

FORT DEARBORN INCOME SECURITIES INC
Form N-Q
August 29, 2014

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

Fort Dearborn Income Securities, Inc.

(Exact name of registrant as specified in charter)

One North Wacker Drive, Chicago, IL 60606-2807

(Address of principal executive offices) (Zip code)

Tammie Lee, Esq.

UBS Global Asset Management (Americas) Inc.

1285 Avenue of the Americas

New York, NY 10019

(Name and address of agent for service)

Copy to:

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Philadelphia, PA 19103

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

Date of fiscal year end: September 30

Date of reporting period: June 30, 2014

Item 1. Schedule of Investments

Fort Dearborn Income Securities, Inc.**Industry diversification (unaudited)**

As a percentage of net assets

as of June 30, 2014

Bonds	
Corporate bonds	
Automobiles	1.59%
Banks	22.18
Building products	0.08
Capital markets	3.24
Chemicals	2.74
Commercial services & supplies	0.73
Communications equipment	0.40
Construction materials	1.03
Consumer finance	0.63
Diversified financial services	3.40
Diversified telecommunication services	2.25
Electric utilities	0.80
Electronic equipment, instruments & components	1.02
Energy equipment & services	1.15
Food & staples retailing	0.59
Gas utilities	0.61
Hotels, restaurants & leisure	0.85
Insurance	6.98
IT services	0.44
Leisure products	0.17
Life sciences tools & services	0.11
Machinery	1.50
Media	2.82
Metals & mining	3.65
Oil, gas & consumable fuels	12.59
Paper & forest products	1.23
Pharmaceuticals	0.09
Real estate investment trust (REIT)	0.68
Technology hardware, storage & peripherals	0.75
Tobacco	2.77
Trading companies & distributors	1.42
Wireless telecommunication services	0.49
Total corporate bonds	78.98%
Asset-backed securities	2.79
Collateralized loan obligations	0.61
Commercial mortgage-backed securities	8.74
Mortgage & agency debt securities	3.12
Municipal bonds	2.60
Non-US government obligation	0.87
Total bonds	97.71%
Common stock	0.05

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Preferred stocks	0.09
Short-term investment	0.78
Options purchased	0.07
Total investments	98.70%
Cash and other assets, less liabilities	1.30
Net assets	100.00%

Fort Dearborn Income Securities, Inc.**Portfolio of investments June 30, 2014 (unaudited)**

	Face amount	Value
Bonds: 97.71%		
Corporate bonds: 78.98%		
Brazil: 4.46%		
Banco do Brasil SA, 9.000%, due 06/18/24 ^{1,2,3}	\$ 585,000	\$ 582,075
Caixa Economica Federal, 2.375%, due 11/06/17 ¹	1,400,000	1,365,000
Petrobras Global Finance BV, 6.250%, due 03/17/24	400,000	425,760
Petrobras International Finance Co., 5.375%, due 01/27/21	1,130,000	1,171,245
6.875%, due 01/20/40	1,275,000	1,321,754
Vale Overseas Ltd., 4.375%, due 01/11/22	1,465,000	1,504,116
Total Brazil corporate bonds		6,369,950
Canada: 0.89%		
EnCana Corp., 6.625%, due 08/15/37	250,000	314,111
Teck Resources Ltd., 6.250%, due 07/15/41	875,000	949,891
Total Canada corporate bonds		1,264,002
Cayman Islands: 1.24%		
Seagate HDD Cayman, 3.750%, due 11/15/18 ¹	1,050,000	1,073,625
Transocean, Inc., 7.500%, due 04/15/31	575,000	695,656
Total Cayman Islands corporate bonds		1,769,281
China: 0.20%		
China Oil & Gas Group Ltd., 5.250%, due 04/25/18 ¹	280,000	287,700
France: 0.61%		
Orange SA, 9.000%, due 03/01/31	575,000	865,402
Indonesia: 0.31%		
Pertamina Persero PT, 6.450%, due 05/30/44 ¹	450,000	446,625
Israel: 0.09%		
Teva Pharmaceutical Finance IV BV, 3.650%, due 11/10/21	125,000	128,276

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Luxembourg: 0.64%

Intelsat Jackson Holdings SA, 7.500%, due 04/01/21	500,000	547,500
Telecom Italia Capital SA, 6.375%, due 11/15/33	350,000	361,375
Total Luxembourg corporate bonds		908,875

Mexico: 3.25%

America Movil SAB de CV, 5.000%, due 03/30/20	625,000	693,762
Cemex SAB de CV, 9.000%, due 01/11/18 ¹	1,370,000	1,470,695

Fort Dearborn Income Securities, Inc.**Portfolio of investments June 30, 2014 (unaudited)**

	Face amount	Value
Bonds (continued)		
Corporate bonds (continued)		
Mexico (concluded)		
Petroleos Mexicanos, 3.500%, due 01/30/23	\$ 1,450,000	\$ 1,419,550
6.375%, due 01/23/45 ¹	500,000	576,000
6.500%, due 06/02/41	410,000	477,753
Total Mexico corporate bonds		4,637,760
Netherlands: 3.07%		
Basell Finance Co. BV, 8.100%, due 03/15/27 ¹	1,425,000	1,914,374
EDP Finance BV, 4.900%, due 10/01/19 ¹	1,000,000	1,057,600
6.000%, due 02/02/18 ¹	350,000	384,996
Generali Finance BV, 6.214%, due 06/16/16 ^{2,3}	GBP 300,000	532,673
LYB International Finance BV, 4.875%, due 03/15/44	\$ 470,000	490,020
Total Netherlands corporate bonds		4,379,663
Norway: 1.59%		
Eksporthfinans ASA, 5.500%, due 05/25/16	620,000	660,300
5.500%, due 06/26/17	1,500,000	1,606,800
Total Norway corporate bonds		2,267,100
Singapore: 0.22%		
Flextronics International Ltd., 5.000%, due 02/15/23	300,000	310,103
Spain: 0.71%		
Telefonica Emisiones SAU, 3.192%, due 04/27/18	970,000	1,013,723
Sweden: 0.93%		
Nordea Bank AB, 4.875%, due 05/13/21 ¹	1,230,000	1,335,197
United Kingdom: 5.60%		
Barclays Bank PLC, 5.140%, due 10/14/20	1,110,000	1,215,779
6.050%, due 12/04/17 ¹	1,500,000	1,701,621
Lloyds TBS Bank PLC, 6.500%, due 09/14/20 ¹	2,300,000	2,699,673
Royal Bank of Scotland Group PLC,		

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5.125%, due 05/28/24	450,000	456,930
6.100%, due 06/10/23	1,760,000	1,926,485

Total United Kingdom corporate bonds		8,000,488
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United States: 55.17%

21st Century Fox America, Inc.,		
7.750%, due 12/01/45	350,000	504,622
ADT Corp.,		
3.500%, due 07/15/22	1,140,000	1,037,400
AEP Texas Central Co.,		
Series E, 6.650%, due 02/15/33	495,000	640,740

Fort Dearborn Income Securities, Inc.**Portfolio of investments June 30, 2014 (unaudited)**

	Face amount	Value
Bonds (continued)		
Corporate bonds (continued)		
United States (continued)		
Allstate Corp., 5.750%, due 08/15/53 ²	\$ 1,000,000	\$ 1,074,055
Altria Group, Inc., 5.375%, due 01/31/44	850,000	931,034
9.950%, due 11/10/38	750,000	1,249,379
Anadarko Holding Co., 7.500%, due 10/15/26	1,354,000	1,742,012
AT&T, Inc., 4.300%, due 12/15/42	26,000	24,612
AXA Financial, Inc., 7.000%, due 04/01/28	165,000	196,303
Bank of America Corp., 6.110%, due 01/29/37	2,000,000	2,307,274
7.750%, due 05/14/38	1,000,000	1,373,718
Barrick North America Finance LLC, 5.750%, due 05/01/43	1,450,000	1,502,049
Boston Properties LP, REIT, 3.800%, due 02/01/24	430,000	434,860
Case New Holland, Inc., 7.875%, due 12/01/17	1,500,000	1,747,500
Caterpillar, Inc., 4.300%, due 05/15/44	400,000	400,993
CenturyLink, Inc.,		