

TRI-CONTINENTAL CORP  
Form N-30B-2  
June 01, 2009

**First Quarter Report 2009**

*Tri-Continental*

*Corporation*

**an investment you can live with**

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# *Tri-Continental Corporation*

## **FIRST QUARTER REPORT 2009**

May 29, 2009

Dear Fellow Stockholders:

We are pleased to present the first quarter stockholder report for Tri-Continental Corporation (the Corporation), covering the three months ended March 31, 2009. Within this report you will find the Corporation's investment results and portfolio of investments.

For the three months ended March 31, 2009, the Corporation's total return based on net asset value declined 13.1%, and its total return based on market price declined 14.0%. During the same period, the S&P 500 Index declined 11.0%, the Lipper Closed-End Core Funds Average declined 9.7%, and the Lipper Large-Cap Core Funds Average declined 9.8%.

On March 23, 2009, in accordance with the Corporation's new earned income distribution policy, the Corporation paid a first quarter 2009 dividend of \$0.056 per share to holders of Tri-Continental common stock. On May 21, 2009, the Corporation's Board of Directors declared a second quarter 2009 dividend of \$0.049 per common share, expected to be paid on June 9, 2009.

There are many distribution payment options available under the distribution policy, and we continue to recommend that stockholders assess their income needs and consider investing a portion of their distributions in additional shares of Tri-Continental. The payment options are outlined on page 11 of this report. You may change your payment election by contacting your Financial Advisor or by calling Stockholder Services at 800-TRI-1092.

January 12, 2009 marked eighty years since the first offering of Tri-Continental. While much has happened over the course of those eight decades, one thing has remained steadfast: Tri-Continental's commitment to its investment objective of seeking growth of both capital and income while providing reasonable current income. On behalf of the Board, we would like to thank you for your continued support of Tri-Continental Corporation.

By order of the Board of Directors,

Stephen R. Lewis, Jr.  
Chairman

Patrick T. Bannigan  
President

## Tri-Continental Corporation

### Investment Results Per Common Share

#### TOTAL RETURNS

For Periods Ended March 31, 2009

|   | Average Annual |          |           |             |            |           |
|---|----------------|----------|-----------|-------------|------------|-----------|
|   | Three Months*  | One Year | Two Years | Three Years | Five Years | Ten Years |
| <b>Market Price</b>                           | (14.00)%       | (46.14)% | (31.49)%  | (18.67)%    | (8.23)%    | (5.50)%   |
| <b>Net Asset Value</b>                        | (13.12)        | (44.68)  | (30.76)   | (18.34)     | (8.42)     | (5.84)    |
| <b>Lipper Closed-End Core Funds Average**</b> | (9.65)         | (40.03)  | (25.36)   | (14.41)     | (5.48)     | (0.87)    |
| <b>Lipper Large-Cap Core Funds Average**</b>  | (9.84)         | (37.32)  | (22.84)   | (13.18)     | (4.96)     | (2.80)    |
| <b>S&amp;P 500 Index**</b>                    | (11.01)        | (38.08)  | (23.30)   | (13.04)     | (4.76)     | (3.00)    |

#### PRICE PER SHARE

|                        | March 31, 2009 | December 31, 2008 |
|------------------------|----------------|-------------------|
| <b>Market Price</b>    | \$ 8.42        | \$ 9.86           |
| <b>Net Asset Value</b> | 9.74           | 11.29             |

#### DIVIDEND, CAPITAL GAIN AND YIELD INFORMATION

For Periods Ended March 31, 2009

| Dividends Paid | Capital Gain (Loss) |                 |                 | SEC 30-Day Yield <sup>o</sup> |
|----------------|---------------------|-----------------|-----------------|-------------------------------|
|                | Realized            | Unrealized Gain | Unrealized Loss |                               |
| \$0.056        | \$(2.01)            | \$0.21          | \$(4.32)        | 2.77%                         |

Performance data quoted in this report represents past performance and does not guarantee or indicate future investment results. The rates of return will vary and the principal value of an investment will fluctuate. Shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Total returns of the Corporation as of the most recent month end will be made available at [www.seligman.com](http://www.seligman.com)<sup>1</sup> by the seventh business day following that month end.

J. & W. Seligman & Co. Incorporated, the investment manager of the Corporation prior to November 7, 2008, made certain payments to the Corporation in 2004. Absent such payments, the net asset value returns that include this period would have been lower. Returns reflect changes in market price or net asset value, as applicable, and assume reinvestment of distributions. Performance data quoted does not reflect the deduction of taxes that investors may pay on distributions or the sale of shares. An investment in Tri-Continental is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation.

See footnotes on page 3.

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## *Tri-Continental Corporation*

### **Investment Results Per Common Share** (continued)

\* Returns for periods of less than one year are not annualized.

\*\* The Lipper Closed-End Core Funds Average and the Lipper Large-Cap Core Funds Average (the Lipper Averages ) and the Standard & Poor's 500 Composite Stock Price Index (the S&P 500 Index ) are unmanaged benchmarks that assume reinvestment of all distributions. The Lipper Averages exclude the effect of fees, taxes, and sales charges. The S&P 500 Index also excludes the effect of expenses. The Lipper Closed-End Core Funds Average measures the performance of closed-end funds that, by portfolio practice, typically have an average price-to-earnings ratio, price-to-book ratio, and three-year sales-per-share growth value, compared to the S&P SuperComposite 1500 Index. The Lipper Large-Cap Core Funds Average includes open-end funds that, by portfolio practice, invest at least 75% of their equity assets in companies with market capitalizations (on a three-year weighted basis) greater than 300% of the dollar-weighted median market capitalization of the middle 1,000 securities of the S&P SuperComposite 1500 Index. The Lipper Large-Cap Core Funds Average is provided for comparative purposes so that the Corporation's performance can be measured against both closed-end and open-end funds with similar portfolio holdings as the Corporation. Lipper classifies the Corporation, based on its portfolio holdings, as a Closed-End Core Fund. The S&P 500 Index measures the performance of 500 of the largest US companies based on market capitalizations. Investors cannot invest directly in an index or an average.

Preferred Stockholders were paid dividends totaling \$0.625 per share.

Represents the per share amount of gross unrealized gain or loss of portfolio securities as of March 31, 2009.

Ø Current yield, representing the annualized yield for the 30-day period ended March 31, 2009, has been computed in accordance with SEC regulations and will vary.

<sup>1</sup> The website reference is an inactive textual reference and information contained in or otherwise accessible through the website does not form a part of this report or the Corporation's prospectus or statement of additional information.

## Tri-Continental Corporation

### Ten Largest Equity Holdings

March 31, 2009

|   | <b>Cost<br/>(000s)</b> | <b>Value<br/>(000s)</b> |
|---|------------------------|-------------------------|
| Chevron Corporation                         | \$ 45,711              | \$ 42,473               |
| Wal-Mart Stores, Inc.                       | 41,578                 | 38,545                  |
| Johnson & Johnson                           | 39,678                 | 35,320                  |
| Pfizer Inc.                                 | 46,765                 | 31,242                  |
| Home Depot, Inc.                            | 24,401                 | 24,243                  |
| International Business Machines Corporation | 19,016                 | 22,566                  |
| Macrovision Solutions Corporation           | 23,180                 | 21,155                  |
| Procter & Gamble Company (The)              | 26,370                 | 20,032                  |
| PepsiCo, Inc.                               | 15,591                 | 14,767                  |
| Amgen Inc.                                  | 16,370                 | 14,125                  |
|   | <b>\$ 298,660</b>      | <b>\$ 264,468</b>       |

There can be no assurance that the securities presented have remained or will remain in the Corporation's portfolio. Information regarding the Corporation's portfolio holdings should not be construed as a recommendation to buy or sell any security or as an indication that any security is suitable for a particular investor.

Excludes options purchased.

### Largest Portfolio Changes

January 1 to March 31, 2009

#### Largest Purchases

Johnson & Johnson  
Amgen Inc.  
Occidental Petroleum Corporation  
McDonald's Corporation  
Procter & Gamble Company (The)  
Wal-Mart Stores, Inc.  
Marsh & McLennan Companies, Inc.  
Southern Company\*  
Dell Inc.\*  
Noble Corporation\*

#### Largest Sales

AT&T Inc.\*\*  
JPMorgan Chase & Co.  
Pfizer Inc.  
Gilead Sciences, Inc.  
Activision Blizzard, Inc.\*\*  
Yahoo!, Inc.\*\*  
Chevron Corporation  
Exelon Corporation\*\*  
Marvell Technology Group Ltd.\*\*  
Public Service Enterprise Group Incorporated\*\*

Largest portfolio changes from the previous period to the current period are based on cost of purchases and proceeds from sales of securities, listed in descending order.

\* Position added during the period.

\*\* Position eliminated during the period.



*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

March 31, 2009

|                                       | Shares  | Value        |
|---------------------------------------|---------|--------------|
| <b>COMMON STOCKS 98.2%</b>            |         |              |
| <b>AEROSPACE AND DEFENSE 1.0%</b>     |         |              |
| Boeing Company                        | 67,909  | \$ 2,416,201 |
| General Dynamics Corporation          | 68,387  | 2,844,215    |
| United Technologies Corporation       | 37,005  | 1,590,475    |
|                                       |         | 6,850,891    |
| <b>AIR FREIGHT AND LOGISTICS 0.2%</b> |         |              |
| C.H. Robinson Worldwide, Inc.         | 26,764  | 1,220,706    |
| <b>AIRLINES 0.1%</b>                  |         |              |
| Southwest Airlines Co.                | 123,560 | 782,135      |
| <b>AUTO COMPONENTS 0.2%</b>           |         |              |
| Johnson Controls, Inc.                | 136,811 | 1,641,732    |
| <b>BEVERAGES 3.8%</b>                 |         |              |
| Brown-Forman Corporation<br>(Class B) | 20,369  | 790,928      |
| Coca-Cola Company (The)               | 269,870 | 11,860,787   |
| PepsiCo, Inc.                         | 286,843 | 14,766,678   |
|                                       |         | 27,418,393   |
| <b>BIOTECHNOLOGY 2.8%</b>             |         |              |
| Amgen Inc.*                           | 285,235 | 14,124,837   |
| Celgene Corporation*                  | 37,890  | 1,682,316    |
| Cephalon, Inc.                        | 17,339  | 1,180,786    |
| Gilead Sciences, Inc.*                | 63,714  | 2,951,232    |
|                                       |         | 19,939,171   |
| <b>BUILDING PRODUCTS 0.2%</b>         |         |              |
| Masco Corporation                     | 173,038 | 1,207,805    |
| <b>CAPITAL MARKETS 2.1%</b>           |         |              |
| Charles Schwab Corporation            | 119,572 | 1,853,366    |
| Goldman Sachs Group, Inc. (The)       | 16,649  | 1,765,127    |
| Morgan Stanley                        | 405,709 | 9,237,994    |
| State Street Corporation              | 61,120  | 1,881,274    |



|  | Shares  | Value        |
|--|---------|--------------|
|  |         | 14,737,761   |
| <b>CHEMICALS 1.6%</b>                            |         |              |
| Dow Chemical Company                             | 950,569 | \$ 8,013,297 |
| E. I. du Pont de Nemours<br>and Company          | 70,716  | 1,579,088    |
| PPG Industries, Inc.                             | 43,664  | 1,611,202    |
|  |         | 11,203,587   |
| <b>COMMERCIAL BANKS 1.3%</b>                     |         |              |
| BB&T Corporation                                 | 127,103 | 2,150,583    |
| Comerica Incorporated                            | 50,712  | 928,537      |
| Fifth Third Bancorp                              | 253,453 | 740,083      |
| KeyCorp  | 123,471 | 971,717      |
| Marshall & Ilsley Corporation                    | 140,663 | 791,933      |
| People's United Financial, Inc.                  | 50,052  | 899,434      |
| SunTrust Banks, Inc.                             | 109,671 | 1,287,538    |
| Wells Fargo & Company                            | 93,945  | 1,337,777    |
|  |         | 9,107,602    |
| <b>COMMERCIAL SERVICES<br/>AND SUPPLIES 0.6%</b> |         |              |
| Republic Services, Inc.                          | 81,844  | 1,403,625    |
| Waste Management, Inc.                           | 125,535 | 3,213,696    |
|  |         | 4,617,321    |
| <b>COMMUNICATIONS<br/>EQUIPMENT 2.1%</b>         |         |              |
| Cisco Systems, Inc.*                             | 217,878 | 3,653,814    |
| Corning Incorporated                             | 326,269 | 4,329,590    |
| Motorola, Inc.                                   | 406,815 | 1,720,827    |
| QUALCOMM Inc.                                    | 137,914 | 5,366,234    |
|  |         | 15,070,465   |
| <b>COMPUTERS AND<br/>PERIPHERALS 3.9%</b>        |         |              |
| Dell Inc.*                                       | 351,031 | 3,327,774    |
| International Business Machines<br>Corporation   | 232,905 | 22,566,165   |
| Lexmark International Inc.<br>(Class A)*         | 64,655  | 1,090,730    |
| QLogic Corp.*                                    | 74,089  | 823,870      |
|  |         | 27,808,539   |

See footnotes on page 9.

**Tri-Continental Corporation****Portfolio of Investments** (unaudited)

March 31, 2009

|  | Shares    | Value      |
|--|-----------|------------|
| <b>CONSTRUCTION AND ENGINEERING 0.1%</b>           |           |            |
| Fluor Corporation                                  | 25,350    | \$ 875,842 |
| <b>CONSUMER FINANCE 0.4%</b>                       |           |            |
| American Express Company                           | 29,059    | 396,074    |
| Capital One Financial Corporation                  | 110,776   | 1,355,898  |
| Discover Financial Services                        | 99,564    | 628,249    |
| SLM Corporation*                                   | 129,265   | 639,862    |
|  |           | 3,020,083  |
| <b>DISTRIBUTORS 0.1%</b>                           |           |            |
| Genuine Parts Company                              | 29,421    | 878,511    |
| <b>DIVERSIFIED CONSUMER SERVICES 0.4%</b>          |           |            |
| H&R Block, Inc.                                    | 142,636   | 2,594,549  |
| <b>DIVERSIFIED FINANCIAL SERVICES 3.4%</b>         |           |            |
| Bank of America Corporation                        | 1,472,802 | 10,044,510 |
| CIT Group Inc.                                     | 137,161   | 390,909    |
| Citigroup Inc.                                     | 2,617,393 | 6,622,004  |
| JPMorgan Chase & Co.                               | 292,301   | 7,769,361  |
|  |           | 24,826,784 |
| <b>DIVERSIFIED TELECOMMUNICATION SERVICES 0.1%</b> |           |            |
| Frontier Communications Corporation                | 80,589    | 578,629    |
| <b>ELECTRIC UTILITIES 0.7%</b>                     |           |            |
| FirstEnergy Corp.                                  | 45,940    | 1,773,284  |
| Southern Company                                   | 109,694   | 3,358,830  |
|  |           | 5,132,114  |
| <b>ELECTRICAL EQUIPMENT 0.3%</b>                   |           |            |
| Emerson Electric Co.                               | 68,399    | 1,954,843  |

**ELECTRONIC EQUIPMENT,  
INSTRUMENTS AND  
COMPONENTS 0.3%**

|                       |         |           |
|-----------------------|---------|-----------|
| FLIR Systems, Inc.    | 39,880  | 816,742   |
| Jabil Circuit, Inc.   | 166,965 | 928,325   |
| Tyco Electronics Ltd. | 62,962  | 695,100   |
|                       |         | 2,440,167 |

Shares

Value

**ENERGY EQUIPMENT  
AND SERVICES 2.1%**

|                                     |         |              |
|-------------------------------------|---------|--------------|
| Baker Hughes Incorporated           | 67,743  | \$ 1,934,063 |
| BJ Services Company                 | 96,118  | 956,374      |
| ENSCO International<br>Incorporated | 65,568  | 1,730,995    |
| Halliburton Company                 | 202,292 | 3,129,457    |
| Nabors Industries Ltd.*             | 94,703  | 946,083      |
| National Oilwell Varco Inc.         | 76,799  | 2,204,899    |
| Noble Corporation                   | 62,178  | 1,497,868    |
| Weatherford International Ltd.*     | 263,152 | 2,913,093    |
|                                     |         | 15,312,832   |

**FOOD AND STAPLES  
RETAILING 5.9%**

|                       |         |            |
|-----------------------|---------|------------|
| Sysco Corporation     | 75,211  | 1,714,811  |
| Wal-Mart Stores, Inc. | 739,830 | 38,545,143 |
| Walgreen Company      | 82,882  | 2,151,617  |
|                       |         | 42,411,571 |

**FOOD PRODUCTS 1.8%**

|                       |         |            |
|-----------------------|---------|------------|
| General Mills, Inc.   | 177,518 | 8,854,598  |
| J. M. Smucker Company | 26,839  | 1,000,290  |
| Kellogg Company       | 42,466  | 1,555,530  |
| Sara Lee Corporation  | 178,073 | 1,438,830  |
|                       |         | 12,849,248 |

**HEALTH CARE EQUIPMENT  
AND SUPPLIES 0.6%**

|                            |        |           |
|----------------------------|--------|-----------|
| Becton Dickinson & Company | 27,125 | 1,823,885 |
| Covidien Limited           | 83,527 | 2,776,437 |
|                            |        | 4,600,322 |

**HEALTH CARE PROVIDERS  
AND SERVICES 0.8%**

|                                    |         |           |
|------------------------------------|---------|-----------|
| Cardinal Health, Inc.              | 57,345  | 1,805,221 |
| CIGNA Corporation                  | 125,553 | 2,208,477 |
| DaVita, Inc.                       | 14,798  | 650,372   |
| Quest Diagnostics Inc.             | 22,724  | 1,078,936 |
| UnitedHealth Group<br>Incorporated | 14,829  | 310,371   |

See footnotes on page 9.

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**Tri-Continental Corporation****Portfolio of Investments** (unaudited)

March 31, 2009

|  | Shares  | Value         |
|--|---------|---------------|
| <b>HOTELS, RESTAURANTS AND LEISURE 1.8%</b>                |         |               |
| McDonald's Corporation                                     | 236,932 | \$ 12,929,379 |
| <b>HOUSEHOLD DURABLES 0.1%</b>                             |         |               |
| Leggett & Platt, Incorporated                              | 56,843  | 738,391       |
| <b>HOUSEHOLD PRODUCTS 3.0%</b>                             |         |               |
| Kimberly-Clark Corporation                                 | 35,420  | 1,633,216     |
| Procter & Gamble Company (The)                             | 425,397 | 20,031,945    |
|  |         | 21,665,161    |
| <b>INDEPENDENT POWER PRODUCERS AND ENERGY TRADERS 0.1%</b> |         |               |
| Constellation Energy Group Inc.                            | 35,925  | 742,211       |
| <b>INDUSTRIAL CONGLOMERATES 2.3%</b>                       |         |               |
| 3M Company   | 83,858  | 4,169,420     |
| General Electric Company                                   | 858,792 | 8,682,387     |
| Tyco International Ltd.                                    | 197,708 | 3,867,168     |
|  |         | 16,718,975    |
| <b>INSURANCE 4.6%</b>                                      |         |               |
| Aflac, Inc.  | 55,592  | 1,076,261     |
| Allstate Corporation                                       | 437,131 | 8,371,059     |
| AON Corporation  | 41,732  | 1,703,500     |
| Chubb Corporation  | 59,901  | 2,535,010     |
| Hartford Financial Services Group, Inc.                    | 61,987  | 486,598       |
| Lincoln National Corporation                               | 49,430  | 330,687       |
| Marsh & McLennan Companies, Inc.                           | 227,891 | 4,614,793     |
| MetLife, Inc.  | 37,621  | 856,630       |
| Progressive Corporation                                    | 393,088 | 5,283,103     |
| Prudential Financial, Inc.                                 | 31,793  | 604,703       |
| Torchmark Corporation                                      | 41,023  | 1,076,033     |
| Travellers Companies, Inc.                                 | 152,125 | 6,182,360     |
|  |         | 33,120,737    |

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|  | Shares  |    | Value      |
|--|---------|----|------------|
| <b>IT SERVICES 1.5%</b>                    |         |    |            |
| Affiliated Computer Services Inc.*         | 28,552  | \$ | 1,367,355  |
| Automatic Data Processing, Inc.            | 103,230 |    | 3,629,567  |
| Mastercard Inc. (Class A)                  | 15,243  |    | 2,552,898  |
| Paychex, Inc.                              | 68,965  |    | 1,770,332  |
| Western Union Company                      | 137,733 |    | 1,731,304  |
|  |         |    | 11,051,456 |
| <b>LEISURE EQUIPMENT AND PRODUCTS 0.4%</b> |         |    |            |
| Hasbro, Inc.                               | 62,061  |    | 1,555,869  |
| Mattel, Inc.                               | 120,930 |    | 1,394,323  |
|  |         |    | 2,950,192  |
| <b>MACHINERY 0.8%</b>                      |         |    |            |
| Cummins, Inc.                              | 36,900  |    | 939,105    |
| Dover Corporation                          | 32,990  |    | 870,276    |
| Illinois Tool Works Inc.                   | 67,069  |    | 2,069,079  |
| Ingersoll-Rand Company Ltd. (Class A)      | 108,637 |    | 1,499,191  |
|  |         |    | 5,377,651  |
| <b>MEDIA 2.0%</b>                          |         |    |            |
| CBS Corp. (Class B)                        | 202,002 |    | 775,688    |
| Comcast Corporation (Class A)              | 803,105 |    | 10,954,352 |
| DIRECTV Group Inc.*                        | 82,626  |    | 1,883,047  |
| Gannett Co., Inc.                          | 234,802 |    | 516,564    |
|  |         |    | 14,129,651 |
| <b>METALS AND MINING 0.7%</b>              |         |    |            |
| Alcoa Inc.                                 | 60,562  |    | 444,525    |
| Freeport-McMoRan Copper & Gold, Inc.       | 28,588  |    | 1,089,489  |
| Nucor Corporation                          | 75,837  |    | 2,894,698  |
| United States Steel Corporation            | 30,531  |    | 645,120    |
|  |         |    | 5,073,832  |
| <b>MULTI-UTILITIES 0.1%</b>                |         |    |            |
| PG&E Corporation                           | 26,013  |    | 994,217    |
| <b>MULTILINE RETAIL 0.5%</b>               |         |    |            |
| Family Dollar Stores Inc.                  | 71,498  |    | 2,385,888  |
| Kohl's Corporation*                        | 27,584  |    | 1,167,355  |
|  |         |    | 3,553,243  |

See footnotes on page 9.



**Tri-Continental Corporation****Portfolio of Investments** (unaudited)

March 31, 2009

|  | Shares    |    | Value      |
|--|-----------|----|------------|
| <b>OFFICE ELECTRONICS 0.1%</b>                 |           |    |            |
| Xerox Corporation                              | 123,011   | \$ | 559,700    |
| <br>   |           |    |            |
| <b>OIL, GAS AND<br/>CONSUMABLE FUELS 13.6%</b> |           |    |            |
| Apache Corporation                             | 63,178    |    | 4,049,078  |
| Chesapeake Energy Corporation                  | 98,597    |    | 1,682,065  |
| Chevron Corporation                            | 631,656   |    | 42,472,549 |
| ConocoPhillips Company                         | 257,806   |    | 10,095,683 |
| CONSOL Energy Inc.                             | 27,241    |    | 687,563    |
| EOG Resources, Inc.                            | 46,999    |    | 2,573,665  |
| Exxon Mobil Corporation                        | 99,497    |    | 6,775,746  |
| Hess Corporation                               | 53,467    |    | 2,897,911  |
| Marathon Oil Corporation                       | 160,201   |    | 4,211,684  |
| Murphy Oil Corporation                         | 34,239    |    | 1,532,880  |
| Noble Energy, Inc.                             | 33,557    |    | 1,808,051  |
| Occidental Petroleum<br>Corporation            | 183,689   |    | 10,222,293 |
| Peabody Energy Corporation                     | 52,438    |    | 1,313,048  |
| Southwestern Energy Company*                   | 77,135    |    | 2,290,138  |
| Spectra Energy Corporation                     | 164,959   |    | 2,332,520  |
| Sunoco, Inc.                                   | 24,149    |    | 639,466    |
| Valero Energy Corporation                      | 109,961   |    | 1,968,302  |
|  |           |    | 97,552,642 |
| <br>   |           |    |            |
| <b>PHARMACEUTICALS 13.2%</b>                   |           |    |            |
| Abbott Laboratories                            | 36,220    |    | 1,727,694  |
| Eli Lilly & Company                            | 102,782   |    | 3,433,947  |
| Forest Laboratories, Inc.*                     | 114,465   |    | 2,513,651  |
| Johnson & Johnson                              | 671,478   |    | 35,319,743 |
| King Pharmaceuticals, Inc.                     | 191,692   |    | 1,355,262  |
| Merck & Co. Inc.                               | 234,337   |    | 6,268,515  |
| Pfizer Inc.                                    | 2,293,822 |    | 31,241,856 |
| Schering-Plough Corporation                    | 352,988   |    | 8,312,867  |
| Wyeth  | 112,068   |    | 4,823,407  |
|  |           |    | 94,996,942 |
| <br>   |           |    |            |
| <b>REAL ESTATE<br/>INVESTMENT TRUSTS 0.4%</b>  |           |    |            |
| Equity Residential                             | 71,249    |    | 1,307,419  |
| Public Storage                                 | 24,038    |    | 1,328,099  |
|  |           |    | 2,635,518  |

|  | Shares    |    | Value      |
|--|-----------|----|------------|
| <b>ROAD AND RAIL 2.6%</b>                              |           |    |            |
| Burlington Northern Santa Fe Corporation               | 58,604    | \$ | 3,525,031  |
| CSX Corporation  | 118,556   |    | 3,064,673  |
| Norfolk Southern Corporation                           | 179,084   |    | 6,044,085  |
| Union Pacific Corporation                              | 154,292   |    | 6,342,944  |
|  |           |    | 18,976,733 |
| <b>SEMICONDUCTORS AND SEMICONDUCTOR EQUIPMENT 2.7%</b> |           |    |            |
| Altera Corporation                                     | 130,779   |    | 2,295,171  |
| Intel Corporation                                      | 743,067   |    | 11,183,158 |
| Linear Technology Corporation                          | 81,841    |    | 1,880,706  |
| MEMC Electronic Materials, Inc.*                       | 75,552    |    | 1,245,852  |
| Microchip Technology Incorporated                      | 48,510    |    | 1,027,927  |
| Xilinx, Inc.   | 83,265    |    | 1,595,357  |
|  |           |    | 19,228,171 |
| <b>SOFTWARE 3.6%</b>                                   |           |    |            |
| BMC Software Inc.*                                     | 17,722    |    | 584,826    |
| Intuit Inc.  | 30,777    |    | 830,979    |
| Macrovision Solutions Corporation*                     | 1,189,153 |    | 21,155,032 |
| Symantec Corporation*                                  | 214,023   |    | 3,197,504  |
|  |           |    | 25,768,341 |
| <b>SPECIALTY RETAIL 4.9%</b>                           |           |    |            |
| Abercrombie & Fitch Co. (Class A)                      | 42,922    |    | 1,021,544  |
| AutoZone, Inc.   | 8,613     |    | 1,400,646  |
| Bed Bath & Beyond Inc.*                                | 79,348    |    | 1,963,863  |
| Gap, Inc.  | 83,665    |    | 1,086,808  |
| Home Depot, Inc.                                       | 1,028,999 |    | 24,243,216 |
| Lowe's Companies, Inc.                                 | 223,008   |    | 4,069,896  |
| Sherwin-Williams Company                               | 32,719    |    | 1,700,406  |
|  |           |    | 35,486,379 |
| <b>TEXTILES, APPAREL AND LUXURY GOODS 0.6%</b>         |           |    |            |
| Coach, Inc.*   | 105,340   |    | 1,759,178  |
| NIKE, Inc.   | 35,317    |    | 1,656,014  |
| VF Corporation   | 19,467    |    | 1,111,760  |
|  |           |    | 4,526,952  |

See footnotes on page 9.

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**Tri-Continental Corporation****Portfolio of Investments** (unaudited)

March 31, 2009

|   | Shares or<br>Principal Amount |    | Value       |
|---|-------------------------------|----|-------------|
| <b>TOBACCO 1.0%</b>                                     |                               |    |             |
| Altria Group, Inc.                                      | 446,561 shs.                  | \$ | 7,153,907   |
| <b>TRADING COMPANIES AND DISTRIBUTORS 0.2%</b>          |                               |    |             |
| W.W. Grainger Inc.                                      | 14,908                        |    | 1,046,243   |
| <b>WIRELESS<br/>TELECOMMUNICATION<br/>SERVICES 0.5%</b> |                               |    |             |
| Sprint Nextel Corporation*                              | 933,158                       |    | 3,331,374   |
| <b>TOTAL COMMON STOCKS</b>                              |                               |    | 705,442,978 |
| <b>LIMITED<br/>PARTNERSHIP</b>                          |                               |    |             |
| WCAS Capital<br>Partners II, L.P.                       |                               | \$ | 4,292,803   |
| <b>SHORT-TERM<br/>HOLDINGS 1.5%</b>                     |                               |    |             |
| <b>EQUITY-LINKED NOTES 0.4%</b>                         |                               |    |             |
| Lehman Brothers:  |                               |    |             |
| 53.51%, 9/14/2008 (a)**                                 | 14,844,000                    |    | 1,188,292   |
| 39.5%, 10/2/2008 (b)**                                  | 14,844,000                    |    | 1,471,337   |
| <b>TOTAL EQUITY-LINKED NOTES</b>                        |                               |    | 2,659,629   |
| <b>MONEY MARKET FUND 1.1%</b>                           |                               |    |             |
| SSgA U.S. Treasury Money<br>Market Fund                 | 8,263,970 shs.                |    | 8,263,970   |
| <b>TOTAL SHORT-TERM HOLDINGS</b>                        |                               |    | 10,923,599  |
| <b>TOTAL<br/>INVESTMENTS 100.0%</b>                     |                               |    | 718,259,703 |
| <b>OTHER ASSETS LESS<br/>LIABILITIES 0.0%</b>           |                               |    | 314,096     |
| <b>NET INVESTMENT<br/>ASSETS 100.0%</b>                 |                               | \$ | 718,573,799 |

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At March 31, 2009, the cost of investments for federal income tax purposes was \$1,005,874,401. The tax basis gross unrealized appreciation and depreciation of portfolio securities were \$14,633,206 and \$302,247,904, respectively. Net unrealized depreciation was \$287,614,698.

\* Non-income producing security.

\*\* Security in default and non-income producing.

At March 31, 2009, Tri-Continental Corporation owned one limited partnership investment that was purchased through a private offering and cannot be sold without prior registration under the Securities Act of 1933 or pursuant to an exemption therefrom. The investment is valued at fair value as determined in accordance with procedures approved by the Board of Directors of the Corporation. The acquisition dates of investment in the limited partnership, along with the cost and value at March 31, 2009, was as follows:

| Investment                     | Acquisition Dates   | Cost         | Value        |
|--------------------------------|---------------------|--------------|--------------|
| WCAS Capital Partners II, L.P. | 12/11/90 to 3/24/98 | \$ 4,292,803 | \$ 1,893,126 |

The security may be offered and sold only to a qualified institutional buyer under Rule 144A of the Securities Act of 1933. These notes are exchangeable at maturity, based on the terms of the respective notes, for shares of common stock of a company or cash at a maturity value which is generally determined as follows:

The principal amount of the notes plus or minus the lowest return of the companies' respective stock prices determined at maturity from the date of purchase of the notes:

- (a) Delta Air Lines, Inc., Intel Corporation and Mylan Inc.
- (b) Health Net, Inc., Kohl's Corporation and Prudential Financial, Inc.

ADR American Depositary Receipts.

**Security Valuation** Securities traded on an exchange are valued at the last sales price on the primary exchange or market on which they are traded. Securities not listed on an exchange or security market, or securities for which there is no last sales price, are valued at the mean of the most recent bid and asked prices or are valued by RiverSource Investments, LLC ( RiverSource or the Manager ) based on quotations provided by primary market makers in such securities. Securities for which market quotations are not readily available (or are otherwise no longer valid or reliable) are valued at fair value determined in accordance with procedures approved by the Board of Directors. This can occur in the event of, among other things, natural disasters, acts of terrorism, market disruptions, intra-day trading halts, and extreme market volatility. The determination of fair value involves subjective judgments. As a result, using fair value to price a security may result in a price materially different from the prices used by other investment companies to determine net asset value or the price that may be realized upon the actual sale of the security. Short-term holdings maturing in 60 days or less are valued at current market quotations or amortized cost if the Manager believes it approximates fair value. Short-term holdings that mature in more than 60 days are valued at current market quotations until the 60th day prior to maturity and are then valued as described above for securities maturing in 60 days or less. Investments in money market funds are valued at net asset value.

**Fair Value Measurements** Statement of Financial Accounting Standards No. 157 ( SFAS 157 ), Fair Value Measurements, establishes a three-tier hierarchy to classify the assumptions, referred to as inputs, used in valuation techniques (see Security Valuation above) to measure fair value of the Corporation's investments and other financial instruments. These inputs are summarized in three broad levels: Level 1 quoted prices in active markets

*Tri-Continental Corporation***Portfolio of Investments** (unaudited)

March 31, 2009

for identical investments or financial instruments; Level 2 – other significant observable inputs (including quoted prices in inactive markets or for similar investments or financial instruments); and Level 3 – significant unobservable inputs (including the Corporation’s own assumptions in determining fair value). Observable inputs are those based on market data obtained from sources independent of the Corporation, and unobservable inputs reflect the Corporation’s own assumptions based on the best information available. The inputs or methodology used for valuing securities may not be an indication of the risk associated with investing in those securities.

The following is a summary of the value of the Corporation’s investments and other financial instruments as of March 31, 2009, based on the level of inputs used:

|         | Valuation Inputs  | Investments    | Other Financial Instruments* |
|---------|---|----------------|------------------------------|
| Level 1 | Quoted Prices in Active Markets for Identical Investments | \$ 713,706,948 | \$                           |
| Level 2 | Other Significant Observable Inputs                       | 2,659,629      | (62,833)                     |
| Level 3 | Significant Unobservable Inputs                           | 1,893,126      |                              |
|         | Total   | \$ 718,259,703 | \$ (62,833)                  |

\* Represents futures, which are not reflected in the Portfolio of Investments and which are valued at the net unrealized appreciation (depreciation) on futures. As required by SFAS 157, the following is a reconciliation of investments for which significant unobservable inputs (Level 3) were used to determine the fair value of investments classified as Level 3 at either the beginning or end of the period:

|  |              |
|--|--------------|
| Balance as of December 31, 2008  | \$ 1,893,126 |
| Net change in unrealized depreciation  |              |
| Balance as of March 31, 2009   | \$ 1,893,126 |
| Net change in unrealized depreciation from investments still held as of March 31, 2009 | \$           |

**Risk** – To the extent that the Corporation invests a substantial percentage of its assets in an industry, the Corporation’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 such stocks may decline and the Corporation’s performance may be negatively affected.

## *Tri-Continental Corporation*

### Stockholder Services

Tri-Continental provides a number of services to make maintaining an investment in its Common Stock more convenient. Please consult Tri-Continental's prospectus for the terms and conditions of these services.

**Distribution Policy.** Effective January 8, 2009, the Corporation adopted an earned distribution policy. Under this new policy, the Corporation intends to make distributions to holders of Common Stock that are approximately equal to all distributions received by the Corporation from its underlying portfolio investments, less the Corporation's expenses and dividends payable on the Corporation's Preferred Stock. The payment options for receiving distributions are:

100% of distribution to be invested in additional shares of Tri-Continental

75% of distribution to be invested in additional shares, 25% of distribution to be paid in cash

50% of distribution to be invested in additional shares, 50% of distribution to be paid in cash

100% of distribution to be paid in cash

You can change your payment election at any time by contacting your financial advisor or Stockholder Services at 800-TRI-1092.

**Automatic Dividend Investment and Cash Purchase Plan.** Subject to the terms and conditions set forth in the prospectus, Stockholders may automatically purchase additional shares with distribution payments. There is no charge for this service. Stockholders may also, subject to the terms and conditions of the prospectus, purchase additional shares directly from the Corporation. There is a service fee of a maximum of \$2.00 for each cash purchase transaction.

**Automatic Cash Withdrawal Plan.** Stockholders who hold Common Stock with a market value of \$5,000 or more may elect to receive a fixed amount from their investment at regular intervals by selling their shares to the Corporation. Investors use the plan to supplement current or retirement income, for educational expenses, or for other purposes.

**Traditional Individual Retirement Account (IRA).** Stockholders who have earned income and are under age 70½ may contribute up to \$5,000 per year to a Traditional IRA for 2009. A working or non-working spouse may also contribute up to \$5,000 to a separate Traditional IRA for 2009. Additionally, individuals who reach age 50 prior to the end of a taxable year may make catch-up contributions to a Traditional IRA of up to \$1,000. Contributions to a Traditional IRA may be deductible or non-deductible. If you are single and *not* covered by an employer's retirement plan, your contribution will always be deductible. For individuals who are covered by a plan, contributions will be fully deductible if your modified adjusted gross income (MAGI) in 2009 is less than \$55,000. For spouses who are both covered by a plan, contributions will be fully deductible if your MAGI is less than \$89,000. If one spouse does not work or is not covered by a retirement plan, that spouse's contribution will be fully deductible provided your household MAGI does not exceed \$166,000. If your contribution is not deductible, you may still take advantage of the tax-deferred accumulation of earnings in your Traditional IRA.

**Rollover IRA.** You may be eligible to roll over a distribution of assets received from another IRA, a qualified employee benefit plan, or tax-deferred annuity into a Rollover IRA with Tri-Continental. To avoid a tax penalty, the transfer to a Rollover IRA must occur within 60 days of receipt of the qualifying distribution. If you do not make a direct transfer of a distribution from a qualified employee benefit plan or a tax-deferred annuity to a Rollover IRA, the payor of the distribution must withhold 20% of the distribution.

## *Tri-Continental Corporation*

### **Stockholder Services** (continued)

**Roth IRA.** You (and a working or non-working spouse) may (each) make an after-tax contribution of up to \$5,000 per year to a Roth IRA provided you have earned income and meet the eligibility requirements. Your MAGI must be less than \$105,000 for individuals or \$166,000 for married couples to be eligible to make a full contribution to a Roth IRA. You are eligible to make a partial Roth IRA contribution if your MAGI is below \$120,000 for individuals or \$176,000 for married couples. Total combined contributions to a Roth IRA and a Traditional IRA cannot exceed \$5,000 in any year. Additionally, individuals who reach age 50 prior to the end of a taxable year may make catch-up contributions to either a Roth IRA or Traditional IRA of up to \$1,000. Earnings grow tax-free and will be distributed to you tax-free and penalty-free provided that you hold your account for at least five years and you take the distribution either after age 59½, for disability, upon death, or to make a first-time home purchase (up to \$10,000). Unlike a Traditional IRA, you may contribute to a Roth IRA even if you are over age 70½ (if you have earned income), and you are not required to take minimum distributions at age 70½. You may convert an existing Traditional IRA to a Roth IRA to take advantage of tax-free distributions. You must pay taxes on any earnings and deductible contributions in your Traditional IRA when converting it to a Roth IRA. Talk to your financial advisor for more details on converting your Traditional IRA.

**Retirement Planning Qualified Plans.** Unincorporated businesses and the self-employed may take advantage of the same benefits in their retirement plans that are available to corporations. Contribution levels can go as high as 100% of earned income (reduced by plan contributions), to a maximum of \$49,000 per participant. For retirement plan purposes, no more than \$245,000 may be taken into account as earned income under the plan in 2009. Social Security integration and employee vesting schedules are also available as options in the Tri-Continental prototype retirement plans. Although you already may be participating in an employer's retirement plan, you may be eligible to establish another plan based upon income from other sources, such as director's fees.

**Retirement Plan Services** provides information about our prototype retirement plans. The toll-free telephone number is (800) 445-1777 in the US and (212) 682-7600 outside the US.



## *Tri-Continental Corporation*

### **Board of Directors**

**Kathleen Blatz**<sup>(1,2,6,7)</sup>

*Attorney*

*Retired Chief Justice, Minnesota Supreme Court*

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*Former Governor of Minnesota*

**Pamela G. Carlton**<sup>(4,6,7)</sup>

*President, Springboard Partners in Cross Cultural Leadership*

**Patricia M. Flynn**<sup>(1,3,6)</sup>

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*Attorney*

*Consultant*

**Jeffrey Laikind, CFA**<sup>(4,5,7)</sup>

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*Director, American Progressive Insurance*

**Stephen R. Lewis, Jr.**<sup>(1,2,3,5,6)</sup>

*President Emeritus and Professor of Economics, Carleton College*

*Director, Valmont Industries, Inc.*

**John F. Maher**<sup>(4,6,7)</sup>

*Retired President and Chief Executive Officer, and former Director, Great Western Financial Corporation*

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*President*

**Michelle M. Keeley**

*Vice President*

**Amy K. Johnson**

*Vice President*

**Catherine James Paglia**<sup>(1,2,3,5,6)</sup>

*Director, Enterprise Asset Management, Inc.*

**Leroy C. Richie**<sup>(3,4,6)</sup>

*Counsel, Lewis & Munday, P.C.*

*Director, Digital Ally Inc., Infinity, Inc., and OGE Energy Corp.*

**Alison Taunton-Rigby**<sup>(3,4,5,6)</sup>

*Chief Executive Officer and Director, RiboNovix, Inc.  
Director, Idera Pharmaceutical, Inc. and Healthways, Inc.*

**William F. Truscott**

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Advisor, Ameriprise Financial, Inc.  
President, Chairman of the Board, and Chief Investment  
Officer, RiverSource Investments, LLC  
Director, President and Chief Executive Officer, Ameriprise  
Certificate Company  
Chairman of the Board and Chief Executive Officer,  
RiverSource Distributors, Inc. and RiverSource  
Fund Distributors, Inc.*

- Member:
- (1) Board Governance Committee
  - (2) Compliance Committee
  - (3) Contracts Committee
  - (4) Distribution Committee
  - (5) Executive Committee
  - (6) Investment Review Committee
  - (7) Audit Committee

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**Important Telephone Numbers**

**(800) TRI-1092**

Stockholder Services

**(800) 445-1777**

Retirement Plan Services

**(212) 682-7600**

Outside the United States

**(800) 622-4597**

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Telephone Access Service

***Tri-Continental Corporation***

Tri-Continental is managed by RiverSource Investments, LLC and distributed by RiverSource Fund Distributors Inc., member FINRA. RiverSource Services, Inc. provides client services to Stockholders of Tri-Continental.

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This report is intended only for the information of Stockholders who have received the current prospectus covering shares of Common Stock of Tri-Continental Corporation, which contains information about investment objectives, risks, management fees and other costs. The prospectus should be read carefully before investing and may be obtained by calling Stockholder Services at 1-800-TRI-1092.

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