

FORT DEARBORN INCOME SECURITIES INC  
Form N-Q  
February 28, 2006

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)

51 West 52<sup>nd</sup> Street, New York, New York 10019-6114

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(Address of principal executive offices) (Zip code)

Mark F. Kemper, Esq.  
UBS Global Asset Management (US) Inc.  
51 West 52<sup>nd</sup> Street  
New York, NY 10019-6114

(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: 212-882 5000

Date of fiscal year end: September 30

Date of reporting period: December 31, 2005

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**Item 1. Schedule of Investments**

**Fort Dearborn Income Securities, Inc.  
Portfolio of Investments as of December 31, 2005 (Unaudited)**

	<u>Face Amount</u>	<u>Value</u>
<b>Bonds</b> <input type="checkbox"/> <b>98.37%</b>		
<b>U.S. Bonds</b> <input type="checkbox"/> <b>91.47%</b>		
<b>U.S. Corporate Bonds</b> <input type="checkbox"/> <b>52.71%</b>		
Albertson's, Inc. 8.000%, due 05/01/31	\$ 165,000	\$ 162,335

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Allstate Corp.		
6.750%, due 05/15/18	195,000	215,739
Altria Group, Inc.		
7.750%, due 01/15/27	310,000	368,023
American General Finance Corp.		
5.375%, due 10/01/12	370,000	371,881
AT&T Corp.		
9.750%, due 11/15/31	860,000	1,080,267
AT&T, Inc.		
6.450%, due 06/15/34	995,000	1,035,371
Avon Products, Inc.		
7.150%, due 11/15/09	1,270,000	1,363,892
Bank of America Corp.		
7.400%, due 01/15/11	1,915,000	2,109,418
Bank One Corp.		
7.875%, due 08/01/10	815,000	904,756
BellSouth Corp.		
6.000%, due 10/15/11	315,000	327,456
6.550%, due 06/15/34	890,000	947,994
Bristol-Myers Squibb Co.		
5.750%, due 10/01/11	395,000	407,948
Burlington Northern Santa Fe Corp.		
6.875%, due 12/01/27	120,000	139,164
7.082%, due 05/13/29	740,000	879,676
C.S. First Boston USA, Inc.		
6.500%, due 01/15/12	1,105,000	1,182,106
Capital One Financial Corp.		
5.500%, due 06/01/15	700,000	695,904
Caterpillar, Inc.		
6.550%, due 05/01/11	720,000	776,866
CBS Corp.		
6.625%, due 05/15/11	825,000	859,233
Cendant Corp.		
7.375%, due 01/15/13	340,000	379,856
Centex Corp.		
7.875%, due 02/01/11	300,000	329,353
CIT Group, Inc.		
7.750%, due 04/02/12	140,000	158,778
Citigroup, Inc.		
5.000%, due 09/15/14	1,882,000	1,852,556
5.625%, due 08/27/12	815,000	840,030
Citizens Communications Co.		
9.000%, due 08/15/31	585,000	592,312
Comcast Corp.		
7.050%, due 03/15/33	1,300,000	1,403,460
ConAgra Foods, Inc.		
6.750%, due 09/15/11	420,000	447,373
Coors Brewing Co.		
6.375%, due 05/15/12	350,000	370,888
DaimlerChrysler N.A. Holding Corp.		
8.500%, due 01/18/31	845,000	1,022,464
Devon Financing Corp. ULC		
6.875%, due 09/30/11	985,000	1,077,427
Dominion Resources, Inc.		
5.950%, due 06/15/35	495,000	483,163
Duke Energy Field Services LLC		
8.125%, due 08/16/30	590,000	750,492
EOP Operating LP		
7.250%, due 06/15/28	700,000	773,888
Erac U.S.A. Finance Co., <u>144A</u>		
8.000%, due 01/15/11	1,065,000	1,189,857
FirstEnergy Corp., Series B		

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6.450%, due 11/15/11	650,000	688,998
Ford Motor Credit Co.		
5.800%, due 01/12/09	6,090,000	5,312,545
General Dynamics Corp.		
4.250%, due 05/15/13	730,000	698,271
General Electric Capital Corp.		
6.000%, due 06/15/12	1,730,000	1,822,020
6.750%, due 03/15/32	1,150,000	1,349,929
General Motors Acceptance Corp.		
6.875%, due 09/15/11	2,340,000	2,133,951
Goldman Sachs Group, Inc.		
6.125%, due 02/15/33	440,000	461,788
6.875%, due 01/15/11	1,685,000	1,815,203
HSBC Bank USA N.A.		
5.625%, due 08/15/35	855,000	836,257
HSBC Finance Corp.		
6.750%, due 05/15/11	1,165,000	1,250,244

	<u>Face Amount</u>	<u>Value</u>
<b>U.S. Corporate Bonds □ (continued)</b>		
ICI Wilmington, Inc.		
5.625%, due 12/01/13	\$ 850,000	\$ 846,064
JPMorgan Chase & Co.		
6.750%, due 02/01/11	955,000	1,022,879
Kinder Morgan Energy Partners LP		
5.800%, due 03/15/35	355,000	339,595
Kraft Foods, Inc.		
5.625%, due 11/01/11	760,000	779,758
Kroger Co.		
7.500%, due 04/01/31	650,000	725,644
Lincoln National Corp.		
6.200%, due 12/15/11	390,000	413,989
Lockheed Martin Corp.		
8.500%, due 12/01/29	255,000	347,557
Marathon Oil Corp.		
6.125%, due 03/15/12	325,000	344,623
Marsh & McLennan Cos., Inc.		
6.250%, due 03/15/12	705,000	734,506
MBNA Corp.		
7.500%, due 03/15/12	550,000	619,483
McKesson Corp.		
7.750%, due 02/01/12	600,000	675,382
Mellon Funding Corp.		
5.000%, due 12/01/14	195,000	194,343
Merck & Co., Inc.		
6.400%, due 03/01/28	520,000	563,701
Miller Brewing Co., <u>144A</u>		
5.500%, due 08/15/13	350,000	356,757
Morgan Stanley		
6.750%, due 04/15/11	1,675,000	1,803,183
7.250%, due 04/01/32	355,000	426,090
National City Bank		
4.625%, due 05/01/13	360,000	349,991
New Cingular Wireless Services, Inc.		
8.750%, due 03/01/31	945,000	1,251,953
Newell Rubbermaid, Inc.		
6.750%, due 03/15/12	235,000	249,526

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News America, Inc. 6.200%, due 12/15/34	810,000	804,573
Northrop Grumman Corp. 7.125%, due 02/15/11	425,000	463,120
Occidental Petroleum Corp. 8.450%, due 02/15/29	265,000	367,425
Pacific Gas & Electric Co. 6.050%, due 03/01/34	670,000	693,423
Pitney Bowes, Inc. 4.625%, due 10/01/12	300,000	293,692
Progress Energy, Inc. 7.000%, due 10/30/31	520,000	577,053
Progressive Corp. 6.250%, due 12/01/32	275,000	300,084
PSEG Power LLC 8.625%, due 04/15/31	290,000	381,601
Qwest Capital Funding, Inc. 7.900%, due 08/15/10	830,000	859,050
Safeway, Inc. 7.250%, due 02/01/31	645,000	696,005
Sempra Energy 7.950%, due 03/01/10	480,000	527,267
Simon Property Group LP <u>REIT, 144A</u> 5.375%, due 06/01/11	300,000	300,717
SLM Corp. 5.125%, due 08/27/12	115,000	115,167
Sprint Capital Corp. 8.750%, due 03/15/32	1,330,000	1,765,016
Target Corp. 7.000%, due 07/15/31	305,000	369,715
Time Warner, Inc. 7.625%, due 04/15/31	995,000	1,108,081
Travelers Property Casualty Corp. 6.375%, due 03/15/33	350,000	372,706
TXU Energy Co. LLC 7.000%, due 03/15/13	800,000	852,531
U.S. Bank N.A. 6.375%, due 08/01/11	500,000	533,916
Union Oil Co. of California 7.500%, due 02/15/29	300,000	383,714
Union Pacific Corp. 6.650%, due 01/15/11	470,000	500,639
UST, Inc. 6.625%, due 07/15/12	475,000	493,923
Valero Energy Corp. 7.500%, due 04/15/32	470,000	571,187
Verizon New York, Inc., Series B 7.375%, due 04/01/32	1,085,000	1,140,671
Wachovia Bank N.A. 7.800%, due 08/18/10	1,620,000	1,818,338
Washington Mutual Bank FA 5.500%, due 01/15/13	1,050,000	1,066,393

**Face  
Amount**

**Value**

**U.S. Corporate  
Bonds □  
(concluded)**

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Wells Fargo Bank N.A. 6.450%, due 02/01/11	\$	1,025,000	\$ 1,092,377
Weyerhaeuser Co. 7.375%, due 03/15/32		665,000	739,286
Wyeth 5.500%, due 03/15/13		700,000	709,638
			<hr/>
			73,811,464 <hr/>

**Asset-Backed  
Securities** □  
**6.81%**

CenterPoint Energy Transition Bond Co., LLC 01-1, Class A4 5.630%, due 09/15/15		3,200,000	3,312,575
Conseco Finance Securitizations Corp., 00-2, Class A4 8.480%, due 12/01/30		533,351	540,029
Conseco Finance Securitizations Corp., 00-5, Class A4 7.470%, due 02/01/32		220,073	221,491
Conseco Finance Securitizations Corp., 00-5, Class A5 7.700%, due 02/01/32		1,500,000	1,489,214
CPL Transition Funding LLC, 02-1, Class A5 6.250%, due 01/15/17		3,000,000	3,277,387
Small Business Administration, 04-P10B, Class 1 4.754%, due 08/10/14		709,238	696,985
			<hr/>
			9,537,681 <hr/>

**Mortgage and  
Agency Debt  
Securities** □  
**9.68%**

C.S. First Boston  
Mortgage

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Securities Corp., 03-8, Class 5A1 6.500%, due 04/25/33		188,519		189,179
Federal Home Loan Mortgage Corp. 5.000%, due 01/30/14		30,000		29,568
5.750%, due 01/15/12		1,315,000		1,379,714
Federal Home Loan Mortgage Corp., Gold 5.500%, due 10/01/19		802,871		807,862
6.500%, due 02/01/17		249,490		256,393
Federal National Mortgage Association 5.000%, TBA		555,000		537,656
4.625%, due 10/15/13		785,000		775,611
5.500%, due 03/01/33		503,863		500,315
5.500%, due 09/01/34		2,491,566		2,469,554
5.500%, due 11/01/34		405,656		402,072
6.000%, due 06/01/23		229,722		233,575
6.000%, due 11/01/28		331,278		335,604
6.250%, due 02/01/11		1,370,000		1,446,871
6.625%, due 11/15/30		1,500,000		1,849,548
7.000%, due 03/01/31		179,488		187,807
Federal National Mortgage Association Grantor Trust, 02-T19, Class A1 6.500%, due 07/25/42		545,436		560,372
Federal National Mortgage Association, 93-106, Class Z, REMIC 7.000%, due 06/25/13		44,098		45,848
Government National Mortgage Association	font style="DISPLAY: inline; FONT-FAMILY: arial; FONT-SIZE: 10pt">	America Bonds Series 2010A, 6.637%, 4/01/57	No Opt. Call	A- 18,306,300
15,000	Georgia Municipal Electric Authority, Plant Vogtle Units 3 & 4 Project P Bonds,			

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Refunding				
	Taxable Build America Bonds			
	Series 2010A, 7.055%,			
	4/01/57			
24,000	Total Georgia			30,352,890
	Illinois – 15.2% (12.9% of Total Investments)			
	Chicago Transit Authority,			
	Illinois, Sales Tax Receipts			
	Revenue Bonds, Federally			
4,320	Taxable Build	No Opt. Call	AA	5,133,758
	America Bonds, Series 2010B,			
	6.200%, 12/01/40			
	Chicago, Illinois, General			
	Airport Revenue Bonds,			
	O’Hare International Airport,			
10,925	Third Lien,	1/20 at 100.00	A2	12,486,401
	Build America Taxable Bond			
	Series 2010B, 6.845%,			
	1/01/38			
	Chicago, Illinois, Wastewater			
	Transmission Revenue Bonds,			
	Build America Taxable Bond			
11,085	Series	No Opt. Call	AA	14,576,332
	2010B, 6.900%, 1/01/40			
	Chicago, Illinois, Water			
	Revenue Bonds, Taxable			
	Second Lien Series 2010B,			
14,695	6.742%, 11/01/40	No Opt. Call	AA	19,415,916
	Cook County, Illinois, General			
	Obligation Bonds, Build			
	America Taxable Bonds,			
15,480	Series 2010D,	No Opt. Call	AA	17,189,147
	6.229%, 11/15/34			
	Illinois Finance Authority,			
	Revenue Bonds, Illinois			
	Institute of Technology,			
260	Refunding Series	No Opt. Call	Baa3	260,034
	2006A, 6.100%, 4/01/15			
	Illinois State, General			
	Obligation Bonds, Taxable			
	Build America Bonds, Series			
14,000	2010-3,	No Opt. Call	A–	15,696,940
	6.725%, 4/01/35			
	Illinois Toll Highway			
	Authority, Toll Highway			
	Revenue Bonds, Build			
4,900	America Taxable Bonds,	No Opt. Call	AA–	6,398,028
	Senior Lien Series 2009A,			
	6.184%, 1/01/34			
1,555		No Opt. Call	AA–	2,024,672

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685	Illinois Toll Highway Authority, Toll Highway Revenue Bonds, Build America Taxable Bonds, Senior Lien Series 2009B, 5.851%, 12/01/34	No Opt. Call	A2	846,948
77,905	Northern Illinois Municipal Power Agency, Power Project Revenue Bonds, Prairie State Project, Build America Taxable Bond Series 2010A, 7.820%, 1/01/40			94,028,176
5,000	Total Illinois Indiana – 0.9% (0.8% of Total Investments) Indiana University, Consolidated Revenue Bonds, Build America Taxable Bonds, Series 2010B, 5.636%, 6/01/35	6/20 at 100.00	Aaa	5,539,550
5,000	Kentucky – 1.8% (1.5% of Total Investments) Kentucky Municipal Power Agency, Power Supply System Revenue Bonds, Prairie State Project, Tender Option Bond Trust B002, 29.266%, 9/01/37 – AGC Insured (IF)	9/20 at 100.00	AA	8,486,750
1,950	Louisville and Jefferson County Metropolitan Sewer District, Kentucky, Sewer and Drainage System Revenue Bonds, Build America Taxable Bonds Series 2010A, 6.250%, 5/15/43	No Opt. Call	AA	2,614,346
6,950	Total Kentucky Louisiana – 3.7% (3.1% of Total Investments)			11,101,096
20,350	East Baton Rouge Sewerage Commission, Louisiana, Revenue Bonds, Build America Taxable Bonds, Series 2010B, 6.087%, 2/01/45 (UB) (4)	2/20 at 100.00	AA	22,929,770
2,000	Massachusetts – 0.8% (0.7% of Total Investments) Massachusetts, Transportation Fund Revenue Bonds, Accelerated Bridge Program,	No Opt. Call	AAA	5,040,600



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	Tender Option Bond Trust T0004, 25.796%, 6/01/40 (IF) (4) Michigan – 4.8% (4.1% of Total Investments) Detroit City School District, Wayne County, Michigan, General Obligation Bonds,			
8,905	Build America Taxable Bond Series 2009B, 7.747%, 5/01/39	No Opt. Call	Aa2	11,774,458
3,145	Michigan Tobacco Settlement Finance Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Taxable Turbo Series 2006A, 7.309%, 6/01/34	No Opt. Call	B2	2,793,420
13,955	Wayne County Building Authority, Michigan, General Obligation Bonds, Jail Facilities, Federally Taxable Recovery Zone Economic Development Series 2010, 10.000%, 12/01/40	12/20 at 100.00	BBB–	15,223,928
26,005	Total Michigan Missouri – 0.3% (0.2% of Total Investments) Curators of the University of Missouri, System Facilities Revenue Bonds, Build America Taxable Bonds, Series 2009A, 5.960%, 11/01/39			29,791,806
1,290	Nevada – 3.3% (2.8% of Total Investments) Clark County, Nevada, Airport Revenue Bonds, Senior Lien Series 2009B, 6.881%, 7/01/42	No Opt. Call	AA+	1,674,188
8,810	Clark County, Nevada, Airport Revenue Bonds, Taxable Direct Payment Build America Bond Series 2010C, 6.820%, 7/01/45	7/19 at 100.00	AA–	10,219,248
1,800	Las Vegas, Nevada, Certificates of Participation, City Hall Project, Build America Federally Taxable Bonds, Series 2009B, 7.800%, 9/01/39	No Opt. Call	AA–	2,644,380
1,315		9/19 at 100.00	AA–	1,589,217

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5,250	North Las Vegas, Nevada, General Obligation Water and Wastewater Improvement Bonds, Build America Taxable Bonds, Series 2010A, 6.572%, 6/01/40	No Opt. Call	BB-	4,757,550
1,035	Reno, Nevada, 1999 Special Assessment District 2 Local Improvement Bonds, ReTRAC Project, Taxable Series 2006, 6.890%, 6/01/16	No Opt. Call	BBB	1,063,928
18,210	Total Nevada New Jersey – 4.2% (3.5% of Total Investments)			20,274,323
130	New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Build America Bonds Issuer Subsidy Program, Series 2010C, 6.104%, 12/15/28	12/20 at 100.00	A2	145,276
4,755	New Jersey Turnpike Authority, Revenue Bonds, Build America Taxable Bonds, Series 2009F, 7.414%, 1/01/40	No Opt. Call	A+	7,187,087
12,535	New Jersey Turnpike Authority, Revenue Bonds, Build America Taxable Bonds, Series 2010A, 7.102%, 1/01/41	No Opt. Call	A+	18,358,510
17,420	Total New Jersey New York – 13.5% (11.4% of Total Investments)			25,690,873
25,000	Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, Build America Taxable Bonds, Series 2010D, 5.600%, 3/15/40 (UB)	No Opt. Call	AAA	31,813,250
5,100	Long Island Power Authority, New York, Electric System Revenue Bonds, Build America Taxable Bond Series 2010B, 5.850%, 5/01/41	No Opt. Call	A-	5,877,648
3,815	Metropolitan Transportation Authority, New York,	No Opt. Call	AA	5,844,542

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4,980	Dedicated Tax Fund Bonds, Build America Taxable Bonds, Series 2010C, 7.336%, 11/15/39 Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Build America	No Opt. Call	AA-	6,233,864
100	Taxable Bonds, Series 2009A-1, 5.871%, 11/15/39 Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Build America	No Opt. Call	AA-	136,452
1,890	Taxable Bonds, Series 2010B-1, 6.648%, 11/15/39 New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue	6/20 at 100.00	AA+	2,144,866
2,595	Bonds, Second Generation Resolution, Build America Taxable Bonds, Fiscal 2011 Series AA, 5.790%, 6/15/41 New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue	No Opt. Call	AA+	3,495,699
2,025	Bonds, Second Generation Resolution, Build America Taxable Bonds, Series 2010DD, 5.952%, 6/15/42 New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue	No Opt. Call	AA+	2,727,857
1,595	Bonds, Second Generation Resolution, Taxable Tender Option Bonds Trust T30001-2, 26.959%, 6/15/44 (IF)	No Opt. Call	AA+	4,374,766

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6,340	New York City Transitional Finance Authority, New York, Building Aid Revenue Bonds, Build	No Opt. Call	AA	8,470,430
10,000	America Taxable Bond Fiscal 2011 Series 2010S-1B, 6.828%, 7/15/40 New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Build	No Opt. Call	AAA	12,445,700
63,440	America Taxable Bonds, Series 2010G-1, 5.467%, 5/01/40 (4) Total New York Ohio – 5.5% (4.6% of Total Investments)			83,565,074
10,700	American Municipal Power Inc., Ohio, Combined Hydroelectric Projects Revenue Bonds, Build	No Opt. Call	A	16,274,165
25	America Bond Series 2010B, 7.834%, 2/15/41 JobsOhio Beverage System, Ohio, Statewide Liquor Profits Revenue Bonds, Senior Lien Taxable	No Opt. Call	AA	27,257
15,000	Series 2013B, 4.532%, 1/01/35 Northeast Ohio Regional Sewer District, Wastewater Improvement Revenue Bonds, Build America	11/20 at 100.00	AA+	17,493,300
25,725	Taxable Bonds, Series 2010, 6.038%, 11/15/40 Total Ohio Oregon – 2.7% (2.3% of Total Investments)			33,794,722
4,000	Oregon Department of Administrative Services, Certificates of Participation, Federally Taxable Build America Bonds, Tender Option Bond Trust TN-011, 27.314%, 5/01/35 (IF) (4)	5/20 at 100.00	AA	6,983,800
8,790	Warm Springs Reservation Confederated Tribes, Oregon, Tribal Economic Development Bonds, Hydroelectric Revenue Bonds, Pelton Round Butte Project,	No Opt. Call	A3	9,622,940

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	Refunding Series 2009A, 8.250%, 11/01/19			
12,790	Total Oregon			16,606,740
	Pennsylvania – 1.1% (0.9% of Total Investments)			
	Commonwealth Financing Authority, Pennsylvania, State Appropriation Lease Bonds, Build America	No Opt. Call	A+	2,353,688
1,915	Taxable Bonds, Series 2009D, 6.218%, 6/01/39			
	Pennsylvania State, General Obligation Bonds, Build America Taxable Bonds, Third Series 2010B,	7/20 at 100.00	Aa3	2,303,740
2,000	5.850%, 7/15/30			
	Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Build America Taxable Bonds, Series	No Opt. Call	A+	1,890,673
1,420	2009A, 6.105%, 12/01/39			
5,335	Total Pennsylvania			6,548,101
	South Carolina – 3.7% (3.1% of Total Investments)			
	South Carolina Public Service Authority, Electric System Revenue Bonds, Santee Cooper,	No Opt. Call	AA–	9,978,545
7,220	Federally Taxable Build America Series 2010C, 6.454%, 1/01/50			
	South Carolina Public Service Authority, Electric System Revenue Bonds, Santee Cooper,	No Opt. Call	AA–	12,417,899
8,985	Federally Taxable Build America, Series 2010C, 6.454%, 1/01/50 (UB)			
	South Carolina Public Service Authority, Electric System Revenue Bonds, Santee Cooper,	No Opt. Call	AA–	596,622
205	Federally Taxable Build America, Tender Option Bond Trust T30002, 28.411%, 1/01/50 (IF)			
16,410	Total South Carolina			22,993,066
	Tennessee – 1.6% (1.4% of Total Investments)			
5,000		No Opt. Call	A1	7,165,800

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	Metropolitan Government Nashville & Davidson County Convention Center Authority, Tennessee, Tourism Tax Revenue Bonds, Build America Taxable Bonds, Series 2010A-2, 7.431%, 7/01/43			
2,030	Metropolitan Government Nashville & Davidson County Convention Center Authority, Tennessee, Tourism Tax Revenue Bonds, Build America Taxable Bonds, Subordinate Lien Series 2010B, 6.731%, 7/01/43	No Opt. Call	Aa3	2,736,237
7,030	Total Tennessee Texas – 10.0% (8.4% of Total Investments)			9,902,037
9,280	Dallas Convention Center Hotel Development Corporation, Texas, Hotel Revenue Bonds, Build America Taxable Bonds, Series 09B, 7.088%, 1/01/42	No Opt. Call	A+	12,540,435
15,000	North Texas Tollway Authority, System Revenue Bonds, Taxable Build America Bond Series 2009B, 6.718%, 1/01/49	No Opt. Call	A2	21,845,250
10,000	North Texas Tollway Authority, System Revenue Bonds, Taxable Build America Bonds, Series 2010-B2, 8.910%, 2/01/30	2/20 at 100.00	Baa3	12,142,900
5,000	San Antonio, Texas, General Obligation Bonds, Build America Taxable Bonds, Series 2010B, 6.038%, 8/01/40	8/20 at 100.00	AAA	5,793,500
7,015	Texas State, General Obligation Bonds, Transportation Commission, Build America Taxable Bonds, Series 2009A, 5.517%, 4/01/39	No Opt. Call	AAA	9,262,185
46,295	Total Texas Utah – 0.9% (0.8% of Total Investments)			61,584,270
4,000		4/20 at 100.00	AA+	4,400,920

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	Central Utah Water Conservancy District, Utah, Revenue Bonds, Federally Taxable Build America Bonds, Series 2010A, 5.700%, 10/01/40			
1,000	Tooele County Municipal Building Authority, Utah, Lease Revenue Bonds, Build America Bond	12/20 at 100.00	A+	1,144,000
	Series 2010A-2, 8.000%, 12/15/32			
5,000	Total Utah			5,544,920
	Virginia – 3.6% (3.1% of Total Investments)			
	Metropolitan Washington Airports Authority, Virginia, Dulles Toll Road Second Senior Lien	No Opt. Call	BBB+	20,313,148
14,800	Revenue Bonds, Build America Bonds, Series 2009D, 7.462%, 10/01/46 – AGC Insured			
	Tobacco Settlement Financing Corporation of Virginia, Tobacco Settlement Asset Backed Bonds,	No Opt. Call	B–	2,014,530
2,625	Refunding Senior Lien Series 2007A, 6.706%, 6/01/46			
17,425	Total Virginia			22,327,678
	Washington – 2.5% (2.1% of Total Investments)			
	Seattle, Washington, Municipal Light and Power Revenue Bonds, Federally Taxable Build America Bonds, Tender Option Bond Trust T0001, 24.504%, 2/01/40 (IF) (4)	No Opt. Call	AA	8,825,000
4,000	Washington State Convention Center Public Facilities District, Lodging Tax Revenue Bonds,	No Opt. Call	Aa3	6,315,791
5,015	Build America Taxable Bond Series 2010B, 6.790%, 7/01/40			
9,015	Total Washington			15,140,791
	Total Long-Term Investments (cost \$599,779,982)			727,837,944
\$ 554,715				

Principal

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Amount (000)	Description (1)	Coupon	Maturity	Value
	SHORT-TERM INVESTMENTS – 0.4% (0.3% of Total Investments)			
\$ 2,334	Repurchase Agreement with Fixed Income Clearing Corporation, dated 12/31/14, repurchase price \$2,333,827, collateralized by \$2,370,000 U.S. Treasury Notes, 1.500%, due 1/31/19, value \$2,384,813	0.000%	1/02/15	\$ 2,333,827
	Total Short-Term Investments (cost \$2,333,827)			2,333,827
	Total Investments (cost \$602,113,809) – 118.4%			730,171,771
	Borrowings – (14.5)% (5), (6)			(89,500,000)
	Floating Rate Obligations – (8.6)%			(53,090,000)
	Other Assets Less Liabilities – 4.7% (7)			29,058,676
	Net Assets – 100%			\$ 616,640,447



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Investments in Derivatives as of December 31, 2014

Interest Rate Swaps outstanding:

Counterparty	Notional Amount	Fund Pay/Receive Floating Rate	Floating Rate Index	Fixed Rate (Annualized)	Fixed Rate Payment Frequency	Effective Date (8)	Termination Date	Value
Barclays Bank PLC*	\$ 47,600,000	Receive	USD-LIBOR-BBA 3-Month	3.219%	Semi-Annually	1/15/16	1/15/44	\$ (3,855,867)
Barclays Bank PLC*	46,500,000	Receive	USD-LIBOR-BBA 3-Month	3.502%	Semi-Annually	6/15/15	6/15/44	(7,253,156)
Morgan Stanley	121,000,000	Receive	USD-LIBOR-BBA 1-Month	1.500	Monthly	12/01/15	12/01/19	(587,629)
	\$215,100,000							\$(11,696,652)

\* Citigroup is the clearing broker for this transaction.

Fair Value Measurements

Fair value is defined as the price that would be received upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 – Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of the Fund's fair value measurements as of the end of the reporting period:

	Level 1	Level 2	Level 3	Total
Long-Term Investments:				
Municipal Bonds	\$ —	\$727,837,944	\$ —	\$727,837,944
Short-Term Investments:				
Repurchase Agreements	—	2,333,827	—	2,333,827
Investments in Derivatives:				
Interest Rate Swaps*	—	(11,699,093)	—	(11,699,093)
Total	\$ —	\$718,472,678	\$ —	\$718,472,678

\* Represents net unrealized appreciation (depreciation).

Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset value of the Fund.

As of December 31, 2014, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives) was \$550,467,343.

Gross unrealized appreciation and gross unrealized depreciation of investments (excluding investments in derivatives) as of December 31, 2014, were as follows:

Gross unrealized:	
Appreciation	\$126,862,934
Depreciation	(252,327)
Net unrealized appreciation (depreciation) of investments	\$126,610,607

- (1) All percentages shown in the Portfolio of Investments are based on net assets unless otherwise noted.
- (2) Optional Call Provisions: Dates (month and year) and prices of the earliest optional call or redemption.  
There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings: Using the highest of Standard & Poor's Group ("Standard & Poor's"), Moody's Investors Service, Inc. ("Moody's") or Fitch, Inc. ("Fitch") rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in derivatives and/or inverse floating rate transactions.
- (5) Borrowings as a percentage of Total Investments is 12.3%.
- (6) The Fund segregates 100% of its eligible investments in the Portfolio of Investments as collateral for Borrowings.
- (7) Other Assets Less Liabilities includes the Unrealized Appreciation (Depreciation) of derivative instruments as listed within Investments in Derivatives as of the end of the reporting period.
- (8) Effective date represents the date on which both the Fund and Counterparty commence interest payment accruals on each contract.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction.
- USD-LIBOR-BBA United States Dollar-London Inter-Bank Offered Rate-British Bankers' Association.



Item 2. Controls and Procedures.

- a. The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rule 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- b. There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3. Exhibits.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)), exactly as set forth below: See EX-99 CERT attached hereto.

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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) Nuveen Build America Bond Fund

By (Signature and Title) /s/ Kevin J. McCarthy  
Kevin J. McCarthy  
Vice President and Secretary

Date: February 27, 2015

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/ Gifford R. Zimmerman  
Gifford R. Zimmerman  
Chief Administrative Officer (principal executive officer)

Date: February 27, 2015

By (Signature and Title) /s/ Stephen D. Foy  
Stephen D. Foy  
Vice President and Controller (principal financial officer)

Date: February 27, 2015