TORTOISE ENERGY INDEPENDENCE FUND, INC.
Form 497
July 27, 2012
Table of Contents

13,000,000 Shares

Tortoise Energy Independence Fund, Inc.

Common Stock

Investment Objective. Tortoise Energy Independence Fund, Inc. (the Fund, we, us or our) is a newly organized, non-diversified closed-end management investment company. Our investment objective is to provide our stockholders a high level of total return, with an emphasis on current distributions. We cannot assure you that we will achieve our investment objective.

Investment Strategy. We seek to invest primarily in a portfolio of equity securities of companies that provide access to North American oil and gas production growth, which supports North American energy independence through reduced reliance on foreign energy sources. We intend to focus primarily on North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and natural gas liquids (NGLs) that generally have a strong presence in North American oil and gas reservoirs, including shale, and, to a lesser extent, on companies that provide associated transportation, processing, storage, servicing and equipment.

Tax Matters. We intend to elect to be treated, and to qualify each year, as a regulated investment company (RIC). Assuming that we qualify as a RIC, we generally will not be subject to U.S. federal income tax on income and gains that we distribute each taxable year to stockholders. See Certain U.S. Federal Income Tax Considerations.

No Prior History. Prior to this offering, there has been no public or private market for shares of our common stock. Our common stock has been approved for listing on the New York Stock Exchange under the trading or ticker symbol NDP, subject to notice of issuance.

Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 20 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus before making a decision to purchase our securities.

Shares of closed-end management investment companies frequently trade at prices lower than their net asset value or initial offering price. This discount risk may be greater for initial investors expecting to sell shares shortly after the completion of this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total(1)
Public offering price	$ 25.000	325,000,000
Sales load(2)	$ 1.125	14,625,000

Proceeds, before expenses, to us(3)	$ 23.875	310,375,000

(notes on following page)

The underwriters expect to deliver the common stock to purchasers on or about July 31, 2012.

UBS Investment Bank **BofA Merrill Lynch** **Wells Fargo Securities**

Barclays **Oppenheimer & Co.** **RBC Capital Markets** **Stifel Nicolaus Weisel**

Baird **BB&T Capital Markets** **Henley & Company LLC**
J.J.B. Hilliard, W.L. Lyons, LLC **Janney Montgomery Scott** **Ladenburg Thalmann & Co. Inc.**
Pershing LLC **Wunderlich Securities**

The date of this prospectus is July 26, 2012.

(notes from previous page)

(1) The underwriters named in this prospectus have the option to purchase up to 1,950,000 additional shares of common stock at the public offering price, less the sales load, within 45 days from the date of this prospectus to cover over-allotments. If the over-allotment option is exercised in full, the total public offering price, sales load and proceeds, before expenses, to us will be $373,750,000, $16,818,750, and $356,931,250, respectively. See Underwriting .

(2) Tortoise Capital Advisors, L.L.C., our Adviser, has agreed to pay from its own assets a structuring fee to each of UBS Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC and has agreed to pay additional compensation in connection with the offering to Oppenheimer & Co. Inc., RBC Capital Markets, LLC and Stifel, Nicolaus & Company, Incorporated. The aggregate amount of these payments is $4,098,799 and these payments are not reflected under sales load in the table above. The sum of all compensation to the underwriters in connection with this public offering of shares of common stock, including the sales load, the structuring and additional compensation fees and all forms of additional payments to the underwriters will not exceed 6.01% of the total public offering price of the shares of common stock sold in this offering. See Underwriting Additional Compensation to be Paid by Our Adviser.

(3) In addition to the sales load, we will pay, and our stockholders will bear, offering costs of up to $0.05 per share, estimated to total approximately $650,000 ($747,500, if the underwriters exercise the over-allotment option in full), which will reduce the Proceeds, before expenses, to us. Tortoise Capital Advisors, L.L.C., our Adviser, has agreed to pay all organizational expenses and the amount by which the aggregate of all of our offering costs (excluding the sales load, but including a portion of the amount payable to an affiliate of the Adviser for the marketing of our common stock) exceeds $0.05 per share.

(continued from cover page)

Portfolio. Under normal circumstances, we will invest at least 80% of our Total Assets (as defined on page 1) in equity securities of North American energy companies, including at least 70% of our Total Assets in equity securities of upstream energy companies. We may invest up to 35% of our Total Assets in securities of non-U.S. issuers (including Canadian issuers). We may invest up to 30% of our Total Assets in restricted securities that are ineligible for resale under Rule 144A (Rule 144A) under the Securities Act of 1933, as amended (the 1933 Act) all of which may be illiquid securities, primarily through direct investments in securities of listed companies. We may invest up to 25% of our Total Assets in securities of master limited partnerships (MLPs). We will not invest in privately held companies. We will also seek to provide current income from gains earned through an option strategy which will consist of writing (selling) covered call options on equity securities in our portfolio.

Leverage. The borrowing of money and issuance of preferred stock and debt securities represent the leveraging of our common stock. We reserve the right at any time to use financial leverage to the extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act). We anticipate that our initial leverage will consist of borrowings pursuant to a credit facility. See Risk Factors Leverage Risk.

Investment Adviser. We will be managed by Tortoise Capital Advisors, L.L.C. (the Adviser), a registered investment adviser specializing in managing portfolios of investments in listed energy infrastructure companies. As of June 30, 2012, our Adviser managed investments of approximately $7.7 billion in the energy infrastructure sector, including the assets of publicly traded closed-end funds, an open-end fund and other accounts. Our Adviser has a 25 person investment team dedicated to the energy sector.

This prospectus sets forth the information that you should know about the Fund before investing. You should read this prospectus before deciding whether to invest in our securities. You should retain this prospectus for future reference. A statement of additional information, dated July 26, 2012, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission (SEC) and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page 68 of this prospectus, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free at 1-866-362-9331 or by writing to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. Our annual, semi-annual and quarterly reports and the statement of additional information also will be available on our Adviser s website at *www.tortoiseadvisors.com*. Information included on such website does not form part of this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-202-551-8090 for information. The SEC charges a fee for copies. You can get the same information on the EDGAR database, including other material incorporated by reference into this prospectus, free from the SEC s website (*http://www.sec.gov*). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC s Public Reference Section, 100 F. Street, N.E., Room 1580, Washington, D.C. 20549.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

Until August 20, 2012 (25 days after the date of this prospectus) all dealers that buy, sell or trade the common shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to each dealer s obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

Table of Contents

Cautionary notice regarding forward-looking statements

This prospectus and the statement of additional information contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, could, should and similar terms and the negative c their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the time necessary to fully invest the proceeds of this offering, our covered call strategy, the conditions in the U.S. and international financial, crude oil, natural gas, and other markets, the level and volatility of commodity prices, the price at which our shares will trade in the public markets and other factors.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors section of this prospectus. All forward-looking statements contained or incorporated by reference in this prospectus are made as of the date of this prospectus. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the 1933 Act.

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors section of this prospectus. We urge you to review carefully that section for a more detailed discussion of the risks of an investment in our securities.

Table of Contents

TABLE OF CONTENTS

You should rely only on the information contained or incorporated by reference in this prospectus in making your investment decisions. Neither we nor the underwriters have authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus is accurate only as of the date on its cover. Our business, financial condition and prospects may have changed since such date. We will advise investors of any material changes.

Table of Contents

Prospectus summary

The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider. You should review the more detailed information contained elsewhere in this prospectus and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 20 of this prospectus.

The Fund

We are a newly organized, non-diversified, closed-end management investment company. Our investment objective is to provide our stockholders a high level of total return, with an emphasis on current distributions. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of equity securities of North American energy companies. We cannot assure you that we will achieve our investment objective.

Our Adviser

We will be managed by Tortoise Capital Advisors, L.L.C. (the Adviser), a registered investment adviser specializing in managing portfolios of investments in listed energy infrastructure companies. As of June 30, 2012, our Adviser managed investments of approximately $7.7 billion in the energy sector, including the assets of publicly traded closed-end funds, an open-end fund and other accounts. Our Adviser has a 25-person investment team dedicated to the energy sector.

The Offering

We are offering 13,000,000 shares of common shares at $25.00 per share through a group of underwriters (the Underwriters) led by UBS Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC. You must purchase at least 100 shares of common stock in this offering. The Fund has given the Underwriters an option to purchase up to 1,950,000 additional shares of common stock to cover orders in excess of 13,000,000 shares of common stock. See Underwriting. Tortoise Capital Advisors, L.L.C., our Adviser, has agreed to pay all organizational expenses and the amount by which the aggregate of all of our offering costs (excluding the sales load, but including a portion of the amount payable to an affiliate of the Adviser for the marketing of our common stock) exceeds $0.05 per share.

Investment Strategy

We seek to invest primarily in a portfolio of equity securities of companies that provide access to North American oil and gas production growth, which supports North American energy independence through reduced reliance on foreign energy sources. We intend to focus primarily on North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and natural gas liquids (NGLs) that generally have a strong presence in North American oil and gas reservoirs, including shale, and, to a lesser extent, on companies that provide associated transportation, processing, storage, servicing and equipment.

Under normal circumstances, we will invest at least 80% of our Total Assets in equity securities of North American energy companies, including at least 70% of our Total Assets in equity securities of upstream energy companies. We define Total Assets as the value of securities, cash or other assets held, including securities or assets obtained through leverage, and interest accrued but not yet received. We will invest in equity securities that are publicly traded on an exchange or in the over-the-counter (OTC) market, primarily consisting of common stock, but also including, among others, master limited partnerships (MLPs) and limited liability company (LLC) common units.

Table of Contents

We consider a company to be a North American energy company if (i) it is organized under the laws of, or maintains its principal place of business in, the United States or Canada, and (ii) at least 50% of its assets, cash flow or revenue is associated with the exploration, development, drilling, completion or production of crude oil, condensate, natural gas and NGLs, or providing associated transportation, processing, storage, servicing and equipment. We consider a company to be an upstream energy company if (i) at least 50% of its assets, cash flow or revenue is associated with the exploration, development, drilling, completion or production of crude oil, condensate, natural gas and NGLs or (ii) its business is related to energy production or refining as defined by the Standard Industrial Classification (SIC) system.

We may invest up to 35% of our Total Assets in securities of non-U.S. issuers (including Canadian issuers). An issuer of a security will generally be considered to be a non-U.S. issuer if it is organized under the laws of, or maintains its principal place of business in, a country other than the United States. We may invest up to 30% of our Total Assets in restricted securities that are ineligible for resale under Rule 144A (Rule 144A) under the Securities Act of 1933, as amended (the 1933 Act), all of which may be illiquid securities, primarily through direct investments in securities of listed companies. As a registered investment company (RIC), we may invest up to 25% of our Total Assets in securities of MLPs.

We will also seek to provide current income from gains earned through an option strategy. We currently intend to write (sell) call options on selected equity securities in our portfolio (covered calls). The notional amount of such calls is expected to initially be approximately 30% to 40% of the total value of our portfolio, although this percentage may vary over time depending on the cash flow requirements of the portfolio and on our Adviser s assessment of market conditions. We initially intend to write out-of-the-money options in which the strike price of the option is above the market price of the security. As the writer of such call options, in effect, during the term of the option, in exchange for the premium we receive, we sell the potential appreciation above the exercise price in the value of the security or securities covered by the options. Therefore, we may forego part of the potential appreciation for part of our equity portfolio in exchange for the call premium received.

Listing and Symbol

Our common stock has been approved for listing on the New York Stock Exchange (NYSE) under the trading or ticker symbol NDP, subject to notice of issuance.

Use of Proceeds

We expect to use the net proceeds from the sale of our common stock to invest in accordance with our investment objective and policies and for working capital purposes. We expect to fully invest the net proceeds of this offering within three to six months after the closing. Pending such investment, we expect that the net proceeds of this offering will be invested in money market mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, high quality, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid debt securities.

Market Opportunity

We believe that the North American energy companies we will target provide attractive investment opportunities. Technological advancements are providing access to previously inaccessible energy resources in North American oil and gas reservoirs, including shale. North America has a significant amount of potentially recoverable oil and gas resources, providing the opportunity for an extended period of North American production growth, with several industry sources forecasting increased production over the coming two decades.

This is evidenced by the International Energy Agency projection that North America will lead the globe in upstream investments, with $4.3 trillion projected from 2011 to 2035, of which Tortoise estimates $122 billion in upstream investments in 2012 alone. These projected upstream investments are widespread, located in numerous geographic regions across North America. Leading global energy companies are making multi-billion dollar long-term commitments, with over $110 billion in North American upstream investments in the last three years.

Targeted Investment Characteristics

The majority of our investments will generally have the following targeted characteristics:

- Production volume growth potential of crude oil, natural gas or NGLs;
- Substantial acreage interests in premier North American oil and gas reservoirs, including shale;
- Efficient asset operations demonstrated through management of operating, general and administrative, development, and acquisition expenses;
- Experienced, disciplined management teams with track records of growing production and reserves through identification of new, emerging supply sources;
- Direct commodity price exposure to the price of crude oil, natural gas, and NGLs with hedging strategies designed to minimize short-term price volatility; and
- Total return potential through a combination of current income and capital appreciation.

Experience of the Adviser

Our Adviser has significant experience investing in North American energy companies including:

- *A Leading Energy Infrastructure Adviser*. Our Adviser formed the first NYSE listed MLP focused closed-end fund and is one of the largest investment managers dedicated to managing closed-end funds focused on U.S. energy infrastructure MLPs. As of June 30, 2012, our Adviser had approximately $7.7 billion of assets under management in the energy sector, including the assets of publicly traded closed-end funds, an open-end fund and other accounts. The six members of our Fund s investment committee have, on average, over 25 years of experience.
- *Experience Across the Energy Value Chain*. Our Adviser has managed energy investments through various economic cycles through a disciplined, long-term oriented investment approach that it has used since its founding. Through its in-house research coverage of companies throughout the entire energy value chain, our Adviser s investment process uses a bottom-up, fundamentals-based approach. Through proprietary models, including risk, valuation and financial models, our Adviser s philosophy places extensive focus on quality and emphasizes downside risk mitigation, and total return potential. Our Adviser believes its investment process is a competitive advantage, allowing it to evaluate risk and reward intelligently across the energy universe.
- *Deep Relationships and Access to Deal Flow*. We believe our Adviser s history in the energy sector, its long-term investment strategy and its deep relationships with issuers, underwriters and sponsors offers competitive advantages in evaluating and managing investment opportunities. Our Adviser led the first MLP direct placement and has participated in over 110 direct investments in which it has invested

over $2.5 billion since 2002 through listed funds it advises and other specialty vehicles and accounts.

- *Capital Markets Innovation*. Our Adviser is a leader in providing investment, financing and structuring opportunities through listed funds it advises. Our Adviser formed the first listed, closed-end fund focused primarily on investing in energy infrastructure MLPs and led the development of institutional MLP direct placements to fund capital projects, acquisitions and sponsor liquidity. In addition, our Adviser established one of the first registered closed-end fund universal shelf registration statements and completed the first registered direct offering from a universal shelf registration statement for a closed-end fund.

Fees

Pursuant to our investment advisory agreement, we will pay our Adviser a fee for its investment management services equal to an annual rate of 1.10% of our average monthly Managed Assets (defined as our Total Assets minus the sum of accrued liabilities (other than debt entered into for purposes of leverage and the aggregate liquidation preference of any outstanding preferred stock)). Our Adviser has agreed to a fee waiver of 0.15%, 0.15%, 0.10%, and 0.10% of our average monthly Managed Assets for the first, second, third and fourth years following this offering, respectively. The fee will be calculated and accrued daily and paid quarterly in arrears. See Management of the Fund Compensation and Expenses.

Federal Income Tax Status

We intend to elect to be treated, and to qualify each year, as a RIC under the Internal Revenue Code of 1986, as amended (the Code). Assuming that we qualify as a RIC, we generally will not be subject to U.S. federal income tax on income and gains that we distribute each taxable year to stockholders if we meet certain minimum distribution requirements. To qualify as a RIC, we will be required to meet asset diversification tests and to meet and maintain our RIC status annual qualifying income and distribution tests. See Certain U.S. Federal Income Tax Considerations.

Investment Policies

We have adopted the following non-fundamental investment policies:

· Under normal circumstances, we will invest at least 80% of our Total Assets in equity securities of North American energy companies, including at least 70% of our Total Assets in equity securities of upstream energy companies;

· We may invest up to 35% of our Total Assets in securities of non-U.S. issuers (including Canadian issuers). An issuer of a security generally will be considered to be a non-U.S. issuer if it is organized under the laws of, or maintains its principal place of business in, a country other than the United States;

· We may invest up to 30% of our Total Assets in restricted securities that are ineligible for resale under Rule 144A under the 1933 Act, all of which may be illiquid securities, primarily through direct investments in securities of listed companies. For purposes of this limitation, restricted securities include (i) registered securities of public companies subject to a lock-up period, (ii) unregistered securities of public companies with registration rights, and (iii) unregistered securities of public companies that become freely tradable with the passage of time;

· We will not invest in privately held companies;

· We may invest up to 20% of our Total Assets in debt securities, including those rated below investment grade, commonly referred to as junk bonds ;

· We will not invest more than 10% of our Total Assets in any single issuer; and

· We will not engage in short sales.

As a RIC, we may invest up to 25% of our Total Assets in securities of MLPs.

4

Table of Contents

The Board of Directors (the Board of Directors or Board) may change our non-fundamental investment policies without stockholder approval and will provide notice to stockholders of material changes (including notice through stockholder reports), although a change in the policy of investing at least 80% of our Total Assets in equity securities of North American energy companies requires at least 60 days prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase. Furthermore, we will not be required to reduce a position due solely to market value fluctuations.

In addition, to comply with federal tax requirements for qualification as a RIC, our investments will be limited so that at the close of each quarter of each taxable year (i) at least 50% of the value of our Total Assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with such other securities limited for purposes of such calculation, in respect of any one issuer, to an amount not greater than 5% of the value of our Total Assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of our Total Assets is invested in the securities of any one issuer (other than U.S. Government securities or the securities of other RICs), the securities (other than the securities of other RICs) of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships (which includes MLPs). These tax-related limitations may be changed by the Board of Directors to the extent appropriate in light of changes to applicable tax requirements.

During the period in which we are investing the net proceeds of this offering, we may deviate from our investment policies by investing the net proceeds in money market mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, high quality, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid debt securities. Under adverse market or economic conditions, we may invest up to 100% of our Total Assets in these securities. To the extent we invest in these securities on a temporary basis or for defensive purposes, we may not achieve our investment objective.

Distributions

We intend to make quarterly cash distributions to our common stockholders. We expect to declare the initial distribution approximately 45 to 60 days after the completion of this offering, and to pay such distribution on or around November 30, 2012, depending upon market conditions.

We expect that the source of the cash payments we receive from our investments will constitute investment company taxable income, as well as long-term capital gains or return of capital from such investments. Investment company taxable income includes, among other items, dividends, operational income from MLPs, interest and net short-term capital gains, less expenses. Long-term capital gains reflect the realized market price received in the sale of an investment security in excess of its cost basis, less net capital losses, including any capital loss carryforwards. Since, as a RIC, we may invest up to 25% of our Total Assets in MLPs, a portion of distributions received from our investments may be sourced as return of capital. This may be due to a variety of factors, including that the MLP may have significant non-cash deductions, such as accelerated depreciation. However, since we may only invest up to 25% of our Total Assets in MLPs, our Adviser does not anticipate a significant portion of the Fund s distributions to stockholders will be characterized as return of capital; rather, it expects the significant sources of such distributions to be investment company taxable income and net capital gain; however, there is no guarantee that this will be the case.

Table of Contents

For tax purposes, distributions of investment company taxable income are generally taxable to stockholders as ordinary income. However, it is expected that part (but not all) of the distributions to our common stockholders may be eligible for the qualified dividend income treatment for individual stockholders and the dividends-received deduction for corporate stockholders, assuming the stockholder meets certain holding period requirements with respect to its Fund shares. Any distributions to you in excess of the Fund s investment company taxable income and net capital gains will be treated by you, first, as a tax-deferred return of capital, which is applied against and will reduce the adjusted tax basis of your stock and, after such adjusted tax basis is reduced to zero, will generally constitute capital gains. Any long-term capital gain distributions are taxable to stockholders as long-term capital gains regardless of the length of time shares have been held. Net capital gains distributions are not eligible for the qualified dividend income treatment or the dividends-received deduction. See Certain U.S. Federal Income Tax Considerations for a discussion regarding federal income tax requirements as a RIC, as well as the potential tax characterization of our distributions to stockholders.

Various factors will affect the levels of cash we receive from our investments, as well as the amounts of income represented by such cash, such as our asset mix and covered call strategy. We may not be able to make distributions in certain circumstances. To permit us to maintain a more stable distribution, our Board of Directors may from time to time cause us to distribute less than the entire amount of income earned in a particular period. The undistributed income would be available to supplement future distributions. As a result, the distributions paid by us for any particular period may be more or less than the amount of income actually earned by us during that period. Undistributed income will add to our net asset value, and, correspondingly, distributions from undistributed income will deduct from our net asset value. See Distributions and Risk Factors Performance and Distribution Risk.

Automatic Dividend Reinvestment Plan

We intend to have an automatic dividend reinvestment plan for our stockholders that will be effective upon completion of this offering. Our plan will be an opt out dividend reinvestment plan. Registered holders of our common stock will automatically be enrolled and entitled to participate in the plan. As a result, if we declare a distribution after the plan is effective, a registered holder s cash distribution will be automatically reinvested in additional common stock, unless the registered holder specifically opts out of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of common stock will generally be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See Automatic Dividend Reinvestment Plan and Certain U.S. Federal Income Tax Considerations.

Leverage

The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The issuance of additional common stock may enable us to increase the aggregate amount of our leverage. We reserve the right at any time to use financial leverage to the extent permitted by the Investment Company Act of 1940, as amended (the 1940 Act), or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a leverage target of 10% to 15% of our Total Assets at the time of incurrence and has also approved a policy permitting temporary increases in the amount of leverage we may use to up to 20% of our Total Assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) we expect to reduce such increased leverage over time in an orderly fashion. The timing and terms of any leverage transactions will be determined by our Board of Directors. In addition, the percentage of our assets attributable to leverage may vary significantly during periods of extreme market volatility and will increase during periods of declining market prices of our portfolio holdings.

Table of Contents

Under the 1940 Act, we are not permitted to issue preferred stock unless immediately after such issuance, the value of our Total Assets (including the proceeds of such issuance) less all liabilities and indebtedness not represented by senior securities is at least equal to 200% of the total of the aggregate amount of senior securities representing indebtedness plus the aggregate liquidation value of any outstanding preferred stock. Stated another way, we may not issue preferred stock that, together with outstanding preferred stock and debt securities, has a total aggregate liquidation value and outstanding principal amount of more than 50% of the value of our Total Assets, including the proceeds of such issuance, less liabilities and indebtedness not represented by senior securities. Under the 1940 Act, we are not permitted to issue debt securities or incur other indebtedness constituting senior securities unless immediately thereafter, the value of our Total Assets (including the proceeds of the indebtedness) less all liabilities and indebtedness not represented by senior securities is at least equal to 300% of the amount of the outstanding indebtedness. Stated another way, we may not issue debt securities or incur other indebtedness with an aggregate principal amount of more than 33 1/3% of the value of our Total Assets, including the amount borrowed, less all liabilities and indebtedness not represented by senior securities.

There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See Leverage and Risk Factors Leverage Risk.

Hedging & Risk Management

In addition to writing covered call options as part of our investment strategy, the risks of which are described herein, we may utilize derivative instruments for hedging and risk management purposes.

We may utilize hedging techniques such as interest rate transactions to mitigate potential interest rate risk on a portion of our leverage. Such interest rate transactions would be used to protect us against higher costs on our leverage resulting from increases in short-term interest rates. We anticipate that the majority of such interest rate hedges would be interest rate swap contracts, interest rate caps and floors purchased from financial institutions.

We may in the future, but do not currently intend to, use other hedging and risk management strategies, including futures, forward contracts, options, options on such contracts and interest rate and total return swaps, to seek to manage other market risks. Such hedging strategies may be utilized to seek to protect against possible adverse changes in the market value of securities held in our portfolio, exposure to commodities prices and non-U.S. currencies, or to otherwise protect the value of our portfolio. See Leverage Hedging and Risk Management and Risk Factors Hedging and Derivatives Risk.

Conflicts of Interest

Conflicts of interest may arise from the fact that our Adviser and its affiliates carry on substantial investment activities for other clients, in which we have no interest. Our Adviser or its affiliates may have financial incentives to favor certain of these accounts over us. Any of their proprietary accounts or other customer accounts may compete with us for specific trades. Our Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for, other accounts and customers, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for us, even though their investment objectives may be the same as, or similar to, ours.

Situations may occur when we could be disadvantaged because of the investment activities conducted by our Adviser and its affiliates for their other accounts. Certain of our Adviser s managed funds and accounts may invest in the equity securities of a particular company, while other funds and accounts managed by our Adviser may invest in the debt securities of the same company. Such situations may be based on, among other things, the following: (i) legal or internal restrictions on the combined size of positions that may be taken for us or the other accounts, thereby limiting the size of our position; (ii) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of the combined position; or (iii) limits on co-investing in direct placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of our Adviser or its affiliates with energy companies.

The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time creates special risks that may adversely affect common stockholders. Because our management fee is based upon a percentage of our Managed Assets, our management fee is higher when we are leveraged. Therefore, our Adviser has a financial incentive to use leverage, which will create a conflict of interest between our Adviser and our common stockholders, who will bear the costs of our leverage. See Investment Objective and Principal Investment Strategies Conflicts of Interest.

Adviser s Information

The offices of our Adviser are located at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. The toll-free telephone number of our Adviser is (866) 362-9331 and our Adviser s website is www.tortoiseadvisors.com. Information posted to our Adviser s website should not be considered part of this prospectus.

Who May Want to Invest

Investors should consider their investment goals, time horizons and risk tolerance before investing in our common stock. We may be an appropriate investment for investors who are seeking:

· an investment that provide access to North American oil and gas production growth, which supports North American energy independence through reduced reliance on foreign energy sources;

· a portfolio of North American energy companies that generally have a strong presence in North American oil and gas reservoirs, including shale;

· exposure to commodity prices;

· simplified tax reporting with one Internal Revenue Service (IRS) 1099 and no unrelated business taxable income (UBTI);

· potential diversification of their overall investment portfolio; and

· professional securities selection and active management by an experienced adviser who has managed energy assets across various economic cycles.

An investment in our common stock involves a high degree of risk. Investors could lose some or all of their investment. See Risk Factors.

Risks

Investing in our common stock involves risk, including the risk that you may receive little or no return on your investment, or even that you may lose part or all of your investment. Our strategy of concentrating in North American energy investments means that our performance will be closely tied to the performance of the energy sector, and we will be subject to the risks inherent in the business of North American energy companies, including of commodity price volatility. These risks, along with other risks applicable to an investment in our common stock, are more fully set forth under the heading Risk Factors. Before investing in our common stock, you should consider carefully all of these risks.

In addition, we are designed primarily as a long-term investment vehicle, and our common stock is not an appropriate investment for a short-term trading strategy. An investment in our securities should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objective.

8

Table of Contents

Summary of Fund expenses

The following table and example contain information about the costs and expenses that common stockholders will bear directly or indirectly. In accordance with Securities and Exchange Commission (SEC) requirements, the expenses shown in the table under Other Expenses and Total Annual Expenses are based on estimated amounts for our annual operations and assume that we issue 13 million shares of common stock. The table below shows our expenses, including leverage costs, as a percentage of our net assets and not as a percentage of gross assets or Managed Assets. **We caution you that the percentages in the table below indicating annual expenses are estimates and may vary.**

Stockholder Transaction Expenses (as a percentage of offering price):	
Sales Load	4.50%(1)
Offering Expenses Borne by the Fund	0.20%(2)
Dividend Reinvestment Plan Fees	None(3)
Total Stockholder Transaction Expenses Paid	4.70%
Annual Expenses (as a percentage of net assets attributable to common stock)(4):	
Management Fee(5)	1.22%
Leverage Costs(6)	0.19%
Other Expenses(7)	0.25%
Total Annual Expenses(8)	1.66%
Less Fee and Expense Reimbursement(9)	(0.17)%
Net Annual Expenses(8)	1.49%

(1) For a description of the sales load and other compensation paid to the underwriters, see Underwriting.

(2) Stockholders will pay offering costs of up to $0.05 per share, estimated to total approximately $650,000. Our Adviser has agreed to pay all organizational expenses and the amount by which the aggregate of all of our offering costs (excluding the sales load, but including a portion of the amount payable to an affiliate of the Adviser for the marketing of our common stock) exceeds $0.05 per share.

(3) The expenses associated with the administration of our automatic dividend reinvestment plan are included in Other Expenses. The participants in our automatic dividend reinvestment plan will pay a transaction fee if they direct the plan agent to sell shares of common stock held in their investment account and a per share fee with respect to open market purchases, if any, made by the plan agent under the plan. For more details about the plan, see Automatic Dividend Reinvestment Plan.

(4) Assumes leverage of approximately $34 million determined using the assumptions set forth in footnote (6) below. We have not included a line item for Acquired Fund Fees and Expenses as such expenses are not anticipated to exceed one basis point.

(5) Although our management fee is 1.10% (annualized) of our average monthly Managed Assets, the table above reflects expenses as a percentage of net assets. Managed Assets means our Total Assets minus the sum of accrued liabilities other than (1) debt entered into for the purpose of leverage and (2) the aggregate liquidation preference of any outstanding preferred shares. Net Assets is defined as Managed Assets minus debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. See Management of the Fund Compensation and Expenses.

(6) The table above assumes that we borrow approximately $34 million, which reflects leverage in an amount representing approximately 10% of our Total Assets assuming an annual interest rate of 1.75% on the amount borrowed and assuming we issue 13 million shares of common stock.

(footnotes continued on following page)

Summary of Fund expenses

(7) Other Expenses includes our estimated overhead expenses, including payments to our transfer agent, administrator, custodian, fund accountant, and legal and accounting expenses for our first year of operation assuming we issue 13 million shares of common stock. The holders of our common stock indirectly bear the cost associated with such other expenses as well as all other costs not specifically assumed by our Adviser and incurred in connection with our operations.

(8) The table presented above estimates what our annual expenses would be, stated as a percentage of our net assets attributable to our shares of common stock. This results in a higher percentage than the percentage attributable to our estimated annual expenses stated as a percentage of our Managed Assets. See Leverage Annual Expenses on page 34.

(9) Our Adviser has agreed to a fee waiver of 0.15%, 0.15%, 0.10% and 0.10% of our average monthly Managed Assets for the first, second, third and fourth years following this offering, respectively.

Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock. These amounts are based upon an assumed sales load of 4.50%, offering expenses of 0.20% and our payment of annual operating expenses at the levels set forth in the table above.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return.	$ 61	$ 92	$ 127	$ 229

The example and the expenses in the tables above are intended to assist you in understanding the various costs and expenses an investor in our common stock may bear directly or indirectly and should not be considered a representation of our future expenses. Actual expenses may be greater or less than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in our dividend reinvestment plan may receive common stock valued at the market price in effect at that time. This price may be at, above or below net asset value. See Automatic Dividend Reinvestment Plan for additional information regarding our automatic dividend reinvestment plan.

For additional information with respect to our expenses, see Management of the Fund and Automatic Dividend Reinvestment Plan.

Table of Contents

The Fund

We are a newly organized, non-diversified, closed-end management investment company registered under the 1940 Act. We were organized as a Maryland corporation on April 11, 2012 pursuant to articles of incorporation. Our fiscal year ends on November 30. Our common stock has been approved for listing on the New York Stock Exchange under the trading or ticker symbol NDP, subject to notice of issuance.

Use of proceeds

We expect to use the net proceeds from the sale of our common stock to invest in accordance with our investment objective and policies and for working capital purposes. We expect to fully invest the net proceeds of this offering within three to six months after the closing. Pending such investment, we expect that the net proceeds of this offering will be invested in money market mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, high quality, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid debt securities. See Risk Factors Delay in Use of Proceeds Risk. The three to six month timeframe associated with the anticipated use of proceeds could lower returns and reduce the amount of cash available to make distributions.

Table of Contents

Investment objective and principal investment strategies

Investment Objective and Strategy

Our investment objective is to provide our stockholders a high level of total return, with an emphasis on current distributions. We seek to invest in a portfolio of equity securities of companies that provide access to North American oil and gas production growth, which supports North American energy independence through reduced reliance on foreign energy sources. We intend to focus primarily on North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and NGLs that generally have a strong presence in North American oil and gas reservoirs, including shale, and, to a lesser extent, on companies that provide associated transportation, processing, storage, servicing and equipment.

North American Energy Companies

Under normal circumstances, we will invest at least 80% of our Total Assets in equity securities of North American energy companies, including at least 70% of our Total Assets in equity securities of upstream energy companies. We define Total Assets as the value of securities, cash or other assets held, including securities or assets obtained through leverage, and interest accrued but not yet received. We will invest in equity securities that are publicly traded on an exchange or in the OTC market, primarily consisting of common stock, but also including, among others, MLP and LLC common units.

We consider a company to be a North American energy company if (i) it is organized under the laws of, or maintains its principal place of business in, the U.S. or Canada, and (ii) at least 50% of its assets, cash flow or revenue is associated with the exploration, development, drilling, completion or production of crude oil, condensate, natural gas and NGLs, or providing associated transportation, processing, storage, servicing and equipment. We consider a company to be an upstream energy company if (i) at least 50% of its assets, cash flow or revenue is associated with the exploration, development, drilling, completion or production of crude oil, condensate, natural gas and NGLs or (ii) its business is related to energy production or refining as defined by the SIC system.

Investment Process and Risk Management

Our Adviser s investment process utilizes fundamental analysis and a comparison of quantitative, qualitative, and relative value factors. Investment decisions are driven by proprietary financial, risk, and valuation models developed and maintained by our Adviser which assist in the evaluation of investment decisions and risk. Financial models, based on business drivers with historical and multi-year operational and financial projections, quantify growth, facilitate sensitivity and credit analysis, and aid in peer comparisons. The risk models assess a company s asset quality, management, and stability of cash flows operational and financial performance. Our Adviser also uses traditional valuation metrics such as cash flow multiples and net asset value in its investment process. In addition, the Adviser analyzes production growth potential and the company s ability to grow production over time through internally generated cash flows as well as uses its midstream energy expertise to assist in analyzing emerging areas of production growth.

Our Fund s investment committee is responsible for approving investment decisions and monitoring our investments. In conducting due diligence, our Adviser relies on first-hand sources of information, such as company filings, meetings and conference calls with management, site visits, government information, etc. Although our Adviser intends to use research provided by broker-dealers and investment firms, primary emphasis will be placed on proprietary analysis and valuation models

12

Table of Contents

Investment objective and principal investment strategies