

FORT DEARBORN INCOME SECURITIES INC  
Form N-Q  
March 01, 2013

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-02319

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Fort Dearborn Income Securities, Inc.

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(Exact name of registrant as specified in charter)

One North Wacker Drive, Chicago, IL 60606-2807

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(Address of principal executive offices) (Zip code)

Joseph J. Alessie, Esq.  
UBS Global Asset Management  
1285 Avenue of the Americas  
New York, NY 10019  
(Name and address of agent for service)

Copy to:  
Bruce G. Leto, Esq.  
Stradley Ronon Stevens & Young LLP  
2600 One Commerce Square  
Philadelphia, PA 19103

Registrant's telephone number, including area code: 212-821 3000

Date of fiscal year end: September 30

Date of reporting period: December 31, 2012

**Item 1. Schedule of Investments****Fort Dearborn Income Securities, Inc.****Industry diversification (unaudited)**

As a percentage of net assets

As of December 31, 2012

Bonds	
Corporate bonds	
Aerospace & defense	0.80%
Air freight & logistics	0.23
Automobiles	0.85
Banks	0.33
Beverages	0.14
Biotechnology	0.08
Building products	0.07
Capital markets	4.71
Chemicals	1.14
Commercial banks	3.43
Commercial services & supplies	0.93
Communications equipment	0.31
Computers & peripherals	0.20
Consumer finance	0.84
Diversified financial services	7.15
Diversified telecommunication services	4.58
Electric utilities	3.43
Electronic equipment, instruments & components	0.25
Energy equipment & services	1.29
Food & staples retailing	1.00
Food products	1.12
Gas utilities	0.64
Health care providers & services	0.31
Independent power producers & energy traders	0.67
Industrial conglomerates	0.06
Insurance	3.37
IT services	0.41
Leisure equipment & products	0.16
Life sciences tools & services	0.11
Machinery	0.39
Media	4.98
Metals & mining	3.74
Multiline retail	0.55
Multi-utilities	0.42
Office electronics	0.41
Oil, gas & consumable fuels	10.31
Paper & forest products	0.32
Pharmaceuticals	0.09
Real estate investment trust (REIT)	1.28
Road & rail	0.69
Semiconductors & semiconductor equipment	0.40
Software	0.30
Specialty retail	0.17
Tobacco	1.00
Wireless telecommunication services	0.62
Total corporate bonds	64.28%
Asset-backed securities	0.55

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Commercial mortgage-backed securities	3.55
Mortgage & agency debt securities	5.89
Municipal bonds	7.72
US government obligations	12.86
Non-US government obligations	2.77
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Total bonds	97.62%
Common stocks	0.01
Preferred stock	0.03
Short-term investment	1.48
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Total investments	99.14%
Cash and other assets, less liabilities	0.86
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Net assets	100.00%
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**Fort Dearborn Income Securities, Inc. Portfolio of investments**

December 31, 2012 (unaudited)

Security description	Face amount	Value
<b>Bonds 97.62%</b>		
<b>Corporate bonds 64.28%</b>		
<b>Australia 0.87%</b>		
Rio Tinto Finance USA Ltd.,		
3.750%, due 09/20/21	\$ 400,000	\$ 427,720
5.200%, due 11/02/40	750,000	881,425
Total Australia corporate bonds		1,309,145
<b>Brazil 1.41%</b>		
Petrobras International Finance Co.,		
5.375%, due 01/27/21	1,130,000	1,267,408
6.875%, due 01/20/40	675,000	855,407
Total Brazil corporate bonds		2,122,815
<b>Canada 2.27%</b>		
Anadarko Finance Co.,		
Series B, 7.500%, due 05/01/31	790,000	1,045,222
Barrick Gold Corp.,		
3.850%, due 04/01/22	350,000	370,484
Canadian Natural Resources Ltd.,		
5.850%, due 02/01/35	435,000	534,462
EnCana Corp.,		
6.625%, due 08/15/37	250,000	318,711
Petro-Canada,		
6.800%, due 05/15/38	520,000	709,170
Teck Resources Ltd.,		
6.250%, due 07/15/41	375,000	441,100
Total Canada corporate bonds		3,419,149
<b>Cayman Islands 1.83%</b>		
Transocean, Inc.,		
3.800%, due 10/15/22	340,000	348,477
6.800%, due 03/15/38	535,000	654,930
7.500%, due 04/15/31	575,000	714,592
Vale Overseas Ltd.,		
4.375%, due 01/11/22	965,000	1,030,144
Total Cayman Islands corporate bonds		2,748,143
<b>Curacao 0.09%</b>		
Teva Pharmaceutical Finance IV BV,		
3.650%, due 11/10/21	125,000	133,779
<b>France 0.51%</b>		
Electricite De France,		
6.950%, due 01/26/39 <sup>1</sup>	300,000	401,145

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France Telecom SA, 8.500%, due 03/01/31	75,000	112,265
Vivendi SA, 4.750%, due 04/12/22 <sup>1</sup>	250,000	259,733
Total France corporate bonds		<u>773,143</u>

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<b>Luxembourg 0.88%</b>		
ArcelorMittal, 5.375%, due 06/01/13	610,000	616,125
Enel Finance International SA, 6.000%, due 10/07/39 <sup>1</sup>	365,000	353,447
Telecom Italia Capital SA, 6.375%, due 11/15/33	350,000	352,625
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Total Luxembourg corporate bonds		1,322,197
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<b>Mexico 0.83%</b>		
America Movil SAB de CV, 5.000%, due 03/30/20	625,000	727,170
Petroleos Mexicanos, 6.500%, due 06/02/41	410,000	513,525
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Total Mexico corporate bonds		1,240,695
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<b>Netherlands 1.00%</b>		
EDP Finance BV, 6.000%, due 02/02/18 <sup>1</sup>	350,000	366,971
Koninklijke Philips Electronics NV, 5.000%, due 03/15/42	75,000	85,672
LyondellBasell Industries NV, 6.000%, due 11/15/21	500,000	586,250
Siemens Financieringsmaatschappij NV, 6.125%, due 08/17/26 <sup>1</sup>	350,000	460,210
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Total Netherlands corporate bonds		1,499,103
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<b>Norway 1.23%</b>		
Eksportfinans ASA, 5.500%, due 06/26/17	1,750,000	1,841,747
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<b>Qatar 0.40%</b>		
Qtel International Finance Ltd., 7.875%, due 06/10/19 <sup>1</sup>	455,000	596,050
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<b>South Africa 0.29%</b>		
AngloGold Ashanti Holdings PLC, 5.375%, due 04/15/20	430,000	443,786
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<b>Sweden 0.16%</b>		
Nordea Bank AB, 4.875%, due 05/13/21 <sup>1</sup>	230,000	246,737
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<b>United Kingdom 1.23%</b>		
Barclays Bank PLC, 5.140%, due 10/14/20	60,000	62,669
British Telecommunications PLC, 9.625%, due 12/15/30	805,000	1,278,887
HSBC Holdings PLC, 4.000%, due 03/30/22	275,000	301,088
6.100%, due 01/14/42	150,000	199,585
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Total United Kingdom corporate bonds		1,842,229
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<b>United States</b>	<b>51.28%</b>		
AEP Texas Central Co., Series E, 6.650%, due 02/15/33		495,000	629,178
Aflac, Inc., 6.450%, due 08/15/40		325,000	411,018
Alltel Corp., 7.875%, due 07/01/32		300,000	470,391
Ally Financial, Inc., 3.799%, due 06/15/15 <sup>2</sup>		400,000	362,080
Altria Group, Inc., 9.700%, due 11/10/18		105,000	146,992
9.950%, due 11/10/38		480,000	790,771

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American International Group, Inc.,		
4.875%, due 06/01/22	175,000	199,784
5.850%, due 01/16/18	785,000	928,025
Amgen, Inc.,		
5.650%, due 06/15/42	100,000	120,071
Anadarko Petroleum Corp.,		
6.450%, due 09/15/36	375,000	469,788
Apache Corp.,		
5.100%, due 09/01/40	625,000	710,463
ArcelorMittal USA LLC,		
6.500%, due 04/15/14	480,000	498,801
AT&T, Inc.,		
4.300%, due 12/15/42 <sup>1</sup>	26,000	26,113
6.500%, due 09/01/37	1,640,000	2,144,917
AXA Financial, Inc.,		
7.000%, due 04/01/28	165,000	196,292
Bank of America Corp.,		
5.875%, due 02/07/42	225,000	280,708
Bear Stearns Cos. LLC,		
7.250%, due 02/01/18	2,000,000	2,506,086
Boeing Co.,		
6.875%, due 03/15/39	400,000	609,699
Burlington Northern Santa Fe LLC,		
5.400%, due 06/01/41	480,000	568,406
Case New Holland, Inc.,		
7.875%, due 12/01/17	500,000	591,250
CenterPoint Energy Resources Corp.,		
6.000%, due 05/15/18	285,000	343,277
CenturyLink, Inc.,		
Series P, 7.600%, due 09/15/39	200,000	207,600
Cisco Systems, Inc.,		
5.900%, due 02/15/39	175,000	227,754
CIT Group, Inc.,		
4.250%, due 08/15/17	750,000	772,306
Citigroup, Inc.,		
4.500%, due 01/14/22	200,000	223,141
5.875%, due 01/30/42	155,000	191,292
6.125%, due 05/15/18	810,000	970,713
6.875%, due 03/05/38	425,000	559,494
8.125%, due 07/15/39	635,000	950,668
Comcast Corp.,		
6.950%, due 08/15/37	1,750,000	2,373,115
ConocoPhillips,		
6.500%, due 02/01/39	925,000	1,311,779
CSX Corp.,		
6.220%, due 04/30/40	150,000	193,601
CVS Caremark Corp.,		
6.250%, due 06/01/27	500,000	660,191
Dell, Inc.,		
5.400%, due 09/10/40	290,000	295,265
Devon Energy Corp.,		
4.750%, due 05/15/42	375,000	401,180
DirecTV Holdings LLC,		
6.000%, due 08/15/40	445,000	493,763
DISH DBS Corp.,		
7.875%, due 09/01/19	800,000	948,000
Dominion Resources, Inc.,		
Series B, 5.950%, due 06/15/35	495,000	626,502
Dow Chemical Co.,		
4.250%, due 11/15/20	750,000	833,785
8.550%, due 05/15/19	222,000	299,717



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Duke Energy Carolinas LLC, 6.050%, due 04/15/38	350,000	458,500
El Paso Corp., 7.250%, due 06/01/18	300,000	346,751
El Paso Natural Gas Co. LLC, 8.625%, due 01/15/22	375,000	515,854
Energy Transfer Partners LP, 5.200%, due 02/01/22	500,000	570,356
9.000%, due 04/15/19	400,000	527,436

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Enterprise Products Operating LLC, 6.125%, due 10/15/39	500,000	604,046
ERP Operating LP, 4.750%, due 07/15/20	485,000	545,470
FedEx Corp., 3.875%, due 08/01/42	350,000	342,205
Fidelity National Financial, Inc., 5.500%, due 09/01/22	250,000	276,706
Florida Power Corp., 6.350%, due 09/15/37	215,000	288,692
Ford Motor Co., 7.450%, due 07/16/31	1,000,000	1,270,000
Ford Motor Credit Co. LLC, 4.250%, due 09/20/22	320,000	338,363
FPL Group Capital, Inc., 6.650%, due 06/15/67 <sup>3</sup>	200,000	214,000
Freeport-McMoRan Copper & Gold, Inc., 3.550%, due 03/01/22	200,000	198,355
General Electric Capital Corp., 4.650%, due 10/17/21	800,000	912,829
5.875%, due 01/14/38	1,000,000	1,206,252
General Motors Financial Co., Inc., 4.750%, due 08/15/17 <sup>1</sup>	540,000	567,805
Genworth Financial, Inc., 7.625%, due 09/24/21	300,000	331,071
Goldman Sachs Group, Inc., 3.625%, due 02/07/16	425,000	449,872
5.750%, due 01/24/22	1,355,000	1,601,897
6.750%, due 10/01/37	570,000	645,996
Halliburton Co., 4.500%, due 11/15/41	200,000	223,275
Harris Corp., 6.375%, due 06/15/19	200,000	236,406
Hasbro, Inc., 6.350%, due 03/15/40	200,000	247,002
HSBC Bank USA N.A., 4.875%, due 08/24/20	250,000	278,609
5.625%, due 08/15/35	855,000	971,615
Intel Corp., 2.700%, due 12/15/22	600,000	599,161
International Lease Finance Corp., 7.125%, due 09/01/18 <sup>1</sup>	750,000	870,000
International Paper Co., 7.500%, due 08/15/21	365,000	477,669
JPMorgan Chase & Co., 4.500%, due 01/24/22	185,000	209,279
Kinder Morgan Energy Partners LP, 5.800%, due 03/15/35	710,000	808,994
6.500%, due 09/01/39	75,000	92,178
Kraft Foods, Inc., 6.875%, due 02/01/38	430,000	594,417
6.875%, due 01/26/39	440,000	606,682
Kroger Co., 6.900%, due 04/15/38	650,000	837,898
Lehman Brothers Holdings, Inc., 6.750%, due 12/28/17 (Escrow Lehman Brothers, Inc.) <sup>4,5</sup>	585,000	0
6.875%, due 05/02/18 (Escrow Lehman Brothers, Inc.) <sup>5</sup>	785,000	188,400
Life Technologies Corp., 6.000%, due 03/01/20	135,000	160,001
Lowe's Cos., Inc., 4.650%, due 04/15/42	225,000	250,516

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Marathon Oil Corp., 6.600%, due 10/01/37	180,000	240,521
Massachusetts Mutual Life Insurance Co., 8.875%, due 06/01/39 <sup>1</sup>	275,000	415,262
Merrill Lynch & Co., Inc., 6.875%, due 04/25/18	1,000,000	1,205,454
7.750%, due 05/14/38	1,000,000	1,301,699

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MetLife, Inc.,		
5.875%, due 02/06/41	650,000	823,014
Morgan Stanley,		
4.750%, due 03/22/17	360,000	392,746
Series F,		
5.625%, due 09/23/19	575,000	650,314
6.625%, due 04/01/18	550,000	648,216
Motiva Enterprises LLC,		
6.850%, due 01/15/40 <sup>1</sup>	340,000	470,666
National Rural Utilities Cooperative Finance Corp.,		
10.375%, due 11/01/18	160,000	236,515
News America, Inc.,		
6.200%, due 12/15/34	695,000	841,748
7.750%, due 12/01/45	350,000	494,687
Norfolk Southern Corp.,		
5.590%, due 05/17/25	38,000	46,666
Oncor Electric Delivery Co. LLC,		
7.000%, due 09/01/22	270,000	343,167
ONEOK Partners LP,		
8.625%, due 03/01/19	215,000	285,464
Oracle Corp.,		
6.500%, due 04/15/38	320,000	444,965
Owens Corning,		
6.500%, due 12/01/16	97,000	108,996
Pacific Gas & Electric Co.,		
6.050%, due 03/01/34	400,000	515,361
Pacific Life Insurance Co.,		
9.250%, due 06/15/39 <sup>1</sup>	210,000	293,664
Petrohawk Energy Corp.,		
6.250%, due 06/01/19	500,000	569,348
Phillips 66,		
4.300%, due 04/01/22 <sup>1</sup>	225,000	251,419
Plains Exploration & Production Co.,		
6.500%, due 11/15/20	330,000	365,475
6.875%, due 02/15/23	300,000	342,750
Progress Energy, Inc.,		
7.750%, due 03/01/31	95,000	129,781
Prudential Financial, Inc.,		
Series B, 5.750%, due 07/15/33	40,000	45,584
6.625%, due 12/01/37	780,000	971,807
PSEG Power LLC,		
8.625%, due 04/15/31	695,000	1,013,452
Regions Financial Corp.,		
7.750%, due 11/10/14	620,000	687,456
Republic Services, Inc.,		
6.200%, due 03/01/40	425,000	533,367
Reynolds American, Inc.,		
7.250%, due 06/15/37	425,000	557,316
SABMiller Holdings, Inc.,		
3.750%, due 01/15/22 <sup>1</sup>	200,000	215,966
Sanmina-SCI Corp.,		
7.000%, due 05/15/19 <sup>1</sup>	370,000	377,400
Simon Property Group LP,		
6.750%, due 02/01/40	325,000	440,425
Southern California Edison Co.,		
6.650%, due 04/01/29	320,000	421,745
Southern Copper Corp.,		
3.500%, due 11/08/22	400,000	408,493
6.750%, due 04/16/40	250,000	300,969
Southern Natural Gas Co.,		
8.000%, due 03/01/32	430,000	613,151

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Sprint Capital Corp., 6.875%, due 11/15/28	200,000	208,000
SunTrust Bank, 7.250%, due 03/15/18	495,000	605,819
Swiss Re Solutions Holding Corp., 7.000%, due 02/15/26	295,000	375,020
Target Corp., 6.350%, due 11/01/32	315,000	418,037
6.500%, due 10/15/37	185,000	258,233
7.000%, due 01/15/38	105,000	154,225
Time Warner Cable, Inc., 7.300%, due 07/01/38	600,000	797,210
8.750%, due 02/14/19	410,000	553,156
Time Warner, Inc., 7.625%, due 04/15/31	710,000	977,444
Union Pacific Corp., 5.780%, due 07/15/40	180,000	228,436

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United Technologies Corp.,		
5.700%, due 04/15/40	290,000	372,886
6.700%, due 08/01/28	160,000	217,035
UnitedHealth Group, Inc.,		
5.800%, due 0		