TORTOISE PIPELINE & ENERGY FUND, INC.
Form 497
October 27, 2011

PROSPECTUS

10,000,000 Common Shares
Tortoise Pipeline & Energy Fund, Inc.
$25.00 per Share

Investment Objective. Tortoise Pipeline & Energy 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 provide stockholders an efficient vehicle to invest in a portfolio consisting primarily of equity securities of pipeline and other energy infrastructure companies. We intend to focus primarily on pipeline companies that engage in the business of transporting natural gas, natural gas liquids (NGLs), crude oil and refined petroleum products, and to a lesser extent, on other energy infrastructure companies. Under normal circumstances, we will invest at least 80% of our Total Assets (as defined on page 1) in equity securities of pipeline and other energy infrastructure companies. Energy infrastructure companies own and operate a network of asset systems that transport, store, distribute, gather, process, explore, develop, manage or produce crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or NGLs or that provide electric power generation (including renewable energy), transmission and/or distribution. We may invest up to 30% of our Total Assets in unregistered or otherwise restricted 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.

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 our common shares**. Our common shares are expected to be listed on the New York Stock Exchange under the trading or ticker symbol TTP.

Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 24 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.

	Per Share	Total[(1)]
Public offering price	$ 25.000	$ 250,000,000
Sales load[(2)]	$ 1.125	$ 11,250,000
Proceeds, before expenses, to us[(3)]	$ 23.875	$ 238,750,000

(notes on following page)

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.

The underwriters expect to deliver the common shares to purchasers on or about October 31, 2011.

Morgan Stanley **Citigroup** **UBS Investment Bank**

Ameriprise Financial Services, Inc. **Barclays Capital** **Oppenheimer & Co.**
RBC Capital Markets **Stifel Nicolaus Weisel**

Baird **BB&T Capital Markets** **Chardan Capital Markets, LLC** **Comerica Securities**
Janney Montgomery Scott **Knight** **Ladenburg Thalmann & Co. Inc.** **Maxim Group LLC**
Morgan Keegan **Wedbush Securities Inc.** **Wunderlich Securities**

The date of this prospectus is October 26, 2011.

(notes from previous page)

(1) The underwriters named in this prospectus have the option to purchase up to 1,411,577 additional common shares 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 $285,289,425, $12,838,024, and $272,451,401, respectively. See Underwriters .

(2) Tortoise Capital Advisors, L.L.C., our Adviser, has agreed to pay from its own assets structuring and syndication fees to Morgan Stanley & Co. LLC and a structuring fee to each of Citigroup Global Markets Inc. and UBS Securities LLC, in the aggregate amount of $3,994,366. These fees are not reflected under sales load in the table above. The Adviser (and not the Fund) has agreed to pay certain qualifying underwriters a sales incentive fee or additional compensation in connection with the offering. See Underwriters 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 $500,000 ($570,579, 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. 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)

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. 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 September 30, 2011, our Adviser managed investments of approximately $6.4 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 26 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 October 26, 2011, 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 58 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 1-202-551-5850 for information. The SEC charges a fee for copies. You can get the same information, 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.

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, and similar terms and the negative of such terms. By 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, natural gas, petroleum and other markets, 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 Securities Act of 1933, as amended (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.

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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 to the extent required by applicable law.

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 24 of this prospectus.

The Fund

We are a newly organized 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 pipeline and other energy infrastructure 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 September 30, 2011, our Adviser managed investments of approximately $6.4 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 26-person investment team dedicated to the energy sector.

Investment Strategy

We seek to provide stockholders an efficient vehicle to invest in a portfolio consisting primarily of equity securities of pipeline and other energy infrastructure companies. We intend to focus primarily on pipeline companies that engage in the business of transporting natural gas, natural gas liquids (NGLs), crude oil and refined products, and, to a lesser extent, on other energy infrastructure companies. These pipeline companies own and operate long haul, gathering and local gas distribution pipelines.

Energy infrastructure companies own and operate a network of asset systems that transport, store, distribute, gather, process, explore, develop, manage or produce crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or NGLs, or that provide electric power generation (including renewable energy), transmission and/or distribution.

Under normal circumstances, we will invest at least 80% of our Total Assets in equity securities of pipeline and other energy infrastructure 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 market, primarily consisting of common stock, but also including, among others, MLP and limited liability company common units.

We consider a company to be a pipeline company if at least 50% of its assets, cash flow or revenue is associated with the operation or ownership of energy pipelines and complementary assets or it operates in the energy pipeline industry as defined by the standard industrial classification (SIC) system. We consider a company to be

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an energy infrastructure company if at least 50% of its assets, revenues or cash flows are derived from energy infrastructure operations or ownership.

We may invest up to 25% of our Total Assets in securities of MLPs. We may invest up to 30% of our Total Assets in unregistered or otherwise restricted securities, primarily through direct investments in securities of listed companies.

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 20% 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. 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. We currently intend to focus our covered call strategy on other energy infrastructure companies that our Adviser believes are integral links in the energy infrastructure value chain for pipeline companies.

Listing and Symbol

Our common shares are expected to be listed on the New York Stock Exchange (NYSE) under the trading or ticker symbol TTP.

Use of Proceeds

We expect to use the net proceeds from the sale of our common shares 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, 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 pipeline and other energy infrastructure companies that we will target will provide attractive investment opportunities for the following reasons:

Large and Diverse Investable Universe. We will primarily target the large and diverse North American pipeline market with an aggregate capitalization over $400 billion. As a RIC, we may efficiently target pipeline companies regardless of their underlying structure, as we generally will not be subject to tax at the fund level. As such, we have the ability and flexibility to target and access traditional pipeline corporations alongside MLPs, which we believe have solid business fundamentals as

well as attractive and expanded growth opportunities.

Substantial North American Opportunity. Pipeline infrastructure asset footprints generally expand with growth in energy demand and changes in geographic areas where energy is produced. North America has an abundant and accessible natural gas supply located in domestic shale deposits. As a result of technology improvements, the United States has enough natural gas to last for approximately 80 to 100 years, according to various industry sources. Demand has continued to increase for natural gas as a clean, reliable, domestically produced energy source. Oil supply on the North America continent has expanded as a result of oil shale deposits and the Canadian oil sands. Canada s crude oil reserves are now the second largest in the world, with the United States importing more oil from Canada than any other country.

Significant Capital Requirements. Significant new pipeline infrastructure build-out and the capital to support it is needed to efficiently connect growing areas of energy demand with new areas of supply. Pipeline and related infrastructure projects are expected to support growing population centers and facilitate the transportation of natural gas and crude oil across North America. For the three years from 2011 through 2014, we expect over $65 billion to be needed to support North American pipeline infrastructure build-out approximately $40 billion of this is anticipated to be needed by pipeline corporations.

Historically Defensive Sector. Pipeline and other energy infrastructure companies have historically demonstrated solid business fundamentals, which we believe results from their long-lived real assets, relatively inelastic demand, monopolistic nature with high barriers to entry and partial inflation protection through regulated rates. As a result, pipeline and other energy infrastructure companies have historically produced predictable cash flows and generated increasing demand for an essential service across business cycles. Projected population growth of nearly 80 million people is expected to increase energy consumption by 17% from 2010 to 2035. New pipeline infrastructure will be needed to support these demographic changes and growth.

Targeted Investment Characteristics

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

Essential infrastructure focus on long-lived, tangible pipeline and other energy infrastructure assets that are essential to economic productivity.

Defensible operating assets due to regulation, natural monopolies, availability of land or high costs of new development.

Total return potential, including potential for a current cash yield and dividend or distribution growth. We do not intend to invest in start-up companies or companies with speculative business plans.

Predictable revenues driven by relatively inelastic demand.

Stable operating structures with relatively low maintenance expenditures, economies of scale, and an appropriate ratio of

debt to equity and payout/coverage ratio relative to dividends or distributions.

Operations-focused management teams with successful track records and knowledge, experience, and focus in their segments of energy infrastructure.

Experience of the Adviser

Our Adviser has significant experience investing in pipeline and other energy infrastructure companies including:

A Leading Energy Infrastructure Adviser. Our Adviser formed the first MLP focused closed-end fund and is one of the largest investment managers dedicated to managing closed-end investment companies focused on U.S. energy infrastructure MLPs. As of September 30, 2011, our Adviser had approximately $6.4 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 five members of our Adviser s investment committee have, on average, over 25 years of experience.

Experience Across the Energy Infrastructure Value Chain. Our Adviser has managed energy infrastructure investments through various economic cycles through a disciplined investment approach. Through its in-house research coverage of companies throughout the entire energy infrastructure 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. Our Adviser believes its investment process is a competitive advantage, allowing it to evaluate risk and reward intelligently across the energy infrastructure universe.

Deep Relationships and Access to Deal Flow. We believe our Adviser s history in the energy infrastructure 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 its listed funds and other specialty vehicles and accounts

Capital Markets Innovation. Our Adviser is a leader in providing investment, financing and structuring opportunities through its listed funds. 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)). The Adviser has agreed to a fee waiver of 0.25%, 0.20%, and 0.15% of our average monthly Managed Assets for the first, second and third 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 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 pipeline and other energy infrastructure companies;

We may invest up to 30% 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 unregistered or otherwise restricted 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.

The Board of Directors 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 pipeline and other energy infrastructure 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% 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 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 from the completion of this offering, and to pay such distribution on or around March 1, 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.

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 shares 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.

Dividend Reinvestment Plan

We intend to have a 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 shares, 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 shares 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 (the 1940 Act) (50% of Total Assets for preferred stock and 331/3% of Total Assets for senior debt securities) 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 up to 25% 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 from 25% of our Total Assets to up to 30% 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.

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 Adviser s fee is based upon a percentage of our Managed Assets, our Adviser s 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. 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.

To a lesser extent, we may, but do not currently intend to, use other hedging and risk management strategies 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 non-U.S. currencies, or to otherwise protect the

value of our portfolio. As such, we may invest in derivative instruments, including futures, forward contracts, options, options on such contracts and interest rate and total return swaps. 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: (1) 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; (2) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of the combined position; or (3) 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 pipeline and other energy infrastructure companies. 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 telephone number for our Adviser is (913) 981-1020 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 shares. We may be an appropriate investment for investors who are seeking:

an efficient investment vehicle for accessing a portfolio of companies owning and operating essential pipeline and other energy infrastructure assets;

the opportunity for distribution growth, driven by substantial pipeline infrastructure build-out potential;

simplified tax reporting with one 1099 and no unrelated business taxable income;

an investment for retirement and other tax-exempt accounts;

potential diversification of their overall investment portfolio; and

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

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

Risks

Investing in our common shares 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 pipeline and other energy infrastructure investments means that our performance will be closely tied to the performance of the energy infrastructure sector, and we will be subject to the risks inherent in the business of pipeline and other energy infrastructure companies. These risks, along with other risks applicable to an investment in our common shares, are more fully set forth under the heading Risk Factors. Before investing in our common shares, you should consider carefully all of these risks.

In addition, we are designed primarily as a long-term investment vehicle, and our common shares are 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.

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 SEC requirements, 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 shares)[4]:

Management Fee[5]	1.47%
Leverage Costs[6]	1.07%
Other Expenses[7]	0.36%
Total Annual Expenses[8]	2.90%
Less Fee and Expense Reimbursement[9]	(0.33)%
Net Annual Expenses[8]	2.57%

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 shares. These amounts are based upon assumed 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	$ 72	$ 125	$ 186	$ 349

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 shares 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 shares 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 dividend reinvestment plan.

(1) For a description of the sales load and other compensation paid by us to the underwriters, see Underwriters.
(2) Stockholders will pay offering costs of up to $0.05 per share, estimated to total approximately $500,000. The 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 dividend reinvestment plan are included in Other Expenses. The participants in our dividend reinvestment plan will pay a transaction fee if they direct the plan agent to sell common shares 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.

(footnotes continued on following page)

(4) Assumes leverage of approximately $79 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) We may borrow money or issue debt securities and/or preferred stock to provide us with additional funds to invest. The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The table above assumes that we borrow approximately $79 million, which reflects leverage in an amount representing approximately 25% of our Total Assets assuming an annual interest rate of 3.20% on the amount borrowed and assuming we issue 10 million common shares.

(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 10 million common shares. The holders of our common shares 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 common shares. 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 22.

(9) The Adviser has agreed to a fee waiver of 0.25%, 0.20% and 0.15% of average monthly Managed Assets for the first, second and third years following this offering, respectively.

As of the date of this prospectus, we have not commenced investment operations. If we issue fewer common shares, all other things being equal, certain of these percentages would increase. For additional information with respect to our expenses, see Management of the Fund and Automatic Dividend Reinvestment Plan.

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 July 19, 2011 pursuant to articles of incorporation. Our fiscal year ends on November 30. We expect our common stock to be listed on the New York Stock Exchange under the trading or ticker symbol TTP.

USE OF PROCEEDS

We expect to use the net proceeds from the sale of our common shares 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, 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.

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 provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of equity securities of pipeline and other energy infrastructure companies. We intend to focus primarily on pipeline companies that engage in the business of transporting natural gas, NGLs, crude oil and refined products through pipelines, and, to a lesser extent, on other energy infrastructure companies. These pipeline companies own and operate long haul, gathering and local gas distribution pipelines.

Pipeline & Other Energy Infrastructure Companies

Energy infrastructure companies own and operate a network of asset systems that transport, store, distribute, gather, process, explore, develop, manage or produce crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or NGLs, or that provide electric power generation (including renewable energy), transmission and/or distribution.

Under normal circumstances, we will invest at least 80% of our Total Assets in equity securities of pipeline and other energy infrastructure companies. We consider a company to be a pipeline company if 50% of its assets, cash flow or revenue is associated with the operation or ownership of energy pipelines and complementary assets or it operates in the energy pipeline industry as defined by the standard industrial classification (SIC) system. We consider a company to be an energy infrastructure company if at least 50% of its assets, revenues or cash flows are derived from energy infrastructure operations or ownership.

We may invest up to 25% of our Total Assets in securities of MLPs. We may invest up to 30% of our Total Assets in unregistered or otherwise restricted securities, primarily through direct investments in securities of listed companies.

Investment Process and Risk Management

Our Adviser seeks to invest in securities that offer a combination of quality, growth and yield intended to result in superior total returns over the long run. Our Adviser s investment process utilizes fundamental analysis and a comparison of quantitative, qualitative, and relative value factors.

Our Adviser s 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. Valuation models are multiple stage dividend growth models based on a discounted cash flow framework. Our Adviser also uses traditional valuation metrics such as cash flow multiples and current yield in its investment process.

Our Adviser 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 conducted and maintained by our Adviser s in-house investment analysts. To

determine whether a company meets its investment criteria, our Adviser will generally look for the targeted investment characteristics as described herein. All decisions to invest in a company must be approved by the unanimous decision of our investment committee.

The due diligence process followed by our Adviser is comprehensive and includes:

- review of historical and prospective financial information;
- diligence of quarterly updates and conference calls;

analysis of financial models and projections;

meetings with management and key employees;

on-site visits; and

screening of relevant partnership and other key documents.

Market Opportunity

We believe that pipeline and other energy infrastructure companies we will target will provide attractive investment opportunities for the following reasons:

Large and Diverse Investable Universe. We will primarily target the large and diverse North American pipeline market with an aggregate capitalization over $400 billion. As a RIC, we may efficiently target pipeline companies regardless of their underlying structure, as we generally will not be subject to tax at the fund level. As such, we have the ability and flexibility to target and access traditional pipeline corporations alongside MLPs, which we believe have solid business fundamentals as well as attractive and expanded growth opportunities.

Substantial North American Opportunity. Pipeline infrastructure asset footprints generally expand with growth in energy demand and changes in geographic areas where energy is produced. North America has an abundant and accessible natural gas supply located in domestic shale deposits. As a result of technology improvements, the United States has enough natural gas to last for approximately 80 to 100 years, according to various industry sources. Demand has continued to increase for natural gas as a clean, reliable, domestically produced energy source. Oil supply on the North American continent has expanded as a result of oil shale deposits and the Canadian oil sands. Canada s crude oil reserves are now the second largest in the world, with the United States importing more oil from Canada than any other country.

Significant Capital Requirements. Significant new pipeline infrastructure build-out and the capital to support it is needed to efficiently connect growing areas of energy demand with new areas of supply. Pipeline and related infrastructure projects are expected to support growing population centers and facilitate the transportation of natural gas and crude oil across North America. For the three years from 2011 through 2014, we expect over $65 billion to be needed to support North American pipeline infrastructure build-out approximately $40 billion of this is anticipated to be needed by pipeline corporations.

Historically Defensive Sector. Pipeline and other energy infrastructure companies have historically demonstrated solid business fundamentals, which we believe results from their long-lived real assets, relatively inelastic demand, monopolistic nature with high barriers to entry and partial inflation protection through regulated rates. As a result, pipeline and other energy infrastructure companies have historically produced predictable cash flows and generated increasing demand for an essential service across business cycles. Projected population growth of nearly 80 million people is expected to increase energy consumption by 17% from 2010 to 2035. New pipeline infrastructure will be needed to support these demographic changes and growth.

Targeted Investment Characteristics

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

Essential infrastructure focus on long-lived, tangible pipeline and other energy infrastructure assets that are essential to economic productivity.

Defensible operating assets due to regulation, natural monopolies, availability of land or high costs of new development.

Total return potential, including potential for a current cash yield and dividend or distribution growth. We do not intend to invest in start-up companies or companies with speculative business plans.

Predictable revenues driven by relatively inelastic demand.

Stable operating structures with relatively low maintenance expenditures, economies of scale, and an appropriate ratio of debt to equity and payout/coverage ratio relative to dividends or distributions.

Operations-focused management teams with successful track records and knowledge, experience, and focus in their segments of energy infrastructure.

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 pipeline and other energy infrastructure companies;

We may invest up to 30% of our Total Assets in securities of non-U.S. issuers (including Canadian issuers), which may include securities issued by companies organized and/or having securities traded on an exchange outside the U.S. or may be securities of U.S. companies that are denominated in the currency of a different country;

We may invest up to 30% of our Total Assets in unregistered or otherwise restricted 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.

The Board of Directors 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 pipeline and other energy infrastructure 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.

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 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.

Investment Securities

The types of securities in which we may invest include, but are not limited to, the following:

Equity Securities. Equity investments generally represent an equity ownership interest, or the right to acquire an ownership interest, in an issuer. Different types of equity securities provide different voting and dividend rights and priority in the event of an issuer s bankruptcy. An adverse event, such as unfavorable earnings report, may depress the value of a particular equity investment that we hold. In addition, prices of

equity investments are sensitive to general movements in the stock market, and a drop in the stock market may depress the price of equity investments we own. Equity investment prices fluctuate for several reasons, including changes in investors perceptions of the financial condition of an issuer or rising interest rates, which increases borrowing costs and the costs of capital. We currently expect that such equity investments will include the following:

Common Stock. Common stock represents an ownership interest in the profits and losses of a corporation, after payment of amounts owed to bondholders, other debt holders, and holders of preferred stock. Holders of common stock generally have voting rights, but we do not generally expect to have voting control in any of the companies in which we invest.

Common Units of MLPs. As a RIC, we may invest no more than 25% of our Total Assets in securities of MLPs. An MLP is a publicly traded company organized as a limited partnership or LLC and treated as a partnership for federal income tax purposes. MLP common units represent an equity ownership interest in a partnership and provide limited voting rights. MLP common unit holders have a limited role in the partnership s operations and management. Some energy infrastructure companies in which we may invest have been organized as LLCs, which are treated in the same manner as MLPs for federal income tax purposes. Common units of an LLC represent an equity ownership in an LLC. Interests in common units of an MLP or LLC entitle the holder to a share of the company s success through distributions and/or capital appreciation. Unlike MLPs, LLC common unit holders typically have voting rights.

Equity Securities of MLP Affiliates. In addition to securities of MLPs, we may also invest in equity securities issued by MLP affiliates, such as MLP I-Shares and common shares of corporations that own MLP general partner interests. I-Shares represent an indirect ownership interest in MLP common units issued by an MLP affiliate, which is typically a publicly traded LLC. The I-Share issuer s assets consist exclusively of I-units. I-Shares differ from MLP common units primarily in that instead of receiving cash distributions, holders of I-Shares receive distributions in the form of additional I-Shares. Issuers of MLP I-Shares are corporations and not partnerships for tax purposes; however, the MLP does not allocate income or loss to the I-Share issuer. Because the issuers of MLP I-Shares are not partnerships for tax purposes, MLP I-Shares are not subject to the 25% limitation regarding investments in MLPs and other entities treated as qualified publicly traded partnerships. MLP affiliates also include the publicly traded equity securities of LLCs that own, directly or indirectly, general partner interests of MLPs. General partner interests often confer direct board participation rights and in many cases, operating control, over the MLP.

Other Equity Securities. We may also invest in all types of publicly traded equity securities, including but not limited to, preferred equity, convertible securities, depository receipts, limited partner interests, rights and warrants of underlying equity securities, exchange traded funds, limited liability companies and REITs.

Non-U.S. Securities. We may invest up to 30% of our Total Assets in securities issued by non-U.S. issuers (including Canadian issuers). These securities may be issued by companies organized and/or having securities traded on an exchange outside the U.S. or may be securities of U.S. companies that are denominated in the currency of a different country.

Restricted Securities. We may invest up to 30% of our Total Assets in unregistered or otherwise restricted 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. For purposes of the foregoing, a registered security subject to such a lock-up period will no longer be considered a restricted security upon expiration of the lock-up period, an unregistered security of a public company with registration rights will no longer be considered a restricted security when such securities become registered, and an unregistered security of a public company that becomes freely

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tradable with the passage of time will no longer be considered a restricted security upon the elapse of the requisite time period.

An issuer may be willing to offer the purchaser more attractive features with respect to securities issued in direct investments because it has avoided the expense and delay involved in a public offering of securities. Adverse conditions in the public securities markets also may preclude a public offering of securities.

Restricted securities obtained by means of direct investments are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is adequate. This lack of liquidity creates special risks for us. However, we could sell such securities in private transactions with a limited number of purchasers or in public offerings under the 1933 Act.

Debt Securities. We may invest up to 20% of our Total Assets in debt securities, including securities rated below investment grade, commonly referred to as junk bonds. Our debt securities may have fixed or variable principal payments and various types of interest rate and reset terms, including fixed rate, floating rate, adjustable rate, zero coupon, contingent, deferred and payment in kind features, and may include securities that are or are not exchange traded. To the extent that we invest in below investment grade debt securities, such securities will be rated, at the time of investment, at least B- by S&P or B3 by Moody s or a comparable rating by at least one other rating agency or, if unrated, determined by the Adviser to be of comparable quality. If a security satisfies our minimum rating criteria at the time of purchase and is subsequently downgraded below such rating, we will not be required to dispose of such security. If a downgrade occurs, the Adviser will consider what action, including the sale of such security, is in the best interest of us and our stockholders.

Temporary Investments and Defensive Investments. Pending investment of the proceeds of this offering (which we expect may take up to approximately three to six months following the closing of this offering), we may invest offering proceeds in money market mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, 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. We may also invest in these instruments on a temporary basis to meet working capital needs, including, but not limited to, for collateral in connection with certain investment techniques, to hold a reserve pending payment of distributions, and to facilitate the payment of expenses and settlement of trades.

Under adverse market or economic conditions, we may invest 100% of our Total Assets in these securities. The yield on these securities may be lower than the returns on pipeline and other energy infrastructure companies or yields on lower rated fixed income securities. To the extent we invest in these securities for defensive purposes, we may not achieve our investment objective.

Covered Call Options Strategy

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 and to only write call options on securities we hold in our portfolio (covered calls). The notional amount of such calls is expected to initially be approximately 20% of the total value of our portfolio, although this percentage may vary depending on the cash flow requirements of the portfolio and on our Adviser s assessment of market conditions. Under current market conditions, we presently intend to write covered calls that are generally one to three month terms and generally range from 5% to 15% out of the money, although this may vary from time to time. We currently intend to focus our covered call strategy on other energy infrastructure companies that our Adviser believes are integral links in the energy infrastructure value chain for pipeline companies, although we may write options on other securities in our portfolio or indices in certain market

environments.

A call option on a security is a contract that gives the holder of such call option the right to buy the security underlying the call option from the writer of such call option at a specified price (exercise price) at any time during

the term of the option. At the time the call option is sold, the writer of a call option receives a premium from the buyer of such call option.

If we write a call option on a security or basket of securities, we have the obligation upon exercise of such call option to deliver the underlying security or securities upon payment of the exercise price. As the writer of such call options, in effect, during the term of the option, in exchange for the premium received by us, we sell the potential appreciation above the exercise price in the value of securities covered by the options. Therefore, we forgo part of the potential appreciation for part of our equity portfolio in exchange for the call premium received, but retain the risk of potential decline in those securities below the price which is equal to the excess of the exercise price of the call option over the premium per share received on the call option.

If we write a call option, we may terminate our obligation by effecting a closing purchase transaction. This is accomplished by purchasing a call option with the same terms as the option previously written. However, once we have been assigned an exercise notice, we will be unable to effect a closing purchase transaction. There can be no assurance that a closing purchase transaction can be effected when we so desire.

Other principal factors affecting the market value of an option include supply and demand, interest rates, the current market price and price volatility of the underlying security and the time remaining until the expiration date of the option. Gains and losses on investments in options depend, in part, on the ability of our Adviser to predict correctly the effect of these factors.

When we write a call option, an amount equal to the premium received by us will be recorded as a liability and will be subsequently adjusted to the current fair value of the option written. Premiums received from writing options that expire unexercised are treated by us as realized gains from investments on the expiration date. If we repurchase a written call option prior to its exercise, the difference between the premium received and the amount paid to repurchase the option is treated as a realized gain or realized loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether we have realized a gain or loss.

Although our Adviser will attempt to take appropriate measures to minimize the risks relating to writing covered call options, there can be no assurance that we will succeed in any option-writing program we undertake.

Portfolio Turnover

Our annual portfolio turnover rate may vary greatly from year to year. We may, but under normal market conditions, do not intend to, engage in frequent and active trading of portfolio securities. Although we cannot accurately predict our portfolio turnover rate, we expect to maintain relatively low (e.g., less than 30% under normal market conditions) turnover of our core equity portfolio under normal market conditions, not including purchases and sales of equity securities and call options in connection with our covered call option program. As such, on an overall basis, our annual turnover rate may exceed 100%. A high turnover rate involves greater trading costs to us and may result in greater realization of taxable capital gains.

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, some of which may have investment strategies similar to ours. Our Adviser or its affiliates may have financial incentives to favor certain of such accounts over us. For example, our Adviser and its affiliates may have an incentive to allocate potentially more favorable investment opportunities to other funds and clients that pay our Adviser and its affiliates an incentive or performance fee. Performance and incentive fees also create the incentive to allocate potentially riskier, but potentially better performing, investments to

such funds and other clients in an effort to increase the incentive fee. Our Adviser also may have an incentive to make investments in one fund, having the effect of increasing the value of a security in the same issuer held by another fund, which, in turn, may result in an incentive fee being paid to our Adviser by that other fund. Any of the Adviser s or its affiliates proprietary accounts and 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 us, which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers, although their investment objectives may be the same as, or similar to our

objectives. Our Adviser has written allocation policies and procedures designed to address potential conflicts of interest. For instance, when two or more clients advised by our Adviser seek to purchase or sell the same publicly traded securities, the securities actually purchased or sold will be allocated among the clients on a good faith equitable basis by our Adviser in its discretion and in accordance with the client s various investment objectives and our Adviser s procedures. In some cases, this system may adversely affect the price or size of the position we may obtain. In other cases, the ability to participate in volume transactions may produce better execution for us. When possible, our Adviser combines all of the trade orders into one or more block orders, and each account participates at the average unit or share price obtained in a block order. When block orders are only partially filled, our Adviser considers a number of factors in determining how allocations are made, with the overall goal to allocate in a manner so that accounts are not preferred or disadvantaged over time. Our Adviser also has allocation policies for transactions involving private placement securities, which are designed to result in a fair and equitable participation in offerings or sales for each participating client.

Our Adviser also serves as investment adviser for other publicly traded closed-end funds, an open-end fund and other accounts. See Management of the Fund.

Our Adviser will evaluate a variety of factors in determining whether a particular investment opportunity or strategy is appropriate and feasible for the relevant account at a particular time, including, but not limited to, the following: (1) the nature of the investment opportunity taken in the context of the other investments at the time; (2) the liquidity of the investment relative to the needs of the particular entity or account; (3) the availability of the opportunity (i.e., size of obtainable position); (4) the transaction costs involved; and (5) the investment or regulatory limitations applicable to the particular entity or account. Because these considerations may differ when applied to us and relevant accounts under management in the context of any particular investment opportunity, our investment activities, on the one hand, and other managed accounts, on the other hand, may differ considerably from time to time. In addition, our fees and expenses will differ from those of the other managed accounts. Accordingly, stockholders should be aware that our future performance and the future performance of the other accounts of our Adviser may vary.

Situations may occur when we could be disadvantaged because of the investment activities conducted by our Adviser and its affiliates for their other funds or 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: (1) 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; or (2) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of the combined position, or (3) limits on co-investing in negotiated transactions under the 1940 Act, as discussed further below.

Under the 1940 Act, we may be precluded from co-investing in negotiated private placements of securities with our affiliates, including other funds managed by our Adviser. Except as permitted by law, our Adviser will not co-invest its other clients assets in negotiated private transactions in which we invest.

Our Adviser will observe a policy for allocating negotiated private placement opportunities among its clients that takes into account the amount of each client s available cash and its investment objectives. To the extent we are precluded from co-investing, our Adviser will allocate private investment opportunities among its clients, including but not limited to us and our affiliated companies, based on allocation policies that take into account several suitability factors, including the size of the investment opportunity, the amount each client has available for investment and the client s investment objectives. These allocation policies may result in the allocation of investment opportunities to an affiliated company rather than to us.

To the extent that our Adviser sources and structures private investments, certain employees of our Adviser may become aware of actions planned, such as acquisitions that may not be announced to the public. It is possible that we could be precluded from investing in or selling securities of companies about which our Adviser has material, non-public information; however, it is our Adviser s intention to ensure that any material, non-public information available to certain employees of our Adviser are not shared with those employees responsible for the purchase and sale of publicly traded securities or to confirm prior to receipt of any material non-public information that the information will shortly be made public.

Our Adviser and its principals, officers, employees, and affiliates may buy and sell securities or other investments for their own accounts and may have actual or potential conflicts of interest with respect to investments made on our behalf. As a result of differing trading and investment strategies or constraints, positions may be taken by principals, officers, employees, and affiliates of our Adviser that are the same as, different from, or made at a different time than positions taken for us. Furthermore, our Adviser may at some time in the future manage other investment funds with the same investment objective as ours.

LEVERAGE

Use of Leverage

The borrowing of money and the issuance of preferred stock and debt securities represents the leveraging of our common stock. The issuance of additional common stock may enable us to increase the aggregate amount of our leverage or to maintain any existing leverage. We reserve the right at any time to use financial leverage to the extent permitted by the 1940 Act (50% of Total Assets for preferred stock and 331/3% of Total Assets for senior debt securities) 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 up to 25% 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 from 25% of our Total Assets to up to 30% of our Total Assets at the time of incurrence, provided (i) that such leverage is consistent with the limits set forth in the 1940 Act, and (ii) that we expect to reduce such increased leverage over time in an orderly fashion. We generally will not use leverage unless we believe that leverage will serve the best interests of our stockholders. The principal factor used in making this determination is whether the potential return is likely to exceed the cost of leverage. We will not issue additional leverage where the estimated costs of issuing such leverage and the on-going cost of servicing the payment obligations on such leverage exceed the estimated return on the proceeds of such leverage. We note, however, that in making the determination of whether to issue leverage, we must rely on estimates of leverage costs and expected returns. Actual costs of leverage vary over time depending on interest rates and other factors. 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. Actual returns vary depending on many factors. The Board of Directors also will consider other factors, including whether the current investment opportunities will help us achieve our investment objective and strategies.

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. In addition, we are not permitted to declare any distribution on our common stock, or purchase any of our shares of common stock (through tender offers or otherwise) unless we would satisfy this 200% asset coverage requirement test after deducting the amount of such distribution or share price, as the case may be. We may, as a result of market conditions or otherwise, be required to purchase or redeem preferred stock, or sell a portion of our investments when it may be disadvantageous to do so, in order to maintain the required asset coverage. Common stockholders would bear the costs of issuing additional preferred stock, which may include offering expenses and the ongoing payment of distributions. Under the 1940 Act, we may only issue one class of preferred stock.

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 331/3% of the value of our Total Assets, including the amount borrowed, less all liabilities and indebtedness not represented by senior securities. We also must maintain this 300% asset coverage for as long as the indebtedness is outstanding. The 1940 Act provides that we may not declare any distribution with respect to any class of shares of our stock, or purchase any of our shares of stock

(through tender offers or otherwise), unless we would satisfy this 300% asset coverage requirement test after deducting the amount of the distribution or share purchase price, as the case may be, except that distributions may be declared upon any preferred stock if such senior security representing indebtedness has an asset coverage of at least 200% at the time of declaration of such distribution and after deducting the amount of such distribution. If the asset coverage for indebtedness declines to less than 300% as a result of market fluctuations or otherwise, we may be required to redeem debt securities, or sell a portion of our investments when it may be disadvantageous to do so. Under the 1940 Act, we may only issue one class of senior securities representing indebtedness.

Annual Expenses

The table presented below estimates our annual expenses stated as a percentage of our Managed Assets, which includes assets attributable to leverage.

Management Fee	1.10%
Other Expenses	0.27%
Fee and Expense Reimbursement	(0.25)%
Subtotal	1.12%
Leverage Costs	0.80%
Net Annual Expenses	1.92%

Hedging and 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 certain other derivative instruments for hedging or risk management purposes.

In an attempt to reduce the interest rate risk arising from our leveraged capital structure, we may, but are not obligated to, use interest rate transactions intended to reduce our interest rate risk with respect to our interest and distribution payment obligations under our outstanding 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 and interest rate caps and floors purchased from financial institutions. There is no assurance that the interest rate hedging transactions into which we may enter will be effective in reducing our exposure to interest rate risk. Hedging transactions are subject to correlation risk, which is the risk that payment on our hedging transactions may not correlate exactly with our payment obligations on senior securities. The use of interest rate transactions is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, we would agree to pay to the other party to the interest rate swap (known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay to us a variable rate payment intended to approximate our variable rate payment obligations on outstanding leverage. The payment obligations would be based on the notional amount of the swap. In an interest rate cap, we would pay a premium to the counterparty up to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate of interest, would receive from the counterparty payments equal to the difference based on the notional amount of such cap. In an interest rate floor, we would be entitled to receive, to the extent that a specified index falls below a predetermined interest rate, payments of interest on a notional principal amount from the party selling the interest rate floor. Depending on the state of interest rates in general, our use of interest rate transactions could affect our ability to make required interest or distribution payments on our outstanding leverage. To the extent there is a decline in interest rates, the value of the

interest rate transactions could decline. If the counterparty to an interest rate transaction defaults, we would not be able to use the anticipated net receipts under the interest rate transaction to offset our cost of financial leverage.

To a lesser extent, we may, but do not currently intend to, use other hedging and risk management strategies 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 or to otherwise protect the value of our portfolio. We may, but do not currently intend to, enter into currency exchange transactions to hedge our exposure to

foreign currency exchange rate risk to the extent we invest in non-U.S. dollar denominated securities of non-U.S. issuers. Our currency transactions will generally be limited to portfolio hedging involving portfolio positions. Portfolio hedging is the use of a forward contract with respect to a portfolio security position denominated or quoted in a particular currency. A forward contract is an agreement to purchase or sell a specified currency at a specified future date (or within a specified time period) and price set at the time of the contract. Forward contracts are usually entered into with banks, foreign exchange dealers or broker-dealers, are not exchange-traded, and are usually for less than one year. The Fund may also purchase and sell other derivative investments such as exchange-listed and over-the-counter options on securities or indices, futures contracts and options thereon. The Fund also may purchase derivative investments that combine features of these instruments.

For a further discussion of such derivative instruments, see Risk Factors Hedging and Derivatives Risk in this prospectus and Investment Objective and Principal Investment Strategies Our Investments Hedging and Risk Management in the statement of additional information.

Effects of Leverage

The following table is designed to illustrate the effect of leverage on the return to a common stockholder, assuming hypothetical annual returns (net of expenses) of our portfolio of (10)% to 10%. As the table shows, the leverage generally increases the return to common stockholders when portfolio return is positive or greater than the cost of leverage and decreases the return when the portfolio return is negative or less than the cost of leverage. The figures appearing in the table are hypothetical, and actual returns may be greater or less than those appearing in the table.

Assumed Portfolio Return (Net of Expenses)	**(10)%**	**(5)%**	**0%**	**5%**	**10%**
Corresponding Common Share Return	(15.15)%	(8.80)%	(2.44)%	3.91%	10.26%

If we use leverage, the amount of the fees paid to our Adviser for investment advisory and management services will be higher than if we do not use leverage because the fees paid are calculated based on our Managed Assets, which include assets purchased with leverage. Therefore, our Adviser has a financial incentive to use leverage, which creates a conflict of interest between our Adviser and our common stockholders. Because payments on any leverage would be paid by us at a specified rate, only our common stockholders would bear management fees and other expenses we incur.

We cannot fully achieve the benefits of leverage until we have invested the proceeds resulting from the use of leverage in accordance with our investment objective and policies. For further information about leverage, see Risk Factors Leverage Risk.

RISK FACTORS

Investing in our common shares 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. Therefore, before investing in our common shares you should consider carefully the following risks.

General. We are a newly organized closed-end management investment company and have no operating history or history of public trading of our common shares. We are designed primarily as a long-term investment vehicle and not as a trading tool. 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. The value of an investment in our common shares could decline substantially and cause you to lose some or all of your investment.

Concentration Risk. Our strategy of concentrating in pipeline and other energy infrastructure investments means that our performance will be closely tied to the performance of the energy infrastructure sector, which includes midstream, upstream and downstream energy industries. For further information about investments we may make in pipeline and other energy infrastructure companies, see Investment Objective and Principal Investment Strategies Pipeline & Other Energy Infrastructure Companies. Our concentration in these investments may present more risk than if we were broadly diversified over numerous industries and sectors of the economy. A downturn in these investments would have a greater impact on us than on a fund that does not concentrate in such investments. At times, the performance of these investments may lag the performance of other industries or the market as a whole. Risks inherent in the business of pipeline and other energy infrastructure companies include:

Supply and Demand Risk. A decrease in the production of natural gas, NGLs, crude oil, coal, refined petroleum products or other energy commodities, or a decrease in the volume of such commodities available for transporting, storing, gathering, processing, distributing, exploring, developing, managing or producing may adversely impact the financial performance and profitability of pipeline and other energy infrastructure companies. Production declines and volume decreases could be caused by various factors, including depletion of resources, declines in estimates of proved reserves, labor difficulties, political events, OPEC actions, changes in commodity prices, declines in production from existing facilities, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, failure to obtain necessary permits, unscheduled outages, unanticipated expenses, inability to successfully carry out new construction or acquisitions, import supply disruption, increased competition from alternative energy sources or related commodity prices and other events. Alternatively, a sustained decline in or varying demand for such commodities could also adversely affect the financial performance of pipeline and other energy infrastructure companies. Factors that could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel economy, consumer shifts to the use of alternative fuel sources, changes in commodity prices or weather.

Operating Risk. Pipeline and other energy infrastructure companies are subject to many operating risks, including: equipment failure causing outages; structural, maintenance, impairment and safety problems; transmission or transportation constraints, inoperability or inefficiencies; dependence on a specified fuel source, including the transportation of fuel; changes in electricity and fuel usage; availability of competitively priced alternative energy sources; changes in generation efficiency and market heat rates; lack of sufficient capital to maintain facilities; significant capital expenditures to keep older assets operating efficiently; seasonality; changes in supply and demand for energy commodities; catastrophic and/or weather-related events such as fires, explosions, floods, earthquakes, hurricanes and similar occurrences; storage, handling, disposal

and decommissioning costs; and environmental compliance. Breakdown or failure of a pipeline or other energy infrastructure company s assets may prevent the company from performing under applicable sales agreements, which in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages. A company s ability to successfully and timely complete capital improvements to existing or other capital projects is contingent upon many variables. Should any such efforts be unsuccessful, a pipeline or other energy infrastructure company could be subject to additional costs and / or the write-off of its investment in the project or improvement. As a result of the above risks and other potential hazards associated

with pipeline and other energy infrastructure companies, certain companies may become exposed to significant liabilities for which they may not have adequate insurance coverage. Any of the aforementioned risks or related regulatory and environmental risks could have a material adverse effect on the business, financial condition, results of operations and cash flows of pipeline and other energy infrastructure companies.

Regulatory Risk. Pipeline and other energy infrastructure issuers are subject to regulation by various governmental authorities in various jurisdictions and may be adversely affected by the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Regulation exists in multiple aspects of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which may increase compliance costs and may adversely affect the financial performance of energy infrastructure companies. Pipeline companies engaged in interstate pipeline transportation of natural gas, refined petroleum products and other products are subject to regulation by the Federal Energy Regulatory Commission (FERC) with respect to tariff rates these companies may charge for pipeline transportation services. An adverse determination by the FERC with respect to the tariff rates of a pipeline or other energy infrastructure company could have a material adverse effect on its business, financial condition, results of operations and cash flows and its ability to make cash distributions to its equity owners. Prices for certain electric power companies are regulated in the U.S. with the intention of protecting the public while ensuring that the rate of return earned by such companies is sufficient to attract growth capital and to provide appropriate services but do not provide any assurance as to achievement of earnings levels. We could become subject to the FERC s jurisdiction if we are deemed to be a holding company of a public utility company or of a holding company of a public utility company, and we may be required to aggregate securities held by us or other funds and accounts managed by the Adviser and its affiliates, or be prohibited from buying certain securities or be forced to divest certain securities.

Environmental Risk. Pipeline and other energy infrastructure company activities are subject to stringent environmental laws and regulation by many federal, state and local authorities, international treaties and foreign governmental authorities. Failure to comply with such laws and regulations or to obtain any necessary environmental permits pursuant to such laws and regulations could result in fines or other sanctions. Congress and other domestic and foreign governmental authorities have either considered or implemented various laws and regulations to restrict or tax certain emissions, particularly those involving air and water emissions. Existing environmental regulations could be revised or reinterpreted, new laws and regulations could be adopted or become applicable, and future changes in environmental laws and regulations could occur, which could impose additional costs on the operation of power plants. Pipeline and other energy infrastructure companies have made and will likely continue to make significant capital and other expenditures to comply with these and other environmental laws and regulations. Changes in, or new, environmental restrictions may force energy infrastructure companies to incur significant expenses or expenses that may exceed their estimates. There can be no assurance that such companies would be able to recover all or any increased environmental costs from their customers or that their business, financial condition or results of operations would not be materially and adversely affected by such expenditures or any changes in domestic or foreign environmental laws and regulations, in which case the value of these companies securities in our portfolio could be adversely affected. In addition, a pipeline or other energy infrastructure company may be responsible for any on-site liabilities associated with the environmental condition of facilities that it has acquired, leased or developed, regardless of when the liabilities arose and whether they are known or unknown.

Price Volatility Risk. The volatility of energy commodity prices can affect certain pipeline or other energy infrastructure companies due to the impact of prices on the volume of commodities transported, stored,

gathered, processed, distributed, developed or produced. Most pipeline companies are not subject to direct commodity price exposure because they do not own the underlying energy commodity. Nonetheless, the price of a pipeline company security can be adversely affected by the perception that the performance of all

such entities is directly tied to commodity prices. However, the operations, cash flows and financial performance of other energy infrastructure companies in which we will invest may be more directly affected by energy commodity prices, especially those energy companies owning the underlying energy commodity.

Commodity prices fluctuate for several reasons, including changes in global and domestic market and economic conditions, the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation, political instability, conservation efforts, and taxation and the availability of local, intrastate and interstate transportation systems.

Volatility of commodity prices may also make it more difficult for energy companies to raise capital to the extent the market perceives that their performance may be directly or indirectly tied to commodity prices. Historically, energy commodity prices have been cyclical and exhibited significant volatility which may adversely impact other energy infrastructure companies in which we invest.

Terrorism Risk. Pipeline and other energy infrastructure companies, and the market for their securities, are subject to disruption as a result of terrorist activities, such as the terrorist attacks on the World Trade Center on September 11, 2001; war, such as the wars in Afghanistan and Iraq and their aftermaths; and other geopolitical events, including upheaval in the Middle East or other energy producing regions. The U.S. government has issued warnings that energy assets, specifically those related to pipeline and other energy infrastructure, production facilities, and transmission and distribution facilities, might be specific targets of terrorist activity. Such events have led, and in the future may lead, to short-term market volatility and may have long-term effects on companies in the pipeline and other energy infrastructure industry and markets. Such events may also adversely affect our business and financial condition.

Natural Disaster Risk. Natural risks, such as earthquakes, flood, lightning, hurricanes and wind, are inherent risks in infrastructure company operations. For example, extreme weather patterns, such as Hurricane Ivan in 2004 and Hurricanes Katrina and Rita in 2005, or the threat thereof, could result in substantial damage to the facilities of certain companies located in the affected areas and significant volatility in the supply of energy and could adversely impact the prices of the securities in which we invest. This volatility may create fluctuations in commodity prices and earnings of pipeline and other energy infrastructure companies.

Climate Change Regulation Risk. Climate change regulation could result in increased operations and capital costs for the companies in which we invest. Voluntary initiatives and mandatory controls have been adopted or are being discussed both in the United States and worldwide to reduce emissions of greenhouse gases such as carbon dioxide, a by-product of burning fossil fuels, which some scientists and policymakers believe contribute to global climate change. These measures and future measures could result in increased costs to certain companies in which the Fund invests to operate and maintain facilities and administer and manage a greenhouse gas emissions program and may reduce demand for fuels that generate greenhouse gases and that are managed or produced by companies in which we invest.

Industry Specific Risk. Pipeline and other energy infrastructure companies are subject to specific risks, including:

Pipeline companies are subject to varying demand for crude oil, natural gas, NGLs or refined products in the markets served by the pipeline; changes in the availability of products for transporting, gathering, processing or sale due to natural declines in reserves and production in the supply areas serviced by the company s facilities; sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities; and environmental regulation. Specifically, demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served, and demographic and seasonal factors.

Processing companies are subject to declines in production of natural gas fields, which utilize the processing facilities as a way to market the gas, prolonged depression in the price of natural gas, which curtails production due to lack of drilling activity and declines in the prices of NGL products and natural gas prices, resulting in lower processing margins.

Integrated and independent energy companies are impacted by declines in the demand for and prices of natural gas, crude oil and refined petroleum products. Reductions in prices for natural gas and crude oil can cause a given reservoir to become uneconomic for continued production earlier than it would if prices were higher. The operating margins and cash flows of integrated and independent energy companies may fluctuate widely in response to a variety of factors, including global and domestic economic conditions, weather conditions, natural disasters, the supply and price of imported energy commodities, change in the level and relationship in crude oil and refined petroleum product pricing, political instability, conservation efforts and governmental regulation. The accuracy of any reserve estimate is a function of the quality of available data, the accuracy of assumptions regarding future commodity prices and costs, and engineering and geological interpretations and judgments. Due to natural declines in reserves and production, exploitation and production companies must economically find or acquire and develop additional reserves in order to maintain and grow their revenues and distributions. Integrated and independent energy companies are also subject to risks related to operations (such as fires and explosions) as well as the potential environmental and regulatory risks of such events, which may adversely impact their business and financial condition.

Propane companies are subject to earnings variability based upon weather patterns in the locations where the company operates and the wholesale cost of propane sold to end customers. Propane company share prices are based on safety in distribution coverage ratios, interest rate environment and, to a lesser extent, dividend or distribution growth.

Power infrastructure companies are subject to many risks, including earnings variability based upon weather patterns in the locations where the company operates, the change in the demand for electricity, the cost to produce power, and the regulatory environment. Furthermore, share prices are partly based on the interest rate environment, the sustainability and potential growth of the dividend, and the outcome of various rate cases undertaken by the company or a regulatory body.

MLP Risks. An investment in MLP securities involves some risks that differ from the risks involved in an investment in the common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP s partnership agreement, or to take other action under the partnership agreement of that MLP would constitute control of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state.

Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. In addition, the value of our investment in an MLP will depend largely on the MLP s treatment as a partnership for U.S. federal income tax purposes. If an MLP does not meet current legal requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be treated as a corporation for U.S. federal income tax purposes. In that case, the MLP would be obligated to pay income tax at the entity level and distributions received by us generally would be taxed as dividend income. As a result, there could be a material reduction in our cash flow and there could be a material decrease in the value of our common shares.

Equity Securities Risk. Equity securities can be affected by macroeconomic and other factors affecting the stock market in general, expectations about changes in interest rates, investor sentiment toward such entities, changes in a particular issuer s financial condition, or unfavorable or unanticipated poor performance of a particular issuer. Prices of equity securities of individual entities also can be affected by fundamentals unique to the company or partnership, including size, earnings power, coverage ratio and characteristics and features of different classes of securities. Equity

securities are susceptible to general stock market fluctuations and to volatile increases and decreases in value. The equity securities held by the Fund may experience sudden, unpredictable drops in value or long periods of decline in value. In addition, by writing covered call options, capital appreciation potential will be limited on a portion of our investment portfolio.

Non-U.S. Securities Risk. Investments in securities of non-U.S. issuers (including Canadian issuers) involve risks not ordinarily associated with investments in securities and instruments of U.S. issuers. For example,

non-U.S. companies are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Non-U.S. securities exchanges, brokers and companies may be subject to less government supervision and regulation than exists in the U.S. Dividend and interest income may be subject to withholding and other non-U.S. taxes, which may adversely affect the net return on such investments. Because we intend to limit our investments to no more than 30% of our Total Assets in securities issued by non-U.S. issuers (including Canadian issuers), we not be able to pass through to our stockholders any foreign income tax credits as a result of any foreign income taxes we pay. There may be difficulty in obtaining or enforcing a court judgment abroad. In addition, it may be difficult to effect repatriation of capital invested in certain countries. With respect to certain countries, there are also risks of expropriation, confiscatory taxation, political or social instability or diplomatic developments that could affect the Fund s assets held in non-U.S. countries. There may be less publicly available information about a non-U.S. company than there is regarding a U.S. company. Non-U.S. securities markets may have substantially less volume than U.S. securities markets and some non-U.S. company securities are less liquid than securities of otherwise comparable U.S. companies. Non-U.S. markets also have different clearance and settlement procedures that could cause the Fund to encounter difficulties in purchasing and selling securities on such markets and may result in the Fund missing attractive investment opportunities or experiencing a loss. In addition, a portfolio that includes securities issued by non-U.S. issuers can expect to have a higher expense ratio because of the increased transaction costs in non-U.S. markets and the increased costs of maintaining the custody of such non-U.S. securities. When investing in securities issued by non-U.S. issuers, there is also the risk that the value of such an investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. We may, but do not currently intend to, hedge our exposure to non-U.S. currencies.

Capital Markets Risk. Global financial markets and economic conditions have been, and may continue to be, volatile due to a variety of factors, including significant write-offs in the financial services sector. Despite more stabilized economic activity, if the volatility continues, the cost of raising capital in the debt and equity capital markets, and the ability to raise capital, may be impacted. In particular, concerns about the general stability of financial markets and specifically the solvency of lending counterparties, may impact the cost of raising capital from the credit markets through increased interest rates, tighter lending standards, difficulties in refinancing debt on existing terms or at all and reduced, or in some cases ceasing to provide, funding to borrowers. In addition, lending counterparties under existing revolving credit facilities and other debt instruments may be unwilling or unable to meet their funding obligations. As a result of any of the foregoing, we or the companies in which we invest may be unable to obtain new debt or equity financing on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, we or the companies in which we invest may not be able to meet obligations as they come due. Moreover, without adequate funding, pipeline and other energy infrastructure companies may be unable to execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

Rising interest rates could limit the capital appreciation of equity units of pipeline and other energy infrastructure companies as a result of the increased availability of alternative investments at competitive yields. Rising interest rates may increase the cost of capital for companies operating in this sector. A higher cost of capital or an inflationary period may lead to inadequate funding, which could limit growth from acquisition or expansion projects, the ability of such entities to make or grow dividends or distributions or meet debt obligations, the ability to respond to competitive pressures, all of which could adversely affect the prices of their securities.

The recent instability in the financial markets has led the U.S. government and foreign governments to take a number of unprecedented actions designed to support certain financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. U.S. federal and state governments and foreign governments, their regulatory agencies or self regulatory organizations may take additional actions that affect the regulation of the securities in which we invest, or the issuers of such securities, in ways that are unforeseeable and on an emergency basis with little or no notice, with the consequence that some market participants ability to continue

to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated or otherwise negatively

impacted. Given the complexities of the global financial markets and the limited timeframe within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty, which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. Decisions made by government policy makers could exacerbate the current economic difficulties in the U.S. and other countries.

Liquidity Risk. We may invest in securities of any market capitalization and may be exposed to liquidity risk when trading volume, lack of a market maker, or legal restrictions impair our ability to sell particular securities or close call option positions at an advantageous price or a timely manner. We may invest in mid-cap and small-cap companies, which may not have the management experience, financial resources, product diversification and competitive strengths of large-cap companies. Analysts and other investors may follow these companies less actively and therefore information about these companies may not be as readily available as that for large-cap companies. Therefore, their securities may be more volatile and less liquid than the securities of larger, more established companies. In the event certain securities experience limited trading volumes, the prices of such securities may display abrupt or erratic movements at times. In addition, it may be more difficult for us to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. As a result, these securities may be difficult to sell at a favorable price at the times when we believe it is desirable to do so. Investment of our capital in securities that are less actively traded (or over time experience decreased trading volume) may restrict our ability to take advantage of other market opportunities or to sell those securities. This also may affect adversely our ability to make required interest payments on our debt securities and distributions on any of our preferred stock, to redeem such securities, or to meet asset coverage requirements.

Covered Call Risks. We cannot guarantee that our covered call option strategy will be effective. There are several risks associated with transactions in options on securities, including:

There are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given covered call option transaction not to achieve its objectives. A decision as to whether, when and how to use covered calls (or other options) involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful because of market behavior or unexpected events.

The use of options may require us to sell portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation we can realize on an investment, or may cause us to hold a security we might otherwise sell. As the writer of a covered call option, we forego, during the option s life, the opportunity to profit from increases in the market value of the security covering the call option above the exercise price of the call option, but retain the risk of loss should the price of the underlying security decline. Although such loss would be offset in part by the option premium received, in a situation in which the price of a particular stock on which we have written a covered call option declines rapidly and materially or in which prices in general on all or a substantial portion of the stocks on which we have written covered call options decline rapidly and materially, we could sustain material depreciation or loss to the extent we do not sell the underlying securities (which may require it to terminate, offset or otherwise cover our option position as well).

There can be no assurance that a liquid market will exist when we seek to close out an option position. If we were unable to close out a covered call option that we had written on a security, we would not be able to sell the underlying security unless the option expired without exercise. Reasons for the absence of a liquid secondary market for exchange-traded options may include, but are not limited to, the following: (i) there may be insufficient trading interest; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to

particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) the trading facilities may not be adequate to handle current trading volume; or (vi) the relevant exchange could discontinue the trading of options. In addition, our ability to terminate over-the-counter options may be more limited than with exchange-traded options and may involve the risk that counterparties participating in such transactions will not fulfill their obligations.

The principal factors affecting the market value of an option include supply and demand, interest rates, the current market price of the underlying security in relation to the exercise price of the option, the dividend or distribution yield of the underlying security, the actual or perceived volatility of the underlying security and the time remaining until the expiration date. Any of the foregoing could impact or cause to vary over time the amount of income we are able to generate through our covered call option strategy.

The number of covered call options we can write is limited by the number of shares of the corresponding common stock we hold. Furthermore, our covered call option transactions may be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which such options are traded.

If we fail to maintain any required asset coverage ratios in connection with any use by us of leverage, we may be required to redeem or prepay some or all of our leverage instruments. Such redemption or prepayment would likely result in our seeking to terminate early all or a portion of any option transaction. Early termination of an option could result in a termination payment by or to us.

Performance and Distribution Risk. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. We cannot assure you that you will receive distributions at a particular level or at all. Dividends and distributions on equity securities are not fixed but are declared at the discretion of the issuer s board of directors. If stock market volatility declines, the level of premiums from writing covered call options will likely decrease as well. Payments to close-out written call options will reduce amounts available for distribution from gains earned in respect of call option expiration or close out. The equity securities in which we invest may not appreciate or may decline in value. Net realized and unrealized gains on the securities investments will be determined primarily by the direction and movement of the applicable securities markets and the Fund s holdings. Any gains that we do realize on the disposition of any securities may not be sufficient to offset losses on other securities or option transactions. A significant decline in the value of the securities in which we invest may negatively impact our ability to pay distributions or cause you to lose all or a part of your investment.

In addition, the 1940 Act may limit our ability to make distributions in certain circumstances. Restrictions and provisions in any future credit facilities and our debt securities may also limit our ability to make distributions. For federal income tax purposes, we are required to distribute substantially all of our net investment income each year both to reduce our federal income tax liability and to avoid a potential excise tax. If our ability to make distributions on our common shares is limited, such limitations could, under certain circumstances, impair our ability to maintain our qualification for taxation as a RIC, which would have adverse consequences for our stockholders. See Certain U.S. Federal Income Tax Considerations.

Quarterly Results Risk. We could experience fluctuations in our operating results due to a number of factors, including the return on our investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses on our investments and written call options, the level of call premium we receive by writing covered calls, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Delay in Use of Proceeds Risk. Although we expect to fully invest the net proceeds of this offering within three to six months after the closing of this offering, such investments may be delayed if suitable investments are unavailable at the time, if market conditions and volumes of securities are not favorable at the time or for other reasons. As a result, the proceeds may be invested in money market mutual funds, cash, cash equivalents, securities issued or guaranteed

by the U.S. Government or its instr