

TARGET CORP  
Form 11-K  
June 27, 2012  
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# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 11-K

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(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2011

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-6049

A. Full title of the plan and address of the plan, if different from that of the issuer named below: Target Corporation 401(k) Plan.

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**TARGET CORPORATION**

**1000 Nicollet Mall**

**Minneapolis, Minnesota 55403**

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Target Corporation 401(k) Plan

Financial Statements and Supplemental Schedule

Years Ended December 31, 2011 and 2010

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### Report of Independent Registered Public Accounting Firm

The Board of Directors and Plan Participants

Target Corporation

We have audited the accompanying statements of net assets available for benefits of the Target Corporation 401(k) Plan (the Plan) as of December 31, 2011 and 2010, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2011 and 2010, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2011, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management. The information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Minneapolis, Minnesota  
June 27, 2012

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Target Corporation 401(k) Plan

Statements of Net Assets Available for Benefits

(in thousands)

	2011	December 31,	2010
<b>Assets</b>			
Investments:			
Cash equivalents	\$ 18,343	\$	23,311
Commingled funds	4,304,209		4,474,723
Stable Value Fund	925,433		1,054,987
Total investments	5,247,985		5,553,021
Receivables:			
Due from broker for securities sold	59,742		188,220
Notes receivable from participants	119,505		111,259
Employer contributions	12,541		11,693
Participant contributions	11,822		10,562
Total receivables	203,610		321,734
Total assets	5,451,595		5,874,755
<b>Liabilities</b>			
Payables:			
Due to broker for securities purchased	72,945		302,825
Expenses	1,499		1,415
Total liabilities	74,444		304,240
Net assets reflecting all investments at fair value	5,377,151		5,570,515
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(49,885)		(29,310)
Net assets available for benefits	\$ 5,327,266	\$	5,541,205

See accompanying notes.

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Target Corporation 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

(in thousands)

	Year Ended December 31,	
	2011	2010
<b>Additions</b>		
Investment (loss) / income:		
Interest and dividends	\$ 64,689	\$ 56,587
Net realized and unrealized (depreciation) / appreciation in fair value of investments	(356,865)	734,480
Total investment (loss) / income	(292,176)	791,067
Interest income on notes receivable from participants	4,864	4,594
Contributions:		
Participant contributions	295,880	276,342
Employer contributions	196,525	190,098
Total contributions	492,405	466,440
Total additions	205,093	1,262,101
<b>Deductions</b>		
Benefits paid to participants	405,624	406,687
Administration fees	13,408	12,844
Total deductions	419,032	419,531
Net (decrease) / increase	(213,939)	842,570
Net assets available for benefits:		
Beginning of year	5,541,205	4,698,635
End of year	\$ 5,327,266	\$ 5,541,205

See accompanying notes.

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Target Corporation 401(k) Plan

Notes to Financial Statements

December 31, 2011

**1. Description of the Plan**

Employees of Target Corporation (the Company and the Plan Administrator) who meet eligibility requirements of age and hours worked can participate in the Target Corporation 401(k) Plan (the Plan).

Under the terms of the Plan, participants can invest up to 80% of their current gross cash compensation in the Plan, within Employee Retirement Income Security Act of 1974, as amended (ERISA) limits. Except for highly compensated participants, participants are allowed to make contributions to the Plan, in any combination of before-tax and/or after-tax contributions. Highly compensated participants, as defined by the Internal Revenue Code (the Code), can only make before-tax contributions to the Plan. Participants can contribute up to the annual contribution limits established by the Internal Revenue Service (the IRS) of \$16,500, plus a \$5,500 catch-up for participants age 50 and older, for 2011 and 2010.

Generally, the Company matches 100 percent of each participant's contribution, up to 5 percent of total compensation. Company match contributions are deposited to the fund option designated by the participant. All actively employed participants are immediately vested in both the participant contributions and the Company's matching deposits. All investments are participant directed.

Participants may receive benefits upon termination, death, disability, or retirement as either a lump-sum amount equal to the vested value of their account or installments, subject to certain restrictions. Participants may also withdraw some or all of their account balances prior to termination, subject to certain restrictions.

The Plan allows for two types of loans, one for the purchase of a primary residence and the other a general-purpose loan, both subject to restrictions as defined in the Plan. Participants may have one of each type of loan outstanding at any given time. Principal and interest is paid ratably through monthly payroll deductions. Interest rates on all loans reflect the prime rate as published by the Wall Street Journal on the first business day of the month the loan is issued, plus 1%. If a participant ceases to make loan repayments and the Plan Administrator deems the participant loan to be a distribution, the participant loan balance is reduced and a benefit payment is recorded.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**1. Description of the Plan (continued)**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

For more detailed information regarding the Plan, participants may refer to the Summary Plan Description available from the Company.

**2. Accounting Policies**

**Basis of Presentation**

The accounting and financial reporting policies of the Plan conform to U.S. generally accepted accounting principles (U.S. GAAP).

**Payment of Benefits**

Benefits are recorded when paid.

**Investment Valuation and Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.



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Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts as it reflects the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. See Note 3 for further discussion of investment contracts held by the Plan and Note 4 for further discussion of fair value.

### **Notes Receivable**

Notes receivable from participants represent participant loans that are recorded at their unpaid principal balance plus any accrued but unpaid interest. Interest income on notes receivable from

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**2. Accounting Policies (continued)**

participants is recorded when it is earned. Proceeds received from the repayment of loans, including interest, are allocated to participants investment accounts in accordance with each participant's investment election in effect at the time of the repayment. No allowance for credit losses has been recorded as of December 31, 2011 or 2010.

**Plan Expenses**

Expenses paid by the Plan include the following: fund management fees (which are netted against investment interest income), trustee fees, monthly processing costs (including record-keeping fees), quarterly participant account statement preparation and distribution costs, and other third-party administrative expenses. All other expenses of the Plan are paid by the Company.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**Use of Estimates**

The preparation of our financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions affecting reported amounts in the financial statements, accompanying notes, and supplemental schedule. Actual results may differ significantly from those estimates.

**New Accounting Pronouncements**

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In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs. ASU 2011-04 amended Accounting Standards Codification (ASC) 820, Fair Value Measurement, to converge the fair value measurement guidance in U.S. GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures, although certain of these new disclosures will not be required for nonpublic entities. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. Plan management is currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan's financial statements.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**2. Accounting Policies (continued)**

**Subsequent Events**

In June 2012, the Stable Value Fund (the Fund) investment option was discontinued and converted into the Intermediate-term Bond Fund (Bond Fund). The Bond Fund is invested in the same underlying assets as the Stable Value Fund. Upon conversion, the Bond Fund began accepting transfers and new contributions, and all remaining balances in the Fund were automatically invested in the Bond Fund.

**3. Stable Value Fund**

The Fund consists of investments in collective trust funds and guaranteed investments contracts (synthetic GICs). Synthetic GICs are investment contracts in which the Plan owns the underlying assets and purchases wrap contracts from independent third parties that provide market value and cash flow risk protection to the Plan. Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts as it reflects the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statements of net assets available for benefits present the fair value of the Fund as well as the adjustment to contract value for the difference between the underlying Fund's fair value and contract value, or the adjustment to contract value.

The synthetic GICs are fully benefit-responsive and are wrapped by two separate insurance companies, which provide guarantees with respect to the return of funds to make distributions from this investment option. The wrapper issuers are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. There are no reserves against contract values for credit risk of the contract issuers or otherwise.

Contributions to the Fund are invested in a portfolio of collective trust funds, as well as investments in the portfolio underlying the synthetic GICs. This portfolio includes short-term investment funds, high-quality short-term and intermediate-term U.S. bonds, including U.S. government treasuries, corporate debt securities, other high-credit-quality asset-backed securities, futures, and interest rate swaps. These investments are measured at fair value, as described in Note 4. Amounts due from broker for securities sold and due to broker for securities purchased, presented on the Plan's statements of net assets available for benefits, primarily relate to transactions involving the synthetic GICs underlying portfolio. These amounts are factored



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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**3. Stable Value Fund (continued)**

into the fair value of the underlying portfolio for purposes of calculating crediting rates and calculating the adjustment from fair value to contract value. The fair value of the wrap contracts is the replacement cost of those contracts. The synthetic GICs' contract value represents the sum of participants' contributions, plus earnings, less participants' withdrawals and administrative expenses. Participant accounts in the Fund are credited with interest at a fixed rate that is evaluated quarterly. The primary variables affecting the future crediting rates include (1) the current yield of the assets underlying the contract, (2) the duration of the assets underlying the contracts, and (3) the existing difference between the fair value and the contract value of the assets within the insurance contract. The crediting rate of security-backed contracts will track current market yields on a trailing basis. The rate reset allows the contract value to converge with the fair value of the underlying portfolio over time, assuming the portfolio continues to earn the current yield for a period of time equal to the current portfolio duration.

To the extent that the underlying portfolio has unrealized and/or realized losses, a positive adjustment is made when reconciling from fair value to contract value under contract value accounting. As a result, the future crediting rate may be lower over time than the current market rates. Similarly, if the underlying portfolio generates unrealized and/or realized gains, a negative adjustment is made when reconciling from fair value to contract value, and in the future, the crediting rate may be higher than the current market rates. The insurance contracts cannot credit an interest rate that is less than 1%.

Derivative financial instruments are used by the Fund principally to reduce exposures to interest rate and market risks in the synthetic GIC underlying portfolio. The Fund invests in over-the-counter interest rate swaps to mitigate risks of interest rate fluctuations. Over-the-counter futures are used to hedge exposure to interest rate movements and to manage plan asset allocation.

Derivative activity of the Fund is within the portfolio underlying the synthetic GICs and has no direct impact to the statements of net assets available for benefits or to the statements of changes in net assets available for benefits. The fair value of the derivatives is an input to the calculation of fair value of the Fund on the statements of net assets available for benefits. Realized and unrealized gains and losses on the derivative contracts underlying the portfolio impact the determination of the crediting rate, discussed above. The outstanding derivative contracts as of period end within the Fund are disclosed in Schedule H, Line 4i - Schedule of Assets (Held at End of Year) and the average net notional amount serves as an indicator of the volume of derivative activity for the Fund.

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## Target Corporation 401(k) Plan

## Notes to Financial Statements (continued)

**3. Stable Value Fund (continued)**

		December 31, 2011		December 31, 2010	
		Net Notional Amount	Gross Derivative Assets	Net Notional Amount	Gross Derivative Assets
		(in thousands)			
Interest rate contracts					
Futures(a)		\$ 18,350	\$	\$ 80,216	\$
Interest rate contracts	Swaps	7,300		67,855	594
Credit contracts	Swaps			1,500	(14)
Total		\$ 25,650	\$ 118	\$ 149,571	\$ 594

		Year ended December 31, 2011		Year ended December 31, 2010	
		Net Realized and Unrealized Appreciation (Depreciation) in the Fair Value of Investments	Average Net Notional Amount	Net Realized and Unrealized Appreciation (Depreciation) in the Fair Value of Investments	Average Net Notional Amount
		(in thousands)			
Interest rate contracts	Futures(a)	\$ 4,188	\$ 49,283	\$ 2,074	\$ 44,633
Interest rate contracts	Swaps	(1,643)	37,578	(700)	53,728
Credit contracts	Swaps	(40)	750	(2)	750
Total		\$ 2,505	\$ 87,611	\$ 1,372	\$ 99,111

(a) These investments settle daily; therefore, fair value is zero.

Certain events limit the ability of the Plan to transact at contract value with the insurance company. Such events include premature termination of the contracts by the Plan, divestitures, partial plan termination, bankruptcy, significant layoffs or early retirement incentives, and mergers. The Plan Administrator does not consider any of these events probable. The wrap contract issuers cannot terminate the contracts at a value other than contract value, except under specific circumstances, including termination of the Plan or failure to qualify under specific tax code provisions, material misrepresentations by the Plan Administrator or investment manager, failure by these same parties to meet material obligations under the contract, or other similar types of events.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**3. Stable Value Fund (continued)**

The average yields earned by the Fund at December 31, 2011, and 2010, are as follows:

Average Yields for GICs	2011	2010
Based on actual earnings	<b>4.01%</b>	3.76%
Based on interest rate credited to participants	<b>2.74%</b>	2.83%

**4. Fair Value Measurements**

Fair value measurements are categorized into one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable inputs available at the measurement date, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).



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## Target Corporation 401(k) Plan

## Notes to Financial Statements (continued)

**4. Fair Value Measurements (continued)**

The following tables represent financial assets measured at fair value:

	Level 1	Fair Value at December 31, 2011 Level 2 (in thousands)	Level 3
<b>Fair value measurements</b>			
Cash equivalents	\$	\$ 18,343	\$
Commingled funds:			
Target Corporation Common Stock Fund(a)	1,842,401		
Lifecycle funds(b)		887,442	
U.S. government and agency obligations(c)		271,794	
U.S. equities(c)		881,660	
International equities(c)		420,912	
Stable Value Fund(d):			
Collective trust funds		234,197	
Synthetic guaranteed investment contracts		691,236	
Total	\$ 1,842,401	\$ 3,405,584	\$

	Level 1	Fair Value at December 31, 2010 Level 2 (in thousands)	Level 3
<b>Fair value measurements</b>			
Cash equivalents	\$	\$ 23,311	\$
Commingled funds:			
Target Corporation Common Stock Fund(a)	2,225,468		
Lifecycle funds(b)		773,047	
U.S. government and agency obligations(c)		212,736	
U.S. equities(c)		804,817	
International equities(c)		458,655	
Stable Value Fund(d):			
Collective trust funds		229,377	
Synthetic guaranteed investment contracts		825,610	
Total	\$ 2,225,468	\$ 3,327,553	\$

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**4. Fair Value Measurements (continued)**

*a* This is a self-managed fund which invests in the Company's common stock. The Fund's objective is to closely track the performance of the Company's common stock. The Plan can redeem this investment daily. The classification in the fair value table at December 31, 2010 has been revised to conform with the current year classification, consistent with the Level 1 measurement principles applied to the underlying investments in all periods presented.

*b* These commingled funds share the common goal of first growing and then later preserving principal and contain a mix of U.S. common stocks, international common stocks, U.S. issued bonds, and cash. The Plan can redeem these investments daily. There are currently no redemption restrictions on these investments.

*c* These categories include investments in passively managed index commingled funds with holdings in U.S. government and agency obligations and domestic and international equity securities. The Plan can redeem these investments daily.

*d* The Stable Value Fund is a self-managed fund designed to deliver safety and stability by preserving principal and accumulating earnings. This fund invests in a portfolio of collective trust funds and synthetic GICs. These investments are described in Note 3.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**4. Fair Value Measurements (continued)**

The following sets forth the types of assets measured at fair value and a description of the valuation technique for each asset type:

Position Description	Valuation Technique
Cash equivalents/Commingled funds	Valued using the Net Asset Value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund minus applicable costs and liabilities and then divided by the number of shares outstanding. The fair value of the Company's common stock is based upon the unadjusted quoted price in an active market.
Stable Value Fund	Collective trust funds are valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund minus applicable costs and liabilities and then divided by the number of shares outstanding. Fair value of synthetic GICs is based on the cumulative value of the underlying investments and the fair value of the wrap contracts provided by the insurance companies. Underlying investments in fixed income securities are primarily valued using prices obtained from independent pricing services. These prices are based on matrix pricing models and quoted prices of securities with similar characteristics. Futures derivatives are initially valued at transaction price, with subsequent valuations based on observable inputs to the valuation model (e.g., underlying investments). Underlying interest rate and credit default swap derivatives are valued using models calibrated to initial trade price. Subsequent valuations are based on observable inputs to the valuation model (e.g., interest rates and credit spreads). Model inputs are only changed when corroborated by market data. A credit risk adjustment is made on each swap using observable market credit spreads. The fair value of the wrap contracts is based on the wrap contract fees provided by the insurance companies, which are observable inputs.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**5. Investments**

At December 31, 2011, participants may allocate their investments among 19 investment funds and change their investment elections daily for both existing balances and future contributions.

The Plan's investments are held by State Street Bank, the trustee. The Plan's investments, including investments bought and sold, as well as investments held during the year, appreciated in fair value as follows:

		Net Appreciation/ (Depreciation) in Fair Value During Year (in thousands)
Year ended December 31, 2011:		
Commingled funds	\$	(29,763)
Target Corporation Common Stock Fund		(327,102)
	\$	(356,865)
Year ended December 31, 2010:		
Commingled funds	\$	278,602
Target Corporation Common Stock Fund		455,878
	\$	734,480

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**5. Investments (continued)**

The fair values of individual investments representing 5% or more of the Plan's net assets are as follows:

	2011	At December 31, (in thousands)	2010
Target Corporation Common Stock Fund*	\$	1,842,401	\$ 2,225,468
State Street Bank & Trust Co. S&P 500 Index Non-Lending Series Fund*		394,489	356,893
State Street Bank & Trust Co. International Index Non-Lending Series Fund*		303,442	286,587
State Street Bank & Trust Co. Treasury Inflation Index Fund *		271,794	^

\* Indicates issuer is a party-in-interest to the Plan.

^ Investments did not represent 5% or more of the Plan's net assets as of this date.

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## Target Corporation 401(k) Plan

## Notes to Financial Statements (continued)

**6. Transactions with Parties-in-Interest**

During 2011 and 2010, the Plan engaged in the following exempt party-in-interest transactions related to the Company's common stock:

	2011	(in thousands)	2010
Number of common shares purchased	6,582		6,093
Cost of common shares purchased	\$ 337,267		\$ 322,089
Number of common shares sold	7,382		8,774
Market value of common shares sold	\$ 380,402		\$ 472,407
Cost of common shares sold	\$ 291,628		\$ 324,503
Number of common shares distributed to plan participants	266		238
Market value of common shares distributed to plan participants	\$ 13,703		\$ 12,822
Cost of common shares distributed to plan participants	\$ 10,402		\$ 8,815
Dividends received (net of pass-through dividends)	\$ 40,771		\$ 32,723

Certain plan investments are shares of short-term and commingled investment funds managed by State Street Bank, the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA. Investment management fees paid by the Plan are included as a reduction of the return earned on each fund.

**7. Income Tax Status**

The Plan has received a determination letter from the IRS dated September 12, 2001, stating that the Plan is qualified under Section 401(a) of the Code, and therefore, the related trust is exempt from taxation. Subsequent to the issuance of this determination letter, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes that the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**7. Income Tax Status (continued)**

The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2008.

**8. Risks and Uncertainties**

The Plan invests in securities that are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. The Plan's exposure to credit risk on guaranteed investment contracts is limited to the fair value of the contracts with each of the counterparties.

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**9. Reconciliation of Financial Statements to the Form 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	<b>Year Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
	<b>(in thousands)</b>	
Net assets available for benefits per the financial statements	\$ 5,327,266	\$ 5,541,205
Amounts allocated to withdrawing participants	(1,958)	(1,970)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts	49,885	29,310
Participant contribution receivable accrual	(9,894)	(8,616)
Employer contribution receivable accrual	(6,588)	(5,762)
Net assets available for benefits per the Form 5500	\$ 5,358,711	\$ 5,554,167

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	<b>Year Ended December 31, 2011 (in thousands)</b>
Benefits paid to participants per the financial statements	\$ 405,624
Amounts allocated to withdrawing participants at December 31, 2010	(1,970)
Amounts allocated to withdrawing participants at December 31, 2011	1,958
Benefits paid to participants per the Form 5500	\$ 405,612



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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**9. Reconciliation of Financial Statements to the Form 5500 (continued)**

The following is a reconciliation of participant contributions available for benefits per the financial statements to the Form 5500:

	2011	Year Ended December 31, (in thousands)	2010
Participant contributions available for benefits per the financial statements	\$	11,822	\$ 10,562
Participant contribution receivable accrual		(9,894)	(8,616)
Participant contributions available for benefits per the Form 5500	\$	1,928	\$ 1,946

The following is a reconciliation of employer contributions available for benefits per the financial statements to the Form 5500:

	2011	Year Ended December 31, (in thousands)	2010
Employer contributions available for benefits per the financial statements	\$	12,541	\$ 11,693
Employer contribution receivable accrual		(6,588)	(5,762)
Employer contributions available for benefits per the Form 5500	\$	5,953	\$ 5,931

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**9. Reconciliation of Financial Statements to the Form 5500 (continued)**

The following is a reconciliation of additions to net assets attributed to participant contributions per the financial statements to the Form 5500:

		<b>Year Ended December 31, 2011 (in thousands)</b>
Additions to net assets attributed to participant contributions per the financial statements	\$	295,880
Change in participant contribution receivable accrual		(1,278)
Additions to net assets attributed to participant contributions per the Form 5500	\$	294,602

The following is a reconciliation of additions to net assets attributed to employer contributions per the financial statements to the Form 5500:

		<b>Year Ended December 31, 2011 (in thousands)</b>
Additions to net assets attributed to employer contributions per the financial statements	\$	196,525
Change in employer contribution receivable accrual		(826)
Additions to net assets attributed to employer contributions per the Form 5500	\$	195,699

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Target Corporation 401(k) Plan

Notes to Financial Statements (continued)

**9. Reconciliation of Financial Statements to the Form 5500 (continued)**

The following is a reconciliation of total additions to net assets per the financial statements to total income per the Form 5500:

		<b>Year Ended December 31, 2011 (in thousands)</b>
Total additions to net assets per the financial statements	\$	205,093
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2010		(29,310)
Adjustment from contract value to fair value for fully benefit-responsive investment contracts at December 31, 2011		49,885
Change in participant contribution receivable accrual		(1,278)
Change in employer contribution receivable accrual		(826)
Total income per the Form 5500	\$	223,564

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Supplemental Schedule

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### Target Corporation 401(k) Plan

EIN: 41-0215170 Plan Number: 002

### Schedule H, Line 4i Schedule of Assets (Held at End of Year)

December 31, 2011

Face Amount or Number of Shares/Units(c)	Identity of Issue and Description of Investment(b)	Investments at Cost(d)	Investments at Current Value(e)
<b>Cash equivalents</b>			
18,342,834	*State Street Bank & Trust Co. Short-term Investment Fund	\$ 18,342,834	\$ 18,342,834
<b>Commingled investment funds</b>			
42,812,595	*Target Corporation Common Stock Fund	1,450,491,764	1,842,400,244
2,625,817	Barclays Global Investors US Real Estate Index Fund	77,758,718	77,217,398
7,477,908	Barclays Global Investors BGI S&P 500 Value	98,199,097	106,186,298
9,411,507	Barclays Global Investors BGI S&P 500 Growth	92,216,597	107,102,952
5,078,016	*State Street Bank & Trust Co. Emerging Markets Index Non-Lending Series Fund	119,421,080	117,469,753
11,558,798	*State Street Bank & Trust Co. U.S. Inflation Protected Bond Index Non-Lending Series Fund	228,974,331	271,793,584
18,238,876	*State Street Bank & Trust Co. S&P 500 Index Non-Lending Series Fund	340,194,952	394,488,659
25,238,483	*State Street Bank & Trust Co. International Index Non-Lending Series Fund	305,068,038	303,442,277
8,705,460	*State Street Bank & Trust Co. Russell 2000 Index Fund	184,699,442	196,665,050
7,078,989	Blackrock, Inc. LIFEPATH INDEX RETIREMENT FUND	91,467,700	97,760,842
5,307,570	Blackrock, Inc. LIFEPATH INDEX 2015 FUND F	71,090,927	76,322,852
6,636,046	Blackrock, Inc. LIFEPATH INDEX 2020 FUND F	91,193,381	97,748,954
6,566,856	Blackrock, Inc. LIFEPATH INDEX 2025 FUND F	91,983,223	98,962,524
6,548,267	Blackrock, Inc. LIFEPATH INDEX 2030 FUND F	93,292,366	100,253,973

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6,550,829	Blackrock, Inc. LIFEPATH INDEX 2035 FUND F	94,983,641	101,996,406
6,685,546	Blackrock, Inc. LIFEPATH INDEX 2040 FUND F	98,745,816	105,564,777
6,071,305	Blackrock, Inc. LIFEPATH INDEX 2045 FUND F	91,515,673	97,323,025
6,870,557	Blackrock, Inc. LIFEPATH INDEX 2050 FUND F	107,128,449	111,509,142
<b>Total commingled investment funds</b>		<b>3,728,425,195</b>	<b>4,304,208,710</b>

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### Target Corporation 401(k) Plan

EIN: 41-0215170 Plan Number: 002

#### Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

Face Amount or Number of Shares/Units(c)	Identity of Issue and Description of Investment(b)	Contract Issuer Moody s/ S&P Rating	Maturity Date(c)	Rate of Interest(c)	Investments at Cost(d)	Investments at Current Value(e)
<b>Stable Value Fund</b>						
<b>Synthetic Guaranteed Investment Contracts</b>						
<b>Wrap contracts</b>						
	ING Life Insurance and Annuity Co. Group Annuity Contract	A2/A	n/a	3.85%	\$ n/a	\$
	Pacific Mutual Life Insurance Co. Group Annuity Contract	A1/A+	n/a	3.85%	n/a	
<b>Underlying Portfolio</b>						
<b>Fixed income securities</b>						
430,000	ABB TREASURY CENTER USA SR UNSECURED 144A		6/15/2016	2.50%	427,282	432,378
200,000	ABBNEY NATL TREASURY SERV BANK GUARANT		4/25/2014	2.88%	199,540	186,450
500,000	ABBNEY NATL TREASURY SERV BANK GUARANT		4/27/2016	4.00%	499,800	448,577
465,000	ACCESS TO LOANS FOR LEARNING S ACCSTD 04/24 FLOATING VAR		4/25/2024	1.00%	455,700	446,781
155,000	AID EGYPT US GOVT GUAR		9/15/2015	4.45%	164,757	173,402
240,000	ALLY BANK		11/17/2014	1.40%	240,000	239,118
2,400,000	ALLY FINANCIAL INC FDIC GUARANT		10/30/2012	1.75%	2,399,784	2,430,955
200,000	ALTRIA GROUP INC COMPANY GUAR		5/5/2021	4.75%	211,542	220,208
175,000	ALTRIA GROUP INC COMPANY GUAR		11/10/2018	9.70%	233,574	235,447
640,000	AMER EXPRESS CREDIT CO SR UNSECURED		8/20/2013	7.30%	695,814	694,566
800,000	AMERICA MOVIL SAB DE CV		9/8/2016	2.38%	794,992	797,771
425,000	AMERICA MOVIL SAB DE CV		9/8/2016	2.38%	421,549	423,816
250,000	AMERICAN EXPR CENTURION		9/10/2012	2.25%	250,000	252,925
175,000	AMERICAN INTL GROUP SR UNSECURED		5/18/2017	5.45%	180,140	167,237
325,000	AMERICAN INTL GROUP SR UNSECURED		10/18/2016	5.60%	340,881	313,247
1,358,274	AMERICREDIT AUTOMOBILE RECEIVA AMCAR 2011 2 A2		9/8/2014	0.90%	1,358,181	1,357,127
380,000	AMERISOURCEBERGEN CORP		11/15/2021	3.50%	379,460	390,226
900,000	AMGEN INC SR UNSECURED		2/1/2013	0.38%	903,938	904,932
400,000	AMGEN INC SR UNSECURED		6/1/2018	6.15%	459,336	465,274
460,000	ANHEUSER BUSCH COS LLC COMPANY GUAR		3/1/2019	5.00%	505,044	518,126
375,000			1/15/2015	4.13%	374,486	404,311

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	ANHEUSER BUSCH INBEV WOR				
	COMPANY GUAR				
750,000	ANHEUSER BUSCH INBEV WOR	1/15/2020	5.38%	882,758	879,603
900,000	COMPANY GUAR	11/15/2016	3.50%	907,173	916,610
	ARISTOTLE HOLDING INC 144A				
	ARKLE MASTER ISSUER PLC				
1,070,000	ARKLE 2010 2A 1A1 144A	5/17/2060	1.87%	1,070,000	1,066,914
	ARRAN RESIDENTIAL				
	MORTGAGES FU ARRMF 2010 1A				
697,032	A1C 144A	5/16/2047	1.66%	697,032	695,722
	ASIAN DEVELOPMENT BANK SR				
130,000	UNSECURED	7/16/2018	5.60%	144,729	158,677
550,000	AT&T INC SR UNSECURED	6/15/2016	5.63%	617,683	630,942
140,000	AT&T INC SR UNSECURED	8/15/2015	2.50%	139,572	144,966
450,000	AT&T INC SR UNSECURED	8/15/2016	2.40%	448,529	459,129
200,000	AT&T INC SR UNSECURED	8/15/2021	3.88%	205,316	211,550
735,000	AT&T INC SR UNSECURED	11/15/2013	6.70%	782,303	810,271
	BAE SYSTEMS HOLDINGS INC				
275,000	COMPANY GUAR 144A	8/15/2015	5.20%	277,501	295,683
	BANC OF AMERICA COMMERCIAL				
708,565	MOR BACM 2002 2 A3	7/11/2043	5.12%	707,569	712,480
	BANC OF AMERICA COMMERCIAL				
642,815	MOR BACM 2004 1 A3	11/10/2039	4.43%	627,146	648,285
	BANK OF AMERICA CORP SR				
585,000	UNSECURED	1/5/2021	5.88%	543,177	556,819
	BANK OF AMERICA CORP SR				
375,000	UNSECURED	5/1/2018	5.65%	334,568	357,282
	BANK OF AMERICA CORP SR				
95,000	UNSECURED	5/13/2021	5.00%	84,098	86,529



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### Target Corporation 401(k) Plan

EIN: 41-0215170 Plan Number: 002

#### Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

Face Amount or Number of Shares/Units(c)	Identity of Issue and Description of Investment(b)	Contract Issuer Moody s/ S&P Rating	Maturity Date(c)	Rate of Interest(c)	Investments at Cost(d)	Investments at Current Value(e)
<b>Underlying Portfolio (continued)</b>						
<b>Fixed income securities (continued)</b>						
400,000	BANK OF AMERICA CORP SR UNSECURED		5/13/2021	5.00%	\$ 352,428	\$ 364,334
605,000	BANK OF AMERICA CORP SR UNSECURED		7/12/2016	3.75%	587,208	560,181
600,000	BANK OF AMERICA CORP SR UNSECURED		7/1/2020	5.63%	610,343	554,240
260,000	BANK OF AMERICA CORP SR UNSECURED		10/14/2016	5.63%	240,191	249,439
240,000	BANK OF CHINA (NY) CERT OF DEPO		12/23/2013	1.10%	240,000	239,361
400,000	BANK OF SCOTLAND PLC COVERED 144A		2/21/2017	5.25%	415,494	418,875
300,000	BAPTIST HEALTH SOUTH FL NOTES		8/15/2021	4.59%	300,000	325,470
750,000	BARCLAYS BANK PLC SR UNSECURED		1/13/2014	1.25%	750,000	717,320
240,000	BARCLAYS BANK/DELAWARE		12/7/2015	1.55%	240,000	238,301
400,000	BARRICK NA FINANCE LLC COMPANY GUAR		9/15/2018	6.80%	478,088	481,270
550,000	BEAR STEARNS COS LLC SR UNSECURED		2/1/2018	7.25%	575,694	644,793
75,000	BEAR STEARNS COS LLC SR UNSECURED		10/2/2017	6.40%	82,549	83,792
580,000	BEAR STEARNS COS LLC SR UNSECURED		10/2/2017	6.40%	630,153	647,993
275,000	BECTON DICKINSON + CO		11/8/2016	1.75%	274,909	277,067
180,000	BECTON DICKINSON + CO		11/8/2021	3.13%	179,631	186,129
850,000	BERKSHIRE HATHAWAY INC SR UNSECURED 08/14 VAR		8/15/2014	1.16%	851,233	851,903
300,000	BHP BILLITON FIN USA LTD		11/21/2014	1.13%	298,935	300,704
165,000	BHP BILLITON FIN USA LTD		11/21/2016	1.88%	164,124	166,671
200,000	BLACKROCK INC SR UNSECURED		12/10/2019	5.00%	219,614	218,261
500,000	BNP PARIBAS BANK GUARANT		1/10/2014	1.29%	503,845	461,132
300,000	BOARDWALK PIPELINES LLC COMPANY GUAR		11/15/2016	5.88%	299,213	337,479
245,000	BOEING CAPITAL CORP SR UNSECURED		8/15/2016	2.13%	249,123	250,279
230,000	BOTTLING GROUP LLC COMPANY GUAR		6/15/2015	4.13%	247,250	251,769
195,000	BP CAPITAL MARKETS PLC		11/1/2016	2.25%	195,000	196,244
800,000	BP CAPITAL MARKETS PLC		11/1/2016	2.25%	811,264	805,102

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940,000	BP CAPITAL MARKETS PLC COMPANY GUAR	3/10/2012	3.13%	939,944	944,312
350,000	BP CAPITAL MARKETS PLC COMPANY GUAR	3/10/2015	3.88%	371,294	373,732
300,000	BP CAPITAL MARKETS PLC COMPANY GUAR	3/11/2016	3.20%	299,724	314,407
1,600,000	BP CAPITAL MARKETS PLC COMPANY GUAR	10/1/2015	3.13%	1,660,992	1,675,877
875,000	BP CAPITAL MARKETS PLC COMPANY GUAR	10/1/2020	4.50%	922,223	963,700
350,000	BURLINGTN NORTH SANTA FE SR UNSECURED	3/15/2018	5.75%	409,815	408,938
150,000	BURLINGTN NORTH SANTA FE SR UNSECURED	10/1/2019	4.70%	167,235	168,342
400,000	CAMPBELL SOUP CO SR UNSECURED	2/15/2019	4.50%	441,056	449,807
725,000	CANADIAN GOVERNMENT SR UNSECURED	9/10/2014	2.38%	722,393	761,344
1,000,000	CANADIAN NATL RESOURCES SR UNSECURED	2/1/2013	5.15%	999,710	1,043,143
295,000	CAPITAL ONE FINANCIAL CO SR UNSECURED	7/15/2014	4.13%	294,838	291,218
650,000	CAPITAL ONE FINANCIAL CO SR UNSECURED	7/15/2021	4.75%	646,991	668,923
400,000	CAPITAL ONE FINANCIAL CO SR UNSECURED	7/15/2021	4.75%	416,636	411,645
340,000	CAPITAL ONE FINANCIAL CO SR UNSECURED	7/15/2021	4.75%	359,455	349,898
342,330	CARMAX AUTO OWNER TRUST CARMX 2008 2 A4B	8/15/2013	1.93%	346,556	344,030
800,000	CATERPILLAR FINANCIAL SE SR UNSECURED	4/1/2014	0.66%	798,848	798,936
400,000	CATERPILLAR INC SR UNSECURED	12/15/2018	7.90%	532,592	532,521
450,000	CELLCO PART/VERI WIRELSS SR UNSECURED	11/15/2018	8.50%	603,365	607,365
475,000	CELLCO PART/VERI WIRELSS SR UNSECURED	11/15/2018	8.50%	504,516	641,108
540,000	CELLCO PART/VERI WIRELSS SR UNSECURED	11/15/2018	8.50%	638,685	728,838

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### Target Corporation 401(k) Plan

EIN: 41-0215170 Plan Number: 002

#### Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

Face Amount or Number of Shares/Units(c)	Identity of Issue and Description of Investment(b)	Contract Issuer Moody s/ S&P Rating	Maturity Date(c)	Rate of Interest(c)	Investments at Cost(d)	Investments at Current Value(e)
<b>Underlying Portfolio (continued)</b>						
<b>Fixed income securities (continued)</b>						
1,000,000	CENOVUS ENERGY INC SR UNSECURED		9/15/2014	8.50%	\$ 1,082,400	\$ 1,077,282
245,000	CHEVRON PHILLIPS CHEM CO SR UNSECURED 144A		2/1/2021	4.50%	245,884	262,271
165,000	CHEVRON PHILLIPS CHEM CO SR UNSECURED 144A		6/15/2019	4.75%	209,920	208,885
200,000	CIE FINANCEMENT FONCIER COVERED 144A		4/22/2013	2.13%	202,424	197,852
350,000	CIGNA CORP		11/15/2016	2.75%	349,708	349,233
200,000	CIGNA CORP SR UNSECURED		3/15/2021	4.50%	198,994	205,712
445,000	CINTAS CORPORATION NO. 2 COMPANY GUAR		6/1/2016	2.85%	457,001	456,367
240,000	CIT BANK		11/16/2015	1.65%	240,000	240,214
760,000	CITIBANK OMNI MASTER TRUST COMNI 2009 A17 A17 144A		11/15/2018	4.90%	825,669	826,601
2,000,000	CITIGROUP FUNDING INC FDIC GUARANT		10/22/2012	1.88%	2,007,860	2,027,520
900,000	CITIGROUP FUNDING INC FDIC GUARANT		11/15/2012	1.88%	900,558	912,956
945,000	CITIGROUP INC SR UNSECURED		1/15/2015	6.01%	1,020,312	987,246
175,000	CITIGROUP INC SR UNSECURED		7/2/2013	5.85%	177,693	179,901
255,000	CITIGROUP INC SR UNSECURED		8/12/2014	6.38%	264,876	267,628
150,000	CITIGROUP INC SR UNSECURED		8/12/2014	6.38%	164,408	157,428
595,000	CITIGROUP INC SR UNSECURED		11/21/2017	6.13%	637,037	635,002
790,000	CITIGROUP INC SR UNSECURED		12/15/2015	4.59%	791,675	795,054
450,000	CITIGROUP INC SUBORDINATED		9/15/2014	5.00%	438,491	445,369
190,000	CITIGROUP INC SUBORDINATED		9/15/2014	5.00%	196,014	188,045
824,746	CITIGROUP/DEUTSCHE BANK COMMER CD 2005 CD1 ASB		7/15/2044	5.23%	862,762	872,544
155,000	CLOROX COMPANY SR UNSECURED		10/15/2012	5.45%	154,789	160,594
485,000	CME GROUP INDEX SERVICES COMPANY GUAR 144A		3/15/2018	4.40%	484,030	515,303
300,000	COCA COLA AMATIL LTD COMPANY GUAR 144A		11/2/2014	3.25%	311,973	314,802
410,000	COCA COLA CO/THE SR UNSECURED		9/1/2016	1.80%	409,918	417,032
50,000	COMCAST CABLE HOLDINGS COMPANY GUAR		8/1/2013	7.88%	57,732	55,024
400,000	COMCAST CORP COMPANY GUAR		1/15/2017	6.50%	472,744	470,471

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550,000	COMCAST CORP COMPANY GUAR	2/15/2018	5.88%	619,011	635,947
500,000	COMCAST CORP COMPANY GUAR	3/15/2016	5.90%	572,360	572,296
155,000	COMCAST CORP COMPANY GUAR	5/15/2018	5.70%	176,866	178,368
185,000	COMMONWEALTH REIT SR UNSECURED	8/15/2016	6.25%	176,830	196,145
255,000	COMMONWEALTH REIT SR UNSECURED	11/1/2015	5.75%	254,232	266,177
1,000,000	CONS EDISON CO OF NY SR UNSECURED	12/1/2016	5.30%	1,174,020	1,166,874
9,521	COUNTRYWIDE ASSET BACKED CERTI CWL 2002 6 AV1	5/25/2033	1.15%	9,542	7,360
6,317	COUNTRYWIDE ASSET BACKED CERTI CWL 2004 12 AF4	11/25/2032	4.62%	6,248	6,203
310,000	COX COMMUNICATIONS INC SR UNSECURED	12/15/2014	5.45%	344,646	344,108
29	CREDIT SUISSE MORTGAGE CAPITAL CSMC 2006 8 3A1	10/25/2021	6.00%	27	23
275,000	CREDIT SUISSE NEW YORK SR UNSECURED	8/5/2020	4.38%	274,183	269,629
750,000	CREDIT SUISSE NEW YORK SUBORDINATED	1/14/2020	5.40%	816,938	707,374
809,113	CS FIRST BOSTON MORTGAGE SECUR CSFB 2002 CKS4 A2	11/15/2036	5.18%	792,678	818,360
1,158,755	CS FIRST BOSTON MORTGAGE SECUR CSFB 2002 CP3 A3	7/15/2035	5.60%	1,147,620	1,166,130
1,540,000	CS FIRST BOSTON MORTGAGE SECUR CSFB 2002 CP5 A2	12/15/2035	4.94%	1,541,444	1,570,956
181	CS FIRST BOSTON MORTGAGE SECUR CSFB 2003 AR9 2A2	3/25/2033	2.38%	185	152
1,000,000	CVS CAREMARK CORP SR UNSECURED	5/15/2021	4.13%	1,024,245	1,076,568
1,130,000	DAIMLER FINANCE NA LLC SER 144A	9/15/2014	1.88%	1,126,429	1,123,882
575,000	DANAHER CORP SR UNSECURED	6/23/2016	2.30%	574,080	597,648

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### Target Corporation 401(k) Plan

EIN: 41-0215170 Plan Number: 002

#### Schedule H, Line 4i Schedule of Assets (Held at End of Year) (continued)

Face Amount or Number of Shares/Units(c)	Identity of Issue and Description of Investment(b)	Contract Issuer Moody s/ S&P Rating	Maturity Date(c)	Rate of Interest(c)	Investments at Cost(d)	Investments at Current Value(e)
<b>Underlying Portfolio (continued)</b>						
<b>Fixed income securities (continued)</b>						
1,530,000	DBUBS MORTGAGE TRUST DBUBS 2011 LC1A A2 144A		11/10/2046	4.53%	\$ 1,536,227	\$ 1,649,828
310,000	DCP MIDSTREAM LLC SR UNSECURED 144A		3/15/2019	9.75%	351,332	404,113
1,000,000	DELL INC SR UNSECURED		4/1/2014	2.10%	1,020,830	1,020,688
430,000	DEVON ENERGY CORPORATION SR UNSECURED		7/15/2016	2.40%	437,711	440,276
1,900,000	DIRECTV HOLDINGS/FING COMPANY GUAR		3/1/2016	3.50%	1,896,409	1,958,756
600,000	DIRECTV HOLDINGS/FING COMPANY GUAR		3/1/2016	3.50%	617,172	618,554
715,000	DISCOVERY COMMUNICATIONS COMPANY GUAR		6/1/2015	3.70%	713,935	751,995
450,000	DOMINION RESOURCES INC SR UNSECURED		6/15/2018	6.40%	497,903	543,088
745,000	DOW CHEM CO		11/15/2021	4.13%	749,912	764,161
550,000	DOW CHEMICAL CO/THE SR UNSECURED		5/15/2014	7.60%	622,930	621,950
340,000	DR PEPPER SNAPPLE GROUP COMPANY GUAR		1/15/2016	2.90%	341,804	352,621
380,000	DUKE ENERGY CAROLINAS		12/15/2016	1.75%	379,381	382,916
250,000	DUKE ENERGY CAROLINAS 1ST REF MORT		1/15/2018	5.25%	249,150	295,583
15,000	E.I. DU PONT DE NEMOURS SR UNSECURED		1/15/2013	5.00%	14,967	15,646
370,000	EATON CORP SR UNSECURED		3/20/2014	5.95%	408,798	407,270
150,000	ECOLAB INC		12/8/2014	2.38%	149,910	152,913
575,000	ECOLAB INC		12/8/2016	3.00%	575,024	594,786
265,000	ECOLAB INC		12/8/2016	3.00%	264,475	274,119
575,000	ECOLAB INC		12/8/2021	4.35%	587,088	614,036
850,000	EDISON INTERNATIONAL SR UNSECURED		9/15/2017	3.75%	835,720	874,678
650,000	EKSPORTFINANS A/S		11/17/2014	3.00%	646,984	578,739
1,000,000	EKSPORTFINANS ASA SR UNSECURED		4/5/2013	0.58%	995,940	905,505
560,000	EKSPORTFINANS ASA SR UNSECURED		5/25/2016	5.50%	537,925	516,355
175,000	EKSPORTFINANS ASA SR UNSECURED		6/26/2017	5.50%	163,924	159,230
300,000	ENBRIDGE ENERGY PARTNERS SR UNSECURED		12/15/2016	5.88%	300,108	343,560

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175,000	ENDURANCE SPECIALTY HLDG SR UNSECURED	10/15/2015	6.15%	174,368	183,570
270,000	ENTERGY ARKANSAS INC 1ST MORTGAGE	2/15/2021	3.75%	269,922	281,153
295,000	ENTERGY ARKANSAS INC 1ST MORTGAGE	8/1/2013	5.40%	294,979	312,834
475,000	ERP OPER LTD PARTNERSHIP	12/15/2021	4.63%	473,190	484,383
265,000	ERP OPER LTD PARTNERSHIP	12/15/2021	4.63%	263,990	270,235
744,780	EXTENDED STAY AMERICA TRUST ESA 2010 ESHA A 144A	11/5/2027	2.95%	737,347	746,167
800,000	FANNIE MAE FRN				