

PRIMUS TELECOMMUNICATIONS GROUP INC  
Form 10-Q/A  
October 15, 2004

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

Commission File No. 0-29092

# PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**1700 Old Meadow Road, Suite 300,  
McLean, VA**

(Address of principal executive offices)

**54-1708481**

(I.R.S. Employer Identification No.)

**22102**

(Zip Code)

**(703) 902-2800**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

**Class**  
Common Stock \$.01 par value

**Outstanding as of  
September 30, 2004**  
89,863,126



**PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED**

**EXPLANATORY NOTE**

Primus Telecommunications Group, Incorporated and subsidiaries (the Company) is filing this Amendment to Form 10-Q to:

1. Amend the information contained in Note 9 to the consolidated condensed financial statements included in Part I, Item 1 of the Company's Form 10-Q for the quarterly period ended March 31, 2004 as originally filed with the Securities and Exchange Commission on May 10, 2004 (the Quarterly Report). Note 9 is hereby restated to reflect the capital contribution of certain of the Company's intercompany receivables and payables balances to the Company's wholly owned subsidiary, Primus Telecommunications Holding, Inc. ( PTHI ), which occurred in connection with PTHI's issuance of 8% senior notes, which are guaranteed by the Company, in January 2004. This amendment is solely due to intercompany arrangements required for disclosure in Note 9.

Concurrently, the Company is filing its amended quarterly report on Form 10-Q/A for the quarter ended June 30, 2004 to reflect the amended capital contribution.

2. Amend basic weighted average common shares outstanding and basic and diluted income per common share accordingly, disclosed in the consolidated condensed financial statements included in Part I, Item 1 of the Quarterly Report. The prior year quarterly period ended March 31, 2003, as presented on the statement of operations and in the notes to the consolidated condensed financial statements, is hereby restated to reflect the removal of the Series C convertible preferred stock from the basic weighted average common shares outstanding as it does not meet the definition of a participating security. Because the Series C Preferred was deemed to be non-participating, the shares are assumed to be converted into common shares and the accreted and deemed dividend on convertible preferred stock is removed from the calculation of diluted income per common share. Basic and diluted income per common share were restated accordingly. There is no impact on previously reported net income for the three-month period ended March 31, 2003 nor on the statement of operations for the three-month period ended March 31, 2004.

Concurrently, the Company is filing its amended quarterly report on Form 10-Q/A for the quarters ended September 30, 2003 and June 30, 2004 and its amended annual report Form 10-K/A for the year ended December 31, 2003 to reflect the amended basic weighted average common shares outstanding and the calculation of basic and diluted income per common share for the periods during which the Series C convertible preferred stock was outstanding.

This Amendment reflects only the changes discussed above. No other information included in the Quarterly Report has been modified or updated. This Amendment continues to speak as of the date of the original filing of the Quarterly Report, and the Company has not updated the disclosures to reflect any events that occurred at a later date.

**PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED**

**INDEX TO FORM 10-Q/A**

			<b>Page No.</b>
Part I.	FINANCIAL INFORMATION		
	Item 1.	FINANCIAL STATEMENTS (UNAUDITED)	
		Consolidated Condensed Statements of Operations (As Restated)	1
		<u>Consolidated Condensed Balance Sheets</u>	2
		<u>Consolidated Condensed Statements of Cash Flows</u>	3
		<u>Consolidated Condensed Statements of Comprehensive Income (Loss)</u>	4
		<u>Notes to Consolidated Condensed Financial Statements</u>	5
	<u>Item 4.</u>	<u>CONTROLS AND PROCEDURES</u>	25
Part II.	OTHER INFORMATION		
	<u>Item 6.</u>	<u>EXHIBITS AND REPORTS ON FORM 8-K</u>	25
<u>SIGNATURES</u>			26

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**PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED**  
**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS**

(in thousands, except per share amounts)  
(unaudited)

	Three Months Ended March 31,	
	2004	2003*
NET REVENUE	\$ 348,023	\$ 300,443
OPERATING EXPENSES		
Cost of revenue (exclusive of depreciation included below)	209,657	190,023
Selling, general and administrative	94,317	77,625
Depreciation and amortization	23,507	20,335
Asset impairment write-down		537
Total operating expenses	327,481	288,520
INCOME FROM OPERATIONS	20,542	11,923
INTEREST EXPENSE	(15,079 )	(15,377 )
GAIN(LOSS) ON EARLY EXTINGUISHMENT OF DEBT	(14,193 )	6,653
INTEREST INCOME AND OTHER INCOME	736	282
FOREIGN CURRENCY TRANSACTION GAIN (LOSS)	(1,132 )	10,053
INCOME (LOSS) BEFORE INCOME TAXES	(9,126 )	13,534
INCOME TAX EXPENSE	(929 )	(2,333 )
NET INCOME (LOSS)	(10,055 )	11,201
ACCREDITED AND DEEMED DIVIDEND ON CONVERTIBLE PREFERRED STOCK		(322 )
INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (10,055 )	\$ 10,879
INCOME (LOSS) PER COMMON SHARE:		
Basic	\$ (0.11 )	\$ 0.17 *
Diluted	\$ (0.11 )	\$ 0.13
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
Basic	88,770	65,083 *
Diluted	88,770	83,925

\* As restated, see Note 8.

See notes to consolidated condensed financial statements.

**PRIMUS TELECOMMUNICATIONS GROUP, INCORPORATED**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**  
(in thousands, except share amounts)  
(unaudited)

	March 31, 2004	December 31, 2003	
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 75,532	\$ 64,066	
Accounts receivable (net of allowance for doubtful accounts receivable of \$19,365 and \$20,975)	197,056	200,817	
Prepaid expenses and other current assets	39,309	36,930	
Total current assets	311,897	301,813	
RESTRICTED CASH	12,525	12,463	
PROPERTY AND EQUIPMENT Net	334,964	341,167	
GOODWILL Net	70,927	59,895	
OTHER INTANGIBLE ASSETS Net	28,239	22,711	(1) If the securities to which this prospectus relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load, the estimated offering expenses borne by us and a revised expense example.

(2) Stockholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common stock held in a Plan account. See “Automatic Dividend Reinvestment and Cash Purchase Plan.”

(3) Management fee is based on Managed Assets as of November 30, 2015 and reflects an annual rate of 0.95% of our average monthly Managed Assets up to \$2,500,000,000, 0.90% of our average monthly Managed Assets between \$2,500,000,000 and \$3,500,000,000, and 0.85% of our average monthly Managed Assets above \$3,500,000,000.

(4) Reflects the weighted average cost of interest payable on the Tortoise Notes, unsecured credit facilities and interest rate swap contracts at borrowing rates as of November 30, 2015, including amortization of issuance costs, expressed as a percentage of net assets as of November 30, 2015.

(5) Reflects the weighted average cost of distributions payable on Tortoise Preferred Shares as of November 30, 2015, including amortization of issuance costs, expressed as a percentage of net assets as of November 30, 2015.

(6) Other Expenses are based on amounts incurred for the fiscal year ended November 30, 2015.

10

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Table of Contents

For the year ended November 30, 2015, we accrued \$66,785,732 for current income tax expense and \$550,449,662 for net deferred income tax benefit. Current income tax expense relates to net realized gains recognized during the period in excess of capital loss carryforwards and net operating loss carryforwards. Deferred income tax expense represents an estimate of our potential tax liability if we were to recognize the unrealized depreciation of our (7) portfolio assets accumulated during our fiscal year ended November 30, 2015, based on the market value and tax basis of our assets as of November 30, 2015. Realization of a deferred tax benefit is dependent on whether there will be sufficient taxable income of the appropriate character within the carryforward periods to realize a portion or all of the deferred tax benefit. Because it cannot be predicted whether we will incur a benefit or liability in the future, a deferred income tax expense of 0.00% has been assumed.

The table presents certain of our annual expenses stated as a percentage of our net assets attributable to our (8) common shares. This results in a higher percentage than the percentage attributable to our annual expenses stated as a percentage of our Managed Assets. See "Leverage-Annual Expenses" on page 33.

(9) Includes current and deferred income tax expense. See footnote 7 above for more details.

The example does not include sales load or estimated offering costs. If the securities to which this prospectus (10) relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load, the estimated offering expenses borne by us and a revised expense example reflecting such sales load and offering expenses.

The purpose of the table and the example above is to help investors understand the fees and expenses that they, as common stockholders, would bear directly or indirectly. For additional information with respect to our expenses, see "Management of the Company."



Table of Contents

## FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading “Per Common Share Data” and “Supplemental Data and Ratios” shows our per common share operating performance. The information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in our 2015 Annual Report and is incorporated by reference into the statement of additional information, both of which are available from us upon request. See “Available Information” in this prospectus.

	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011
Per Common Share Data <sup>(1)</sup>					
Net Asset Value, beginning of year	\$49.34	\$43.36	\$36.06	\$33.37	\$32.91
Income from Investment Operations					
Net investment loss <sup>(2)</sup>	(0.62 )	(0.66 )	(0.73 )	(0.64 )	(0.77 )
Net realized and unrealized gain (loss) on investments and interest rate swap contracts <sup>(2)</sup>	(16.85 )	9.01	10.27	5.51	3.35
Total income (loss) from investment operations	(17.47 )	8.35	9.54	4.87	2.58
Distributions to Common Stockholders					
Return of capital	(2.59 )	(2.38 )	(2.29 )	(2.25 )	(2.20 )
Capital Stock Transactions					
Premiums less underwriting discounts and offering costs on issuance of common stock <sup>(3)</sup>	(0.00 )	0.01	0.05	0.07	0.08
Net Asset Value, end of year	\$29.28	\$49.34	\$43.36	\$36.06	\$33.37
Per common share market value, end of year	\$26.57	\$46.10	\$49.76	\$39.17	\$39.35
Total Investment Return Based on Market Value <sup>(4)</sup>	(37.86 )%	(2.54 )%	33.77 %	5.62 %	15.25 %
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of year (000's)	\$1,405,733	\$2,369,068	\$1,245,761	\$1,020,421	\$925,419
Average Net Assets (000's)	\$1,974,038	\$1,837,590	\$1,167,339	\$989,745	\$912,567
Ratio of Expenses to Average Net Assets					
Advisory fees	1.76 %	1.65 %	1.61 %	1.60 %	1.57 %
Other operating expenses	0.10	0.13	0.12	0.13	0.16
Total Operating Expenses, before fee waiver	1.86	1.78	1.73	1.73	1.73
Fee Waiver <sup>(5)</sup>	-	(0.00 )	(0.00 )	(0.01 )	(0.01 )
Total Operating Expenses	1.86	1.78	1.73	1.72	1.72
Leverage expenses	1.75	1.38	1.59	1.67	1.75
Income tax expense <sup>(6)</sup>	(24.50 )	7.81	14.05	8.37	4.63

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Total expenses	(20.89	)%	10.97	%	17.37	%	11.76	%	8.10	%
Ratio of net investment loss to average net assets before fee waiver	(1.50	)%	(1.33	)%	(1.78	)%	(1.82	)%	(2.32	)%
Ratio of net investment loss to average net assets after fee waiver	(1.50	)%	(1.33	)%	(1.78	)%	(1.81	)%	(2.31	)%
Portfolio turnover rate	12.94	%	15.33	%	13.40	%	12.86	%	17.70	%
Credit facility borrowings, end of year (000's)	\$66,000		\$162,800		\$27,600		\$63,400		\$47,900	
Senior Notes, end of year (000's)	\$545,000		\$544,400		\$300,000		\$194,975		\$194,975	
Preferred stock, end of year (000's)	\$295,000		\$224,000		\$80,000		\$73,000		\$73,000	
Per common share amount of senior notes outstanding, end of year	\$11.35		\$11.34		\$10.44		\$6.89		\$7.03	
Per common share amount of net assets, excluding senior notes, end of year	\$40.63		\$60.68		\$53.80		\$42.95		\$40.40	

Table of Contents

Asset coverage, per \$1,000 of principal amount of senior notes and credit facility borrowings <sup>(7)</sup>	\$3,784	\$4,667	\$5,047	\$5,232	\$5,111
Asset coverage ratio of senior notes and credit facility borrowings <sup>(7)</sup>	378 %	467 %	505 %	523 %	511 %
Asset coverage, per \$10 liquidation value per share of mandatory redeemable preferred stock <sup>(8)</sup>	\$26	\$35	\$41	\$41	\$39
Asset coverage ratio of preferred stock <sup>(8)</sup>	255 %	354 %	406 %	408 %	393 %

(1) Information presented relates to a share of common stock outstanding for the entire year.

The per common share data for the years ended November 30, 2014, 2013, 2012 and 2011 do not reflect the

(2) change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

Represents underwriting and offering costs of less than \$0.01 per share for the year ended November 30, 2015.

Represents the premium on the shelf offerings of \$0.02 per share, less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2014. Represents the premium on the shelf offerings of \$0.06 per share,

(3) less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2013. Represents the premium on the shelf offerings of \$0.08 per share, less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2012. Represents the premium on the shelf offerings of \$0.09 per share, less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2011.

Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale

(4) at the closing price on the last day of the year reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan.

(5) Less than 0.01% for the years ended November 30, 2014 and November 30, 2013.

For the year ended November 30, 2015, the Company accrued \$66,785,732 for net current income tax expense and \$550,449,662 for net deferred income tax benefit. For the year ended November 30, 2014, the Company accrued \$52,981,532 for current income tax expense and \$90,477,388 for net deferred income tax expense. For the year ended November 30, 2013, the Company accrued \$23,290,478 for net current income tax expense and

(6) \$140,745,675 for net deferred income tax expense. For the year ended November 30, 2012, the Company accrued \$16,189,126 for current income tax expense and \$66,613,182 for net deferred income tax expense. For the year ended November 30, 2011, the Company accrued \$8,950,455 for current income tax expense and \$33,248,897 for net deferred income tax expense.

Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility

(7) borrowings and preferred stock at the end of the year divided by senior notes and credit facility borrowings outstanding at the end of the year.

Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility

(8) borrowings and preferred stock at the end of the year divided by senior notes, credit facility borrowings and preferred stock outstanding at the end of the year.

Table of Contents

## SENIOR SECURITIES

The following table sets forth information about our outstanding senior securities as of each fiscal year ended November 30 since our inception. This information has been derived from our audited financial statements, which are incorporated by reference into the statement of additional information.

Year	Title of Security	Total Principal Amount/Liquidation Preference Outstanding	Asset Coverage per \$1,000 of Principal Amount	Asset Coverage per Share (\$25,000 Liquidation Preference)	Average Estimated Fair Value Per \$25,000 Denomination or per Share Amount
2004	Tortoise Notes Series A and B	\$ 110,000,000	\$ 4,378		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(1)</sup>	\$ 35,000,000		\$ 83,026	\$ 25,000
	(1,400 shares)	\$ 145,000,000			
2005	Tortoise Notes Series A, B and C	\$ 165,000,000	\$ 3,874		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(1)</sup> and II <sup>(2)</sup>	\$ 70,000,000		\$ 68,008	\$ 25,000
	(2,800 shares)	\$ 235,000,000			
2006	Tortoise Notes Series A, B and C	\$ 165,000,000	\$ 4,051		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(1)</sup> and II <sup>(2)</sup>	\$ 70,000,000		\$ 74,769	\$ 25,000
	(2,800 shares)				
	Borrowings Unsecured Revolving Credit Facility	\$ 32,450,000	\$ 4,051		
		\$ 267,450,000			
2007	Tortoise Notes Series A	\$ 60,000,000	\$ 3,942		\$ 25,781 (4)
	Series B	\$ 50,000,000	\$ 3,942		\$ 25,781 (4)
	Series C and D	\$ 125,000,000	\$ 3,942		\$ 25,781 (5)
	Tortoise Preferred Shares Series I <sup>(1)</sup> (1,400 shares)	\$ 35,000,000		\$ 58,752	\$ 25,604 (4)
	Series II <sup>(2)</sup> (1,400 shares)	\$ 35,000,000		\$ 58,752	\$ 25,604 (4)
	Series III and IV (4,600 shares)	\$ 115,000,000		\$ 58,752	\$ 25,604 (5)
	Borrowings Unsecured Revolving Credit Facility	\$ 38,050,000	\$ 3,942		
		\$ 458,050,000			

2008 Tortoise Notes					
Series A	\$ 60,000,000	\$ 3,509	\$ 24,241	(6)	
Series E	\$ 150,000,000	(7) \$ 3,509	\$ 22,767	(6)	
Tortoise Preferred Shares					
Series I <sup>(1)</sup> (1,400 shares)	\$ 35,000,000	\$ 64,099	\$ 24,041	(8)	
Series II <sup>(2)</sup> (1,400 shares)	\$ 35,000,000	\$ 64,099	\$ 24,050	(8)	
Borrowings					
Unsecured Revolving Credit Facility	\$ -				
	\$ 280,000,000				

Table of Contents

Year	Title of Security	Total Principal Amount/Liquidation Preference Outstanding	Asset Coverage per \$1,000 of Principal Amount	Asset Coverage per Share (\$25,000 Liquidation Preference)	Average Estimated Fair Value Per \$25,000 Denomination or per Share Amount	
2009	Tortoise Notes					
	Series A	\$ 60,000,000	(9) \$ 4,789		\$ 27,206	(6)
	Series E	\$ 110,000,000	\$ 4,789		\$ 27,004	(6)
	Tortoise Preferred Shares					
	Series I <sup>(1)</sup> (1,400 shares)	\$ 35,000,000	(10)	\$ 86,262	\$ 25,651	(8)
	Series II <sup>(2)</sup> (1,400 shares)	\$ 35,000,000	(10)	\$ 86,262	\$ 25,638	(8)
	Borrowings					
	Unsecured Revolving Credit Facility	\$ 10,400,000	\$ 4,789			
		\$ 250,400,000				
2010	Tortoise Notes					
	Series E	\$ 110,000,000	\$ 5,630		\$ 28,184	(11)
	Series F	\$ 29,975,000	\$ 5,630		\$ 26,293	(11)
	Series G	\$ 30,000,000	\$ 5,630		\$ 28,045	(11)
	Tortoise Preferred Shares					
	MRP <sup>(10)</sup>	\$ 73,000,000		\$ 42	\$ 11	
	Borrowings					
	Unsecured Revolving Credit Facility	\$ 38,200,000	\$ 5,630		\$ 25,000	
		\$ 281,175,000				
2011	Tortoise Notes					
	Series E	\$ 110,000,000	\$ 5,111		\$ 28,064	(11)
	Series F	\$ 29,975,000	\$ 5,111		\$ 25,825	(11)
	Series G	\$ 30,000,000	\$ 5,111		\$ 25,575	(11)
	Series H	\$ 15,000,000	\$ 5,111		\$ 25,000	
	Series I	\$ 10,000,000	\$ 5,111		\$ 26,376	(11)
	Tortoise Preferred Shares					
	MRP <sup>(10)</sup>	\$ 73,000,000		\$ 39	\$ 11	
	Borrowings					
	Unsecured Revolving Credit Facility	\$ 47,900,000	\$ 5,111		\$ 25,000	
		\$ 315,875,000				
2012	Tortoise Notes					
	Series E	\$ 110,000,000	\$ 5,232		\$ 27,378	(11)
	Series F	\$ 29,975,000	\$ 5,232		\$ 25,250	(11)
	Series G	\$ 30,000,000	\$ 5,232		\$ 28,466	(11)
	Series H	\$ 15,000,000	\$ 5,232		\$ 25,000	
	Series I	\$ 10,000,000	\$ 5,232		\$ 27,044	(11)
	Tortoise Preferred Shares					
	MRP <sup>(10)</sup>	\$ 73,000,000		\$ 41	\$ 10	

Borrowings

Unsecured Revolving Credit

Facility	\$ 63,400,000	\$ 5,232	\$ 25,000
	\$ 331,375,000		

2013 Tortoise Notes

Series E	\$ 110,000,000	\$ 5,047	\$ 26,699	(11)
Series G	\$ 30,000,000	\$ 5,047	\$ 28,080	(11)
Series H	\$ 15,000,000	\$ 5,047	\$ 25,000	(11)
Series I	\$ 10,000,000	\$ 5,047	\$ 26,889	(11)
Series J	\$ 15,000,000	\$ 5,047	\$ 25,540	(11)
Series K	\$ 10,000,000	\$ 5,047	\$ 25,397	(11)
Series L	\$ 20,000,000	\$ 5,047	\$ 25,157	(11)
Series M	\$ 13,000,000	\$ 5,047	\$ 25,464	(11)

Table of Contents

Year	Title of Security	Total Principal Amount/Liquidation Preference Outstanding	Asset Coverage per \$1,000 of Principal Amount	Asset Coverage per Share (\$25,000 Liquidation Preference)	Average Estimated Fair Value Per \$25,000 Denomination or per Share Amount	
	Series N	\$ 10,000,000	\$ 5,047		\$ 25,583	(11)
	Series O	\$ 15,000,000	\$ 5,047		\$ 25,704	(11)
	Series P	\$ 12,000,000	\$ 5,047		\$ 25,937	(11)
	Series Q	\$ 10,000,000	\$ 5,047		\$ 25,000	(11)
	Series R	\$ 12,500,000	\$ 5,047		\$ 24,960	(11)
	Series S	\$ 5,000,000	\$ 5,047		\$ 25,018	(11)
	Series T	\$ 12,500,000	\$ 5,047		\$ 25,042	(11)
	Tortoise Preferred Shares					
	MRP <sup>(10)</sup>	\$ 80,000,000		\$ 41	\$ 9	
	Borrowings					
	Unsecured Revolving Credit Facility	\$ 27,600,000	\$ 5,047		\$ 25,000	
		\$ 407,600,000				
2014	Tortoise Notes					
	Series E	\$ 110,000,000	\$ 4,667	\$ 25,649	(11)	
	Series G	\$ 30,000,000	\$ 4,667	\$ 27,371	(11)	
	Series I	\$ 10,000,000	\$ 4,667	\$ 26,817	(11)	
	Series J	\$ 15,000,000	\$ 4,667	\$ 26,073	(11)	
	Series K	\$ 10,000,000	\$ 4,667	\$ 26,673	(11)	
	Series L	\$ 20,000,000	\$ 4,667	\$ 26,827	(11)	
	Series M	\$ 13,000,000	\$ 4,667	\$ 25,616	(11)	
	Series N	\$ 10,000,000	\$ 4,667	\$ 25,875	(11)	
	Series O	\$ 15,000,000	\$ 4,667	\$ 26,411	(11)	
	Series P	\$ 12,000,000	\$ 4,667	\$ 27,408	(11)	
	Series Q	\$ 10,000,000	\$ 4,667	\$ 25,000		
	Series R	\$ 25,000,000	\$ 4,667	\$ 26,424	(11)	
	Series S	\$ 10,000,000	\$ 4,667	\$ 26,807	(11)	
	Series T	\$ 25,000,000	\$ 4,667	\$ 27,134	(11)	
	Series U	\$ 35,000,000	\$ 4,667	\$ 25,000		
	Series V	\$ 39,400,000	\$ 4,667	\$ 25,362	(11)	
	Series W	\$ 12,500,000	\$ 4,667	\$ 26,098	(11)	
	Series X	\$ 12,500,000	\$ 4,667	\$ 27,195	(11)	
	Series Y	\$ 12,500,000	\$ 4,667	\$ 25,277	(11)	
	Series Z	\$ 12,500,000	\$ 4,667	\$ 25,320	(11)	
	Series AA	\$ 10,000,000	\$ 4,667	\$ 25,649	(11)	
	Series BB	\$ 12,000,000	\$ 4,667	\$ 25,616	(11)	
	Series CC	\$ 15,000,000	\$ 4,667	\$ 26,103	(11)	
	Series DD	\$ 13,000,000	\$ 4,667	\$ 27,027	(11)	
	Series EE	\$ 5,000,000	\$ 4,667	\$ 25,000		
	Series FF	\$ 10,000,000	\$ 4,667	\$ 26,795	(11)	
	Series GG	\$ 20,000,000	\$ 4,667	\$ 25,000		
	Series HH	\$ 20,000,000	\$ 4,667	\$ 25,000		
	Tortoise Preferred Shares					



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MRP B <sup>(10)</sup>	\$80,000,000		\$35	\$10
MRP C	\$50,000,000		\$35	\$10
MRP D <sup>(12)</sup>	\$49,000,000		\$35	\$10
MRP E <sup>(12)</sup>	\$45,000,000		\$35	\$10
Borrowings				
Unsecured Revolving Credit Facility <sup>(3)</sup>	\$102,800,000	\$4,667		\$25,000
Unsecured Revolving Credit Facility <sup>(13)</sup>	\$60,000,000	\$4,667		\$25,000
	\$931,200,000			

Table of Contents

Year	Title of Security	Total Principal Amount/Liquidation Preference Outstanding	Asset Coverage per \$1,000 of Principal Amount	Asset Coverage per Share (\$25,000 Liquidation Preference)	Average Estimated Fair Value Per \$25,000 Denomination or per Share Amount	
2015	Tortoise Notes					
	Series G	\$ 30,000,000	\$ 3,784		\$ 26,306	(11)
	Series I	\$ 10,000,000	\$ 3,784		\$ 26,177	(11)
	Series J	\$ 15,000,000	\$ 3,784		\$ 25,821	(11)
	Series K	\$ 10,000,000	\$ 3,784		\$ 26,273	(11)
	Series L	\$ 20,000,000	\$ 3,784		\$ 26,451	(11)
	Series M	\$ 13,000,000	\$ 3,784		\$ 25,341	(11)
	Series N	\$ 10,000,000	\$ 3,784		\$ 25,531	(11)
	Series O	\$ 15,000,000	\$ 3,784		\$ 26,062	(11)
	Series P	\$ 12,000,000	\$ 3,784		\$ 26,914	(11)
	Series Q <sup>(14)</sup>	\$ 10,000,000	\$ 3,784		\$ 25,000	
	Series R	\$ 25,000,000	\$ 3,784		\$ 26,131	(11)
	Series S	\$ 10,000,000	\$ 3,784		\$ 26,383	(11)
	Series T	\$ 25,000,000	\$ 3,784		\$ 26,701	(11)
	Series U <sup>(14)</sup>	\$ 35,000,000	\$ 3,784		\$ 25,000	
	Series W	\$ 12,500,000	\$ 3,784		\$ 25,482	(11)
	Series X	\$ 12,500,000	\$ 3,784		\$ 26,510	(11)
	Series Y	\$ 12,500,000	\$ 3,784		\$ 25,155	(11)
	Series Z	\$ 12,500,000	\$ 3,784		\$ 25,187	(11)
	Series AA	\$ 10,000,000	\$ 3,784		\$ 25,342	(11)
	Series BB	\$ 12,000,000	\$ 3,784		\$ 25,341	(11)
	Series CC	\$ 15,000,000	\$ 3,784		\$ 25,783	(11)
	Series DD	\$ 13,000,000	\$ 3,784		\$ 26,569	(11)
	Series EE <sup>(14)</sup>	\$ 5,000,000	\$ 3,784		\$ 25,000	
	Series FF	\$ 10,000,000	\$ 3,784		\$ 26,354	(11)
	Series GG <sup>(15)</sup>	\$ 20,000,000	\$ 3,784		\$ 25,000	
	Series HH <sup>(15)</sup>	\$ 20,000,000	\$ 3,784		\$ 25,000	
	Series II	\$ 10,000,000	\$ 3,784		\$ 25,176	(11)
	Series JJ	\$ 20,000,000	\$ 3,784		\$ 25,254	(11)
	Series KK	\$ 10,000,000	\$ 3,784		\$ 25,375	(11)
	Series LL	\$ 20,000,000	\$ 3,784		\$ 25,000	
	Series MM	\$ 30,000,000	\$ 3,784		\$ 25,000	
	Series NN	\$ 30,000,000	\$ 3,784		\$ 24,740	(11)
	Series OO	\$ 30,000,000	\$ 3,784		\$ 24,496	(11)
	Tortoise Preferred Shares					
	MRP B <sup>(10)</sup>	\$ 80,000,000		\$ 26	\$ 10	
	MRP C <sup>(16)</sup>	\$ 50,000,000		\$ 26	\$ 10	
	MRP D <sup>(12)</sup>	\$ 85,000,000		\$ 26	\$ 10	
	MRP E <sup>(12)</sup>	\$ 80,000,000		\$ 26	\$ 10	
	Borrowings					
	Unsecured Revolving Credit Facility <sup>(3)</sup>	\$ 6,000,000	\$ 3,784		\$ 25,000	
	Unsecured Revolving Credit					

Facility <sup>(13)</sup>	\$ 60,000,000	\$ 3,784	\$ 25,000
	\$ 906,000,000		

(1) Formerly designated as Series I MMP Shares.

(2) Formerly designated as Series II MMP Shares.

(3) On June 23, 2014, the Company entered into an amended and restated credit agreement establishing a \$157,500,000 unsecured credit facility that matured on June 15, 2015. On June 15, 2015, the Company entered into an amendment to the credit agreement that extends the maturity date to June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs.

(4) Average estimated fair value of the Series A and B Auction Rate Senior Notes and Series I and II Tortoise Preferred Shares was calculated using the spread between the interest/distribution rates at the time the series' respective special rate periods commenced to the U.S. Treasury rates with equivalent maturity dates. At November 30, 2007, the spread of each series was applied to the equivalent U.S. Treasury Rate and the future cash flows were discounted to determine the estimated fair value. There is no active trading market for these securities. Average estimated fair value does not take into account any liquidity discounts that a shareholder may have incurred upon sale.

Table of Contents

(5) Average estimated fair value of the Series C and D Auction Rate Senior Notes and Series III and IV Tortoise Preferred Shares approximates the principal amount and liquidation preference, respectively, because the interest and distribution rates payable on Auction Rate Senior Notes and Tortoise Preferred Shares were generally determined at auctions and fluctuated with changes in prevailing market interest rates.

(6) Average estimated fair value of the Series A and Series E Notes was calculated using the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the average spread between the current rates of the Notes and the AAA corporate finance debt rate. At November 30, 2008 and November 30, 2009, the total spread was applied to the equivalent U.S. Treasury rate for each series and future cash flows were discounted to determine estimated fair value. There is no active trading market for these securities. Average estimated fair value does not take into account any liquidity discounts that a shareholder may have incurred upon sale.

(7) On December 3, 2008, the Company partially redeemed a portion of the Series E Notes in the amount of \$40,000,000.

(8) Average estimated fair value of Auction Preferred I and Auction Preferred II Stock was calculated using the spread between the AA corporate finance debt rate and the U.S. Treasury rate with a maturity equivalent to the remaining rate period plus the average spread between the current rates and the AA corporate finance debt rate. At November 30, 2008 and November 30, 2009, the total spread was applied to the equivalent U.S. Treasury rate for each series and future cash flows were discounted to determine estimated fair value. There is no active trading market for these securities. Average estimated fair value does not take into account any liquidity discounts that a shareholder may have incurred upon sale.

(9) On December 21, 2009, the Company issued \$59,975,000 in aggregate principal amount of its Series F and Series G Private Notes. On December 21, 2009, the Company used the proceeds from the issuance of the Series F and Series G Notes to redeem all \$60,000,000 of the Series A Notes.

(10) On December 14, 2009, the Company issued \$65 million of its MRP Shares. On December 21, 2009, the Company issued an additional \$8 million of its MRP Shares pursuant to the underwriters' exercise of their overallotment option. On December 21, 2009, the Company used the proceeds from the issuance of the MRP Shares to redeem all \$35,000,000 of the Series I Preferred Shares and all \$35,000,000 of the Series II Preferred Shares. On January 7, 2013, the Company used the proceeds from its issuance of \$80 million of its Series B MRP Shares on December 6, 2012 to redeem all \$73,000,000 of the MRP Shares.

(11) Average estimated fair values of the Tortoise Notes were calculated by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either (i) the spread between the interest rate on recently issued debt and the U.S. Treasury rate with a similar maturity date or (ii) if there has not been a recent debt issuance, the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the Notes and the AAA corporate finance debt rate. There is no active trading market for these securities. Average estimated fair value does not take into account any liquidity discounts that a shareholder may have incurred upon sale.

(12) On December 17, 2014, the Company issued an additional aggregate principal amount of its Series D MRP Shares (\$36,000,000) and Series E MRP Shares (\$35,000,000).

(13) On June 23, 2014, the Company entered into an agreement establishing a \$100,000,000 unsecured credit facility maturing on June 23, 2016. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs.

- (14) On December 18, 2015, the Company redeemed its Series Q Notes (\$10,000,000), Series EE Notes (\$5,000,000) and Series U Notes (\$35,000,000).
- (15) On January 15, 2016, the Company redeemed its Series GG Notes (\$20,000,000) and Series HH Notes (\$20,000,000).
- (16) On December 8, 2015, the Company deposited with its paying agent funds to provide for the redemption of its Series C MRP Shares in the amount of \$50,000,000.

Table of Contents

## MARKET AND NET ASSET VALUE INFORMATION

Our common stock is listed on the NYSE under the symbol “TYG.” Shares of our common stock commenced trading on the NYSE on February 25, 2004.

Our common stock has traded both at a premium and at a discount in relation to NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV. The provisions of the 1940 Act generally require that the public offering price of common stock (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company’s additional common stock (calculated within 48 hours of pricing). Our issuance of additional common stock may have an adverse effect on prices in the secondary market for our common stock by increasing the number of shares of common stock available, which may put downward pressure on the market price for our common stock. The continued development of alternatives as vehicles for investing in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, may reduce or eliminate any tendency of our shares of common stock to trade at a premium in the future. Shares of common stock of closed-end investment companies frequently trade at a discount from NAV. See “Risk Factors — Additional Risks to Common Stockholders — Market Discount Risk.”

The following table sets forth for each of the periods indicated the high and low closing market prices for our shares of common stock on the NYSE, the NAV per share and the premium or discount to NAV per share at which our shares of common stock were trading. See “Determination of Net Asset Value” for information as to the determination of our NAV.

<u>Month Ended</u>	<u>Market Price</u> <sup>(1)</sup>		<u>NAV</u> <sup>(2)</sup>	<u>Premium/(Discount)</u> <u>to NAV</u> <sup>(3)</sup>	
	<u>High</u>	<u>Low</u>		<u>High</u>	<u>Low</u>
November 30, 2013	49.80	46.60	43.19	15.3%	7.9%
December 31, 2013	50.21	46.01	43.36	15.8%	6.1%
January 31, 2014	48.89	41.88	44.29	10.4%	-5.4%
February 28, 2014	44.65	42.22	44.52	0.3%	-5.2%
March 31, 2014	46.63	45.29	44.41	5.0%	2.0%
April 30, 2014	47.70	45.58	45.87	4.0%	-0.6%
May 31, 2014	49.76	47.53	47.83	4.0%	-0.6%
June 30, 2014	49.85	48.48	49.43	0.8%	-1.9%
July 31, 2014	49.35	46.30	52.87	-6.7%	-12.4%
August 31, 2014	49.00	45.29	50.08	-2.2%	-9.6%
September 30, 2014	48.80	45.92	54.01	-9.6%	-15.0%
October 31, 2014	47.99	40.75	53.17	-9.7%	-23.4%
November 30, 2014	48.57	44.40	50.64	-4.1%	-12.3%
December 31, 2014	46.01	40.96	49.34	-6.7%	-17.0%
January 31, 2015	44.72	41.04	47.62	-6.1%	-13.8%
February 28, 2015	45.60	43.32	46.06	-1.0%	-5.9%
March 31, 2015	44.53	41.54	46.86	-5.0%	-11.4%
April 30, 2015	44.40	42.15	44.36	0.1%	-5.0%
May 31, 2015	44.55	41.87	47.38	-6.0%	-11.6%
June 30, 2015	41.92	36.27	45.25	-7.4%	-19.8%
July 31, 2015	37.35	32.89	41.25	-9.5%	-20.3%
August 31, 2015	35.88	31.30	39.71	-9.6%	-21.2%
September 30, 2015	35.63	26.54	36.55	-2.5%	-27.4%
October 31, 2015	32.22	27.20	28.92	11.4%	-5.9%
November 30, 2015	31.51	26.08	32.62	-3.4%	-20.0%

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December 31, 2015	28.00	22.22	29.28 -4.4%	-24.1%
January 31, 2016	28.07	19.44	27.82 0.9%	-30.1%

Table of Contents

- (1) Based on high and low closing market price for the respective month.
- (2) Based on the NAV at the beginning of each respective month, calculated on the close of business on the last business day of the prior month.
- (3) Calculated based on the market value and net asset value information presented in the table. Percentages are rounded.

The last reported NAV per share, the market price and percentage premium to NAV per share of our common stock on January 31, 2016 were \$24.30, \$24.34 and 0.2% respectively. As of January 31, 2016, we had 48,370,144 shares of our common stock outstanding and net assets of approximately \$1,175.5 million.



Table of Contents

USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds of any sale of our securities primarily to invest in energy infrastructure companies in accordance with our investment objective and policies as described under “Investment Objective and Principal Investment Strategies” within approximately three months of receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any debt we incur, to redeem preferred stock or for working capital purposes, including the payment of distributions, interest and operating expenses, although there is currently no intent to issue securities primarily for this purpose. Our investments may be delayed if suitable investments are unavailable at the time or for other reasons. Pending such investment, we anticipate that we will invest the proceeds in securities issued by the U.S. Government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations. A delay in the anticipated use of proceeds could lower returns, reduce our distribution to common stockholders and reduce the amount of cash available to make distribution and interest payments on preferred stock and debt securities, respectively. We will not receive any of the proceeds from a sale of our common stock by any selling stockholder.

Table of Contents

## THE COMPANY

We are a nondiversified, closed-end management investment company registered under the 1940 Act. We were organized as a corporation on October 30, 2003, pursuant to the Charter governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the NYSE under the symbol "TYG." On June 23, 2014 we acquired the assets and liabilities of Tortoise Energy Capital Corporation and Tortoise North American Energy Corporation via merger. As of January 31, 2016, we had net assets of approximately \$1,175.5 million attributable to our common stock. As of January 31, 2016, we had outstanding \$245 million of our Tortoise Preferred Shares and \$455 million of our Tortoise Notes.

The following table provides information about our outstanding securities as of January 31, 2016:

<u>Title of Class</u>	Amount Authorized	Amount Held by the Company or for its Account	Amount Outstanding
Common Stock	100,000,000	0	48,370,144
Tortoise Notes:			
Series G <sup>(1)</sup>	\$ 30,000,000	0	\$ 30,000,000
Series I <sup>(2)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series J <sup>(3)</sup>	\$ 15,000,000	0	\$ 15,000,000
Series K <sup>(4)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series L <sup>(5)</sup>	\$ 20,000,000	0	\$ 20,000,000
Series M <sup>(6)</sup>	\$ 13,000,000	0	\$ 13,000,000
Series N <sup>(7)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series O <sup>(8)</sup>	\$ 15,000,000	0	\$ 15,000,000
Series P <sup>(9)</sup>	\$ 12,000,000	0	\$ 12,000,000
Series R <sup>(10)</sup>	\$ 25,000,000	0	\$ 25,000,000
Series S <sup>(11)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series T <sup>(12)</sup>	\$ 25,000,000	0	\$ 25,000,000
Series W <sup>(13)</sup>	\$ 12,500,000	0	\$ 12,500,000
Series X <sup>(14)</sup>	\$ 12,500,000	0	\$ 12,500,000
Series Y <sup>(15)</sup>	\$ 12,500,000	0	\$ 12,500,000
Series Z <sup>(16)</sup>	\$ 12,500,000	0	\$ 12,500,000
Series AA <sup>(17)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series BB <sup>(18)</sup>	\$ 12,000,000	0	\$ 12,000,000
Series CC <sup>(19)</sup>	\$ 15,000,000	0	\$ 15,000,000
Series DD <sup>(20)</sup>	\$ 13,000,000	0	\$ 13,000,000
Series FF <sup>(21)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series II <sup>(22)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series JJ <sup>(23)</sup>	\$ 20,000,000	0	\$ 20,000,000
Series KK <sup>(24)</sup>	\$ 10,000,000	0	\$ 10,000,000
Series LL <sup>(25)</sup>	\$ 20,000,000	0	\$ 20,000,000
Series MM <sup>(26)</sup>	\$ 30,000,000	0	\$ 30,000,000
Series NN <sup>(27)</sup>	\$ 30,000,000	0	\$ 30,000,000
Series OO <sup>(28)</sup>	\$ 30,000,000	0	\$ 30,000,000

Tortoise Preferred Shares:

Series B MRP Shares <sup>(29)</sup>	\$ 80,000,000	0	\$ 80,000,000
Series D MRP Shares <sup>(30)</sup>	\$ 85,000,000	0	\$ 85,000,000
Series E MRP Shares <sup>(31)</sup>	\$ 80,000,000	0	\$ 80,000,000

(1) The Series G notes mature on December 21, 2016 and bear a fixed interest rate of 5.85%.

(2) The Series I notes mature on May 12, 2018 and bear a fixed interest rate of 4.35%.

(3) The Series J notes mature on December 19, 2019 and bear a fixed interest rate of 3.30%.

(4) The Series K notes mature on December 19, 2022 and bear a fixed interest rate of 3.87%.

(5) The Series L notes mature on December 19, 2024 and bear a fixed interest rate of 3.99%.

(6) The Series M notes mature on September 27, 2017 and bear a fixed interest rate of 2.75%.

(7) The Series N notes mature on September 27, 2018 and bear a fixed interest rate of 3.15%.

(8) The Series O notes mature on September 27, 2020 and bear a fixed interest rate of 3.78%.

(9) The Series P notes mature on September 27, 2023 and bear a fixed interest rate of 4.39%.

Table of Contents

- (10) The Series R notes mature on January 22, 2022 and bear a fixed interest rate of 3.77%.
- (11) The Series S notes mature on January 22, 2023 and bear a fixed interest rate of 3.99%.
- (12) The Series T notes mature on January 22, 2024 and bear a fixed interest rate of 4.16%.
- (13) The Series W notes mature on June 15, 2016 and bear a fixed interest rate of 3.88%.
- (14) The Series X notes mature on June 15, 2016 and bear a fixed interest rate of 4.55%.
- (15) The Series Y notes mature on June 14, 2020 and bear a fixed interest rate of 2.77%.
- (16) The Series Z notes mature on June 14, 2021 and bear a fixed interest rate of 2.98%.
- (17) The Series AA notes mature on June 14, 2025 and bear a fixed interest rate of 3.48%.
- (18) The Series BB notes mature on September 27, 2017 and bear a fixed interest rate of 2.75%.
- (19) The Series CC notes mature on September 27, 2019 and bear a fixed interest rate of 3.48%.
- (20) The Series DD notes mature on September 27, 2022 and bear a fixed interest rate of 4.21%.
- (21) The Series FF notes mature on November 20, 2023 and bear a fixed interest rate of 4.16%.
- (22) The Series II notes mature on December 18, 2022 and bear a fixed interest rate of 3.22%.
- (23) The Series JJ notes mature on December 18, 2023 and bear a fixed interest rate of 3.34%.
- (24) The Series KK notes mature on December 18, 2025 and bear a fixed interest rate of 3.53%.
- (25) The Series LL notes mature on June 14, 2020 and bear a floating interest rate of 3-month LIBOR plus 1.20%.
- (26) The Series MM notes mature on June 14, 2025 and bear a floating interest rate of 3-month LIBOR plus 1.25%.
- (27) The Series NN notes mature on June 14, 2025 and bear a fixed interest rate of 3.20%.
- (28) The Series OO notes mature on April 9, 2026 and bear a fixed interest rate of 3.27%.
- (29) The Series B MRP Shares have a mandatory redemption date of December 31, 2027 and pay distributions at an annual rate of 4.375%. Each share has a liquidation preference of \$10.00.
- (30) The Series D MRP Shares have a mandatory redemption date of December 17, 2021 and pay distributions at an annual rate of 4.010%. Each share has a liquidation preference of \$10.00.
- (31) The Series E MRP Shares have a mandatory redemption date of December 17, 2024 and pay distributions at an annual rate of 4.340%. Each share has a liquidation preference of \$10.00.

Table of Contents

INVESTMENT OBJECTIVE AND PRINCIPAL INVESTMENT STRATEGIES

Investment Objective

Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded MLPs in the energy infrastructure sector.

Energy Infrastructure Industry

We concentrate our investments in the energy infrastructure sector. We pursue our objective by investing principally in a portfolio of equity securities issued by MLPs. MLP common units historically have generated higher average total returns than domestic common stock (as measured by the S&P 500) and fixed income securities. A more detailed description of investment policies and restrictions and more detailed information about portfolio investments are contained in the statement of additional information.

**Energy Infrastructure Companies.** For purposes of our policy of investing 90% of total assets in securities of energy infrastructure companies, an energy infrastructure company is one that derives each year at least 50% of its revenues from “Qualifying Income” under Section 7704 of the Internal Revenue Code or one that derives at least 50% of its revenues from providing services directly related to the generation of Qualifying Income. Qualifying Income is defined as including any income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil or products thereof), or the marketing of any mineral or natural resource (including fertilizer, geothermal energy and timber).

Energy infrastructure companies (other than most pipeline MLPs) do not operate as “public utilities” or “local distribution companies,” and, therefore, are not subject to rate regulation by state or federal utility commissions. However, energy infrastructure companies may be subject to greater competitive factors than utility companies, including competitive pricing in the absence of regulated tariff rates, which could reduce revenues and adversely affect profitability. Most pipeline MLPs are subject to government regulation concerning the construction, pricing and operation of pipelines. Pipeline MLPs are able to set prices (rates or tariffs) to cover operating costs, depreciation and taxes, and provide a return on investment. These rates are monitored by the Federal Energy Regulatory Commission (FERC) which seeks to ensure that consumers receive adequate and reliable supplies of energy at the lowest possible price while providing energy suppliers and transporters a just and reasonable return on capital investment and the opportunity to adjust to changing market conditions. Certain MLPs regulated by the FERC have the right, but are not obligated, to redeem all of their common units held by an investor who is not subject to U.S. federal income taxation at market value, with the purchase price payable in cash or via a three-year interest-bearing promissory note. In the event any MLP in which we invest undertakes a redemption of their common units, the financial condition and results of operation of such MLP could be adversely impacted.

**Master Limited Partnerships.** Under normal circumstances, we invest at least 70% of our total assets in equity securities of MLPs that each year derive at least 90% of their gross income from Qualifying Income and are generally taxed as partnerships for federal income tax purposes, thereby eliminating federal income tax at the entity level. An MLP generally has two classes of partners, the general partner and the limited partners. The general partner is usually a major energy company, investment fund or the direct management of the MLP. The general partner normally controls the MLP through a 2% equity interest plus units that are subordinated to the common (publicly traded) units for at least the first five years of the partnership’s existence and then only convert to common units if certain financial tests are met.

As a motivation for the general partner to successfully manage the MLP and increase cash flows, the terms of most MLP partnership agreements typically provide that the general partner receives a larger portion of the net income as distributions reach higher target levels. As cash flow grows, the general partner receives a greater interest in the incremental income compared to the interest of limited partners. The general partner's incentive compensation typically increases to up to 50% of incremental income. Nevertheless, the aggregate amount of distributions to limited partners will increase as MLP distributions reach higher target levels. Given this incentive structure, the general partner has an incentive to streamline operations and undertake acquisitions and growth projects in order to increase distributions to all partners.

## Table of Contents

Energy infrastructure MLPs in which we invest generally can be classified in the following categories:

Pipeline MLPs. Pipeline MLPs are common carrier transporters of natural gas, natural gas liquids (primarily propane, ethane, butane and natural gasoline), crude oil or refined petroleum products (gasoline, diesel fuel and jet fuel). Pipeline MLPs also may operate ancillary businesses such as storage and marketing of such products. Revenue is derived from capacity and transportation fees. Historically, pipeline output has been less exposed to cyclical economic forces due to its low cost structure and government-regulated nature. In addition, most pipeline MLPs have limited direct commodity price exposure because they do not own the product being shipped.

Processing MLPs. Processing MLPs are gatherers and processors of natural gas, as well as providers of transportation, fractionation and storage of natural gas liquids (“NGLs”). Revenue is derived from providing services to natural gas producers, which require treatment or processing before their natural gas commodity can be marketed to utilities and other end user markets. Revenue for the processor may be fee based or tied to the prices of the natural gas and NGL commodities.

Propane MLPs. Propane MLPs are distributors of propane to homeowners for space and water heating. Revenue is derived from the resale of the commodity on a margin over wholesale cost. The ability to maintain margin is a key to profitability. Propane serves approximately 3% of the household energy needs in the United States, largely for homes beyond the geographic reach of natural gas distribution pipelines. Approximately 70% of annual cash flow is earned during the winter heating season (October through March). Accordingly, volumes are weather dependent, but have utility type functions similar to electricity and natural gas.

Coal MLPs. Coal MLPs own, lease and manage coal reserves. Revenue is derived from production and sale of coal, or from royalty payments related to leases to coal producers. Electricity generation is the primary use of coal in the United States. Demand for electricity and supply of alternative fuels to generators are the primary drivers of coal demand. Coal MLPs are subject to operating and production risks, such as: the MLP or a lessee meeting necessary production volumes; federal, state and local laws and regulations which may limit the ability to produce coal; the MLP’s ability to manage production costs and pay mining reclamation costs; and the effect on demand that the Clean Air Act standards have on coal end-users.

Marine Shipping MLPs. Marine shipping MLPs are primarily marine transporters of natural gas, crude oil or refined petroleum products. Marine shipping MLPs derive revenue from charging customers for the transportation of these products utilizing the MLPs’ vessels. Transportation services are typically provided pursuant to a charter or contract, the terms of which vary depending on, for example, the length of use of a particular vessel, the amount of cargo transported, the number of voyages made, the parties operating a vessel or other factors.

We also may invest in equity and debt securities of energy infrastructure companies that are organized and/or taxed as corporations to the extent consistent with our investment objective. We also may invest in securities of general partners or other affiliates of MLPs and private companies operating energy infrastructure assets.

## Investment Process

Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies. The 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. The Adviser’s securities selection process includes a comparison of quantitative, qualitative, and relative value factors. Although the 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 the Adviser’s in-house investment analysts. To determine whether a company meets its criteria, the Adviser generally will look for a strong record of distribution

growth, a solid ratio of debt to equity and coverage ratio with respect to distributions to unit holders, and a proven track record, incentive structure and management team. It is anticipated that all of the publicly traded MLPs in which we invest will have a market capitalization greater than \$100 million at the time of investment.

#### Investment Policies

We seek to achieve our investment objective by investing primarily in securities of MLPs that the Adviser believes offer attractive distribution rates and capital appreciation potential. We also may invest in other securities set forth below if the Adviser expects to achieve our objective with such investments.



Table of Contents

The following are our fundamental investment limitations set forth in their entirety. We may not:

issue senior securities, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

borrow money, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

make loans, except by the purchase of debt obligations, by entering into repurchase agreements or through the lending of portfolio securities and as otherwise permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

concentrate (invest 25% or more of total assets) our investments in any particular industry, except that we will concentrate our assets in the group of industries constituting the energy infrastructure sector;

underwrite securities issued by others, except to the extent that we may be considered an underwriter within the meaning of the Securities Act of 1933, as amended (the "1933 Act"), in the disposition of restricted securities held in our portfolio;

purchase or sell real estate unless acquired as a result of ownership of securities or other instruments, except that we may invest in securities or other instruments backed by real estate or securities of companies that invest in real estate or interests therein; and

purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments, except that we may purchase or sell options and futures contracts or invest in securities or other instruments backed by physical commodities.

Our policy of investing at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies is nonfundamental and may be changed by the Board of Directors without stockholder approval, provided that stockholders receive at least 60 days' prior written notice of any change.

We have adopted the following additional nonfundamental policies:

Under normal circumstances, we invest at least 70% and up to 100% of our total assets in equity securities issued by MLPs. Equity securities currently consist of common units, convertible subordinated units, and pay-in-kind units.

We may invest up to 30% of our total assets in restricted securities, primarily through direct placements. Subject to this policy, we may invest without limitation in illiquid securities. The types of restricted securities that we may purchase include securities of private energy infrastructure companies and privately issued securities of publicly traded energy infrastructure companies. Restricted securities, whether issued by public companies or private companies, are generally considered illiquid. Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including certain securities rated below investment grade ("junk bonds"). Below investment grade debt securities will be rated at least B3 by Moody's and at least B- by S&P at the time of purchase, or comparably rated by another statistical rating organization or if unrated, determined to be of comparable quality by the Adviser.

We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including certain securities rated below investment grade ("junk bonds"). Below investment grade debt securities will be rated at least B3 by Moody's and at least B- by S&P at the time of purchase, or comparably rated by another statistical rating

organization or if unrated, determined to be of comparable quality by the Adviser.

We will not invest more than 10% of our total assets in any single issuer.

We will not engage in short sales.

Unless otherwise stated, these investment restrictions apply at the time of purchase and we will not be required to reduce a position due solely to market value fluctuations.

Table of Contents

As used in the bullets above, the term “total assets” includes assets to be obtained through anticipated leverage for the purpose of each nonfundamental investment policy. During the period in which we are investing the net proceeds of an offering, we may deviate from our investment policies with respect to the net proceeds of the offering by investing the net proceeds in 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 rated in the highest category by a rating agency or other liquid fixed income securities.

## Investment Securities

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

Equity Securities of MLPs. Consistent with our investment objective, we may invest up to 100% of total assets in equity securities issued by energy infrastructure MLPs, including common units, convertible subordinated units, pay-in-kind units (typically, “I-Shares”) and common units, subordinated units and preferred units of limited liability companies (“LLCs”) (that are treated as partnerships for federal income tax purposes). The table below summarizes the features of these securities, and a further discussion of these securities follows.

	Common Units (for MLPs taxed as partnerships)	Convertible Subordinated Units (for MLPs taxed as partnerships)	I-Shares
Voting Rights	Limited to certain significant decisions; no annual election of directors	Same as common units	No direct MLP voting rights
Dividend Priority	First right to minimum quarterly distribution (“MQD”) specified in Partnership Agreement; arrearage rights	Second right to MQD; no arrearage rights; may be paid in additional units	Equal in priority to common units but paid in additional I-Shares at current market value of I-Shares
Dividend Rate	Minimum set in partnership agreement; participate pro rata with subordinated units after both MQDs are met	Equal in amount to common units; participate pro rata with common units above the MQD	Equal in amount to common units
Trading	Listed on NYSE, NYSE MKT LLC or NASDAQ National Market	Not publicly traded	Listed on NYSE
Federal Income Tax Treatment	Generally, ordinary income to the extent of taxable income allocated to holder; distributions are tax-free return of capital to extent of holder’s basis; remainder as capital gain	Same as common units	Full distribution treated as return of capital; since distribution is in shares, total basis is not reduced
Type of Investor	Retail; creates unrelated business taxable income for tax-exempt investor; investment by regulated investment companies limited to 25% of total assets	Same as common units	Retail and Institutional; does not create unrelated business taxable income; qualifying income for regulated investment companies
Liquidity Priority	Intended to receive return of all capital first	Second right to return of capital; pro rata with common units thereafter	Same as common units (indirect right through I-Share issuer)
Conversion Rights	None	Typically one-to-one ratio into common units	None

(1) Some energy infrastructure companies in which we may invest have been organized as LLCs. Such companies are generally treated in the same manner as MLPs for federal income tax purposes. Common units of LLCs have similar characteristics as those of MLP common units, except that LLC common units typically have voting rights with respect to the LLC and LLC common units held by management are not entitled to increased percentages of cash distributions as increased levels of cash distributions are received by the LLC. The characteristics of LLCs and their common units are more fully discussed below.

27

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### Table of Contents

**MLP Common Units.** MLP common units represent an equity ownership interest in a partnership, providing limited voting rights and entitling the holder to a share of the company's success through distributions and/or capital appreciation. Unlike stockholders of a corporation, common unit holders do not elect directors annually and generally have the right to vote only on certain significant events, such as mergers, a sale of substantially all of the assets, removal of the general partner or material amendments to the partnership agreement. MLPs are required by their partnership agreements to distribute a large percentage of their current operating earnings. Common unit holders generally have first right to a MQD prior to distributions to the convertible subordinated unit holders or the general partner (including incentive distributions). Common unit holders typically have arrearage rights if the MQD is not met. In the event of liquidation, MLP common unit holders have first rights to the partnership's remaining assets after bondholders, other debt holders, and preferred unit holders have been paid in full. MLP common units trade on a national securities exchange or over-the-counter. Also, like common stock, prices of MLP common units are sensitive to general movements in the stock market and a drop in the stock market may depress the price of MLP common units to which we have exposure.

**Limited Liability Company Units.** Some energy infrastructure companies in which we may invest have been organized as LLCs. Such LLCs are treated in the same manner as MLPs for federal income tax purposes. Consistent with our investment objective and policies, we may invest in common units or other securities of such LLCs including preferred units, subordinated units and debt securities. LLC common units represent an equity ownership interest in an LLC, entitling the holder to a share of the LLC's success through distributions and/or capital appreciation. Similar to MLPs, LLCs typically do not pay federal income tax at the entity level and are required by their operating agreements to distribute a large percentage of their current operating earnings. LLC common unit holders generally have first right to a MQD prior to distributions to subordinated unit holders and typically have arrearage rights if the MQD is not met. In the event of liquidation, LLC common unit holders have a right to the LLC's remaining assets after bond holders, other debt holders and preferred unit holders, if any, have been paid in full. LLC common units may trade on a national securities exchange or over-the-counter.

In contrast to MLPs, LLCs have no general partner and there are generally no incentives that entitle management or other unit holders to increased percentages of cash distributions as distributions reach higher target levels. In addition, LLC common unit holders typically have voting rights with respect to the LLC, whereas MLP common units have limited voting rights.

**MLP Convertible Subordinated Units.** MLP convertible subordinated units are typically issued by MLPs to founders, corporate general partners of MLPs, entities that sell assets to MLPs, and institutional investors. The purpose of the convertible subordinated units is to increase the likelihood that during the subordination period there will be available cash to be distributed to common unit holders. We expect to purchase convertible subordinated units in direct placements from such persons. Convertible subordinated units generally are not entitled to distributions until holders of common units have received specified MQD, plus any arrearages, and may receive less than common unit holders in distributions upon liquidation. Convertible subordinated unit holders generally are entitled to MQD prior to the payment of incentive distributions to the general partner, but are not entitled to arrearage rights. Therefore, convertible subordinated units generally entail greater risk than MLP common units. They are generally convertible automatically into the senior common units of the same issuer at a one-to-one ratio upon the passage of time or the satisfaction of certain financial tests. These units generally do not trade on a national exchange or over-the-counter, and there is no active market for convertible subordinated units. Although the means by which convertible subordinated units convert into senior common units depend on a security's specific terms, MLP convertible subordinated units typically are exchanged for common shares. The value of a convertible security is a function of its worth if converted into the underlying common units. Convertible subordinated units generally have similar voting rights to MLP common units. Distributions may be paid in cash or in-kind.

**MLP I-Shares.** I-Shares represent an indirect investment in MLP I-units. I-units are equity securities issued to affiliates of MLPs, typically a limited liability company, that owns an interest in and manages the MLP. The I-Share

issuer has management rights but is not entitled to incentive distributions. The I-Share issuer's assets consist exclusively of MLP I-units; however, the MLP does not allocate income or loss to the I-Share issuer. Distributions by MLPs to I-unit holders are made in the form of additional I-units, generally equal in amount to the cash received by common unit holders of MLPs. Distributions to I-Share holders are made in the form of additional I-Shares, generally equal in amount to the I-units received by the I-Share issuer. The issuer of the I-Share is taxed as a corporation for federal income tax purposes. Accordingly, investors receive a Form 1099, are not allocated their proportionate share of income of the MLPs and are not subject to state income tax filing obligations based solely on the issuer's operations within a state.

## Table of Contents

**Equity Securities of MLP Affiliates.** In addition to equity securities of MLPs, we may also invest in equity securities of MLP affiliates, by purchasing securities of limited liability entities that own general partner interests of MLPs. General partner interests of MLPs are typically retained by an MLP's original sponsors, such as its founders, corporate partners, entities that sell assets to the MLP and investors such as the entities from which we may purchase general partner interests. An entity holding general partner interests, but not its investors, can be liable under certain circumstances for amounts greater than the amount of the entity's investment in the general partner interest. General partner interests often confer direct board participation rights, and in many cases, operating control over the MLP. These interests themselves are generally not publicly traded, although they may be owned by publicly traded entities. General partner interests receive cash distributions, typically 2% of the MLP's aggregate cash distributions, which are contractually defined in the partnership agreement. In addition, holders of general partner interests typically hold incentive distribution rights ("IDRs"), which provide them with a larger share of the aggregate MLP cash distributions as the distributions to limited partner unit holders are increased to prescribed levels. General partner interests generally cannot be converted into common units. The general partner interest can be redeemed by the MLP if the MLP unitholders choose to remove the general partner, typically with a supermajority vote by limited partner unitholders.

**Other Non-MLP Equity Securities.** In addition to equity securities of MLPs, we may also invest in common and preferred stock, limited partner interests, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships. Common stock generally represents an equity ownership interest in an issuer. Although common stocks have historically generated higher average total returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in those returns and may under-perform relative to fixed-income securities during certain periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock we hold. Also, prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which we have exposure. Common stock prices fluctuate for several reasons including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, which increases borrowing costs and the costs of capital.

**Debt Securities.** We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including securities rated below investment grade (commonly referred to as "junk bonds"). These debt securities may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred and payment-in-kind features. 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 subsequently is 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.

Because the risk of default is higher for below investment grade securities than investment grade securities, the Adviser's research and credit analysis is an especially important part of managing securities of this type. The Adviser attempts to identify those issuers of below investment grade securities whose financial condition the Adviser believes is adequate to meet future obligations or has improved or is expected to improve in the future. The Adviser's analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects and the experience and managerial strength of the issuer.

**Restricted Securities.** We may invest up to 30% of our total assets in restricted securities, primarily through direct placements. An issuer may be willing to offer the purchaser more attractive features with respect to securities issued in direct placements 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. MLP convertible subordinated units typically are purchased in private placements and do not trade on a national exchange or over-the-counter, and there is no active market for convertible subordinated units. MLP convertible subordinated units typically are purchased from affiliates of the issuer or other existing holders of convertible units rather than directly from the issuer.



### Table of Contents

Restricted securities obtained by means of direct placements 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 are likely to be sold immediately if the market is adequate. This lack of liquidity creates special risks. However, we could sell such securities in privately negotiated transactions with a limited number of purchasers or in public offerings under the 1933 Act. MLP convertible subordinated units also convert to publicly traded common units upon the passage of time and/or satisfaction of certain financial tests.

**Temporary and Defensive Investments.** Pending investment of offering or leverage proceeds, we may invest such proceeds in securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other liquid fixed income securities deemed by the Adviser to be of similar quality (collectively, "short-term securities"), or in cash or cash equivalents, all of which are expected to provide a lower yield than the securities of energy infrastructure companies. We also may invest in short-term securities or cash 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 up to 100% of our total assets in short-term securities or cash. The yield on short-term securities or cash may be lower than the returns on MLPs or yields on lower rated fixed income securities. To the extent we invest in short-term securities or cash for defensive purposes, such investments are inconsistent with, and may result in our not achieving, our investment objective.

### Portfolio Turnover

Our annual portfolio turnover rate may vary greatly from year to year. Although we cannot accurately predict our annual portfolio turnover rate, it is not expected to exceed 30% under normal circumstances. For the fiscal years ended November 30, 2014 and 2015, our actual portfolio turnover rate was 15.33% and 12.94%, respectively. Portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for us. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that the Company bears. High portfolio turnover may result in our recognition of gains (losses) that will increase (decrease) our tax liability and thereby impact the amount of our after-tax distributions. In addition, high portfolio turnover may increase our current and accumulated earnings and profits, resulting in a greater portion of our distributions being treated as taxable dividends for federal income tax purposes. See "Certain Federal Income Tax Matters."

### Conflicts of Interest

Conflicts of interest may arise from the fact that the 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. The Adviser or its affiliates may have financial incentives to favor certain of such accounts over us. For example, our Adviser may have an incentive to allocate potentially more favorable investment opportunities to other funds and clients that pay our Adviser 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 or client, which, in turn, may result in an incentive fee being paid to our Adviser by that other fund or client. Any of the Adviser's or its affiliates proprietary accounts and other customer accounts may compete with us for specific trades. The 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, even though 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 the Adviser or its affiliates 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, fair and equitable basis by the Adviser in its discretion and in accordance with the client's various investment objectives and the Adviser's procedures. In some cases, this system may adversely affect the price or size of the position we may obtain or sell. In other cases, our 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.

Table of Contents

The Adviser also serves as investment adviser for four other publicly traded closed-end management investment companies, all of which invest in the energy sector. See “Management of the Company — Investment Adviser.”

The 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, investors should be aware that our future performance and future performance of other accounts of the Adviser may vary.

From time to time, our Adviser may seed proprietary accounts for the purpose of evaluating a new investment strategy that eventually may be available to clients through one or more product structures. Such accounts also may serve the purpose of establishing a performance record for the strategy. Our Adviser’s management of accounts with proprietary interests and nonproprietary client accounts may create an incentive to favor the proprietary accounts in the allocation of investment opportunities, and the timing and aggregation of investments. Our Adviser’s proprietary seed accounts may include long-short strategies, and certain client strategies may permit short sales. A conflict of interest arises if a security is sold short at the same time as a long position, and continuously short selling in a security may adversely affect the stock price of the same security held long in client accounts. Our Adviser has adopted various policies to mitigate these conflicts, including policies that require our Adviser to avoid favoring any account, and that prohibit client and proprietary accounts from engaging in short sales with respect to individual stocks held long in client accounts. Our Adviser’s policies also require transactions in proprietary accounts to be placed after client transactions.

Situations may occur when we could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for their other funds or accounts. 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 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 the Adviser. As such, we will not co-invest its other clients’ assets in negotiated private placement transactions in which we invest. The 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 the Adviser sources and structures private investments in MLPs, certain employees of the Adviser may become aware of actions planned by MLPs, 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 an MLP about which the Adviser has material, non-public information; however, it is the Adviser’s intention to ensure that any material, non-public information available to certain employees of the Adviser is not shared with the employees responsible for the

purchase and sale of publicly traded MLP securities. Our investment opportunities also may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies.

The 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 the Adviser that are the same as, different from, or made at a different time than positions taken for us. Further, the Adviser may at some time in the future, manage additional investment funds with the same investment objective as ours.

Table of Contents

LEVERAGE

Use of Leverage

We currently engage in leverage and may borrow money or issue additional debt securities, and/or issue additional preferred stock, to provide us with additional funds to invest. 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 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 33 1/3% of total assets for 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. Actual returns vary, of course, depending on many factors. Additionally, 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. Our Board also will consider other factors, including whether the current investment opportunities will help us achieve our investment objective and strategies.

We have established an unsecured credit facility with U.S. Bank N.A. serving as a lender and the lending syndicate agent on behalf of other lenders participating in the credit facility, which currently allows us to borrow up to \$157.5 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.20%, with a fee of 0.15% on any unused balance of the credit facility. As of January 31, 2016, the effective rate is 1.63%. The credit facility remains in effect through June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time to fund investments in accordance with our investment policies and for general corporate purposes. As of January 31, 2016, we did not have any outstanding borrowings under the credit facility.

We have also established an unsecured credit facility with Scotia Bank, N.A. which currently allows us to borrow up to \$100.0 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.20%, with a fee of 0.15% on any unused balance of the credit facility if the amount borrowed under the facility is less than \$60.0 million. As of January 31, 2016, the effective rate was 1.63%. The credit facility remains in effect through June 23, 2016. We may draw on the facility from time to time to fund investments in accordance with our investment policies and for general corporate purposes. As of January 31, 2016, we had outstanding approximately \$50.6 million under the credit facility. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs.

We also may borrow up to an additional 5% of our total assets (not including the amount so borrowed) for temporary purposes, including the settlement and clearance of securities transactions, which otherwise might require untimely dispositions of portfolio holdings.

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 the 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. So long as Tortoise Preferred Shares are outstanding, any preferred stock offered pursuant to this prospectus and any related prospectus supplement will rank on parity with any outstanding Tortoise Preferred Shares.

Table of Contents

Under the 1940 Act, we are not permitted to issue debt securities or incur other indebtedness constituting senior securities unless immediately thereafter, the value of our total assets (including the proceeds of the indebtedness) less all liabilities and indebtedness not represented by senior securities is at least equal to 300% of the amount of the outstanding indebtedness. Stated another way, we may not issue debt securities or incur other indebtedness with an aggregate principal amount of more than 33 1/3% of the value of our total assets, including the amount borrowed, less all liabilities and indebtedness not represented by senior securities. 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 on 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 dividends 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 thereof 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. So long as Tortoise Notes are outstanding, any debt securities offered pursuant to this prospectus and any related prospectus supplement will rank on parity with any outstanding Tortoise Notes.

## Annual Expenses

The table presented below presents our annual expenses stated as a percentage of our Managed Assets at November 30, 2015, which includes assets attributable to leverage.

Management Fee	0.95 %
Other Expenses (excluding current and deferred income tax expenses)	0.07 %
Subtotal	1.02 %
Interest Payments on Borrowed Funds (includes issuance costs and interest rate swaps)	0.71 %
Distribution Payments on Preferred Stock (includes issuance costs)	0.47 %
Total Leverage Costs	1.18 %
Total Annual Expenses (excluding current and deferred income tax expenses)	2.20 %

## Hedging Transactions

In an attempt to reduce the interest rate risk arising from our leveraged capital structure, we may use interest rate transactions such as swaps, caps and floors. There is no assurance that the interest rate hedging transactions into which we 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 (which is 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. We intend to enter into transactions only with counterparties that meet certain standards of creditworthiness set by our Adviser and to continually monitor the creditworthiness of any counterparties.



Table of Contents

We may, but are not obligated to, enter into interest rate swap transactions intended to reduce our interest rate risk with respect to our interest and distribution payment obligations under our outstanding leverage. See “Risk Factors — Company Risks — Hedging Strategy Risk.”

As of November 30, 2015, we had outstanding the following interest rate swap contracts.

Counterparty	Effective Date	Maturity Date	Notional Amount	Fixed Rate Paid by the Company	Floating Rate Received by the Company
The Bank of Nova Scotia	09/02/2011	09/02/2016	\$5,000,000	1.258	% 1-month U.S. Dollar LIBOR
The Bank of Nova Scotia	09/02/2011	09/02/2018	5,000,000	1.815	% 1-month U.S. Dollar LIBOR
The Bank of Nova Scotia	09/02/2011	09/02/2021	10,000,000	2.381	% 1-month U.S. Dollar LIBOR
			\$20,000,000		

## Effects of Leverage

As of November 30, 2015, we were obligated to pay the following rates on our outstanding Tortoise Notes, Tortoise Preferred Shares and unsecured revolving credit facility.

Title of Security	Aggregate Principal Amount/Liquidation Preference	Remaining Term of Rate Period	Interest/Dividend Rate per Annum	
Tortoise Notes:				
Series G	\$ 30,000,000	1.1 years through 12/21/16	5.85	%
Series I	\$ 10,000,000	2.4 years through 5/12/18	4.35	%
Series J	\$ 15,000,000	4.1 years through 12/19/19	3.30	%
Series K	\$ 10,000,000	7.1 years through 12/19/22	3.87	%
Series L	\$ 20,000,000	9.1 years through 12/19/24	3.99	%
Series M	\$ 13,000,000	1.8 years through 9/27/17	2.75	%
Series N	\$ 10,000,000	2.8 years through 9/27/18	3.15	%
Series O	\$ 15,000,000	4.8 years through 9/27/20	3.78	%
Series P	\$ 12,000,000	7.8 years through 9/27/23	4.39	%
Series Q <sup>(1)</sup>	\$ 10,000,000	3 months	1.68	%
Series R	\$ 25,000,000	6.2 years through 1/22/22	3.77	%
Series S	\$ 10,000,000	7.2 years through 1/22/23	3.99	%
Series T	\$ 25,000,000	8.2 years through 1/22/24	4.16	%
Series U <sup>(1)</sup>	\$ 35,000,000	3 months	1.67	%
Series W	\$ 12,500,000	0.5 years through 6/15/16	3.88	%
Series X	\$ 12,500,000	2.5 years through 6/15/18	4.55	%
Series Y	\$ 12,500,000	4.5 years through 6/14/20	2.77	%

Table of Contents

Series Z	\$ 12,500,000	5.5 years through 6/14/21	2.98 %
Series AA	\$ 10,000,000	9.5 years through 6/14/25	3.48 %
Series BB	\$ 12,000,000	1.8 years through 9/27/17	2.75 %
Series CC	\$ 15,000,000	3.8 years through 9/27/19	3.48 %
Series DD	\$ 13,000,000	6.8 years through 9/27/22	4.21 %
Series EE <sup>(1)</sup>	\$ 5,000,000	3 months	1.68 %
Series FF	\$ 10,000,000	8.0 years through 11/20/23	4.16 %
Series GG <sup>(2)</sup>	\$ 20,000,000	3 months	1.67 %
Series HH <sup>(2)</sup>	\$ 20,000,000	3 months	1.63 %
Series II	\$ 10,000,000	7.1 years through 12/18/2022	3.22 %
Series JJ	\$ 20,000,000	8.1 years through 12/18/2023	3.34 %
Series KK	\$ 10,000,000	10.1 years through 12/18/2025	3.53 %
Series LL	\$ 20,000,000	3 months	1.54 %
Series MM	\$ 30,000,000	3 months	1.59 %
Series NN	\$ 30,000,000	9.5 years through 6/14/2025	3.20 %
Series OO	\$ 30,000,000	10.4 years through 4/9/2026	3.27 %
Tortoise Preferred Shares:			
Series B MRP Shares	\$ 80,000,000	12.1 years through 12/31/27	4.375 %
Series C MRP Shares <sup>(3)</sup>	\$ 50,000,000	2.4 years through 5/1/18	3.950 %
Series D MRP Shares	\$ 85,000,000	6.1 years through 12/17/21	4.010 %
Series E MRP Shares	\$ 80,000,000	9.1 years through 12/17/24	4.340 %
Unsecured Revolving Credit Facility	\$ 6,000,000		1.44 %
Unsecured Revolving Credit Facility	\$ 60,000,000		1.44 %
	\$ 906,000,000		

(1) On December 18, 2015, the Company redeemed its Series Q Notes (\$10,000,000), Series EE Notes (\$5,000,000) and Series U Notes (\$35,000,000).

(2) On January 15, 2016, the Company redeemed its Series GG Notes (\$20,000,000) and Series HH Notes (\$20,000,000).

(3) On December 8, 2015, the Company deposited with its paying agent funds to provide for the redemption of its Series C MRP Shares in the amount of \$50,000,000.

Assuming that the distribution rates payable on the Tortoise Preferred Shares and the interest rates payable on the Tortoise Notes, unsecured revolving credit facilities and interest rate swap contracts remain as described above (an average annual cost of 3.60% based on the amount of leverage outstanding at November 30, 2015), the annual return that our portfolio must experience net of expenses, but excluding deferred and current taxes, in order to cover leverage costs would be 2.17%.

The following table is designed to illustrate the effect of the foregoing level 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	-26.65 %	-15.70 %	-4.75 %	6.20 %	17.15 %



### Table of Contents

Because we use leverage, the amount of the fees paid to the Adviser for investment advisory and management services are higher than if we did not use leverage because the fees paid are calculated based on our Managed Assets, which include assets purchased with leverage. Therefore, the Adviser has a financial incentive to use leverage, which creates a conflict of interest between the 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 — Additional Risks to Common Stockholders — Leverage Risk.”

## RISK FACTORS

Investing in any of our securities 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 any of our securities you should consider carefully the following risks, as well as any risk factors included in the applicable prospectus supplement.

### Company Risks

We are a non-diversified, closed-end management investment company 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 following are the general risks of investing in our securities that affect our ability to achieve our investment objective. The risks below could lower the returns and distributions on common stock and reduce the amount of cash and net assets available to make distribution payments on preferred stock and interest payments on debt securities.

**Capital Markets Volatility Risk.** Our capital structure and performance may be adversely impacted by weakness in the credit markets and stock market if such weakness results in declines in the value of MLPs in which we invest. If the value of our investments decline or remain volatile, there is a risk that we may be required to reduce outstanding leverage, which could adversely affect our stock price and ability to pay distributions at historical levels. A sustained economic slowdown may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect our ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth may be impacted by a slowdown in the capital markets. The performance of the MLP sector is dependent on several factors including the condition of the financial sector, the general economy and the commodity markets.

**Concentration Risk.** Under normal circumstances, we concentrate our investments in the energy infrastructure sector, with an emphasis on securities issued by MLPs. Risks inherent in the energy infrastructure business of these types of MLPs include the following:

Processing and coal MLPs may be directly affected by energy commodity prices. The volatility of commodity prices can indirectly affect certain other MLPs due to the impact of prices on volume of commodities transported, processed, stored or distributed. Pipeline MLPs are not subject to direct commodity price exposure because they do not own the underlying energy commodity. While propane MLPs do own the underlying energy commodity, the Adviser seeks high quality MLPs that are able to mitigate or manage direct margin exposure to commodity price levels. The MLP sector can be hurt by market perception that MLPs’ performance and distributions are directly tied to commodity prices.

The profitability of MLPs, particularly processing and pipeline MLPs, may be materially impacted by the volume of natural gas or other energy commodities available for transporting, processing, storing or distributing. A significant decrease in the production of natural gas, oil, coal or other energy commodities, due to a decline in production from existing facilities, import supply disruption, depressed commodity prices or otherwise, would reduce revenue and operating income of MLPs and, therefore, the ability of MLPs to make distributions to partners.

## Table of Contents

A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows. Factors that could lead to a decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products. Demand may also be adversely impacted by consumer sentiment with respect to global warming and/or by any state or federal legislation intended to promote the use of alternative energy sources, such as bio-fuels.

A portion of any one MLP's assets may be dedicated to natural gas reserves and other commodities that naturally deplete over time, which could have a materially adverse impact on an MLP's ability to make distributions. Often the MLPs depend upon exploration and development activities by third parties.

MLPs employ a variety of means of increasing cash flow, including increasing utilization of existing facilities, expanding operations through new construction, expanding operations through acquisitions, or securing additional long-term contracts. Thus, some MLPs may be subject to construction risk, acquisition risk or other risk factors arising from their specific business strategies. A significant slowdown in large energy companies' disposition of energy infrastructure assets and other merger and acquisition activity in the energy MLP industry could reduce the growth rate of cash flows we receive from MLPs that grow through acquisitions.

The profitability of MLPs could be adversely affected by changes in the regulatory environment. Most MLPs' assets are heavily regulated by federal and state governments in diverse matters, such as the way in which certain MLP assets are constructed, maintained and operated and the prices MLPs may charge for their services. Such regulation can change over time in scope and intensity. For example, a particular byproduct of an MLP process may be declared hazardous by a regulatory agency and unexpectedly increase production costs. Moreover, many state and federal environmental laws provide for civil as well as regulatory remediation, thus adding to the potential exposure an MLP may face.

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 significant additional costs. 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. 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 could be adversely affected. In addition, energy companies may be responsible for environmentally-related liabilities, including any on-site liabilities associated with the environmental condition of facilities that it has acquired, leased or developed, or liabilities from associated activities, regardless of when the liabilities arose and whether they are known or unknown.

Increased regulatory scrutiny of hydraulic fracturing could result in additional laws and regulations or, potentially, prohibit the action. Hydraulic fracturing is a common practice used by energy companies to stimulate production of natural gas and/or crude oil from unconventional reservoirs. The process involves the injection of water, sand, and additives under pressure into a targeted subsurface formation. The water and pressure create fractures in the rock formations, which are held open by the grains of sand, enabling the crude oil or natural gas to flow to the wellbore. Increased regulatory scrutiny of disposal wastewater, which is a byproduct of hydraulic fracturing and production of unconventional reserves and must be disposed, could result in additional laws or regulations governing such disposal

activities.

37

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## Table of Contents

While we are not able to predict the likelihood of such an event or its impact, it is possible that additional restrictions on hydraulic fracturing or wastewater disposal could result in a reduction in production of crude oil, natural gas and natural gas liquids. The use of hydraulic fracturing is critical to the recovery of economic amounts of crude oil, natural gas and natural gas liquids from unconventional reserves, and the associated wastewater must be disposed. Midstream MLPs have increasingly focused on the construction of midstream assets to facilitate the development of unconventional reservoirs. As a result, restrictions on hydraulic fracturing or wastewater disposal could have an adverse impact on the financial performance of midstream MLPs.

Natural risks, such as earthquakes, floods, lightning, hurricanes, tsunamis, tornadoes and wind, are inherent risks in energy infrastructure company operations. For example, extreme weather patterns, such as Hurricane Ivan in 2004 and Hurricanes Katrina and Rita in 2005, the Tohoku earthquake and resulting tsunami in Japan in 2011, 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 companies in the energy infrastructure industry.

A rising interest rate environment could adversely impact the performance of MLPs. Rising interest rates could limit the capital appreciation of equity units of MLPs as a result of the increased availability of alternative investments at competitive yields with MLPs. Rising interest rates also may increase an MLP's cost of capital. A higher cost of capital could limit growth from acquisition/expansion projects and limit MLP distribution growth rates.

Since the September 11, 2001 attacks, the U.S. Government has issued public warnings indicating that energy assets, specifically those related to pipeline infrastructure, production facilities and transmission and distribution facilities, might be specific targets of terrorist activity. The continued threat of terrorism and related military activity likely will increase volatility for prices in natural gas and oil and could affect the market for products of MLPs.

Holders of MLP units are subject to certain risks inherent in the partnership structure of MLPs including (1) tax risks (described below), (2) limited ability to elect or remove management, (3) limited voting rights, except with respect to extraordinary transactions, and (4) conflicts of interest of the general partner, including those arising from incentive distribution payments.

**Industry Specific Risk.** Energy infrastructure companies also are subject to risks specific to the industry they serve.

Pipeline MLPs are subject to demand for crude oil or refined products in the markets served by the pipeline, 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. 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. Pipeline MLP unit prices are primarily driven by distribution growth rates and prospects for distribution growth. Pipeline MLPs are subject to regulation by FERC with respect to tariff rates these companies may charge for pipeline transportation services. An adverse determination by FERC with respect to the tariff rates of a pipeline MLP could have a material adverse effect on the business, financial condition, results of operations and cash flows of that pipeline MLP and its ability to make cash distributions to its equity owners. Certain MLPs regulated by the FERC have the right, but are not obligated, to redeem all of their common units held by an investor who is not subject to U.S. federal income taxation at market value, with the purchase price payable in cash or via a three-year interest-bearing promissory note. In the event any MLP in which we invest undertakes a redemption of their common units, the financial condition and results of operation of such MLP could be adversely impacted.

Processing MLPs 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 or crude oil refining, which curtails production due to lack of drilling activity and declines in the prices of natural gas liquids products and natural gas prices,



resulting in lower processing margins.

38

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### Table of Contents

Propane MLPs 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 MLP unit prices are based on safety in distribution coverage ratios, interest rate environment and, to a lesser extent, distribution growth.

Coal MLPs are subject to demand variability based on favorable weather conditions, strong or weak domestic economy, the level of coal stockpiles in the customer base, and the general level of prices of competing sources of fuel for electric generation. They also are subject to supply variability based on the geological conditions that reduce productivity of mining operations, regulatory permits for mining activities and the availability of coal that meets Clean Air Act standards. Demand and prices for coal may also be impacted by current and proposed laws, regulations and/or trends, at the federal, state or local levels, to impose limitations on chemical emissions from coal-fired power plants and other coal end-users. Any such limitations may reduce the demand for coal produced, transported or delivered by coal MLPs.

Marine shipping MLPs are subject to the demand for, and the level of consumption of, refined petroleum products, crude oil or natural gas in the markets served by the marine shipping MLPs, which in turn could affect the demand for tank vessel capacity and charter rates. These MLPs' vessels and their cargoes are also subject to the risks of being damaged or lost due to marine disasters, bad weather, mechanical failures, grounding, fire, explosions and collisions, human error, piracy, and war and terrorism.

**MLP Risk.** We invest primarily in equity securities of MLPs. As a result, we are subject to the risks associated with an investment in MLPs, including cash flow risk, tax risk, deferred tax risk and capital markets risk, as described in more detail below.

**Cash Flow Risk.** We derive substantially all of our cash flow from investments in equity securities of MLPs. The amount of cash that we have available to pay or distribute to holders of our securities depends entirely on the ability of MLPs whose securities we hold to make distributions to their partners and the tax character of those distributions. We have no control over the actions of underlying MLPs. The amount of cash that each individual MLP can distribute to its partners will depend on the amount of cash it generates from operations, which will vary from quarter to quarter depending on factors affecting the energy infrastructure market generally and on factors affecting the particular business lines of the MLP. Available cash will also depend on the MLPs' level of operating costs (including incentive distributions to the general partner), level of capital expenditures, debt service requirements, acquisition costs (if any), fluctuations in working capital needs and other factors.

**Tax Risk of MLPs.** Our ability to meet our investment objective will depend on the level of taxable income, dividends and distributions we receive from the MLPs and other securities of energy infrastructure companies in which we invest, a factor over which we have no control. The benefit we derive from our investment in MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. If, as a result of a change in current law or a change in an MLP's business, an MLP were treated as a corporation for federal income tax purposes, the MLP would be obligated to pay federal income tax on its income at the corporate tax rate. If an MLP were classified as a corporation for federal income tax purposes, the amount of cash available for distribution would be reduced and the distributions we receive might be taxed entirely as dividend income. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect our ability to meet our investment objective and would reduce the amount of cash available to pay or distribute to holders of our securities.

Deferred Tax Risks of MLPs. As a limited partner in the MLPs in which we invest, we will receive a pro rata share of income, gains, losses and deductions from those MLPs. Historically, a significant portion of income from such MLPs has been offset by tax deductions. We will incur a current tax liability on that portion of an MLP's income and gains that is not offset by tax deductions and losses. The percentage of an MLP's income and gains which is offset by tax deductions and losses will fluctuate over time for various reasons. A significant slowdown in acquisition activity by MLPs held in our portfolio could result in a reduction of accelerated depreciation generated by new acquisitions, which may result in increased current income tax liability to us.

## Table of Contents

We will accrue deferred income taxes for any future tax liability associated with that portion of MLP distributions considered to be a tax-deferred return of capital as well as capital appreciation of our investments. Upon the sale of an MLP security, we may be liable for previously deferred taxes. We will rely to some extent on information provided by the MLPs, which is not necessarily timely, to estimate deferred tax liability for purposes of financial statement reporting and determining our NAV. From time to time we will modify our estimates or assumptions regarding our deferred tax liability as new information becomes available.

**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. In volatile times, 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, 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 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.

In 2010, several European Union (“EU”) countries, including Greece, Ireland, Italy, Spain, and Portugal, began to face budget issues, some of which may have negative long-term effects for the economies of those countries and other EU countries. There is continued concern about national-level support for the euro and the accompanying coordination of fiscal and wage policy among European Economic and Monetary Union member countries. A return to unfavorable economic conditions could impair our ability to achieve our investment objective. In addition, the events surrounding the recent negotiations regarding the U.S. federal government debt ceiling and the resulting agreement could adversely affect us. In 2011, S&P lowered its long-term sovereign credit rating on the U.S. federal government debt to “AA+” from “AAA.” We cannot predict the effects of these or similar events in the future on the U.S. economy and securities markets or on our portfolio.

**Equity Securities Risk.** MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer’s financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of DCF). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including size, earnings power, coverage ratios and characteristics and features of different classes of securities.

Investing in securities of smaller companies may involve greater risk than is associated with investing in more established companies. Companies with smaller capitalization may have limited product lines, markets or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than larger more established companies.



### Table of Contents

Because MLP convertible subordinated units generally convert to common units on a one-to-one ratio, the price that we can be expected to pay upon purchase or to realize upon resale is generally tied to the common unit price less a discount. The size of the discount varies depending on a variety of factors including the likelihood of conversion, and the length of time remaining to conversion, and the size of the block purchased.

The price of I-Shares and their volatility tend to be correlated to the price of common units, although the price correlation is not precise.

**Hedging Strategy Risk.** We may use interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. There is no assurance that the interest rate hedging transactions into which we 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.

Interest rate transactions that we may use for hedging purposes will expose us to certain risks that differ from the risks associated with our portfolio holdings. There are economic costs of hedging reflected in the price of interest rate swaps, floors, caps and similar techniques, the costs of which can be significant, particularly when long-term interest rates are substantially above short-term rates. In addition, our success in using hedging instruments is subject to the Adviser's ability to predict correctly changes in the relationships of such hedging instruments to our leverage risk, and there can be no assurance that the Adviser's judgment in this respect will be accurate. Consequently, the use of hedging transactions might result in a poorer overall performance, whether or not adjusted for risk, than if we had not engaged in such transactions.

Depending on the state of interest rates in general, our use of interest rate transactions could enhance or decrease the cash available to us for payment of distributions or interest, as the case may be. To the extent there is a decline in interest rates, the value of interest rate swaps or caps could decline, and result in a decline in our net assets. In addition, if the counterparty to an interest rate transaction defaults, we would not be able to use the anticipated net receipts under the interest rate swap or cap to offset our cost of financial leverage.

**Competition Risk.** At the time we completed our initial public offering in February 2004, we were the only publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. Since that time a number of alternatives to us as vehicles for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, have emerged. In addition, federal income tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact our ability to meet our investment objective, which in turn could adversely impact our ability to make interest or distribution payments.

**Restricted Security Risk.** We may invest up to 30% of total assets in restricted securities, primarily through direct placements. Restricted securities 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. As discussed further below, this lack of liquidity creates special risks for us. However, we could sell such securities in privately negotiated transactions with a limited number of purchasers or in public offerings under the 1933 Act. MLP convertible subordinated units convert to publicly-traded common units upon the passage of time and/or satisfaction of certain financial tests. Although the means by which convertible subordinated units convert into senior common units depend on a security's specific terms, MLP convertible subordinated units typically are exchanged for common shares.

Restricted securities are subject to statutory and contractual restrictions on their public resale, which may make it more difficult to value them, may limit our ability to dispose of them and may lower the amount we could realize upon their sale. To enable us to sell our holdings of a restricted security not registered under the 1933 Act, we may

have to cause those securities to be registered. The expenses of registering restricted securities may be negotiated by us with the issuer at the time we buy the securities. When we must arrange registration because we wish to sell the security, a considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that we could sell it. We would bear the risks of any downward price fluctuation during that period.

### Table of Contents

**Liquidity Risk.** Although common units of MLPs trade on the NYSE, NYSE MKT LLC (formerly known as AMEX), and the NASDAQ National Market, certain MLP securities may trade less frequently than those of larger companies due to their smaller capitalizations. In the event certain MLP securities experience limited trading volumes, the prices of such MLPs may display abrupt or erratic movements at times. Additionally, 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 dispose of at a fair 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 dispose of securities. This also may affect adversely our ability to make required interest payments on the debt securities and distributions on the preferred stock, to redeem such securities, or to meet asset coverage requirements.

**Valuation Risk.** Market prices generally will not be available for MLP convertible subordinated units, or securities of private companies, and the value of such investments ordinarily will be determined based on fair valuations determined by the Adviser pursuant to procedures adopted by the Board of Directors. Similarly, common units acquired through direct placements will be valued based on fair value determinations because of their restricted nature; however, the Adviser expects that such values will be based on a discount from publicly available market prices. Restrictions on resale or the absence of a liquid secondary market may adversely affect our ability to determine our NAV. The sale price of securities that are not readily marketable may be lower or higher than our most recent determination of their fair value. Additionally, the value of these securities typically requires more reliance on the judgment of the Adviser than that required for securities for which there is an active trading market. Due to the difficulty in valuing these securities and the absence of an active trading market for these investments, we may not be able to realize these securities' true value, or may have to delay their sale in order to do so. This may affect adversely our ability to make required interest payments on the debt securities and distributions on the preferred stock, to redeem such securities, or to meet asset coverage requirements.

**Nondiversification Risk.** We are a nondiversified, closed-end management investment company under the 1940 Act and are not treated as a regulated investment company under the Internal Revenue Code. Accordingly, there are no regulatory limits under the 1940 Act or the Internal Revenue Code on the number or size of securities that we hold and we may invest more assets in fewer issuers as compared to a diversified fund. As of December 31, 2015, there were approximately 142 companies organized as MLPs and only about 122 of those companies operate energy infrastructure assets. We select MLP investments from this small pool of issuers. We may invest in non-MLP securities issued by energy infrastructure companies to a lesser degree, consistent with our investment objective and policies.

**Tax Risk.** Because we are treated as a corporation for federal income tax purposes, our financial statements reflect deferred tax assets or liabilities according to generally accepted accounting principles. Deferred tax assets may constitute a relatively high percentage of NAV. Realization of deferred tax assets including net operating loss and capital loss carryforwards, are dependent, in part, on generating sufficient taxable income of the appropriate character prior to expiration of the loss carryforwards. In addition, a substantial change in our ownership may limit our ability to utilize our loss carryforwards. Unexpected significant decreases in MLP cash distributions or significant declines in the fair value of our MLP investments, among other factors, may change our assessment regarding the recoverability of deferred tax assets and would likely result in a valuation allowance, or recording of a larger allowance. If a valuation allowance is required to reduce the deferred tax asset in the future, it could have a material impact on our NAV and results of operations in the period it is recorded. Conversely, in periods of generally increasing MLP prices, we will accrue a deferred tax liability to the extent the fair value of our assets exceeds our tax basis. We may incur significant tax liability during periods in which gains on MLP investments are realized.

**Interest Rate Risk.** Generally, when market interest rates rise, the values of debt securities decline, and vice versa. Our investment in such securities means that the NAV and market price of our common stock will tend to decline if market interest rates rise. During periods of declining interest rates, the issuer of a security may exercise its option to

prepay principal earlier than scheduled, forcing us to reinvest in lower yielding securities. This is known as call or prepayment risk. Lower grade securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem a lower grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.



## Table of Contents

**Below Investment Grade Securities Risk.** Investing in below investment grade debt instruments (commonly referred to as “junk bonds”) involves additional risks than investment grade securities. Adverse changes in economic conditions are more likely to lead to a weakened capacity of a below investment grade issuer to make principal payments and interest payments than an investment grade issuer. An economic downturn could adversely affect the ability of highly leveraged issuers to service their obligations or to repay their obligations upon maturity. Similarly, downturns in profitability in the energy infrastructure industry could adversely affect the ability of below investment grade issuers in that industry to meet their obligations. The market values of lower quality securities tend to reflect individual developments of the issuer to a greater extent than do higher quality securities, which react primarily to fluctuations in the general level of interest rates.

The secondary market for below investment grade securities may not be as liquid as the secondary market for more highly rated securities. There are fewer dealers in the market for below investment grade securities than investment grade obligations. The prices quoted by different dealers may vary significantly, and the spread between the bid and asked price is generally much larger than for higher quality instruments. Under adverse market or economic conditions, the secondary market for below investment grade securities could contract further, independent of any specific adverse change in the condition of a particular issuer, and these instruments may become illiquid. As a result, it may be more difficult to sell these securities or we may be able to sell the securities only at prices lower than if such securities were widely traded. This may affect adversely our ability to make required distribution or interest payments on our outstanding senior securities. Prices realized upon the sale of such lower-rated or unrated securities, under these circumstances, may be less than the prices used in calculating our NAV.

Because investors generally perceive that there are greater risks associated with lower quality securities of the type in which we may invest a portion of our assets, the yields and prices of such securities may tend to fluctuate more than those for higher rated securities. In the lower quality segments of the debt securities market, changes in perceptions of issuers’ creditworthiness tend to occur more frequently and in a more pronounced manner than do changes in higher quality segments of the debt securities market, resulting in greater yield and price volatility.

Factors having an adverse impact on the market value of below investment grade securities may have an adverse effect on our NAV and the market value of our common stock. In addition, we may incur additional expenses to the extent we are required to seek recovery upon a default in payment of principal or interest on our portfolio holdings. In certain circumstances, we may be required to foreclose on an issuer’s assets and take possession of its property or operations. In such circumstances, we would incur additional costs in disposing of such assets and potential liabilities from operating any business acquired.

**Counterparty Risk.** We may be subject to credit risk with respect to the counterparties to certain derivative agreements entered into by us. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, we may experience significant delays in obtaining any recovery under the derivative contract in a bankruptcy or other reorganization proceeding. We may obtain only a limited recovery or may obtain no recovery in such circumstances.

**Effects of Terrorism.** 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. Cyber hacking could also cause significant disruption and harm to energy infrastructure companies. The U.S. government has issued warnings that energy assets 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 energy infrastructure industry and markets. Such events may also adversely affect our business and financial condition.

Anti-Takeover Provisions. Our Charter and Bylaws include provisions that could delay, defer or prevent other entities or persons from acquiring control of us, causing us to engage in certain transactions or modifying our structure. These provisions may be regarded as “anti-takeover” provisions. Such provisions could limit the ability of common stockholders to sell their shares at a premium over the then-current market prices by discouraging a third party from seeking to obtain control of us. See “Certain Provisions in the Company’s Charter and Bylaws.”

Management Risk. Our Adviser was formed in 2002 to provide portfolio management to institutional and high-net worth investors seeking professional management of their MLP investments. Our Adviser has been managing our portfolio since we began operations. As of June 30, 2015, our Adviser had client assets under management of approximately \$17.0 billion. To the extent that the Adviser’s assets under management continue to grow, the Adviser may have to hire additional personnel and, to the extent it is unable to hire qualified individuals, its operations may be adversely affected.

Table of Contents

Additional Risks to Common Stockholders

**Leverage Risk.** Our use of leverage through the issuance of Tortoise Preferred Shares and Tortoise Notes along with the issuance of any additional preferred stock or debt securities, and any additional borrowings or other transactions involving indebtedness (other than for temporary or emergency purposes) are or would be considered “senior securities” for purposes of the 1940 Act and create risks. Leverage is a speculative technique that may adversely affect common stockholders. If the return on securities acquired with borrowed funds or other leverage proceeds does not exceed the cost of the leverage, the use of leverage could cause us to lose money. Successful use of leverage depends on the Adviser’s ability to predict or hedge correctly interest rates and market movements, and there is no assurance that the use of a leveraging strategy will be successful during any period in which it is used. Because the fee paid to the Adviser will be calculated on the basis of Managed Assets, the fees will increase when leverage is utilized, giving the Adviser an incentive to utilize leverage.

Our issuance of senior securities involves offering expenses and other costs, including interest payments, which are borne indirectly by our common stockholders. Fluctuations in interest rates could increase interest or distribution payments on our senior securities, and could reduce cash available for distributions on common stock. Increased operating costs, including the financing cost associated with any leverage, may reduce our total return to common stockholders.

The 1940 Act and/or the rating agency guidelines applicable to senior securities impose asset coverage requirements, distribution limitations, voting right requirements (in the case of the senior equity securities), and restrictions on our portfolio composition and our use of certain investment techniques and strategies. The terms of any senior securities or other borrowings may impose additional requirements, restrictions and limitations that are more stringent than those currently required by the 1940 Act, and the guidelines of the rating agencies that rate outstanding senior securities. These requirements may have an adverse effect on us and may affect our ability to pay distributions on common stock and preferred stock. To the extent necessary, we intend to redeem our senior securities to maintain the required asset coverage. Doing so may require that we liquidate portfolio securities at a time when it would not otherwise be desirable to do so. Nevertheless, it is not anticipated that the 1940 Act requirements, the terms of any senior securities or the rating agency guidelines will impede the Adviser in managing our portfolio in accordance with our investment objective and policies. See “Leverage — Use of Leverage.”

**Market Impact Risk.** The sale of our common stock (or the perception that such sales may occur) may have an adverse effect on prices in the secondary market for our common stock. An increase in the number of common shares available may put downward pressure on the market price for our common stock.

**Dilution Risk.** The voting power of current stockholders will be diluted to the extent that current stockholders do not purchase shares in any future common stock offerings or do not purchase sufficient shares to maintain their percentage interest.

If we are unable to invest the proceeds of such offering as intended, our per share distribution may decrease and we may not participate in market advances to the same extent as if such proceeds were fully invested as planned.

**Market Discount Risk.** Our common stock has traded both at a premium and at a discount in relation to NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV. Shares of closed-end investment companies frequently trade at a discount from NAV, but in some cases have traded above NAV. Continued development of alternatives as a vehicle for investment in MLP securities may contribute to reducing or eliminating any premium or may result in our shares trading at a discount. The risk of the shares of common stock trading at a discount is a risk separate from the risk of a decline in our NAV as a result of investment activities. Our NAV will be reduced immediately following an offering of our common or preferred stock, due to the offering costs for such stock, which are borne entirely by us. Although we also bear the offering costs of debt securities, such costs

are amortized over time and therefore do not impact our NAV immediately following an offering.

Whether stockholders will realize a gain or loss for federal income tax purposes upon the sale of our common stock depends upon whether the market value of the common shares at the time of sale is above or below the stockholder's basis in such shares, taking into account transaction costs, and is not directly dependent upon our NAV. Because the market value of our common stock will be determined by factors such as the relative demand for and supply of the shares in the market, general market conditions and other factors beyond our control, we cannot predict whether our common stock will trade at, below or above NAV, or at, below or above the public offering price for common stock.

Table of Contents

Additional Risks to Senior Security Holders

Generally, an investment in preferred stock or debt securities (collectively, “senior securities”) is subject to the following risks:

**Interest Rate Risk.** Distributions and interest payable on our senior securities are subject to interest rate risk. To the extent that distributions or interest on such securities are based on short-term rates, our leverage costs may rise so that the amount of distributions or interest due to holders of senior securities would exceed the cash flow generated by our portfolio securities. To the extent that our leverage costs are fixed, our leverage costs may increase when our senior securities mature. This might require that we sell portfolio securities at a time when we would otherwise not do so, which may adversely affect our future ability to generate cash flow. In addition, rising market interest rates could negatively impact the value of our investment portfolio, reducing the amount of assets serving as asset coverage for senior securities.

**Senior Leverage Risk.** Preferred stock will be junior in liquidation and with respect to distribution rights to debt securities and any other borrowings. Senior securities representing indebtedness may constitute a substantial lien and burden on preferred stock by reason of their prior claim against our income and against our net assets in liquidation. We may not be permitted to declare distributions or other distributions with respect to any series of preferred stock unless at such time we meet applicable asset coverage requirements and the payment of principal or interest is not in default with respect to the Tortoise Notes or any other borrowings.

Our debt securities, upon issuance, are expected to be unsecured obligations and, upon our liquidation, dissolution or winding up, will rank: (1) senior to all of our outstanding common stock and any outstanding preferred stock; (2) on a parity with any of our unsecured creditors and any unsecured senior securities representing our indebtedness; and (3) junior to any of our secured creditors. Secured creditors of ours may include, without limitation, parties entering into interest rate swap, floor or cap transactions, or other similar transactions with us that create liens, pledges, charges, security interests, security agreements or other encumbrances on our assets.

**Ratings and Asset Coverage Risk.** To the extent that senior securities are rated, a rating does not eliminate or necessarily mitigate the risks of investing in our senior securities, and a rating may not fully or accurately reflect all of the credit and market risks associated with a security. A rating agency could downgrade the rating of our shares of preferred stock or debt securities, which may make such securities less liquid in the secondary market, though probably with higher resulting interest rates. If a rating agency downgrades, or indicates a potential downgrade to, the rating assigned to a senior security, we may alter our portfolio or redeem some senior securities. We may voluntarily redeem a senior security under certain circumstances to the extent permitted by its governing documents.

**Inflation Risk.** Inflation is the reduction in the purchasing power of money resulting from an increase in the price of goods and services. Inflation risk is the risk that the inflation adjusted or “real” value of an investment in preferred stock or debt securities or the income from that investment will be worth less in the future. As inflation occurs, the real value of the preferred stock or debt securities and the distributions or interest payable to holders of preferred stock or interest payable to holders of debt securities declines.

**Decline in Net Asset Value Risk.** A material decline in our NAV may impair our ability to maintain required levels of asset coverage for our preferred stock or debt securities.

Table of Contents

MANAGEMENT OF THE COMPANY

Directors and Officers

Our business and affairs are managed under the direction of our Board of Directors. Accordingly, our Board of Directors provides broad supervision over our affairs, including supervision of the duties performed by the Adviser. Our officers are responsible for our day-to-day operations. The names and business addresses of our directors and officers, together with their principal occupations and other affiliations during the past five years, are set forth in the statement of additional information. Each director and officer will hold office until his successor is duly elected and qualified, or until he resigns or is removed in the manner provided by law. Unless otherwise indicated, the address of each director and officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211. The Board of Directors consists of a majority of directors who are not interested persons (as defined in the 1940 Act) of the Adviser or its affiliates.

Investment Adviser

Pursuant to an advisory agreement, the Adviser provides us with investment research and advice and furnishes us with an investment program consistent with our investment objective and policies, subject to the supervision of the Board. The Adviser determines which portfolio securities will be purchased or sold, arranges for the placing of orders for the purchase or sale of portfolio securities, selects brokers or dealers to place those orders, maintains books and records with respect to our securities transactions and reports to the Board on our investments and performance.

The Adviser is located at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. The Adviser specializes in managing portfolios of investments in MLPs and other energy companies. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high-net worth investors seeking professional management of their MLP investments. As of December 31, 2015, the Adviser had approximately \$13.2 billion of client assets under management. The Adviser's investment committee is comprised of eight portfolio managers.

The Adviser also serves as investment adviser to Tortoise Power and Energy Infrastructure Fund, Inc. ("TPZ"), Tortoise MLP Fund, Inc. ("NTG"), Tortoise Pipeline & Energy Fund, Inc. ("TTP") and Tortoise Energy Independence Fund, Inc. ("NDP"), which are nondiversified, closed-end investment management companies, open-end funds, private funds and separately managed accounts that invest in MLPs. TPZ, which commenced operations on July 31, 2009, invests in a portfolio consisting primarily of securities issued by power and energy infrastructure companies. NTG, which commenced operations on July 30, 2010, invests primarily in energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs. TTP, which commenced operations on October 31, 2011, invests primarily in pipeline companies that engage in the business of transporting natural gas, natural gas liquids, crude oil and refined products and to a lesser extent, on other energy infrastructure companies. NDP, which commenced operations on July 31, 2012, invests primarily in equity securities of companies that provide access to North American oil and gas production growth. To the extent certain MLP securities or other energy infrastructure company securities meet our investment objective and the objectives of other investment companies or accounts managed by the Adviser, we may compete with such companies or accounts for the same investment opportunities.

Our Adviser is wholly-owned by Tortoise Investments, LLC ("Tortoise Investments"), a holding company. Employees under the Tortoise Investments family, including the Members of our Adviser's investment committee, hold a minority interest in Tortoise Investments, and Montage Investments, LLC ("Montage Investments"), a registered investment adviser, owns a majority interest in Tortoise Investments. Our Adviser's investment committee members, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack, Brian A. Kessens, James R. Mick, Matthew G.P. Sallee and Robert J. Thummel, Jr., have entered into services agreements with our Adviser that have a one-year initial term, as well as one-year automatic renewals under normal circumstances.

As of January 31, 2016, our Adviser had 68 employees, including the eight members of our investment committee.

The investment management of our portfolio is the responsibility of our Adviser's investment committee consisting of H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack, Brian A. Kessens, James R. Mick, Matthew G.P. Sallee and Robert J. Thummel, Jr. The investment committee provides investment strategy oversight to the portfolio management team who implements the strategy. Messrs. Birzer, Hamel, Malvey and Matlack have served as members of the Investment Committee since 2002. Messrs. Kessens, Mick, Sallee and Thummel, have been involved in managing TYG since July 2013, and have served as a member of the Investment committee since June 30, 2015. While responsibility for monitoring, review, and analysis of individual securities is spread among various individual members of the portfolio management team, all portfolio management decisions and reviews are based on a team approach. Each of Messrs. Birzer, Hamel, Malvey and Matlack has been a portfolio manager since we commenced operations in 2004 and have been members of our Adviser's investment committee since 2002. The remaining portfolio managers, Messrs. Kessens, Mick, Sallee and Thummel, have been involved with managing our portfolio since July 2013 and have been members of our Adviser's investment committee since June 30, 2015.

Table of Contents

H. Kevin Birzer. Mr. Birzer has been a Managing Director and member of the Investment Committee of our Adviser since 2002. Mr. Birzer, Chief Executive Officer of our Adviser, has served as a Director and Chairman of our Board since our inception, as a Director and Chairman of the Board of each of TPZ, NTG, TTP and NDP since its inception, of each of Tortoise Energy Capital Corporation (“TYE”) and Tortoise North American Energy Corporation (“TYN”) from its inception until its merger into TYG effective June 23, 2014, and of Tortoise Capital Resources Corporation (“TTC”), which changed its name to CorEnergy Infrastructure Trust, Inc. on December 3, 2012 (“CORR”), from its inception through November 2011. Mr. Birzer, who was a member in Fountain Capital Management, L.L.C. (“Fountain Capital”), a registered investment adviser, from 1990 to May 2009, has 33 years of investment experience. Mr. Birzer graduated with a Bachelor of Business Administration degree from the University of Notre Dame and holds a Master of Business Administration degree from New York University. He earned his CFA designation in 1988.

Zachary A. Hamel. Mr. Hamel has been a Managing Director and member of the Investment Committee of our Adviser since 2002 and was a Partner with Fountain Capital from 2001 through September 2012. Mr. Hamel served as our President from 2010 to June 30, 2015, President of TPZ from May 2011 to June 30, 2015, President of NTG from 2010 to June 30, 2015, President of each of TTP and NDP from its inception to June 30, 2015, and President of TYE from May 2011 to June 23, 2014. Mr. Hamel was our Senior Vice President from 2007 to May 2011 and Senior Vice President of TYE from 2005 to May 2011, of TTC from its inception through November 2011, of TPZ from its inception to May 2011 and of TYN from 2007 to June 23, 2014. Mr. Hamel graduated from Kansas State University with a Bachelor of Science in Business Administration. He also attained a Master in Business Administration from the University of Kansas School of Business. He earned his CFA designation in 1998.

Kenneth P. Malvey. Mr. Malvey has been a Managing Director and member of the Investment Committee of our Adviser since 2002 and was a Partner with Fountain Capital from 2004 through September 2012. Mr. Malvey served as our Senior Vice President from April 2007 to June 30, 2015 and as Senior Vice President of each of TPZ, NTG, TTP and NDP from its inception to June 30, 2015, of TYE from 2005 to June 23, 2014, and of TYN from 2007 to June 23, 2014. Mr. Malvey was Senior Vice President of TTC from 2005 through November 2011. Mr. Malvey served as our Treasurer from 2005 to June 30, 2015, and Treasurer of each of TPZ, NTG, TTP and NDP from its inception to June 30, 2015 and of each of TYE and TYN from 2005 to June 23, 2014. Mr. Malvey served as Treasurer of TTC from 2005 through November 2011. Mr. Malvey graduated with a Bachelor of Science degree in Finance from Winona State University, Winona, Minnesota. He earned his CFA designation in 1996.

Terry C. Matlack. Mr. Matlack has been a Managing Director and member of the Investment Committee of our Adviser since 2002 and also served as our Chief Executive Officer and Chief Executive Officer of TPZ from May 2011 to June 30, 2015, of NTG from 2010 to June 30, 2015, of each of TTP and NDP from its inception to June 30, 2015, and of each of TYE and TYN from May 2011 to June 23, 2014. Mr. Matlack was a Director of ours and each of TYE, TYN, TPZ and TTC from its inception to September 2009. Mr. Matlack has served as our Director and as Director of each of TPZ, NTG, TTP and NDP since November 12, 2012 and of TYE and TYN from November 12, 2012 to June 23, 2014. Mr. Matlack served as our Chief Financial Officer and Chief Financial Officer of each of TYE, TYN and TPZ from inception to May 2011. Mr. Matlack served as Chief Financial Officer of TTC from its inception to June 2012. Mr. Matlack graduated with a Bachelor of Science in Business Administration from Kansas State University and holds a Masters of Business Administration and a Juris Doctorate from the University of Kansas. He earned his CFA designation in 1985.

Brian A. Kessens. Mr. Kessens joined the Adviser in 2008. He has been a portfolio manager of the Adviser since July 2013, a Managing Director of the Adviser since January 2015, and a member of the Investment Committee of our Adviser since June 30, 2015. He was a senior investment analyst of the Adviser from June 2012 to July 2013, and an investment analyst from 2008 to June 2012. Previously, from 2004 to 2008, he was a vice president in Citigroup’s global energy investment banking practice. Prior to Citigroup, he served from 1997 to 2002 as a field artillery officer in the United States Army. Mr. Kessens earned a Master of Business Administration from Columbia Business School in New York and a Bachelor of Science in economics from the United States Military Academy at West Point. He



earned his CFA designation in 2006.

47

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## Table of Contents

James R. Mick. Mr. Mick joined the Adviser in 2006. He has been a portfolio manager of the Adviser since July 2013, a Managing Director of the Adviser since January 2014, and a member of the Investment Committee of our Adviser since June 30, 2015. He was a senior investment analyst of the Adviser from June 2012 to July 2013, an investment analyst from 2011 to June 2012, and a research analyst from 2006 to 2011. Previously, he was a senior finance specialist at General Electric Insurance Solutions (now Swiss Re) from 2003 to 2006 and a senior auditor at Ernst & Young from 2000 to 2003. Mr. Mick earned Bachelor of Science degrees in business administration and accounting and a Master of Accounting and Information Systems degree from the University of Kansas. He earned his CFA designation in 2010.

Matthew G.P. Sallee. Mr. Sallee joined the Adviser in 2005. He has been a portfolio manager of the Adviser since July 2013, a Managing Director of the Adviser since January 2014, and a member of the Investment Committee of our Adviser since June 30, 2015. He was a senior investment analyst of the Adviser from June 2012 to July 2013, an investment analyst from 2009 to June 2012, and a research analyst from 2005 to 2009. Previously, he served for five years (from 2000 to 2005) as a senior financial analyst with Aquila, Inc., where he was responsible for analysis of capital allocation at the firm's communications infrastructure subsidiary, Everest Connections. Mr. Sallee graduated magna cum laude from the University of Missouri with a degree in business administration. He earned his CFA designation in 2009.

Robert J. Thummel, Jr. Mr. Thummel joined the Adviser in 2004. He has been a portfolio manager of the Adviser since July 2013, a Managing Director of the Adviser since January 2014, and a member of the Investment Committee of our Adviser since June 30, 2015. He was a senior investment analyst of the Adviser from June 2012 to July 2013, and an investment analyst from 2004 to June 2012. Mr. Thummel was previously the president of TYN from 2008 until the fund was merged into the Company in June 2014. Previously, he was director of finance at KLT Inc., a subsidiary of Great Plains Energy, from 1998 to 2004 and a senior auditor at Ernst & Young from 1995 to 1998. Mr. Thummel earned a Bachelor of Science in accounting from Kansas State University and a Master of Business Administration degree from the University of Kansas.

The statement of additional information provides additional information about the compensation structure of, the other accounts managed by, and the ownership of our securities by the portfolio managers listed above.

## Compensation and Expenses

Under the advisory agreement, we pay the Adviser quarterly, as compensation for the services rendered by it, a fee equal on an annual basis to 0.95% of our average monthly Managed Assets up to \$2,500,000,000, 0.90% of our average monthly Managed Assets between \$2,500,000,000 and \$3,500,000,000, and 0.85% of our average monthly Managed Assets above \$3,500,000,000. Managed Assets means our total assets (including any assets attributable to leverage that may be outstanding but excluding any net deferred tax assets) minus accrued liabilities other than (1) deferred tax liability, (2) debt entered into for the purpose of leverage and (3) the aggregate liquidation preference of any outstanding preferred stock. Our Adviser does not charge an advisory fee based on net deferred tax assets. Because the fee paid to the Adviser is determined on the basis of our Managed Assets, the Adviser's interest in determining whether we should incur additional leverage will conflict with our interests. Because deferred taxes are not taken into account in calculating Managed Assets, the Adviser may have an incentive to defer taxes rather than incur taxes in the current period. When we have a high level of deferred tax liability at the time the Adviser's fee is calculated, the Adviser's fee is higher than it would be if we had a lower level of deferred tax liability. Our average monthly Managed Assets are determined for the purpose of calculating the management fee by taking the average of the monthly determinations of Managed Assets during a given calendar quarter. The fees are payable for each calendar quarter within five days after the end of that quarter. The Adviser has contractually agreed to waive all fees due under the Advisory Agreement related to the net proceeds received from the issuance of additional common stock under the Company's at-the-market equity program for a six month period following the date of issuance.

The advisory agreement has a term ending on December 31, 2016 and may be continued from year to year thereafter as provided in the 1940 Act. The continuation of the advisory agreement was most recently approved by the Board of Directors in November 2015. A discussion regarding the basis of the Board of Directors' decision to approve the continuation of the advisory agreement is available in our Annual Report to stockholders for the fiscal year ended November 30, 2015.

## Table of Contents

We bear all expenses not specifically assumed by the Adviser incurred in our operations and will bear the expenses of all future offerings. Expenses we bear include, but are not limited to, the following: (1) expenses of maintaining and continuing our existence and related overhead, including, to the extent services are provided by personnel of the Adviser or its affiliates, office space and facilities and personnel compensation, training and benefits; (2) registration under the 1940 Act; (3) commissions, spreads, fees and other expenses connected with the acquisition, holding and disposition of securities and other investments, including placement and similar fees in connection with direct placements in which we participate; (4) auditing, accounting and legal expenses; (5) taxes and interest; (6) governmental fees; (7) expenses of listing our shares with a stock exchange, and expenses of the issue, sale, repurchase and redemption (if any) of our interests, including expenses of conducting tender offers for the purpose of repurchasing our interests; (8) expenses of registering and qualifying us and our shares under federal and state securities laws and of preparing and filing registration statements and amendments for such purposes; (9) expenses of communicating with stockholders, including website expenses and the expenses of preparing, printing and mailing press releases, reports and other notices to stockholders and of meetings of stockholders and proxy solicitations therefor; (10) expenses of reports to governmental officers and commissions; (11) insurance expenses; (12) association membership dues; (13) fees, expenses and disbursements of custodians and subcustodians for all services to us (including without limitation safekeeping of funds, securities and other investments, keeping of books, accounts and records, and determination of NAV); (14) fees, expenses and disbursements of transfer agents, dividend paying agents, stockholder servicing agents and registrars for all services to us; (15) compensation and expenses of our directors who are not members of the Adviser's organization; (16) pricing and valuation services employed by us; (17) all expenses incurred in connection with leveraging of our assets through a line of credit, or issuing and maintaining notes or preferred stock; (18) all expenses incurred in connection with the offerings of our common and preferred stock and debt securities; and (19) such non-recurring items as may arise, including expenses incurred in connection with litigation, proceedings and claims and our obligation to indemnify our directors, officers and stockholders with respect thereto.

## CLOSED-END COMPANY STRUCTURE

We are a nondiversified closed-end management investment company and as such our stockholders will not have the right to cause us to redeem their shares. Instead, our common stock will trade in the open market at a price that will be a function of several factors, including distribution levels (which are in turn affected by expenses), NAV, call protection, distribution stability, portfolio credit quality, relative demand for and supply of such shares in the market, general market and economic conditions and other factors.

Shares of common stock of closed-end companies frequently trade at a discount to their NAV. This characteristic of shares of closed-end management investment companies is a risk separate and distinct from the risk that our NAV may decrease as a result of investment activities. To the extent that our common stock does trade at a discount, the Board of Directors may from time to time engage in open-market repurchases or tender offers for shares after balancing the benefit to stockholders of the increase in the NAV per share resulting from such purchases against the decrease in our assets and potential increase in the expense ratio of our expenses to assets and the decrease in asset coverage with respect to any outstanding senior securities. The Board of Directors believes that in addition to the beneficial effects described above, any such purchases or tender offers may result in the temporary narrowing of any discount but will not have any long-term effect on the level of any discount. There is no guarantee or assurance that the Board of Directors will decide to engage in any of these actions. There is also no guarantee or assurance that such actions, if undertaken, would result in the shares trading at a price equal or close to NAV per share. Any stock repurchases or tender offers will be made in accordance with the requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the 1940 Act and the principal stock exchange on which the common stock is traded.

Conversion to an open-end mutual fund is extremely unlikely in light of our investment objective and policies and would require stockholder approval of an amendment to our Charter. If we converted to an open-end mutual fund, we would be required to redeem all Tortoise Notes and Tortoise Preferred Shares then outstanding (requiring us, in turn,

to liquidate a significant portion of our investment portfolio), and our common stock would no longer be listed on the NYSE or any other exchange. In contrast to a closed-end management investment company, shareholders of an open-end mutual fund may require a fund to redeem its shares of common stock at any time (except in certain circumstances as authorized by the 1940 Act or the rules thereunder) at their NAV. In addition, certain of our investment policies and restrictions are incompatible with the requirements applicable to an open-end investment company. Accordingly, conversion to an open-end investment company would require material changes to our investment policies.

Table of Contents

CERTAIN FEDERAL INCOME TAX MATTERS

The following is a general summary of certain federal income tax considerations affecting us and our security holders. This discussion does not purport to be complete or to deal with all aspects of federal income taxation that may be relevant to security holders in light of their particular circumstances or who are subject to special rules, such as banks, thrift institutions and certain other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, brokers and dealers in securities or currencies, certain securities traders, tax-exempt investors, individual retirement accounts, certain tax-deferred accounts, and foreign investors. Tax matters are very complicated, and the tax consequences of an investment in and holding of our securities will depend on the particular facts of each investor's situation. Investors are advised to consult their own tax advisors with respect to the application to their own circumstances of the general federal income taxation rules described below and with respect to other federal, state, local or foreign tax consequences to them before making an investment in our securities. Unless otherwise noted, this discussion assumes that investors are U.S. persons and hold our securities as capital assets. More detailed information regarding the federal income tax consequences of investing in our securities is in the statement of additional information.

Company Federal Income Taxation

We are treated as a corporation for federal and state income tax purposes. Thus, we are obligated to pay federal and state income tax on our taxable income. We invest our assets primarily in MLPs, which generally are treated as partnerships for federal income tax purposes. As a partner in the MLPs, we must report our allocable share of the MLP's taxable income in computing our taxable income regardless of whether the MLPs make any distributions. Based upon our review of the historic results of the type of MLPs in which we invest, we expect that the cash flow received by us with respect to our MLP investments will exceed the taxable income allocated to us. There is no assurance that our expectation regarding the tax character of MLP distributions will be realized. If this expectation is not realized, there may be greater tax expense borne by us and less cash available to distribute to stockholders or to pay to creditors. In addition, we will take into account in determining our taxable income the amounts of gain or loss recognized on the sale of MLP interests. Currently, the maximum regular federal income tax rate for a corporation is 35 percent. We may be subject to a 20 percent federal alternative minimum tax on our alternative minimum taxable income to the extent that the alternative minimum tax exceeds our regular federal income tax. The extent to which we are required to pay corporate income tax or alternative minimum tax could materially reduce our cash available to make distributions on the common shares.

We are not treated as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Internal Revenue Code generally provides that a regulated investment company does not pay an entity level income tax, provided that it distributes all of its income. Our assets do not, and are not expected to, meet current tests for qualification as a regulated investment company for federal income tax purposes. Although changes to the federal income tax laws permit regulated investment companies to invest up to 25% of their total assets in securities of certain MLPs, such changes still would not allow us to pursue our objective. Accordingly, we do not intend to change our federal income tax status as a result of such legislation. Therefore, the regulated investment company taxation rules have no application to us or to our stockholders.

Because we are treated as a corporation for federal income tax purposes, our financial statements reflect deferred tax assets or liabilities according to generally accepted accounting principles. This differs from many closed-end funds that are taxed as regulated investment companies under the Internal Revenue Code. Deferred income taxes reflect (i) taxes on unrealized gains/(losses), which are attributable to the temporary difference between fair market value and tax basis, (ii) the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and (iii) the net tax benefit of accumulated net operating losses and capital losses. To the extent we have a deferred tax asset, consideration is given as to whether or not a valuation allowance is required. We periodically assess the need to establish a valuation allowance for

deferred tax assets based on the criterion established by the Statement of Financial Accounting Standards, Accounting for Income Taxes (“SFAS” No. 109) that it is more likely than not that some portion or all of the deferred tax asset will not be realized. Our assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability (which are highly dependent on future MLP cash distributions), the duration of statutory carryforward periods and the associated risk that operating loss and capital loss carryforwards may expire unused. In addition, a substantial change in our ownership may limit our ability to utilize our loss carryforwards. We periodically review the recoverability of deferred tax assets based on the weight of available evidence. Accordingly, realization of a deferred tax asset is dependent on whether there will be sufficient taxable income of the appropriate character within the carryforward periods to realize a portion or all of the deferred tax benefit. We will accrue deferred federal income tax liability associated with that portion of MLP distributions considered to be a tax-deferred return of capital, as well as capital appreciation of our investments. Upon the sale of an MLP security, we may be liable for previously deferred taxes, if any. We will rely to some extent on information provided by the MLPs, which is not necessarily timely, to estimate deferred tax liability for purposes of financial statement reporting and determining our NAV. From time to time we will modify our estimates or assumptions regarding our deferred tax liability as new information becomes available.

Table of Contents

Federal Income Taxation of Common and Preferred Stock

**Federal Income Tax Treatment of Holders of Common Stock.** Unlike a holder of a direct interest in MLPs, a stockholder will not include its allocable share of our income, gains, losses or deductions in computing its own taxable income. Instead, since we are of the opinion that, under present law, the common stock will constitute equity, distributions with respect to such shares (other than distributions in redemption of shares subject to Section 302(b) of the Internal Revenue Code) will generally constitute dividends to the extent of our current or accumulated earnings and profits, as calculated for federal income tax purposes. Generally, a corporation's earnings and profits are computed based upon taxable income, with certain specified adjustments. As explained above, based upon the historic performance of the MLPs, we anticipate that the distributed cash from the MLPs will exceed our share of the MLPs' income and our gain on the sale of MLP interests. Our current earnings and profits may be increased if our portfolio turnover is increased, which may occur to utilize our capital loss carryforwards. Thus, a reduction in the return of capital portion of the distributions we receive from the MLPs or an increase in our portfolio turnover may increase our current earnings and profits and increase the portion of our distributions treated as dividends as opposed to a tax deferred return of capital. In addition, earnings and profits are treated generally, for federal income tax purposes, as first being used to pay distributions on preferred stock, and then to the extent remaining, if any, to pay distributions on the common stock. To the extent that distributions to a stockholder exceed our current and accumulated earnings and profits, the stockholder's basis in shares of stock with respect to which the distribution is made will be reduced, which may increase the amount of gain realized upon the sale of such shares. If a stockholder has no further basis in its shares, the stockholder will report any excess distributions as capital gain if the stockholder holds such shares as a capital asset.

Dividends of current or accumulated earnings and profits generally will be taxable as ordinary income to holders but are expected to be treated as "qualified dividend income" that is generally subject to reduced rates of federal income taxation for noncorporate investors and are also expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code. Under federal income tax law, qualified dividend income received by individual and other noncorporate stockholders is taxed at long-term capital gain rates, which as of the date of this prospectus is variable based on the stockholder's taxable income. Qualified dividend income generally includes dividends from domestic corporations and dividends from non-U.S. corporations that meet certain criteria. To be treated as qualified dividend income, the stockholder must hold the shares paying otherwise qualifying dividend income more than 60 days during the 121-day period beginning 60 days before the ex-dividend date (or more than 90 days during the 181-day period beginning 90 days before the ex-dividend date in the case of certain preferred stock dividends attributable to periods exceeding 366 days). A stockholder's holding period may be reduced for purposes of this rule if the stockholder engages in certain risk reduction transactions with respect to the common or preferred stock.

Corporate holders should be aware that certain limitations apply to the availability of the dividends received deduction, including limitations on the aggregate amount of the deduction that may be claimed and limitations based on the holding period of the shares of common or preferred stock on which the dividend is paid, which holding period may be reduced if the holder engages in risk reduction transactions with respect to its shares. Corporate holders should consult their own tax advisors regarding the application of these limitations to their particular situation.

If a common stockholder participates in our Automatic Dividend Reinvestment Plan, such stockholder will be treated as receiving the amount of the distributions made by the Company, which amount generally will be either equal to the amount of the cash distribution the stockholder would have received if the stockholder had elected to receive cash or, for shares issued by the Company, the fair market value of the shares issued to the stockholder.

**Federal Income Tax Treatment of Holders of Preferred Stock.** Under present law, we are of the opinion that preferred stock will constitute equity, and thus distributions with respect to preferred stock (other than distributions in redemption of preferred stock subject to Section 302(b) of the Internal Revenue Code) will generally constitute



dividends to the extent of our current or accumulated earnings and profits, as calculated for federal income tax purposes. Such dividends generally will be taxable as ordinary income to holders but are expected to be treated as qualified dividend income that is generally subject to reduced rates of federal income taxation for noncorporate investors and are also expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code. Please see the discussion above on qualified dividend income and the dividends received deductions.

### Table of Contents

Earnings and profits are generally treated, for federal income tax purposes, as first being used to pay distributions on the preferred stock, and then to the extent remaining, if any, to pay distributions on the common stock. Distributions in excess of the Company's earnings and profits, if any, will first reduce a stockholder's adjusted tax basis in his or her preferred stock and, after the adjusted tax basis is reduced to zero, will constitute capital gains to a stockholder who holds such shares as a capital asset.

**Sale of Shares.** The sale of shares of common or preferred stock by holders will generally be a taxable transaction for federal income tax purposes. Holders of shares of stock who sell such shares will generally recognize gain or loss in an amount equal to the difference between the net proceeds of the sale and their adjusted tax basis in the shares sold. If the shares are held as a capital asset at the time of the sale, the gain or loss will generally be a capital gain or loss. Similarly, a redemption by us (including a redemption resulting from our liquidation), if any, of all the shares actually and constructively held by a stockholder generally will give rise to capital gain or loss under Section 302(b) of the Internal Revenue Code, provided that the redemption proceeds do not represent declared but unpaid dividends. Other redemptions may also give rise to capital gain or loss, but certain conditions imposed by Section 302(b) of the Internal Revenue Code must be satisfied to achieve such treatment.

Capital gain or loss will generally be long-term capital gain or loss if the shares were held for more than one year and will be short-term capital gain or loss if the disposed shares were held for one year or less. Net long-term capital gain recognized by a noncorporate U.S. holder generally will be subject to federal income tax at a lower rate (as of the date of this prospectus a maximum rate of 20%) than net short-term capital gain or ordinary income (as of the date of this prospectus a maximum rate of 39.6%). For corporate holders, capital gain is generally taxed at the same rate as ordinary income, that is, currently at a maximum rate of 35%. A holder's ability to deduct capital losses may be limited.

Losses on sales or other dispositions of shares may be disallowed under "wash sale" rules in the event of other investments in the Company (including those made pursuant to reinvestment of dividends) or other substantially identical stock or securities are purchased within a period of 61 days beginning 30 days before and ending 30 days after a sale or other disposition of shares. In such a case, the disallowed portion of any loss generally would be included in the federal income tax basis of the shares acquired. Stockholders should consult their own tax advisors regarding their individual circumstances to determine whether any particular transaction in the Company's shares is properly treated as a sale for federal income tax purposes and the tax treatment of any gains or losses recognized in such transactions.

**Investment by Tax-Exempt Investors and Regulated Investment Companies.** Employee benefit plans, other tax-exempt organizations and regulated investment companies may want to invest in our securities. Employee benefit plans and most other organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, are subject to federal income tax on unrelated business taxable income ("UBTI"). Because we are a corporation for federal income tax purposes, an owner of shares of common or preferred stock will not report on its federal income tax return any of our items of income, gain, loss and deduction. Therefore, a tax-exempt investor generally will not have UBTI attributable to its ownership or sale of our common or preferred stock unless its ownership of the stock is debt-financed. In general, stock would be debt-financed if the tax-exempt owner of stock incurs debt to acquire the stock or otherwise incurs or maintains debt that would not have been incurred or maintained if the stock had not been acquired.

For federal income tax purposes, a regulated investment company or "mutual fund," may not have more than 25% of the value of its total assets, at the close of any quarter, invested in the securities of one or more qualified publicly traded partnerships, which will include most MLPs. Shares of our common stock are not securities of a qualified publicly traded partnership and will not be treated as such for purposes of calculating the limitation imposed upon regulated investment companies.

Backup Withholding. We may be required to withhold, for U.S. federal income tax purposes, a portion of all distributions (including redemption proceeds) payable to stockholders who fail to provide us with their correct taxpayer identification number, who fail to make required certifications or who have been notified by the Internal Revenue Service (“IRS”) that they are subject to backup withholding (or if we have been so notified). Certain corporate and other stockholders specified in the Internal Revenue Code and the regulations thereunder are exempt from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the stockholder’s U.S. federal income tax liability provided the appropriate information is furnished to the IRS in a timely manner.

## Table of Contents

**Other Taxation.** Foreign stockholders, including stockholders who are nonresident alien individuals, may be subject to U.S. withholding tax on certain distributions at a rate of 30% or such lower rates as may be prescribed by any applicable treaty. Our distributions also may be subject to state and local taxes.

## Federal Income Taxation of Debt Securities

**Federal Income Tax Treatment of Holders of Debt Securities.** Under present law, we are of the opinion that the debt securities will constitute indebtedness of the Company for federal income tax purposes, which the discussion below assumes. We intend to treat all payments made with respect to the debt securities consistent with this characterization.

**Taxation of Interest.** Payments or accruals of interest on debt securities generally will be taxable to you as ordinary interest income at the time such interest is received (actually or constructively) or accrued, in accordance with your regular method of accounting for federal income tax purposes.

**Purchase, Sale and Redemption of Debt Securities.** Initially, your tax basis in debt securities acquired generally will be equal to your cost to acquire such debt securities. This basis will increase by the amounts, if any, that you include in income under the rules governing market discount, and will decrease by the amount of any amortized premium on such debt securities, as discussed below. When you sell or exchange any of your debt securities, or if any of your debt securities are redeemed, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any accrued and unpaid interest, which will be subject to federal income tax as interest in the manner described above) and your tax basis in the debt securities relinquished.

Except as discussed below with respect to market discount, the gain or loss that you recognize on the sale, exchange or redemption of any of your debt securities generally will be capital gain or loss. Such gain or loss will generally be long-term capital gain or loss if the disposed debt securities were held for more than one year and will be short-term capital gain or loss if the disposed debt securities were held for one year or less. Net long-term capital gain recognized by a noncorporate U.S. holder generally will be subject to federal income tax at a lower rate (as of the date of this prospectus a maximum rate of 20%) than net short-term capital gain or ordinary income (as of the date of this prospectus a maximum rate of 39.6%). For corporate holders, capital gain is generally taxed for federal income tax purposes at the same rate as ordinary income, that is, as of the date of this prospectus at a maximum rate of 35%. A holder's ability to deduct capital losses may be limited.

**Amortizable Premium.** If you purchase debt securities at a cost greater than their stated principal amount, plus accrued interest, you will be considered to have purchased the debt securities at a premium, and you generally may elect to amortize this premium as an offset to interest income, using a constant yield method, over the remaining term of the debt securities. If you make the election to amortize the premium, it generally will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies, as well as any debt instruments that you subsequently acquire. In addition, you may not revoke the election without the consent of the IRS. If you elect to amortize the premium, you will be required to reduce your tax basis in the debt securities by the amount of the premium amortized during your holding period. If you do not elect to amortize premium, the amount of premium will be included in your tax basis in the debt securities. Therefore, if you do not elect to amortize the premium and you hold the debt securities to maturity, you generally will be required to treat the premium as a capital loss when the debt securities are redeemed.

**Market Discount.** If you purchase debt securities at a price that reflects a "market discount," any principal payments on or any gain that you realize on the disposition of the debt securities generally will be treated as ordinary interest income to the extent of the market discount that accrued on the debt securities during the time you held such debt securities. "Market discount" is defined under the Internal Revenue Code as, in general, the excess of the stated redemption price at maturity over the purchase price of the debt security, except that if the market discount is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, the market

discount is considered to be zero. In addition, you may be required to defer the deduction of all or a portion of any interest paid on any indebtedness that you incurred or continued to purchase or carry the debt securities that were acquired at a market discount. In general, market discount will be treated as accruing ratably over the term of the debt securities, or, at your election, under a constant yield method.

You may elect to include market discount in gross income currently as it accrues (on either a ratable or constant yield basis), in lieu of treating a portion of any gain realized on a sale of the debt securities as ordinary income. If you elect to include market discount on a current basis, the interest deduction deferral rule described above will not apply and you will increase your basis in the debt security by the amount of market discount you include in gross income. If you do make such an election, it will apply to all market discount debt instruments that you acquire on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS.

## Table of Contents

**Information Reporting and Backup Withholding.** In general, information reporting requirements will apply to payments of principal, interest, and premium, if any, paid on debt securities and to the proceeds of the sale of debt securities paid to U.S. holders other than certain exempt recipients. Information reporting generally will apply to payments of interest on the debt securities to non-U.S. Holders (as defined below) and the amount of tax, if any, withheld with respect to such payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the non-U.S. Holder resides under the provisions of an applicable income tax treaty. In addition, for non-U.S. Holders, information reporting will apply to the proceeds of the sale of debt securities within the United States or conducted through United States-related financial intermediaries unless the certification requirements described below have been complied with and the statement described below in “Taxation of Non-U.S. Holders” has been received (and the payor does not have actual knowledge or reason to know that the holder is a United States person) or the holder otherwise establishes an exemption.

We may be required to withhold, for U.S. federal income tax purposes, a portion of all payments (including redemption proceeds) payable to holders of debt securities who fail to provide us with their correct taxpayer identification number, who fail to make required certifications or who have been notified by the IRS that they are subject to backup withholding (or if we have been so notified). Certain corporate and other shareholders specified in the Internal Revenue Code and the regulations thereunder are exempt from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the holder’s U.S. federal income tax liability provided the appropriate information is furnished to the IRS. If you are a non-U.S. Holder, you may have to comply with certification procedures to establish your non-U.S. status in order to avoid backup withholding tax requirements. The certification procedures required to claim the exemption from withholding tax on interest income described below will satisfy these requirements.

**Taxation of Non-U.S. Holders.** If you are a non-resident alien individual or a foreign corporation (a “non-U.S. Holder”), the payment of interest on the debt securities generally will be considered “portfolio interest” and thus generally will be exempt from U.S. federal withholding tax. This exemption will apply to you provided that (1) interest paid on the debt securities is not effectively connected with your conduct of a trade or business in the United States, (2) you are not a bank whose receipt of interest on the debt securities is described in Section 881(c)(3)(A) of the Internal Revenue Code, (3) you do not actually or constructively own 10 percent or more of the combined voting power of all classes of the Company’s stock entitled to vote, (4) you are not a controlled foreign corporation that is related, directly or indirectly, to the Company through stock ownership, and (5) you satisfy the certification requirements described below.

To satisfy the certification requirements, either (1) the beneficial owner of any debt securities must certify, under penalties of perjury, that such owner is a non-U.S. person and must provide such owner’s name, address and taxpayer identification number, if any, on an appropriate IRS Form W-8 (or an acceptable substitute or successor form), or (2) a securities clearing organization, bank or other financial institution that holds customer securities in the ordinary course of its trade or business and holds the debt securities on behalf of the beneficial owner thereof must certify, under penalties of perjury, that it has received a valid and properly executed an appropriate IRS Form W-8 (or an acceptable substitute or successor form) from the beneficial owner and comply with certain other requirements. Special certification rules apply for debt securities held by a foreign partnership and other intermediaries.

Interest on debt securities received by a non-U.S. Holder that is not excluded from U.S. federal withholding tax under the portfolio interest exemption as described above generally will be subject to withholding at a 30% rate, except where (1) the interest is effectively connected with the conduct of a U.S. trade or business, in which case the interest will generally be subject to U.S. income tax on a net basis as applicable to U.S. holders generally or (2) a non-U.S. Holder can claim the benefits of an applicable income tax treaty to reduce or eliminate such withholding tax. To claim the benefit of an income tax treaty or to claim an exemption from withholding because the interest is effectively connected with a U.S. trade or business, a non-U.S. Holder must timely provide the appropriate, properly executed

IRS forms. These forms may be required to be periodically updated. Also, a non-U.S. Holder who is claiming the benefits of an income tax treaty may be required to obtain a U.S. taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country.

## Table of Contents

Any capital gain that a non-U.S. Holder realizes on a sale, exchange or other disposition of debt securities generally will be exempt from U.S. federal income tax, including withholding tax. This exemption will not apply to you if your gain is effectively connected with your conduct of a trade or business in the U.S. or you are an individual holder and are present in the U.S. for a period or periods aggregating 183 days or more in the taxable year of the disposition.

## Additional Considerations

**Unearned Income Medicare Tax.** For taxable years beginning after December 31, 2012, a 3.8 percent tax generally will be imposed on some or all of the net investment income of certain individuals with modified adjusted gross income of over \$200,000 (\$250,000 in the case of joint filers or surviving spouses or \$125,000 if married and filing separately) and on some or all of the undistributed net investment income of certain estates and trusts. With respect to individuals, the tax is imposed on the lesser of (i) the individual's net investment income for such taxable year or (ii) the excess of the individual's modified adjusted gross income for such taxable year over the applicable threshold amount (generally \$200,000 but \$250,000 if filing jointly or a surviving spouse and \$125,000 if married and filing separately). For these purposes, "net investment income" will generally include interest (including interest on our debt securities), dividends (including dividends paid with respect to our stock), annuities, royalties, rent, net gain attributable to the disposition of property not held in a trade or business (including net gain from the sale, exchange or other taxable disposition of shares of our stock and debt securities) and certain other income, but will be reduced by any deductions properly allocable to such income or net gain.

**Foreign Account Tax Compliance Act ("FATCA") Withholding.** Sections 1471 through 1474 of the Code ("FATCA") generally impose a U.S. federal withholding tax of 30% on certain payments of dividends, interest or gross proceeds from the disposition of stock or a debt instrument paid after December 31, 2012 to certain non-U.S. entities, including certain foreign financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its U.S. account holders and its U.S. owners. Pursuant to U.S. Treasury regulations and other Treasury guidance, these rules generally are not effective for payments of dividends and interest until July 1, 2014, and, in the case of payments of gross proceeds, until January 1, 2017, and, even after such effective dates, the new withholding obligations will not apply to payments on, or with respect to, debt obligations that are outstanding on July 1, 2014 unless such obligations are significantly modified (and thus are treated as being reissued for U.S. federal income tax purposes) after such date. Non-U.S. holders should consult their own tax advisors regarding FATCA and whether it may be relevant to their acquisition, ownership and disposition of the Notes.

The foregoing is a general and abbreviated summary of the provisions of the Code and the treasury regulations in effect as they directly govern the taxation of the Company and its security holders. These provisions are subject to change by legislative and administrative action, and any such change may be retroactive. Security holders (and prospective holders) are urged to consult their tax advisers regarding specific questions as to U.S. federal, foreign, state, local income or other taxes.

## DETERMINATION OF NET ASSET VALUE

We compute the NAV of our common stock as of the close of trading of the NYSE (normally 4:00 p.m. Eastern time) no less frequently than the last business day of each calendar month and at such other times as the Board may determine. When considering an offering of common stock, we calculate our NAV on a more frequent basis, generally daily, to the extent necessary to comply with the provisions of the 1940 Act. We currently make our NAV available for publication daily. The NAV per share of common stock equals our NAV divided by the number of outstanding shares of common stock. Our NAV equals the value of our total assets (the value of the securities held plus cash or other assets, including interest accrued but not yet received and net deferred tax assets) less (i) all of our liabilities (including accrued expenses and both current and net deferred tax liabilities), (ii) accumulated and unpaid distributions on any outstanding preferred stock, (iii) the aggregate liquidation preference of any outstanding preferred stock, (iv) accrued and unpaid interest payments on any outstanding indebtedness, (v) the aggregate principal amount



of any outstanding indebtedness, and (vi) any distributions payable on our common stock.

Pursuant to an agreement with U.S. Bancorp Fund Services, LLC (the “Accounting Services Provider”), the Accounting Services Provider values our assets in accordance with valuation procedures adopted by the Board of Directors. The Accounting Services Provider obtains securities market quotations from independent pricing services approved by the Adviser and ratified by the Board of Directors. Securities for which market quotations are readily available shall be valued at “market value.” Any other securities shall be valued “pursuant to fair value methodologies approved by the Board.”

Table of Contents

Valuation of certain assets at market value will be as follows:

for equity securities, the Accounting Services Provider will first use readily available market quotations and will obtain direct written broker-dealer quotations if a security is not traded on an exchange or over-the-counter or quotations are not available from an approved pricing service;

for fixed income securities, the Accounting Services Provider will use readily available market quotations based upon the last sale price of a security on the day we value our assets or a market value from a pricing service or by obtaining a direct written broker-dealer quotation from a dealer who has made a market in the security; and

other assets will be valued at market value pursuant to the valuation procedures.

If the Accounting Services Provider cannot obtain a market value or the Adviser determines that the value of a security as so obtained does not represent a fair value as of the valuation time (due to a significant development subsequent to the time its price is determined or otherwise), fair value for the security shall be determined pursuant to the valuation procedures. A report of any prices determined pursuant to fair value methodologies will be presented to the Board of Directors or a designated committee thereof for approval at the next regularly scheduled board meeting.

**AUTOMATIC DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN**

Our Automatic Dividend Reinvestment and Cash Purchase Plan (the “Plan”) allows participating common stockholders to reinvest distributions in additional shares of our common stock and allows participants to purchase additional shares of our common stock through additional optional cash investments in amounts from a minimum of \$100 to a maximum of \$5,000 per month. Shares of common stock will be issued by us under the Plan when our common stock is trading at a premium to NAV. If our common stock is trading at a discount to NAV, shares distributed under the Plan will be purchased on the open market at market price. Shares of common stock issued directly from us under the Plan will be acquired at the greater of (1) NAV at the close of business on the payment date of the distribution or on the day preceding the relevant cash purchase investment date or (2) 95% of the market price per common share on the distribution payment date or on the day preceding the relevant cash purchase investment date. See below for more details about the Plan.

**Automatic Dividend Reinvestment**

If a stockholder’s shares are registered directly with us or with a brokerage firm that participates in our Plan, all distributions are automatically reinvested for stockholders by the Plan Agent, Computershare Trust Company, N.A. (the “Plan Agent”), in additional shares of our common stock (unless a stockholder is ineligible or elects otherwise). Stockholders who elect not to participate in the Plan will receive all distributions payable in cash paid by check mailed directly to the stockholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by the Plan Agent, as dividend paying agent. Such stockholders may elect not to participate in the Plan and to receive all distributions in cash by sending written, telephone or Internet instructions to the Plan Agent, as dividend paying agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by giving notice in writing to the Plan Agent; such termination will be effective with respect to a particular distribution if notice is received prior to the record date for such distribution.

Whenever we declare a distribution payable either in shares or in cash, non-participants in the Plan will receive cash, and participants in the Plan will receive the amount set forth below in shares of common stock. The shares are acquired by the Plan Agent for the participant’s account, depending upon the circumstances described below, either (i) through receipt of additional common stock directly from us (“Additional Common Stock”) or (ii) by purchase of outstanding common stock on the open market (“open-market purchases”) on the NYSE or elsewhere. If, on the payment date, the NAV per share of our common stock is equal to or less than the market price per share of common

stock plus estimated brokerage commissions (such condition being referred to herein as “market premium”), the Plan Agent will receive Additional Common Stock from us for each participant’s account. The number of shares of Additional Common Stock to be credited to the participant’s account will be determined by dividing the dollar amount of the distribution by the greater of (i) the NAV per share of common stock on the payment date, or (ii) 95% of the market price per share of common stock on the payment date.

### Table of Contents

If, on the payment date, the NAV per share of common stock exceeds the market price plus estimated brokerage commissions (such condition being referred to herein as “market discount”), the Plan Agent will invest the distribution amount in shares acquired in open-market purchases as soon as practicable but not later than thirty (30) days following the payment date. We expect to declare and pay quarterly distributions. The weighted average price (including brokerage commissions) of all common stock purchased by the Plan Agent as Plan Agent will be the price per share of common stock allocable to each participant.

The Plan Agent maintains all stockholders’ accounts in the Plan and furnishes written confirmation of each acquisition made for the participant’s account as soon as practicable, but in no event later than 60 days after the date thereof. Shares in the account of each Plan participant may be held by the Plan Agent in non-certificated form in the Plan Agent’s name or that of its nominee, and each stockholder’s proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan first in accordance with the instructions of the participants, and then with respect to any proxies not returned by such participant, in the same proportion as the Plan Agent votes the proxies returned by the participants.

There are no brokerage charges with respect to shares issued directly by us as a result of distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent’s open-market purchases in connection with the reinvestment of distributions. If a participant elects to have the Plan Agent sell part or all of his or her common stock and remit the proceeds, such participant will be charged his or her pro rata share of brokerage commissions on the shares sold plus a \$15.00 transaction fee.

The automatic reinvestment of distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such distributions. See “Certain Federal Income Tax Matters.”

Stockholders participating in the Plan may receive benefits not available to stockholders not participating in the Plan. If the market price plus commissions of our shares of common stock is higher than the NAV, participants in the Plan will receive shares of our common stock at less than they could otherwise purchase such shares and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the NAV, participants will receive distributions of shares of common stock with a NAV greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the NAV. Also, because we do not redeem our common stock, the price on resale may be more or less than the NAV. See “Certain Federal Income Tax Matters” for a discussion of the federal income tax consequences of the Plan.

### Cash Purchase Option

Participants in the Plan may elect to purchase additional shares of common stock through optional cash investments in amounts ranging from \$100 to \$5,000 per month unless a request for waiver has been granted. Optional cash investments may be delivered to the Plan Agent by personal check, by automatic or electronic bank account transfer or by online access at [www.computershare.com](http://www.computershare.com). We reserve the right to reject any purchase order. We do not accept cash, travelers checks, third party checks, money orders and checks drawn on non-US banks.

In order for participants to participate in the cash investment option in any given month, the Plan Agent must receive from the participant any optional cash investment no later than two business days prior to the monthly investment date (the “payment date”) for purchase of common shares on the next succeeding purchase date. All optional cash investments received on or prior to the payment date will be applied by the Plan Agent to purchase shares on the next succeeding purchase date. Participants may obtain a schedule of relevant dates on our website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com) or by calling 1-866-362-9331.

Common stock purchased pursuant to this option will be issued by us when our shares are trading at a premium to NAV. If our common stock is trading at a discount to NAV, shares of common stock will be purchased in the open market by the Plan Agent as described above with respect to reinvestments of distributions.

Table of Contents

General

Experience under the Plan may indicate that changes are desirable. Accordingly, we reserve the right to amend or terminate the Plan if in the judgment of the Board of Directors such a change is warranted. The Plan may be terminated by the Plan Agent or us upon notice in writing mailed to each participant at least 60 days prior to the effective date of the termination. Upon any termination, the Plan Agent will cause a certificate or certificates to be issued for the full shares held by each participant under the Plan and cash adjustment for any fraction of a share of common stock at the then current market value of common stock to be delivered to him or her. If preferred, a participant may request the sale of all of the common stock held by the Plan Agent in his or her Plan account in order to terminate participation in the Plan. If such participant elects in advance of such termination to have the Plan Agent sell part or all of his or her shares, the Plan Agent is authorized to deduct from the proceeds a \$15.00 transaction fee plus a \$0.05 fee per share for the transaction. If a participant has terminated his or her participation in the Plan but continues to have common stock registered in his or her name, he or she may re-enroll in the Plan at any time by notifying the Plan Agent in writing at the address below. The terms and conditions of the Plan may be amended by the Plan Agent or by us at any time. Any such amendments to the Plan may be made by mailing to each participant appropriate written notice at least 30 days prior to the effective date of the amendment, except, when necessary or appropriate to comply with applicable law or the rules or policies of the SEC or any other regulatory authority, such prior notice does not apply. The amendment shall be deemed to be accepted by each participant unless, prior to the effective date thereof, the Plan Agent receives notice of the termination of the participant's account under the Plan. Any such amendment may include an appointment by the Plan Agent of a successor Plan Agent, subject to our prior written approval of the successor Plan Agent.

All correspondence concerning the Plan should be directed to Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170.

DESCRIPTION OF SECURITIES

The information contained under this heading is only a summary and is subject to the provisions contained in our Charter and Bylaws and the laws of the State of Maryland.

Common Stock

General. Our Charter authorizes us to issue up to 100,000,000 shares of common stock, \$0.001 par value per share. The Board of Directors may, without any action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue under our Charter and the 1940 Act. Additionally, the Charter authorizes our Board of Directors, without any action by our stockholders, to classify and reclassify any unissued common stock and preferred stock into other classes or series of stock from time to time by setting or changing the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each class or series. Although there is no present intention of doing so, we could issue a class or series of stock that could delay, defer or prevent a transaction or a change in control of us that might otherwise be in the stockholders' best interests. Under Maryland law, stockholders generally are not liable for our debts or obligations.

All common stock offered pursuant to this prospectus and any related prospectus supplement will be, upon issuance, duly authorized, fully paid and nonassessable. All outstanding common stock offered pursuant to this prospectus and any related prospectus supplement will be of the same class and will have identical rights, as described below. Holders of shares of common stock are entitled to receive distributions when authorized by the Board of Directors and declared by us out of assets legally available for the payment of distributions. Holders of common stock have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and have no preemptive rights to subscribe for any of our securities. All shares of common stock have equal distribution, liquidation and other rights.

Distributions. We intend to pay out substantially all of our DCF to holders of common stock through quarterly distributions. DCF is the amount we receive as cash or paid-in-kind distributions from MLPs or affiliates of MLPs in which we invest, and interest payments received on debt securities we own, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs we pay (including costs related to Tortoise Notes, Tortoise Preferred Shares and borrowings under our credit facility). Our Board of Directors has adopted a policy of declaring what it believes to be sustainable distributions. In determining distributions, our Board of Directors considers a number of current and anticipated factors, including, among others: DCF; realized and unrealized gains; leverage amounts and rates; current and deferred taxes payable; and potential volatility in returns from our investments and the overall market. Over the long term, we expect to distribute substantially all of our DCF to holders of our common stock. It is expected that we will declare and pay a distribution to holders of common stock at the end of each fiscal quarter. There is no assurance that we will continue to make regular distributions.

Table of Contents

If a stockholder's shares are registered directly with us or with a brokerage firm that participates in the Plan, distributions will be automatically reinvested in additional common stock under the Plan unless a stockholder elects to receive distributions in cash. If a stockholder elects to receive distributions in cash, payment will be made by check. The federal income tax treatment of distributions is the same whether they are reinvested in our shares or received in cash. See "Automatic Dividend Reinvestment and Cash Purchase Plan."

The yield on our common stock will likely vary from period to period depending on factors including the following:

market conditions;

the timing of our investments in portfolio securities;

the securities comprising our portfolio;

changes in interest rates (including changes in the relationship between short-term rates and long-term rates);

the amount and timing of the use of borrowings and other leverage by us;

the effects of leverage on our common stock (discussed above under "Leverage");

the timing of the investment of offering proceeds and leverage proceeds in portfolio securities; and

our net assets and operating expenses.

Consequently, we cannot guarantee any particular yield on our common stock, and the yield for any given period is not an indication or representation of future yields on the common stock.

**Limitations on Distributions.** So long as shares of preferred stock are outstanding, holders of shares of common stock will not be entitled to receive any distributions from us unless we have paid all accumulated distributions on preferred stock, and unless asset coverage (as defined in the 1940 Act) with respect to preferred stock would be at least 200% after giving effect to such distributions. See "Leverage."

So long as senior securities representing indebtedness are outstanding, holders of shares of common stock will not be entitled to receive any distributions from us unless we have paid all accrued interest on such senior indebtedness, and unless asset coverage (as defined in the 1940 Act) with respect to any outstanding senior indebtedness would be at least 300% after giving effect to such distributions. See "Leverage."

**Liquidation Rights.** Common stockholders are entitled to share ratably in the assets legally available for distribution to stockholders in the event of liquidation, dissolution or winding up, after payment of or adequate provision for all known debts and liabilities, including any outstanding debt securities or other borrowings and any interest accrued thereon. These rights are subject to the preferential rights of any other class or series of our stock, including the preferred stock. The rights of common stockholders upon liquidation, dissolution or winding up are subordinated to the rights of holders of Tortoise Notes and Tortoise Preferred Shares.

**Voting Rights.** Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. The presence of the holders of shares of common stock entitled to cast a majority of the votes entitled to be cast shall constitute a quorum at a meeting of stockholders. The Charter provides that, except as otherwise provided in the Bylaws, directors shall be elected by the affirmative vote of the holders of a majority of the shares of stock outstanding and entitled to vote thereon. The Bylaws provide that directors are elected by a plurality of all the votes cast at a meeting of stockholders duly called and at which a quorum



is present. There is no cumulative voting in the election of directors. Consequently, at each annual meeting of stockholders, the holders of a majority of the outstanding shares of stock entitled to vote will be able to elect all of the successors of the class of directors whose terms expire at that meeting provided that holders of preferred stock have the right to elect two directors at all times. Pursuant to the Charter and Bylaws, the Board of Directors may amend the Bylaws to alter the vote required to elect directors.

Under the rules of the NYSE applicable to listed companies, we normally will be required to hold an annual meeting of stockholders in each fiscal year. If we are converted to an open-end company or if for any other reason the shares are no longer listed on the NYSE (or any other national securities exchange the rules of which require annual meetings of stockholders), we may amend our Bylaws so that we are not otherwise required to hold annual meetings of stockholders.

Table of Contents

Issuance of Additional Shares. The provisions of the 1940 Act generally require that the public offering price of common stock of a closed-end investment company (less underwriting commissions and discounts) must equal or exceed the NAV of such company's common stock (calculated within 48 hours of pricing), unless such sale is made with the consent of a majority of the company's outstanding common stockholders.

Market. Our common stock trades on the NYSE under the ticker symbol "TYG." Common stock issued pursuant to this prospectus and related prospectus supplement will trade on the NYSE.

Transfer Agent, Dividend Paying Agent and Automatic Dividend Reinvestment and Cash Purchase Plan Agent. Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170, serves as the transfer agent and the Automatic Dividend Reinvestment and Cash Purchase Plan agent and Computershare, Inc. serves as the dividend paying agent for our common stock.

Preferred Stock

General. Our Charter authorizes the issuance of up to 65,000,000 shares of preferred stock, with preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions or redemption as determined by the Board of Directors.

The Board of Directors may, without any action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue. Additionally, the Charter authorizes the Board of Directors, without any action by the stockholders, to classify and reclassify any unissued preferred stock into other classes or series of stock from time to time by setting or changing the terms, preferences, conversion or other rights, voting powers, restrictions, limitations as to distributions, qualifications and terms and conditions of redemption for each class or series.

Preferred stock ranks junior to our debt securities, and senior to all common stock. Under the 1940 Act, we may only issue one class of senior equity securities, which in the aggregate may represent no more than 50% of our total assets. So long as Tortoise Preferred Shares are outstanding, additional issuances of preferred stock must be considered to be of the same class as Tortoise Preferred Shares under the 1940 Act and interpretations thereunder and must rank on a parity with the Tortoise Preferred Shares with respect to the payment of distributions and upon the distribution of our assets. The details on how to buy and sell preferred stock will be described in a related prospectus supplement, including the following:

the form and title of the security;

the aggregate liquidation preference of preferred stock;

the distribution rate of the preferred stock;

any optional or mandatory redemption provisions;

any provisions concerning conversion, amortization, sinking funds, and/or retirement;

any transfer agent, paying agents or security registrar; and

any other terms of the preferred stock.

Distributions. Holders of preferred stock will be entitled to receive cash distributions, when, as and if authorized by the Board of Directors and declared by us, out of funds legally available therefor. The prospectus supplement for preferred stock will describe the distribution payment provisions for those shares. Distributions so declared and payable shall be paid to the extent permitted under Maryland law and to the extent available and in preference to and priority over any distribution declared and payable on the common stock. Because of our emphasis on investments in MLPs, which are expected to generate cash in excess of the taxable income allocated to holders, it is possible that distributions payable on preferred stock could exceed current and accumulated our earnings and profits, which would be treated for federal income tax purposes as a tax-free return of capital to the extent of the basis of the shares on which the distribution is paid and thereafter as gain from the sale or exchange of the preferred stock.

Limitations on Distributions. So long as we have senior securities representing indebtedness outstanding, holders of preferred stock will not be entitled to receive any distributions from us unless asset coverage (as defined in the 1940 Act) with respect to outstanding debt securities and preferred stock would be at least 200% after giving effect to such distributions. See "Leverage."

Table of Contents

**Liquidation Rights.** In the event of any voluntary or our involuntary liquidation, dissolution or winding up, the holders of preferred stock would be entitled to receive a preferential liquidating distribution, which is expected to equal the original purchase price per share plus accumulated and unpaid distributions, whether or not declared, before any distribution of assets is made to holders of common stock. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of preferred stock will not be entitled to any further participation in any distribution of our assets. Preferred stock ranks junior to our debt securities upon liquidation, dissolution or winding up.

**Voting Rights.** Except as otherwise indicated in the Charter or Bylaws, or as otherwise required by applicable law, holders of preferred stock have one vote per share and vote together with holders of common stock as a single class.

The 1940 Act requires that the holders of any preferred stock, voting separately as a single class, have the right to elect at least two directors at all times. The remaining directors will be elected by holders of common stock and preferred stock, voting together as a single class. In addition, subject to the prior rights, if any, of the holders of any other class of senior securities outstanding (including Tortoise Notes), the holders of any shares of preferred stock have the right to elect a majority of the directors at any time two years' accumulated distributions on any preferred stock are unpaid. The 1940 Act also requires that, in addition to any approval by stockholders that might otherwise be required, the approval of the holders of a majority of shares of any outstanding preferred stock, voting separately as a class, would be required to (i) adopt any plan of reorganization that would adversely affect the preferred stock, and (ii) take any action requiring a vote of security holders under Section 13(a) of the 1940 Act, including, among other things, changes in our subclassification as a closed-end investment company or changes in our fundamental investment restrictions. See "Certain Provisions in the Company's Charter and Bylaws." As a result of these voting rights, our ability to take any such actions may be impeded to the extent that any shares of our preferred stock are outstanding.

The affirmative vote of the holders of a majority of the outstanding preferred stock, voting as a separate class, will be required to amend, alter or repeal any of the preferences, rights or powers of holders of preferred stock so as to affect materially and adversely such preferences, rights or powers. The class vote of holders of preferred stock described above will in each case be in addition to any other vote required to authorize the action in question.

We will have the right (to the extent permitted by applicable law) to purchase or otherwise acquire any preferred stock, so long as we are current in the payment of distributions on the preferred stock and on any other of our shares ranking on a parity with the preferred stock with respect to the payment of distributions or upon liquidation.

**Market.** The details on how to buy and sell preferred stock, along with other terms of preferred stock, will be described in a related prospectus supplement. We cannot assure you that any secondary market will exist or, that if a secondary market does exist, whether it will provide holders with liquidity.

**Book-Entry, Delivery and Form.** Unless otherwise indicated in the related prospectus supplement, preferred stock will be issued in book-entry form and will be represented by one or more share certificates in registered global form. The global certificates will be held by The Depository Trust Company ("DTC") and registered in the name of Cede & Co., as nominee of DTC. DTC will maintain the certificates in specified denominations per share through its book-entry facilities.

We may treat the persons in whose names any global certificates are registered as the owners thereof for the purpose of receiving payments and for any and all other purposes whatsoever. Therefore, so long as DTC or its nominee is the registered owner of the global certificates, DTC or such nominee will be considered the sole holder of outstanding preferred stock.

A global certificate may not be transferred except as a whole by DTC, its successors or their respective nominees, subject to the provisions restricting transfers of shares contained in the related articles supplementary.

#### Debt Securities

General. Under Maryland law and our Charter, we may borrow money, without prior approval of holders of common and preferred stock to the extent permitted by our investment restrictions and the 1940 Act. We may issue debt securities, including additional Tortoise Notes, or other evidence of indebtedness (including bank borrowings or commercial paper) and may secure any such notes or borrowings by mortgaging, pledging or otherwise subjecting as security our assets to the extent permitted by the 1940 Act or rating agency guidelines. Any borrowings, including without limitation the Tortoise Notes, will rank senior to the preferred stock and the common stock.

Table of Contents

Under the 1940 Act, we may only issue one class of senior securities representing indebtedness, which in the aggregate, may represent no more than 33 1/3% of our total assets. So long as Tortoise Notes are outstanding, additional debt securities must rank on a parity with Tortoise Notes with respect to the payment of interest and upon the distribution of our assets. A prospectus supplement will include specific terms relating to the offering. Subject to the limitations of the 1940 Act, we may issue debt securities, in which case the details on how to buy and sell such debt securities, along with other terms of such debt securities, will be described in a related prospectus supplement. The terms to be stated in a prospectus supplement will include the following:

the form and title of the security;

the aggregate principal amount of the securities;

the interest rate of the securities;

the maturity dates on which the principal of the securities will be payable;

any events of default or covenants;

any optional or mandatory redemption provisions;

any provisions concerning conversion, amortization, sinking funds, and/or retirement;

the trustees, transfer agent, paying agents or security registrar; and

any other terms of the securities.

**Interest.** For debt securities, the prospectus supplement will describe the interest payment provisions relating to those debt securities. Interest on debt securities shall be payable when due as described in the related prospectus supplement. If we do not pay interest when due, it will trigger an event of default and we will be restricted from declaring distributions and making other distributions with respect to our common stock and preferred stock.

**Limitations.** Under the requirements of the 1940 Act, immediately after issuing any senior securities representing indebtedness, we must have an asset coverage of at least 300%. Asset coverage means the ratio which the value of our total assets, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness. We currently are subject to certain restrictions imposed by guidelines of one or more rating agencies that have issued ratings for outstanding Tortoise Notes, including restrictions related to asset coverage and portfolio composition. Such restrictions may be more stringent than those imposed by the 1940 Act. Other types of borrowings also may result in our being subject to similar covenants in credit agreements.

**Events of Default and Acceleration of Maturity of Debt Securities; Remedies.** Unless stated otherwise in the related prospectus supplement, it is anticipated that any one of the following events will constitute an “event of default” for that series:

default in the payment of any interest upon a series of debt securities when it becomes due and payable and the continuance of such default for 30 days;

default in the payment of the principal of, or premium on, a series of debt securities at its stated maturity;

default in the performance, or breach, of any covenant or warranty of ours in any document governing the Tortoise Notes, and continuance of such default or breach for a period of 90 days after written notice has been given to us;

certain voluntary or involuntary proceedings involving us and relating to bankruptcy, insolvency or other similar laws;

if, on the last business day of each of twenty-four consecutive calendar months, the debt securities have a 1940 Act asset coverage of less than 100%; or

any other “event of default” provided with respect to a series, including a default in the payment of any redemption price payable on the redemption date.

### Table of Contents

Upon the occurrence and continuance of an event of default, the holders of a majority in principal amount of a series of outstanding debt securities or the trustee may declare the principal amount of that series of debt securities immediately due and payable upon written notice to us. A default that relates only to one series of debt securities does not affect any other series and the holders of such other series of debt securities are generally not entitled to receive notice of such a default. Upon an event of default relating to bankruptcy, insolvency or other similar laws, acceleration of maturity occurs automatically with respect to all series. At any time after a declaration of acceleration with respect to a series of debt securities has been made, and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of the outstanding debt securities of that series, by written notice to us and the trustee, may rescind and annul the declaration of acceleration and its consequences if all events of default with respect to that series of debt securities, other than the non-payment of the principal of that series of debt securities which has become due solely by such declaration of acceleration, have been cured or waived and other conditions have been met.

**Liquidation Rights.** In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to us or to our creditors, as such, or to our assets, or (b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of ours, then (after any payments with respect to any secured creditor of ours outstanding at such time) and in any such event the holders of debt securities shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all debt securities (including any interest accruing thereon after the commencement of any such case or proceeding), or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of the debt securities, before the holders of any common or preferred stock of the Company are entitled to receive any payment on account of any redemption proceeds, liquidation preference or distributions from such shares. The holders of debt securities shall be entitled to receive, for application to the payment thereof, any payment or distribution of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of ours being subordinated to the payment of the debt securities, which may be payable or deliverable in respect of the debt securities in any such case, proceeding, dissolution, liquidation or other winding up event.

Unsecured creditors of ours may include, without limitation, service providers including the Adviser, custodian, administrator, broker-dealers and the trustee, pursuant to the terms of various contracts with us. Secured creditors of ours may include without limitation parties entering into any interest rate swap, floor or cap transactions, or other similar transactions with us that create liens, pledges, charges, security interests, security agreements or other encumbrances on our assets.

A consolidation, reorganization or merger of the Company with or into any other company, or a sale, lease or exchange of all or substantially all of our assets in consideration for the issuance of equity securities of another company shall not be deemed to be a liquidation, dissolution or winding up of the Company.

**Voting Rights.** Debt securities have no voting rights, except to the extent required by law or as otherwise provided in the documents governing the Tortoise Notes relating to the acceleration of maturity upon the occurrence and continuance of an event of default. In connection with any other borrowings (if any), the 1940 Act does in certain circumstances grant to the lenders certain voting rights in the event of default in the payment of interest on or repayment of principal.

**Market.** The details on how to buy and sell our debt securities, along with other terms of such debt securities, will be described in a related prospectus supplement. We cannot assure you that any secondary market will exist or if a secondary market does exist, whether it will provide holders with liquidity.



Book-Entry, Delivery and Form. Unless otherwise stated in the related prospectus supplement, debt securities will be issued in book-entry form and will be represented by one or more notes in registered global form. The global notes will be deposited with a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC. DTC will maintain the notes in designated denominations through its book-entry facilities.

We may treat the persons in whose names any notes, including the global notes, are registered as the owners thereof for the purpose of receiving payments and for any and all other purposes whatsoever. Therefore, so long as DTC or its nominee is the registered owner of the global notes, DTC or such nominee will be considered the sole holder of outstanding notes. We may give effect to any written certification, proxy or other authorization furnished by DTC or its nominee.

### Table of Contents

A global note may not be transferred except as a whole by DTC, its successors or their respective nominees. Interests of beneficial owners in the global note may be transferred or exchanged for definitive securities in accordance with the rules and procedures of DTC. In addition, a global note may be exchangeable for notes in definitive form if:

DTC notifies us that it is unwilling or unable to continue as a depository and we do not appoint a successor within 60 days;

we, at our option, notify the appropriate party in writing that we elect to cause the issuance of notes in definitive form; or

an event of default has occurred and is continuing.

In each instance, upon surrender by DTC or its nominee of the global note, notes in definitive form will be issued to each person that DTC or its nominee identifies as being the beneficial owner of the related notes.

The holder of any global note may grant proxies and otherwise authorize any person, including its participants and persons who may hold interests through DTC participants, to take any action which a holder is entitled to take.

### RATING AGENCY GUIDELINES

The Rating Agencies, which assign ratings to our senior securities, impose asset coverage requirements, which may limit our ability to engage in certain types of transactions and may limit our ability to take certain actions without confirming that such action will not impair the ratings. As of the date of this prospectus, the outstanding Tortoise Notes and Tortoise Preferred Shares are currently rated by Fitch. Fitch, and any other agency that may rate our debt securities or preferred stock in the future, are collectively referred to as the “Rating Agencies.”

We may, but are not required to, adopt any modification to the guidelines that may hereafter be established by any Rating Agency. Failure to adopt any modifications, however, may result in a change in the ratings described above or a withdrawal of ratings altogether. In addition, any Rating Agency may, at any time, change or withdraw any rating. The Board may, without stockholder approval, modify, alter or repeal certain of the definitions and related provisions which have been adopted pursuant to each Rating Agency’s guidelines (“Rating Agency Guidelines”) only in the event we receive written confirmation from the Rating Agency or Agencies that any amendment, alteration or repeal would not impair the ratings then assigned to the senior securities.

We are required to satisfy two separate asset maintenance requirements with respect to outstanding debt securities and with respect to outstanding preferred stock: (1) we must maintain assets in our portfolio that have a value, discounted in accordance with guidelines set forth by each Rating Agency, at least equal to the aggregate principal amount/aggregate liquidation preference of the debt securities/preferred stock, respectively, plus specified liabilities, payment obligations and other amounts (the “Basic Maintenance Amount”); and (2) we must satisfy the 1940 Act asset coverage requirements.

**Basic Maintenance Amounts.** We must maintain, as of each valuation date on which senior securities are outstanding, eligible assets having an aggregate discounted value at least equal to the applicable Basic Maintenance Amount, which is calculated separately for debt securities and preferred stock for each Rating Agency that is then rating the senior securities and so requires. If we fail to maintain eligible assets having an aggregated discounted value at least equal to the applicable Basic Maintenance Amount as of any valuation date and such failure is not cured, we will be required in certain circumstances to redeem certain of the senior securities.

The applicable Basic Maintenance Amount is defined in the Rating Agency’s Guidelines. Each Rating Agency may amend the definition of the applicable Basic Maintenance Amount from time to time.

The market value of our portfolio securities (used in calculating the discounted value of eligible assets) is calculated using readily available market quotations when appropriate, and in any event, consistent with our valuation procedures. For the purpose of calculating the applicable Basic Maintenance Amount, portfolio securities are valued in the same manner as we calculate our NAV. See “Determination of Net Asset Value.”

Each Rating Agency’s discount factors, the criteria used to determine whether the assets held in our portfolio are eligible assets, and the guidelines for determining the discounted value of our portfolio holdings for purposes of determining compliance with the applicable Basic Maintenance Amount are based on Rating Agency Guidelines established in connection with rating the senior securities. The discount factor relating to any asset, the applicable basic maintenance amount requirement, the assets eligible for inclusion in the calculation of the discounted value of our portfolio and certain definitions and methods of calculation relating thereto may be changed from time to time by the applicable Rating Agency, without our approval, or the approval of our Board of Directors or stockholders.

### Table of Contents

A Rating Agency's Guidelines will apply to the senior securities only so long as that Rating Agency is rating such securities. We will pay certain fees to Fitch and any other Rating Agency that may provide a rating for the senior securities. The ratings assigned to the senior securities are not recommendations to buy, sell or hold the senior securities. Such ratings may be subject to revision or withdrawal by the assigning Rating Agency at any time.

1940 Act Asset Coverage. We are also required to maintain, with respect to senior securities, as of the last business day on any month in which any senior securities are outstanding, asset coverage of at least 300% for debt securities and 200% for preferred stock (or such other percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing shares of a closed-end investment company as a condition of declaring distributions on its common stock). Notwithstanding the foregoing, we have agreed, while the Tortoise Preferred Shares are outstanding, to maintain asset coverage of at least 225%. If we fail to maintain the applicable 1940 Act or other more stringent agreed upon asset coverage as of the last business day of the week, month or other period required with respect to the applicable senior security and such failure is not cured within 30 days (the "Asset Coverage Cure Date"), we will be required to redeem certain senior securities.

Notices. Under the current Rating Agency Guidelines, in certain circumstances, we are required to deliver to any Rating Agency which is then rating the senior securities (1) a certificate with respect to the calculation of the applicable Basic Maintenance Amount; (2) a certificate with respect to the calculation of the applicable 1940 Act asset coverage and the value of our portfolio holdings; and (3) a letter prepared by our independent accountants regarding the accuracy of such calculations.

Notwithstanding anything herein to the contrary, the Rating Agency Guidelines, as they may be amended from time to time by each Rating Agency will be reflected in a written document and may be amended by each Rating Agency without the vote, consent or approval of the Company, the Board of Directors or any stockholder of the Company.

A summary of the current Rating Agency Guidelines are included as Appendix A to our statement of additional information. The full Rating Agency Guidelines will be provided to any holder of senior securities promptly upon request made by such holder to the Company by writing the Company at 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

### CERTAIN PROVISIONS IN THE COMPANY'S CHARTER AND BYLAWS

The following description of certain provisions of the Charter and Bylaws is only a summary. For a complete description, please refer to the Charter and Bylaws, which have been filed as exhibits to our registration statement on Form N-2, of which this prospectus forms a part.

The Maryland General Corporation Law and our Charter and Bylaws include provisions that could delay, defer or prevent other entities or persons from acquiring control of us, causing us to engage in certain transactions or modifying our structure. These provisions may be regarded as "anti-takeover" provisions. Such provisions could limit the ability of stockholders to sell their shares at a premium over the then-current market prices by discouraging a third party from seeking to obtain control of us. We have not elected to become subject to the Maryland Control Share Acquisition Act.

### Classification of the Board of Directors; Election of Directors

Our Charter provides that the number of directors may be established only by the Board of Directors pursuant to the Bylaws, but may not be less than one. The Bylaws provide that, unless the Bylaws are amended, the number of directors may not be greater than nine. Subject to any applicable limitations of the 1940 Act, any vacancy may be filled, at any regular meeting or at any special meeting called for that purpose, only by a majority of the remaining directors, even if those remaining directors do not constitute a quorum. Pursuant to the Charter, the Board of Directors

is divided into three classes: Class I, Class II and Class III. Upon the expiration of their current terms, which expire in 2017, 2018 and 2016, respectively, directors of each class will be elected to serve for three-year terms and until their successors are duly elected and qualify. Each year only one class of directors will be elected by the stockholders. The classification of the Board of Directors should help to assure the continuity and stability of our strategies and policies as determined by the Board of Directors.

### Table of Contents

The classified Board provision could have the effect of making the replacement of incumbent directors more time-consuming and difficult. At least two annual meetings of stockholders, instead of one, generally will be required to effect a change in a majority of the Board of Directors. Thus, the classified Board provision could increase the likelihood that incumbent directors will retain their positions. The staggered terms of directors may delay, defer or prevent a change in control of the Board, even though a change in control might be in the best interests of the stockholders.

### Removal of Directors

The Charter provides that a director may be removed only for cause and only by the affirmative vote of at least two-thirds of the votes entitled to be cast in the election of directors. This provision, when coupled with the provision in the charter and Bylaws authorizing only the Board of Directors to fill vacant directorships, precludes stockholders from removing incumbent directors, except for cause and by a substantial affirmative vote, and filling the vacancies created by the removal with nominees of stockholders.

### Approval of Extraordinary Corporate Actions; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a statutory share exchange or engage in similar transactions outside the ordinary course of business, unless declared advisable by the Board of Directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for stockholder approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Our Charter generally provides for approval of Charter amendments and extraordinary transactions by the stockholders entitled to cast a majority of the votes entitled to be cast on the matter. Our Charter also provides that certain Charter amendments and any proposal for our conversion, whether by merger or otherwise, from a closed-end company to an open-end company or any proposal for our liquidation or dissolution requires the approval of stockholders entitled to cast at least 80 percent of the votes entitled to be cast on such matter. However, if such amendment or proposal is approved by at least two-thirds of our continuing directors (in addition to the approval by our Board of Directors otherwise required), such amendment or proposal may be approved by stockholders entitled to cast a majority of the votes entitled to be cast on such a matter. The “continuing directors” are defined in our Charter as the directors named in our Charter as well as those directors whose nomination for election by the stockholders or whose election by the directors to fill vacancies is approved by a majority of the continuing directors then on the Board of Directors.

Our Charter and Bylaws provide that the Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our Bylaws.

### Advance Notice of Director Nominations and New Business

The Bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to the Board of Directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to notice of the meeting, (2) by or at the direction of the Board of Directors or (3) by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice procedures of the Bylaws. With respect to special meetings of stockholders, only the business specified in the Company’s notice of the meeting may be brought before the meeting. Nominations of persons for election to the Board of Directors at a special meeting may be made only (1) pursuant to notice of the meeting by the Company, (2) by or at the direction of the Board of Directors, or (3) provided that the Board of Directors has determined that Directors will be elected at the meeting, by a stockholder who is entitled to vote at the meeting and who has complied with the advance notice provisions of the Bylaws.

### SELLING STOCKHOLDERS

An unspecified number of shares of our common stock may be offered and sold for resale from time to time under this prospectus by certain of our stockholders; provided, however, that no stockholder will be authorized to use this prospectus for an offering of our common stock without first obtaining our consent. We may consent to the use of this prospectus by certain of our stockholders for a limited period of time and subject to certain limitations and conditions depending on the terms of any agreements between us and such stockholders. The identity of any selling stockholder, including any material relationship between us and our affiliates and such selling stockholder, the percentage of our common stock owned by such selling stockholder prior to the offering, the number of shares of our common stock to be offered by such selling stockholder, the percentage of our common stock to be owned (if greater than one percent) by such selling stockholder following the offering, and the price and terms upon which our shares of common stock are to be sold by such selling stockholder will be set forth in a prospectus supplement to this prospectus. We will not receive any of the proceeds from the common stock sold by any selling stockholder.

Table of Contents

PLAN OF DISTRIBUTION

We may sell our common stock, preferred stock or debt securities, and certain of our stockholders may sell our common stock, on an immediate, continuous or delayed basis, in one or more offerings under this prospectus and any related prospectus supplement. The aggregate amount of securities that may be offered by us and any selling stockholders is limited to \$375,000,000. We may offer our common stock, preferred stock and debt securities: (1) directly to one or more purchasers, including existing common stockholders in a rights offering; (2) through agents; (3) through underwriters; (4) through dealers; or (5) pursuant to our Automatic Dividend Reinvestment and Cash Purchase Plan. Any selling stockholders may offer our common stock: (1) directly to one or more purchasers; (2) through agents; (3) through underwriters; or (4) through dealers. In the case of a rights offering, the applicable prospectus supplement will set forth the number of shares of our common stock issuable upon the exercise of each right and the other terms of such rights offering. Each prospectus supplement relating to an offering of securities will state the terms of the offering, including as applicable:

the names and addresses of any agents, underwriters or dealers;

any sales loads or other items constituting underwriters' compensation;

any discounts, commissions, or fees allowed or paid to dealers or agents;

the public offering or purchase price of the offered securities and the net proceeds we will receive from the sale; provided, however, that we will not receive any of the proceeds from a sale of our common stock by any selling stockholder; and

any securities exchange on which the offered securities may be listed.

Direct Sales

We may sell our common stock, preferred stock and debt securities, or certain of our stockholders may sell our common stock, directly to, and solicit offers from, institutional investors or others who may be deemed to be underwriters as defined in the 1933 Act for any resales of the securities. In this case, no underwriters or agents would be involved. We, or any selling stockholder, may use electronic media, including the Internet, to sell offered securities directly. The terms of any of those sales will be described in a prospectus supplement.

By Agents

We may offer our common stock, preferred stock and debt securities, or certain of our stockholders may sell our common stock, through agents that we or they designate. Any agent involved in the offer and sale will be named and any commissions payable by us, or any selling stockholder, will be described in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, the agents will be acting on a best efforts basis for the period of their appointment.

By Underwriters

We may offer and sell securities, or certain of our stockholders may offer our common stock, from time to time to one or more underwriters who would purchase the securities as principal for resale to the public, either on a firm commitment or best efforts basis. If we sell securities, or a selling stockholder offers our common stock, to underwriters, we and such selling stockholder will execute an underwriting agreement with them at the time of the sale and will name them in the prospectus supplement. In connection with these sales, the underwriters may be deemed to have received compensation from us or such selling stockholder in the form of underwriting discounts and



commissions. The underwriters also may receive commissions from purchasers of securities for whom they may act as agent. Unless otherwise stated in the prospectus supplement, the underwriters will not be obligated to purchase the securities unless the conditions set forth in the underwriting agreement are satisfied, and if the underwriters purchase any of the securities, they will be required to purchase all of the offered securities. The underwriters may sell the offered securities to or through dealers, and those dealers may receive discounts, concessions or commissions from the underwriters as well as from the purchasers for whom they may act as agent. Any public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

## Table of Contents

If a prospectus supplement so indicates, we may grant the underwriters an option to purchase additional shares of common stock at the public offering price, less the underwriting discounts and commissions, within 45 days from the date of the prospectus supplement, to cover any overallocments.

### By Dealers

We may offer and sell securities, or certain of our stockholders may offer our common stock, from time to time to one or more dealers who would purchase the securities as principal. The dealers then may resell the offered securities to the public at fixed or varying prices to be determined by those dealers at the time of resale. The names of the dealers and the terms of the transaction will be set forth in the prospectus supplement.

### General Information

Agents, underwriters, or dealers participating in an offering of securities may be deemed to be underwriters, and any discounts and commission received by them and any profit realized by them on resale of the offered securities for whom they act as agent, may be deemed to be underwriting discounts and commissions under the 1933 Act.

We may offer to sell securities, or certain of our stockholders may offer our common stock, either at a fixed price or at prices that may vary, at market prices prevailing at the time of sale, at prices related to prevailing market prices, or at negotiated prices.

Ordinarily, each series of offered securities will be a new issue of securities and will have no established trading market.

Certain after market support services will be provided by Montage Securities, LLC. Our Adviser has entered into an agreement with Montage Securities, LLC, a registered broker/dealer and an affiliate of our Adviser and Montage Investments, LLC, the indirect majority owner of our Adviser, under which Montage Securities, LLC provides after-market support services for us for a fee. The compensation to Montage Securities, LLC for these services will be paid exclusively by our Adviser.

To facilitate an offering of common stock in an underwritten transaction and in accordance with industry practice, the underwriters may engage in transactions that stabilize, maintain, or otherwise affect the market price of the common stock or any other security. Those transactions may include overallocment, entering stabilizing bids, effecting syndicate covering transactions, and reclaiming selling concessions allowed to an underwriter or a dealer.

An overallocment in connection with an offering creates a short position in the common stock for the underwriter's own account.

An underwriter may place a stabilizing bid to purchase the common stock for the purpose of pegging, fixing, or maintaining the price of the common stock.

Underwriters may engage in syndicate covering transactions to cover overallocments or to stabilize the price of the common stock by bidding for, and purchasing, the common stock or any other securities in the open market in order to reduce a short position created in connection with the offering.

The managing underwriter may impose a penalty bid on a syndicate member to reclaim a selling concession in connection with an offering when the common stock originally sold by the syndicate member is purchased in syndicate covering transactions or otherwise.

Any of these activities may stabilize or maintain the market price of the securities above independent market levels. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

Any underwriters to whom the offered securities are sold for offering and sale may make a market in the offered securities, but the underwriters will not be obligated to do so and may discontinue any market-making at any time without notice. The offered securities may or may not be listed on a securities exchange. We cannot assure you that there will be a liquid trading market for the offered securities.

Under agreements entered into with us, underwriters and agents and related persons (or and their affiliates) may be entitled to indemnification by us against certain civil liabilities, including liabilities under the 1933 Act, or to contribution for payments the underwriters or agents may be required to make.

### Table of Contents

The underwriters, agents, and their affiliates may engage in financial or other business transactions with us and our subsidiaries in the ordinary course of business.

The maximum commission or discount to be received by any member of the Financial Industry Regulatory Authority (“FINRA”) or independent broker-dealer will not be greater than eight percent of the initial gross proceeds from the sale of any security being sold. In connection with any rights offering to our common stockholders, we may also enter into a standby underwriting arrangement with one or more underwriters pursuant to which the underwriter(s) will purchase our common stock remaining unsubscribed for after the rights offering.

The aggregate offering price specified on the cover of this prospectus relates to the offering of the securities not yet issued as of the date of this prospectus.

To the extent permitted under the 1940 Act and the rules and regulations promulgated thereunder, the underwriters may from time to time act as a broker or dealer and receive fees in connection with the execution of our portfolio transactions after the underwriters have ceased to be underwriters and, subject to certain restrictions, each may act as a broker while it is an underwriter.

A prospectus and accompanying prospectus supplement in electronic form may be made available on the websites maintained by underwriters. The underwriters may agree to allocate a number of securities for sale to their online brokerage account holders. Such allocations of securities for internet distributions will be made on the same basis as other allocations. In addition, securities may be sold by the underwriters to securities dealers who resell securities to online brokerage account holders.

### Automatic Dividend Reinvestment and Cash Purchase Plan

We may issue and sell shares of common stock pursuant to our Automatic Dividend Reinvestment and Cash Purchase Plan.

### ADMINISTRATOR AND CUSTODIAN

U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, Wisconsin, serves as our administrator and provides certain back-office support such as payment of expenses and preparation of financial statements and related schedules. We pay the administrator a monthly fee computed at an annual rate of 0.04% of the first \$1 billion of our Managed Assets, 0.01% on the next \$500 million of our Managed Assets and 0.005% on the balance of our Managed Assets.

U.S. Bank N.A., 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin, serves as our custodian. We pay the custodian a monthly fee computed at an annual rate of 0.004% of our portfolio assets, plus portfolio transaction fees.

### LEGAL MATTERS

Husch Blackwell LLP (“HB”), Kansas City, Missouri, serves as our counsel. Certain legal matters in connection with the securities offered hereby will be passed upon for us by HB. HB may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law. If certain legal matters in connection with an offering of securities are passed upon by counsel for the placement agents or underwriters of such offering, such counsel to the placement agents or underwriters will be named in a prospectus supplement.

### AVAILABLE INFORMATION

We are subject to the informational requirements of the Exchange Act and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports. Our most recent annual shareholder report filed with the SEC is for our fiscal year ended November 30, 2015. These documents are available on the SEC's EDGAR system and can be inspected and copied for a fee at the SEC's public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus does not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found in our Registration Statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. The SEC maintains a web site (<http://www.sec.gov>) that contains our Registration Statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and reports filed under the Exchange Act.

Table of Contents

TABLE OF CONTENTS  
OF THE STATEMENT OF ADDITIONAL INFORMATION

	<u>Page</u>
Investment Limitations	S-1
Investment Objective and Principal Investment Strategies	S-3
Management of the Company	S-13
Net Asset Value	S-26
Portfolio Transactions	S-27
Certain Federal Income Tax Matters	S-28
Proxy Voting Policies	S-35
Independent Registered Public Accounting Firm	S-36
Administrator and Custodian	S-36
Internal Accountant	S-36
Additional Information	S-36
Financial Statements	S-36
Appendix A — Rating of Investments	A-1

Table of Contents

The information in this preliminary prospectus supplement, which relates to an effective registration statement under the Securities Act of 1933, as amended, is not complete and may be changed. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell these securities or a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated \_\_\_\_\_, 201\_\_

FORM OF PROSPECTUS SUPPLEMENT

(To prospectus dated \_\_\_\_\_, 201\_\_)

\_\_\_\_\_ Shares

Tortoise Energy Infrastructure Corporation

Common Stock

Tortoise Energy Infrastructure Corporation (the “Company,” “we,” “us” or “our”) is a nondiversified, closed-end management investment company. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. We cannot assure you that we will achieve our investment objective. Unlike most investment companies, we have not elected to be treated as a regulated investment company under the Internal Revenue Code.

We are offering \_\_\_\_\_ shares of our common stock. This prospectus supplement, together with the accompanying prospectus dated \_\_\_\_\_, 201\_\_, sets forth the information that you should know before investing.

Our currently outstanding shares of common stock are, and the shares offered in this prospectus supplement and accompanying prospectus will be listed on the New York Stock Exchange under the symbol “TYG.” The last reported sale price of our common stock on \_\_\_\_\_, 201\_\_ was \$\_\_\_\_\_ per share. The net asset value (“NAV”) per share of our common stock at the close of business on \_\_\_\_\_, 201\_\_ was \$\_\_\_\_\_.

Investing in our common stock involves risks that are described in the “Risk Factors” section beginning on page \_\_\_ of the accompanying prospectus.

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	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before offering expenses, to us <sup>(1)</sup>	\$	\$

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(1)The aggregate offering expenses are estimated to be \$\_\_\_\_\_, all of which will be borne by us.

[We have granted the underwriters the option to purchase up to an additional \_\_\_\_\_ shares of common stock from us at the public offering price, less the underwriting discount, to cover over-allotments, if any, within 45 days from the date of this prospectus supplement. If the underwriters exercise their overallotment option, the total public offering

price will be \$\_\_\_\_\_ and the total underwriting discount will be \$\_\_\_\_\_. The proceeds to us will then be \$\_\_\_\_\_, before deducting offering expenses.]

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

The shares will be ready for delivery to purchasers on or about \_\_\_\_\_, 201\_\_.

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Table of Contents

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[Insert Underwriters]

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The date of this prospectus supplement is \_\_\_\_\_, 201\_\_.

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Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus Supplement Summary	S-
Use of Proceeds	S-
Capitalization	S-
Financial Highlights	S-
Underwriting	S-
Legal Matters	S-
Where You Can Find More Information	S-

Prospectus

Prospectus Summary	
Summary of Company Expenses	
Financial Highlights	
Senior Securities	
Market and Net Asset Value Information	
The Company	
Use of Proceeds	
Investment Objective and Principal Investment Strategies	
Leverage	
Risk Factors	
Management of the Company	
Determination of Net Asset Value	
Automatic Dividend Reinvestment Plan	
Description of Securities	
Rating Agency Guidelines	
Certain Provisions in Our Charter and Bylaws	
Selling Stockholders	
Plan of Distribution	
Closed-End Company Structure	
Certain Federal Income Tax Matters	
Administrator, Custodian And Fund Accountant	
Legal Matters	
Available Information	
Table of Contents of The Statement of Additional Information	

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in the statement of additional information. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities where the offer is not permitted. The information appearing in this prospectus supplement, the accompanying prospectus and in the statement of additional information is accurate only as of the dates on their respective covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

Table of Contents

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying 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. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. 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 conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Securities and Exchange Commission (the “SEC”).

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 the prospectus accompanying this prospectus supplement. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. 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 supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933.

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 the prospectus accompanying this prospectus supplement. We urge you to review carefully these sections for a more complete discussion of the risks of an investment in our common stock.

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Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and the offering but does not contain all of the information that is important to your investment decision. You should read this summary together with the more detailed information contained elsewhere in this prospectus supplement and accompanying prospectus and in the statement of additional information, especially the information set forth under the heading “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus. When used in this prospectus supplement, the terms “we,” “us,” and “our” refer to Tortoise Energy Infrastructure Corporation unless specified otherwise.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. We consider our investment objective a nonfundamental investment policy. We cannot assure you that we will achieve our investment objective.

We are a nondiversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). We were organized as a corporation on October 30, 2003, pursuant to a charter (the “Charter”) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “TYG.” On June 23, 2014 we acquired the assets and liabilities of Tortoise Energy Capital Corporation and Tortoise North American Energy Corporation via merger. As of \_\_\_\_, 201\_\_, we had net assets of approximately \$\_\_\_\_\_ million attributable to our common stock. As of \_\_\_\_, 201\_\_, we had outstanding \$\_\_\_ million of our Mandatory Redeemable Preferred Stock (the “Tortoise Preferred Shares”) and \$\_\_\_ million of our privately placed Senior Notes (the “Tortoise Notes”).

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the “Adviser”), a registered investment adviser specializing in managing portfolios of securities of master limited partnerships (“MLPs”) and other energy companies, serves as our investment adviser. As of \_\_\_\_, 201\_\_, our Adviser managed investments of approximately \$\_\_\_ billion in the energy sector, including the assets of publicly traded closed-end management investment companies, open-end funds and other accounts. Our Adviser’s investment committee is comprised of eight portfolio managers. The principal business address of the Adviser is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

Portfolio Investments

Under normal circumstances, we invest at least 90% of our total assets (including assets we obtain through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. We invest primarily in energy infrastructure companies organized in the United States. It is anticipated that all of the publicly traded MLPs in which we will invest will have a market capitalization greater than \$100 million at the time of investment. See “Investment Objective and Principal Investment Strategies” in the accompany prospectus.

Table of Contents

As of \_\_\_\_\_, 201\_\_, our portfolio investments were approximately \$\_\_\_ billion. Our top 10 holdings by issuer as of that date were:

<u>Name</u>	<u>Market Value</u>	<u>Percentage of</u>
<u>(in millions)</u>	<u>Investment Securities</u>	<u>(1)</u>

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

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(1) Percent of investments and cash equivalents.

Recent Developments

[To be furnished at the time of offering]

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Table of Contents

The Offering

Common stock offered by the \_\_\_\_\_ shares.<sup>(1)</sup>  
Company

Shares outstanding after the offering \_\_\_\_\_ shares.<sup>(1)</sup>

Use of proceeds We estimate that our net proceeds from this offering after expenses without exercise of the overallotment option will be approximately \$\_\_\_\_\_. We intend to use the net proceeds of this offering to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. See “Use of Proceeds.”

Risk factors See the section titled “Risk Factors” and other information included in the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

New York Stock Exchange symbol “TYG”

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The number of shares offered and outstanding after the offering assumes the underwriters’ overallotment option is (1) not exercised. If the overallotment option is exercised in full, we will issue and sell an additional \_\_\_\_\_ shares and have \_\_\_\_\_ outstanding following the offering.

Stockholder transaction expenses:

Underwriting discount  
(as a percentage of offering price) \_\_\_\_\_%

Offering expenses borne by us  
(as a percentage of offering price) \_\_\_\_\_%

Dividend reinvestment plan fees <sup>(1)</sup> None

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Stockholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common stock (1) held in a dividend reinvestment account. See “Automatic Dividend Reinvestment Plan” in the accompanying prospectus.

Example This example replaces the example as set forth on page \_\_\_\_ of the accompanying prospectus with respect to this offering.

The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in common stock assuming (1) an underwriting discount of \_\_\_\_\_% and offering expenses of \_\_\_\_\_% of the offering price; (2) total annual expenses of \_\_\_\_\_% of net assets attributable to shares of common stock; (3) a

5% annual return; and (4) all distributions are reinvested at net asset value:

	1	3	5	10
	Year	Years	Years	Years
Total Expenses Paid by Common Stockholders <sup>(1)</sup>	\$ ___	\$ ___	\$ ___	\$ ___

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Table of Contents

Includes deferred  
(1) income tax  
expense.

The example should not be considered a representation of future expenses. Actual expenses may be greater or less than those assumed. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

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Table of Contents

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$\_\_\_\_\_ after deducting the underwriting discount and our estimated offering expenses, or \$\_\_\_\_\_ if the underwriters exercise their overallotment option in full. We intend to use the net proceeds of this offering to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. Pending such investments, we anticipate (i) repaying short-term debt outstanding under our credit facility or (ii) investing in short-term securities issued by the U.S. government or its agencies or instrumentalities or in short-term debt obligations or money market instruments.

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Table of Contents

CAPITALIZATION

The following table sets forth our capitalization: (i) as of \_\_\_\_\_, 201\_, (ii) pro forma to reflect the subsequent borrowing under our credit facility through the date of this prospectus supplement, [the issuance of [describe securities] on \_\_\_\_\_, 201\_] and and (iii) pro forma as adjusted to reflect the issuance of the common shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading “Per Common Share Data” and “Supplemental Data and Ratios” shows our per common share operating performance. Except when noted, the information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in our 200\_\_ Annual Report and incorporated by reference into the statement of additional information, both of which are available from us upon request. The information as of \_\_\_\_\_, 201\_\_ and for the period from December 1, 201\_\_ through \_\_\_\_\_, 201\_\_ appears in our unaudited interim financial statements as filed with the SEC in our most recent stockholder report for the period ended \_\_\_\_\_, 201\_\_. See “Where You Can Find More Information” in this prospectus supplement.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents  
UNDERWRITING

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Husch Blackwell LLP, Kansas City, Missouri (“Husch Blackwell”). Certain legal matters in connection with the securities offered hereby will be passed upon for the underwriters by \_\_\_\_\_. Husch Blackwell and \_\_\_\_\_ may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934 and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports.

Our 201\_\_ Annual Report, as filed with the SEC and which contains our audited financial statements as of November 30, 201\_\_ and for the year then ended, notes thereto, and other information about us is incorporated by reference into our statement of additional information. Our 201\_\_ \_\_\_\_Quarter Report, as filed with the SEC and which contain our unaudited financial statements as of \_\_\_\_\_, 201\_\_, notes thereto, and other information about us is incorporated by reference into our statement of additional information. These documents are available on the SEC’s EDGAR system and can be inspected and copied for a fee at the SEC’s public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found on the Adviser’s website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com) and in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. Information included on the Adviser’s website does not form part of this prospectus supplement. The SEC maintains a web site (<http://www.sec.gov>) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and other reports we have filed with the SEC.

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Table of Contents

Insert Base Prospectus Dated \_\_\_\_\_, 201\_\_

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Table of Contents

\_\_\_\_\_ Shares

Tortoise Energy Infrastructure Corporation

Common Stock

[LOGO]

PROSPECTUS SUPPLEMENT

[INSERT UNDERWRITERS]

\_\_\_\_\_, 201\_\_

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Table of Contents

The information in this preliminary prospectus supplement, which relates to an effective registration statement under the Securities Act of 1933, as amended, is not complete and may be changed. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell these securities or a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated \_\_\_\_\_, 201\_\_

FORM OF PROSPECTUS SUPPLEMENT

(To prospectus dated \_\_\_\_\_, 201\_\_)

Tortoise Energy Infrastructure Corporation

Series \_\_\_\_ [Floating Rate] Notes due 20\_\_

Tortoise Energy Infrastructure Corporation (the “Company,” “we,” “us” or “our”) is a nondiversified, closed-end management investment company. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. We cannot assure you that we will achieve our investment objective. Unlike most investment companies, we have not elected to be treated as a regulated investment company under the Internal Revenue Code.

We are offering \$\_\_\_\_\_ in aggregate principal amount of our Series\_\_ [Floating Rate] Notes due 20\_\_ (the “Series \_\_ Notes”) in this prospectus supplement. This prospectus supplement is not complete and should be read in conjunction with our prospectus dated \_\_\_\_\_, 201\_\_ the “accompanying prospectus”). This prospectus supplement does not include all of the information that you should consider before purchasing any Series \_\_ Notes. You should read this prospectus supplement and the accompanying prospectus prior to purchasing any Series \_\_ Notes.

The Series \_\_ Notes will bear interest at a [floating] rate equal to \_\_\_\_\_% per annum and [will be reset [quarterly]]. The Series\_\_ Notes will mature on \_\_\_\_\_ 20\_\_. We will pay interest on the Series \_\_ Notes [quarterly], commencing on \_\_\_\_\_, 201\_\_. The Series \_\_ Notes are subject to optional prepayment and mandatory prepayment in certain circumstances. The Series \_\_ Notes have no sinking fund provisions.

The Series \_\_ Notes will be senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness.

Investing in Series \_\_ Notes involves certain risks. See “Risk Factors” beginning on page \_\_\_\_ of the accompanying prospectus and “Risks of Investing in Series \_\_ Notes” beginning on page S-\_\_ of this prospectus supplement.

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	Per	
	Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before offering expenses, to us <sup>(1)</sup>	\$	\$

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(1)The aggregate offering expenses are estimated to be \$\_\_\_\_\_, all of which will be borne by us.

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Table of Contents

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

The Series \_\_\_ Notes will be ready for delivery to purchasers on or about \_\_\_\_\_, 201\_\_\_.

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[Insert Underwriters]

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The date of this prospectus supplement is \_\_\_\_\_, 201\_\_\_.

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Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus Supplement Summary	S-
Use of Proceeds	S-
Capitalization	S-
Financial Highlights	S-
Description of the Series ___ Notes	S-
Federal Income Tax Matters	S-
Risks of Investing in the Series ___ Notes	S-
Underwriting	S-
Legal Matters	S-
Where You Can Find More Information	S-

Prospectus

Prospectus Summary
Summary of Company Expenses
Financial Highlights
Senior Securities
Market and Net Asset Value Information
The Company
Use of Proceeds
Investment Objective and Principal Investment Strategies
Leverage
Risk Factors
Management of the Company
Determination of Net Asset Value
Automatic Dividend Reinvestment Plan
Description of Securities
Rating Agency Guidelines
Certain Provisions in Our Charter and Bylaws
Selling Stockholders
Plan of Distribution
Closed-End Company Structure
Certain Federal Income Tax Matters
Administrator, Custodian And Fund Accountant
Legal Matters
Available Information
Table of Contents of The Statement of Additional Information

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in the statement of additional information. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities where the offer is not permitted. The information appearing in this prospectus supplement, the accompanying prospectus and in the statement of additional information is accurate only as of the dates on their respective covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.



Table of Contents

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying 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. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. 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 conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Securities and Exchange Commission (the “SEC”).

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 the prospectus accompanying this prospectus supplement. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. 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 supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933.

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 the prospectus accompanying this prospectus supplement. We urge you to review carefully these sections for a more complete discussion of the risks of an investment in Series \_\_\_ Notes.

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Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and the offering but does not contain all of the information that is important to your investment decision. You should read this summary together with the more detailed information contained elsewhere in this prospectus supplement and accompanying prospectus and in the statement of additional information, especially the information set forth under the heading “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus and “Risks of Investing in Series \_\_\_ Notes” beginning on page S \_\_\_. When used in this prospectus supplement, the terms “we,” “us,” and “our” refer to Tortoise Energy Infrastructure Corporation unless specified otherwise.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. We consider our investment objective a nonfundamental investment policy. We cannot assure you that we will achieve our investment objective.

We are a nondiversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). We were organized as a corporation on October 30, 2003, pursuant to a charter (the “Charter”) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “TYG.” On June 23, 2014 we acquired the assets and liabilities of Tortoise Energy Capital Corporation and Tortoise North American Energy Corporation via merger. As of \_\_\_\_\_, 201\_\_, we had net assets of approximately \$\_\_\_\_\_ million attributable to our common stock. As of \_\_\_\_\_, 201\_\_, we had outstanding \$\_\_\_ million of our Mandatory Redeemable Preferred Stock (the “Tortoise Preferred Shares”) and \$\_\_\_ million of our privately placed Senior Notes (the “Tortoise Notes”).

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the “Adviser”), a registered investment adviser specializing in managing portfolios of securities of master limited partnerships (“MLPs”) and other energy companies, serves as our investment adviser. As of \_\_\_\_\_, 201\_\_, our Adviser managed investments of approximately \$\_\_\_ billion in the energy sector, including the assets of publicly traded closed-end management investment companies, open-end funds and other accounts. Our Adviser’s investment committee is comprised of eight portfolio managers. The principal business address of the Adviser is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

Portfolio Investments

Under normal circumstances, we invest at least 90% of our total assets (including assets we obtain through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. We invest primarily in energy infrastructure companies organized in the United States. It is anticipated that all of the publicly traded MLPs in which we will invest will have a market capitalization greater than \$100 million at the time of investment. See “Investment Objective and Principal Investment Strategies” in the accompany prospectus.

Table of Contents

As of \_\_\_\_\_, 201\_\_, our portfolio investments were approximately \$\_\_\_ billion. Our top 10 holdings by issuer as of that date were:

<u>Name</u>	<u>Market Value</u>	<u>Percentage of</u>
<u>(in millions)</u>	<u>Investment Securities</u>	<u>(1)</u>

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

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(1)Percent of investments and cash equivalents.

Recent Developments

[To be furnished at the time of offering]

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Table of Contents

The Offering

Securities Offered \$\_\_\_\_\_ aggregate principal amount of Series \_\_\_ Notes due 20\_\_\_\_.

Offering Price \$\_\_\_\_\_.

Maturity \_\_\_\_\_, 20\_\_\_\_.

Rating “ ” from Fitch Ratings.

Interest Formula The Series \_\_\_ Notes will bear interest at a [floating] rate equal to \_\_\_\_\_% per annum. [Interest rates on the Series \_\_\_ Notes will be reset [quarterly].]

Interest Payment Dates [Quarterly], commencing on \_\_\_\_\_, 201\_\_\_\_.

[Interest Reset Dates ] [Quarterly], commencing on \_\_\_\_\_, 201\_\_\_\_.]

Ranking The Series \_\_\_ Notes will be unsecured obligations and will rank equally and ratably (pari passu) in right of payment with any of our existing or future unsecured debt. The Series \_\_\_ Notes will be senior to any preferred stock issued by us. As of \_\_\_\_\_, 201\_\_\_\_, we had total indebtedness outstanding of \$\_\_\_\_\_ million.

[Optional Prepayment of the Notes] [We may, at our option, prepay at any time all or any part of the Series \_\_\_ Notes at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment and a prepayment premium equal to \_\_\_% of the principal amount so repaid.]

Prepayment of the Notes Prior to Maturity at Par We may, within \_\_\_ days prior to the final maturity date, at our option, prepay all or any part of the Series \_\_\_ Notes at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment.

Special Optional Prepayment During Extended 10-Day Period In the event we are not in compliance with either (a) the covenant to satisfy the rating agency Basic Maintenance Test or (b) the covenant to maintain 1940 Act asset coverage ratios, we have a 30-day period to cure such default. Such 30-day period can be extended 10 days if, prior to the end of the 30-day period, we give notice of a prepayment of such principal amount of Series \_\_\_ Notes and any of our other senior securities representing indebtedness sufficient to cure such default at 100% of the principal amount so prepaid, together with interest thereon to the date of repayment, and a prepayment premium equal to \_\_\_% of the principal amount so repaid.

In the event that we make a prepayment during such extended 10-day period, the principal amount of the Series \_\_\_ Notes and other senior securities to be prepaid shall be allocated among all of the Series \_\_\_ Notes and other senior securities at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment. Further, the amount of the Series \_\_\_ Notes and the other senior securities to be prepaid shall at no time exceed an amount necessary for us to be in pro forma compliance with the rating agency Basic Maintenance Test and the 1940 Act asset coverage ratios pro forma for such prepayment.



Table of Contents

Certain Covenants The Series \_\_\_ Notes will be issued under an indenture containing covenants requiring us to:

- have asset coverage ratios at or above minimums required by the 1940 Act; and
- maintain a current rating by an NRSRO.

Such indenture will also contain covenants limiting our ability to:

- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of our assets;
- declare or pay dividends on, redeem or repurchase our capital stock, under certain circumstances;
- create or designate subsidiaries; and
- create certain liens or incur additional debt secured by liens.

These covenants are subject to a number of important limitations and exceptions. See “Description of the Series \_\_\_ Notes—Selected Indenture Covenants.”

Use of Proceeds The net proceeds from the sale of the Series \_\_\_ Notes will be used to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes.

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Table of Contents

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$\_\_\_\_\_ after deducting the underwriting discount and our estimated offering expenses. We intend to use the net proceeds of this offering to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. Pending such investments, we anticipate (i) repaying short-term debt outstanding under our credit facility or (ii) investing in short-term securities issued by the U.S. government or its agencies or instrumentalities or in short-term debt obligations or money market instruments.

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Table of Contents

CAPITALIZATION

The following table sets forth our capitalization: (i) as of \_\_\_\_\_, 201\_, (ii) pro forma to reflect the subsequent borrowing under our credit facility through the date of this prospectus supplement, [the issuance of [describe securities] on \_\_\_\_\_, 201\_] and and (iii) pro forma as adjusted to reflect the issuance of the Series \_\_\_ Notes offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading “Per Common Share Data” and “Supplemental Data and Ratios” shows our per common share operating performance. Except when noted, the information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in our 200\_\_ Annual Report and incorporated by reference into the statement of additional information, both of which are available from us upon request. The information as of \_\_\_\_\_, 201\_\_ and for the period from December 1, 201\_\_ through \_\_\_\_\_, 201\_\_ appears in our unaudited interim financial statements as filed with the SEC in our most recent stockholder report for the period ended \_\_\_\_\_, 201\_\_. See “Where You Can Find More Information” in this prospectus supplement.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

DESCRIPTION OF THE SERIES \_\_\_ NOTES

The following is a brief description of the terms of the Series \_\_\_ Notes. This description does not purport to be complete and is subject and qualified in its entirety by reference to the indenture dated as of \_\_\_\_\_, 20\_\_\_ between us and \_\_\_\_\_ as Trustee thereunder. The Series \_\_\_ Notes will be issued pursuant to the terms of the Indenture. Capitalized terms not defined in this Description of the Series \_\_\_ Notes have the meanings assigned to such terms in the Indenture.

General

As of \_\_\_\_\_, 20\_\_\_, the Company had \$\_\_\_\_\_ million aggregate principal amount of notes outstanding. The notes are subordinated in right of payment to any of our secured indebtedness or other secured obligations to the extent of the value of the assets that secure the indebtedness or obligation. The notes may be prepaid prior to their maturity at our option, in whole or in part, under certain circumstances and are subject to mandatory prepayment upon an event of default.

So long as we have notes outstanding, additional debt securities must rank on a parity with these notes with respect to the payment of interest and upon the distribution of our assets.

We will issue the Series \_\_\_ Notes as additional notes under the Indenture. Except as described below, the terms of the Series \_\_\_ Notes will include those terms stated in the Indenture and those terms made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "TIA"). The Series \_\_\_ Notes are subject to all such terms, and you should refer to the Indenture and the TIA for a statement thereof. The following summary of the material provisions of the Indenture is not complete and is qualified in its entirety by reference to the Indenture, including the definitions therein of terms used below.

The Indenture does not limit the aggregate principal amount of debt securities, including notes, that we may issue under it. The debt securities may be issued from time to time in one or more series. We may, from time to time, without notice to or seeking the consent of the holders of the Series \_\_\_ Notes, issue an unlimited principal amount of additional notes having identical terms and conditions of the Series \_\_\_ Notes, except for the offering price and issue date (the "additional notes"). Any such additional notes will be part of the same issue as the Series \_\_\_ Notes that we are currently offering, provided that such additional notes shall be fungible with the Series \_\_\_ Notes offered by this prospectus for U.S. federal income tax purposes.

Principal and Maturity

The Series \_\_\_ Notes will be limited initially to, the aggregate principal amount of \$\_\_\_\_\_. The Series \_\_\_ Notes will mature on \_\_\_\_\_, 20\_\_\_.

Rankings

The Series \_\_\_ Notes rank senior to our common and preferred stock, and on a parity with any other series of notes, as to the payment of interest and distribution of assets upon liquidation. Pursuant to the indenture governing the Series \_\_\_ Notes, we may only issue one class of senior securities representing indebtedness, except that we may have secured debt outstanding in the amount of up to 5% of our total assets if such debt is for temporary purposes only (i.e., if it is to be repaid within 60 days and not extended or renewed). The Series \_\_\_ Notes are unsecured obligations and, upon our liquidation, dissolution or winding, will rank: (1) senior to our outstanding common stock and any preferred stock; (2) at least equally and ratably (pari passu) in point of priority and security with our senior unsecured and unsubordinated debt, including our unsecured revolving credit facility; and (3) junior to any of our secured creditors, if any.

Interest Payments on the Series \_\_\_Notes

The Series \_\_\_Notes will bear interest from the date of issue at a [floating] rate of \_\_\_% per annum , payable , on the \_\_\_ day of each of \_\_\_\_, \_\_\_\_, and \_\_\_\_\_ in each year and at maturity (each such date being referred to as an “Interest Payment Date” provided, that if any such date shall not be a Business Day, such Interest Payment Date shall be postponed to be the next Business Day) and to bear interest on overdue principal (including any overdue required or optional prepayment of principal), and premium, if any, and (to the extent legally enforceable) on any overdue installment of interest at the Default Rate until paid.

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### Table of Contents

The Series \_\_\_Notes will not have the benefit of a sinking fund – that is, we will not deposit money on a regular basis into any separate custodial account to repay the Series \_\_\_Notes.

**Limitations.** Under the requirements of the 1940 Act, immediately after issuing any senior securities representing indebtedness, we must have an asset coverage of at least 300%. Asset coverage means the ratio which the value of our total assets, less all liabilities and indebtedness not represented by senior securities, bears to the aggregate amount of senior securities representing indebtedness. Under the 1940 Act, we may only issue one class of senior securities representing indebtedness. So long as any Notes are outstanding, additional debt securities must rank on a parity with Notes with respect to the payment of interest and upon the distribution of our assets. We are subject to certain restrictions imposed by Fitch, including restrictions related to asset coverage and portfolio composition. Borrowings also may result in our being subject to covenants in credit agreements that may be more stringent than the restrictions imposed by the 1940 Act.

### Optional Prepayments of the Series \_\_\_Notes

The Company may, at its option, and only to the extent prepayment of the Series \_\_\_Notes is permitted under the 1940 Act and Maryland law, upon notice as provided below, prepay at any time all, or from time to time any part of, the Series \_\_\_Notes, in an amount not less than 5% of the aggregate principal amount of the Series \_\_\_Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, the prepayment premium, if any, determined for the prepayment date with respect to such principal amount. The Company, through the Trustee, will provide written notice to each holder of each such optional prepayment not less than 25 days and not more than 75 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of each Series \_\_\_Note to be prepaid, and the interest to be paid on the prepayment date.

### Prepayments of Series \_\_\_Notes Prior to Maturity at Par

Notwithstanding anything contained herein to the contrary, so long as no default or event of default exists, the Company may, at its option, upon notice as provided below prepay all of the Series \_\_\_Notes on or after the date which is \_\_ days prior to maturity of such Series \_\_\_Notes at 100% of the principal amount of such Series \_\_\_Notes, together with interest on such Series \_\_\_Notes accrued to the date of prepayment. Such prepayment will not include any prepayment premium. The Company, through the Trustee, will provide written notice to each holder of each such optional prepayment not less than 25 days and not more than 75 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of each Series \_\_\_Note to be prepaid on such date and the interest to be paid on the prepayment date.

### Special Optional Prepayment during Extended 10-Day Period

The Company may, upon notice as required below, prepay all or any part of the Series \_\_\_Notes to cure certain events of default regarding the minimum coverage ratios under the Indenture at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, the prepayment premium, if any, determined for such prepayment date with respect to the principal amount. The Company will give each holder written notice, through the Trustee, of each such prepayment prior to the end of the 30-Day period following the occurrence of such event of default. Such notice shall not be less than 7 days prior to the date fixed for such prepayment and shall specify such date (which shall be a Business Day) prior to the end of the extended 10-day period, the aggregate principal amount of Series \_\_\_Notes to be prepaid, the principal amount of Series \_\_\_Notes held by such holder to be prepaid, and the interest, and prepayment premium, if any, to be prepaid. In the event the Company makes any partial prepayment of Series \_\_\_Notes and any other senior securities representing indebtedness to cure any default during such extended 10-day period, the principal amount of Series \_\_\_Notes and any other senior securities representing indebtedness to be prepaid shall be allocated by the Company among all of the Series \_\_\_Notes, and

other senior securities representing indebtedness at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment; provided, however, that the amount of Series \_\_\_Notes and the other senior securities to be repaid during such extended 10-day period shall at no time exceed an amount necessary for the Company to be in pro forma compliance with the covenants under “Selected Indenture Covenants—Affirmative Covenants—Asset Covenants” after giving effect to such repayment.

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Table of Contents

Allocation of Partial Prepayments

In the case of each partial prepayment of the Series \_\_\_Notes, the principal amount of the Series \_\_\_Notes to be prepaid shall be allocated among all of the Series \_\_\_Notes then being prepaid at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment, subject to certain adjustments as set forth in the Indenture.

Maturity; Surrender, Status, Etc.

In the case of each prepayment of Series \_\_\_Notes, the principal amount of each Series \_\_\_Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and any applicable prepayment premium. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and any applicable prepayment premium, interest on such principal amount shall cease to accrue. Any Series \_\_\_Note paid or prepaid in full shall be surrendered to the Trustee and cancelled and shall not be reissued, and no Series \_\_\_Note shall be issued in lieu of any prepaid principal amount of any Series \_\_\_Note.

Events of Default and Acceleration of Notes; Remedies. Any one of the following events will constitute an “event of default” under the terms of the Notes:

default in the payment of any interest upon a series of debt securities when it becomes due and payable and the continuance of such default for 5 business days;

default in the payment of the principal of, or premium on, a series of debt securities whether at its stated maturity or at a date fixed for prepayment or by declaration or otherwise;

default in the performance, or breach, of certain financial covenants, including financial tests incorporated from other agreements evidencing indebtedness pursuant to the terms of the Series \_\_\_Notes, and covenants concerning the rating of the Series \_\_\_Notes, timely notification of the holders of the Series \_\_\_Notes of events of default, the incurrence of secured debt and the payment of dividends and other distributions and the making of redemptions on our capital stock, and continuance of any such default or breach for a period of 30 days; provided, however, in the case of our failure to maintain asset coverage or satisfy the basic maintenance test, such 30-day period will be extended by 10 days if we give the holders of the Series \_\_\_Notes notice of a prepayment of Series \_\_\_Notes in an amount necessary to cure such failure;

default in the performance, or breach, of any covenant (other than those covenants described above) of ours under the terms of the Series \_\_\_Notes, and continuance of such default or breach for a period of 30 days after the earlier of (1) a responsible officer obtaining actual knowledge of such default and (2) our receipt of written notice of such default from any holder of such Series \_\_\_Notes;

certain voluntary or involuntary proceedings involving us and relating to bankruptcy, insolvency or other similar laws;

Tortoise Capital Advisors, L.L.C. or one of its affiliates is no longer our investment adviser;

if, on the last business day of each of twenty-four consecutive calendar months, the debt securities have a 1940 Act asset coverage of less than 100%;

other defaults with respect to Borrowings in an aggregate principal amount of at least \$5 million, including payment defaults and any other default that would cause (or permit the holders of such Borrowings to declare) such Borrowings to be due prior to stated maturity;



Table of Contents

if our representations and warranties or any representations and warranties of our officers made in connection with transaction relating to the issuance of the Series \_\_\_Notes prove to have been materially false or incorrect when made; or

other certain “events of default” provided with respect to the Series \_\_\_Notes that are typical for Borrowings of this type.

Upon the occurrence and continuance of an event of default, the holders of a majority in principal amount of a series of outstanding Notes may declare the principal amount of that series of Notes immediately due and payable upon written notice to us. Upon an event of default relating to bankruptcy, insolvency or other similar laws, acceleration of maturity occurs automatically with respect to all series of Notes. At any time after a declaration of acceleration with respect to a series of Notes has been made, and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of the outstanding Notes of that series, by written notice to us, may rescind and annul the declaration of acceleration and its consequences if all events of default with respect to that series of Notes, other than the non-payment of the principal of, and interest and certain other premiums relating to, that series of Notes which has become due solely by such declaration of acceleration, have been cured or waived and other conditions have been met.

Liquidation Rights. In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to us or to our creditors, as such, or to our assets, or (b) any liquidation, dissolution or other winding up of us, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of ours, then (after any payments with respect to any secured creditor of ours outstanding at such time) and in any such event the holders of our Notes and the Series \_\_\_Notes shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all debt securities (including any interest accruing thereon after the commencement of any such case or proceeding), or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of our Notes and the Series \_\_\_ Notes, before the holders of any of our common or preferred stock are entitled to receive any payment on account of any redemption proceeds, liquidation preference or dividends from such shares. The holders of our Notes and the Series \_\_\_Notes shall be entitled to receive, for application to the payment thereof, any payment or distribution of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of ours being subordinated to the payment of our Notes and the Series \_\_\_Notes, which may be payable or deliverable in respect of our Notes and the Series \_\_\_Notes in any such case, proceeding, dissolution, liquidation or other winding up event.

Unsecured creditors of ours may include, without limitation, service providers including our Adviser, custodian, administrator, broker-dealers and the trustee, pursuant to the terms of various contracts with us. Secured creditors of ours may include without limitation parties entering into any interest rate swap, floor or cap transactions, or other similar transactions with us that create liens, pledges, charges, security interests, security agreements or other encumbrances on our assets. A consolidation, reorganization or merger of us with or into any other company, or a sale, lease or exchange of all or substantially all of our assets in consideration for the issuance of equity securities of another company shall not be deemed to be a liquidation, dissolution or winding up of us.

Voting Rights. The Series \_\_\_Notes have no voting rights, except to the extent required by law or as otherwise provided in the terms of the Series \_\_\_Notes relating to the acceleration of maturity upon the occurrence and continuance of an event of default. In connection with any other borrowings (if any), the 1940 Act does in certain circumstances grant to the lenders certain voting rights in the event of default in the payment of interest on or repayment of principal.

Market. The Series \_\_\_Notes will be listed on \_\_\_\_\_ .

Paying Agent. \_\_\_\_\_, shall serve as the paying agent with respect to the Series \_\_\_Notes.

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Table of Contents

FEDERAL INCOME TAX MATTERS

The following is a general summary of certain federal income tax considerations regarding the ownership and disposition of the Notes. This discussion is based on the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), the applicable Treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. There can be no assurance that the Internal Revenue Service (the “IRS”) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to such consequences. This discussion does not purport to be complete or to deal with all aspects of federal income taxation that may be relevant to holders in light of their particular circumstances or who are subject to special rules, such as banks, thrift institutions and certain other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, brokers and dealers in securities or currencies, certain securities traders, tax-exempt investors, individual retirement accounts, certain tax-deferred accounts, and foreign investors. Tax matters are very complicated, and the tax consequences of an investment in and holding of Notes will depend on the particular facts of each investor’s situation. Investors are urged to consult their own tax advisors with respect to the application to their own circumstances of the general federal income taxation rules described below and with respect to other federal, state, local or foreign tax consequences to them before making an investment in the Notes. Unless otherwise noted, this discussion assumes that investors are U.S. persons for federal income tax purposes and hold the Notes as capital assets. For more detailed information regarding the federal income tax consequences of investing in our securities see “Tax Matters” in the accompanying prospectus.

If an entity that is classified as a partnership for federal income tax purposes is a beneficial owner of Notes, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for federal income tax purposes and persons holding Notes through a partnership or other entity classified as a partnership for federal income tax purposes are urged to consult their own tax advisors.

Federal Income Tax Treatment of Holders of the Notes

Payments of Interest

Interest on the Notes will generally be taxable to a U.S. Holder as ordinary income at the time it is paid or accrued in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Sale, Exchange, Redemption, Retirement or other Taxable Disposition of the Notes

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. Holder will generally recognize gain or loss in an amount equal to the difference between:

the amount of cash and the fair market value of other property received (other than amounts received in respect of accrued but unpaid interest) in exchange therefor and

the holder’s adjusted tax basis in such Note.

Amounts attributable to accrued but unpaid interest on the Notes will be treated as ordinary interest income as described above. A U.S. Holder’s adjusted tax basis in a Note generally will equal the purchase price paid by the holder for the Note.

Gain or loss realized on the sale, exchange, retirement or other taxable disposition of a Note will be capital gain or loss and will be long-term capital gain or loss if, at the time of sale, exchange, redemption, retirement or other taxable

disposition, the Note has been held by the U.S. Holder for more than one year. Net long-term capital gain recognized by a non-corporate U.S. Holder is generally subject to a current maximum U.S. federal rate of 20%. The deductibility of capital losses is subject to certain limitations under the Code.

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Table of Contents

Medicare Tax.

A 3.8% Medicare contribution tax generally applies to interest income and net capital gains for U.S. Holders whose adjusted gross income exceeds \$200,000 for single filers or \$250,000 for married joint filers. U.S. Holders should consult their personal tax advisors concerning the possible application of the Medicare contribution tax to their investment in the Notes.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to a backup withholding tax (currently at a rate of 28%) when such U.S. Holder receives interest and principal payments on the Notes held or upon the proceeds received upon the sale or other disposition of such Notes. Certain U.S. Holders (including, among others, corporations and certain tax-exempt organizations) are generally not subject to backup withholding. A U.S. Holder will generally be subject to this backup withholding tax if such U.S. Holder is not otherwise exempt and such U.S. Holder (i) fails to furnish its taxpayer identification number, or TIN, which, for an individual, is ordinarily his or her social security number; (ii) furnishes an incorrect TIN; (iii) is notified by the Internal Revenue Service that it has failed to properly report payments of interest or dividends or (iv) fails to certify, under penalties of perjury, that it has furnished a correct TIN and that the Internal Revenue Service has not notified the U.S. Holder that it is subject to backup withholding.

U.S. Holders should consult their personal tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption, if applicable. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder of the Notes will be allowed as a refund or a credit against such U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service.

Non-U.S. Holders

Payments of Interest

The payment to a Non-U.S. Holder of interest on a Note that is not effectively connected with such holder's conduct of a U.S. trade or business generally will not be subject to U.S. federal income and withholding tax, pursuant to the "portfolio interest exception," provided that

the Non-U.S. Holder does not directly, indirectly or constructively own 10% or more of the total combined voting power of all classes of the Company's stock entitled to vote within the meaning of Section 871(h)(3) of the Code,

the Non-U.S. Holder is not a controlled foreign corporation that is related to us through stock ownership within the meaning of the Code, and

the Non-U.S. Holder is not a bank whose receipt of interest on a Note is described in section 881(c)(3)(A) of the Code,

and provided that either:

the beneficial owner of the Note certifies to us or our paying agent, under penalties of perjury, that it is not a U.S. Holder and provides its name and address on an Internal Revenue Service Form W-8BEN, or a suitable substitute form, or

a securities clearing organization, bank or other financial institution that holds the Notes on behalf of such Non-U.S. Holder in the ordinary course of its trade or business certifies to us or our paying agent, under penalties of perjury,

that it has received such an Internal Revenue Service Form W-8BEN or suitable substitute from the beneficial owner or from a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof.

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Table of Contents

Special certification and other rules apply to certain Non-U.S. Holders that are entities rather than individuals, particularly entities treated as partnerships for U.S. federal income tax purposes and certain other flow-through entities, and to Non-U.S. Holders acting as (or holding Notes through) intermediaries.

If a Non-U.S. Holder cannot satisfy the requirements of the portfolio interest exception described above, payments of interest made to such Non-U.S. Holder will be subject to a 30% withholding tax, unless the beneficial owner of the Note provides us or our paying agent with a properly executed:

Internal Revenue Service Form W-8BEN, or successor form, claiming an exemption from or reduction in the rate of withholding under the benefit of an applicable income tax treaty, or

Internal Revenue Service Form W-8ECI, or successor form, stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the U.S.

If a Non-U.S. Holder is engaged in a trade or business in the U.S. and interest on the Note is effectively connected with the conduct of such trade or business, such Non-U.S. Holder will not be subject to the 30% withholding tax, but rather will be subject to U.S. federal income tax on that interest on a net income basis in the same manner as if it were a U.S. Holder. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable tax treaty rate) of its earnings and profits for that taxable year, subject to adjustments, that are effectively connected with its conduct of a trade or business in the United States.

Special rules may apply to certain Non-U.S. Holders, such as "controlled foreign corporations" and "passive foreign investment companies," that are subject to special treatment under the Code. Such entities should consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them or to their shareholders.

**Sale, Exchange, Redemption, Retirement or other Taxable Disposition of the Notes**

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax on any gain recognized upon the sale, exchange redemption or other taxable disposition of a Note unless:

that gain is effectively connected with the conduct of a trade or business within the U.S. by the Non-U.S. Holder, and, if a tax treaty applies, attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder, or

in the case of gains derived by an individual, such individual is present in the U.S. for 183 days or more in the taxable year of disposition and certain other conditions are met.

A Non-U.S. Holder that is a corporation described in the first bullet point above may be subject to a branch profits tax equal to 30% (or lower under an applicable tax treaty).

**U.S. Federal Estate Tax**

Subject to applicable estate tax treaty provisions, notes held by an individual Non-U.S. Holder at the time of his or her death will generally not be subject to U.S. federal estate tax if the interest on the Notes qualifies for the portfolio interest exemption from U.S. federal income tax under the rules described above without regard to the certification requirement described above, and payments with respect to such Notes would not have been effectively connected with the conduct of a trade or business in the U.S. by a nonresident decedent.

Table of Contents

Information Reporting and Backup Withholding

We will, when required, report to the Internal Revenue Service and to each Non-U.S. Holder any principal and interest paid to a Non-U.S. Holder and the amount of tax withheld with respect to such payments, if any. Copies of these information returns may also be made available under the provisions of a specific tax treaty or agreement with the tax authorities of the country in which the Non-U.S. Holder resides.

Non-U.S. Holders may be subject to backup withholding (currently at a rate of 28%) and additional information reporting requirements. However, backup withholding and additional information reporting requirements generally do not apply to payments of interest made by us or a paying agent to Non-U.S. Holders if the certification described above under “Non-U.S. Holders — Payments of Interest” is received, or an exemption has been otherwise established, provided that neither we nor the paying agent have actual knowledge or reason to know that the Non-U.S. Holder is a U.S. person for U.S. federal income tax purposes that is not an exempt recipient or that the conditions of any other exemption are not, in fact, satisfied.

If the foreign office of a foreign “broker,” as defined in the applicable Treasury regulations, pays the proceeds of a sale, redemption or other disposition of a Note to the seller thereof outside the U.S., backup withholding and information reporting requirements will generally not apply. However, information reporting requirements, but not backup withholding, will generally apply to a payment by a foreign office of a broker that is a U.S. person or a “U.S. related person,” unless the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain other conditions are met or the holder otherwise establishes an exemption. For this purpose, a “U.S. related person” is:

a foreign person that derives 50% or more of its gross income from all sources in specified periods from activities that are effectively connected with the conduct of a trade or business in the U.S.,

a “controlled foreign corporation” (a foreign corporation controlled by certain U.S. shareholders), or

a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. persons, as defined in the applicable Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or if at any time during its taxable year, such foreign partnership is engaged in a trade or business in the U.S.

Payment by a U.S. office of any U.S. or foreign broker is generally subject to both backup withholding and information reporting unless the holder certifies under penalties of perjury that it is a Non-U.S. Holder or otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder of the Notes may be allowed as a refund or a credit against such holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the Internal Revenue Service.

Non-U.S. Holders should consult their tax advisers concerning the possible application of Treasury regulations and income tax treaties to any payments made on or with respect to the Notes.

Table of Contents

RISKS OF INVESTING IN THE SERIES \_\_\_NOTES

Investing in any of our securities 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 the Series \_\_\_ Notes you should consider carefully the following risks, as well as the risk factors set forth under “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus.

Risks Related to the Series \_\_\_Notes

Unsecured Investment Risk to Holders of the Notes

The Series \_\_\_Notes represent our unsecured obligation to pay interest and principal when due. We cannot assure you that we will have sufficient funds or that we will be able to arrange for additional financing to pay interest on the Series \_\_\_Notes when due or to repay the Series \_\_\_Notes at their stated maturity. Our failure to pay interest on the Series \_\_\_Notes when due or to repay the Series \_\_\_Notes upon their stated maturity would, subject to the cure provisions under the indenture pursuant to which they are issued, constitute an event of default under the indenture and could cause a default under other agreements that we may enter into from time to time. There is no sinking fund with respect to the Series \_\_\_Notes, and at their stated maturity, the entire outstanding principal amount of the Series \_\_\_Notes will become due and payable. See “Description of the Series \_\_\_Notes—Selected Indenture Covenants—Sinking Fund.”

Ratings and Asset Coverage Risk

Fitch has assigned ratings of “\_\_\_” to our outstanding notes and “\_\_\_” to our outstanding preferred shares. To the extent that the Series \_\_\_Notes offered hereby are rated of similar or the same rating as those respectively assigned to our outstanding Notes or at all, the ratings do not eliminate or necessarily mitigate the risks of investing in the Series \_\_\_Notes. A rating may not fully or accurately reflect all of the credit and market risks associated with a senior security. A rating agency could downgrade our senior securities, which may make your securities less liquid in the secondary market. If a rating agency downgrades the ratings assigned to our senior securities, we may be required to alter our portfolio or redeem our senior securities. We may voluntarily redeem our senior securities under certain circumstances to the extent permitted under the terms of such securities, which may require that we meet specified asset maintenance tests and other requirements.

We have issued Notes and intend to offer and issue additional debt securities hereby, which constitute or will constitute senior securities representing indebtedness, as defined in the 1940 Act. Accordingly, the value of our total assets, less all our liabilities and senior securities not represented by such Notes and debt securities, must be at least equal to 300% of the aggregate principal value of such Notes and debt securities.

Decline in Asset Value Risk

A material decline in the value of our assets may impair our ability to maintain required levels of asset coverage for our senior securities.

Holders of Our Notes May Be Subordinated to Other Debt

The indenture governing the Series \_\_\_Notes permits us, in certain circumstances, to incur up to 5% of total assets in secured indebtedness. The Series \_\_\_Notes are effectively subordinated in right of payment to our secured indebtedness, if any, or other secured obligations to the extent of the value of the assets that secure such indebtedness or obligation. In the event of our bankruptcy, liquidation or reorganization or upon acceleration of the Series \_\_\_Notes, payment on the Series \_\_\_Notes will occur after our secured indebtedness, if any, is repaid. In these

circumstances, holders of obligations secured by liens on collateral will be entitled to receive proceeds from any realization of the collateral to repay their obligations in full before holders of the Series \_\_\_Notes, who will only have an unsecured claim against our remaining assets, if any.

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Table of Contents  
UNDERWRITING

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Husch Blackwell LLP, Kansas City, Missouri (“Husch Blackwell”). Certain legal matters in connection with the securities offered hereby will be passed upon for the underwriters by \_\_\_\_\_. Husch Blackwell and \_\_\_\_\_ may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934 and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports.

Our 201\_\_ Annual Report, as filed with the SEC and which contains our audited financial statements as of November 30, 201\_\_ and for the year then ended, notes thereto, and other information about us is incorporated by reference into our statement of additional information. Our 201\_\_ \_\_\_\_Quarter Report, as filed with the SEC and which contain our unaudited financial statements as of \_\_\_\_\_, 201\_\_, notes thereto, and other information about us is incorporated by reference into our statement of additional information. These documents are available on the SEC’s EDGAR system and can be inspected and copied for a fee at the SEC’s public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found on the Adviser’s website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com) and in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. Information included on the Adviser’s website does not form part of this prospectus supplement. The SEC maintains a web site (<http://www.sec.gov>) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and other reports we have filed with the SEC.

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Table of Contents

Insert Base Prospectus Dated \_\_\_\_\_, 201\_\_

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Table of Contents

Tortoise Energy Infrastructure Corporation

Series \_\_\_\_ [Floating Rate] Notes due 20\_\_

[LOGO]

PROSPECTUS SUPPLEMENT

[INSERT UNDERWRITERS]

\_\_\_\_\_, 201\_\_

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Table of Contents

The information in this preliminary prospectus supplement, which relates to an effective registration statement under the Securities Act of 1933, as amended, is not complete and may be changed. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell these securities or a solicitation of an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated \_\_\_\_\_, 201\_\_

FORM OF PROSPECTUS SUPPLEMENT

(To prospectus dated \_\_\_\_\_, 201\_\_)

Tortoise Energy Infrastructure Corporation

\_\_\_% Series \_\_\_ Mandatory Redeemable Preferred Shares

Liquidation Preference \$\_\_\_ per share

Mandatorily Redeemable \_\_\_\_\_

Tortoise Energy Infrastructure Corporation (the “Company,” “we,” “us” or “our”) is a nondiversified, closed-end management investment company. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. We cannot assure you that we will achieve our investment objective. Unlike most investment companies, we have not elected to be treated as a regulated investment company under the Internal Revenue Code.

We are offering our mandatory redeemable preferred stock (referred to as “Mandatory Redeemable Preferred Shares” or “MRP Shares”) with an aggregate liquidation preference of \$\_\_\_\_\_ in this prospectus supplement. This prospectus supplement is not complete and should be read in conjunction with our prospectus dated \_\_\_\_\_, 201\_\_ the “accompanying prospectus”). This prospectus supplement does not include all of the information that you should consider before purchasing any MRP Shares. You should read this prospectus supplement and the accompanying prospectus prior to purchasing any MRP Shares.

Investors in MRP Shares will be entitled to receive cash dividends at an annual rate of \_\_\_% per annum. Dividends on the MRP Shares will be payable monthly. The initial dividend period for the MRP Shares will commence on the issue date and end on \_\_\_\_\_, 201\_\_. Each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such MRP Shares). Dividends will be paid on the first business day of the month next following a dividend period and upon redemption of the MRP Shares. Dividends with respect to any monthly dividend period will be declared and paid to holders of record of MRP Shares as their names appear on our books and records at the close of business on the 15th day of such monthly dividend period (or if such day is not a business day, the next preceding business day).

We are required to redeem the MRP Shares on \_\_\_\_\_, 20\_\_\_. In addition, MRP Shares are subject to optional and mandatory redemption by us in certain circumstances described in this prospectus supplement.

We intend to file an application to list the MRP Shares on the New York Stock Exchange (the “NYSE”) under the symbol “TYG Pr \_\_\_”. If the application is approved, we expect that trading on such exchange will begin within 30 days after the date of this prospectus supplement, subject to notice of issuance. Prior to the expected commencement of trading on the NYSE, the underwriters do not intend to make a market in the MRP Shares, and a market for the MRP Shares is not expected to develop. Consequently, it is anticipated that, prior to the commencement of trading on the

NYSE, an investment in MRP Shares will be illiquid.

Investing in MRP Shares involves certain risks. See “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus and “Risks of Investing in Mandatory Redeemable Preferred Shares” beginning on page S-\_\_ of this prospectus supplement.

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Table of Contents

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	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before offering expenses, to us <sup>(1)</sup>	\$	\$

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(1) The aggregate offering expenses are estimated to be \$\_\_\_\_\_, all of which will be borne by us.

[We have granted the underwriters the option to purchase up to an additional \_\_\_\_\_ MRP Shares from us at the public offering price, less the underwriting discount, to cover over-allotments, if any, within \_\_ days from the date of this prospectus supplement. If the underwriters exercise their overallotment option, the total public offering price will be \$\_\_\_\_\_ and the total underwriting discount will be \$\_\_\_\_\_. The proceeds to us will then be \$\_\_\_\_\_, before deducting offering expenses.]

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

The MRP Shares will be ready for delivery to purchasers on or about \_\_\_\_\_, 201\_\_\_\_.

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[Insert Underwriters]

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The date of this prospectus supplement is \_\_\_\_\_, 201\_\_\_\_.

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Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus Supplement Summary	S-
Use of Proceeds	S-
Capitalization	S-
Financial Highlights	S-
Asset Coverage Requirements	S-
Effective Leverage Ratio Requirement	S-
Description of Mandatory Redeemable Preferred Shares	S-
Federal Income Tax Matters	S-
Risks of Investing in Mandatory Redeemable Preferred Shares	S-
Underwriting	S-
Legal Matters	S-
Where You Can Find More Information	S-

Prospectus

Prospectus Summary
Summary of Company Expenses
Financial Highlights
Senior Securities
Market and Net Asset Value Information
The Company
Use of Proceeds
Investment Objective and Principal Investment Strategies
Leverage
Risk Factors
Management of the Company
Determination of Net Asset Value
Automatic Dividend Reinvestment Plan
Description of Securities
Rating Agency Guidelines
Certain Provisions in Our Charter and Bylaws
Selling Stockholders
Plan of Distribution
Closed-End Company Structure
Certain Federal Income Tax Matters
Administrator, Custodian And Fund Accountant
Legal Matters
Available Information
Table of Contents of The Statement of Additional Information

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and in the statement of additional information. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not making an offer of these securities where the offer is not permitted. The information appearing in this prospectus supplement, the accompanying prospectus and in the statement of additional information is accurate only as of the dates on their respective covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material

changes to the extent required by applicable law.

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Table of Contents

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying 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. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. 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 conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Securities and Exchange Commission (the “SEC”).

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 the prospectus accompanying this prospectus supplement. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. 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 supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933.

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 the prospectus accompanying this prospectus supplement. We urge you to review carefully these sections for a more complete discussion of the risks of an investment in MRP Shares.

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Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary contains basic information about us and the offering but does not contain all of the information that is important to your investment decision. You should read this summary together with the more detailed information contained elsewhere in this prospectus supplement and accompanying prospectus and in the statement of additional information, especially the information set forth under the heading “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus and “Risks of Investing in Mandatory Redeemable Preferred Shares” beginning on page S \_\_\_. When used in this prospectus supplement, the terms “we,” “us,” and “our” refer to Tortoise Energy Infrastructure Corporation unless specified otherwise.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (“MLPs”) in the energy infrastructure sector. Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. We consider our investment objective a nonfundamental investment policy. We cannot assure you that we will achieve our investment objective.

We are a nondiversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the “1940 Act”). We were organized as a corporation on October 30, 2003, pursuant to a charter (the “Charter”) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “TYG.” On June 23, 2014 we acquired the assets and liabilities of Tortoise Energy Capital Corporation and Tortoise North American Energy Corporation via merger. As of \_\_\_\_\_, 201\_\_\_, we had net assets of approximately \$\_\_\_\_\_ million attributable to our common stock. As of \_\_\_\_\_, 201\_\_\_, we had outstanding \$\_\_\_ million of our Mandatory Redeemable Preferred Stock (the “Tortoise Preferred Shares”) and \$\_\_\_ million of our privately placed Senior Notes (the “Tortoise Notes”).

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the “Adviser”), a registered investment adviser specializing in managing portfolios of securities of master limited partnerships (“MLPs”) and other energy companies, serves as our investment adviser. As of \_\_\_\_\_, 201\_\_\_, our Adviser managed investments of approximately \$\_\_\_ billion in the energy sector, including the assets of publicly traded closed-end management investment companies, open-end funds and other accounts. Our Adviser’s investment committee is comprised of eight portfolio managers. The principal business address of the Adviser is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

Portfolio Investments

Under normal circumstances, we invest at least 90% of our total assets (including assets we obtain through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. We invest primarily in energy infrastructure companies organized in the United States. It is anticipated that all of the publicly traded MLPs in which we will invest will have a market capitalization greater than \$100 million at the time of investment. See “Investment Objective and Principal Investment Strategies” in the accompany prospectus.

Table of Contents

As of \_\_\_\_\_, 201\_\_, our portfolio investments were approximately \$\_\_\_ billion. Our top 10 holdings by issuer as of that date were:

<u>Name</u>	<u>Market Value</u>	<u>Percentage of</u>
<u>(in millions)</u>	<u>Investment Securities</u>	<u>(1)</u>

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Total

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(1)Percent of investments and cash equivalents.

Recent Developments

[To be furnished at the time of offering]

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Table of Contents

The Offering

MRP Shares Offered \_\_\_\_\_ MRP Shares, \$\_\_\_\_\_ liquidation preference per share (\$\_\_\_\_\_ aggregate liquidation preference) (or \_\_\_\_\_ MRP Shares (\$\_\_\_\_\_ aggregate liquidation preference) if the underwriters exercise their over-allotment option in full).

Dividend Rate MRP Shares will pay a monthly cash dividend at a rate of \_\_\_% per annum. The dividend rate is subject to adjustment (but will not in any event be lower than \_\_\_%) in certain circumstances. See “Description of Mandatory Redeemable Preferred Shares—Dividends and Dividend Periods—Fixed Dividend Rate,” “Description of Mandatory Redeemable Preferred Shares—Dividends and Dividend Periods—Adjustment to Fixed Dividend Rate—Ratings” and “Description of Mandatory Redeemable Preferred Shares—Dividends and Dividend Periods—Default Rate—Default Period.”

Dividend Payments The holders of MRP Shares will be entitled to receive cash dividends when, as and if, authorized by the Board of Directors and declared by us, out of funds legally available therefore. Dividends on the MRP Shares will be payable monthly. The initial dividend period for the MRP Shares will commence on \_\_\_\_\_, 201\_\_ (the “Original Issue Date”) and end on \_\_\_\_\_, 201\_\_ (the “Initial Dividend Period”). Each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such MRP Shares) (each dividend period a “Dividend Period”). Dividends will be paid on the first Business Day of the month next following the last day of a Dividend Period and upon redemption of the MRP Shares (each payment date a “Dividend Payment Date”). Dividends with respect to any monthly Dividend Period will be declared and paid to holders of record of the MRP Shares as their names appear on our books and records at the close of business on the 15th day of such monthly Dividend Period (or if such day is not a Business Day, the next preceding Business Day). See “Description of Mandatory Redeemable Preferred Shares — Dividends and Dividend Periods.”

Redemption We are required to redeem the MRP Shares on \_\_\_\_\_, 20\_\_\_. We may redeem the MRP shares at any time following the Initial Dividend Period, although this optional redemption is limited during the first \_\_\_ year[s] the MRP Shares are outstanding as described under “Description of Mandatory Redeemable Preferred Shares - Redemption - Optional Redemption.” In addition, the MRP Shares are subject to mandatory redemption by us in certain circumstances. See “Description of Mandatory Redeemable Preferred Shares—Redemption.”

Use of Proceeds We estimate that our net proceeds from this offering, after deducting underwriting discounts and commissions and other offering expenses payable by us, will be approximately \$\_\_ million (or \$\_\_\_ million if the underwriters exercise the over allotment option in full).

Table of Contents

	We intend to use all of the net proceeds of this offering to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. See “Use of Proceeds.”
NYSE Listing	We intend to file an application to list the MRP Shares on the NYSE under the symbol “TYG Pr ___”. If the application is approved, we expect that trading on such exchange will begin within 30 days after the date of this prospectus supplement, subject to notice of issuance. Prior to the expected commencement of trading on the NYSE, the underwriters do not intend to make a market in the MRP Shares, and a market for the MRP Shares is not expected to develop. Consequently, it is anticipated that, prior to the commencement of trading on the NYSE, an investment in MRP Shares will be illiquid.
Ratings	There can be no assurance that any rating obtained in connection with the offering of MRP Shares will be maintained at the level originally assigned through the term of the MRP Shares. The dividend rate payable on the MRP Shares will be subject to an increase in the event that the rating of the MRP Shares by _____ is downgraded below ___ or if no other nationally recognized statistical rating organization (“NRSRO”) is then rating the MRP Shares. See “Description of Mandatory Redeemable Preferred Shares—Dividends and Dividend Periods—Adjustment to Fixed Dividend Rate—Ratings.” The Board of Directors has the right to terminate the designation of a rating agency for purposes of the MRP Shares. In such event, any rating of such rating agency, to the extent it would have been taken into account in any of the provisions of the MRP Shares which are described in this prospectus supplement or included in the Articles Supplementary, will be disregarded, and only the ratings of any then-designated NRSRO will be taken into account.
Federal Income Tax Matters	Under present law, we believe that the MRP Shares will constitute equity, and thus distributions with respect to the MRP Shares will generally constitute dividends to the extent of our allocable current or accumulated earnings and profits, as calculated for federal income tax purposes. Such dividends generally will be taxable as ordinary income to holders and are expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”). See “Federal Income Tax Matters” in this prospectus supplement.
Redemption and Paying Agent	Computershare Trust Company, N.A.
Risk Factors	See “Risk Factors” and other information included in the accompanying prospectus, as well as “Risks of Investing in Mandatory Redeemable Preferred Shares” in this prospectus supplement, for a discussion of factors you should carefully consider before deciding to invest in MRP Shares.

Table of Contents

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$\_\_\_\_\_ after deducting the underwriting discount and our estimated offering expenses, or \$\_\_\_\_\_ if the underwriters exercise their overallotment option in full. We intend to use the net proceeds of this offering to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. Pending such investments, we anticipate (i) repaying short-term debt outstanding under our credit facility or (ii) investing in short-term securities issued by the U.S. government or its agencies or instrumentalities or in short-term debt obligations or money market instruments.

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Table of Contents

CAPITALIZATION

The following table sets forth our capitalization: (i) as of \_\_\_\_\_, 201\_, (ii) pro forma to reflect the subsequent borrowing under our credit facility through the date of this prospectus supplement, [the issuance of [describe securities] on \_\_\_\_\_, 201\_] and and (iii) pro forma as adjusted to reflect the issuance of the MRP Shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading “Per Common Share Data” and “Supplemental Data and Ratios” shows our per common share operating performance. Except when noted, the information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in our 200\_\_ Annual Report and incorporated by reference into the statement of additional information, both of which are available from us upon request. The information as of \_\_\_\_\_, 201\_\_ and for the period from December 1, 201\_\_ through \_\_\_\_\_, 201\_\_ appears in our unaudited interim financial statements as filed with the SEC in our most recent stockholder report for the period ended \_\_\_\_\_, 201\_\_. See “Where You Can Find More Information” in this prospectus supplement.

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

ASSET COVERAGE REQUIREMENTS

The 1940 Act and \_\_\_\_\_ impose asset coverage requirements that may limit our ability to engage in certain types of transactions and may limit our ability to take certain actions without confirming with \_\_\_\_\_ that such action will not impair any rating that is provided.

We are required to satisfy two separate asset maintenance requirements with respect to outstanding Tortoise Preferred Shares: (1) we must maintain assets in our portfolio that have a value, discounted in accordance with guidelines set forth \_\_\_\_\_, at least equal to the aggregate liquidation preference of the Tortoise Preferred Shares, plus specified liabilities, payment obligations and other amounts as set forth by \_\_\_\_\_ (the “MRP Shares Basic Maintenance Amount”); and (2) we must satisfy the 1940 Act asset coverage requirements. Further details of the components of the MRP Shares Basic Maintenance Amount can be found in the Articles Supplementary. \_\_\_\_\_ may amend its guidelines from time to time.

In order to meet the 1940 Act asset coverage requirements, we must maintain, with respect to outstanding Tortoise Preferred Shares, asset coverage of at least 200%. Notwithstanding the foregoing, we have agreed, while the MRP Shares are outstanding, to maintain asset coverage of at least 225% (the “MRP Shares Asset Coverage”). We estimate that based on the composition of our portfolio as of \_\_\_\_\_, 20\_\_\_\_, assuming the issuance of all MRP Shares offered hereby, the redemption of all of our outstanding MRP A Shares, the payment of distributions to common stockholders on \_\_\_\_\_, 20\_\_\_\_, and \_\_\_\_\_, 20\_\_\_\_, the issuance of common stock pursuant to our dividend reinvestment plan and under our at-the-market offering program and giving effect to the deduction of the underwriting discounts and commissions and estimated offering costs of \$ \_\_\_\_\_, our asset coverage would be:

Value of Company assets less all liabilities	\$	
and indebtedness not represented by senior securities	=	= _____%
Senior securities representing indebtedness, plus the	\$	
aggregate liquidation preference of Tortoise Preferred Shares		

A copy of the current NRSRO rating guidelines will be provided to any holder of MRP Shares promptly upon written request by such holder to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211, attention: Secretary. See “Rating Agency Guidelines” in the accompanying prospectus for a more detailed description of our asset maintenance requirements.

EFFECTIVE LEVERAGE RATIO REQUIREMENT

If our Effective Leverage Ratio exceeds \_\_\_\_\_% as of the close of business on any Business Day (the “Effective Leverage Ratio Requirement”), the MRP Shares are subject to mandatory redemption as provided below. The “Effective Leverage Ratio” on any date means the quotient of the sum of (A) the aggregate liquidation preference of our “senior securities” (as that term is defined in the 1940 Act) that are stock for purposes of the 1940 Act, excluding, without duplication, (1) any such senior securities for which we have issued a notice of redemption and either have delivered Deposit Securities or sufficient funds (in accordance with the terms of such senior securities) to the paying agent for such senior securities or otherwise have adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption and (2) any such senior securities that are to be redeemed with net proceeds from the sale of the MRP Shares, for which we have delivered Deposit Securities or sufficient funds to the Paying Agent or otherwise have adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption; and (B) the aggregate principal amount of our “senior securities representing indebtedness” (as that term is defined in the 1940 Act); divided by the market value (determined in accordance with our valuation procedures) of our total assets (including amounts attributable to senior securities), less the amount of our accrued liabilities (other than liabilities represented by senior securities, including floating rate securities).

DESCRIPTION OF MANDATORY REDEEMABLE PREFERRED SHARES

The following is a brief description of the terms of the MRP Shares. This description does not purport to be complete and is subject to and qualified in its entirety by reference to the more detailed description of the Mandatory Redeemable Preferred Shares in the Articles Supplementary, a copy of which is filed as an exhibit to our registration statement.

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## Table of Contents

### General

Our Charter authorizes the issuance of up to \_\_\_\_\_ shares of preferred stock, par value \$0.001 per share, with preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption as determined by the Board of Directors without the approval of common stockholders. In addition, the Board of Directors, without any action by our stockholders, may amend our Charter to increase or decrease the aggregate number of shares of stock or the number of shares of any class or series of stock that we have authority to issue. The MRP Shares have a liquidation preference of \$\_\_\_\_ per share, plus all accumulated but unpaid dividends (whether or not earned or declared) to the date of final distribution. The MRP Shares when issued and sold through this offering (1) will be fully paid and non-assessable, (2) will not be convertible into shares of our common stock or any other security, and (3) will have no preemptive rights. The MRP Shares will be subject to optional and mandatory redemption as described below under “Redemption.”

Holders of MRP Shares will not receive certificates representing their ownership interest in such shares. The Depository Trust Company (“DTC”) will initially act as Securities Depository with respect to the MRP Shares.

Computershare Trust Company, N.A. will act as the transfer agent, registrar, and paying agent (“Paying Agent”) for the MRP Shares. Furthermore, the Paying Agent will send notices to holders of MRP Shares of any meeting at which holders of MRP Shares have the right to vote. See “Description of Securities — Preferred Stock — Voting Rights” in the accompanying prospectus. However, the Paying Agent generally will serve merely as our agent, acting in accordance with our instructions.

We will have the right (to the extent permitted by applicable law) to purchase or otherwise acquire any MRP Shares, so long as we are current in the payment of dividends on the MRP Shares and on any of our other Tortoise Preferred Shares.

### Dividends and Dividend Periods

General. Holders of MRP Shares will be entitled to receive cash dividends, when, as and if authorized by the Board of Directors and declared by us, out of funds legally available therefor, on the initial Dividend Payment Date with respect to the Initial Dividend Period and, thereafter, on each Dividend Payment Date with respect to a subsequent Dividend Period at the rate per annum (the “Dividend Rate”) equal to the Applicable Rate (or the Default Rate) for each Dividend Period. The Applicable Rate is computed on the basis of a 360 day year consisting of twelve 30 day months. Dividends so declared and payable shall be paid to the extent permitted under Maryland law and to the extent available and in preference to and priority over any distribution declared and payable on our common stock. For a description of the tax treatment of distributions paid on the MRP Shares, see “Federal Income Tax Matters” in this prospectus supplement.

Fixed Dividend Rate. The Applicable Rate is an annual rate of \_\_\_% for MRP Shares and may be adjusted upon a change in the credit rating of the MRP Shares.

Payment of Dividends and Dividend Periods. Dividends on the MRP Shares will be payable monthly. The Initial Dividend Period for the MRP Shares will commence on, and include, the Original Issue Date and end on \_\_\_\_\_, 201\_\_. Each subsequent Dividend Period will be a calendar month (or the portion thereof occurring prior to the redemption of such MRP Shares). Dividends will be paid on the first Business Day following the last day of the Dividend Period and upon redemption of the MRP Shares (each payment date a “Dividend Payment Date”). Dividends with respect to any monthly Dividend Period will be declared and paid to holders of record of MRP Shares as their names shall appear on our books and records at the close of business on the 15th day of such monthly Dividend Period (or if such day is not a Business Day, the next preceding Business Day). Dividends payable on any MRP Shares for any period of less than a full monthly Dividend Period, including in connection with the Initial Dividend Period for



such MRP Shares or upon any redemption of such shares on any redemption date other than on a Dividend Payment Date, will be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed for any period of less than one month.

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Table of Contents

Adjustment to Fixed Dividend Rate—Ratings. So long as MRP Shares are rated on any date no less than “\_\_\_” by \_\_\_\_\_, then the Dividend Rate will be equal to the Applicable Rate. If the highest credit rating assigned on any date to outstanding MRP Shares by \_\_\_\_\_ is equal to one of the ratings set forth in the table below, the Dividend Rate applicable to such outstanding MRP Shares for such date will be adjusted by adding the respective enhanced dividend amount (which shall not be cumulative) set forth opposite such rating to the Applicable Rate.

Dividend Rate Adjustment Schedule

Rating Enhanced Dividend Amount

We will at all times use our reasonable best efforts to cause at least one NRSRO to maintain a current rating on the outstanding MRP Shares. If no NRSRO is rating outstanding MRP Shares, the Dividend Rate applicable to the MRP Shares for such date shall be a rate equal to the Applicable Rate plus \_\_\_%, unless the Dividend Rate is the Default Rate, in which case the Dividend Rate shall remain the Default Rate.

The Board of Directors has the right to terminate the designation of a rating agency for purposes of the MRP Shares. In such event, any rating of such rating agency to the extent it would have been taken into account in any of the provisions of the MRP Shares which are described in this prospectus supplement or included in the Articles Supplementary, will be disregarded. If an NRSRO replaces any credit rating used in the determination of the Dividend Rate with a replacement credit rating, references to the replaced credit rating shall thereafter refer to the replacement credit rating. No adjustment to the Dividend Rate shall result in the Dividend Rate being less than the Applicable Rate.

Default Rate — Default Period. The Dividend Rate will be the Default Rate in the following circumstances. Subject to the cure provisions below, a “Default Period” with respect to MRP Shares will commence on a date we fail to deposit irrevocably in trust in same-day funds, with the Paying Agent by 12:00 noon, New York City time, (i) the full amount of any dividends on the MRP Shares payable on the Dividend Payment Date (a “Dividend Default”) or (ii) the full amount of any redemption price payable on such Redemption Date (a “Redemption Default” and, together with a Dividend Default, hereinafter referred to as a “Default”).

Subject to the cure provisions in the next paragraph below, a Default Period with respect to a Dividend Default or a Redemption Default shall end on the Business Day on which, by 12:00 noon, New York City time, an amount equal to all accumulated but unpaid dividends (whether or not earned or declared) and any unpaid redemption price shall have been deposited irrevocably in trust in same-day funds with the Paying Agent. In the case of a Dividend Default, the Dividend Rate for each day during the Default Period will be equal to the Default Rate. The “Default Rate” for any calendar day shall be equal to the Applicable Rate in effect on such day plus \_\_\_ percent (\_\_\_%) per annum.

No Default Period with respect to a Dividend Default or Redemption Default will be deemed to commence if the amount of any dividend or any redemption price due (if such default is not solely due to our willful failure) is deposited irrevocably in trust, in same-day funds with the Paying Agent by 12:00 noon, New York City time, within three Business Days after the applicable Dividend Payment Date or Redemption Date, together with an amount equal to the Default Rate applied to the amount and period of such non-payment based on the number of days comprising such period divided by 360.

Table of Contents

Mechanics of Payment of Dividends. Not later than 3:00 p.m., New York City time, on the Business Day next preceding each Dividend Payment Date, we are required to deposit with the Paying Agent sufficient funds for the payment of dividends. We do not intend to establish any reserves for the payment of dividends. All amounts paid to the Paying Agent for the payment of dividends will be held in trust for the payment of such dividends to the holders of MRP Shares. Dividends will be paid by the Paying Agent to the holders of MRP Shares as their names appear on our books and records at the close of business on the 15<sup>th</sup> day of any such Dividend Period. Dividends that are in arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date. Such payments are made to holders of MRP Shares as their names appear on our books and records on a date not exceeding 15 calendar days preceding the payment date thereof, as may be fixed by the Board of Directors. Any payment of dividends in arrears will first be credited against the earliest accumulated but unpaid dividends. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on any MRP Shares which may be in arrears. See “— Default Rate — Default Period.”

Upon failure to pay dividends for two years or more, the holders of MRP Shares will acquire certain additional voting rights. See “Description of Securities — Preferred Stock — Voting Rights” in the accompanying prospectus. Such rights shall be the exclusive remedy of the holders of MRP Shares upon any failure to pay dividends on MRP Shares.

Redemption

Term Redemption. We are required to provide for the mandatory redemption of all of the MRP Shares on \_\_\_\_\_, 20\_\_ (the “Term Redemption Date”), at a redemption price equal to the liquidation preference per share, plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but excluding interest thereon) to, but excluding, the Term Redemption Date (the “Redemption Price”).

Optional Redemption. To the extent permitted under the 1940 Act and Maryland law, we may, at our option, redeem MRP Shares, in whole or in part, out of funds legally available therefor, at any time and from time to time upon not more than 40 calendar days’ prior notice. This optional redemption is not available during the Initial Dividend Period and is limited during the first \_\_\_\_ year[s] the MRP Shares are outstanding to situations in which the MRP Shares Asset Coverage is greater than \_\_\_\_%, but less than \_\_\_\_% for any five Business Days within a ten-Business Day period. The optional redemption price per MRP Share shall be equal to the liquidation preference per share, plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but excluding interest thereon) to, but excluding, the date fixed for redemption, plus \$0.\_\_\_\_ per share if redeemed any time on or prior to \_\_\_\_\_, 201\_\_, or the applicable Optional Redemption Premium per share (as calculated below) if redeemed any time after \_\_\_\_\_, 201\_\_. The “Optional Redemption Premium” with respect to each MRP Share will be an amount equal to:

- if the optional redemption occurs after \_\_\_\_\_, 201\_\_ and on or prior to \_\_\_\_\_, 201\_\_, \$0.\_\_\_\_ per share;
- if the optional redemption occurs after \_\_\_\_\_, 201\_\_ and on or prior to \_\_\_\_\_, 20\_\_, \$0.\_\_\_\_ per share; or
- if the optional redemption occurs after \_\_\_\_\_, 201\_\_ and prior to the Term Redemption Date, \$0.00 per share.

If fewer than all of the outstanding MRP Shares are to be redeemed in an optional redemption, we shall allocate the number of shares required to be redeemed pro rata among the Holders of MRP Shares in proportion to the number of shares they hold, by lot or by such other method as we shall deem fair and equitable.

We shall not effect any optional redemption unless on the date of such notice and on the date fixed for the redemption, (i) we have available certain Deposit Securities with maturity or tender dates not later than the day preceding the applicable redemption date and having a value not less than the amount (including any applicable premium) due to holders of MRP Shares by reason of the redemption of MRP Shares on such date fixed for the redemption, and (ii) we

would satisfy the MRP Shares Basic Maintenance Amount and Effective Leverage Ratio Requirement immediately subsequent to such redemption, if such redemption were to occur on such date.

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Table of Contents

We also reserve the right to repurchase MRP Shares in market or other transactions from time to time in accordance with applicable law and at a price that may be more or less than the liquidation preference of the MRP Shares, but we are under no obligation to do so.

**Mandatory Redemption.** If, while any MRP Shares are outstanding, we fail to satisfy the MRP Shares Asset Coverage, MRP Shares Basic Maintenance Amount or Effective Leverage Ratio Requirement as of the close of business on the last Business Day of any week, and such failure is not cured as of the close of business on the date that is 30 days after such Business Day (a “Cure Date”), the MRP Shares will be subject to mandatory redemption out of funds legally available therefor at the Redemption Price. See “Rating Agency Guidelines — 1940 Act Asset Coverage” in the accompanying prospectus, but note that we have agreed, while the MRP Shares are outstanding, to maintain asset coverage of at least \_\_\_\_% instead of \_\_\_\_%.

The number of MRP Shares to be redeemed under these circumstances will be equal to the lesser of (1) the minimum number of MRP Shares the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Cure Date, would result in our satisfying the MRP Shares Asset Coverage, MRP Shares Basic Maintenance Amount or Effective Leverage Ratio Requirement, as the case may be, in each case as of the relevant Cure Date (provided that, if there is no such minimum number of shares the redemption of which would have such result, all MRP Shares then outstanding will be redeemed), and (2) the maximum number of MRP Shares that can be redeemed out of funds expected to be available therefor on the Mandatory Redemption Date (as defined below) at the Redemption Price.

We shall allocate the number of shares required to be redeemed to satisfy the MRP Shares Asset Coverage, MRP Shares Basic Maintenance Amount or the Effective Leverage Ratio Requirement, as the case may be, pro rata among the Holders of MRP Shares in proportion to the number of shares they hold, by lot or by such other method as we shall deem fair and equitable, subject to any mandatory redemption provisions.

We are required to effect such a mandatory redemption not later than 30 days after the Cure Date, (the “Mandatory Redemption Date”), except that if we do not have funds legally available for the redemption of, or are not otherwise legally permitted to redeem, all of the required number of MRP Shares of a series that are subject to mandatory redemption, or we otherwise are unable to effect such redemption on or prior to such Mandatory Redemption Date, we will redeem those MRP Shares on the earliest practicable date on which we will have such funds available, upon notice to record owners of MRP Shares to be redeemed and the Paying Agent. Our ability to make a mandatory redemption may be limited by the provisions of the 1940 Act or Maryland law.

**Redemption Procedure.** Pursuant to Rule 23c-2 under the 1940 Act, we will file a notice of our intention to redeem any MRP Shares with the SEC so as to provide at least the minimum notice required by such rule or any successor provision (notice currently must be filed with the SEC generally at least 30 days prior to the redemption date).

We shall deliver a notice of redemption to the Paying Agent and the Holders of MRP Shares to be redeemed not more than 40 days prior to the applicable redemption date (“Notice of Redemption”). The Notice of Redemption will be addressed to the registered owners of the MRP Shares at their addresses appearing on our books or records. Such notice will set forth (1) the redemption date, (2) the number and identity of MRP Shares to be redeemed, (3) the redemption price (specifying the amount of accumulated dividends to be included therein and the amount of the redemption premium, if any), (4) that dividends on the MRP Shares to be redeemed will cease to accumulate on such redemption date, and (5) the provision under the Articles Supplementary by which redemption shall be made. No defect in the Notice of Redemption or in the transmittal or mailing thereof will affect the validity of the redemption proceedings, except as required by applicable law.

If less than all of the MRP Shares are redeemed on any date, the MRP Shares per Holder to be redeemed on such date will be selected by us on a pro rata basis in proportion to the number of MRP Shares held by such Holder, by lot or by

such other method as is determined by us to be fair and equitable.

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Table of Contents

If Notice of Redemption has been given, then upon the deposit with the Paying Agent of Deposit Securities sufficient to effect such redemption, dividends on such MRP Shares will cease to accumulate and such MRP Shares will be no longer deemed to be outstanding for any purpose and all rights of the Holders of the MRP Shares so called for redemption will cease and terminate, except the right of the Holders of such MRP Shares to receive the redemption price, but without any interest or additional amount. Upon written request, we shall be entitled to receive from the Paying Agent, promptly after the date fixed for redemption, any cash deposited with the Paying Agent in excess of (1) the aggregate redemption price of the MRP Shares called for redemption on such date and (2) such other amounts, if any, to which Holders of MRP Shares called for redemption may be entitled. Any funds so deposited that are unclaimed two years after such redemption date will be paid, to the extent permitted by law, by the Paying Agent to us upon our request. Subsequent to such payment, Holders of MRP Shares called for redemption may look only to us for payment.

So long as any MRP Shares are held of record by the nominee of the Securities Depository, the redemption price for such MRP Shares will be paid on the redemption date to the nominee of the Securities Depository. The Securities Depository's normal procedures provide for it to distribute the amount of the redemption price to its agent members who, in turn, are expected to distribute such funds to the persons for whom they are acting as agent.

Notwithstanding the provisions for redemption described above, no MRP Shares may be redeemed unless all dividends in arrears on the outstanding MRP Shares, and any of our shares ranking on parity with the MRP Shares with respect to the payment of dividends or upon liquidation, have been or are being contemporaneously paid or set aside for payment, except in connection with our liquidation, in which case all MRP Shares and all shares ranking on parity with the MRP Shares must receive proportionate amounts. At any time we may purchase or acquire all of the outstanding MRP Shares pursuant to the successful completion of an otherwise lawful purchase or exchange offer made on the same terms to, and accepted by, Holders of all outstanding MRP Shares of the same series.

Except for the provisions described above, nothing contained in the Articles Supplementary limits any legal right of ours to purchase or otherwise acquire any MRP Shares at any price, whether higher or lower than the price that would be paid in connection with an optional or mandatory redemption, so long as, at the time of any such purchase, there is no arrearage in the payment of dividends on, or the mandatory or optional redemption price with respect to, any MRP Shares for which Notice of Redemption has been given and we are in compliance with the MRP Shares Asset Coverage, MRP Shares Basic Maintenance Amount and Effective Leverage Ratio Requirement after giving effect to such purchase or acquisition on the date thereof. Any MRP Shares purchased, redeemed or otherwise acquired by us shall be returned to the status of authorized but unissued shares. If less than all outstanding MRP Shares are redeemed or otherwise acquired by us, we shall give notice of such transaction to the Paying Agent, in accordance with the procedures agreed upon by the Board of Directors.

Term Redemption Liquidity Account. On or prior to \_\_\_\_\_, 20\_\_ (the "Liquidity Account Initial Date"), we will cause the custodian to segregate, by means of appropriate identification on its books and records or otherwise in accordance with the custodian's normal procedures, from our other assets (the "Term Redemption Liquidity Account") Deposit Securities or any other security or investment owned by us rated not less than A3 by Moody's or A- by Fitch or an equivalent rating by any other NRSRO (each a "Liquidity Account Investment" and collectively the "Liquidity Account Investments") with a Market Value equal to at least \_\_\_\_% of the Term Redemption Amount (as defined below) with respect to such MRP Shares. The "Term Redemption Amount" for MRP Shares is equal to the Redemption Price to be paid on the Term Redemption Date, based on the number of MRP Shares then outstanding, assuming for this purpose that the Dividend Rate in effect at the Liquidity Account Initial Date will be the Dividend Rate in effect until the Term Redemption Date. If, on any date after the Liquidity Account Initial Date, the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity Account for MRP Shares as of the close of business on any Business Day is less than 110% of the Term Redemption Amount, then we will cause the custodian to take all such necessary actions, including segregating our assets as Liquidity Account Investments, so that the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity

Account is at least equal to \_\_\_\_% of the Term Redemption Amount not later than the close of business on the next succeeding Business Day.

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Table of Contents

We may instruct the custodian on any date to release any Liquidity Account Investments from segregation with respect to the MRP Shares and to substitute therefor other Liquidity Account Investments not so segregated, so long as the assets segregated as Liquidity Account Investments at the close of business on such date have a Market Value equal to \_\_\_\_% of the Term Redemption Amount. We will cause the custodian not to permit any lien, security interest or encumbrance to be created or permitted to exist on or in respect of any Liquidity Account Investments included in the Term Redemption Liquidity Account, other than liens, security interests or encumbrances arising by operation of law and any lien of the custodian with respect to the payment of its fees or repayment for its advances.

The Deposit Securities included in the Term Redemption Liquidity Account may be applied by us, in our discretion, towards payment of the Redemption Price. Upon the deposit by us with the Paying Agent of Deposit Securities having an initial combined Market Value sufficient to effect the redemption of the MRP Shares on the Term Redemption Date, the requirement to maintain the Term Redemption Liquidity Account as described above will lapse and be of no further force and effect.

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Table of Contents

FEDERAL INCOME TAX MATTERS

The following is a general summary of the material federal income tax considerations of the ownership and disposition of MRP Shares. This discussion is based on the provisions of the Internal Revenue Code, the applicable Treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all of which are subject to change, possibly on a retroactive basis. There can be no assurance that the Internal Revenue Service (the “IRS”) will not challenge one or more of the tax consequences described herein, and we have not obtained, nor do we intend to obtain, a ruling from the IRS with respect to such consequences. This discussion does not purport to be complete or to deal with all aspects of federal income taxation that may be relevant to holders in light of their particular circumstances or who are subject to special rules, such as banks, thrift institutions and certain other financial institutions, real estate investment trusts, regulated investment companies, insurance companies, brokers and dealers in securities or currencies, certain securities traders, tax-exempt investors, individual retirement accounts, certain tax-deferred accounts, and foreign investors. Tax matters are very complicated, and the tax consequences of an investment in and holding of MRP Shares will depend on the particular facts of each investor’s situation. Investors are urged to consult their own tax advisors with respect to the application to their own circumstances of the general federal income taxation rules described below and with respect to other federal, state, local or foreign tax consequences to them before making an investment in MRP Shares. Unless otherwise noted, this discussion assumes that investors are U.S. persons for federal income tax purposes and hold MRP Shares as capital assets. For more detailed information regarding the federal income tax consequences of investing in our securities, see “Certain Federal Income Tax Matters” in the accompanying prospectus.

If an entity that is classified as a partnership for federal income tax purposes is a beneficial owner of MRP Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and other entities that are classified as partnerships for federal income tax purposes and persons holding MRP Shares through a partnership or other entity classified as a partnership for federal income tax purposes are urged to consult their own tax advisors.

Federal Income Tax Treatment of Holders of MRP Shares

Under present law, we believe that the MRP Shares will constitute equity, and thus distributions with respect to the MRP Shares (other than distributions in redemption of MRP Shares subject to Section 302(b) of the Internal Revenue Code) will generally constitute dividends to the extent of our allocable current or accumulated earnings and profits, as calculated for federal income tax purposes. Such dividends generally will be taxable as ordinary income to holders but are expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code. Generally, a corporation’s earnings and profits are computed based upon taxable income, with certain specified adjustments. Based upon the historic performance of the MLPs, we anticipate that the distributed cash from the MLPs will exceed our share of the MLPs’ income and our gain on the sale of MLP interests.

Earnings and profits are generally treated, for federal income tax purposes, as first being used to pay distributions on preferred stock, including MRP Shares, and then to the extent remaining, if any, to pay distributions on the common stock. Distributions on MRP Shares in excess of the Company’s earnings and profits, if any, allotted to those distributions will first reduce a stockholder’s adjusted tax basis in his or her MRP Shares and, after the adjusted tax basis is reduced to zero, will constitute capital gains to a stockholder.

Distributions constituting dividends generally will be taxable as ordinary income to holders and are expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code. Corporate holders should be aware that certain limitations apply to the availability of the dividends received deduction, including limitations on the aggregate amount of the deduction that may be claimed and limitations based on the holding period of the MRP Shares on which the dividend is paid, which holding period may be reduced if the holder engages in risk reduction transactions with respect to its shares. Corporate holders are urged

to consult their own tax advisors regarding the application of these limitations to their particular situation.

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Table of Contents

**Sale, Exchange or Redemption of MRP Shares.** The sale or exchange of MRP Shares by holders will generally be a taxable transaction for federal income tax purposes. Holders of shares of stock who sell or exchange such shares will generally recognize gain or loss in an amount equal to the difference between the net proceeds of the sale or exchange and their adjusted tax basis in the shares sold or exchanged. The gain or loss from the sale or exchange of MRP Shares will generally be capital gain or loss. Similarly, a redemption by us (including a redemption resulting from our liquidation), if any, of all the shares actually and constructively held by a stockholder generally will give rise to capital gain or loss under Section 302(b) of the Internal Revenue Code, except to the extent that the redemption proceeds represent declared but unpaid dividends. Other redemptions may also give rise to capital gain or loss, but certain conditions imposed by Section 302(b) of the Internal Revenue Code must be satisfied as to the redeeming stockholder to achieve such treatment. If a redemption by us does not satisfy the conditions imposed by Section 302(b) of the Internal Revenue Code for a redeeming stockholder, the redemption will constitute a distribution on the MRP Shares to the stockholder subject to the rules set forth above.

Capital gain or loss will generally be long-term capital gain or loss if the shares were held for more than one year and will be short-term capital gain or loss if the disposed shares were held for one year or less. Net long-term capital gain recognized by a noncorporate holder generally will be subject to federal income tax at a lower rate (currently a maximum rate of 15%) than net short-term capital gain or ordinary income (currently a maximum rate of 35%). Under current law, the maximum federal income tax rate on long-term capital gain for noncorporate holders is scheduled to increase to 20% for taxable years after 2012. For corporate holders, capital gain is generally taxed at the same rate as ordinary income, that is, currently at a maximum rate of 35%. A holder's ability to deduct capital losses may be limited.

**Backup Withholding.** We may be required to withhold, for federal income tax purposes, a portion of all distributions (including redemption proceeds) payable to stockholders who fail to provide us with their correct taxpayer identification number, who fail to make required certifications or who have been notified by the IRS that they are subject to backup withholding (or if we have been so notified). Certain stockholders specified in the Internal Revenue Code and the applicable Treasury regulations are exempt from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the stockholder's federal income tax liability provided the appropriate information is furnished to the IRS in a timely manner.

**Other Taxation.** Foreign stockholders, including stockholders who are nonresident alien individuals, may be subject to withholding of U.S. federal income taxes on certain distributions at a rate of 30% or such lower rates as may be prescribed by any applicable income tax treaty. Our distributions also may be subject to state and local taxes.

**Recently Enacted Legislation.** A U.S. federal withholding tax at a 30% rate will apply to dividends paid after January 1, 2014 and proceeds of sale in respect of MRP Shares received after July 1, 2017 by certain foreign holders (or U.S. holders holding through foreign accounts or intermediaries), if certain disclosure requirements related to U.S. ownership or accounts are not satisfied. If payment of withholding taxes is required, foreign stockholders that are otherwise eligible for an exemption from, or reduction of, U.S. withholding taxes with respect to such dividends and proceeds will be required to seek a refund from the Internal Revenue Service to obtain the benefit or such exemption or reduction. We will not pay any additional amounts in respect of any amounts withheld.

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Table of Contents

RISKS OF INVESTING IN MANDATORY REDEEMABLE PREFERRED SHARES

Investing in any of our securities 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 MRP Shares you should consider carefully the following risks, as well as the risk factors set forth under “Risk Factors” beginning on page \_\_\_ of the accompanying prospectus.

**Interest Rate Risk — MRP Shares.** MRP Shares pay dividends at a fixed dividend rate. Prices of fixed income investments vary inversely with changes in market yields. The market yields on intermediate term securities comparable to MRP Shares may increase, which would likely result in a decline in the secondary market price of MRP Shares prior to their term redemption.

**Secondary Market and Delayed Listing Risk.** It is difficult to predict the trading patterns of MRP Shares, including the effective costs of trading MRP Shares. Moreover, MRP Shares will not be listed on a stock exchange until up to 30 days after the date of this prospectus supplement and during this time period an investment in MRP Shares will be illiquid. Even after the MRP Shares are listed on the NYSE as anticipated, there is a risk that the market for MRP Shares may be thinly traded and relatively illiquid compared to the market for other types of securities, with the spread between the bid and asked prices considerably greater than the spreads of other securities with comparable terms and credit ratings.

**Early Redemption Risk.** We may voluntarily redeem MRP Shares or may be forced to redeem MRP Shares to meet regulatory requirements or asset coverage requirements. Such redemptions may be at a time that is unfavorable to holders of MRP Shares. See “Asset Coverage Requirements” and “Description of Mandatory Redeemable Preferred Shares — Redemption.”

**Reinvestment Risk.** Given the \_\_\_\_\_ year term and potential for early redemption of MRP Shares, holders of MRP Shares may face an increased reinvestment risk, which is the risk that the return on an investment purchased with proceeds from the sale or redemption of MRP Shares may be lower than the return previously obtained from an investment in MRP Shares.

**MRP Shares Accounting Designation Risk.** We believe that because the MRP Shares have a fixed term, under generally accepted accounting principles we will need to classify the outstanding MRP Shares as debt securities on our financial statements.

**Credit Crisis and Liquidity Risk.** General market uncertainty and extraordinary conditions in the credit markets may impact the liquidity of our investment portfolio, which in turn, during extraordinary circumstances, could impact our distributions and/or the liquidity of the Term Redemption Liquidity Account. Furthermore, there may be market imbalances of sellers and buyers of MRP Shares during periods of extreme illiquidity and volatility. Such market conditions may lead to periods of thin trading in any secondary market for MRP Shares and may make valuation of MRP Shares uncertain. As a result, the spread between bid and asked prices is likely to increase significantly such that an MRP Shares investor may have greater difficulty selling his or her MRP Shares. Less liquid and more volatile trading environments could result in sudden and significant valuation increases or declines in market price for MRP Shares.

Table of Contents  
UNDERWRITING

[TO BE FURNISHED AT TIME OF OFFERING]

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Table of Contents

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Husch Blackwell LLP, Kansas City, Missouri (“Husch Blackwell”). Certain legal matters in connection with the securities offered hereby will be passed upon for the underwriters by \_\_\_\_\_. Husch Blackwell and \_\_\_\_\_ may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934 and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports.

Our 201\_\_ Annual Report, as filed with the SEC and which contains our audited financial statements as of November 30, 201\_\_ and for the year then ended, notes thereto, and other information about us is incorporated by reference into our statement of additional information. Our 201\_\_ \_\_\_\_Quarter Report, as filed with the SEC and which contain our unaudited financial statements as of \_\_\_\_\_, 201\_\_, notes thereto, and other information about us is incorporated by reference into our statement of additional information. These documents are available on the SEC’s EDGAR system and can be inspected and copied for a fee at the SEC’s public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found on the Adviser’s website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com) and in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. Information included on the Adviser’s website does not form part of this prospectus supplement. The SEC maintains a web site (<http://www.sec.gov>) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and other reports we have filed with the SEC.

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Table of Contents

Insert Base Prospectus Dated \_\_\_\_\_, 201\_\_

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Table of Contents

Tortoise Energy Infrastructure Corporation

\_\_\_% Series \_\_\_ Mandatory Redeemable Preferred Shares  
Liquidation Preference \$\_\_\_ per share  
Mandatorily Redeemable \_\_\_\_\_

[LOGO]

PROSPECTUS SUPPLEMENT

[INSERT UNDERWRITERS]

\_\_\_\_\_, 201\_\_

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Table of Contents

\$375,000,000

Tortoise Energy Infrastructure Corporation

Common Stock, Preferred Stock, Debt Securities

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PROSPECTUS

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\_\_\_\_\_, 2016

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Table of Contents

TORTOISE ENERGY INFRASTRUCTURE CORPORATION

STATEMENT OF ADDITIONAL INFORMATION

Tortoise Energy Infrastructure Corporation, a Maryland corporation (the “Company”, “we” or “our”), is a nondiversified, closed-end management investment company that commenced operations in February 2004.

This Statement of Additional Information relates to the offering, on an immediate, continuous or delayed basis, of up to \$375,000,000 aggregate initial offering price of our common stock, preferred stock and debt securities in one or more offerings. This Statement of Additional Information does not constitute a prospectus, but should be read in conjunction with our prospectus dated \_\_\_\_\_, 2016 and any related prospectus supplement. This Statement of Additional Information does not include all information that you should consider before purchasing any of our securities. You should obtain and read our prospectus and any related prospectus supplements prior to purchasing any of our securities. A copy of our prospectus and any related prospectus supplement may be obtained without charge by calling (866) 362-9331. You also may obtain a copy of our prospectus and any related prospectus supplement on the SEC’s web site (<http://www.sec.gov>). Capitalized terms used but not defined in this Statement of Additional Information have the meanings ascribed to them in the prospectus and any related prospectus supplement.

This Statement of Additional Information is dated \_\_\_\_\_, 2016.

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Table of Contents

TABLE OF CONTENTS

	Page
Investment Limitations	S-1
Investment Objective and Principal Investment Strategies	S-3
Management of the Company	S-13
Net Asset Value	S-26
Portfolio Transactions	S-27
Certain Federal Income Tax Matters	S-28
Proxy Voting Policies	S-35
Independent Registered Public Accounting Firm	S-36
Administrator and Custodian	S-36
Internal Accountant	S-36
Additional Information	S-36
Financial Statements	S-36
Appendix A – Rating of Investments	A-1

Table of Contents

INVESTMENT LIMITATIONS

This section supplements the disclosure in the prospectus and provides additional information on our investment limitations. Investment limitations identified as fundamental may not be changed without the approval of the holders of a majority of our outstanding voting securities (which for this purpose and under the Investment Company Act of 1940, as amended (the “1940 Act”), means the lesser of (1) 67% of the shares represented at a meeting at which more than 50% of the outstanding shares are represented or (2) more than 50% of the outstanding shares).

Investment limitations stated as a maximum percentage of our assets are only applied immediately after, and because of, an investment or a transaction by us to which the limitation is applicable (other than the limitations on borrowing). Accordingly, any later increase or decrease resulting from a change in values, net assets or other circumstances will not be considered in determining whether the investment complies with our investment limitations. All limitations that are based on a percentage of total assets include assets obtained through leverage.

Fundamental Investment Limitations

The following are our fundamental investment limitations set forth in their entirety. We may not:

- (1) issue senior securities, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;
- (2) borrow money, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;
- (3) make loans, except by the purchase of debt obligations, by entering into repurchase agreements or through the lending of portfolio securities and as otherwise permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;
- (4) concentrate (invest 25% or more of total assets) our investments in any particular industry, except that we will concentrate our assets in the group of industries constituting the energy infrastructure sector;
- (5) underwrite securities issued by others, except to the extent that we may be considered an underwriter within the meaning of the Securities Act of 1933, as amended (the “1933 Act”), in the disposition of restricted securities held in our portfolio;
- (6) purchase or sell real estate unless acquired as a result of ownership of securities or other instruments, except that we may invest in securities or other instruments backed by real estate or securities of companies that invest in real estate or interests therein; and
- (7) purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments, except that we may purchase or sell options and futures contracts or invest in securities or other instruments backed by physical commodities.

All other investment policies are considered nonfundamental and may be changed by the Board of Directors of the Company (the “Board”) without prior approval of our outstanding voting securities.

Nonfundamental Investment Policies

We have adopted the following nonfundamental policies:

- (1)

Under normal circumstances, we will invest at least 90% of our total assets in securities of energy infrastructure companies.

- (2) Under normal circumstances, we will invest at least 70% of our total assets in equity securities issued by master limited partnerships (“MLPs”).

S-1

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Table of Contents

We may invest up to 30% of our total assets in restricted securities, primarily through direct placements. Subject to this policy, we may invest without limitation in illiquid securities. The types of restricted securities that we may purchase include securities of private energy infrastructure companies and privately issued securities of publicly traded energy infrastructure companies. Restricted securities, whether issued by public companies or private companies, are generally considered illiquid. Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including securities rated below investment grade (commonly referred to as “junk bonds”). Below investment grade debt securities will be rated at least B3 by Moody’s Investors Service, Inc. (“Moody’s”) and at least B- by Standard & Poor’s Ratings Group (“S&P”) at the time of purchase, or comparably rated by another statistical rating organization or if unrated, determined to be of comparable quality by the Adviser.

(5) We will not invest more than 10% of our total assets in any single issuer.

(6) We will not engage in short sales.

For purposes of nonfundamental restrictions (3)-(5), during the periods in which we anticipate receiving proceeds from an offering of securities pursuant to this registration statement, we include the amount of the anticipated proceeds in our calculation of total assets. Accordingly, holdings in the specified securities may temporarily exceed the amounts shown.

Currently under the 1940 Act, we are not permitted to incur indebtedness unless immediately after such borrowing we have asset coverage of at least 300% of the aggregate outstanding principal balance of indebtedness (i.e., such indebtedness may not exceed 33 1/3% of the value of our total assets including the amount borrowed, less all liabilities and indebtedness not represented by senior securities). Additionally, currently under the 1940 Act, we may not declare any distribution upon our common or preferred stock, or purchase any such stock, unless our aggregate indebtedness has, at the time of the declaration of any such distribution or at the time of any such purchase, an asset coverage of at least 300% after deducting the amount of such distribution, or purchase price, as the case may be. Currently under the 1940 Act, we are not permitted to issue preferred stock unless immediately after such issuance we have asset coverage of at least 200% of the total of the aggregate amount of senior securities representing indebtedness plus the aggregate liquidation value of the outstanding preferred stock (i.e., the aggregate principal amount of such indebtedness and liquidation value may not exceed 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, currently under the 1940 Act, we are not permitted to declare any distribution on our common stock or purchase any such common stock unless, at the time of such declaration or purchase, we would satisfy this 200% asset coverage requirement test after deducting the amount of such distribution or share price.

Under the 1940 Act, a “senior security” does not include any promissory note or evidence of indebtedness where such loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the issuer at the time the loan is made. A loan is presumed to be for temporary purposes if it is repaid within sixty days and is not extended or renewed. Both transactions involving indebtedness and any preferred stock issued by us would be considered senior securities under the 1940 Act, and as such, are subject to the asset coverage requirements discussed above.

Currently under the 1940 Act, we are not permitted to lend money or property to any person, directly or indirectly, if such person controls or is under common control with us, except for a loan from us to a company which owns all of our outstanding securities. Currently, under interpretive positions of the staff of the SEC, we may not have on loan at any given time securities representing more than one-third of our total assets.

We interpret our policies with respect to borrowing and lending to permit such activities as may be lawful, to the full extent permitted by the 1940 Act or by exemption from the provisions therefrom pursuant to an exemptive order of the SEC.

We interpret our policy with respect to concentration to include energy infrastructure companies, as defined in the prospectus and below. See “Investment Objective and Principal Investment Strategies.”

S-2

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## Table of Contents

Under the 1940 Act, we may, but do not intend to, invest up to 10% of our total assets in the aggregate in shares of other investment companies and up to 5% of our total assets in any one investment company, provided the investment does not represent more than 3% of the voting stock of the acquired investment company at the time such shares are purchased. As a shareholder in any investment company, we will bear our ratable share of that investment company's expenses, and would remain subject to payment of our advisory fees and other expenses with respect to assets so invested. Holders of common stock would therefore be subject to duplicative expenses to the extent we invest in other investment companies. In addition, the securities of other investment companies also may be leveraged and will therefore be subject to the same leverage risks described herein and in the prospectus. The net asset value and market value of leveraged shares will be more volatile and the yield to shareholders will tend to fluctuate more than the yield generated by unleveraged shares. A material decline in net asset value may impair our ability to maintain asset coverage on preferred stock and debt securities, including any interest and principal for debt securities.

## INVESTMENT OBJECTIVE AND PRINCIPAL INVESTMENT STRATEGIES

The prospectus presents our investment objective and the principal investment strategies and risks. This section supplements the disclosure in the prospectus and provides additional information on our investment policies, strategies and risks. Restrictions or policies stated as a maximum percentage of our assets are only applied immediately after a portfolio investment to which the policy or restriction is applicable (other than the limitations on borrowing). Accordingly, any later increase or decrease resulting from a change in values, net assets or other circumstances will not be considered in determining whether the investment complies with our restrictions and policies.

Our investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation of, and all distributions received from, securities in which we invest regardless of the tax character of the distribution. There is no assurance that we will achieve our objective. Our investment objective and the investment policies discussed below are nonfundamental. Our Board may change the investment objective, or any policy or limitation that is not fundamental, without a stockholder vote. Stockholders will receive at least 60 days prior written notice of any change to the nonfundamental investment policy of investing at least 90% of total assets in energy infrastructure companies. Unlike most other investment companies, we are not treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Therefore, we are taxed as a "C" corporation and will be subject to federal and applicable state corporate income taxes.

Under normal circumstances, we invest at least 90% of total assets (including assets obtained through leverage) in securities of energy infrastructure companies. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. Companies that provide energy-related services to the foregoing businesses also are considered energy infrastructure companies, if they derive at least 50% of revenues from the provision of energy-related services to such companies. We invest at least 70% of our total assets in a portfolio of equity securities of energy infrastructure companies that are MLPs that the Adviser believes offer attractive distribution rates and capital appreciation potential. MLP equity securities (known as "units") currently consist of common units, convertible subordinated units, pay-in-kind units or I-Shares ("I-Shares") and limited liability company common units. We also may invest in other securities, consistent with our investment objective and fundamental and nonfundamental policies.

The following pages contain more detailed information about the types of issuers and instruments in which we may invest, strategies the Adviser may employ in pursuit of our investment objective and a discussion of related risks. The Adviser may not buy these instruments or use these techniques unless it believes that doing so will help us achieve our objective.

### Energy Infrastructure Companies

For purposes of our policy of investing 90% of our total assets in securities of energy infrastructure companies, an energy infrastructure company is one that derives each year at least 50% of its revenues from “Qualifying Income” under Section 7704 of the Internal Revenue Code or one that derives at least 50% of its revenues from providing services directly related to the generation of Qualifying Income. Qualifying Income is defined as including any income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil or products thereof), or the marketing of any mineral or natural resource (including fertilizer, geothermal energy, and timber).

S-3

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## Table of Contents

MLPs are limited partnerships that derive each year at least 90% of their gross income from Qualifying Income and are generally taxed as partnerships for federal income tax purposes, thereby eliminating federal income tax at the entity level. The business of energy infrastructure MLPs is affected by supply and demand for energy commodities because most MLPs derive revenue and income based upon the volume of the underlying commodity transported, processed, distributed, and/or marketed. Specifically, processing and coal MLPs may be directly affected by energy commodity prices. Propane MLPs own the underlying energy commodity, and therefore have direct exposure to energy commodity prices, although the Adviser seeks high quality MLPs that are able to mitigate or manage direct margin exposure to commodity prices. Pipeline MLPs have indirect commodity exposure to oil and gas price volatility because although they do not own the underlying energy commodity, the general level of commodity prices may affect the volume of the commodity the MLP delivers to its customers and the cost of providing services such as distributing natural gas liquids. The MLP sector in general could be hurt by market perception that MLPs' performance and valuation are directly tied to commodity prices.

Energy infrastructure companies (other than most pipeline MLPs) do not operate as "public utilities" or "local distribution companies," and, therefore, are not subject to rate regulation by state or federal utility commissions. However, energy infrastructure companies may be subject to greater competitive factors than utility companies, including competitive pricing in the absence of regulated tariff rates, which could reduce revenues and adversely affect profitability. Most pipeline MLPs are subject to government regulation concerning the construction, pricing and operation of pipelines. Pipeline MLPs are able to set prices (rates or tariffs) to cover operating costs, depreciation and taxes, and provide a return on investment. These rates are monitored by the Federal Energy Regulatory Commission (FERC) which seeks to ensure that consumers receive adequate and reliable supplies of energy at the lowest possible price while providing energy suppliers and transporters a just and reasonable return on capital investment and the opportunity to adjust to changing market conditions.

Energy infrastructure MLPs in which we will invest generally can be classified in the following categories:

**Pipeline MLPs.** Pipeline MLPs are common carrier transporters of natural gas, natural gas liquids (primarily propane, ethane, butane and natural gasoline), crude oil or refined petroleum products (gasoline, diesel fuel and jet fuel). Pipeline MLPs also may operate ancillary businesses such as storage and marketing of such products. Revenue is derived from capacity and transportation fees. Historically, pipeline output has been less exposed to cyclical economic forces due to its low cost structure and government-regulated nature. In addition, most pipeline MLPs have limited direct commodity price exposure because they do not own the product being shipped.

**Processing MLPs.** Processing MLPs are gatherers and processors of natural gas as well as providers of transportation, fractionation and storage of natural gas liquids ("NGLs"). Revenue is derived from providing services to natural gas producers, which require treatment or processing before their natural gas commodity can be marketed to utilities and other end user markets. Revenue for the processor may be fee based or tied to the prices of the natural gas and NGL commodities.

**Propane MLPs.** Propane MLPs are distributors of propane to homeowners for space and water heating. Revenue is derived from the resale of the commodity on a margin over wholesale cost. The ability to maintain margin is a key to profitability. Propane serves approximately 3% of the household energy needs in the United States, largely for homes beyond the geographic reach of natural gas distribution pipelines. Approximately 70% of annual cash flow is earned during the winter heating season (October through March). Accordingly, volumes are weather dependent, but have utility type functions similar to electricity and natural gas.

**Coal MLPs.** Coal MLPs own, lease and manage coal reserves. Revenue is derived from production and sale of coal, or from royalty payments related to leases to coal producers. Electricity generation is the primary use of coal in the United States. Demand for electricity and supply of alternative fuels to generators are the primary drivers of coal demand. Coal MLPs are subject to operating and production risks, such as: the MLP or a lessee meeting necessary

production volumes; federal, state and local laws and regulations which may limit the ability to produce coal; the MLP's ability to manage production costs and pay mining reclamation costs; and the effect on demand that the Clean Air Act standards or other laws, regulations or trends have on coal end-users.

S-4

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### Table of Contents

Marine Shipping MLPs. Marine shipping MLPs are primarily marine transporters of natural gas, crude oil or refined petroleum products. Marine shipping MLPs derive revenue from charging customers for the transportation of these products utilizing the MLPs' vessels. Transportation services are typically provided pursuant to a charter or contract, the terms of which vary depending on, for example, the length of use of a particular vessel, the amount of cargo transported, the number of voyages made, the parties operating a vessel or other factors.

MLPs typically achieve distribution growth by internal and external means. MLPs achieve growth internally by experiencing higher commodity volume driven by the economy and population, and through the expansion of existing operations including increasing the use of underutilized capacity, pursuing projects that can leverage and gain synergies with existing infrastructure and pursuing so called "greenfield projects." External growth is achieved by making accretive acquisitions.

MLPs are subject to various federal, state and local environmental laws and health and safety laws as well as laws and regulations specific to their particular activities. Such laws and regulations address: health and safety standards for the operation of facilities, transportation systems and the handling of materials; air and water pollution requirements and standards; solid waste disposal requirements; land reclamation requirements; and requirements relating to the handling and disposition of hazardous materials. Energy infrastructure MLPs are subject to the costs of compliance with such laws applicable to them, and changes in such laws and regulations may affect adversely their results of operations.

MLPs operating interstate pipelines and storage facilities are subject to substantial regulation by FERC, which regulates interstate transportation rates, services and other matters regarding natural gas pipelines including: the establishment of rates for service; regulation of pipeline storage and liquefied natural gas facility construction; issuing certificates of need for companies intending to provide energy services or constructing and operating interstate pipeline and storage facilities; and certain other matters. FERC also regulates the interstate transportation of crude oil, including: regulation of rates and practices of oil pipeline companies; establishing equal service conditions to provide shippers with equal access to pipeline transportation; and establishment of reasonable rates for transporting petroleum and petroleum products by pipeline. Certain MLPs regulated by the FERC have the right, but are not obligated, to redeem all of their common units held by an investor who is not subject to U.S. federal income taxation at market value, with the purchase price payable in cash or via a three-year interest-bearing promissory note. In the event any MLP in which we invest undertakes a redemption of their common units, the financial condition and results of operation of such MLP could be adversely impacted.

Energy infrastructure MLPs may be subject to liability relating to the release of substances into the environment, including liability under federal "SuperFund" and similar state laws for investigation and remediation of releases and threatened releases of hazardous materials, as well as liability for injury and property damage for accidental events, such as explosions or discharges of materials causing personal injury and damage to property. Such potential liabilities could have a material adverse effect upon the financial condition and results of operations of energy infrastructure MLPs.

Energy infrastructure MLPs are subject to numerous business related risks, including: deterioration of business fundamentals reducing profitability due to development of alternative energy sources, consumer sentiment with respect to global warming, changing demographics in the markets served, unexpectedly prolonged and precipitous changes in commodity prices and increased competition which takes market share; the lack of growth of markets requiring growth through acquisitions; disruptions in transportation systems; the dependence of certain MLPs upon the energy exploration and development activities of unrelated third parties; availability of capital for expansion and construction of needed facilities; a significant decrease in natural gas production due to depressed commodity prices or otherwise; the inability of MLPs to successfully integrate recent or future acquisitions; and the general level of the economy.

*Non-MLPs.* Although we emphasize investments in MLPs, we also may invest in energy infrastructure companies that are not organized as MLPs. Non-MLP companies may include companies that operate energy assets but which are organized as corporations or limited liability companies rather than in partnership form. Generally, the partnership form is more suitable for companies that operate assets which generate more stable cash flows. Companies that operate “midstream” assets (e.g., transporting, processing, storing, distributing and marketing) tend to generate more stable cash flows than those that engage in exploration and development or delivery of products to the end consumer. Non-MLP companies also may include companies that provide services directly related to the generation of income from energy-related assets, such as oil drilling services, pipeline construction and maintenance, and compression services.

S-5

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## Table of Contents

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. Cyber hacking could also cause significant disruption and harm to energy infrastructure companies. The U.S. government has issued warnings that energy assets 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 energy infrastructure industry and markets. Such events may also adversely affect our business and financial condition. To the extent terrorism results in a lower level economic activity, energy consumption could be adversely affected, which would reduce revenues and impede growth. Terrorist or war related disruption of the capital markets could also affect the ability of energy infrastructure companies to raise needed capital.

## Master Limited Partnerships

Under normal circumstances we invest at least 70% of our total assets in equity securities of MLPs. An MLP is an entity that is generally taxed as a partnership for federal income tax purposes and that derives each year at least 90% of its gross income from Qualifying Income. An MLP is typically a limited partnership, the interests in which (known as units) are traded on securities exchanges or over-the-counter. Organization as a partnership and compliance with the Qualifying Income rules generally eliminates federal income tax at the entity level.

An MLP has one or more general partners (who may be individuals, corporations, or other partnerships) which manage the partnership, and limited partners, which provide capital to the partnership but have no role in its management. Typically, the general partner is owned by company management or another publicly traded sponsoring corporation. When an investor buys units in an MLP, he or she becomes a limited partner.

MLPs are formed in several ways. A nontraded partnership may decide to go public. Several nontraded partnerships may roll up into a single MLP. A corporation may spin-off a group of assets or part of its business into an MLP of which it is the general partner, to realize the assets' full value on the marketplace by selling the assets and using the cash proceeds received from the MLP to address debt obligations or to invest in higher growth opportunities, while retaining control of the MLP. A corporation may fully convert to an MLP, although the tax consequences make this an unappealing option for most corporations. Unlike the ways described above, it is also possible for a newly formed entity to commence operations as an MLP from its inception.

The sponsor or general partner of an MLP, other energy companies, and utilities may sell assets to MLPs in order to generate cash to fund expansion projects or repay debt. The MLP structure essentially transfers cash flows generated from these acquired assets directly to MLP limited partner unit holders.

In the case of an MLP buying assets from its sponsor or general partner, the transaction is intended to be based upon comparable terms in the acquisition market for similar assets. To help insure that appropriate protections are in place, the board of the MLP generally creates an independent committee to review and approve the terms of the transaction. The committee often obtains a fairness opinion and can retain counsel or other experts to assist its evaluation. Since both parties normally have a significant equity stake in the MLP, both parties are aligned to see that the transaction is accretive and fair to the MLP.

MLPs tend to pay relatively higher distributions than other types of companies, and we intend to use these MLP distributions in an effort to meet our investment objective.

As a motivation for the general partner to successfully manage the MLP and increase cash flows, the terms of MLP partnership agreements typically provide that the general partner receives a larger portion of the net income as distributions reach higher target levels. As cash flow grows, the general partner receives a greater interest in the

incremental income compared to the interest of limited partners. Although the percentages vary among MLPs, the general partner's marginal interest in distributions generally increases from 2% to 15% at the first designated distribution target level moving to up to 25% and ultimately to 50% as pre-established distribution per unit thresholds are met. Nevertheless, the aggregate amount of distributions to limited partners will increase as MLP distributions reach higher target levels. Given this incentive structure, the general partner has an incentive to streamline operations and undertake acquisitions and growth projects in order to increase distributions to all partners.

S-6

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### Table of Contents

Because the MLP itself generally does not pay federal income tax, its income or loss is allocated to its investors, irrespective of whether the investors receive any cash payment or other distributions from the MLP. An MLP typically makes quarterly cash distributions. Although they resemble corporate dividends, MLP distributions are treated differently for federal income tax purposes. The MLP distribution is treated as a return of capital to the extent of the investor's basis in his MLP interest and, to the extent the distribution exceeds the investor's basis in the MLP interest, generally as capital gain. The investor's original basis is the price paid for the units. The basis is adjusted downwards with each distribution and allocation of deductions (such as depreciation) and losses, and upwards with each allocation of income and gain.

The partner generally will not incur federal income tax on distributions until (1) he sells his MLP units and pays tax on his gain, which gain is increased due to the basis decrease resulting from prior distributions; or (2) his basis reaches zero. When the units are sold, the difference between the sales price and the investor's adjusted basis is gain or loss for federal income tax purposes.

For a further discussion and a general description of MLP federal income tax matters, see the section entitled "Certain Federal Income Tax Matters—Federal Income Taxation of MLPs."

### The Company's Investments

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

**Equity Securities.** Consistent with our investment objective, we may invest up to 100% of our total assets in equity securities issued by energy infrastructure MLPs, including common units, convertible subordinated units, I-Shares and common units, subordinated units and preferred units of limited liability companies (that are treated as partnerships for federal income tax purposes) ("LLCs") (each discussed below). We also may invest up to 30% of total assets in equity securities of non-MLPs.

The value of equity securities will be affected by changes in the stock markets, which may be the result of domestic or international political or economic news, changes in interest rates or changing investor sentiment. At times, stock markets can be volatile and stock prices can change substantially. Equity securities risk will affect our net asset value per share, which will fluctuate as the value of the securities held by us change. Not all stock prices change uniformly or at the same time, and not all stock markets move in the same direction at the same time. Other factors affect a particular stock's prices, such as poor earnings reports by an issuer, loss of major customers, major litigation against an issuer, or changes in governmental regulations affecting an industry. Adverse news affecting one company can sometimes depress the stock prices of all companies in the same industry. Not all factors can be predicted.

Investing in securities of smaller companies may involve greater risk than is associated with investing in more established companies. Smaller capitalization companies may have limited product lines, markets or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than larger, more established companies.

**MLP Common Units.** MLP common units represent an equity ownership interest in a partnership, providing limited voting rights and entitling the holder to a share of the company's success through distributions and/or capital appreciation. Unlike stockholders of a corporation, common unit holders do not elect directors annually and generally have the right to vote only on certain significant events, such as mergers, a sale of substantially all of the assets, removal of the general partner or material amendments to the partnership agreement. MLPs are required by their partnership agreements to distribute a large percentage of their current operating earnings. Common unit holders generally have first right to a minimum quarterly distribution ("MQD") prior to distributions to the convertible subordinated unit holders or the general partner (including incentive distributions). Common unit holders typically have arrearage rights if the MQD is not met. In the event of liquidation, MLP common unit holders have first rights to

the partnership's remaining assets after bondholders, other debt holders, and preferred unit holders have been paid in full. MLP common units trade on a national securities exchange or over-the-counter.

*Limited Liability Company Common Units.* Some energy infrastructure companies in which we may invest have been organized as LLCs. Such LLCs are treated in the same manner as MLPs for federal income tax purposes and, unless otherwise noted, the term MLP includes all entities that are treated in the same manner as MLPs for federal income tax purposes, regardless of their form of organization. Consistent with our investment objective and policies, we may invest in common units or other securities of such LLCs including preferred and subordinated units and debt securities. LLC common units represent an equity ownership interest in an LLC, entitling the holders to a share of the LLC's success through distributions and/or capital appreciation. Similar to MLPs, LLCs typically do not pay federal income tax at the entity level and are required by their operating agreements to distribute a large percentage of their current operating earnings. LLC common unit holders generally have first right to a MQD prior to distributions to subordinated unit holders and typically have arrearage rights if the MQD is not met. In the event of liquidation, LLC common unit holders have a right to the LLC's remaining assets after bondholders, other debt holders and preferred unit holders, if any, have been paid in full. LLC common units typically trade on a national securities exchange or over-the-counter.

S-7

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### Table of Contents

In contrast to MLPs, LLCs have no general partner and there are no incentives that entitle management or other unit holders to increased percentages of cash distributions as distributions reach higher target levels. In addition, LLC common unit holders typically have voting rights with respect to the LLC, whereas MLP common units have limited voting rights.

**MLP Convertible Subordinated Units.** MLP convertible subordinated units typically are issued by MLPs to founders, corporate general partners of MLPs, entities that sell assets to MLPs, and institutional investors. The purpose of the convertible subordinated units is to increase the likelihood that during the subordination period there will be available cash to be distributed to common unit holders. We expect to purchase convertible subordinated units in direct placements from such persons. Convertible subordinated units generally are not entitled to distributions until holders of common units have received specified MQD, plus any arrearages, and may receive less than common unit holders in distributions upon liquidation. Convertible subordinated unit holders generally are entitled to MQD prior to the payment of incentive distributions to the general partner, but are not entitled to arrearage rights. Therefore, convertible subordinated units generally entail greater risk than MLP common units. They are generally convertible automatically into the senior common units of the same issuer at a one-to-one ratio upon the passage of time or the satisfaction of certain financial tests. Although the means by which convertible subordinated units convert into senior common units depend on a security's specific terms, MLP convertible subordinated units typically are exchanged for common shares. These units generally do not trade on a national exchange or over-the-counter, and there is no active market for convertible subordinated units. The value of a convertible security is a function of its worth if it were converted into the underlying common units. Convertible subordinated units generally have similar voting rights to MLP common units. Distributions may be paid in cash or in-kind.

**MLP I-Shares.** I-Shares represent an indirect investment in MLP common units. I-Shares are equity securities issued by affiliates of MLPs, typically a limited liability company, that owns an interest in and manages the MLP. The issuer has management rights but is not entitled to incentive distributions. The I-Share issuer's assets consist exclusively of MLP common units. Distributions to I-Share holders in the form of additional I-Shares, are generally equal in amount to the I-units received by the I-Share issuer. The issuer of the I-Share is taxed as a corporation, however, the MLP does not allocate income or loss to the I-Share issuer. Accordingly, investors receive a Form 1099, are not allocated their proportionate share of income of the MLP and are not subject to state filing obligations solely as a result of holding such I-Shares. Distributions of I-Shares generally do not generate unrelated business taxable income for federal income tax purposes and are qualifying income for mutual fund investors.

**Equity Securities of MLP Affiliates.** In addition to equity securities of MLPs, we may also invest in equity securities of MLP affiliates, by purchasing securities of limited liability entities that own general partner interests of MLPs. General partner interests of MLPs are typically retained by an MLP's original sponsors, such as its founders, corporate partners, entities that sell assets to the MLP and investors such as the entities from which we may purchase general partner interests. An entity holding general partner interests, but not its investors, can be liable under certain circumstances for amounts greater than the amount of the entity's investment in the general partner interest. General partner interests often confer direct board participation rights and, in many cases, operating control over the MLP. These interests themselves are generally not publicly traded, although they may be owned by publicly traded entities. General partner interests receive cash distributions, typically 2% of the MLP's aggregate cash distributions, which are contractually defined in the partnership agreement. In addition, holders of general partner interests typically hold incentive distribution rights ("IDRs"), which provide them with a larger share of the aggregate MLP cash distributions as the distributions to limited partner unit holders are increased to prescribed levels. General partner interests generally cannot be converted into common units. The general partner interest can be redeemed by the MLP if the MLP unitholders choose to remove the general partner, typically with a supermajority vote by limited partner unitholders.

### Table of Contents

**Other Non-MLP Equity Securities.** In addition to equity securities of MLPs, we may also invest in common and preferred stock, limited partner interests, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships. Common stock generally represents an equity ownership interest in an issuer. Although common stocks have historically generated higher average total returns than fixed-income securities over the long-term, common stocks also have experienced significantly more volatility in those returns and may under-perform relative to fixed-income securities during certain periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock we hold. Also, prices of common stocks are sensitive to general movements in the stock market and a drop in the stock market may depress the price of common stocks to which we have exposure. Common stock prices fluctuate for several reasons including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur. In addition, common stock prices may be particularly sensitive to rising interest rates, which increases borrowing costs and the costs of capital.

**Debt Securities.** We may invest up to 25% of our total assets in debt securities of energy infrastructure companies, including certain securities rated below investment grade ("junk bonds"). The debt securities we invest in may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment in kind and auction rate features. 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 our best interest and our stockholders' best interests.

**Below Investment Grade Debt Securities.** We may invest up to 25% of our assets in below investment grade securities. The below investment grade debt securities in which we invest are rated from B3 to Ba1 by Moody's, from B- to BB+ by S&P's, are comparably rated by another nationally recognized rating agency or are unrated but determined by the Adviser to be of comparable quality.

Investment in below investment grade securities involves substantial risk of loss. Below investment grade debt securities or comparable unrated securities are commonly referred to as "junk bonds" and are considered predominantly speculative with respect to the issuer's ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for high yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities. For these reasons, investment in below investment grade securities is subject to the following specific risks:

- increased price sensitivity to changing interest rates and to a deteriorating economic environment;
- greater risk of loss due to default or declining credit quality;
- adverse company specific events are more likely to render the issuer unable to make interest and/or principal payments; and

if a negative perception of the below investment grade debt market develops, the price and liquidity of below investment grade debt securities may be depressed. This negative perception could last for a significant period of time.

Adverse changes in economic conditions are more likely to lead to a weakened capacity of a below investment grade debt issuer to make principal payments and interest payments than an investment grade issuer. The principal amount of below investment grade securities outstanding has proliferated in the past decade as an increasing number of issuers have used below investment grade securities for corporate financing. An economic downturn could affect severely the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity. Similarly, down-turns in profitability in specific industries, such as the energy infrastructure industry, could adversely

affect the ability of below investment grade debt issuers in that industry to meet their obligations. The market values of lower quality debt securities tend to reflect individual developments of the issuer to a greater extent than do higher quality securities, which react primarily to fluctuations in the general level of interest rates. Factors having an adverse impact on the market value of lower quality securities we own may have an adverse effect on our net asset value and the market value of our common stock. In addition, we may incur additional expenses to the extent we are required to seek recovery upon a default in payment of principal or interest on our portfolio holdings. In certain circumstances, we may be required to foreclose on an issuer's assets and take possession of its property or operations. In such circumstances, we would incur additional costs in disposing of such assets and potential liabilities from operating any business acquired.

S-9

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### Table of Contents

The secondary market for below investment grade securities may not be as liquid as the secondary market for more highly rated securities, a factor which may have an adverse effect on our ability to dispose of a particular security when necessary to meet our liquidity needs. There are fewer dealers in the market for below investment grade securities than investment grade obligations. The prices quoted by different dealers may vary significantly and the spread between the bid and asked price is generally much larger than higher quality instruments. Under adverse market or economic conditions, the secondary market for below investment grade securities could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become illiquid. As a result, we could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating our net asset value.

Because investors generally perceive that there are greater risks associated with lower quality debt securities of the type in which we may invest a portion of our assets, the yields and prices of such securities may tend to fluctuate more than those for higher rated securities. In the lower quality segments of the debt securities market, changes in perceptions of issuers' creditworthiness tend to occur more frequently and in a more pronounced manner than do changes in higher quality segments of the debt securities market, resulting in greater yield and price volatility.

We will not invest in distressed, below investment grade securities (those that are in default or the issuers of which are in bankruptcy). If a debt security becomes distressed while held by us, we may be required to bear extraordinary expenses in order to protect and recover our investment if it is recoverable at all.

See Appendix A to this Statement of Additional Information for a description of ratings of Moody's, Fitch Ratings ("Fitch") and S&P.

**Restricted, Illiquid and Thinly-Traded Securities.** We may invest up to 30% of our total assets in restricted securities, primarily through direct placements of MLP securities. Restricted securities obtained by means of direct placement are less liquid than securities traded in the open market; therefore, we may not be able to readily sell such securities. Investments currently considered by the Adviser to be illiquid because of such restrictions include convertible subordinated units and certain direct placements of common units. Such securities are unlike securities that are traded in the open market and which can be expected to be sold immediately if the market is adequate. The sale price of securities that are not readily marketable may be lower or higher than our most recent determination of their fair value. Additionally, the value of these securities typically requires more reliance on the judgment of the Adviser than that required for securities for which there is an active trading market. Due to the difficulty in valuing these securities and the absence of an active trading market for these investments, we may not be able to realize these securities' true value, or may have to delay their sale in order to do so.

Restricted securities generally can be sold in privately negotiated transactions, pursuant to an exemption from registration under the 1933 Act, or in a registered public offering. The Adviser has the ability to deem restricted securities as liquid. To enable us to sell our holdings of a restricted security not registered under the 1933 Act, we may have to cause those securities to be registered. When we must arrange registration because we wish to sell the security, a considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that we could sell it. We would bear the risks of any downward price fluctuation during that period.

In recent years, a large institutional market has developed for certain securities that are not registered under the 1933 Act, including private placements, repurchase agreements, commercial paper, foreign securities and corporate bonds and notes. These instruments are often restricted securities because the securities are either themselves exempt from registration or sold in transactions not requiring registration, such as Rule 144A transactions. Institutional investors generally will not seek to sell these instruments to the general public, but instead will often depend on an efficient institutional market in which such unregistered securities can be readily resold or on an issuer's ability to honor a demand for repayment. Therefore, the fact that there are contractual or legal restrictions on resale to the general public

or certain institutions is not dispositive of the liquidity of such investments.

S-10

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## Table of Contents

Rule 144A under the 1933 Act establishes a “safe harbor” from the registration requirements of the 1933 Act for resales of certain securities to qualified institutional buyers. Institutional markets for restricted securities that exist or may develop as a result of Rule 144A may provide both readily ascertainable values for restricted securities and the ability to liquidate an investment. An insufficient number of qualified institutional buyers interested in purchasing Rule 144A-eligible securities held by us, however, could affect adversely the marketability of such portfolio securities and we might not be able to dispose of such securities promptly or at reasonable prices.

We also may invest in securities that may not be restricted, but are thinly-traded. Although securities of certain MLPs trade on the NYSE, NYSE Alternext U.S. (formerly known as AMEX), the NASDAQ National Market or other securities exchanges or markets, such securities may trade less than those of larger companies due to their relatively smaller capitalizations. Such securities may be difficult to dispose of at a fair price during times when we believe it is desirable to do so. Thinly-traded securities are also more difficult to value, and the Adviser’s judgment as to value will often be given greater weight than market quotations, if any exist. If market quotations are not available, thinly-traded securities will be valued in accordance with procedures established by the Board. Investment of our capital in thinly-traded securities may restrict our ability to take advantage of market opportunities. The risks associated with thinly-traded securities may be particularly acute in situations in which our operations require cash and could result in us borrowing to meet our short term needs or incurring losses on the sale of thinly-traded securities.

**Commercial Paper.** We may invest in commercial paper. Commercial paper is a debt obligation usually issued by corporations and may be unsecured or secured by letters of credit or a surety bond. Commercial paper usually is repaid at maturity by the issuer from the proceeds of the issuance of new commercial paper. As a result, investment in commercial paper is subject to the risk that the issuer cannot issue enough new commercial paper to satisfy its outstanding commercial paper, also known as rollover risk.

Asset-backed commercial paper is a debt obligation generally issued by a corporate-sponsored special purpose entity to which the corporation has contributed cash-flowing receivables like credit card receivables, auto and equipment leases, and other receivables. Investment in asset-backed commercial paper is subject to the risk that insufficient proceeds from the projected cash flows of the contributed receivables are available to repay the commercial paper.

**U.S. Government Securities.** We may invest in U.S. Government securities. There are two broad categories of U.S. Government-related debt instruments: (a) direct obligations of the U.S. Treasury, and (b) securities issued or guaranteed by U.S. Government agencies.

Examples of direct obligations of the U.S. Treasury are Treasury bills, notes, bonds and other debt securities issued by the U.S. Treasury. These instruments are backed by the “full faith and credit” of the United States. They differ primarily in interest rates, the length of maturities and the dates of issuance. Treasury bills have original maturities of one year or less. Treasury notes have original maturities of one to ten years, and Treasury bonds generally have original maturities of greater than ten years.

Some agency securities are backed by the full faith and credit of the United States, and others are backed only by the rights of the issuer to borrow from the U.S. Treasury, while still others, such as the securities of the Federal Farm Credit Bank, are supported only by the credit of the issuer. With respect to securities supported only by the credit of the issuing agency or by an additional line of credit with the U.S. Treasury, there is no guarantee that the U.S. Government will provide support to such agencies, and such securities may involve risk of loss of principal and interest.

**Repurchase Agreements.** We may enter into “repurchase agreements” backed by U.S. Government securities. A repurchase agreement arises when we purchase a security and simultaneously agree to resell it to the vendor at an agreed upon future date. The resale price is greater than the purchase price, reflecting an agreed upon market rate of return that is effective for the period of time we hold the security and that is not related to the coupon rate on the



purchased security. Such agreements generally have maturities of no more than seven days and could be used to permit us to earn interest on assets awaiting long-term investment. We require continuous maintenance by our custodian for our account in the Federal Reserve/Treasury Book-Entry System of collateral in an amount equal to, or in excess of, the market value of the securities that are the subject of a repurchase agreement. Repurchase agreements maturing in more than seven days are considered illiquid securities. In the event of a bankruptcy or other default of a seller of a repurchase agreement, we could experience both delays in liquidating the underlying security and losses, including: (a) possible decline in the value of the underlying security during the period while we seek to enforce our rights thereto; (b) possible subnormal levels of income and lack of access to income during this period; and (c) expenses of enforcing our rights.

S-11

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## Table of Contents

**Reverse Repurchase Agreements.** We may enter into reverse repurchase agreements for temporary purposes with banks and securities dealers if the creditworthiness of the bank or securities dealer has been determined by the Adviser to be satisfactory. A reverse repurchase agreement is a repurchase agreement in which we are the seller of, rather than the investor in, securities and agree to repurchase them at an agreed-upon time and price. Use of a reverse repurchase agreement may be preferable to a regular sale and later repurchase of securities because it avoids certain market risks and transaction costs.

At the time when we enter into a reverse repurchase agreement, liquid assets (such as cash, U.S. Government securities or other “high-grade” debt obligations) having a value at least as great as the purchase price of the securities to be purchased will be segregated on our books and held by our custodian throughout the period of the obligation. The use of reverse repurchase agreements creates leverage which increases our investment risk. If the income and gains on securities purchased with the proceeds of these transactions exceed the cost, our earnings or net asset value will increase faster than otherwise would be the case; conversely, if the income and gains fail to exceed the cost, earnings or net asset value would decline faster than otherwise would be the case. We intend to enter into reverse repurchase agreements only if the income from the investment of the proceeds is greater than the expense of the transaction, because the proceeds are invested for a period no longer than the term of the reverse repurchase agreement.

**Margin Borrowing.** Although we do not currently intend to, we may in the future use margin borrowing of up to 33 1/3% of total assets for investment purposes when the Adviser believes it will enhance returns. Margin borrowing creates certain additional risks. For example, should the securities that are pledged to brokers to secure margin accounts decline in value, or should brokers from which we have borrowed increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then we could be subject to a “margin call,” pursuant to which we must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a precipitous drop in the value of our assets, we might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices, thereby incurring substantial losses. For these reasons, the use of borrowings for investment purposes is considered a speculative investment practice. Any use of margin borrowing by us would be subject to the limitations of the 1940 Act, including the prohibition from us issuing more than one class of senior securities, and the asset coverage requirements discussed earlier in this Statement of Additional Information. See “Investment Limitations.”

**Interest Rate Transactions.** We may, but are not required to, use interest rate transactions such as swaps, caps and floors in an attempt to reduce the interest rate risk arising from our leveraged capital structure. There is no assurance that the interest rate hedging transactions into which we 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 (which is known as the “counterparty”) a fixed rate payment in exchange for the counterparty agreeing to pay to us a variable rate payment that is intended to approximate our variable rate payment obligation on any variable rate borrowings. 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 to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of 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 enhance or decrease distributable cash flow (generally, cash from operations less certain operating expenses and reserves) available to the shares of our common stock. To the extent there is a decline in interest rates, the value of the interest rate transactions could decline, and could result in a decline

in the net asset value of the shares of our common stock. In addition, 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. When interest rate swap transactions are outstanding, we will segregate liquid assets with our custodian in an amount equal to our net payment obligation under the swap.

S-12

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### Table of Contents

**Delayed-Delivery Transactions.** Securities may be bought and sold on a delayed-delivery or when-issued basis. These transactions involve a commitment to purchase or sell specific securities at a predetermined price or yield, with payment and delivery taking place after the customary settlement period for that type of security. Typically, no interest accrues to the purchaser until the security is delivered. We may receive fees or price concessions for entering into delayed-delivery transactions.

When purchasing securities on a delayed-delivery basis, the purchaser assumes the rights and risks of ownership, including the risks of price and yield fluctuations and the risk that the security will not be issued as anticipated. Because payment for the securities is not required until the delivery date, these risks are in addition to the risks associated with our investments. If we remain substantially fully invested at a time when delayed-delivery purchases are outstanding, the delayed-delivery purchases may result in a form of leverage. When delayed-delivery purchases are outstanding, we will segregate appropriate liquid assets with our custodian to cover the purchase obligations. When we have sold a security on a delayed-delivery basis, we do not participate in further gains or losses with respect to the security. If the other party to a delayed-delivery transaction fails to deliver or pay for the securities, we could miss a favorable price or yield opportunity or suffer a loss.

**Securities Lending.** We may lend securities to parties such as broker-dealers or institutional investors. Securities lending allows us to retain ownership of the securities loaned and, at the same time, to earn additional income. Since there may be delays in the recovery of loaned securities, or even a loss of rights in collateral supplied should the borrower fail financially, loans will be made only to parties deemed by the Adviser to be of good credit and legal standing. Furthermore, loans of securities will only be made if, in the Adviser's judgment, the consideration to be earned from such loans would justify the risk.

The Adviser understands that it is the current view of the SEC staff that we may engage in loan transactions only under the following conditions: (1) we must receive 100% collateral in the form of cash or cash equivalents (e.g., U.S. Treasury bills or notes) from the borrower; (2) the borrower must increase the collateral whenever the market value of the securities loaned (determined on a daily basis) rises above the value of the collateral; (3) after giving notice, we must be able to terminate the loan at any time; (4) we must receive reasonable interest on the loan or a flat fee from the borrower, as well as amounts equivalent to any dividends, interest, or other distributions on the securities loaned and to any increase in market value; (5) we may pay only reasonable custodian fees in connection with the loan; and (6) the Board must be able to vote proxies on the securities loaned, either by terminating the loan or by entering into an alternative arrangement with the borrower.

**Temporary and Defensive Investments.** Pending investment of offering or leverage proceeds, we may invest such proceeds in securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other liquid fixed income securities deemed by the Adviser to be of similar quality (collectively, "short-term securities"), or we may invest in cash or cash equivalents, all of which are expected to provide a lower yield than the securities of energy infrastructure companies. We also may invest in short-term securities or cash 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 up to 100% of our total assets in short-term securities or cash. The yield on short-term securities or cash may be lower than the returns on MLPs or yields on lower rated fixed income securities. To the extent we invest in short-term securities or cash for defensive purposes, such investments are inconsistent with, and may result in our not achieving, our investment objective.

### MANAGEMENT OF THE COMPANY

## Directors and Officers

Our business and affairs are managed under the direction of the Board of Directors. Accordingly, the Board of Directors provides broad supervision over our affairs, including supervision of the duties performed by the Adviser. Our officers are responsible for our day-to-day operations. Our directors and officers and their principal occupations and other affiliations during the past five years are set forth below. Each director and officer will hold office until his successor is duly elected and qualifies, or until he resigns or is removed in the manner provided by law. The Board of Directors is divided into three classes. Directors of each class are elected to serve three year terms and until their successors are duly elected and qualify. Each year only one class of directors is elected by the stockholders. Unless otherwise indicated, the address of each director and officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211. The Board of Directors consists of a majority of directors who are not interested persons (as defined in the 1940 Act) of the Adviser or its affiliates (“Independent Directors”).

S-13

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Table of Contents

Name and Age*	Position(s) Held With Company and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(1)</sup>	Other Public Company Directorships Held During Past Five Years
Independent Directors				
Conrad S. Ciccotello (Born 1960)	Class I Director; Director since 2003	Associate Professor of Risk Management and Insurance, Robinson College of Business, Georgia State University (faculty member since 1999); Director of Personal Financial Planning Program; Investment Consultant to the University System of Georgia for its defined contribution retirement plan; Formerly Faculty Member, Pennsylvania State University (1997-1999); Published a number of academic and professional journal articles on investment company performance and structure, with a focus on MLPs.	5	CorEnergy Infrastructure Trust, Inc.
Rand C. Berney (Born 1955)	Class II Director; Director since January 1, 2014	Executive-in-Residence and Professor for Professional Financial Planning Course and Professional Ethics Course, College of Business Administration, Kansas State University since 2012; Formerly Senior Vice President of Corporate Shared Services of ConocoPhillips from 2009 to 2012, Vice President and Controller of ConocoPhillips from 2002 to 2009, and Vice President and Controller of Phillips Petroleum Company from 1997 to 2002; Member of the Oklahoma Society of CPAs, the Financial Executive Institute, American Institute of Certified Public Accountants, the Institute of Internal Auditors and the Institute of Management Accountants.	5	None
Charles E. Heath (Born 1942)	Class II Director; Director since 2003	Retired in 1999, Formerly Chief Investment Officer, GE Capital's Employers Reinsurance Corporation (1989-1999). Chartered Financial Analyst ("CFA") designation since 1974.	5	CorEnergy Infrastructure Trust, Inc.

Table of Contents

Name and Age*	Position(s) Held With Company and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(1)</sup>	Other Public Company Directorships Held During Past Five Years
Alexandra A. Herger (Born 1957)	Class III Director; Director since January 1, 2015	Retired in 2014; Previously interim vice president of exploration for Marathon Oil in 2014 prior to her retirement; Director of international exploration and new ventures for Marathon Oil from 2008 to 2014; Held various positions with Shell Exploration and Production Co. between 2002 and 2008; Member of the Society of Exploration Geophysicists, the American Association of Petroleum Geologists, the Houston Geological Society and the Southeast Asia Petroleum Exploration Society; Member of the 2010 Leadership Texas/Foundation for Women's Resources since 2010; Director of Panoro Energy ASA, an international independent oil and gas company listed on the Oslo Stock Exchange.	5	None
Interested Directors and Officers <sup>(2)</sup>				
H. Kevin Birzer (Born 1959)	Class III Director; Director and Chairman of the Board since 2003	Chief Executive Officer of the Adviser; Managing Director of the Adviser and member of the Investment Committee of the Adviser since 2002; Director and Chairman of the Board of each of the Company, TPZ, NTG, TTP and NDP since its inception, and of each of TYY and TYN from its inception until its merger into the Company effective June 23, 2014; Director and Chairman of the Board of Tortoise Capital Resources Corporation ("TTO"), which changed its name to CorEnergy Infrastructure Trust, Inc. on December 3, 2012 ("CORR"), from its inception through November 30, 2011. CFA designation since 1988.	5	None

Table of Contents

Name and Age*	Position(s) Held With Company and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(1)</sup>	Other Public Company Directorships Held During Past Five Years
Terry C. Matlack (Born 1956)	Class I Director; Chief Executive Officer from May 2011 to June 30, 2015; Chief Financial Officer from inception to May 2011; Director since November 12, 2012	Managing Director of the Adviser and member of the Investment Committee of the Adviser since 2002; Director of each of NTG, TPZ, TTP and NDP since November 12, 2012 and of each of TYY and TYN from November 12, 2012 until its merger into the Company effective June 23, 2014; Chief Executive Officer of each of the Company and TPZ from May 2011 to June 30, 2015, of NTG from 2010 to June 30, 2015, of each of TTP and NDP from its inception to June 30, 2015, and of each of TYY and TYN from May 2011 until its merger into the Company effective June 23, 2014; Chief Financial Officer of each of the Company, TYY, TYN and TPZ from its inception to May 2011, and of TTO from its inception to June 2012. CFA designation since 1985	5	Epiq Systems, Inc. (until June 2012)
P. Bradley Adams (Born 1960)	Chief Executive Officer since June 30, 2015; Chief Financial Officer from May 2011 to June 30, 2015.	Managing Director of the Adviser since January 2013; Director of Financial Operations of the Adviser from 2005 to January 2013; Chief Executive Officer of NTG, TPZ, TTP and NDP since June 30, 2015; Chief Financial Officer of the Company from May 2011 to June 30, 2015, of NTG from 2010 to June 30, 2015, of TPZ from May 2011 to June 30, 2015, of each of TTP and NDP from its inception to June 30, 2015, and of each of TYY and TYN from May 2011 to June 23, 2014; Assistant Treasurer of each of the Company, TYY and TYN from November 2005 to May 2011, of TPZ from its inception to May 2011, and of TTO from its inception to June 2012.	N/A	None
Matthew G.P. Sallee (Born 1978)	President since June 30, 2015	Managing Director of the Adviser since January 2014; Member of the Investment Committee of the Adviser since June 30, 2015; Portfolio Manager of the Adviser since July 2013; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Investment Analyst of the Adviser from 2009 to June 2012; Research Analyst of the Adviser from 2005 to 2009; CFA	N/A	None



designation since 2009.

S-16

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Table of Contents

Name and Age*	Position(s) Held With Company and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director <sup>(1)</sup>	Other Public Company Directorships Held During Past Five Years
Brent W. Behrens (Born 1979)	Principal Financial Officer and Treasurer since June 30, 2015; Assistant Treasurer from May 2013 to June 30, 2015.	Director of Financial Operations of the Adviser since January 2013; Senior Financial Operations Analyst of the Adviser from 2008 to January 2013 and Financial Operations Analyst from 2005 to 2008; Principal Financial Officer and Treasurer of each of the Company, TPZ, NTG, TTP and NDP since June 30, 2015; Assistant Treasurer of each of the Company, TPZ, NTG, TTP and NDP from May 2013 to June 30, 2015. CFA designation since 2014.	N/A	None
Nicholas S. Holmes (Born 1985)	Vice President since June 30, 2015	Investment Analyst of the Adviser since January 2015; Research Analyst of the Adviser from January 2012 through December 2014 and Assistant Research Analyst from January 2010 through December 2011; Vice President of NTG since June 30, 2015. CFA designation since 2013.	N/A	None
Shobana Gopal (Born 1962)	Vice President since June 30, 2015	Director, Tax of the Adviser since January 2013; Tax Analyst of the Adviser from September 2006 through December 2012; Vice President of each of TPZ, NTG, TTP and NDP since June 30, 2015.	N/A	None
Diane Bono (Born 1958)	Chief Compliance Officer since June 2006; Secretary since May 2013	Chief Compliance Officer of the Adviser since June 2006; Director of Compliance of the Adviser from September 2005 to June 2006; Chief Compliance Officer of each of TPZ, NTG, TTP and NDP since its inception, and of each of TYY and TYN from June 2006 to June 23, 2014; Secretary of each of the Company, TPZ, NTG, TTP and NDP since May 2013, and of each of TYY and TYN from May 2013 to June 23, 2014.	N/A	None

(1) This number includes TPZ, NTG, TTP, NDP and the Company. Our Adviser also serves as the investment adviser to TPZ, NTG, TTP and NDP.

(2) As a result of their respective positions held with our Adviser or its affiliates, these individuals are considered "interested persons" within the meaning of the 1940 Act.

\*The address of each director and officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

In addition to the experience provided in the table above, each director possesses the following qualifications, attributes and skills, each of which factored into the conclusion to invite them to join our Board of Directors: Mr. Ciccotello, experience as a college professor, a Ph.D. in finance and expertise in energy infrastructure MLPs; Mr.

Berney, experience as a college professor, executive leadership and business experience; Mr. Heath and Ms. Herger, executive leadership and business experience; and Mr. Birzer and Mr. Matlack, investment management experience as an executive, portfolio manager and leadership roles with our Adviser.

S-17

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Table of Contents

Other attributes and qualifications considered for each director in connection with their selection to join our Board of Directors were their character and integrity and their willingness and ability to serve and commit the time necessary to perform the duties of a director for both us and for other funds in the Tortoise fund complex. In addition, as to each director other than Mr. Birzer and Mr. Matlack, their status as an Independent Director; and, as to Mr. Birzer and Mr. Matlack, their roles with our Adviser were an important factor in their selection as directors. No experience, qualification, attribute or skill was by itself controlling.

Mr. Birzer serves as Chairman of the Board of Directors. Mr. Birzer is an “interested person” of ours within the meaning of the 1940 Act. The appointment of Mr. Birzer as Chairman reflects the Board of Director’s belief that his experience, familiarity with our day-to-day operations and access to individuals with responsibility for our management and operations provides the Board of Directors with insight into our business and activities and, with his access to appropriate administrative support, facilitates the efficient development of meeting agendas that address our business, legal and other needs and the orderly conduct of meetings of the Board of Directors. Mr. Heath serves as Lead Independent Director. The Lead Independent Director will, among other things, chair executive sessions of the three directors who are Independent Directors, serve as a spokesperson for the Independent Directors and serve as a liaison between the Independent Directors and our management. The Independent Directors will regularly meet outside the presence of management and are advised by independent legal counsel. The Board of Directors also has determined that its leadership structure, as described above, is appropriate in light of our size and complexity, the number of Independent Directors and the Board of Directors’ general oversight responsibility. The Board of Directors also believes that its leadership structure not only facilitates the orderly and efficient flow of information to the Independent Directors from management, but also enhances the independent and orderly exercise of its responsibilities.

We have an audit and valuation committee that consists of four directors (the “Audit Committee”) who are not “interested persons” within the meaning of the 1940 Act (“Independent Directors”). The Audit Committee members are Conrad S. Ciccotello (Chairman), Rand C. Berney, Charles E. Heath and Alexandra A. Herger. The Audit Committee’s function is to oversee our accounting policies, financial reporting and internal control system. The Audit Committee makes recommendations regarding the selection of our independent registered public accounting firm, reviews the independence of such firm, reviews the scope of the audit and internal controls, considers and reports to the Board on matters relating to our accounting and financial reporting practices, and performs such other tasks as the full Board deems necessary or appropriate. The Audit Committee held four meetings in the fiscal year ended November 30, 2015. Ms. Herger joined the Audit Committee on January 1, 2015.

We also have a Nominating and Governance Committee that consists exclusively of four Independent Directors. The Nominating and Governance Committee’s function is to (i) identify individuals qualified to become Board members and recommend to the Board the director nominees for the next annual meeting of stockholders and to fill any vacancies; (ii) monitor the structure and membership of Board committees; recommend to the Board director nominees for each committee; (iii) review issues and developments related to corporate governance issues and develop and recommend to the Board corporate governance guidelines and procedures, to the extent necessary or desirable; and (iv) actively seek individuals who meet the standards for directors set forth in our Bylaws, who meet the requirements of any applicable laws or exchange requirements and who are otherwise qualified to become board members for recommendation to the Board. The Nominating and Governance Committee will consider shareholder recommendations for nominees for membership to the Board so long as such recommendations are made in accordance with our Bylaws. Nominees recommended by stockholders in compliance with the Company’s Bylaws will be evaluated on the same basis as other nominees considered by the Nominating and Governance Committee. The Nominating and Governance Committee members are Conrad S. Ciccotello, Rand C. Berney, Charles E. Heath (Chairman) and Alexandra A. Herger. The Nominating and Governance Committee held one meeting in the fiscal year ended November 30, 2015. Ms. Herger joined the Nominating and Governance Committee on January 1, 2015.

We also have a Compliance Committee that consists exclusively of three Independent Directors. The Compliance Committee's function is to review and assess management's compliance with applicable securities laws, rules and regulations, monitor compliance with our Code of Ethics, and handle other matters as the Board or committee chair deems appropriate. The Compliance Committee members are Conrad S. Ciccotello, Rand C. Berney (Chairman), Charles E. Heath and Alexandra A. Herger. The Compliance Committee held two meetings in the fiscal year ended November 30, 2015. Ms. Herger joined the Compliance Committee on January 1, 2015.

S-18

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Table of Contents

We also have an Executive Committee consisting of H. Kevin Birzer and Charles E. Heath that has authority to exercise the powers of the Board (i) to address emergency matters where assembling the full Board in a timely manner is impracticable, or (ii) to address matters of an administrative or ministerial nature. Mr. Birzer is an “interested person” within the meaning of the 1940 Act. In the absence of either member of the Executive Committee, the remaining member is authorized to act alone. The Executive Committee held no meetings in the fiscal year ended November 30, 2015.

The Board of Directors’ role in our risk oversight reflects its responsibility under applicable state law to oversee generally, rather than to manage, our operations. In line with this oversight responsibility, the Board of Directors will receive reports and make inquiry at its regular meetings and as needed regarding the nature and extent of significant risks (including investment, compliance and valuation risks) that potentially could have a materially adverse impact on our business operations, investment performance or reputation, but relies upon our management to assist it in identifying and understanding the nature and extent of such risks and determining whether, and to what extent, such risks may be eliminated or mitigated. In addition to reports and other information received from our management regarding our investment program and activities, the Board of Directors as part of its risk oversight efforts will meet at its regular meetings and as needed with our Adviser’s Chief Compliance Officer to discuss, among other things, risk issues and issues regarding our policies, procedures and controls. The Board of Directors may be assisted in performing aspects of its role in risk oversight by the Audit Committee and such other standing or special committees as may be established from time to time. For example, the Audit Committee will regularly meet with our independent public accounting firm to review, among other things, reports on our internal controls for financial reporting.

The Board of Directors believes that not all risks that may affect us can be identified, that it may not be practical or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks (such as investment-related risks) to achieve our goals and objectives, and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, reports received by the directors as to risk management matters are typically summaries of relevant information and may be inaccurate or incomplete. As a result of the foregoing and other factors, the risk management oversight of the Board of Directors is subject to substantial limitations.

Directors and officers who are interested persons of the Company or the Administrator will receive no salary or fees from us. For the 2016 fiscal year, each Independent Director receives from us an annual retainer of \$52,000 (plus an additional \$3,000 for the Chairman of the Audit Committee and an additional \$1,000 for each other committee Chairman) and a fee of \$1,000 (and reimbursement for related expenses) for each meeting of the Board or Audit Committee attended in person (or \$500 for each Board or Audit Committee meeting attended telephonically, or for each Audit Committee meeting attended in person that is held on the same day as a Board meeting), and an additional \$500 for each other committee meeting attended in person or telephonically. No director or officer is entitled to receive pension or retirement benefits from us.

Table of Contents

The table below sets forth the compensation paid to the directors by us for the fiscal year ended November 30, 2015.

Name and Position With the Company	Aggregate Compensation From the Company	Aggregate Compensation From the Company and Fund Complex Paid to Directors**
Independent Directors		
Conrad S. Ciccotello	\$ 75,000	\$ 205,500
Rand C. Berney	\$ 73,000	\$ 200,500
Charles E. Heath	\$ 73,000	\$ 200,500
Alexandra A. Herger	\$ 71,500	\$ 193,000

The following table sets forth the dollar range of equity securities beneficially owned by each director of the Company as of December 31, 2015.

Name of Director	Aggregate Dollar Range of Company Securities Beneficially Owned By Director*	Aggregate Dollar Range of Equity Securities in all Registered Investment Companies Overseen by Director in Family of Investment Companies**
Independent Directors		
Conrad S. Ciccotello	Over \$100,000	Over \$100,000
Rand C. Berney	\$10,001-\$50,000	Over \$100,000
Charles E. Heath	Over \$100,000	Over \$100,000
Alexandra A. Herger***	None	\$10,001-\$50,000
Interested Directors		
H. Kevin Birzer	Over \$100,000	Over \$100,000
Terry C. Matlack	Over \$100,000	Over \$100,000

\*As of December 31, 2015, the officers and directors of the Company, as a group, owned less than 1% of any class of the Company's outstanding shares of stock.

\*\*Includes the Company, TPZ, NTG, TTP and NDP.

\*\*\*Ms. Herger became a director of the Company effective January 1, 2015.

## Control Persons

As of February 19, 2016, to the knowledge of the Company, no persons owned of record or beneficially more than 5% of our common shares:

As of February 29, 2016, the following persons owned of record or beneficially more than 5% of our mandatorily redeemable preferred shares:





Table of Contents

	Shares Held	Percentage of Outstanding Shares
Babson Capital Management LLC 470 Atlantic Ave Boston, MA 02210-2208	4,600,000	15.6%
Massachusetts Mutual Life Insurance Company 1295 State Street Springfield, MA 01111		
Athene Asset Management, L.P. AAM GP LTD. Apollo Life Asset LTD. c/o Intertrust Corporate Services (Cayman) Limited 190 Elgin Street George Town, Grand Cayman KY1-9005 Cayman Islands	2,810,800	9.5%
Apollo Capital Management, L.P. Apollo Capital Management GP, LLC Apollo Management Holdings, L.P. Apollo Management Holdings GP, LLC 9 West 57th St., 43rd Floor New York, New York 10019		
Athene Annuity and Life Company Athene USA Corporation 7700 Mills Civic Parkway West Des Moines, IA 50266		
Athene Holding LTD. 96 Pitts Bay Road Pembroke, Bermuda HM08		
Athene Annuity & Life Assurance Company 400 Brookfield Parkway Greenville, SC 29607		
Athene Annuity & Life Assurance Company of New York 69 Lydecker St. Nyack, NY 10960		
Voya Financial, Inc. 230 Park Ave. 14th Floor, New York, NY 10169	2,700,000	9.2%
The Guardian Life Insurance Company of America	2,100,000	7.1%

7 Hanover Square  
New York, NY 10004

Knights of Columbus One Columbus Plaza New Haven, CT 06510	2,100,000	7.1%
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Merrill Lynch Safekeeping 4 Corporate Place Piscataway, NJ 08854	1,663,486	5.6%
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#### Indemnification of Directors and Officers

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty which is established by a final judgment as being material to the cause of action. Our Charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law and the 1940 Act.

S-21

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### Table of Contents

Our Charter authorizes, to the maximum extent permitted by Maryland law and the 1940 Act, us to indemnify any present or former director or officer or any individual who, while a director or officer of ours and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of ours or as a present or former director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise, and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our Bylaws obligate us, to the maximum extent permitted by Maryland law to indemnify any present or former director or officer or any individual who, while a director of ours and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of ours and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our obligation to indemnify any director, officer or other individual, however, is limited by the 1940 Act which prohibits us from indemnifying any director, officer or other individual (including advancing legal fees or making payments for settlements and judgments) from any liability resulting from the willful misconduct, bad faith, gross negligence in the performance of duties or reckless disregard of applicable obligations and duties of the directors, officers or other individuals. To the maximum extent permitted by Maryland law and the 1940 Act, our Charter and Bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and any employee or agent of ours or a predecessor of ours.

Maryland law requires a corporation (unless its charter provides otherwise, which our Charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made, or threatened to be made, a party by reason of his service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made, or threatened to be made, a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith, or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation, and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met. Our obligation to indemnify any director, officer or other individual, however, is limited by the 1940 Act, which prohibits us from indemnifying any director, officer or other individual from any liability resulting from the willful misconduct, bad faith, gross negligence in the performance of duties or reckless disregard of applicable obligations and duties of the directors, officers or other individuals.

### Investment Adviser

Tortoise Capital Advisors, L.L.C. (the "Adviser") serves as our investment adviser. The Adviser specializes in managing portfolios of investments in MLPs and other energy infrastructure companies. The Adviser was formed in October

2002 to provide portfolio management services exclusively with respect to energy infrastructure investments.

S-22

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Table of Contents

The Adviser is wholly-owned by Tortoise Investments, LLC. Employees under the Tortoise Investments family, including the members of the Adviser's Investment Committee, hold a minority interest in Tortoise Investments, and Montage Investments, LLC, a wholly-owned subsidiary of Mariner Holdings, LLC, owns a majority interest in Tortoise Investments, LLC. Messrs. Birzer, Hamel, Kessens, Malvey, Matlack, Mick, Sallee and Thummel, members of the Adviser's investment committee, have entered into service agreements with the Adviser that have a one-year initial term, as well as one-year automatic renewals under normal circumstances and receive a base guaranteed payment for the services they provide. They are also eligible for an annual cash bonus based on, among other things, the services they provide, the Adviser's pre-tax earnings and the satisfaction of certain other conditions, including compliance by the Adviser with certain contractual covenants and compliance by each of the closed-end funds managed by the Adviser, including the Company, with applicable rules and regulations. The Adviser's earnings are based in part on the value of assets held in our portfolio, as the Adviser's fee is a percentage of our average monthly Managed Assets. Additional benefits received by the investment committee members are normal and customary employee benefits generally available to all salaried employees. Each investment committee member owns an equity interest in Tortoise Investments, LLC and each thus benefits from increases in the net income of the Adviser. Our Adviser is located at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. As of December 31, 2015, our Adviser had approximately \$13.2 billion in assets under management in the energy sector.

Pursuant to an Investment Advisory Agreement (the "Advisory Agreement"), the Adviser, subject to overall supervision by the Board, manages our investments. The Adviser regularly provides us with investment research advice and supervision and will furnish continuously an investment program for us, consistent with our investment objective and policies.

The investment management of our portfolio is the responsibility of our Adviser's investment committee consisting of H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack, Brian A. Kessens, James R. Mick, Matthew G.P. Sallee and Robert J. Thummel, Jr. The investment committee provides investment strategy oversight to the portfolio management team who implements the strategy. Messrs. Birzer, Hamel, Malvey and Matlack have served as members of the Investment Committee since 2002. Messrs. Kessens, Mick, Sallee and Thummel, have been involved in managing the Company since 2013, and have served as a member of the Investment committee since June 30, 2015. While responsibility for monitoring, review, and analysis of individual securities is spread among various individual members of the portfolio management team, all portfolio management decisions and reviews are based on a team approach. Each Messrs. Birzer, Hamel, Malvey and Matlack has been a portfolio manager since we commenced operations in July 2010 and have been members of our Adviser's investment committee since 2002. The remaining portfolio managers, Messrs. Kessens, Mick, Sallee and Thummel, have been involved with managing our portfolio since July 2013 and have been members of our Adviser's investment committee since June 30, 2015.

Table of Contents

The following table provides information about the number of and total assets in other accounts managed by the senior investment team as of November 30, 2015.

Name of Manager	Number of Accounts	Total Assets of Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
<b>H. Kevin Birzer</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Zachary A. Hamel</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Kenneth P. Malvey</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Terry Matlack</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Brian A. Kessens</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>James R. Mick</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Matthew G.P. Sallee</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—
<b>Robert J. Thummel, Jr.</b>				
Registered investment companies	11	\$4,614,135,926	0	—
Other pooled investment vehicles	13	\$444,070,522	1	\$7,102,179
Other accounts	1,022	\$5,684,648,707	0	—

None of the investment committee members receive any direct compensation from us or any other of the managed accounts reflected in the table above.

The following table sets forth the dollar range of our equity securities beneficially owned by each of the members of our investment committee as of November 30, 2015.

Name of Manager	Aggregate Dollar Range of Company Securities Beneficially Owned by
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	Manager
H. Kevin Birzer	Over \$100,000
Zachary A. Hamel	Over \$100,000
Kenneth P. Malvey	\$50,001 - \$100,000
Terry C. Matlack	Over \$100,000
Brian A. Kessens	None
James R. Mick	None
Matthew G.P. Sallee	\$1 - \$10,000
Robert J. Thummel, Jr.	\$10,001 - \$50,000

In addition to portfolio management services, the Adviser is obligated to supply our Board and officers with certain statistical information and reports, to oversee the maintenance of various books and records and to arrange for the preservation of records in accordance with applicable federal law and regulations. Under the Advisory Agreement, we pay to the Adviser quarterly, as compensation for the services rendered and expenses paid by it, a fee equal to an annual rate of 0.95% of our average monthly Managed Assets up to \$2,500,000,000, 0.90% of our average monthly Managed Assets between \$2,500,000,000 and \$3,500,000,000, and 0.85% of our average monthly Managed Assets above \$3,500,000,000. Managed Assets means the total assets of the Company (including any assets attributable to leverage that may be outstanding and excluding any net deferred tax asset) minus accrued liabilities other than (1) net deferred tax liability, (2) debt entered into for the purpose of leverage and (3) the aggregate liquidation preference of any outstanding preferred stock. The Adviser has contractually agreed to waive all fees due under the Advisory Agreement related to the net proceeds received from the issuance of additional common stock under the Company's at-the-market equity program for a six month period following the date of issuance.

### Table of Contents

Because the management fees paid to the Adviser are based upon a percentage of our Managed Assets, fees paid to the Adviser will be higher if we are leveraged; thus, the Adviser will have an incentive to use leverage. Because the fee reimbursement agreement is based on Managed Assets, to the extent we are engaged in leverage, the gross dollar amount of the Adviser's fee reimbursement obligations to us will increase. The Adviser intends to use leverage only when it believes it will serve the best interests of our stockholders. Our average monthly Managed Assets are determined for the purpose of calculating the management fee by taking the average of the monthly determinations of Managed Assets during a given calendar quarter. The fees are payable for each calendar quarter within five days of the end of that quarter. Net deferred tax assets are not included in the calculation of our management fee.

For our fiscal year ending November 30, 2013, the Adviser received \$18,769,656 as compensation for advisory services, net of \$65,538 in reimbursed fees and expenses. For our fiscal year ending November 30, 2014, the Adviser received \$30,324,702 as compensation for advisory services, net of \$56,006 in reimbursed fees and expenses. For our fiscal year ending November 30, 2015, the Adviser received \$34,636,877 as compensation for advisory services.

The Advisory Agreement provides that we will pay all expenses other than those expressly stated to be payable by the Adviser, which expenses payable by us shall include, without implied limitation: (1) expenses of maintaining the Company and continuing our existence and related overhead, including, to the extent services are provided by personnel of the Adviser or its affiliates, office space and facilities and personnel compensation, training and benefits; (2) registration under the 1940 Act; (3) commissions, spreads, fees and other expenses connected with the acquisition, holding and disposition of securities and other investments including placement and similar fees in connection with direct placements in which we participate; (4) auditing, accounting and legal expenses; (5) taxes and interest; (6) governmental fees; (7) expenses of listing our shares with a stock exchange, and expenses of issuance, sale, repurchase and redemption (if any) of our interests, including expenses of conducting tender offers for the purpose of repurchasing our interests; (8) expenses of registering and qualifying us and our shares under federal and state securities laws and of preparing and filing registration statements and amendments for such purposes; (9) expenses of communicating with stockholders; including website expenses and the expenses of preparing, printing and mailing press releases, reports and other notices to stockholders and of meetings of stockholders and proxy solicitations therefor; (10) expenses of reports to governmental officers and commissions; (11) insurance expenses; (12) association membership dues; (13) fees, expenses and disbursements of custodians and subcustodians for all services to us (including without limitation safekeeping of funds, securities and other investments, keeping of books, accounts and records, and determination of net asset values); (14) fees, expenses and disbursements of transfer agents, dividend paying agents, stockholder servicing agents and registrars for all services to us; (15) compensation and expenses of our directors who are not members of the Adviser's organization; (16) pricing and valuation services employed by us; (17) all expenses incurred in connection with leveraging of our assets through a line of credit, or issuing and maintaining preferred stock or instruments evidencing indebtedness of the Company; (18) all expenses incurred in connection with the offering of our common and preferred stock and debt securities; and (19) such non-recurring items as may arise, including expenses incurred in connection with litigation, proceedings and claims and our obligation to indemnify our directors, officers and stockholders with respect thereto.

The Advisory Agreement provides that the Adviser will not be liable in any way for any default, failure or defect in any of the securities comprising our portfolio if it has satisfied the duties and the standard of care, diligence and skill set forth in the Advisory Agreement. However, the Adviser shall be liable to us for any loss, damage, claim, cost, charge, expense or liability resulting from the Adviser's willful misconduct, bad faith or gross negligence or disregard by the Adviser of the Adviser's duties or standard of care, diligence and skill set forth in the Advisory Agreement or a material breach or default of the Adviser's obligations under the Advisory Agreement.

The Advisory Agreement has a term ending on December 31, 2016 and may be continued from year to year thereafter as provided in the 1940 Act. The Advisory Agreement will be submitted to the Board of Directors for renewal each year. A discussion regarding the basis of the Board of Directors' decision to approve the continuation of the Advisory Agreement is available in our Annual Report to stockholders for the fiscal year ended November 30, 2015. The



Advisory Agreement will continue from year to year, provided such continuance is approved by a majority of the Board or by vote of the holders of a majority of our outstanding voting securities. Additionally, the Advisory Agreement must be approved annually by vote of a majority of the Independent Directors. The Advisory Agreement may be terminated by the Adviser or us, without penalty, on sixty (60) days' written notice to the other. The Advisory Agreement will terminate automatically in the event of its assignment.

S-25

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Table of Contents

Code of Ethics

We and the Adviser have each adopted a Code of Ethics under Rule 17j-1 of the 1940 Act, which is applicable to officers, directors and designated employees of ours and the Adviser (collectively, the “Codes”). Subject to certain limitations, the Codes permit those officers, directors and designated employees of ours and our Adviser (“Covered Persons”) to invest in securities, including securities that may be purchased or held by us. The Codes contain provisions and requirements designed to identify and address certain conflicts of interest between personal investment activities of Covered Persons and the interests of investment advisory clients such as us. Among other things, the Codes prohibit certain types of transactions absent prior approval, impose time periods during which personal transactions may not be made in certain securities, and require submission of duplicate broker confirmations and statements and quarterly reporting of securities transactions. Exceptions to these and other provisions of the Codes may be granted in particular circumstances after review by appropriate personnel.

Our Code of Ethics can be reviewed and copied at the Securities and Exchange Commission’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at (202) 551-8090. Our Code of Ethics is also available on the EDGAR Database on the Securities and Exchange Commission’s Internet site at <http://www.sec.gov>, and, upon payment of a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing the Securities and Exchange Commission’s Public Reference Section, Washington, D.C. 20549-0102. Our Code of Ethics is also available on our Adviser’s website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

NET ASSET VALUE

We compute our net asset value for our shares of common stock as of the close of trading on the NYSE (normally 4:00 p.m. Eastern time) no less frequently than the last business day of each calendar month and at such other times as the Board may determine. We currently make our net asset value available for publication daily. Our investment transactions are generally recorded on a trade date plus one day basis, other than for quarterly and annual reporting purposes. For purposes of determining the net asset value of a share of common stock, our net asset value will equal the value of our total assets (the value of the securities we hold, plus cash or other assets, including interest accrued but not yet received and net deferred tax assets) less (1) all of its liabilities (including without limitation accrued expenses and both current and net deferred tax liabilities), (2) accumulated and unpaid interest payments and distributions on any outstanding debt or preferred stock, respectively, (3) the aggregate liquidation value of any outstanding preferred stock, (4) the aggregate principal amount of any outstanding senior notes, including any series of Tortoise Notes, and (5) any distributions payable on the common stock. The net asset value per share of our common stock will equal our net asset value divided by the number of outstanding shares of common stock.

Pursuant to an agreement with U.S. Bancorp Fund Services, LLC (the “Accounting Services Provider”), the Accounting Services Provider will value our assets in accordance with Valuation Procedures adopted by the Board of Directors. The Accounting Services Provider will obtain securities market quotations from independent pricing services approved by the Adviser and ratified by the Board. Securities for which market quotations are readily available shall be valued at “market value.” Any other securities shall be valued pursuant to fair value methodologies approved by the Board.

Valuation of certain assets at market value will be as follows. For equity securities, the Accounting Services Provider will first use readily available market quotations and will obtain direct written broker-dealer quotations if a security is not traded on an exchange or over-the-counter or quotations are not available from an approved pricing service. For fixed income securities, the Accounting Services Provider will use readily available market quotations based upon the last sale price of a security on the day we value our assets or a market value from a pricing service or by obtaining a direct written broker-dealer quotation from a dealer who has made a market in the security. For options, futures contracts and options on futures contracts, the Accounting Services Provider will use readily available market

quotations. If no sales are reported on any exchange or over-the-counter (“OTC”) market for an option, futures contract or option on futures contracts, the Accounting Services Provider will use for exchange traded options, the mean between the highest bid and lowest asked prices obtained as of the closing of the exchanges on which the option is traded, and for non-exchange traded options and futures, the calculated mean based on bid and asked prices obtained from the OTC market.

S-26

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### Table of Contents

If the Accounting Services Provider cannot obtain a market value or the Adviser determines that the value of a security as so obtained does not represent a fair value as of the valuation time (due to a significant development subsequent to the time its price is determined or otherwise), fair value for the security shall be determined pursuant to the Valuation Procedures adopted by the Board. The Valuation Procedures provide that the Adviser will consider a variety of factors with respect to the individual issuer and security in determining and monitoring the continued appropriateness of fair value, including, without limitation, financial statements and fundamental data with respect to the issuer, cost, the amount of any discount, restrictions on transfer and registration rights and other information deemed relevant. A report of any prices determined pursuant to certain preapproved methodologies will be presented to the Board or a designated committee thereof for approval no less frequently than quarterly. The Valuation Procedures currently provide for methodologies to be used to fair value equity securities and debt securities. With respect to equity securities, among the factors used to fair value a security subject to restrictions on resale is whether the security has a common share counterpart trading in a public market. If a security does not have a common share counterpart, the security shall be valued initially and thereafter by the Investment Committee of the Adviser (the "Pricing Committee") based on all relevant factors and such valuation will be presented to the Board for review and ratification no less frequently than quarterly. If a security has a common share counterpart trading in a public market or is convertible into publicly-traded common shares, the Pricing Committee shall determine an appropriate percentage discount for the security in light of its resale restrictions and/or, as applicable, conversion restrictions and other factors.

With respect to debt securities, among the various factors that can affect the value of such securities are (i) whether the issuing company has freely trading debt securities of the same maturity and interest rate; (ii) whether the issuing company has an effective registration statement in place for the securities; and whether a market is made in the securities. Subject to the particular considerations of an issue, debt securities generally will be valued at amortized cost.

The foregoing methods for fair valuing securities may be used only as long as the Adviser believes they continue to represent fair value and the discussion above is qualified in its entirety by our Valuation Procedures.

In computing net asset value, we will review the valuation of the obligation for income taxes separately for current taxes and deferred taxes due to the differing impact of each on (i) the anticipated timing of required tax payments and (ii) on the treatment of distributions by us to our stockholders.

The allocation between current and deferred income taxes is determined based upon the value of assets reported for book purposes compared to the respective net tax bases of assets for federal income tax purposes. It is anticipated that cash distributions from MLPs in which we invest will not equal the amount of taxable income allocable to us primarily as a result of depreciation and amortization deductions recorded by the MLPs. This may result, in effect, in a portion of the cash distribution received by us not being treated as income for federal income tax purposes. The relative portion of such distributions not treated as income for tax purposes will vary among the MLPs, and also will vary year by year for each MLP, but in each case will reduce our remaining tax basis, if any, in the particular MLP. The Adviser will be able to directly confirm the portion of each distribution recognized as taxable income when it receives annual tax reporting information from each MLP.

## PORTFOLIO TRANSACTIONS

### Execution of Portfolio Transactions

Our Adviser is responsible for decisions to buy and sell securities for us, broker-dealer selection, and negotiation of brokerage commission rates. Our Adviser's primary consideration in effecting a security transaction will be to obtain the best execution. In selecting a broker-dealer to execute each particular transaction, our Adviser will initially consider their ability to execute transactions at the most favorable prices and lowest overall execution costs, while also

taking into consideration other relevant factors, such as, the reliability, integrity and financial condition of the broker-dealer, the size of and difficulty in executing the order, the quality of execution and custodial services, and the provision of valuable research services that can be reasonably expected to enhance the investment return of clients managed by the Adviser. Research services may include reports on MLPs, the market, the economy and other general widely distributed research, and may be used by the Adviser in servicing all funds and accounts managed by the Adviser, including the Company. Receipt of research is one of a number of factors considered in assigning an overall internal ranking to brokers. The price to us in any transaction may be less favorable than that available from another broker-dealer if the difference is reasonably justified by other aspects of the execution services offered.

The ability to invest in direct placements of MLP securities is critical to our ability to meet our investment objective because of the limited number of MLP issuers available for investment and, in some cases, the relative small trading volumes of certain securities. Accordingly, we may from time to time enter into arrangements with placement agents in connection with direct placement transactions.

S-27

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### Table of Contents

In evaluating placement agent proposals, we consider each broker's access to issuers of MLP securities and experience in the MLP market, particularly the direct placement market. In addition to these factors, we consider whether the proposed services are customary, whether the proposed fee schedules are within the range of customary rates, whether any proposal would obligate us to enter into transactions involving a minimum fee, dollar amount or volume of securities, or into any transaction whatsoever, and other terms such as indemnification provisions.

Subject to such policies as the Board may from time to time determine, the Adviser shall not be deemed to have acted unlawfully or to have breached any duty solely by reason of its having caused us to pay a broker or dealer that provides brokerage and research services to the Adviser an amount of commission for effecting a portfolio transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if the Adviser determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or the Adviser's overall responsibilities with respect to us and to other clients of the Adviser as to which the Adviser exercises investment discretion. The Adviser is further authorized to allocate the orders placed by it on our behalf to such brokers and dealers who also provide research or statistical material or other services to us or the Adviser. Such allocation shall be in such amounts and proportions as the Adviser shall determine and the Adviser will report on said allocations regularly to the Board indicating the brokers to whom such allocations have been made and the basis therefor. For the fiscal years ended November 30, 2013, November 30, 2014 and November 30, 2015, we paid aggregate brokerage commissions of \$188,779, \$344,956 and \$363,421, respectively. No direct placement fees were paid in fiscal 2013, 2014 or 2015.

### Portfolio Turnover

Our annual portfolio turnover rate may vary greatly from year to year. Although we cannot accurately predict our annual portfolio turnover rate, it is not expected to exceed 30% under normal circumstances. For the fiscal years ended November 30, 2014 and 2015 the portfolio turnover rate was 15.33% and 12.94%, respectively. However, portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for us. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by us. High portfolio turnover also may result in recognition of gains that will increase our taxable income, possibly resulting in an increased tax liability, as well as increasing our current and accumulated earnings and profits resulting in a greater portion of the distributions on our stock being treated as taxable dividends for federal income tax purposes. See "Certain Federal Income Tax Matters."

### CERTAIN FEDERAL INCOME TAX MATTERS

The following is a summary of certain material U.S. federal income tax considerations relating to us and our investments in MLPs and to the purchase, ownership and disposition of our securities. The discussion generally applies only to holders of securities that are U.S. holders. You will be a U.S. holder if you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation, or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in our securities. This summary deals only with U.S. holders that hold our securities as capital assets and who purchase the securities in connection with the offering(s) herein. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a financial institution, insurance company, regulated investment company, real estate investment trust, investor in pass-through entities, U.S. holder of securities whose "functional currency" is not the United States dollar, tax-exempt organization, dealer in securities or currencies, trader in securities or commodities that elects mark to market treatment, a person who holds the securities in a qualified tax deferred account such as an IRA, or a person who will hold the securities as a position in a "straddle," "hedge" or as part of a "constructive sale" for federal income tax purposes. In addition, this discussion does not address the possible application of the U.S. federal alternative minimum tax.

This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (“the Internal Revenue Code”), the applicable Treasury regulations promulgated thereunder, judicial authority and current administrative rulings, as in effect on the date of this Statement of Additional Information, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

As stated above, this discussion does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular holder of our securities in light of such holder’s particular circumstances and income tax situation. Prospective holders should consult their own tax advisors as to the specific tax consequences to them of the purchase, ownership and disposition of the securities, including the application and the effect of state, local, foreign and other tax laws and the possible effects of changes in U.S. or other tax laws.

S-28

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Table of Contents

Taxation of the Company

We are treated as a C corporation for federal and state income tax purposes. We compute and pay federal and state income tax on our taxable income. Thus, we are subject to federal income tax on our taxable income at tax rates up to 35%. Additionally, in certain instances we could be subject to the federal alternative minimum tax of 20% on our alternative minimum taxable income to the extent that the alternative minimum tax exceeds our regular federal income tax.

As indicated above, we generally invest our assets primarily in MLPs. MLPs generally are treated as partnerships for federal income tax purposes. Since partnerships are generally not subject to federal income tax, the partnership's partners must report as their income their proportionate share of the partnership's income. Thus, as a partner in MLPs, we will report our proportionate share of the MLPs' income in computing our federal taxable income, irrespective of whether any cash or other distributions are made by the MLPs to us. We will also take into account in computing our taxable income any other items of our income, gain, deduction or loss. We anticipate that these may include interest and dividend income earned on our investment in securities, deductions for our operating expenses and gain or loss recognized by us on the sale of MLP interests or any other security.

As explained below, based upon the historic performance of MLPs, we anticipate initially that our proportionate share of the MLPs' taxable income will be significantly less than the amount of cash distributions we receive from the MLPs. In such case, we anticipate that we will not incur federal income tax on a significant portion of our cash flow, particularly after taking into account our current operational expenses. If the MLPs' taxable income is a significantly greater portion of the MLPs' cash distributions, we will incur additional current federal income tax liability, possibly in excess of the cash distributions we receive.

We anticipate that each year we will turn over a certain portion of our investment assets. We will recognize gain or loss on the disposition of all or a portion of our interests in MLPs in an amount equal to the difference between the sales price and our basis in the MLP interests sold. To the extent we receive MLP cash distributions in excess of the taxable income reportable to us with respect to such MLP interest, our basis in the MLP interest will be reduced and our gain on the sale of the MLP interest likewise will be increased.

We are not treated as a regulated investment company under the federal income tax laws. The Internal Revenue Code generally provides that a regulated investment company does not pay an entity level income tax, provided that it distributes all or substantially all of its net income. Our assets do not, and are not expected to, meet current tests for qualification as a regulated investment company for federal income tax purposes. Although changes to the federal income tax laws permit regulated investment companies to invest up to 25% of the value of their total assets in securities of certain MLPs, such changes still would not allow us to pursue our objective. Accordingly, we do not intend to change our tax status as a result of such legislation. Therefore, the regulated investment company taxation rules have no application to us or our stockholders.

Federal Income Taxation of MLPs

MLPs are similar to corporations in many respects, but differ in others, especially in the way they are taxed for federal income tax purposes. A corporation is a distinct legal entity, separate from its stockholders and employees and is treated as a separate entity for federal income tax purposes as well. Like individual taxpayers, a corporation must pay a federal income tax on its income. To the extent the corporation distributes its income to its stockholders in the form of dividends, the stockholders must pay federal income tax on the dividends they receive. For this reason, it is said that corporate income is double-taxed, or taxed at two levels.

An MLP that satisfies the Qualifying Income rules described below, and does not elect otherwise, is treated for federal income tax purposes as a pass-through entity. No federal income tax is paid at the partnership level. A partnership's



income is considered earned by all the partners; it is allocated among all the partners in proportion to their interests in the partnership (generally as provided in the partnership agreement), and each partner pays tax on his, her or its share of the partnership's income. All the other items that go into determining taxable income and tax owed are passed through to the partners as well — capital gains and losses, deductions, credits, etc. Partnership income is thus said to be single-taxed or taxed only at one level — that of the partner.

S-29

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### Table of Contents

The Internal Revenue Code generally requires “publicly traded partnerships” to be treated as corporations for federal income tax purposes. However, if the publicly traded partnership satisfies certain requirements and does not elect otherwise, the publicly traded partnership will be taxed as a partnership for federal income tax purposes, referred to herein as an MLP. Under these requirements, an MLP must derive each taxable year at least 90% of its gross income from Qualifying Income.

Qualifying Income for MLPs includes interest, dividends, real estate rents, gain from the sale or disposition of real property, certain income and gain from commodities or commodity futures, and income and gain from certain mineral or natural resources activities. Mineral or natural resources activities that generate Qualifying Income include income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil, products thereof or certain alcohol or biodiesel fuels), or the marketing of any mineral or natural resource (including fertilizer, geothermal energy, and timber). This means that most MLPs today are in energy, timber, or real estate related businesses.

Because the MLP itself does not pay federal income tax, its income or loss is allocated to its investors, irrespective of whether the investors receive any cash or other payment from the MLP. It is important to note that an MLP investor is taxed on his share of partnership income whether or not he actually receives any cash or other property from the partnership. The tax is based not on money or other property he actually receives, but his proportionate share of what the partnership earns. However, most MLPs make it a policy to make quarterly distributions to their partners that will comfortably exceed any income tax owed. Although they resemble corporate dividends, MLP distributions are treated differently for federal income tax purposes. The MLP distribution is treated as a return of capital to the extent of the investor’s basis in his MLP interest and, to the extent the distribution exceeds the investor’s basis in the MLP interest, as capital gain. The investor’s original basis is generally the price paid for the units. The basis is adjusted downward with each distribution and allocation of deductions (such as depreciation) and losses, and upwards with each allocation of income and gain.

The partner generally will not be taxed on MLP distributions until (1) he sells his MLP units and pays tax on his gain, which gain is increased due to the basis decrease resulting from prior distributions; or (2) his basis reaches zero. When the units are sold, the difference between the sales price and the investor’s adjusted basis is the gain or loss for federal income tax purposes.

At tax filing season an MLP investor will receive a Schedule K-1 form showing the investor’s share of each item of the partnership’s income, gain, loss, deductions and credits. The investor will use that information to figure the investor’s taxable income (MLPs generally provide their investors with material that walks them through all the steps). If there is net income derived from the MLP, the investor pays federal income tax at his, her or its tax rate.

Because we are a corporation, we, and not our stockholders, will report the income or loss of the MLPs. Thus, our stockholders will not have to deal with any Schedules K-1 reporting income and loss items of the MLPs. Stockholders, instead, will receive a Form 1099 from us.

### Common and Preferred Stock

**Federal Income Tax Treatment of Common Stock Distributions.** Unlike a holder of a direct interest in MLPs, a stockholder will not include its allocable share of our income, gains, losses or deductions in computing its own taxable income. Instead, since we are of the opinion that, under present law, our shares of common stock will constitute equity, distributions with respect to such shares (other than distributions in redemption of shares subject to Section 302(b) of the Internal Revenue Code) will generally constitute dividends to the extent of our allocable current or accumulated earnings and profits, as calculated for federal income tax purposes. Generally, a corporation’s earnings and profits are computed based upon taxable income, with certain specified adjustments. As explained above, based upon the historic performance of the MLPs, we anticipate that the distributed cash from the MLPs will exceed our

share of the MLPs' income and our gain on the sale of MLP interests. Our current earnings and profits may be increased if our portfolio turnover is increased, which may occur to utilize our capital loss carryforwards. Thus, a reduction in the return of capital portion of the distributions we receive from the MLPs or an increase in our portfolio turnover may increase our current earnings and profits and increase the portion of our distributions treated as dividends as opposed to a tax deferred return of capital. In addition, earnings and profits are treated generally, for federal income tax purposes, as first being used to pay distributions on preferred stock, and then to the extent remaining, if any, to pay distributions on the common stock. To the extent that distributions to a stockholder exceed our current and accumulated earnings and profits, such distributions may be treated as a return of capital and the stockholder's basis in the shares of stock with respect to which the distributions are made will be reduced and, if a stockholder has no further basis in the shares, the stockholder will report any excess as capital gain if the stockholder holds such shares as a capital asset.

S-30

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## Table of Contents

Dividends of current or accumulated earnings and profits generally will be taxable as ordinary income to holders but are expected to be treated as “qualified dividend income” that is generally subject to reduced rates of federal income taxation for noncorporate investors and are also expected to be eligible for the dividends received deduction available to corporate stockholders under Section 243 of the Internal Revenue Code. Under federal income tax law, qualified dividend income received by individual and other noncorporate stockholders is taxed at long-term capital gain rates, which as of the date of this Statement of Additional Information is variable based on the stockholder’s taxable income. Qualified dividend income generally includes dividends from domestic corporations and dividends from non-U.S. corporations that meet certain criteria. To be treated as qualified dividend income, the stockholder must hold the shares paying otherwise qualifying dividend income more than 60 days during the 121-day period beginning 60 days before the ex-dividend date (or more than 90 days during the 181-day period beginning 90 days before the ex-dividend date in the case of certain preferred stock dividends attributable to periods exceeding 366 days). A stockholder’s holding period may be reduced for purposes of this rule if the stockholder engages in certain risk reduction transactions with respect to the common or preferred stock. Because we are not treated as a regulated investment company under the Internal Revenue Code, we are not entitled to designate any dividends made with respect to our stock as capital gain distributions.

Corporate holders should be aware that certain limitations apply to the availability of the dividends received deduction, including limitations on the aggregate amount of the deduction that may be claimed and limitations based on the holding period of the shares on which the dividend is paid, which holding period may be reduced if the holder engages in risk reduction transactions with respect to its shares. Corporate holders should consult their own tax advisors regarding the application of these limitations to their particular situation.

If a common stockholder participates in our Automatic Dividend Reinvestment Plan, such stockholder will be treated as receiving the amount of the distributions made by the Company, which amount generally will be either equal to the amount of cash distribution the stockholder would have received if the stockholder had elected to receive cash or, for shares issued by the Company, the fair market value of the shares issued to the stockholder.

**Federal Income Tax Treatment of Preferred Stock Distributions.** Under present law, we believe that our preferred stock will constitute equity for federal income tax purposes, and thus distributions with respect to the preferred stock (other than distributions in redemption of preferred stock subject to Section 302(b) of the Internal Revenue Code) will generally constitute dividends to the extent of our current or accumulated earnings and profits allocable to such shares, as calculated for federal income tax purposes. Earnings and profits are generally treated, for federal income tax purposes, as first being allocable to distributions on the preferred stock and then to the extent remaining, if any, to distributions on our common stock. Dividends generally will be taxable as ordinary income to holders, but are expected to be treated as qualified dividend income that is generally subject to reduced rates of federal income taxation for noncorporate investors, as described above. In the case of corporate holders of preferred stock, subject to applicable requirements and limitations, dividends may be eligible for the dividends received deduction available to corporations under Section 243 of the Internal Revenue Code (see discussion above). Distributions in excess of our earnings and profits allocable to preferred stock, if any, will first reduce a shareholder’s adjusted tax basis in his or her shares and, after the adjusted tax basis is reduced to zero, will constitute capital gains to a holder who holds such shares as a capital asset. Because we are not treated as a regulated investment company under the Internal Revenue Code, we are not entitled to designate any dividends made with respect to our stock as capital gain distributions.

**Sale of Shares.** The sale of shares of common or preferred stock by holders will generally be a taxable transaction for federal income tax purposes. Holders of shares who sell such shares will generally recognize gain or loss in an amount equal to the difference between the net proceeds of the sale and their adjusted tax basis in the shares sold. If the shares are held as a capital asset at the time of the sale, the gain or loss will generally be a capital gain or loss. Similarly, a redemption by us (including a redemption resulting from our liquidation), if any, of all the shares actually and constructively held by a stockholder generally will give rise to capital gain or loss under Section 302(b) of the Internal Revenue Code, provided that the redemption proceeds do not represent declared but unpaid dividends. Other

redemptions may also give rise to capital gain or loss, but certain conditions imposed by Section 302(b) of the Internal Revenue Code must be satisfied to achieve such treatment.

The capital gain or loss recognized on a sale of shares will generally be long-term capital gain or loss if the shares were held for more than one year and will be short-term capital gain or loss if the disposed shares were held for one year or less. Net long-term capital gain recognized by a noncorporate U.S. holder generally will be subject to federal income tax at a lower rate (as of the date of this Statement of Additional Information a maximum rate of 20%) than net short-term capital gain or ordinary income (as of the date of this Statement of Additional Information a maximum rate of 39.6%). For corporate holders, capital gain is generally taxed at the same rate as ordinary income, that is, as of the date of this Statement of Additional Information at a maximum rate of 35%. A holder's ability to deduct capital losses may be limited.

S-31

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## Table of Contents

Losses on sales or other dispositions of shares may be disallowed under “wash sale” rules in the event of other investments in the Company (including those made pursuant to reinvestment of dividends) or other substantially identical stock or securities are purchased within a period of 61 days beginning 30 days before and ending 30 days after a sale or other disposition of shares. In such a case, the disallowed portion of any loss generally would be included in the federal income tax basis of the shares acquired. Shareholders should consult their own tax advisors regarding their individual circumstances to determine whether any particular transaction in the Company’s shares is properly treated as a sale for federal income tax purposes and the tax treatment of any gains or losses recognized in such transactions.

Investment by Tax-Exempt Investors and Regulated Investment Companies. Employee benefit plans, other tax-exempt organizations and regulated investment companies may want to invest in our securities. Employee benefit plans and most other organizations exempt from federal income tax, including individual retirement accounts and other retirement plans, are subject to federal income tax on unrelated business taxable income (“UBTI”). Because we are a corporation for federal income tax purposes, an owner of shares will not report on its federal income tax return any of our items of income, gain, loss and deduction. Therefore, a tax-exempt investor generally will not have UBTI attributable to its ownership or sale of our stock unless its ownership of the stock is debt-financed. In general, stock would be debt-financed if the tax-exempt owner of stock incurs debt to acquire the stock or otherwise incurs or maintains debt that would not have been incurred or maintained if the stock had not been acquired.

For federal income tax purposes, a regulated investment company, or “mutual fund,” may not have more than 25% of the value of its total assets, at the close of any fiscal quarter, invested in the securities of one or more qualified publicly traded partnerships, which will include most MLPs. Shares of our stock are not securities of a qualified publicly traded partnership and will not be treated as such for purposes of calculating the limitation imposed upon regulated investment companies.

Backup Withholding. We may be required to withhold, for U.S. federal income tax purposes, a portion of all distributions (including redemption proceeds) payable to stockholders who fail to provide us with their correct taxpayer identification number, who fail to make required certifications or who have been notified by the Internal Revenue Service (“IRS”) that they are subject to backup withholding (or if we have been so notified). Certain corporate and other stockholders specified in the Internal Revenue Code and the regulations thereunder are exempt from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the stockholder’s U.S. federal income tax liability provided the appropriate information is furnished to the IRS in a timely manner.

Other Taxation. Foreign stockholders, including stockholders who are nonresident alien individuals, may be subject to U.S. withholding tax on certain distributions at a rate of 30% or such lower rates as may be prescribed by any applicable treaty. Our distributions also may be subject to state and local taxes.

## Debt Securities

Federal Income Tax Treatment of Holders of Debt Securities. Under present law, we are of the opinion that our debt securities will constitute indebtedness for federal income tax purposes, which the discussion below assumes. We intend to treat all payments made with respect to the debt securities consistent with this characterization.

Taxation of Interest. Payments or accruals of interest on debt securities generally will be taxable to you as ordinary interest income at the time such interest is received (actually or constructively) or accrued, in accordance with your regular method of accounting for federal income tax purposes.

Purchase, Sale and Redemption of Debt Securities. Initially, your tax basis in debt securities acquired generally will be equal to your cost to acquire such debt securities. This basis will increase by the amounts, if any, that you include

in income under the rules governing market discount, and will decrease by the amount of any amortized premium on such debt securities, as discussed below. When you sell or exchange any of your debt securities, or if any of your debt securities are redeemed, you generally will recognize gain or loss equal to the difference between the amount you realize on the transaction (less any accrued and unpaid interest, which will be subject to federal income tax as interest in the manner described above) and your tax basis in the debt securities relinquished.

S-32

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## Table of Contents

Except as discussed below with respect to market discount, the gain or loss that you recognize on the sale, exchange or redemption of any of your debt securities generally will be capital gain or loss if you hold the debt securities as a capital asset. Such gain or loss will generally be long-term capital gain or loss if the disposed debt securities were held for more than one year and will be short-term capital gain or loss if the disposed debt securities were held for one year or less. Net long-term capital gain recognized by a noncorporate U.S. holder generally will be subject to federal income tax at a lower rate (as of the date of this Statement of Additional Information a maximum rate of 20%) than net short-term capital gain or ordinary income (as of the date of this Statement of Additional Information a maximum rate of 39.6%). For corporate holders, capital gain is generally taxed for federal income tax purposes at the same rate as ordinary income, that is, as of the date of this Statement of Additional Information at a maximum rate of 35%. A holder's ability to deduct capital losses may be limited.

**Amortizable Premium.** If you purchase debt securities at a cost greater than their stated principal amount, plus accrued interest, you will be considered to have purchased the debt securities at a premium, and you generally may elect to amortize this premium as an offset to interest income, using a constant yield method, over the remaining term of the debt securities. If you make the election to amortize the premium, it generally will apply to all debt instruments that you hold at the beginning of the first taxable year to which the election applies, as well as any debt instruments that you subsequently acquire. In addition, you may not revoke the election without the consent of the IRS. If you elect to amortize the premium, you will be required to reduce your tax basis in the debt securities by the amount of the premium amortized during your holding period. If you do not elect to amortize premium, the amount of premium will be included in your tax basis in the debt securities. Therefore, if you do not elect to amortize the premium and you hold the debt securities to maturity, you generally will be required to treat the premium as a capital loss when the debt securities are redeemed.

**Market Discount.** If you purchase debt securities at a price that reflects a "market discount," any principal payments on, or any gain that you realize on the disposition of, the debt securities generally will be treated as ordinary interest income to the extent of the market discount that accrued on the debt securities during the time you held such debt securities. "Market discount" is defined under the Internal Revenue Code as, in general, the excess of the stated redemption price at maturity over the purchase price of the debt security, except that if the market discount is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, the market discount is considered to be zero. In addition, you may be required to defer the deduction of all or a portion of any interest paid on any indebtedness that you incurred or continued to purchase or carry the debt securities that were acquired at a market discount. In general, market discount will be treated as accruing ratably over the term of the debt securities, or, at your election, under a constant yield method.

You may elect to include market discount in gross income currently as it accrues (on either a ratable or constant yield basis), in lieu of treating a portion of any gain realized on a sale of the debt securities as ordinary income. If you elect to include market discount on a current basis, the interest deduction deferral rule described above will not apply and you will increase your basis in the debt security by the amount of market discount you include in gross income. If you do make such an election, it will apply to all market discount debt instruments that you acquire on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS.

**Information Reporting and Backup Withholding.** In general, information reporting requirements will apply to payments of principal, interest, and premium, if any, paid on debt securities and to the proceeds of the sale of debt securities paid to U.S. holders other than certain exempt recipients. Information reporting generally will apply to payments of interest on the debt securities to non-U.S. Holders (as defined below) and the amount of tax, if any, withheld with respect to such payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the non-U.S. Holder resides under the provisions of an applicable income tax treaty. In addition, for non-U.S. Holders, information reporting will apply to the proceeds of the sale of debt securities within the United States or conducted through United States-related financial intermediaries unless the certification requirements described below have been complied with and the



statement described below in “Taxation of Non-U.S. Holders” has been received (and the payor does not have actual knowledge or reason to know that the holder is a United States person) or the holder otherwise establishes an exemption.

S-33

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## Table of Contents

We may be required to withhold, for U.S. federal income tax purposes, a portion of all payments (including redemption proceeds) payable to holders of debt securities who fail to provide us with their correct taxpayer identification number, who fail to make required certifications or who have been notified by the IRS that they are subject to backup withholding (or if we have been so notified). Certain corporate and other shareholders specified in the Internal Revenue Code and the regulations thereunder are exempt from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be credited against the holder's U.S. federal income tax liability provided the appropriate information is furnished to the IRS. If you are a non-U.S. Holder, you may have to comply with certification procedures to establish your non-U.S. status in order to avoid backup withholding tax requirements. The certification procedures required to claim the exemption from withholding tax on interest income described below will satisfy these requirements.

**Taxation of Non-U.S. Holders.** If you are a non-resident alien individual or a foreign corporation (a "non-U.S. Holder"), the payment of interest on the debt securities generally will be considered "portfolio interest" and thus generally will be exempt from U.S. federal withholding tax. This exemption will apply to you provided that (1) interest paid on the debt securities is not effectively connected with your conduct of a trade or business in the United States, (2) you are not a bank whose receipt of interest on the debt securities is described in Section 881(c)(3)(A) of the Internal Revenue Code, (3) you do not actually or constructively own 10 percent or more of the combined voting power of all classes of our stock entitled to vote, (4) you are not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership, and (5) you satisfy the certification requirements described below.

To satisfy the certification requirements, either (1) the beneficial owner of any debt securities must certify, under penalties of perjury, that such owner is a non-U.S. person and must provide such owner's name, address and taxpayer identification number, if any, on an appropriate IRS Form W-8 (or an acceptable substitute or successor form), or (2) a securities clearing organization, bank or other financial institution that holds customer securities in the ordinary course of its trade or business and holds the debt securities on behalf of the beneficial owner thereof must certify, under penalties of perjury, that it has received a valid and properly executed an appropriate IRS Form W-8 (or an acceptable substitute or successor form) from the beneficial owner and comply with certain other requirements. Special certification rules apply for debt securities held by a foreign partnership and other intermediaries.

Interest on debt securities received by a non-U.S. Holder that is not excluded from U.S. federal withholding tax under the portfolio interest exemption as described above generally will be subject to withholding at a 30% rate, except where (1) the interest is effectively connected with the conduct of a U.S. trade or business, in which case the interest will be subject to U.S. income tax on a net basis as applicable to U.S. holders generally or (2) a non-U.S. Holder can claim the benefits of an applicable income tax treaty to reduce or eliminate such withholding tax. To claim the benefit of an income tax treaty or to claim an exemption from withholding because the interest is effectively connected with a U.S. trade or business, a non-U.S. Holder must timely provide the appropriate, properly executed IRS forms. These forms may be required to be periodically updated. Also, a non-U.S. Holder who is claiming the benefits of an income tax treaty may be required to obtain a U.S. taxpayer identification number and to provide certain documentary evidence issued by foreign governmental authorities to prove residence in the foreign country.

Any capital gain that a non-U.S. Holder realizes on a sale, exchange or other disposition of debt securities generally will be exempt from U.S. federal income tax, including withholding tax. This exemption generally will not apply to you if your gain is effectively connected with your conduct of a trade or business in the U.S. or you are an individual holder and are present in the U.S. for a period or periods aggregating 183 days or more in the taxable year of the disposition.

## Additional Considerations

**Unearned Income Medicare Tax.** For taxable years beginning after December 31, 2012, a 3.8 percent tax generally will be imposed on some or all of the net investment income of certain individuals with modified adjusted gross

income of over \$200,000 (\$250,000 in the case of joint filers or surviving spouses or \$125,000 if married and filing separately) and on some or all of the undistributed net investment income of certain estates and trusts. With respect to individuals, the tax is imposed on the lesser of (i) the individual's net investment income for such taxable year or (ii) the excess of the individual's modified adjusted gross income for such taxable year over the applicable threshold amount (generally \$200,000 but \$250,000 if filing jointly or a surviving spouse and \$125,000 if married and filing separately). For these purposes, "net investment income" will generally include interest (including interest on our debt securities), dividends (including dividends paid with respect to our stock), annuities, royalties, rent, net gain attributable to the disposition of property not held in a trade or business (including net gain from the sale, exchange or other taxable disposition of shares of our stock and debt securities) and certain other income, but will be reduced by any deductions properly allocable to such income or net gain.

S-34

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### Table of Contents

Foreign Account Tax Compliance Act ("FATCA") Withholding. Sections 1471 through 1474 of the Code ("FATCA") generally impose a U.S. federal withholding tax of 30% on payments of dividends, interest or gross proceeds from the disposition of stock or a debt instrument paid after December 31, 2012 to certain non-U.S. entities, including certain foreign financial institutions and investment funds, unless such non-U.S. entity complies with certain reporting requirements regarding its U.S. account holders and its U.S. owners. Pursuant to U.S. Treasury regulations and other Treasury guidance, these rules generally are not effective for payments of dividends and interest until July 1, 2014, and, in the case of payments of gross proceeds, until January 1, 2017, and, even after such effective dates, the new withholding obligations will not apply to payments on, or with respect to, debt obligations that are outstanding on July 1, 2014 unless such obligations are significantly modified (and thus are treated as being reissued for U.S. federal income tax purposes) after such date. Non-U.S. holders should consult their own tax advisors regarding FATCA and whether it may be relevant to their acquisition, ownership and disposition of the Notes.

The foregoing is a general and abbreviated summary of the provisions of the Code and the treasury regulations in effect as they directly govern the taxation of the Company and its security holders. These provisions are subject to change by legislative and administrative action, and any such change may be retroactive. Security holders (and prospective holders) are urged to consult their tax advisors regarding specific questions as to U.S. federal, foreign, state, local income or other taxes.

### PROXY VOTING POLICIES

We and the Adviser have adopted proxy voting policies and procedures ("Proxy Policy"), which we believe are reasonably designed to ensure that proxies are voted in our best interests and our stockholders best interests. Subject to the oversight of the Board, the Board has delegated responsibility for implementing the Proxy Policy to the Adviser. Because of the unique nature of MLPs in which we primarily invest, the Adviser shall evaluate each proxy on a case-by-case basis. Because proxies of MLPs are expected to relate only to extraordinary measures, we do not believe it is prudent to adopt pre-established voting guidelines.

In the event requests for proxies are received with respect to the voting of equity securities other than MLP equity units, on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless the Adviser determines it has a conflict or the Adviser determines there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and stockholder proposals, the Adviser will vote, or abstain from voting if deemed appropriate, on a case-by-case basis in a manner it believes to be in the best economic interest of our stockholders. In the event requests for proxies are received with respect to debt securities, the Adviser will vote on a case-by-case basis in a manner it believes to be in the best economic interest of our stockholders.

The Chief Executive Officer is responsible for monitoring corporate actions and ensuring that (1) proxies are received and forwarded to the appropriate decision makers; and (2) proxies are voted in a timely manner upon receipt of voting instructions. We are not responsible for voting proxies we do not receive, but will make reasonable efforts to obtain missing proxies. The Chief Executive Officer shall implement procedures to identify and monitor potential conflicts of interest that could affect the proxy voting process, including (1) significant client relationships; (2) other potential material business relationships; and (3) material personal and family relationships. All decisions regarding proxy voting shall be determined by the Investment Committee of the Adviser, or a Manager of the Adviser designated by the Investment Committee, and shall be executed by the Chief Executive Officer or, if the proxy may be voted electronically, electronically voted by the Chief Executive Officer or his designee. Every effort shall be made to consult with the portfolio manager and/or analyst covering the security. We may determine not to vote a particular proxy, if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).



### Table of Contents

If a request for proxy presents a conflict of interest between our stockholders on the one hand, and the Adviser, the principal underwriters, or any affiliated persons of us, on the other hand, management may (i) disclose the potential conflict to the Board of Directors and obtain consent; or (ii) establish an ethical wall or other informational barrier between the persons involved in the conflict and the persons making the voting decisions.

Information regarding how we voted proxies for the 12-month period ended June 30, 2015, is available without charge by calling us at 1-866-362-9331. You also may access this information on the SEC's website at <http://www.sec.gov>. The Adviser's website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com) provides a link to all of our reports filed with the SEC.

### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, 1200 Main Street, Kansas City, Missouri, serves as our independent registered public accounting firm. Ernst & Young LLP provides audit and audit-related services, tax return preparation and assistance and consultation in connection with review of our filings with the SEC.

### ADMINISTRATOR AND CUSTODIAN

U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, Wisconsin 53202, serves as our administrator and provides certain back-office support such as payment of expenses and preparation of financial statements and related schedules. We pay the administrator a monthly fee computed at an annual rate of 0.04% of the first \$1 billion of our Managed Assets, 0.01% on the next \$500 million of our Managed Assets and 0.005% on the balance of our Managed Assets. For the fiscal years ended November 30, 2013, November 30, 2014 and November 30, 2015, we paid U.S. Bancorp Fund Services, LLC \$474,106, \$539,087 and \$562,886, respectively for administrative services.

U.S. Bank, N.A., 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212 serves as the custodian of our cash and investment securities. We pay the custodian a monthly fee computed at an annual rate of 0.004% of our portfolio assets, subject to a minimum annual fee of \$4,800, plus portfolio transaction fees.

### INTERNAL ACCOUNTANT

U.S. Bancorp Fund Services, LLC ("U.S. Bancorp") serves as our internal accountant. For its services, we pay U.S. Bancorp a fee computed at \$24,000 for the first \$50 million of our net assets, 0.0125% on the next \$200 million of net assets, 0.0075% on the next \$250 million of net assets, and 0.0025% on the balance of our net assets. For the fiscal years ended November 30, 2013, 2014 and 2015, we paid U.S. Bancorp \$84,415, \$101,186 and \$104,665, respectively, for internal accounting services.

### ADDITIONAL INFORMATION

A Registration Statement on Form N-2, including amendments thereto, relating to the common stock, preferred stock and debt securities offered hereby, has been filed by us with the SEC. The prospectus, prospectus supplement, and this Statement of Additional Information do not contain all of the information set forth in the Registration Statement, including any exhibits and schedules thereto. Please refer to the Registration Statement for further information with respect to us and the offering of our securities. Statements contained in the prospectus, prospectus supplement, and this Statement of Additional Information as to the contents of any contract or other document referred to are not necessarily complete and in each instance reference is made to the copy of such contract or other document filed as an exhibit to a Registration Statement, each such statement being qualified in all respects by such reference. Copies of the Registration Statement may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the SEC upon the payment of certain fees prescribed by the SEC.

## FINANCIAL STATEMENTS

Our 2015 Annual Report, which contains our audited financial statements as of November 30, 2015 and for the year then ended, notes thereto, and other information about us, is incorporated by reference into, and shall be deemed to accompany, this Statement of Additional Information.

Our 2015 Annual Report includes supplemental financial information which presents selected ratios as a percentage of our total investment portfolio and a calculation of our distributable cash flow (“DCF”) and related information. You may request a free copy of the Statement of Additional Information, our annual, semi-annual and quarterly reports, or make other requests for information about us, by calling toll-free 1-866-362-9331, or by writing to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. These documents are also available on the SEC’s EDGAR system and can be inspected and copied for a fee at the SEC’s public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850

S-36

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Table of Contents

APPENDIX A — RATING OF INVESTMENTS

MOODY'S INVESTORS SERVICE, INC.

Moody's long-term obligation ratings are opinions of the relative credit risk of financial obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

"Aaa" Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

"Aa" Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

"A" Obligations rated A are considered upper-medium grade and are subject to low credit risk.

"Baa" Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

"Ba" Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

"B" Obligations rated B are considered speculative and are subject to high credit risk.

"Caa" Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

"Ca" Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

"C" Obligations rated C are the lowest rated class and are typically in default, with little prospect for recovery of principal and interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

FITCH RATINGS

A brief description of the applicable Fitch Ratings ("Fitch") ratings symbols and meanings (as published by Fitch) follows:

AAA: Highest credit quality.

'AAA' ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality.

'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High credit quality.

'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the



case for higher ratings.

BBB: Good credit quality.

'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

BB: Speculative.

'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

A-1

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Table of Contents

B: Highly speculative.

'B' ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

CCC: Substantial credit risk.

Default is a real possibility.

CC: Very high levels of credit risk.

Default of some kind appears probable.

C: Exceptionally high levels of credit risk

Default is imminent or inevitable, or the issuer is in standstill. Conditions that are indicative of a 'C' category rating for an issuer include:

- a. the issuer has entered into a grace or cure period following non-payment of a material financial obligation;
- b. the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation; or
- c. Fitch Ratings otherwise believes a condition of 'RD' or 'D' to be imminent or inevitable, including through the formal announcement of a distressed debt exchange.

RD: Restricted default.

'RD' ratings indicate an issuer that in Fitch Ratings' opinion has experienced an uncured payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating. This would include:

- a. the selective payment default on a specific class or currency of debt;
- b. the uncured expiry of any applicable grace period, cure period or default forbearance period following a payment default on a bank loan, capital markets security or other material financial obligation;
- c. the extension of multiple waivers or forbearance periods upon a payment default on one or more material financial obligations, either in series or in parallel; or
- d. execution of a distressed debt exchange on one or more material financial obligations.

D: Default.

'D' ratings indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business.

**STANDARD & POOR'S CORPORATION**

A brief description of the applicable Standard & Poor's Corporation, a division of The McGraw-Hill Companies ("Standard & Poor's" or "S&P"), rating symbols and their meanings (as published by S&P) follows:

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

Issue credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating

and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

A-2

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## Table of Contents

Issue credit ratings can be either long-term or short-term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days — including commercial paper.

Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. The result is a dual rating, in which the short-term ratings address the put feature, in addition to the usual long-term rating. Medium-term notes are assigned long-term ratings.

## Long-Term Issue Credit Ratings

Issue credit ratings are based in varying degrees, on the following considerations:

1. Likelihood of payment — capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
2. Nature of and provisions of the obligation; and
3. Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. The issue ratings definitions are an assessment of default risk, but may incorporate an assessment of relative seniority or ultimate recovery in the event of default. As such, they pertain to senior obligations of an entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above.

“AAA” — An obligation rated ‘AAA’ has the highest rating assigned by Standard & Poor’s. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong.

“AA” — An obligation rated ‘AA’ differs from the highest-rated obligations only in small degree. The obligor’s capacity to meet its financial commitment on the obligation is very strong.

“A” — An obligation rated ‘A’ is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor’s capacity to meet its financial commitment on the obligation is still strong.

“BBB” — An obligation rated ‘BBB’ exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

BB, B, CCC, CC, AND C — Obligations rated ‘BB’, ‘B’, ‘CCC’, ‘CC’, and ‘C’ are regarded as having significant speculative characteristics. ‘BB’ indicates the least degree of speculation and ‘C’ the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

“BB” — An obligation rated ‘BB’ is less vulnerable in the near-term to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor’s inadequate capacity to meet its financial commitment on the obligation.

“B” — An obligation rated ‘B’ is more vulnerable to nonpayment than obligations rated ‘BB’, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor’s capacity or willingness to meet its financial commitment on the obligation.

“CCC” — An obligation rated ‘CCC’ is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

“CC” — An obligation rated ‘CC’ is currently highly vulnerable to nonpayment.

“C” — The ‘C’ rating is assigned to obligations that are currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default.

“D” — An obligation rated ‘D’ is in payment default. The ‘D’ rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor’s believes that such payments will be made during such grace period. The ‘D’ rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

A-3

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Table of Contents

“+/-” — Plus (+) or minus (-). The ratings from ‘AA’ to ‘CCC’ may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

N.R. — Not rated.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

Bond Investment Quality Standards

Under present commercial bank regulations issued by the Comptroller of the Currency, bonds rated in the top four categories (‘AAA’, ‘AA’, ‘A’, ‘BBB’, commonly known as investment-grade ratings) generally are regarded as eligible for bank investment.

Also, the laws of various states governing legal investments impose certain rating or other standards for obligations eligible for investment by savings banks, trust companies, insurance companies, and fiduciaries in general.

A-4

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Table of Contents

Tortoise Energy Infrastructure Corporation

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STATEMENT OF ADDITIONAL INFORMATION

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\_\_\_\_\_, 2016

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Table of Contents

PART C — OTHER INFORMATION

Item 25: Financial Statements and Exhibits

1. Financial Statements:

The Registrant's audited financial statements dated November 30, 2015, notes to such financial statements and report of independent registered public accounting firm thereon, are incorporated by reference into Part B: Statement of Additional Information.

2. Exhibits:

a.1. Articles of Amendment and Restatement. <sup>1</sup>

a.2. Articles of Amendment. <sup>12</sup>

a.3. Articles of Amendment<sup>17</sup>

a.4. Articles Supplementary relating to Series D and Series E Mandatory Redeemable Preferred Shares. <sup>17</sup>

b.1. Amended and Restated Bylaws. <sup>15</sup>

c. None.

d.1. Form of Common Share Certificate. <sup>5</sup>

d.2. Form of Preferred Stock Certificate. <sup>6</sup>

d.3. Form of Note. <sup>5</sup>

d.4. Form of Fitch Rating Guidelines.<sup>17</sup>

e. Terms and Conditions of the Dividend Reinvestment and Cash Purchase Plan. <sup>4</sup>

f. Not applicable.

g.1. Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. <sup>8</sup>

g.2. First Amendment to Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. <sup>17</sup>

g.3. Fee Waiver Agreement. <sup>11</sup>

h.1. Form of Underwriting Agreement relating to Common Stock. <sup>5</sup>

h.2. Form of Underwriting Agreement relating to Notes. <sup>5</sup>

h.3. Form of Purchase Agreement for Direct Placement of Common Stock. <sup>6</sup>

h.4. Form of Placement Agency Agreement for Direct Placement of Common Stock. <sup>6</sup>



h.5. Purchase Agreement dated January 19, 2011.<sup>9</sup>

h.6. Controlled Equity Offering Sales Agreement dated April 23, 2012.<sup>11</sup>

h.7. First Amendment to Controlled Equity Offering Sales Agreement dated November 27, 2013.<sup>15</sup>

h.8. Second Amendment to Controlled Equity Offering Sales Agreement dated October 1, 2015.<sup>19</sup>

h.9. Third Amendment to Controlled Equity Offering Sales Agreement dated October 16, 2015.<sup>20</sup>

i. None.

j.1. Custody Agreement.<sup>10</sup>

j.2. First Amendment to Custody Agreement.<sup>13</sup>

k.1. Stock Transfer Agency Agreement.<sup>2</sup>

k.2. Fee and Service Schedule to Stock Transfer Agency Agreement.<sup>17</sup>

k.3. First Addendum to Stock Transfer Agency Agreement.<sup>17</sup>

k.4. Fund Administration Servicing Agreement.<sup>2</sup>

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Table of Contents

- k.5. First Amendment to Fund Administration Servicing Agreement.<sup>7</sup>
- k.6. Second Amendment to Fund Administration Servicing Agreement.<sup>10</sup>
- k.7. Fund Accounting Servicing Agreement.<sup>7</sup>
- k.8. First Amendment to Fund Accounting Servicing Agreement.<sup>10</sup>
- k.9. DTC Representation Letter relating to Preferred Stock and Notes.<sup>3</sup>
- k.10. Amended and Restated Credit Agreement with U.S. Bank.<sup>17</sup>
- k.11. First Amendment to U.S. Bank Credit Agreement.<sup>17</sup>
- k.12. Second Amendment to U.S. Bank Credit Agreement.<sup>18</sup>
- k.13. Credit Agreement with Scotia Bank.<sup>17</sup>
- k.14. First Amendment to Scotia Bank Credit Agreement.<sup>17</sup>
- k.15. First Supplement to Master Note Purchase Agreement dated December 17, 2009.<sup>13</sup>
- k.16. Note Purchase Agreement dated May 12, 2011.<sup>13</sup>
- k.17. Note Purchase Agreement dated December 19, 2012.<sup>13</sup>
- k.18. Note Purchase Agreement dated September 27, 2013.<sup>14</sup>
- k.19. Note Purchase Agreement dated November 23, 2013.<sup>16</sup>
- k.20. Assumption Agreement dated June 23, 2014.<sup>17</sup>
- k.21. Note Purchase and Private Shelf Agreement dated December 18, 2014.<sup>17</sup>
- k.22. Note Purchase Agreement dated April 2, 2015.<sup>17</sup>
- k.23. Confirmation of Acceptance dated April 9, 2015.<sup>17</sup>
- l.1. Opinion of Venable LLP with respect to issuances of common stock, preferred stock and debt securities.\*\*
- l.2. Opinion of Venable LLP with respect to issuance of common stock pursuant to Controlled Equity Offering Sales Agreement\*\*
- m. Not applicable.
- n. Consent of Ernst & Young LLP.\*
- o. Not applicable.
- p. Subscription Agreement.<sup>2</sup>

- q. None.
  - r.1. Code of Ethics for the Registrant.\*
  - r.2. Code of Ethics for the Adviser.\*
  - s.1. Powers of Attorney.\*
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(\* ) Filed herewith.

(\*\* ) To be filed by amendment.

- (1) Incorporated by reference to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form N-2, filed on January 30, 2004 (File Nos. 333-110143 and 811-21462).
  - (2) Incorporated by reference to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form N-2, filed on June 28, 2004 (File Nos. 333-114545 and 811-21462).
  - (3) Incorporated by reference to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form N-2, filed on April 1, 2005 (File Nos. 333-122350 and 811-21462).
  - (4) Incorporated by reference to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form N-2, filed on March 6, 2007 (File Nos. 333-140457 and 811-21462).
  - (5) Incorporated by reference to Registrant's Registration Statement on Form N-2, filed on September 14, 2007 (File Nos. 333-146095 and 811-21462).
  - (6) Incorporated by reference to Pre-Effective Amendment No. 1 to Registrant's Registration Statement on Form N-2, filed on January 25, 2008 (File Nos. 333-146095 and 811-21462).
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Table of Contents

- (7) Incorporated by reference to Pre-Effective Amendment No. 2 to Registrant’s Registration Statement on Form N-2, filed on February 12, 2008 (File Nos. 333-146095 and 811-21462).
- (8) Incorporated by reference to Registrant’s Registration Statement on Form N-2, filed on February 22, 2010 (File Nos. 333-165006 and 811-21462).
- (9) Incorporated by reference to Post-Effective Amendment No. 1 to Registrant’s Registration Statement on Form N-2, filed on January 20, 2011 (File Nos. 333-165006 and 811-21462).
- (10) Incorporated by reference to Post-Effective Amendment No. 2 to Registrant’s Registration Statement on Form N-2, filed on March 1, 2011 (File Nos. 333-165006 and 811-21462).
- (11) Incorporated by reference to Post-Effective Amendment No. 7 to Registrant’s Registration Statement on Form N-2, filed on April 23, 2012 (File Nos. 333-165006 and 811-21462).
- (12) Incorporated by reference to Post-Effective Amendment No. 9 to Registrant’s Registration Statement on Form N-2, filed on December 4, 2012 (File Nos. 333-165006 and 811-21462).
- (13) Incorporated by reference to Post-Effective Amendment No. 10 to Registrant’s Registration Statement on Form N-2, filed on February 8, 2013 (File Nos. 333-165006 and 811-21462).
- (14) Incorporated by reference to Post-Effective Amendment No. 14 to Registrant’s Registration Statement on Form N-2, filed on October 30, 2013 (File Nos. 333-165006 and 811-21462).
- (15) Incorporated by reference to Post-Effective Amendment No. 15 to Registrant’s Registration Statement on Form N-2, filed on November 27, 2013 (File Nos. 333-165006 and 811-21462).
- (16) Incorporated by reference to Post-Effective Amendment No. 17 to Registrant’s Registration Statement on Form N-2, filed on January 22, 2014 (File Nos. 333-146095 and 811-21462).
- (17) Incorporated by reference to Post-Effective Amendment No. 18 to Registrant’s Registration Statement on Form N-2, filed on April 27, 2015 (File Nos. 333-146095 and 811-21462).
- (18) Incorporated by reference to Post-Effective Amendment No. 19 to Registrant’s Registration Statement on Form N-2, filed on August 3, 2015 (File Nos. 333-146095 and 811-21462).
- (19) Incorporated by reference to Post-Effective Amendment No. 21 to Registrant’s Registration Statement on Form N-2, filed on October 1, 2015 (File Nos. 333-146095 and 811-21462).
- (20) Incorporated by reference to Post-Effective Amendment No. 23 to Registrant’s Registration Statement on Form N-2, filed on December 18, 2015 (File Nos. 333-146095 and 811-21462).

Item 26: Marketing Arrangements

The information contained under the heading “Plan of Distribution” in the prospectus is incorporated herein by reference, and information concerning the underwriter will be contained in the accompanying prospectus supplement.

Item 27: Other Expenses and Distribution

The following table sets forth the estimated expenses to be incurred in connection with all potential offerings described in this Registration Statement:

Securities and Exchange Commission Fees	\$37,763
Directors’ Fees and Expenses	6,500
Printing (other than certificates)	108,000
Accounting fees and expenses	139,000
Legal fees and expenses	115,000
NYSE listing fees	80,000
Rating Agency Fees	35,000
FINRA fees	10,000
Miscellaneous	25,000
Total	\$556,263*

\* These expenses will be borne by the Company unless otherwise specified in a prospectus supplement.

Item 28. Persons Controlled by or Under Common Control

None.

Item 29. Number of Holders of Securities

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Table of Contents

As of January 31, 2016, the number of record holders of each class of securities of the Registrant was:

Title of Class	Number of Record Holders
Common Shares (\$0.001 par value)	117
Preferred Stock (Liquidation Preference \$10.00 per share)	14
Debt (\$545,000,000 aggregate principal amount)	34

## Item 30. Indemnification

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty which is established by a final judgment as being material to the cause of action. The Registrant's charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law.

The Registrant's charter authorizes it, to the maximum extent permitted by Maryland law and the Investment Company Act of 1940, as amended (the "1940 Act"), to indemnify any present or former director or officer or any individual who, while a director of the Registrant and at the request of the Registrant, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of the Registrant and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The Registrant's Bylaws obligate it, to the maximum extent permitted by Maryland law and the 1940 Act, to indemnify any present or former director or officer or any individual who, while a director of the Registrant and at the request of the Registrant, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made a party to the proceeding by reason of his service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her status as a present or former director or officer of the Registrant and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The charter and Bylaws also permit the Registrant to indemnify and advance expenses to any person who served as a predecessor of the Registrant in any of the capacities described above and any employee or agent of the Registrant or a predecessor of the Registrant.

Maryland law requires a corporation (unless its charter provides otherwise, which the Registrant's charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he is made a party by reason of his service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received, unless in either case a court orders indemnification and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard

of conduct was not met.

The provisions set forth above apply insofar as they are consistent with Section 17(h) of the 1940 Act, which prohibits indemnification of any director or officer of the Registrant against any liability to the Registrant or its stockholders to which such director or officer otherwise would be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (“1933 Act”), may be provided to directors, officers and controlling persons of the Registrant, pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the 1933 Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in connection with the successful defense of any action, suit or proceeding or payment pursuant to any insurance policy) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 1933 Act and will be governed by the final adjudication of such issue.

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Table of Contents

Item 31. Business and Other Connections of Investment Adviser

The information in the Statement of Additional Information under the caption “Management of the Company—Directors and Officers” is hereby incorporated by reference.

Item 32. Location of Accounts and Records

All such accounts, books, and other documents are maintained at the offices of the Registrant, at the offices of the Registrant’s investment adviser, Tortoise Capital Advisors, L.L.C., 11550 Ash Street, Suite 300, Leawood, Kansas 66211, at the offices of the custodian, U.S. Bank National Association, 1555 North Rivercenter Drive, Suite 302, Milwaukee, Wisconsin 53212, at the offices of the transfer agent, Computershare Trust Company N.A., P. O. Box 30170, College Station, Texas 77842-3170, and at the offices of the administrator, U.S. Bancorp Fund Services, LLC, 615 East Michigan Street, Milwaukee, WI 53202.

Item 33. Management Services

Not applicable.

Item 34. Undertakings

1. The Registrant undertakes to suspend the offering of common stock until the prospectus is amended if (1) subsequent to the effective date of its registration statement, the net asset value declines more than ten percent from its net asset value as of the effective date of this registration statement or (2) the net asset value increases to an amount greater than its net proceeds as stated in the prospectus.

2. Not applicable.

3. Any securities not taken in a rights offering by stockholders are to be reoffered to the public, an undertaking to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by underwriters during the subscription period, the amount of unsubscribed securities to be purchased by underwriters, and the terms of any subsequent reoffering thereof. If any public offering by the underwriters of the securities being registered is to be made on terms differing from those set forth on the cover page of the prospectus, we will file a post-effective amendment to set forth the terms of such offering.

4. (a) to file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

- (1) to include any prospectus required by Section 10(a)(3) of the 1933 Act;
- (2) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and
- (3) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) that, for the purpose of determining any liability under the 1933 Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of those securities at that time shall be deemed to be the initial bona fide offering thereof; and

(c) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;



(d) that, for the purpose of determining liability under the 1933 Act to any purchaser, if the Registrant is subject to Rule 430C: each prospectus filed pursuant to Rule 497(b), (c), (d) or (e) under the 1933 Act as part of this registration statement relating to an offering, other than prospectuses filed in reliance on Rule 430A under the 1933 Act, shall be deemed to be part of and included in this registration statement as of the date it is first used after effectiveness.

Provided, however, that no statement made in this registration statement or prospectus that is part of this registration statement or made in a document incorporated or deemed incorporated by reference into this registration or prospectus that is part of this registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in this registration statement or prospectus that was part of this registration statement or made in any such document immediately prior to such date of first use.

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Table of Contents

(e) that for the purpose of determining liability of the Registrant under the 1933 Act to any purchaser in the initial distribution of securities:

The undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to the purchaser:

- (1) any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 497 under the 1933 Act;
- (2) the portion of any advertisement pursuant to Rule 482 under the 1933 Act relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
- (3) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(f) to file a post-effective amendment containing a prospectus pursuant to Section 8(c) of the 1933 Act prior to any offering by the Registrant pursuant to the issuance of rights to subscribe for shares below net asset value;

(g) to file a post-effective amendment containing a prospectus pursuant to Section 8(c) of the 1933 Act prior to any offering below net asset value if the net dilutive effect of such offering (as calculated in the manner set forth in the dilution table contained in the prospectus), together with the net dilutive effect of any prior offerings made pursuant to this post-effective amendment (as calculated in the manner set forth in the dilution table contained in the prospectus), exceeds fifteen percent (15%);

(h) to file a post-effective amendment to the registration statement, and to suspend any offers or sales pursuant the registration statement until such post-effective amendment has been declared effective under the 1933 Act, in the event the shares of Registrant are trading below its net asset value and either (i) Registrant receives, or has been advised by its independent registered accounting firm that it will receive, an audit report reflecting substantial doubt regarding the Registrant's ability to continue as a going concern or (ii) Registrant has concluded that a material adverse change has occurred in its financial position or results of operations that has caused the financial statements and other disclosures on the basis of which the offering would be made to be materially misleading.

5. (a) That for the purpose of determining any liability under the 1933 Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant under Rule 497(h) under the 1933 Act [17 CFR 230.497(h)] shall be deemed to be part of this registration statement as of the time it was declared effective; and

(b) for the purpose of determining any liability under the 1933 Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering thereof.

6. The Registrant undertakes to send by first class mail or other means designed to ensure equally prominent delivery within two business days of receipt of a written or oral request the Registrant's statement of additional information.

7. Upon each issuance of securities pursuant to this Registration Statement, the Registrant undertakes to file a form of prospectus and/or form of prospectus supplement pursuant to Rule 497 and a post-effective amendment to the extent required by the 1933 Act and the rules and regulations thereunder, including, but not limited to a post-effective amendment pursuant to Rule 462(c) or Rule 462(d) under the 1933 Act.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in this City of Leawood and State of Kansas, on the 4<sup>th</sup> day of March, 2016.

Tortoise Energy Infrastructure Corporation

By: /s/ P. Bradley Adams

P. Bradley Adams, Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the date indicated.

/s/ Brent Behrens	Principal Financial Officer	
Brent Behrens	(Principal Financial and Accounting Officer)	March 4, 2016

/s/ P. Bradley Adams	Chief Executive Officer	
P. Bradley Adams	(Principal Executive Officer)	March 4, 2016

/s/ Rand C. Berney	Director	
Rand C. Berney		March 4, 2016

/s/ H. Kevin Birzer	Director	
H. Kevin Birzer		March 4, 2016

/s/ Conrad S. Ciccotello	Director	
Conrad S. Ciccotello		March 4, 2016

/s/ Charles E. Heath	Director	
Charles E. Heath		March 4, 2016

/s/ Alexandra Herger	Director	
Alexandra Herger		March 4, 2016

/s/ Terry C. Matlack	Director	
Terry C. Matlack		March 4, 2016

Table of Contents

EXHIBIT INDEX

n. Consent of Ernst & Young LLP.

s.1. Powers of Attorney.

r.1. Code of Ethics for the Registrant.

r.2. Code of Ethics for the Adviser.