 0 and 1,343, respectively.

## Notes to Financial Statements *(continued)*

December 31, 2013

### Note 7. Affiliated Money Market Fund

The Fund invests its daily cash balances in Columbia Short-Term Cash Fund, an affiliated money market fund established for the exclusive use by the Fund and other affiliated funds. The income earned by the Fund from such investments is included as Dividends affiliated issuers in the Statement of Operations. As an investing fund, the Fund indirectly bears its proportionate share of the expenses of Columbia Short-Term Cash Fund.

### Note 8. Lehman Brothers Holdings Inc. Equity-Linked Notes

The Fund holds investments in two equity-linked notes (notes) for which Lehman Brothers Holdings Inc. (Lehman Brothers) is the counterparty. The notes (with an aggregate principal amount of \$29.7 million) defaulted as of their respective maturity dates, September 14, 2008 and October 2, 2008. Lehman Brothers filed a Chapter 11 bankruptcy petition on September 15, 2008, and as such, it is likely that the Fund will receive less than the maturity value of the notes, pending the outcome of the bankruptcy proceedings. Based on the bankruptcy proceedings, the Fund recorded receivables aggregating \$2.9 million based on the estimated amounts recoverable for the notes and recognized realized losses of \$26.8 million. The estimates of the amounts recoverable for the notes are based on the current information regarding the claim provided by the bankruptcy court and any amounts received as payments for the claim, which provide an indication of amounts recoverable through the bankruptcy proceedings. To date, the Fund has received \$6.3 million on this claim. Any changes to the receivable balances resulting from such adjustments are recorded as a change in unrealized appreciation or depreciation in the Statement of Operations. At December 31, 2013, the value of the receivable balances was approximately \$0.2 million, which represented 0.01% of the Fund's net assets.

### Note 9. Significant Risks

#### Large-Capitalization Risk

To the extent that the Fund invests a substantial percentage of its assets in an industry, the Fund's performance may be negatively affected if that industry falls out of favor. Stocks of large-capitalization companies have at times experienced periods of volatility and negative performance. During such periods, the value of the stocks may decline and the Fund's performance may be negatively affected.

### Note 10. Subsequent Events

Management has evaluated the events and transactions that have occurred through the date the financial statements were issued and noted no items requiring adjustment of the financial statements or additional disclosure.

### Note 11. Information Regarding Pending and Settled Legal Proceedings

In December 2005, without admitting or denying the allegations, American Express Financial Corporation (AEFC, which is now known as Ameriprise Financial, Inc. (Ameriprise Financial)) entered into settlement agreements with the Securities and Exchange Commission (SEC) and Minnesota Department of Commerce (MDOC) related to market timing activities. As a result, AEFC was censured and ordered to cease and desist from committing or causing any violations of certain provisions of the Investment Advisers Act of 1940, the Investment Company Act of 1940, and various Minnesota laws. AEFC agreed to pay disgorgement of \$10 million and civil money penalties of \$7 million. AEFC also agreed to retain an independent distribution consultant to assist in developing a plan for distribution of all disgorgement and civil penalties ordered by the SEC in accordance with various undertakings detailed at [www.sec.gov/litigation/admin/ia-2451.pdf](http://www.sec.gov/litigation/admin/ia-2451.pdf). Ameriprise Financial and its affiliates have cooperated with the SEC and the MDOC in these legal proceedings, and have made regular reports to the Funds' Boards of Directors.

Ameriprise Financial and certain of its affiliates have historically been involved in a number of legal, arbitration and regulatory proceedings, including routine litigation, class actions, and governmental actions, concerning matters arising in connection with the conduct of their business

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activities. Ameriprise Financial believes that the Funds are not currently the subject of, and that neither Ameriprise Financial nor any of its affiliates are the subject of, any pending legal, arbitration or regulatory proceedings that are likely to have a material adverse effect on the Funds or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Funds. Ameriprise Financial is required to make 10-Q, 10-K and, as necessary, 8-K filings with the Securities and Exchange Commission on legal and regulatory matters that relate to Ameriprise Financial and its affiliates. Copies of these filings may be obtained by accessing the SEC website at [www.sec.gov](http://www.sec.gov).

There can be no assurance that these matters, or the adverse publicity associated with them, will not result in increased fund redemptions, reduced sale of fund shares or other adverse consequences to the Funds. Further, although we believe proceedings are not likely to have a material adverse effect on

## Notes to Financial Statements *(continued)*

December 31, 2013

the Funds or the ability of Ameriprise Financial or its affiliates to perform under their contracts with the Funds, these proceedings are subject to uncertainties and, as such, we are unable to estimate the possible loss or range of loss that may result. An adverse outcome in one or more of these proceedings could result in adverse judgments, settlements, fines, penalties or other relief that could have a material adverse effect on the consolidated financial condition or results of operations of Ameriprise Financial.

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Tri-Continental Corporation

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

**Tri-Continental Corporation**

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Tri-Continental Corporation (the Fund) at December 31, 2013, the results of its operations for the year then ended and the changes in its net assets and the financial highlights for each of the two years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements) are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2013 by correspondence with the custodian, brokers and transfer agent, and the application of alternative auditing procedures where such confirmations had not been received, provide a reasonable basis for the opinion expressed above. The financial highlights for the Fund for the periods ended on or prior to December 31, 2011 were audited by another independent registered public accounting firm whose report dated February 22, 2012 expressed an unqualified opinion on those financial highlights.

PricewaterhouseCoopers LLP

Minneapolis, Minnesota

February 21, 2014

## Federal Income Tax Information

(Unaudited)

The Fund hereby designates the following tax attributes for the fiscal year ended December 31, 2013.

### Tax Designations

|                              |        |
|------------------------------|--------|
| Qualified Dividend Income    | 58.71% |
| Dividends Received Deduction | 56.43% |

**Qualified Dividend Income.** For taxable, non-corporate Stockholders, the percentage of ordinary income dividends paid during the fiscal year that represents qualified dividend income subject to reduced tax rates.

**Dividends Received Deduction.** The percentage of ordinary income dividends paid during the fiscal year that qualifies for the corporate dividends received deduction.

Tri-Continental Corporation

## Directors and Officers

Stockholders elect the Board that oversees the Fund's operations. The Board appoints officers who are responsible for day-to-day business decisions based on policies set by the Board. The following table provides basic biographical information about the Fund's Board members, including their principal occupations during the past five years, although specific titles for individuals may have varied over the period. Under current Board policy, members may serve through the end of the calendar year in which he or she reaches the mandatory retirement age established by the Board or the fifteenth anniversary of the first Board meeting they attended as a member of the Board.

### Independent Directors

| Name,<br>Address,<br><br>Year of Birth  | Position Held<br>With Fund and<br>Length of Service          | Principal Occupation During Past Five Years   | Number of<br>Funds in the<br>Fund Family<br>Overseen by<br>Board Member | Other Present or<br>Past Directorships/<br>Trusteeships<br>(within Past 5 Years)  |
|---|--|---|---|---|
| Kathleen Blatz<br><br>901 S. Marquette Ave.<br><br>Minneapolis, MN 55402<br><br>1954        | Board member since<br>November 2008                          | Attorney; Chief Justice, Minnesota Supreme Court,<br>1998-2006  | 131   | Director, BlueCross<br>BlueShield of<br>Minnesota since 2009  |
| Pamela G. Carlton<br><br>901 S. Marquette Ave.<br><br>Minneapolis, MN 55402<br><br>1954     | Board member since<br>November 2008                          | President, Springboard-Partners in Cross Cultural<br>Leadership (consulting company) since 2003; Director or<br>Managing Director of US Equity Research for Chase<br>Asset Management, 1996-2003; Investment Banker at<br>Morgan Stanley, 1982-1996   | 131   | None  |
| William P. Carmichael<br><br>901 S. Marquette Ave.<br><br>Minneapolis, MN 55402<br><br>1943 | Board member and<br>Chair of the Board<br>since January 2014 | Retired; Co-founder of The Succession Fund (provides<br>exit strategies to owners of privately held companies);<br>previously, Senior Vice President of Sara Lee<br>Corporation; Senior Vice President and Chief Financial<br>Officer of Beatrice Foods Company; Vice President of<br>Esmark, Inc.; associate at Price Waterhouse | 131   | Director, Cobra<br>Electronics Corporation<br>(electronic equipment<br>manufacturer); The<br>Finish Line (athletic<br>shoes and apparel) since<br>July 2003; Director,<br>International Textile<br>Corp. since 2013;<br>former Director,<br>McMoRan Exploration<br>Company (oil and gas<br>exploration and<br>development)<br>2010-2013; former<br>Trustee, BofA Funds<br>Series Trust (11 funds);<br>former Director,<br>Spectrum Brands, Inc.<br>(consumer products);<br>former Director,<br>Simmons Company<br>(bedding) |
| Patricia M. Flynn<br><br>901 S. Marquette Ave.  | Board member since<br>November 2008                          | Trustee Professor of Economics and Management,<br>Bentley University since 1976   | 131   | None  |

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Minneapolis, MN 55402

|   |                                     |  |   |
|---|-------------------------------------|--|---|
| 1950<br>Stephen R. Lewis, Jr.<br>901 S. Marquette Ave.<br>Minneapolis, MN 55402 | Board member since<br>November 2008 | President Emeritus and Professor of Economics Emeritus, 131<br>Carleton College since 2002 | Director, Valmont<br>Industries, Inc.<br>(irrigation systems<br>manufacturer) since<br>2002 |
|---|-------------------------------------|--|---|

|  |                                     |   |   |
|--|-------------------------------------|---|---|
| 1939<br>Catherine James Paglia<br>901 S. Marquette Ave.<br>Minneapolis, MN 55402 | Board member since<br>November 2008 | Director, Enterprise Asset Management, Inc. (private real 131<br>estate and asset management company) | Director, Valmont<br>Industries, Inc.<br>(irrigation systems<br>manufacturer) since<br>2012 |
|--|-------------------------------------|---|---|

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**Directors and Officers** *(continued)***Independent Directors** *(continued)*

| <b>Name,<br/>Address,<br/><br/>Year of Birth</b>   | <b>Position Held<br/>With Fund and<br/>Length of Service</b> | <b>Principal Occupation During Past Five Years</b>   | <b>Number of<br/>Funds in the<br/>Fund Family<br/>Overseen by<br/>Board Member</b> | <b>Other Present or<br/>Past Directorships/<br/>Trusteeships<br/>(within Past 5 Years)</b>   |
|--|--|--|--|--|
| Leroy C. Richie<br><br>901 S. Marquette Ave.<br><br>Minneapolis, MN 55402<br><br>1941      | Board member since 2000                                      | Counsel, Lewis & Munday, P.C. (law firm) since 2004; Vice President and General Counsel, Automotive Legal Affairs, Chrysler Corporation, 1993-1997 | 131  | Lead Outside Director, Digital Ally, Inc. (digital imaging) since September 2005; Director, Infinity, Inc. (oil and gas exploration and production) since 1994; Director, OGE Energy Corp. (energy and energy services) since November 2007    |
| Alison Taunton-Rigby<br><br>901 S. Marquette Ave.<br><br>Minneapolis, MN 55402<br><br>1944 | Board member since November 2008                             | Chief Executive Officer and Director, RiboNovix, Inc., (biotechnology) 2003-2010   | 131  | Director, Healthways, Inc. (health and wellbeing improvement) since 2005; Director, ICI Mutual Insurance Company, RRG since 2011; Director, Abt Associates (government contractor) since 2001; Director, Boston Children's Hospital since 2002 |

**Interested Director Affiliated with Investment Manager\***

| <b>Name,<br/>Address,<br/><br/>Year of Birth</b>   | <b>Position Held<br/>With Funds and<br/>Length of Service</b>  | <b>Principal Occupation During Past Five Years</b>   | <b>Number of<br/>Funds in the<br/>Fund Family<br/>Overseen by<br/>Board Member</b> | <b>Other Present or<br/>Past Directorships/<br/>Trusteeships<br/>(within Past 5 Years)</b> |
|--|--|--|--|--|
| William F. Truscott<br><br>53600 Ameriprise<br>Financial Center<br>Minneapolis, MN 55474<br><br>1960 | Board member since 11/01 for RiverSource Funds and since 6/11 for Nations Funds; Senior Vice President since 2002 for RiverSource Funds and since 5/10 for Nations Funds | Chairman of the Board and President, Columbia Management Investment Advisers, LLC since May 2010 and February 2012, respectively (previously President and Chief Investment Officer, 2001-April 2010); Chief Executive Officer, Global Asset Management, Ameriprise Financial, Inc. since September 2012 (previously Chief Executive Officer, U.S. Asset Management & President, Annuities, May 2010- September 2012 and President U.S. Asset Management and Chief Investment Officer, 2005-April 2010); Director and Chief Executive Officer, Columbia Management Investment Distributors, Inc. since May 2010 and February 2012, respectively (previously Chairman of the Board and Chief Executive Officer, 2006-April 2010); Chairman of the Board and Chief Executive Officer, RiverSource Distributors, Inc. since 2006; President and Chief Executive Officer, Ameriprise | 183  | Former Director, Ameriprise Certificate Company, 2006-January 2013                         |

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Certificate Company, 2006-August 2012.

\* Interested person (as defined under the 1940 Act) by reason of being an officer, director, security holder and/or employee of the Investment Manager or Ameriprise Financial.

The SAI has additional information about the Fund's Board members and is available, without charge, upon request by calling 800.345.6611; contacting your financial intermediary; or visiting [columbiamanagement.com](http://columbiamanagement.com).

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Tri-Continental Corporation

**Directors and Officers** *(continued)*

The Board has appointed officers who are responsible for day-to-day business decisions based on policies it has established. The officers serve at the pleasure of the Board. In addition to Mr. Truscott, who is Senior Vice President, the Fund's other officers are:

**Officers**

| <b>Name,</b>  | <b>Position and Year</b>  | <b>First Appointed to</b>  | <b>Position for any</b>   | <b>Fund in the</b>  | <b>Columbia Funds</b>   |
|---|---|----------------------------|---|---|---|
| <b>Address and</b>  | <b>Complex or a</b>   | <b>Predecessor Thereof</b> | <b>Principal Occupation(s) During Past Five Years</b>   |   |   |
| <b>Year of Birth</b>  |   |                            |   |   |   |
| J. Kevin Connaughton  | President and<br>Principal Executive<br>Officer (2009)  |                            | Senior Vice President and General Manager   | Mutual Fund Products, Columbia Management<br>Investment Advisers, LLC, since May 2010; and President, Columbia Funds since 2009; previously,<br>Managing Director, Columbia Management Advisors, LLC, from December 2004 to April 2010;<br>Senior Vice President and Chief Financial Officer, Columbia Funds, from June 2008 to January 2009;<br>and senior officer of Columbia Funds and affiliated funds since 2003 |   |
| 225 Franklin Street<br><br>Boston, MA 02110                   |   |                            |   |   |   |
| Born 1964   |   |                            |   |   |   |
| Michael G. Clarke   | Treasurer (2011) and<br>Chief Financial<br>Officer (2009)   |                            | Vice President, Columbia Management Investment Advisers, LLC, since May 2010; previously,<br>Managing Director of Fund Administration, Columbia Management Advisors, LLC, from September<br>2004 to April 2010; and senior officer of Columbia Funds and affiliated funds since 2002              |   |   |
| 225 Franklin Street<br><br>Boston, MA 02110                   |   |                            |   |   |   |
| Born 1969   |   |                            |   |   |   |
| Scott R. Plummer  | Senior Vice President<br>(2006), Chief Legal<br>Officer (2006) and<br>Assistant Secretary<br>(2011) |                            | Senior Vice President, Chief Legal Officer and Assistant Secretary, Columbia Management<br>Investment Advisers, LLC, since June 2005; Senior Vice President and Lead Chief Counsel  | Asset<br>Management, Ameriprise Financial, Inc., since May 2010 (previously, Vice President and Chief<br>Counsel  | Asset Management, from 2005 to April 2010); Vice President, Chief Counsel and Assistant<br>Secretary, Columbia Management Investment Distributors, Inc., since 2008; Vice President, General<br>Counsel and Secretary, Ameriprise Certificate Company, since 2005; Chief Counsel, RiverSource<br>Distributors, Inc., since 2006; and senior officer of Columbia Funds and affiliated funds since 2006 |
| 5228 Ameriprise Financial Center<br><br>Minneapolis, MN 55474 |   |                            |   |   |   |
| Born 1959   |   |                            |   |   |   |
| Thomas P. McGuire   | Chief Compliance<br>Officer (2012)  |                            | Vice President  | Asset Management Compliance, Ameriprise Financial, Inc., since May 2010; Chief<br>Compliance Officer, Ameriprise Certificate Company, since September 2010; Compliance Executive,<br>Bank of America, from 2005 to April 2010   |   |
| 225 Franklin Street<br><br>Boston, MA 02110                   |   |                            |   |   |   |
| Born 1972   |   |                            |   |   |   |
| Colin Moore   | Senior Vice President<br>(2010)   |                            | Executive Vice President and Global Chief Investment Officer, Ameriprise Financial, Inc., since July<br>2013; Director and Global Chief Investment Officer, Columbia Management Investment Advisers,<br>LLC, since May 2010; previously, Manager, Managing Director and Chief Investment Officer, |   |   |
| 225 Franklin Street   |   |                            |   |   |   |

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Boston, MA 02110

Columbia Management Advisors, LLC, from 2007 to April 2010

Born 1958  
Michael E. DeFao

Vice President (2011) Vice President and Chief Counsel, Ameriprise Financial, Inc., since May 2010; Associate General and Assistant Counsel, Bank of America from 2005 to April 2010  
Secretary (2010)

225 Franklin Street

Boston, MA 02110

Born 1968  
Joseph F. DiMaria

Vice President (2011) Vice President Mutual Fund Administration, Columbia Management Investment Advisers, LLC, and Chief Accounting since May 2010; previously, Director of Fund Administration, Columbia Management Advisors, LLC, Officer (2008) from 2006 to April 2010

225 Franklin Street

Boston, MA 02110

Born 1968  
Paul B. Goucher

Vice President (2011) Vice President and Lead Chief Counsel, Ameriprise Financial, Inc., since November 2008 and January and Assistant Secretary (2008) 2013, respectively (previously, Chief Counsel, from January 2010 to January 2013, and Group Counsel from November 2008 to January 2010); previously, Director, Managing Director and General Counsel, J. & W. Seligman & Co. Incorporated, from July 2008 to November 2008

100 Park Avenue

New York, NY 10017

Born 1968  
Amy Johnson

Vice President (2006) Senior Vice President and Chief Operating Officer, Columbia Management Investment Advisers, LLC, since May 2010; previously, Chief Administrative Officer, from 2009 to April 2010, and Vice President Asset Management and Trust Company Services, from 2006 to 2009

5228 Ameriprise Financial Center

Minneapolis, MN

Born 1965  
Paul D. Pearson

Vice President (2011) Vice President Investment Accounting, Columbia Management Investment Advisers, LLC, since May and Assistant Treasurer (1999) 2010; previously, Vice President Managed Assets, Investment Accounting, Ameriprise Financial, Inc. from 1998 to April 2010

5228 Ameriprise Financial Center

Minneapolis, MN

Born 1956

**Directors and Officers** *(continued)***Officers** *(continued)*

| <b>Name,</b>                     | <b>Position and Year</b> | <b>First Appointed to</b> | <b>Position for any</b> | <b>Fund in the</b> | <b>Columbia Funds</b> | <b>Complex or a</b> | <b>Predecessor Thereof</b>          | <b>Principal Occupation(s) During Past Five Years</b>  |
|----------------------------------|--------------------------|---------------------------|-------------------------|--------------------|-----------------------|---------------------|-------------------------------------|--|
| Christopher O. Petersen          |                          |                           |                         |                    |                       |                     | Vice President and Secretary (2010) | Vice President and Chief Counsel, Ameriprise Financial, Inc., since January 2010 (previously, Vice President and Group Counsel or Counsel from 2004 to January 2010); officer of Columbia Funds and affiliated funds since 2007  |
| 5228 Ameriprise Financial Center |                          |                           |                         |                    |                       |                     |                                     |  |
| Minneapolis, MN 55474            |                          |                           |                         |                    |                       |                     |                                     |  |
| Born 1970                        |                          |                           |                         |                    |                       |                     |                                     |  |
| Stephen T. Welsh                 |                          |                           |                         |                    |                       |                     | Vice President (2006)               | President and Director, Columbia Management Investment Services Corp., since May 2010; previously, President and Director, Columbia Management Services, Inc., from 2004 to April 2010; and Managing Director, Columbia Management Distributors, Inc., from 2007 to April 2010 |
| 225 Franklin Street              |                          |                           |                         |                    |                       |                     |                                     |  |
| Boston, MA 02110                 |                          |                           |                         |                    |                       |                     |                                     |  |
| Born 1957                        |                          |                           |                         |                    |                       |                     |                                     |  |

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## Important Information About This Report

Each fund mails one stockholder report to each stockholder address. If you would like more than one report, please call stockholder services at 800.345.6611 and additional reports will be sent to you.

The policy of the Board is to vote the proxies of the companies in which each fund holds investments consistent with the procedures as stated in the Statement of Additional Information (SAI). You may obtain a copy of the SAI without charge by calling 800.345.6611; contacting your financial intermediary; visiting [columbiamanagement.com](http://columbiamanagement.com); or searching the website of the Securities and Exchange Commission (SEC) at [sec.gov](http://sec.gov). Information regarding how each fund voted proxies relating to portfolio securities is filed with the SEC by August 31 for the most recent 12-month period ending June 30 of that year, and is available without charge by visiting [columbiamanagement.com](http://columbiamanagement.com); or searching the website of the SEC at [sec.gov](http://sec.gov).

Each fund files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Each fund's Form N-Q is available on the SEC's website at [sec.gov](http://sec.gov) and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800.SEC.0330. Each fund's complete schedule of portfolio holdings, as filed on Form N-Q, can also be obtained without charge, upon request, by calling 800.345.6611.

**Tri-Continental Corporation**

P.O. Box 8081

Boston, MA 02266-8081

**columbiamanagement.com**

You should consider the investment objectives, risks, charges and expenses of the Fund carefully before investing. A prospectus containing information about the Fund (including its investment objectives, risks, charges, expenses and other information about the Fund) may be obtained by contacting your financial advisor or Columbia Management Investment Services Corp. at 800.345.6611. The prospectus should be read carefully before investing in the Fund. Tri-Continental is managed by Columbia Management Investment Advisers, LLC. This material is distributed by Columbia Management Investment Distributors, Inc., member FINRA.

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ANN240\_12\_D01\_(02/14)

**Item 2. Code of Ethics.**

- (a) The registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party.
- (b) During the period covered by this report, there were not any amendments to a provision of the code of ethics adopted in 2(a) above.
- (c) During the period covered by this report, there were no waivers, including any implicit waivers, from a provision of the code of ethics described in 2(a) above that relates to one or more of the items set forth in paragraph (b) of this item's instructions.

**Item 3. Audit Committee Financial Expert.**

The registrant's Board of Trustees has determined that Pamela G. Carlton and Alison Taunton-Rigby, each of whom are members of the registrant's Board of Trustees and Audit Committee, each qualify as an audit committee financial expert. Ms. Carlton and Ms. Taunton-Rigby are each independent trustees, as defined in paragraph (a)(2) of this item's instructions.

**Item 4. Principal Accountant Fees and Services.**

Fee information below is disclosed for the one series of the registrant whose report to stockholders is included in this annual filing.

(a) *Audit Fees.* Aggregate Audit Fees billed by the principal accountant for professional services rendered during the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013      | 2012      |
|-----------|-----------|
| \$ 37,000 | \$ 37,000 |

Audit Fees include amounts related to the audit of the registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

(b) *Audit-Related Fees.* Aggregate Audit-Related Fees billed to the registrant by the principal accountant for professional services rendered during the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013   | 2012   |
|--------|--------|
| \$ 400 | \$ 400 |

Audit-Related Fees include amounts for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the registrant's financial statements and are not reported in Audit Fees above. In both fiscal years 2013 and 2012, Audit-Related Fees consist of agreed-upon procedures performed for semi-annual shareholder reports.

During the fiscal years ended December 31, 2013 and December 31, 2012, there were no Audit-Related Fees billed by the registrant's principal accountant to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for an engagement that related directly to the operations and financial reporting of the registrant.

(c) *Tax Fees.* Aggregate Tax Fees billed by the principal accountant to the registrant for professional services rendered during the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013     | 2012     |
|----------|----------|
| \$ 5,800 | \$ 4,100 |

Tax Fees include amounts for the review of annual tax returns, the review of required shareholder distribution calculations and typically include amounts for professional services by the principal accountant for tax compliance, tax advice and tax planning.

During the fiscal years ended December 31, 2013 and December 31, 2012, there were no Tax Fees billed by the registrant's principal accountant to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for an engagement that related directly to the operations and financial reporting of the registrant.

(d) *All Other Fees.* Aggregate All Other Fees billed by the principal accountant to the registrant for professional services rendered during the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013 | 2012 |
|------|------|
| \$ 0 | \$ 0 |

All Other Fees include amounts for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) above.

Aggregate All Other Fees billed by the registrant's principal accountant to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and

any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for an engagement that related directly to the operations and financial reporting of the registrant during the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013       | 2012       |
|------------|------------|
| \$ 135,000 | \$ 401,800 |

In both fiscal years 2013 and 2012, All Other Fees consist of fees billed for internal control reviews. Fiscal year 2012 includes fees billed for a subscription to a tax database, tax consulting services and the review of documentation around a change in independent accountant.

**(e)(1) Audit Committee Pre-Approval Policies and Procedures**

The registrant's Audit Committee is required to pre-approve the engagement of the registrant's independent auditors to provide audit and non-audit services to the registrant and non-audit services to its investment adviser (excluding any sub-adviser whose role is primarily portfolio management and is sub-contracted or overseen by another investment adviser (the Adviser) or any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund (a Control Affiliate) if the engagement relates directly to the operations and financial reporting of the registrant.

The Audit Committee has adopted a Policy for Engagement of Independent Auditors for Audit and Non-Audit Services (the Policy). The Policy sets forth the understanding of the Audit Committee regarding the engagement of the registrant's independent accountants to provide (i) audit and permissible audit-related, tax and other services to the registrant (Fund Services); (ii) non-audit services to the registrant's Adviser and any Control Affiliates, that relates directly to the operations and financial reporting of a Fund (Fund-related Adviser Services); and (iii) certain other audit and non-audit services to the registrant's Adviser and its Control Affiliates. A service will require specific pre-approval by the Audit Committee if it is to be provided by the Fund's independent auditor; provided, however, that pre-approval of non-audit services to the Fund, the Adviser or Control Affiliates may be waived if certain de minimis requirements set forth in the SEC's rules are met.

Under the Policy, the Audit Committee may delegate pre-approval authority to any pre-designated member or members who are independent board members. The member(s) to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next regular meeting. The Audit Committee's responsibilities with respect to the pre-approval of services performed by the independent auditor may not be delegated to management.

On an annual basis, at a regularly scheduled Audit Committee meeting, the Fund's Treasurer or other Fund officer shall submit to the Audit Committee a schedule of the types of Fund Services and Fund-related Adviser Services that are subject to specific pre-approval.

This schedule will provide a description of each type of service that is subject to specific pre-approval, along with total projected fees for each service. The pre-approval will generally cover a one-year period. The Audit Committee will review and approve the types of services and the projected fees for the next one-year period and may add to, or subtract from, the list of pre-approved services from time to time, based on subsequent determinations. This specific approval acknowledges that the Audit Committee is in agreement with the specific types of services that the independent auditor will be permitted to perform and the projected fees for each service.

The Fund's Treasurer or other Fund officer shall report to the Audit Committee at each of its regular meetings regarding all Fund Services or Fund-related Adviser Services provided since the last such report was rendered, including a description of the services, by category, with forecasted fees for the annual reporting period, proposed changes requiring specific pre-approval and a description of services provided by the independent auditor, by category, with actual fees during the current reporting period.

\*\*\*\*\*

(e)(2) 100% of the services performed for items (b) through (d) above during 2013 and 2012 were pre-approved by the registrant's Audit Committee.

(f) Not applicable.

(g) The aggregate non-audit fees billed by the registrant's accountant for services rendered to the registrant, and rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the registrant for the fiscal years ended December 31, 2013 and December 31, 2012 are approximately as follows:

| 2013       | 2012       |
|------------|------------|
| \$ 141,200 | \$ 406,300 |

(h) The registrant's Audit Committee of the Board of Directors has considered whether the provision of non-audit services that were rendered to the registrant's adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X, is compatible with maintaining the principal accountant's independence.

**Item 5. Audit Committee of Listed Registrants.**

(a) The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)). Pamela G. Carlton, Alison Taunton-Rigby and Patricia M. Flynn are each independent trustees and collectively constitute the entire Audit Committee.

(b) Not applicable.

**Item 6. Investments**

(a) The registrant's Schedule I Investments in securities of unaffiliated issuers (as set forth in 17 CFR 210.12-12) is included in Item 1 of this Form N-CSR.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

*Proxy Voting Policies and Procedures*

**General guidelines, policies and procedures**

The following description of the Proxy Voting Policies and Procedures, as well as the Proxy Voting Policy attached as Appendix B, apply to the Funds.

The Funds support sound and principled corporate governance. The Board, which consists of a majority of independent Board members, will determine policies and vote proxies. The Investment Manager provides support to the Board in connection with the proxy voting process.

**General Guidelines**

The Board supports proxy proposals that it believes are tied to the interests of shareholders and votes against proxy proposals that appear to entrench management. For example:

**Election of Directors**

The Board generally votes in favor of proposals for an independent chairman or, if the chairman is not independent, in favor of a lead independent director.

The Board supports annual election of all directors and proposals to eliminate classes of directors.

In a routine election of directors, the Board will generally vote with the recommendations of the company's nominating committee because the Board believes that nominating committees of independent directors are in the best position to know what qualifications are required of directors to form an effective board. However, the Board will generally vote against a nominee who has been assigned to the audit, compensation, or nominating committee if the nominee is not independent of management based on established criteria. The Board will generally also withhold support for any director who fails to attend 75% of



meetings or has other activities that appear to interfere with his or her ability to commit sufficient attention to the company and, in general, will vote against nominees who are determined to have exhibited poor governance such as involvement in options backdating, financial restatements or material weaknesses in control, approving egregious compensation or have consistently disregarded the interests of shareholders.

The Board generally supports proposals requiring director nominees to receive a majority of affirmative votes cast in order to be elected to the board, and in the absence of majority voting, generally will support cumulative voting.

Votes in a contested election of directors are evaluated on a case-by-case basis.

#### **Defense mechanisms**

The Board generally supports proposals eliminating provisions requiring supermajority approval of certain actions. The Board generally supports proposals to opt out of control share acquisition statutes and proposals restricting a company's ability to make greenmail payments. The Board reviews management proposals submitting shareholder rights plans (poison pills) to shareholders on a case-by-case basis.

#### **Auditors**

The Board values the independence of auditors based on established criteria. The Board supports a reasonable review of matters that may raise concerns regarding an auditor's service that may cause the Board to vote against a company's recommendation for auditor, including, for example, auditor involvement in significant financial restatements, options backdating, conflicts of interest, material weaknesses in control or situations where independence has been compromised.

#### **Management compensation issues**

The Board expects company management to give thoughtful consideration to providing competitive compensation and incentives, which are reflective of company performance, and are incentives directly tied to the interest of shareholders. The Board generally votes for plans if they are reasonable and consistent with industry and country standards and against plans that it believes dilute shareholder value substantially.

The Board generally favors minimum holding periods of stock obtained by senior management pursuant to equity compensation plans and will vote against compensation plans for executives that it deems excessive.

#### **Social and corporate policy issues**

The Board believes proxy proposals should address the business interests of the corporation. Shareholder proposals sometime seek to have the company disclose or amend certain business practices based purely on social or environmental issues rather than compelling business arguments. In general, the Board recognizes that Fund shareholders are likely to have differing views of social and environmental issues and believes that these matters are primarily the responsibility of a company's management and its board of directors. The Board generally abstains or votes against these proposals.

Additional details can be found in the Funds' Proxy Voting Policy (see Appendix B).

### **Policies and Procedures**

The policy of the Board is to vote all proxies of the companies in which a Fund holds investments. Because of the volume and complexity of the proxy voting process, including inherent inefficiencies in the process that are outside the control of the Board or the Proxy Team (defined below), not all proxies may be voted. The Board has implemented policies and procedures that have been reasonably designed to vote proxies in the best economic interests of Fund shareholders, and to address any conflicts between interests of a Fund's shareholders and those of the Investment Manager or other affiliated persons.

The Board votes proxies on behalf of the Funds. Columbia Management provides support to the Board in connection with the proxy voting process, and has assigned responsibility to the Columbia Management Proxy Administration Team ( Proxy Team ) to administer proxies on behalf of the Funds. In exercising its responsibilities, the Proxy Team may rely upon the research or recommendations of one or more third party research providers. The Proxy Team assists the Board in identifying situations where its voting guidelines do not clearly direct a vote in a particular manner and assists in researching matters and making voting recommendations. The Proxy Team may recommend that a proxy be voted in a manner contrary to the Board's voting guidelines based on recommendations from Columbia Management investment personnel (or, if applicable, the investment personnel of a Fund's subadviser(s)) and information obtained from independent research firms or other sources. The Proxy Team makes all recommendations in writing. Except for proposals where the recommendation from Columbia Management concurs with the recommendations from company management and the independent research firms, the Board Chair or other Board members who are independent from the Investment Manager will consider the recommendation and decide how to vote the proxy proposal or establish a protocol for voting the proposal. If Columbia Management, company management and the independent research firms recommend the same action on such proposals, Columbia Management is authorized to vote in accordance with the consensus recommendation.

On an annual basis, or more frequently as determined necessary, the Board reviews the voting guidelines to determine whether changes are appropriate. The Board may consider recommendations from Columbia Management to revise the existing guidelines or add new guidelines. Typically, changes to the voting guidelines are based on, among other things, industry trends and the frequency that similar proposals appear on company ballots.

The Board considers management's recommendations as set out in the company's proxy statement. In each instance in which a Fund votes against management's recommendation (except when withholding votes from a nominated director or proposals on foreign company ballots), the Board generally sends a letter to senior management of the company explaining the basis for its vote. This permits both the company's management and the Board to have an opportunity to gain better insight into issues presented by the proxy proposal(s).

### **Voting in countries outside the United States (non-U.S. countries)**

Voting proxies for companies not domiciled in the United States may, if applicable, involve greater effort and cost due to a variety of regulatory schemes and corporate practices. For example, certain non-U.S. countries require securities to be blocked prior to a vote, which means that the securities to be voted may not be traded within a specified number of days before the shareholder meeting. The Board typically will not vote securities in non-U.S. countries that require trading of securities to be blocked as the need for liquidity of the securities in the Funds will typically outweigh the benefit of voting. There may be additional costs associated with voting in non-U.S. countries such that the Board may determine that the cost of voting outweighs the potential benefit.

### **Securities on loan**

The Board will generally refrain from recalling securities on loan, if applicable, based upon its determination that the costs and lost revenue to the Funds, combined with the administrative effects of recalling the securities, generally outweigh the benefit of voting the proxy. While in general neither the Board nor Columbia Management assesses the economic impact and benefits of voting loaned securities on a case-by-case basis, situations may arise where the Board requests that loaned securities be recalled in order to vote a proxy. However, if a proxy relates to matters that may impact the nature of a company, such as a proposed merger, acquisition or a proxy contest, and the Funds ownership position is significant (as determined by thresholds established by the Board), the Board has established a guideline to direct Columbia Management to endeavor to recall such securities based upon its determination that, in these situations, the benefits of voting such proxies generally outweigh the costs or lost revenue to the Funds, or any potential adverse administrative effects to the Funds, of not recalling such securities.

### **Investment in affiliated funds**

If a Fund invests in shares of other funds managed by Columbia Management (referred to in this context as underlying funds), in general, the proxy policy of the Funds is to ensure that direct public shareholders of underlying funds control the outcome of any shareholder vote. To help manage this potential conflict of interest, the policy of the Funds, to the extent that the Funds would own shares of an underlying fund, is to vote proxies of the underlying funds in the same proportion as the vote of the direct public shareholders; provided, however, that if there are no direct public shareholders of an underlying fund or if direct public shareholders represent only a minority interest in an underlying fund, the Fund may cast votes in accordance with instructions from the independent members of the Board.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

| <b>Fund</b>                                 | <b>Portfolio Manager</b> | <b>Number and type of account</b> | <b>Other Accounts Managed</b>                               |  | <b>Performance Based Accounts</b> | <b>Ownership of Fund Shares</b> |
|---|--------------------------|-----------------------------------|---|--|-----------------------------------|---------------------------------|
|   |                          |                                   | <b>Approximate Total Net Assets</b><br>(excluding the fund) |  |                                   |                                 |
| <i>For fiscal period ending December 31</i> |                          |                                   |   |  |                                   |                                 |
| Tri- Continental Corporation                | Brian Condon             | 10 RICs                           | \$ 9.09 billion   |  | 1 PIV (\$0.01 M)                  | \$10,001-\$50,000               |
|   |                          | 4 PIVs                            | \$ 217.94 million   |  |                                   |                                 |
|   |                          | 24 other accounts                 | \$ 4.44 billion   |  |                                   |                                 |
|   | David King               | 10 RICs                           | \$ 11.76 billion  |  | None                              | Over \$1 million                |
|   |                          | 12 other accounts                 | \$ 59.48 million  |  |                                   |                                 |
|   | Oliver E. Buckley        | 7 RICs                            | \$ 9.0 billion  |  | None                              | None                            |
|   |                          | 2 PIVs                            | \$ 171.74 million   |  |                                   |                                 |
|   |                          | 19 other accounts                 | \$ 4.3 billion  |  |                                   |                                 |
|   | Yan Jin                  | 7 RICs                            | \$ 2.49 billion   |  | None                              | \$10,001-\$50,000               |
|   |                          | 4 other accounts                  | \$ 0.73 million   |  |                                   |                                 |

**Potential Conflicts of Interest:**

Like other investment professionals with multiple clients, a fund's portfolio manager(s) may face certain potential conflicts of interest in connection with managing both the fund and other accounts at the same time. The investment manager and the funds have adopted compliance policies and procedures that attempt to address certain of the potential conflicts that portfolio managers face in this regard. Certain of these conflicts of interest are summarized below.

The management of accounts with different advisory fee rates and/or fee structures, including accounts that pay advisory fees based on account performance (performance fee accounts), may raise potential conflicts of interest for a portfolio manager by creating an incentive to favor higher fee accounts.

Potential conflicts of interest also may arise when a portfolio manager has personal investments in other accounts that may create an incentive to favor those accounts. As a general matter and subject to the investment manager's Code of Ethics and certain limited exceptions, the investment manager's investment professionals do not have the opportunity to invest in client accounts, other than the funds.

A portfolio manager who is responsible for managing multiple funds and/or accounts may devote unequal time and attention to the management of those funds and/or accounts. The effects of this potential conflict may be more pronounced where funds and/or accounts managed by a particular portfolio manager have different investment strategies.

A portfolio manager may be able to select or influence the selection of the broker/dealers that are used to execute securities transactions for the funds. A portfolio manager's decision as to the selection of broker/dealers could produce disproportionate costs and benefits among the funds and the other accounts the portfolio manager manages.

A potential conflict of interest may arise when a portfolio manager buys or sells the same securities for a fund and other accounts. On occasions when a portfolio manager considers the purchase or sale of a security to be in the best interests of a fund as well as other accounts, the investment manager's trading desk may, to the extent consistent with applicable laws and regulations, aggregate the securities to be sold or bought in order to obtain the best execution and lower brokerage commissions, if any. Aggregation of trades may create the potential for unfairness to a fund or another account if a portfolio manager favors one account over another in allocating the securities bought or sold.

Cross trades, in which a portfolio manager sells a particular security held by a fund to another account (potentially saving transaction costs for both accounts), could involve a potential conflict of interest if, for example, a portfolio manager is permitted to sell a security from one account to another account at a higher price than an independent third party would pay. The investment manager and the funds have adopted compliance procedures that provide that any transactions between a fund and another account managed by the investment manager are to be made at a current market price, consistent with applicable laws and regulations.

Another potential conflict of interest may arise based on the different investment objectives and strategies of a fund and other accounts managed by its portfolio manager(s). Depending on another account's objectives and other factors, a portfolio manager may give advice to and make decisions for a fund that may differ from advice given, or the timing or nature of decisions made, with respect to another account. A portfolio manager's investment decisions are the product of many factors in addition to basic suitability for the particular account involved. Thus, a portfolio manager may buy or sell a particular security for certain accounts, and not for a fund, even though it could have been bought or sold for the fund at the same time. A portfolio manager also may buy a particular security for one or more accounts when one or more other accounts are selling the security (including short sales). There may be circumstances when a portfolio manager's purchases or sales of portfolio securities for one or more accounts may have an adverse effect on other accounts, including the funds.

A fund's portfolio manager(s) also may have other potential conflicts of interest in managing the fund, and the description above is not a complete description of every conflict that could exist in managing the fund and other accounts. Many of the potential conflicts of interest to which the investment manager's portfolio managers are subject are essentially the same or similar to the potential conflicts of interest related to the investment management activities of the investment manager and its affiliates.

#### **Structure of Compensation:**

Direct compensation is typically comprised of a base salary, and an annual incentive award that is paid either in the form of a cash bonus if the size of the award is under a specified threshold, or, if the size of the award is over a specified threshold, the award is paid in a combination of a cash bonus, an equity incentive award, and deferred compensation. Equity incentive awards are made in the form of Ameriprise Financial restricted stock, or for more senior employees both Ameriprise

Financial restricted stock and stock options. The investment return credited on deferred compensation is based on the performance of specified Columbia Mutual funds, in most cases including the mutual funds the portfolio manager manages.

Base salary is typically determined based on market data relevant to the employee's position, as well as other factors including internal equity. Base salaries are reviewed annually, and increases are typically given as promotional increases, internal equity adjustments, or market adjustments.

Annual incentive awards are variable and are based on (1) an evaluation of the employee's investment performance and (2) the results of a peer and/or management review of the employee, which takes into account skills and attributes such as team participation, investment process, communication, and professionalism. Scorecards are used to measure performance of Mutual Funds and other accounts managed by the employee versus benchmarks and peer groups. Performance versus benchmark and peer group is generally weighted for the rolling one, three, and five year periods. One year performance is weighted 10%, three year performance is weighted 60%, and five year performance is weighted 30%. Relative asset size is a key determinant for fund weighting on a scorecard. Typically, weighting would be proportional to actual assets. Consideration may also be given to performance in managing client assets in sectors and industries assigned to the employee as part of his/her investment team responsibilities, where applicable. For leaders who also have group management responsibilities, another factor in their evaluation is an assessment of the group's overall investment performance.

Equity incentive awards are designed to align participants' interests with those of the shareholders of Ameriprise Financial. Equity incentive awards vest over multiple years, so they help retain employees.

Deferred compensation awards are designed to align participants' interests with the investors in the mutual funds and other accounts they manage. The value of the deferral account is based on the performance of Columbia mutual funds. Employees have the option of selecting from various Columbia mutual funds for their mutual fund deferral account, however portfolio managers must allocate a minimum of 25% of their incentive awarded through the deferral program to the Columbia mutual fund(s) they manage. Mutual fund deferrals vest over multiple years, so they help retain employees.

Exceptions to this general approach to bonuses exist for certain teams and individuals.

Funding for the bonus pool is determined by management and depends on, among other factors, the levels of compensation generally in the investment management industry taking into account investment performance (based on market compensation data) and both Ameriprise Financial and Columbia Management profitability for the year, which is largely determined by assets under management.

For all employees the benefit programs generally are the same, and are competitive within the Financial Services Industry. Employees participate in a wide variety of plans, including options in Medical, Dental, Vision, Health Care and Dependent Spending Accounts, Life Insurance, Long Term Disability Insurance, 401(k), and a cash balance pension plan.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

| Period               | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1) | Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs(1) |
|----------------------|----------------------------------|------------------------------|---|---|
| 07-01-13 to 07-31-13 | 145,241                          | \$ 18.45                     | 145,241   | 2,197,173   |
| 08-01-13 to 08-31-13 | 142,971                          | 18.48                        | 142,971   | 2,054,202   |
| 09-01-13 to 09-30-13 | 92,185                           | 18.54                        | 92,185  | 1,962,017   |
| 10-01-13 to 10-31-13 | 153,771                          | 18.67                        | 153,771   | 1,808,246   |
| 11-01-13 to 11-30-13 | 190,295                          | 19.32                        | 190,295   | 1,617,951   |
| 12-01-13 to 12-31-13 | 175,682                          | 19.63                        | 175,682   | 1,442,269   |

- (1) The registrant has a stock repurchase program. For 2013, the registrant was authorized to repurchase up to 5% of its outstanding Common Stock directly from stockholders and in the open market, provided that, with respect to shares repurchased in the open market the excess of the net asset value of a share of Common Stock over its market price (the discount) is greater than 10%.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There were no material changes to the procedures by which shareholders may recommend nominees to the registrant's board of directors.

**Item 11. Controls and Procedures.**

- (a) The registrant's principal executive officer and principal financial officers, 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-CSR 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 second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 12. Exhibits.**

- (a)(1) Code of ethics required to be disclosed under Item 2 of Form N-CSR attached hereto as Exhibit 99.CODE ETH.



(a)(2) 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.

(a)(3) None.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) attached hereto as Exhibit 99.906CERT.

**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 (Signature and Title) /s/ J. Kevin Connaughton  
J. Kevin Connaughton, President and  
Principal Executive Officer

Date February 21, 2014

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/ J. Kevin Connaughton  
J. Kevin Connaughton, President and  
Principal Executive Officer

Date February 21, 2014

By (Signature and Title) /s/ Michael G. Clarke  
Michael G. Clarke, Treasurer and Chief  
Financial Officer

Date February 21, 2014