TRI-CONTINENTAL CORP
Form POS 8C
April 06, 2012
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1933 Act File No.: 333-104669

1940 Act File No.: 811-00266

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

REGISTRATION STATEMENT

UNDER

SECURITIES ACT OF 1933	x
Pre-Effective Amendment No. ______	¨
Post-Effective Amendment No. 11	x
and/or	
REGISTRATION STATEMENT	
UNDER	
THE INVESTMENT COMPANY ACT OF 1940	x
Amendment No. 45	x

Exact Name of Registrant as Specified in Charter:

TRI-CONTINENTAL CORPORATION

Address of Principal Executive Offices (Number, Street, City, State, Zip Code):

225 Franklin Street, Boston, Massachusetts 02110

Registrant s Telephone Number, including Area Code:

(800) 345-6611

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service:

Scott R. Plummer, 5228 Ameriprise Financial Center, Minneapolis, MN 55474

Approximate Date of Proposed Public Offering:

As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ¨

It is proposed that this filing will become effective (check appropriate box)

x when declared effective pursuant to section 8(c)
¨ immediately upon filing pursuant to paragraph (b)
¨ on (date) pursuant to paragraph (b)
¨ 60 days after filing pursuant to paragraph (a)
¨ on (date) pursuant to paragraph (a) of Rule 486.

If appropriate, check the following box:

¨ This Post-Effective Amendment designates a new effective date for a previously filed Post-Effective Amendment or Registration Statement.

¨ This Post-Effective Amendment on Form N-2 is filed to register additional securities for an offering pursuant to Rule 462(b)(1) under the Securities Act of 1933 and the Securities Act Registration Statement Number of the earlier effective Registration Statement for the same offering is: ______

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Tri-Continental Corporation

Prospectus May 1, 2012

Tri-Continental Corporation seeks future growth of both capital and income while providing reasonable current income.

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an investment you can live with

Prospectus

May 1, 2012

225 Franklin Street

Boston, Massachusetts 02110

Toll-Free Telephone (800) 345-6611

Tri-Continental Corporation (the Corporation) is a diversified, closed-end management investment company a publicly traded investment fund. The Corporation s shares of common stock (the Common Stock) are traded primarily on the New York Stock Exchange under the symbol TY. The closing market price of the Common Stock on February 29, 2012 was $14.23 per share.

The Corporation invests primarily for the longer term, and the Corporation s objective is to produce future growth of both capital and income while providing reasonable current income. The Corporation may invest in all types of securities. See Investment Objective and Other Policies and Related Risks. No assurance can be given that the Corporation s investment objective will be realized. The Corporation s manager is Columbia Management Investment Advisers, LLC (Columbia Management or the Manager).

This Prospectus applies to all shares of Common Stock purchased under the Corporation s various investment plans for which an exemption from registration under the Securities Act of 1933, as amended (the 1933 Act), is not available, and to all shares of Common Stock issued upon exercise of the Corporation s outstanding Warrants. See Investment Plans and Other Services. The shares of Common Stock covered by this Prospectus also may be issued from time to time by the Corporation to acquire the assets of personal holding companies, private investment companies or publicly owned investment companies. See Issuance of Shares in Connection with Acquisitions.

This Prospectus sets forth the information that a prospective investor should know about the Corporation before investing. Investors are advised to read this Prospectus carefully and to retain it for future reference. Additional information about the Corporation, including a Statement of Additional Information (SAI) dated May 1, 2012, has been filed with the Securities and Exchange Commission. The SAI, as well as the Corporation s most recent Annual and Mid-Year Reports are also available upon request and without charge by writing to Columbia Management Investment Services Corp. (CMISC or the Service Agent), the Corporation s stockholder servicing, dividend paying and transfer agent, at P.O. Box 8099, Boston, Massachusetts 0266-8099 or calling the Service Agent at the telephone number listed above. Investors may also write or call the Service Agent in order to request other available information or to make stockholder inquiries. The SAI is incorporated herein by reference in its entirety and its table of contents appears on page 23 of this Prospectus. The 2011 Annual Report contains financial statements of the Corporation for the year ended December 31, 2011, which are incorporated by reference into the SAI. The SAI, as well as the Corporation s most recent Annual and Mid-Year Reports are also available at www.columbiamanagement.com. The website references in this Prospectus are inactive textual references and information contained in or otherwise accessible through this website does not form a part of this Prospectus. The Securities and Exchange Commission maintains a web site (www.sec.gov) that contains the Prospectus, SAI, material incorporated by reference, and other information filed electronically by the Corporation.

Common Stock

($0.50 par value)

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Summary of Corporation Expenses

The following table illustrates the expenses and fees that the Corporation expects to incur and that you can expect to bear as a holder of the Corporation s Common Stock. The total annual expenses in the fee and expense table below are based on expenses incurred during the Corporation s most recently completed fiscal year and are expressed as a percentage (expense ratio) of the Corporation s average net assets during the period. The expense ratio has been adjusted to reflect current fee arrangements, but has not been adjusted to reflect the Corporation s assets as of a different period or point in time, as asset levels will fluctuate. In general, the Corporation s annual operating expense ratio will increase as the Corporation s assets decrease, such that the Corporation s actual expense ratio may be higher than the expense ratio presented in the table.

Columbia Management provides investment management services for a fee, as disclosed in the fee table below. Columbia Management also serves as administrative services agent for the Corporation. Columbia Management charges a fee for administrative services provided to the Corporation (reflected in the Corporation s Other Expenses in the fee table below). Please see the Management of the Corporation section of the prospectus for a description of such fees.

Stockholder Transaction Expenses	
Automatic Dividend Investment and Cash Purchase Plan Fees	$ 2.00(1)

Annual Expenses (as a percentage of net assets attributable to Common Stock)	
Management Fees	0.36%
Other Expenses(2)	0.23%
Total Annual Expenses*	0.59%

*Impact of Dividends on Preferred Stock	0.17%
Total Annual Expenses, including Impact of Dividends on Preferred Stock	0.76%

(1) Stockholders participating in the Corporation s Cash Purchase Plan pay a $2.00 fee per transaction. See Investment Plans and Other Services Automatic Dividend Investment and Cash Purchase Plan for a description of the investment plans and services.
(2) Other Expenses includes administrative services fees, and transfer and stockholder service agent fees and expenses.

The following example illustrates the costs you would pay on a $1,000 investment, assuming a 5% annual return:

	1 Year	3 Years	5 Years	10 Years
Tri-Continental Corporation Common Stock	$ 6	$ 19	$ 33	$ 74

If dividends on the Corporation s Preferred Stock (as defined herein) are included, the total expenses incurred for 1, 3, 5 and 10 years will be $8, $24, $42 and $95.

The purpose of the table above is to assist you in understanding the various costs and expenses you will bear directly or indirectly. For more complete descriptions of the various costs and expenses, see Management of the Corporation and Investment Plans and Other Services Automatic Dividend Investment and Cash Purchase Plan.

The example does not represent actual costs, which may be more or less than those shown. Moreover, the Corporation s actual rate of return may be more or less than the hypothetical 5% return shown in the example.

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Prospectus Summary

The following is qualified in its entirety by the more detailed information included elsewhere in this Prospectus.

This Prospectus applies to shares of Common Stock of the Corporation. The Corporation invests primarily for the longer term and has no charter restrictions with respect to such investments. The Corporation s objective is to produce future growth of both capital and income while providing reasonable current income. There can be no assurance that this objective will be achieved. With respect to the Corporation s investments, assets may be held in cash or invested in all types of securities in whatever amounts or proportions the Manager believes is best suited to current and anticipated economic and market conditions. These may include preferred and common stocks, debt securities, repurchase agreements, derivatives, including options, futures contracts and equity-linked notes, illiquid securities and securities of foreign issuers (including emerging markets issuers), each of which could involve certain risks. The Corporation also employs leverage through its outstanding shares of preferred stock. See Investment Objective and Other Policies and Related Risks.

Columbia Management Investment Advisers, LLC, a wholly owned subsidiary of Ameriprise Financial, is the investment manager of the Corporation. Columbia Management also serves as administrative services agent to the Corporation and provides or compensates others to provide accounting, treasury and other services to the Corporation and the other Columbia funds.

The management fee rate for the year ended December 31, 2011 was equivalent to 0.36% of the Corporation s average daily net assets. See Management of the Corporation for more information.

Shares of Common Stock covered by this Prospectus may be purchased from time to time by the Service Agent, the Plan service agent for the Automatic Dividend Investment and Cash Purchase Plans, Individual Retirement Accounts (IRAs) and Retirement Plans for Self-Employed Individuals, Partnerships and Corporations (collectively, the Plans), as directed by participants, and may be sold from time to time by the Service Agent for participants in Systematic Withdrawal Plans. See Investment Plans and Other Services. Shares will be purchased for the Plans on the New York Stock Exchange or elsewhere when the market price of the Common Stock is equal to or less than its net asset value, and any brokerage commissions applicable to such purchases will be charged pro rata to the Plan participants. Shares will be purchased for the Plans from the Corporation at net asset value when the net asset value is lower than the market price, all as more fully described in this Prospectus.

The Board re-approved the Corporation s stock repurchase program for 2012. Identical to the Corporation s 2011 stock repurchase program, the Corporation s 2012 stock repurchase program allows the Corporation to repurchase up to 5% of the Corporation s outstanding Common Stock during the year directly from Stockholders and in the open market, provided that, with respect to shares purchased in the open market, the excess of the net asset value of a share of Common Stock over its market price (the discount) is greater than 10%. During 2011, the Corporation purchased 1,238,498 shares of Common Stock in the open market. The intent of the stock repurchase program is, among other things, to moderate the growth in the number of shares of Common Stock outstanding, increase the NAV of the Corporation s outstanding shares, reduce the dilutive impact on stockholders who do not take capital gains distributions in additional shares and increase the liquidity of the Corporation s Common Stock in the marketplace.

The Corporation

The Corporation is a Maryland corporation formed in 1929 by the consolidation of two predecessor corporations. It is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified management investment company of the closed-end type. The Corporation s Common Stock is listed on the New York Stock Exchange under the symbol TY. The average weekly trading volume on that and other exchanges during 2011 was 367,217 shares. The Corporation s Common Stock has historically been traded on the market at less than net asset value. As of February 29, 2012, the Corporation had 63,945,855 shares of Common Stock outstanding and net assets attributable to Common Stock of $1,175,575,219.

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Financial Highlights

The Corporation s financial highlights for 2011 (and for certain fiscal years) presented on the following pages have been derived from the financial statements audited by Ernst & Young LLP, Independent Registered Public Accounting Firm. Financial highlights for the fiscal years prior to 2009 were derived from the financial statements audited by other auditors. The information below, which is derived from the financial and accounting records of the Corporation, should be read in conjunction with the financial statements and notes contained in the Corporation s 2011 Annual Report, which may be obtained from CMISC as provided in this Prospectus.

Per Share Operating Performance data is designed to allow you to trace the operating performance, on a per Common Stock share basis, from the beginning net asset value to the ending net asset value so that you can understand what effect the individual items have on your investment, assuming it was held throughout the year. Generally, the per share amounts are derived by converting the actual dollar amounts incurred for each item, as disclosed in the financial statements, to their equivalent per Common Stock share amounts, using average shares outstanding during the period.

The total investment return based on market value measures the Corporation s performance assuming you purchased shares of the Corporation at the market value as of the beginning of the year, invested dividends and capital gains paid as provided for in the Corporation s Automatic Dividend Investment and Cash Purchase Plan, and then sold your shares at the closing market value per share on the last day of the year. The computation does not reflect any sales commissions you may incur in purchasing or selling shares of the Corporation. The total investment return based on net asset value is similarly computed except that the Corporation s net asset value is substituted for the corresponding market value.

The ratios of expenses and net investment income to average net assets for Common Stock for the periods presented do not reflect the effect of dividends paid to holders of the Corporation s $2.50 cumulative preferred stock (the Preferred Stock).

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	Year ended December 31, 2011	2010	2009	2008
Per share operating performance				
Net asset value, beginning of period	$15.96	$13.73	$11.29	$23.03
Income from investment operations:				
Net investment income	.33	.30	.20	.52
Net realized and unrealized gain (loss) on investments	.79	2.28	2.42	(9.88)
Increase from payments by affiliate			.04	
Total from investment operations	1.12	2.58	2.66	(9.36)
Less distributions to Stockholders from:				
Net investment income				
Preferred stock	(.03)	(.03)	(.03)	(.02)
Common stock	(.28)	(.25)	(.17)	(.50)
Net realized gains				
Common stock				(.39)
Tax return of capital				
Common stock			(.02)	(1.22)
Total distributions to Stockholders	(.31)	(.28)	(.22)	(2.13)
Capital stock transactions at market price		(.07)		(.25)[a]
Net asset value, end of period	$16.77	$15.96	$13.73	$11.29
Adjusted net asset value, end of period[b]	$16.72	$15.90	$13.69	$11.26
Market price, end of period	$14.23	$13.76	$11.52	$9.86
Total return				
Based upon net asset value	7.15%	18.58%	24.11%[c]	(43.77%)
Based upon market price	5.46%	21.85%	19.24%	(45.89%)
Ratios to average net assets[e]				
Expenses to average net assets for Common Stock	.59%	.60%	.98%	.73%
Net investment income to average net assets for Common Stock	1.80%	1.84%	1.46%	2.96%
Supplemental data				
Net assets, end of period (000's):				
Common stock	$1,078,160	$1,061,251	$946,344	$893,899
Preferred stock	37,637	37,637	37,637	37,637
Total net assets	$1,115,797	$1,098,888	$983,981	$931,536
Portfolio turnover	97%	86%	70%	111%

(a) Reflects the issuance of Common Stock in distributions.

(b) Assumes the exercise of outstanding warrants. Warrant exercise terms were: Dec. 18, 2000 to Dec. 16, 2001 21.63 shares at $1.04 per share; Dec. 17, 2001 to July 25, 2007 22.50 shares at $1.00 per share; July 26, 2007 to Sept. 19, 2007 22.73 shares at $0.99 per share; Sept. 20, 2007 to Dec. 18, 2007 22.96 shares at $0.98 per share; Dec. 19, 2007 to March 26, 2008 23.20 shares at $0.97 per share; March 27, 2008 to June 19, 2008 23.44 shares at $0.96 per share; June 20, 2008 to Sept. 18, 2008 23.68 shares at $0.95 per share; Sept. 19, 2008 to Dec. 10, 2008 23.94 shares at $0.94 per share; and subsequently, 24.19 shares at $0.93 per share.

(c) During the year ended Dec. 31, 2009, the Corporation received a payment by affiliate. Had the Corporation not received this payment, the total return would have been lower by 0.47%.

(d) Excluding the effect of a payment received from the Corporation's predecessor investment manager, the total return would have been 13.33%.

(e) In addition to the fees and expenses which the Corporation bears directly, the Corporation indirectly bears a pro rata share of the fees and expenses of the acquired funds in which it invests. Such indirect expenses are not included in the reported expense ratios.

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Year ended December 31,					
2007	**2006**	**2005**	**2004**	**2003**	**2002**
$25.66	$22.16	$21.87	$19.55	$15.72	$21.69
.84	.33	.26	.26	.18	.25
(1.01)	3.47	.29	2.31	3.84	(5.95)
(.17)	3.80	.55	2.57	4.02	(5.70