

TRI-CONTINENTAL CORP  
Form POS 8C  
June 04, 2007

1933 Act File No.: 333-104669

1940 Act File No.: 811-00266

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# U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## FORM N-2

REGISTRATION STATEMENT UNDER SECURITIES ACT OF 1933

Pre-Effective Amendment No. \_\_\_

Post-Effective Amendment No. 6

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

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Amendment No. 40

Exact Name of Registrant as Specified in Charter:

# TRI-CONTINENTAL CORPORATION

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

100 PARK AVENUE, NEW YORK, NY 10017

Registrant's Telephone Number, including Area Code:

(212) 850-1864 or (800) 221-2450

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

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**Approximate Date of Proposed Public Offering:**

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

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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)

- 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: \_\_\_\_\_
-

**Supplement, dated June 1, 2007, to the Prospectus, dated May 1, 2007**

**of**

**Tri-Continental Corporation (the Corporation )**

*On May 30, 2007, the Corporation's stockholders approved the distribution policy (the Distribution Policy ) described under the heading Dividend Policy and Taxes Proposed Distribution Policy beginning on page 21 of the Prospectus. Stockholders are urged to review the Prospectus and the information in this Supplement for further details of the Distribution Policy.*

*The information under the heading Dividend Policy and Taxes Dividends on page 20 of the Prospectus is replaced in its entirety with the following, and the information concerning the reinvestment of distributions made by the Corporation below supersedes any statements that are inconsistent with it under the heading Investment Plans and Other Services, which begins on page 23 of the Prospectus:*

**Distributions:** Distributions are paid quarterly on the Preferred Stock in a fixed amount. Pursuant to the Corporation's distribution policy described below under Proposed Distribution Policy , which was approved by stockholders on May 30, 2007, the Corporation will make quarterly distributions to holders of its Common Stock in a minimum amount per share equal to 2.75% of the net asset value attributable to a share of Common Stock on the last business day of the preceding calendar quarter, subject to the Board's right to suspend, modify or terminate the distribution policy. Substantially all of the taxable net investment income and any taxable net gain realized on investments is paid to Common Stockholders at least annually in accordance with requirements under the Internal Revenue Code of 1986, as amended, and other applicable statutory and regulatory requirements. Distributions made by the Corporation are expected to consist of net investment income and either one or both of net realized capital gains and return of capital. For further information relating to the proposed distribution policy, see Proposed Distribution Policy, below.

For new stockholder accounts established after June 1, 2007, unless SDC is otherwise instructed by you, distributions on the Common Stock are paid in book shares of Common Stock which are entered in your Tri-Continental account as book credits. You may also elect to receive distributions 75% in shares and 25% in cash, 50% in shares and 50% in cash, or 100% in cash. Any such election must be received by SDC by the record date for a distribution. If you hold your shares of Common Stock

through an intermediary (such as a broker) you should contact the intermediary to discuss your reinvestment and distribution options. Elections received after a record date for a distribution will be effective in respect of the next distribution. Shares issued to you in respect of distributions will be at a price equal to the lower of: (i) the closing sale price of the Common Stock on the New York Stock Exchange on the ex-dividend date or (ii) the greater of net asset value per share of Common Stock and 95% of the closing price of the Common Stock on the New York Stock Exchange on such trading day. Distributions received by you will have the effect of reducing the net asset value of the shares of the Corporation by the amount of such distributions. If the net asset value of shares is reduced below your cost by a distribution, the distribution will be taxable as described below even though it is in effect a return of capital.

Prior to the implementation of the Corporation's distribution policy, stockholders holding their shares directly (rather than through intermediaries such as brokers), were able to elect different payment options for capital gain payments and dividend distributions. Because future distributions may consist of both capital gain and net investment income, as well as a return of capital, the payment options have changed. In early June 2007 a letter will be mailed to stockholders holding their shares directly providing an opportunity for them to make the new elections under the Distribution Policy noted above. Stockholders who do not update their prior elections will receive future distributions as set forth below under Default Option until such time as they provide an updated election:

<b>Prior Election</b>	<b>Default Option</b>
100% of capital gain and dividend distributions reinvested in shares	100% of distributions will be reinvested in shares
100% of capital gain and dividend distributions paid in cash	100% of distributions will be paid in cash
100% of capital gain distributions reinvested in shares; 100% of dividend distributions paid in cash	75% of distributions will be reinvested in shares and 25% of distributions will be paid in cash
75% of capital gain distributions reinvested in shares and 25% paid in cash; 100% of dividend distributions reinvested in shares	75% of distributions will be reinvested in shares and 25% of distributions will be paid in cash
75% of capital gain distributions reinvested in shares and 25% paid in cash; 100% of dividends paid in cash	50% of distributions will be reinvested in shares and 50% of distributions will be paid in cash

*The following subsection is hereby added to page 27 of the Prospectus immediately preceding the section of the Prospectus titled "Investment Plans and Other Service" Stockholder Information:*

**Limitations on Purchases and Sales under Plans**

Purchases and sales of shares of the Corporation's Common Stock through the foregoing plans (other than retirement plans) are limited to a total of 12,500 shares transacted per calendar quarter, subject to a maximum 40,000 shares per calendar year, per account (including any related accounts, e.g., those under the same social security number or tax identification number or otherwise under common control).

*The Authorization Forms appearing at pages 29-31 of the Prospectus are replaced by the Authorization Forms attached to this Supplement.*

*The first sentence of the third paragraph on the cover page of the Prospectus is hereby deleted in its entirety and replaced with the following sentence:*

This Prospectus applies to all shares of Common Stock issued under the Corporation's various Investment Plans for which an exemption from registration under the Securities Act is not available, and to all shares of Common Stock issued upon exercise of the Corporation's outstanding Warrants.

*The second sentence of the third paragraph under the heading "Prospectus Summary" on page 4 of the Prospectus is hereby deleted in its entirety and replaced with the following sentence:*

See "Investment Plans and Other Services" and "Description of Warrants."

*The last sentence of the last paragraph under the heading "Prospectus Summary" on page 5 of the Prospectus is hereby deleted in its entirety and replaced with the following sentence:*

Since January 1, 1999, the first full year of the share repurchases in the open market, the Corporation has repurchased 51.8 million shares. Because the Corporation was able to acquire its shares at a discount to net asset value, such purchases for the period from January 1, 1999 to December 31, 2006 increased the Corporation's average annual total returns on net asset value by approximately 0.9%.

*Tri Continental Corporation*

**AUTHORIZATION FORM**

**for**

To: Seligman Data Corp.

**AUTOMATIC DIVIDEND**

P.O. Box 9759

**INVESTMENT**

Providence, Rhode Island 02940-9759

**AND CASH PURCHASE PLAN**

AUTOMATIC DIVIDEND INVESTMENT

AUTOMATIC INVESTMENT OF OTHER  
CORPORATIONS DIVIDENDS

CASH PURCHASE PLAN

AUTOMATIC CHECK SERVICE

Date:

Gentlemen:

I own shares of Tri-Continental Corporation Common Stock registered as shown below:

**ACCOUNT REGISTRATION**

Stockholder s Name (print or type)

Stockholder s Signature\*

Co-Holder s Name

Co-Holder s Signature\*

Address (street and number)

Taxpayer Identification Number

City State Zip Code

Stockholder Account Number, if known

\* If shares are held or to be held in more than one name, all must sign, and plural pronouns will be implied in the text. In the case of co-holders, a joint tenancy with right of survivorship will be presumed unless otherwise specified.

Under penalties of perjury I certify that the number shown on this form is my correct Taxpayer Identification Number (Social Security Number) and that I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding. I certify to my legal capacity to purchase or sell shares of the Corporation for my own Account, or for the Account of the organization named above. I have received a current Prospectus of the Corporation and appoint Seligman Data Corp. as my agent to act in accordance with my instructions herein.

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Date \_\_\_\_\_ Stockholder's Signature \_\_\_\_\_  
I have read the Terms and Conditions of the Automatic Dividend Investment and Cash Purchase Plan and the current Prospectus, a copy of which I have received, and I wish to establish a Plan to use the Services checked below:

**SERVICE(S) DESIRED**

**\*\* Distribution Payment Options:**

I wish to have my quarterly distributions paid as follows:

- Credited to my account in additional full and fractional shares.
- Credited 75% to my account in shares and 25% paid to me in cash.
- Credited 50% to my account in shares and 50% paid to me in cash.
- 100% paid to me in cash.

**\*\* Automatic Investment of Other Corporation's Dividends**

I intend to give orders for the payment of cash dividends from other corporations to be invested in shares of Tri-Continental Common Stock for my account.

Note: Checks in payment of dividends from other corporations should indicate your name and Tri-Continental account number. The checks should be made payable to the order of Tri-Continental Corporation and be mailed to Seligman Data Corp., P.O. Box 9766, Providence, Rhode Island 02940-9766.

**\*\* Cash Purchases**

I intend to send funds from time to time to be invested in shares of Tri-Continental Common Stock for my account.

Note: Your checks should indicate your name and Tri-Continental account number. Make all checks payable to Tri-Continental Corporation and mail to Seligman Data Corp., P.O. Box 9766, Providence, Rhode Island 02940-9766.

**\*\* Automatic Check Service**

I have completed the Authorization Form to have pre-authorized checks drawn on my regular checking account at regular intervals for investment in shares of Tri-Continental Common Stock

*Tri-Continental Corporation*

**AUTHORIZATION FORM**

**for**

**AUTOMATIC CHECK SERVICE**

To start your Automatic Check Service, fill out this form and forward it with an unsigned bank check from your regular checking account (marked void ) to:

**Seligman Data Corp.**

**P.O. Box 9759**

**Providence, Rhode Island 02940-9759**

Date

Gentlemen:

I own shares of Tri-Continental Corporation Common Stock, registered as shown below, which are entered in the Automatic Dividend Investment and Cash Purchase Plan.

1. Stockholder Account Number (if known) \_\_\_\_\_

**2. AUTOMATIC CHECK SERVICE**

Please arrange with my bank to draw pre-authorized checks on my regular checking account and invest \$ \_\_\_\_\_ in shares of Tri-Continental Common Stock every:

\_\_ month      \_\_ 3 months

I have completed the Bank Authorization to Honor Pre-Authorized Checks which appears below and have enclosed one of my bank checks marked void. I understand that my checks will be invested on the fifth day of the month and that I must remember to deduct the amount of my investment as it is made from my checking account balance.

**BANK AUTHORIZATION TO HONOR PRE-AUTHORIZED CHECKS**

**To:**  
(Name of Bank)

(Address of Bank or Branch, Street, City, State and Zip)

Please honor pre-authorized checks drawn on my account by Seligman Data Corp., 100 Park Avenue, New York, NY 10017, to the order of Tri-Continental Corporation, and charge them to my checking account. Your authority to do so shall continue until you receive written notice from me revoking it. You may terminate your participation in this arrangement at any time by written notice to me. I agree that your rights with respect to each pre-authorized check shall be the same as if it were a check drawn and signed by me. I further agree that should any such check be dishonored, with or without cause, intentionally or inadvertently, you shall be held under no liability whatsoever.

Checking Account No.



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Name(s) of Depositor(s) Please Print

Signature(s) of Depositor(s) As carried by Bank

Address (Street)

City State Zip Code

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## TERMS AND CONDITIONS

The Automatic Dividend Investment and Cash Purchase Plan provides Tri-Continental Common stockholders with four ways to add to their investments: 1) with Tri-Continental distributions, 2) with cash dividends from other corporations, 3) with cash payments, in any amount at any time, and 4) with cash provided by pre-authorized checks through the Automatic Check Service. A Planholder may use any or all of these Services, subject to the following terms and conditions:

1. Seligman Data Corp. ( SDC ), as Plan service agent, will maintain accounts and confirm to Planholders, as soon as practicable after each investment, the number of shares of Common Stock acquired and credited to the accounts and the cost. Tri-Continental Corporation (the Corporation ), as purchase agent, will purchase shares for Planholders except that Automatic Dividend Investment requirements are satisfied by newly issued shares. All checks for dividends payable by other corporations or for cash purchase payments sent by Planholders for investment in additional shares of Tri-Continental Common Stock should be drawn to the order of Tri-Continental Corporation and mailed to Seligman Data Corp., P.O. Box 9766, Providence, Rhode Island 02940-9766.

2. Funds received by the Corporation for a Planholder will be combined with funds of other Planholders and those funds may be combined with funds available under the other Plans for the purchase of Tri-Continental Common Stock in order to minimize brokerage commissions on shares purchased. Shares will be purchased in accordance with the current Prospectus. Dividends from other corporations and purchase cash received from Planholders or through the Automatic Check Service will be invested at least once each 30 days.

3. Shares will be issued under the Plan in accordance with the current Prospectus.

4. No stock certificates will be delivered for shares acquired unless the Plan account is terminated or the Planholder requests their delivery by written or telephone request to SDC. The shares acquired will be held in each Planholder's account as book credits.

5. Certificates held by a Planholder, or subsequently received, may be sent to SDC for credit to a Plan account. A certificate for any full shares held in a Plan account will be issued at a Planholder's request. The time required to obtain a certificate to sell through a broker, or for other purposes, will be that needed to send a written or telephone request to SDC to withdraw the certificate (normally two business days) and to mail the certificate to the Planholder through the U.S. Postal Service.

6. A maximum service charge of \$2.00 will be deducted before each investment is made for a Plan account. There is no charge for Automatic Dividend Investment.

7. Applications for the Automatic Check Service are subject to acceptance by the Planholder's bank and SDC. SDC will prepare Automatic Check Service checks with the same magnetic ink numbers that are on a Planholder's check and will arrange with the Planholder's bank to start the Service in accordance with the Planholder's instructions. A minimum of 30 days from the date of receipt of an application by SDC is required to contact the bank and initiate the Service. If for any reason the bank is unable to honor a pre-authorized check request, the Planholder will be notified promptly.

Shares with a market value of at least two times the amount of the authorized checks must be held as book credits for the Planholder's account by SDC. If any check is dishonored or if the value of shares held by SDC in an account falls below the required minimum, the Service may be suspended. The Service may be reinstated upon written request by the Planholder including an indication that the cause of the interruption has been corrected.

If a Planholder's check is not honored by the Planholder's bank at any time, SDC is authorized to sell exactly enough full and fractional shares from the Planholder's account to equal the amount of the dishonored check.

8. A Planholder or SDC may terminate a Plan account at any time upon notice in writing before the record date of a distribution by Tri-Continental. A Plan account will terminate automatically if the Planholder sells or transfers all of the shares in the Plan account. If a Plan account is terminated, a certificate for the full shares held may be issued and sent to the Planholder, and any fractional shares may be liquidated at the Planholder's request. Terminating Planholders may elect to have all or part of their shares sold by the Corporation, if their shares are held in book credit form. If a Plan account is terminated between the record and payment dates of a distribution, the distribution payment will be made in cash.

9. In acting under this Plan, the Corporation and SDC will be liable only for willful misfeasance or gross negligence.

10. A Planholder may adopt or suspend one or more of the Plan Services by sending a revised Authorization Form or notice in writing to SDC. Any change relating to Automatic Dividend Investment will be effective for the distributions having a record date after the date that the change request is received by SDC.

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11. All additional shares registered in a Planholder's name which are acquired under one or more of the Plan Services or by other means will participate automatically in each of the Plan services elected.

**an investment you can live with**

## Prospectus

May 1, 2007

100 Park Avenue

New York, NY 10017

New York City Telephone (212) 682-7600

Toll-Free Telephone (800) 874-1092

For Retirement Plan Information Toll-Free Telephone (800) 445-1777

Tri-Continental Corporation is a diversified, closed-end investment company a publicly traded investment fund. The Corporation's Common Stock is traded on the New York Stock Exchange under the symbol TY. The closing market price of the Common Stock on February 28, 2007 was \$22.63 per share.

The Corporation invests primarily for the longer term, and over the years the Corporation's objective has been to produce future growth of both capital and income while providing reasonable current income. Common stocks have made up the bulk of investments. However, assets may be held in cash or invested 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 J. & W. Seligman & Co. Incorporated.

This Prospectus applies to all shares of Common Stock purchased under the Corporation's various Investment Plans. 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 concisely 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, 2007, 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 or calling the Corporation at the address or telephone numbers listed above. Investors may also write or call the Corporation in order to request other available information or to make stockholder inquiries. The SAI is dated the same date as this Prospectus and is incorporated herein by reference in its entirety. The table of contents of the SAI appears on page 27 of this Prospectus. The 2006 Annual Report contains financial statements of the Corporation for the year ended December 31, 2006, 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.tricontinental.com](http://www.tricontinental.com). The website references in this Prospectus are inactive textual references and information contained in or otherwise accessible through these websites does not form a part of this Prospectus. The Securities and Exchange Commission maintains a web site ([www.sec.gov](http://www.sec.gov)) that contains the Prospectus, SAI, material incorporated by reference, and other information filed electronically by the Corporation.

**The Securities and Exchange Commission has neither approved nor disapproved these securities, and it has not determined this Prospectus to be accurate or adequate. Any representation to the contrary is a criminal offense.**

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 stockholder of the Corporation.

<b>Stockholder Transaction Expenses</b>	
Automatic Dividend Investment and Cash Purchase Plan Fees	(1)
<b>Annual Expenses for 2006 (as a percentage of net assets attributable to Common Stock)</b>	
Management Fees	0.41%
Other Expenses <sup>(2)</sup>	0.39%
 Total Annual Expenses	 0.80%

(1) Stockholders participating in the Corporation's investment plans pay a maximum \$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) Based on actual expenses incurred in 2006.

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

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Tri-Continental Corporation Common Stock	\$ 8	\$ 26	\$ 44	\$ 99

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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.

## 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. Over the years the Corporation's objective has been 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. While common stocks have made up the bulk of investments, assets may be held in cash or invested in all types of securities in whatever amounts or proportions J. & W. Seligman & Co. Incorporated (the Manager) believes best suited to current and anticipated economic and market conditions. These may include preferred stock, debt securities, repurchase agreements, options, illiquid securities and securities of foreign issuers, each of which could involve certain risks. See Investment Objective and Other Policies and Related Risks.

The Manager manages the investment of the assets of the Corporation and administers its business and other affairs pursuant to a Management Agreement that was initially approved by the Board of Directors and the stockholders of the Corporation, and annually thereafter by the Board of Directors. The Manager also serves as manager of twenty-two other U.S. registered investment companies which, together with the Corporation, make up the Seligman Group of Funds. The aggregate assets of the Seligman Group of Funds as of March 31, 2007 were approximately \$11.5 billion. The Manager also provides investment management or advice to institutional and other accounts having a value as of March 31, 2007 of approximately \$7.7 billion. The Manager's fee is based in part on the average daily net assets of the Corporation. The management fee rate for the year ended December 31, 2006 was equivalent to 0.41% of the Corporation's average daily net investment assets. See Management of the Corporation.

Shares of Common Stock covered by this Prospectus may be purchased from time to time by Seligman Data Corp. (SDC), the Plan service agent for Automatic Dividend Investment and Cash Purchase Plans, Individual Retirement Accounts (IRAs), Retirement Plans for Self-Employed Individuals, Partnerships and Corporations, the J. & W. Seligman & Co. Incorporated Matched Accumulation Plan and the Seligman Data Corp. Employees Thrift Plan (collectively, the Plans), as directed by participants, and may be sold from time to time by the Plan 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.

A discussion regarding the basis for the Corporation's Board of Director's approval of the continuation of the management agreement between the Corporation and the Manager is available in the Corporation's Annual Report for 2006.

On November 16, 2006, the Board of Directors authorized the renewal of the Corporation's ongoing Stock Repurchase Program, which began in November 1998. The program authorizes the Corporation to repurchase up to 5.0% of the Corporation's outstanding Common Stock during the period January 1, 2007 through December 31, 2007, provided that the excess of net asset value of a share of Common Stock over its market price (the discount)



is greater than 10%. Pending the outcome of the vote on Proposal 3 set forth in the proxy statement for the 2007 annual meeting of stockholders of the Corporation, the Corporation has suspended its Stock Repurchase Program (for additional information, see DIVIDEND POLICY AND TAXES - Proposed Distribution Policy, below). The shares repurchased under this program are cancelled increasing the number of authorized but unissued shares available for issuance to participants in the Automatic Dividend Investment and Cash Purchase Plan. The Stock Repurchase Program seeks, among other things, to moderate the growth in the number of shares outstanding, increase the net asset value 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. Shares acquired by the Corporation from participants in the Systematic Withdrawal Plan and other stockholder plans, as well as shares purchased for the Corporation in the open market to meet demand under the Automatic Dividend Investment and Cash Purchase Plan, are counted towards the repurchase limit under the program. For the year ended December 31, 2006, the Corporation repurchased 4,984,873 shares, representing 4.6% of outstanding shares at the beginning of the year. This compares to 5,653,088 shares repurchased during the year ended December 31, 2005, representing 5.0% of the shares outstanding. Since January 1, 1999, the first full year of the share repurchases in the open market, the Corporation has repurchased 51.8 million shares, which has increased the Corporation's total return by approximately 7%.

### 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 2006 was 442,279 shares. The Corporation's Common Stock has historically been traded on the market at less than net asset value. As of February 28, 2007, the Corporation had 102,787,157 shares of Common Stock outstanding and net assets attributable to Common Stock of \$2,647,666,709.

## FINANCIAL HIGHLIGHTS

The Corporation's financial highlights for the years presented below have been audited by Deloitte & Touche LLP, Independent Registered Public Accounting Firm. This information, 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 2006 Annual Report, which may be obtained from the Corporation as provided on the cover page of this Prospectus.

Per share operating performance data is designed to allow you to trace the operating performance, on a per Common 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 share amount, using average shares outstanding.

### Per Share Operating Performance, Total

(for a share of Common Stock)

	2006	2005	2004
<b>Per Share Operating Performance:</b>			
Net asset value, beginning of year	\$ 22.16	\$ 21.87	\$ 19.55
Net investment income	0.33	0.26	0.26
Net realized and unrealized investment gain (loss)	3.47	0.29	2.31
Net realized and unrealized gain (loss) from foreign currency transactions			
Increase (decrease) from investment operations	3.80	0.55	2.57
Dividends paid on Preferred Stock	(0.02)	(0.02)	(0.02)
Dividends paid on Common Stock	(0.28)	(0.24)	(0.23)
Distribution from net gain realized			
Issuance of Common Stock in gain distributions			
Net increase (decrease) in net asset value	3.50	0.29	2.32
Net asset value, end of year	\$ 25.66	\$ 22.16	\$ 21.87
Adjusted net asset value, end of year*	\$ 25.60	\$ 22.10	\$ 21.82
Market value, end of year	\$ 22.38	\$ 18.58	\$ 18.28
<b>Total investment return:</b>			
Based upon market value	22.10%	2.98%	12.95%
Based upon net asset value	17.38%	2.66%	13.36%#
<b>Ratios and Supplemental Data:</b>			
Expenses to average net investment assets	0.79%	0.64%	0.65%
Expenses to average net assets for Common Stock	0.80%	0.65%	0.66%
Net investment income to average net investment assets	1.37%	1.18%	1.26%
Net investment income to average net assets for Common Stock	1.40%	1.20%	1.28%
Portfolio turnover rate	121.81%	70.77%	47.36%
Net investment assets, end of year (000s omitted):			
For Common Stock	\$ 2,657,209	\$ 2,392,304	\$ 2,470,781
For Preferred Stock	37,637	37,637	37,637
Total net investment assets	\$ 2,694,846	\$ 2,429,941	\$ 2,508,418

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\* Assumes the exercise of outstanding warrants. Warrant exercise terms were: December 21, 1996 to July 1, 1997 14.69 shares at \$1.53 per share; July 2, 1997 to December 19, 1997 14.99 shares at \$1.50 per share; December 20, 1997 to June 23, 1998 16.06 shares at \$1.40 per share; June 24, 1998 to December 18, 1998 16.78 shares at \$1.34 per share; December 19, 1998 to June 24, 1999 17.85 shares at \$1.26 per share; June 25, 1999 to December 16, 1999 18.14 shares at \$1.24 per share;

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 investment assets and to average net assets for Common Stock for the periods presented do not reflect the effect of dividends paid to Preferred Stockholders.

**Investment Return, Ratios and Supplemental Data**

outstanding throughout each year)

Year Ended December 31,

2003	2002	2001	2000	1999	1998	1997
\$ 15.72	\$ 21.69	\$ 25.87	\$ 32.82	\$ 34.13	\$ 32.06	\$ 29.28