

# Tortoise Energy Independence Fund, Inc.

**(NYSE: NDP)**

The Tortoise Energy Independence Fund is the first closed-end fund with a dedicated focus on North American crude oil and natural gas production, which supports energy independence through reduced reliance on foreign sources.

NDP invests primarily in equity securities of upstream North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and natural gas liquids that generally have a significant presence in North American oil and gas fields, including shale reservoirs. While upstream investments may experience some price volatility, we believe that focusing on this portion of the value chain is the best way to access the heart of the North American oil and gas production growth opportunity.

## NDP seeks to provide:

- **Total return potential** through a combination of current income and capital appreciation
- **Differentiated access** to companies that deliver significant North American oil and gas shale production growth potential
- **Investor simplicity through one 1099**, no K-1s, no unrelated business taxable income, IRA suitability
- **Expertise of Tortoise**, a leading and pioneering energy investment firm

## About Tortoise

Tortoise invests in essential assets – those assets and services that are indispensable to the economy and society. With a steady wins approach and a long-term perspective, Tortoise strives to make a positive impact on clients and communities. Tortoise's energy investing expertise across the energy value chain, including infrastructure and MLPs, dates back more than 15 years.

Tortoise, an industry pioneer, was among the first investment firms dedicated to listed energy investments and formed the first listed MLP closed-end fund (TYG) in 2004. Seeing a need for growth capital and an attractive opportunity, Tortoise also led the first MLP direct placement in 2002.

## Performance<sup>1</sup> as of 4/30/2019

	Calendar YTD	1 year	3 year	5 year	Since inception <sup>2</sup>
Market price total return	38.55%	-14.97%	0.36%	-8.80%	-4.51%
NAV total return	15.20%	-25.71%	-8.03%	-13.72%	-6.02%

*Performance data quoted represents past performance; past performance does not guarantee future results. As with any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Due to market volatility, current performance may be lower or higher than the figures shown. For current performance information, visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).*

## Fund at a glance

at 4/30/2019 unless noted (unaudited)

Total assets (including leverage)	\$154.4 million
Market price	\$8.98
52 week range	\$6.29 - \$13.75
NAV	\$7.81
Total number of holdings (2/28/2019)	29
Leverage (as percent of total assets)	24.5%
Shares outstanding	14.73 million
52 week average daily trading volume	97,423
IPO date	July 26, 2012

## Distribution at a glance

Distribution rate <sup>3</sup>	21.7%
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## Most recent quarterly distribution

Quarterly amount per share <sup>4</sup>	\$0.4375
Payable date	5/31/2019

## Top 10 holdings<sup>5</sup> as of 4/30/2019

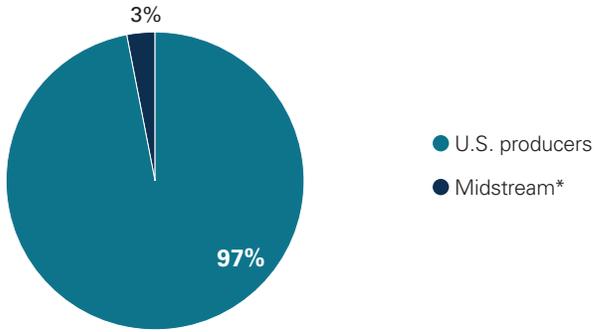
1. EQT Corporation	8.6%
2. Cabot Oil & Gas Corporation	8.2%
3. Pioneer Natural Resources Company	7.3%
4. Concho Resources Inc.	7.0%
5. Continental Resources, Inc.	5.6%
6. Anadarko Petroleum Corporation	5.1%
7. Diamondback Energy, Inc.	4.8%
8. Noble Energy, Inc.	4.7%
9. Devon Energy Corporation	4.5%
10. EOG Resources, Inc.	4.4%

## Top 10 holdings as a percent of investment securities<sup>6</sup>

**60.2%**

- (1) Performance is annualized for periods longer than one year. Source: Bloomberg. Assumes reinvestment of distributions into security. Total return does not reflect brokerage commissions.
- (2) 7/26/2012
- (3) Based on most recently declared quarterly distribution and the 5/6/2019 market price
- (4) 2018 distributions to common stockholders were 100% return of capital. For more details, see NDP's complete distribution and tax information at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).
- (5) Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its advisor.
- (6) Percent of investments and cash equivalents

**Portfolio allocation<sup>1</sup>** as of 2/28/2019 (unaudited)



<sup>1</sup>Percentages based on total investment portfolio  
 \*Midstream = transporters of oil and gas

**Investment strategy**

NDP targets North American oil and gas production companies with substantial acreage interests, production volume growth potential over many years, high quality, financially disciplined management teams, and total return potential through a combination of current income and capital appreciation. To a lesser extent, NDP invests in companies that provide associated transportation, processing, storage, servicing and equipment.

Under normal circumstances, NDP invests at least 80% of its total assets (including assets obtained through leverage) in equity securities of North American energy companies, including at least 70% in upstream energy companies. The fund may invest up to 35% of its total assets in securities of non-U.S. issuers (including Canadian issuers) and may invest up to 30% of its total assets in restricted securities that are ineligible for resale under Rule 144A, all of which may be illiquid securities, primarily through direct investments, but will not invest in private companies. The fund will not invest more than 10% of its total assets in a single issuer or engage in short sales. As a regulated investment company, the fund may invest up to 25% of its total assets in MLPs. These investment restrictions described above apply at the time of purchase, and the fund will not be required to reduce a position due solely to market value fluctuations.

The fund writes (sells) out-of-the-money covered call options on companies that meet its investment thresholds, to seek to mitigate portfolio risk, increase current income and enhance long-term total return potential across economic cycles. The fund typically aims to write call options that are approximately 5% - 15% out-of-the-money on approximately 75% of the portfolio, although it may adjust these targets depending on market volatility and other market conditions.

NDP's policy is to utilize leverage in an amount that on average represents approximately 15% of its total assets. NDP considers market conditions at the time leverage is incurred and monitors for asset coverage ratios relative to 1940 Act requirements and financial covenants on an ongoing basis. Leverage as a percent of total assets will vary depending on market conditions, but will normally range between 10% - 20%.

**Investment process**

Through its in-house research coverage of companies throughout the entire energy value chain, Tortoise's investment process uses a bottom-up, fundamentals-based approach. Tortoise believes its process is a competitive advantage, allowing it to evaluate risk and reward intelligently across the energy universe.

Tortoise's investment process utilizes fundamental analysis and a comparison of quantitative, qualitative and relative value factors utilizing proprietary models developed and maintained by Tortoise. The process involves an assessment of the overall attractiveness of the specific segment, the company's specific competitive position within that segment, potential commodity price risk, supply and demand, regulatory considerations, the stability and potential growth of the company's cash flows and management track record. Additionally, Tortoise 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.



**Tortoise Energy Independence Fund, Inc. (NDP)**

**Disclaimer**

Tortoise Capital Advisors, L.L.C. is the advisor to Tortoise Energy Independence Fund, Inc. Tortoise Capital Advisors is an investment manager specializing in listed energy investments and is considered a pioneer in managing portfolios of MLP securities and other energy companies for individual, institutional and closed-end fund investors. For additional information, please call 866-362-9311 or email [info@tortoiseadvisors.com](mailto:info@tortoiseadvisors.com).

**All investments involve risk, including possible loss of principal. You should consider the investment objective, risks, charges and expenses of the fund carefully before investing. For this and other important information please refer to the fund's most recent prospectus and read it carefully before investing.**

Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares are sold on the open market through a stock exchange. Shares of closed-end funds frequently trade at a market price that is below their net asset value. Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market value.

The fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the fund is more exposed to individual stock volatility than a diversified fund. Investing in specific sectors such as energy infrastructure may involve greater risk and volatility than less concentrated investments. Risks include, but are not limited to, risks associated with North American energy investments, including upstream energy companies, pipeline companies, commodity price volatility, supply and demand, regulatory, environmental, operating, capital markets, terrorism, natural disaster and climate change risks. The fund may invest up to 25% in MLPs. The tax benefits received by an investor investing in the fund differs from that of a direct investment in an MLP by an investor. The value of the fund's investment in an MLP will depend largely on the MLP's treatment as a partnership for U.S. federal income tax purposes. If the MLP is deemed to be a corporation then its income would be subject to federal taxation, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. Investments in non-U.S. companies (including Canadian issuers) involve risk not ordinarily associated with investments in securities and instruments of U.S. issuers, including risks related to political, social and economic developments abroad, differences between U.S. and foreign regulatory and accounting requirements, tax risk and market practices, as well as fluctuations in foreign currencies. The fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The fund also writes call options which may limit the fund's ability to profit from increases in the market value of a security, but cause it to retain the risk of loss should the price of the security decline.

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