

TORTOISE ENERGY INFRASTRUCTURE CORP

Form 497

February 13, 2008

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The information in this prospectus supplement and the accompanying prospectus is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**Subject To Completion  
Preliminary Prospectus Supplement Dated February 13, 2008**

**Filed pursuant to Rule 497(c) under  
the Securities Act of 1933, As Amended  
File No. 333-146095**

**PROSPECTUS SUPPLEMENT**

**(To prospectus dated February 12, 2008)**

**Shares**

**Tortoise Energy Infrastructure Corporation**

**Common Stock**

We are offering approximately 1,500,000 shares of our common stock. 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. We are a nondiversified, closed-end management investment company. This prospectus supplement, together with the accompanying prospectus dated February 12, 2008, 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 February 12, 2008 was \$34.10 per share. The net asset value per share of our common stock at the close of business on February 12, 2008 was \$32.34.

**Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 30 of the accompanying prospectus.**

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

(1) The aggregate offering expenses are estimated to be \$

We have granted the underwriter 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 overallocments, if any, within 45 days from the date of this prospectus supplement.

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 accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about February , 2008.

**Merrill Lynch & Co.**

The date of this prospectus supplement is February , 2008.

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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 underwriter has 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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**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, as amended (the *1933 Act* ).

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the *Risk Factors* section of the prospectus accompanying this prospectus supplement. We urge you to review carefully that section for a more complete discussion of the risks of an investment in our common stock.

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**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary contains basic information about us 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 30 of the accompanying prospectus.*

**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. Similar to the tax characterization of distributions made by MLPs to unitholders, a significant portion of our distributions to stockholders are expected to be treated as a return of capital to stockholders.

We are a nondiversified, closed-end management investment company. We commenced operations in February 2004 following our initial public offering. We were the first publicly traded investment company offering access to a portfolio of MLPs. Since that time, we completed five additional offerings of common stock in December 2004, August 2006, December 2006, March 2007 and December 2007. As of the date of this prospectus supplement, we have \$185 million of auction rate preferred stock, consisting of two series designated as Money Market Cumulative Preferred (MMP®) Shares ( MMP Shares ) and two series designated as Tortoise Auction Preferred Shares (collectively with the MMP Shares, the Tortoise Preferred Shares ) outstanding. As of the date of this prospectus supplement, we have \$235 million of Auction Rate Senior Notes ( Tortoise Notes ) outstanding. We may borrow from time to time using our unsecured credit facility. As of the date of this prospectus supplement, we had \$43,500,000 outstanding under our credit facility. We have a fiscal year ending November 30.

We expect to distribute substantially all of our distributable cash flow ( 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 their affiliates, and interest payments received on debt securities owned by us, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of the Tortoise Notes and Tortoise Preferred Shares). Our Board of Directors adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis.

**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 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 January 31, 2008, the Adviser had approximately \$2.9 billion of client assets under management. The Adviser's investment committee is comprised of five portfolio managers. See "Management of the Company" in the accompanying prospectus.

The Adviser also serves as the investment adviser to Tortoise Energy Capital Corporation ( TYY ), Tortoise North American Energy Corporation ( TYN ) and Tortoise Capital Resources Corporation ( TTO ), which are also publicly traded, closed-end management investment companies.

TYT, which commenced operations on May 31, 2005, invests primarily in equity securities of MLPs and their affiliates in the energy infrastructure sector. TYN, which commenced operations on October 31, 2005, invests primarily in equity securities of companies in the energy sector whose primary operations are in North America. TTO, which commenced operations on December 8, 2005, invests primarily in privately held and micro-cap public companies operating in the midstream and downstream segments, and to a lesser extent the upstream segment, of the energy infrastructure sector. TTO has elected to be regulated as a business development company under the Investment Company Act of 1940. In addition, the Adviser serves as the investment adviser for two privately held, closed-end management investment companies.

The principal business address of the Adviser is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

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**Table of Contents****The Offering**

Common stock offered	shares
Shares outstanding after the offering	shares
Use of proceeds	We estimate that our net proceeds from this offering after expenses without exercise of the overallotment option will be approximately \$ million. We initially intend to use these net proceeds to retire a portion of our short-term debt outstanding under our credit facility. Over the long-term we may also use the proceeds to acquire equity portfolio securities in pursuit of our investment objective and policies, refinance a portion of our outstanding leverage or for working capital purposes. See Use of Proceeds.
Risk factors	See 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.
NYSE symbol	TYG
Stockholder Transaction Expense	
Sales load (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

The number of shares outstanding after the offering assumes the underwriter's overallotment option is not exercised. If the overallotment option is exercised in full, we will issue and sell an additional shares.

This example replaces the example as set forth on page 9 of the accompanying prospectus.

**Example:**

The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in common stock assuming (1) a sales load of % and offering expenses of % of the offering price in year 1; (2) total annual expenses of 13.58% of net assets attributable to common shares in year 1 and increasing to 13.78% in years 2 through 10; (3) a 5% annual return; and (4) all distributions are reinvested at NAV:

	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
Total Expenses Paid by Common Stockholders <sup>(2)</sup>	\$	\$	\$	\$

**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.**

- (1) Stockholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common stock held in a dividend reinvestment account. See Automatic Dividend Reinvestment Plan in the accompanying prospectus.
- (2) Includes deferred income tax expense.

### **Recent Developments**

On February 11, 2008, the Board of Directors of the Company declared a dividend in the amount of \$0.555 per common share payable on March 3, 2008 to stockholders of record on February 21, 2008.

Subsequent to the completion of this offering, and depending on market conditions and interest rates, we are considering issuing unsecured long-term debt in one or more private transactions. The interest rate on any such instruments may be based on a fixed rate, floating rate or a combination of both.

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**Recent Auction Market Developments**

The markets for auction rate securities have continued to face widening spreads, reduced demand and, more recently, an increased number of failed auctions. A failed auction results when there are not enough bidders in the auction at rates below the maximum rate as prescribed by the terms of the security. When an auction fails, the rate is automatically set at the maximum rate. A failed auction does not cause an acceleration of, or otherwise have any impact on, outstanding principal amounts due, or in the case of preferred stock, the security's liquidation preference.

In recent weeks, a number of auctions for closed-end funds resulted in failed auctions. Although we have not had a failed auction to date, there is an increased risk of widening spreads and failed auctions in light of the current auction rate environment. In the case of our outstanding auction rate securities, the maximum rate under the terms of those securities has been two hundred percent (and could be up to three hundred percent depending on the ratings of the security being auctioned) of the greater of: (i) the applicable AA Composite Commercial Paper Rate or the applicable Treasury Index Rate or (ii) the applicable LIBOR. On February 11, 2008, the date of our most recent auction, the auction-determined interest rate for our Series C Tortoise Notes was 5.900% and the maximum rate would have been 6.208%. If the turmoil in the auction markets continues, we may need to evaluate other forms of leverage and take steps to reduce our outstanding auction rate securities. For additional information on how the dividend or interest rate is determined for a particular series of our Tortoise Preferred Shares or Tortoise Notes please see the applicable prospectus and/or prospectus supplement.

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**USE OF PROCEEDS**

We estimate that we will receive net proceeds from this offering of approximately \$      million, after deducting the underwriting discount and our estimated offering expenses, or \$      million if the underwriter exercises its overallotment option in full.

We intend to use the net proceeds of this offering to retire a portion of our short-term debt outstanding under our credit facility. Over the long-term we may also use the proceeds to acquire equity portfolio securities in pursuit of our investment objective and policies, refinance a portion of our outstanding leverage or for working capital purposes. Outstanding balances under our credit facility generally accrue interest at a variable annual rate equal to one-month LIBOR plus 0.75%. As of the date of this prospectus supplement, the current rate is 3.87%. The credit facility remains in effect through March 21, 2008, and we may draw on the facility from time to time in accordance with our investment policies, to refinance a portion of our outstanding leverage and for working capital purposes. As of the date of this prospectus supplement, we had \$43,500,000 outstanding under our credit facility.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our capitalization: (i) as of November 30, 2007, (ii) pro forma to reflect the use of our credit facility through February 13, 2008 and the issuance of 327,450 shares of our common stock on December 20, 2007; and (iii) pro forma as adjusted to give effect to the issuance of the common shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

	<b>Actual</b>	<b>Pro Forma<sup>(2)</sup> (Unaudited)</b>	<b>Pro Forma as Adjusted (Unaudited)</b>
<b>Short-Term Debt:</b>			
Unsecured credit facility:			
\$150,000,000 available <sup>(1)</sup>	\$ 38,050,000	\$ 43,500,000	\$
<b>Long-Term Debt:</b>			
Tortoise Notes, denominations of \$25,000 or any multiple thereof <sup>(3)(4)</sup>	\$ 235,000,000	\$ 235,000,000	\$ 235,000,000
<b>Preferred Stock:</b>			
Tortoise Preferred Shares, \$25,000 stated value per share at liquidation; 10,000,000 shares authorized/7,400 shares issued and outstanding <sup>(3)</sup>	\$ 185,000,000	\$ 185,000,000	\$ 185,000,000
<b>Common Stockholders Equity:</b>			
Common Stock, \$0.001 par value per share; 100,000,000 shares authorized; 18,760,441 (19,087,891 pro forma; pro forma as adjusted) shares outstanding <sup>(3)</sup>	\$ 18,760	\$ 19,087 <sup>(5)</sup>	\$ <sup>(5)(7)</sup>
Additional paid-in capital	355,843,223	366,016,556 <sup>(6)</sup>	<sup>(6)(8)</sup>
Accumulated net investment loss, net of deferred tax benefit	(21,176,639)	(21,176,639)	(21,176,639)
Undistributed realized gain, net of deferred tax expense	36,030,987	36,030,987	36,030,987
Net unrealized gain on investments and interest rate swap contracts, net of deferred tax expense	247,695,845	247,695,845	247,695,845
Net assets applicable to common stock	\$ 618,412,176	\$ 628,585,836	\$

(1) We have an unsecured credit facility with U.S. Bank, N.A. and a lending syndicate that allows us to borrow up to \$150,000,000. The credit facility expires on March 21, 2008. As of the date of this prospectus supplement, we had \$43,500,000 outstanding under our credit facility.

(2) Reflects the subsequent borrowing under our credit facility through February 13, 2008 and our issuance of 327,450 shares of common stock on December 20, 2007.

(3) None of these outstanding shares/notes are held by us or for our account.

- (4) On January 31, 2008, we filed with the SEC a notice of redemption with respect to all of our outstanding Series C Tortoise Notes (\$55,000,000 aggregate principal amount), which we expect to redeem on March 4, 2008.
- (5) Reflects the issuance of 327,450 shares of our common stock (aggregate par value \$327) on December 20, 2007.

*footnotes continued on the following page*

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- (6) Reflects the issuance of 327,450 shares of common stock on December 20, 2007 (\$10,435,832) less \$0.001 par value per share (\$327), less the placement agent's fee (\$156,537) and less the estimated offering expenses borne by us (\$105,635) related to the issuance of the shares of common stock in the offering.
- (7) Pro forma as adjusted common stock reflects the issuance of \_\_\_\_\_ shares of our common stock offered hereby (\$ \_\_\_\_\_).
- (8) Pro forma as adjusted additional paid-in capital reflects the proceeds of the issuance of the shares of common stock offered hereby (\$ \_\_\_\_\_), less \$0.001 par value per share of common stock (\$ \_\_\_\_\_), less the underwriting discount (\$ \_\_\_\_\_) and less the estimated offering expenses borne by us (\$ \_\_\_\_\_) related to the issuance of the shares of common stock in the offering.

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**UNDERWRITING**

We intend to offer our shares of common stock through Merrill Lynch, Pierce, Fenner & Smith Incorporated (Merrill Lynch). Subject to the terms and conditions described in a purchase agreement between us and Merrill Lynch, we have agreed to sell to Merrill Lynch, and Merrill Lynch has agreed to purchase from us, all the shares being offered pursuant to this prospectus supplement.

We have agreed to indemnify Merrill Lynch against certain liabilities, including liabilities under the 1933 Act, or to contribute to payments Merrill Lynch may be required to make in respect of those liabilities; provided that such indemnifications shall not extend to any liability or action resulting from the gross negligence or willful misconduct or reckless disregard of applicable obligations and duties of the underwriter.

Merrill Lynch is offering the shares of common stock, subject to prior sale, when, as and if issued to and accepted by it, subject to approval of legal matters by its counsel, including the validity of the shares, and other conditions contained in the purchase agreement, such as the receipt by the underwriter of officer's certificates and legal opinions. The underwriter reserves the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Commissions and Discounts**

The underwriter has advised us that it proposes initially to offer the shares to the public at the public offering price on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of \$ per share. The underwriter may allow, and the dealers may reallow, a discount not in excess of \$ per share to other dealers.

The following table shows the per share and total public offering price, underwriting discount and proceeds before offering expenses to us. The information assumes either no exercise or full exercise by the underwriter of the overallotment option.

	<b>Per Share</b>	<b>Without Option</b>	<b>With Option</b>
Public offering price			
Underwriting discount			
Proceeds, before offering expenses, to us			

The expenses of the offering are estimated to be \$ , all of which will be borne by us.

Investors must pay for any shares purchased in this offering on or before February , 2008.

**Overallotment Option**

We have granted an option to the underwriter to purchase up to an additional shares at the public offering price less the underwriting discount. The underwriter may exercise this option for 45 days from the date of this prospectus supplement solely to cover any overallotments. If the underwriter exercises this option, it will be obligated, subject to conditions contained in the purchase agreement, to purchase such additional shares of common stock, and we will be obligated, pursuant to that option, to sell these shares of common stock to the underwriter.



### **Lock-Up Agreement**

We have agreed not to offer or sell any additional common stock for a period of 60 days after the date of the purchase agreement without first obtaining the written consent of Merrill Lynch, except for the sale of common stock to Merrill Lynch pursuant to the purchase agreement or common stock issued pursuant to our dividend reinvestment plan. Specifically, we have agreed, with certain limited exceptions, not to directly or indirectly

offer, pledge, sell or contract to sell any common stock;

sell any option or contract to purchase any common stock;

purchase any option or contract to sell any common stock;

grant any option, right or warrant for the sale of any common stock;

lend or otherwise dispose of or transfer any common stock;

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file a registration statement related to the common stock, but not including any post-effective amendment to the current registration statement or a new registration statement in order to maintain a universal shelf registration statement; or

enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock, whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

### **New York Stock Exchange Listing**

Our currently outstanding shares of common stock are, and the shares of common stock sold pursuant to this prospectus supplement and the accompanying prospectus will be, listed on the New York Stock Exchange under the symbol TYG.

### **Price Stabilization, Short Positions**

Until the distribution of the shares is completed, SEC rules may limit the underwriter from bidding for and purchasing our common stock. However, the underwriter may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriter may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriter of a greater number of shares than it is required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriter's option to purchase additional shares in the offering. The underwriter may close out any covered short position by either exercising its overallotment option or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which it may purchase shares through the overallotment option. Naked short sales are sales in excess of the overallotment option. The underwriter must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriter in the open market prior to the completion of the offering.

Similar to other purchase transactions, the underwriter's purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the common stock. In addition, neither we nor the underwriter makes any representation that the underwriter will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### **Electronic Offer, Sale and Distribution of Shares**

In connection with the offering, the underwriter or securities dealers may distribute this prospectus supplement and accompanying prospectus by electronic means, such as e-mail. In addition, Merrill Lynch will be facilitating Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch intends to allocate a limited number of shares for sale to its online brokerage customers. An electronic prospectus supplement and accompanying prospectus is available on the Internet web site maintained by Merrill Lynch. Other than the prospectus supplement and accompanying prospectus in electronic format, the information on the Merrill Lynch web site is not part of this prospectus supplement and accompanying prospectus.

### **Other Relationships**

The underwriter and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us. The underwriter has received customary fees and commissions for these transactions.

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**LEGAL MATTERS**

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Vedder Price P.C. ( Vedder Price ), Chicago, Illinois. Certain legal matters in connection with the securities offered hereby will be passed upon for the underwriter by Andrews Kurth LLP ( Andrews Kurth ), New York, New York. Vedder Price and Andrews Kurth 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, as amended, and the Investment Company Act of 1940, as amended, 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 shareholder report filed with the SEC is for the fiscal year ended November 30, 2007 and 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 our 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 our 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 reports filed under the Exchange Act.

The address of the underwriter is: Merrill Lynch & Co., 4 World Financial Center, 250 Vesey Street, New York, New York 10080.

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**Base Prospectus**

**\$375,000,000**  
**Tortoise Energy Infrastructure Corporation**  
**Common Stock**  
**Preferred Stock**  
**Debt Securities**

Tortoise Energy Infrastructure Corporation (the Company, we 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 may offer, on an immediate, continuous or delayed basis, up to \$375,000,000 aggregate initial offering price of our common stock (\$0.001 par value per share), preferred stock (\$0.001 par value per share) or debt securities, which we refer to in this prospectus collectively as our securities, in one or more offerings. We may offer our common stock, preferred stock and debt securities separately or together, in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. In addition, from time to time, certain of our stockholders may offer our common stock in one or more offerings. The sale of such stock by certain of our stockholders may involve shares of common stock that were issued to the stockholders in one or more private transactions and will be registered by us for resale. The identity of any selling stockholder, the number of shares of our common stock to be offered by such selling stockholder, the price and terms upon which our shares of common stock are to be sold from time to time by such selling stockholder, and the percentage of common stock held by any selling stockholder after the offering, will be set forth in a prospectus supplement to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in any of our securities.

We may offer our securities, or certain of our stockholders may offer our common stock, directly to one or more purchasers, through agents that we or they designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the particular offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us or any selling stockholder and such agents or underwriters or among the underwriters or the basis upon which such amount may be calculated. For more information about the manner in which we may offer our securities, or a selling stockholder may offer our common stock, see Plan of Distribution and Selling Stockholders. Our securities may not be sold through agents, underwriters or dealers without delivery of a prospectus supplement.

Our common stock is listed on the New York Stock Exchange under the symbol TYG. As of February 12, 2008, the last reported sale price for our common stock was \$34.10.

**Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 30 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.**

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

**the contrary is a criminal offense.**

Prospectus dated February 12, 2008

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This prospectus, together with any prospectus supplement, sets forth concisely the information that you should know before investing. You should read the prospectus and prospectus supplement, which contain important information, before deciding whether to invest in our securities. You should retain the prospectus and prospectus supplement for future reference. A statement of additional information, dated February 12, 2008, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission ( SEC ) and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page 71 of this prospectus, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free 1-866-362-9331 or by writing to us at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210. Our annual, semi-annual and quarterly reports and the statement of additional information also are available on our investment adviser s website at [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com). Information included on our website does not form part of this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-202-551-5850 for information. The SEC charges a fee for copies. You can get the same information free from the SEC s website (<http://www.sec.gov>). You may also e-mail requests for these documents to [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or make a request in writing to the SEC s Public Reference Section, 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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**You should rely only on the information contained or incorporated by reference in this prospectus and any related prospectus supplement in making your investment decisions. We have not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus and any prospectus supplement do not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus and in any prospectus supplement is accurate only as of the dates on their 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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**CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS**

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

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors section of this prospectus. We urge you to review carefully that section for a more detailed discussion of the risks of an investment in our securities.

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**PROSPECTUS SUMMARY**

*The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider. You should review the more detailed information contained in this prospectus and in any related prospectus supplement and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 30 of this prospectus.*

**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. Similar to the tax characterization of distributions made by MLPs to unitholders, a significant portion of our distributions have been and are expected to continue to be treated as a return of capital to stockholders.

We are a nondiversified, closed-end management investment company. We commenced operations in February 2004 following our initial public offering. We were the first publicly traded investment company offering access to a portfolio of MLPs. Since that time, we completed five additional offerings of common stock in December 2004, August 2006, December 2006, March 2007 and December 2007. As of the date of this prospectus, we have outstanding \$185 million of auction rate preferred stock ( Tortoise Preferred Shares ), consisting of two series designated as Money Market Cumulative Preferred Shares ( MMP Share<sup>®</sup> ) and two series designated as Tortoise Auction Preferred Shares. In addition, we have outstanding \$235 million of Auction Rate Senior Notes ( Tortoise Notes ) and have entered into an unsecured revolving 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 \$150,000,000. Our fiscal year ends on November 30.

**Investment Adviser**

Tortoise Capital Advisors, L.L.C., a registered investment adviser specializing in managing portfolios of investments in MLPs and other energy companies, serves as our investment adviser (the Adviser ). As of December 31, 2007, the Adviser managed assets of over \$2.9 billion in the energy sector, including the assets of four publicly traded and two privately held closed-end management investment companies, and separate accounts for institutions and high net worth individuals. The Adviser s investment committee is comprised of five portfolio managers. See Management of the Company .

The principal business address of the Adviser is 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210.

**The Offering**

We may offer, on an immediate, continuous or delayed basis, up to \$375,000,000 of our securities, or certain of our stockholders who purchased shares from us in private placement transactions may offer our common stock, on terms to be determined at the time of the offering. Our securities will be offered at prices and on terms to be set forth in one or more prospectus supplements to this prospectus. Subject to certain conditions, we may offer our common stock at prices below our net asset value ( NAV ). Preferred stock and debt securities (collectively, senior securities ) may be auction rate securities, in which case the senior securities will not be listed on any exchange or automated quotation

system. Rather, investors generally may only buy and sell these auction rate senior securities through an auction conducted by an auction agent and participating broker-dealers.

While the number and amount of securities we may issue pursuant to this registration statement is limited to \$375,000,000 of securities, our board of directors (the Board of Directors or the Board ) 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 or the Investment Company Act of 1940, as amended (the 1940 Act ).

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We may offer our securities, or certain of our stockholders may offer our common stock, directly to one or more purchasers, through agents that we or they designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us or any selling stockholder and such agents or underwriters or among underwriters or the basis upon which such amount may be calculated. See [Plan of Distribution](#) and [Selling Stockholders](#). Our securities may not be sold through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

## **Use of Proceeds**

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds from the sale of our securities primarily to invest in energy infrastructure companies in accordance with our investment objective and policies within approximately three months of receipt of such proceeds. We also may use sale proceeds to retire all or a portion of any debt under our unsecured credit facility, or retire or redeem other senior securities, and 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. We will not receive any of the proceeds from a sale of our common stock by any selling stockholder.

## **Tax Status of Company**

Unlike most investment companies, we have not elected to be treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the [Internal Revenue Code](#)). Therefore, we are obligated to pay federal and applicable state corporate taxes on our taxable income. On the other hand, we are not subject to the [Internal Revenue Code](#)'s diversification rules limiting the assets in which regulated investment companies can invest. Under current federal income tax law, these rules limit the amount that regulated investment companies may invest directly in the securities of MLPs to 25% of the value of their total assets. We invest a substantial portion of our assets in MLPs. Although MLPs generate taxable income to us, we expect the MLPs to pay cash distributions in excess of the taxable income reportable by us. Similarly, we expect to distribute substantially all of our distributable cash flow ( [DCF](#) ) to our common stockholders. 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 owned by us, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of the Tortoise Notes and Tortoise Preferred Shares and borrowings under our unsecured credit facility). However, unlike regulated investment companies, we are not effectively required by the Internal Revenue Code to distribute substantially all of our income and capital gains. See [Certain Federal Income Tax Matters](#).

## **Distributions**

We expect to distribute substantially all of our DCF to holders of common stock through quarterly distributions. Our Board of Directors adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis. We will pay distributions on our common stock each fiscal quarter out of DCF, if any. As of the date of this prospectus, we have paid distributions every quarter since the completion of our first full fiscal quarter ended on May 31, 2004. There is no assurance that we will continue to make regular distributions. If distributions paid to holders of our common and preferred stock exceed the current and accumulated earnings and profit allocated to the particular shares held by a stockholder, the excess of such distribution will constitute a tax-free return of capital to the extent of the stockholder's basis and capital gain thereafter. A return of capital reduces the basis of the shares held by a stockholder, which may increase the amount of gain recognized upon the sale of such shares. Our preferred stock and debt securities will pay dividends and interest, respectively, in accordance with their terms. So long as we have preferred stock and debt securities outstanding, we may not declare dividends on common or preferred stock unless

we meet applicable asset coverage tests.

**Principal Investment Policies**

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,

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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. All publicly traded companies in which we invest have an equity market capitalization greater than \$100 million.

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.

We have adopted the following additional nonfundamental investment policies:

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.

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

We will not engage in short sales.

We may change our nonfundamental investment policies without stockholder approval and will provide notice to stockholders of material changes (including notice through stockholder reports); provided, however, that a change in the policy of investing at least 90% of our total assets in energy infrastructure companies requires at least 60 days prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase and we will not be required to reduce a position due solely to market value fluctuations. The term total assets includes assets obtained through leverage for the purpose of each investment restriction.

Under adverse market or economic conditions, we may invest up to 100% of our total assets 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 consistent with a defensive posture (collectively, short-term securities), or we may hold cash. To the extent we invest in short-term securities or cash for defensive purposes, such investments are inconsistent with, and may result in us not achieving, our investment objective.

We also may invest in short-term securities or cash pending investment of offering proceeds 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. The yield on such securities may be lower than the returns on MLPs or yields on lower rated fixed income securities.

## **Use of Leverage by the Company**

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. Currently, our long term plan is to use leverage to represent approximately 33% of our total assets, including the proceeds of such leverage. However, we reserve the right at any time, if we believe that market conditions are appropriate, 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) or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a policy permitting temporary increases in the amount of leverage we may use from 33% of our total assets to up to 38% of our total assets at the time of incurrence, provided that (i) such

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leverage is consistent with the limits set forth in the 1940 Act, and (ii) such increased leverage is reduced over time in an orderly fashion. The timing and terms of any leverage transactions will be determined by our Board of Directors.

Our currently outstanding Tortoise Notes and Tortoise Preferred Shares generally may be bought at auctions normally held every 28 days (every 7 days for Series C Tortoise Notes). However, with respect to several series of our outstanding Tortoise Notes and Tortoise Preferred Shares, we have exercised our option to designate special rate periods for these securities. We may exercise our option to designate special rate periods for other series of our outstanding Tortoise Notes and Tortoise Preferred Shares in the future. See [Leverage](#) [Effects of Leverage](#).

The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time, it creates special risks that may adversely affect common stockholders. Because the Adviser's fee is based upon a percentage of our Managed Assets (as defined below), the Adviser's fee is higher when we are leveraged. Therefore, the Adviser has a financial incentive to use leverage, which will create a conflict of interest between the Adviser and our common stockholders, who will bear the costs of our leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See [Leverage](#) and [Risk Factors](#) [Additional Risks to Common Stockholders](#) [Leverage Risk](#).

We currently use, and may in the future use, interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. We do not intend to hedge the interest rate risk of our portfolio holdings. Accordingly, if no leverage is outstanding, we currently do not expect to engage in interest rate transactions. Interest rate transactions that we may use for hedging purposes may expose us to certain risks that differ from the risks associated with our portfolio holdings. See [Leverage](#) [Hedging Transactions](#) and [Risk Factors](#) [Company Risks](#) [Hedging Strategy Risk](#).

## **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. The Adviser or its affiliates may have financial incentives to favor certain of these accounts over us. Any of their proprietary accounts or other customer accounts may compete with us for specific trades. The Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for, other accounts and customers, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, us, even though their investment objectives may be the same as, or similar to, our objectives.

Situations may occur when we could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for their other 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 private placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies. See [Investment Objective and Principal Investment Strategies](#) [Conflicts of Interest](#).

## **Company Risks**

Our NAV, our ability to make distributions, our ability to service debt securities and preferred stock, and our ability to meet asset coverage requirements depends on the performance of our investment portfolio. The performance of our investment portfolio is subject to a number of risks, including the following:



*Concentration Risk.* Under normal circumstances, we concentrate our investments in the energy infrastructure sector, with an emphasis on securities issued by MLPs. The primary risks inherent in the energy infrastructure industry include the following: (1) the performance and level of distributions of MLPs can be affected by direct and indirect commodity price exposure, (2) a decrease in market demand for natural gas or other energy commodities could adversely affect MLP revenues or cash flows, (3) energy

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infrastructure assets deplete over time and must be replaced, and (4) a rising interest rate environment could increase an MLP's cost of capital.

*Industry Specific Risk.* Energy infrastructure companies also are subject to risks specific to the industry they serve. For risks specific to the pipeline, processing, propane and coal industries, see Risk Factors Company Risks Industry Specific Risk.

*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 and tax risk. Cash flow risk is the risk that MLPs will not make distributions to holders (including us) at anticipated levels or that such distributions will not have the expected tax character. MLPs also are subject to tax risk, which is the risk that MLPs might lose their partnership status for tax purposes.

*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 toward 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. See Risk Factors Company Risks Equity Securities Risk.

*Hedging Strategy Risk.* We currently use, and may in the future 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, such as swaps, caps and floors, will expose us to certain risks that differ from the risks associated with our portfolio holdings. See Risk Factors Company Risks Hedging Strategy Risk.

*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 alternative vehicles for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, have emerged. In addition, 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 dividend 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. This lack of liquidity creates special risks for us. See Risk Factors Company Risks Restricted Security Risk.

*Liquidity Risk.* Certain MLP securities may trade less frequently than those of other companies due to their smaller capitalizations. Investments in securities that are less actively traded or over time experience decreased trading volume may be difficult to dispose of when we believe it is desirable to do so, may restrict our ability to take advantage of other opportunities, and may be more difficult to value.

*Valuation Risk.* We may invest up to 30% of total assets in restricted securities, which are subject to restrictions on resale. The value of such investments ordinarily will be based on fair valuations determined by the Adviser pursuant to procedures adopted by the Board of Directors. Restrictions on resale or the absence of a liquid secondary market may affect adversely our ability to determine NAV. The sale price of securities that are restricted or otherwise are not readily marketable may be higher or lower than our most recent valuations.

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*Nondiversification Risk.* We are a nondiversified investment company under the 1940 Act and we are not a regulated investment company under the Internal Revenue Code. Accordingly, there are no limits under the 1940 Act or Internal Revenue Code with respect to the number or size of issuers held by us and we may invest more assets in fewer issuers as compared to a diversified fund.

*Management Risk.* 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. The Adviser has been managing our portfolio since we began operations in February 2004. As of December 31, 2007, the Adviser had client assets under management of approximately \$2.9 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.

See **Risk Factors** **Company Risks** for a more detailed discussion of these and other risks of investing in our securities.

### **Additional Risks to Common Stockholders**

*Leverage Risk.* We are currently leveraged and intend to continue to use leverage primarily for investment purposes. Leverage, which is a speculative technique, could cause us to lose money and can magnify the effect of any losses. There is no assurance that a leveraging strategy will be successful. Currently, we anticipate using leverage to represent approximately 33% of our total assets, including the proceeds from such leverage. However, we reserve the right at any time, if we believe that market conditions are appropriate, to use financial leverage to the extent permitted by the 1940 Act (50% for preferred stock and 33 1/3% for debt) or we may elect to reduce the use of leverage or use no leverage at all. Common stockholders bear the cost of leverage. Our Board of Directors has approved a policy permitting temporary increases in the amount of leverage we may use from 33% of our total assets to up to 38% of our total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) such increased leverage is reduced over time in an orderly fashion. See **Leverage** **Recent Developments** for additional information.

*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 by increasing the number of shares available, which may put downward pressure on the market price for our common stock. Our ability to sell shares of common stock below NAV may increase this pressure. These sales also might make it more difficult for us to sell additional equity securities in the future at a time and price we deem appropriate.

*Dilution Risk.* The voting power of current stockholders will be diluted to the extent that such stockholders do not purchase shares in any future common stock offerings or do not purchase sufficient shares to maintain their percentage interest. In addition, if we sell shares of common stock below NAV, our NAV will fall immediately after such issuance. See **Description of Securities** **Common Stock** **Issuance of Additional Shares** which includes a table reflecting the dilutive effect of selling our common stock below NAV.

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 a limited trading history and 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.

See **Risk Factors** **Additional Risks to Common Stockholders** for a more detailed discussion of these risks.

**Additional Risks to Senior Security Holders**

*Additional risks of investing in senior securities, which will likely be auction rate securities, include the following:*

*Interest Rate Risk.* To the extent that senior securities trade through an auction, such securities pay dividends or interest based on short-term interest rates. If short-term interest rates rise, dividends or interest on the auction rate senior securities may rise so that the amount of dividends or interest due to holders of auction rate senior securities would exceed the cash flow generated by our portfolio securities.

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This might require that we sell portfolio securities at a time when we would otherwise not do so, which may affect adversely our future ability to generate cash flow. In addition, rising market interest rates could impact negatively the value of our investment portfolio, reducing the amount of assets serving as asset coverage for the senior securities.

*Senior Leverage Risk.* Our preferred stock will be junior in liquidation and with respect to distribution rights to our 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 dividends or other distributions with respect to any series of our 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, including Tortoise Notes, upon issuance, will be our 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, including other series of Tortoise Notes; and (3) junior to any of our secured creditors. 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.

*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 that senior security. A rating agency could downgrade the rating of our shares of preferred stock or debt securities, which may make such securities less liquid at an auction or in the secondary market, though probably with higher resulting interest rates. If a rating agency downgrades the rating assigned to a senior security, we may alter our portfolio or redeem the senior security. We may voluntarily redeem a senior security under certain circumstances.

*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 dividend payable to holders of preferred stock or debt securities declines.

*Auction Risk.* To the extent that senior securities trade through an auction, there are certain risks associated with participating in an auction and certain risks if you try to sell senior securities outside of an auction in the secondary market. These risks will be described in more detail in an applicable prospectus supplement if we issue senior securities pursuant to this registration statement.

*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.

See Risk Factors Additional Risks to Senior Security Holders for a more detailed discussion of these risks.

**Table of Contents****SUMMARY OF COMPANY EXPENSES**

The following table and example contain information about the costs and expenses that common stockholders will bear directly or indirectly. In accordance with SEC requirements, the table below shows our expenses, including leverage costs, as a percentage of our net assets as of November 30, 2007, and not as a percentage of gross assets or Managed Assets. By showing expenses as a percentage of net assets, expenses are not expressed as a percentage of all of the assets we invest. The table and example are based on our capital structure as of November 30, 2007. As of that date, we had \$458,050,000 in senior securities outstanding, including Tortoise Preferred Shares with an aggregate liquidation preference of \$185 million, Tortoise Notes in an aggregate principal amount of \$235 million and \$38,050,000 outstanding under our unsecured credit facility as of that date. Such senior securities represented 36.3% of total assets as of November 30, 2007.

**Stockholder Transaction Expense**

Sales Load (as a percentage of offering price)	(1)
Offering Expenses Borne by the Company (as a percentage of offering price)	(1)
Dividend Reinvestment and Cash Purchase Plan Fees <sup>(2)</sup>	None

	<b>Percentage of Net Assets Attributable to Common Stockholders</b>
<b>Annual Expenses</b>	
Management Fee	1.91%
Leverage Costs <sup>(3)</sup>	4.76%
Other Expenses <sup>(4)</sup>	0.23%
Current Income Tax Expense	0.06%
Deferred Income Tax Expense <sup>(5)</sup>	6.82%
Total Annual Expenses <sup>(6)</sup>	13.78%
Less Fee and Expense Reimbursement (through 2/28/09) <sup>(7)</sup>	(0.20)%
Net Annual Expenses <sup>(6)</sup>	13.58%

**Example:**

The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in common stock, assuming (1) total annual expenses of 13.58% of net assets attributable to common shares in year 1 and increasing to 13.78% in years 2 through 10; (2) a 5% annual return; and (iii) all distributions are reinvested at NAV:

**1 Year      3 Years      5 Years      10 Years**

Total Expenses Paid by Common Stockholders <sup>(8)(9)</sup>	\$ 130	\$ 360	\$ 551	\$ 900
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**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.**

- (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) Leverage Costs in the table reflect the weighted average cost of dividends payable on Tortoise Preferred Shares and the interest payable on Tortoise Notes, expressed as a percentage of net assets as of November 30, 2007 and borrowing rates as of November 30, 2007. In an attempt to reduce the interest rate risk arising from our leveraged capital structure, a substantial portion of Tortoise Notes and Tortoise Preferred Shares were hedged under swap agreements as of November 30, 2007. Our use of swap agreements may effectively reduce, increase or have no effect on, our Leverage Costs. For a more detailed discussion of our use of swap agreements, see Leverage Hedging Transactions and Effects of Leverage.
- (4) Other Expenses are based on amounts incurred for the fiscal year ended November 30, 2007.
- (5) For the year ended November 30, 2007, we accrued \$42,171,411 in net deferred tax expense primarily related to net investment losses and realized and unrealized gains on investments. Deferred income tax expense represents an estimate of our potential tax liability if we were to



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recognize the unrealized appreciation of our portfolio assets, which occurred during the year ended November 30, 2007, based on the market value and basis of our assets as of November 30, 2007. Actual income tax expense (if any) will be incurred over many years, depending on if and when investment gains are realized, the then-current basis of assets, the level of net loss carryforwards and other factors.

- (6) The table presented in this footnote presents certain of our annual expenses as a percentage of Managed Assets as of November 30, 2007, excluding current and deferred income tax expense.

<b>Annual Expenses</b>	<b>Percentage of Managed Assets</b>
Management Fee	0.95%
Leverage Costs <sup>(a)</sup>	2.37%
Other Expenses (excluding current and deferred income tax expenses) <sup>(b)</sup>	0.11%
Total Annual Expenses (excluding current and deferred income tax expenses)	3.43%
Less Fee and Expense Reimbursement (through 2/28/09) <sup>(c)</sup>	(0.10)%
Net Annual Expenses (excluding current and deferred income tax expenses)	3.33%

(a) Leverage Costs are calculated as described in Note 3 above.

(b) Other Expenses are based on amounts incurred for the fiscal year ended November 30, 2007.

(c) Through February 28, 2009, the Adviser has contractually agreed to reimburse us for expenses in an amount equal to 0.10% of our average monthly Managed Assets.

- (7) Through February 28, 2009, the Adviser has contractually agreed to reimburse us for expenses in an amount equal to 0.10% of our average monthly Managed Assets, which represents 0.20% of our net assets as of November 30, 2007. The management fee and reimbursement are expressed as a percentage of net assets in the table. Because holders of preferred stock and debt securities do not bear management fees and other expenses, the cost to common stockholders increases as leverage increases.

(8) Includes deferred income tax expense. See footnote (5) above for more details.

(9) The example does not include sales load or estimated offering costs.

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 2007 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.

	<b>Year Ended November 30, 2007</b>	<b>Year Ended November 30, 2006</b>	<b>Year Ended November 30, 2005</b>	<b>Period from February 27, 2004<sup>(1)</sup> through November 30, 2004</b>
<b>Per Common Share Data<sup>(2)</sup></b>				
Net Asset Value, beginning of period	\$ 31.82	\$ 27.12	\$ 26.53	\$ 25.00
Public offering price				25.00
Underwriting discounts and offering costs on issuance of common and preferred stock <sup>(3)</sup>	(0.08)	(0.14)	(0.02)	(1.23)
Premiums less underwriting discounts and offering costs on offerings <sup>(4)</sup>	0.08			
Income (loss) from Investment Operations:				
Net investment loss <sup>(5)</sup>	(0.61)	(0.32)	(0.16)	(0.03)
Net realized and unrealized gain on investments <sup>(5)</sup>	4.33	7.41	2.67	3.77
Total increase from investment operations	3.72	7.09	2.51	3.74
Less Dividends and Distributions to Preferred Stockholders:				
Net investment income				
Return of capital	(0.39)	(0.23)	(0.11)	(0.01)
Total dividends and distributions to preferred stockholders	(0.39)	(0.23)	(0.11)	(0.01)
Less Dividends and Distributions to Common Stockholders:				
Net investment income				
Return of capital	(2.19)	(2.02)	(1.79)	(0.97)

Total dividends and distributions to common stockholders		(2.19)		(2.02)		(1.79)		(0.97)
Net Asset Value, end of period	\$	32.96	\$	31.82	\$	27.12	\$	26.53
Per common share market value, end of period	\$	32.46	\$	36.13	\$	28.72	\$	27.06
Total Investment Return Based on Market Value <sup>(6)</sup>		(4.43)%		34.50%		13.06%		12.51%
<b>Supplemental Data and Ratios</b>								
Net assets applicable to common stockholders, end of period (000 s)	\$	618,412	\$	532,433	\$	404,274	\$	336,553
Ratio of expenses (including current and deferred income tax expense) to average net assets before waiver <sup>(7)(8)(9)</sup>		11.19%		20.03%		9.10%		15.20%

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	<b>Year Ended November 30, 2007</b>	<b>Year Ended November 30, 2006</b>	<b>Year Ended November 30, 2005</b>	<b>Period from February 27, 2004<sup>(1)</sup> through November 30, 2004</b>
Ratio of expenses (including current and deferred income tax expense) to average net assets after waiver <sup>(7)(8)(9)</sup>	11.00%	19.81%	8.73%	14.92%
Ratio of expenses (excluding current and deferred income tax expense) to average net assets before waiver <sup>(7)(8)(10)</sup>	4.75%	3.97%	3.15%	2.01%
Ratio of expenses (excluding current and deferred income tax expense) to average net assets after waiver <sup>(7)(8)(10)</sup>	4.56%	3.75%	2.78%	1.73%
Ratio of expenses (excluding current and deferred income tax expense), without regard to non-recurring organizational expenses, to average net assets before waiver <sup>(7)(8)(10)</sup>	4.75%	3.97%	3.15%	1.90%
Ratio of expenses (excluding current and deferred income tax expense), without regard to non-recurring organizational expenses, to average net assets after waiver <sup>(7)(8)(10)</sup>	4.56%	3.75%	2.78%	1.62%
Ratio of net investment loss to average net assets before waiver <sup>(7)(8)(10)</sup>	(3.24)%	(2.24)%	(1.42)%	(0.45)%
Ratio of net investment loss to average net assets after waiver <sup>(7)(8)(10)</sup>	(3.05)%	(2.02)%	(1.05)%	(0.17)%
Ratio of net investment loss to average net assets after current and deferred income tax expense, before waiver <sup>(7)(8)(9)</sup>	(9.68)%	(18.31)%	(7.37)%	(13.37)%
Ratio of net investment loss to average net assets after current and deferred income tax expense, after waiver <sup>(7)(8)(9)</sup>	(9.49)%	(18.09)%	(7.00)%	(13.65)%
Portfolio turnover rate <sup>(7)</sup>	9.30%	2.18%	4.92%	1.83%
Tortoise Auction Rate Senior Notes, end of period (000 \$)	\$ 235,000	\$ 165,000	\$ 165,000	\$ 110,000

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Tortoise Preferred Stock, end of period (000 s)	\$ 185,000	\$ 70,000	\$ 70,000	\$ 35,000
Per common share amount of auction rate senior notes outstanding at end of period	\$ 12.53	\$ 9.86	\$ 11.07	\$ 8.67
Per common share amount of net assets, excluding auction rate senior notes, at end of period	\$ 45.49	\$ 41.68	\$ 38.19	\$ 35.21
Asset coverage, per \$1,000 of principal amount of auction rate senior notes and short-term borrowings <sup>(11)</sup>	\$ 3,942	\$ 4,051	\$ 3,874	\$ 4,378
Asset coverage ratio of auction rate senior notes and short-term borrowings <sup>(11)</sup>	394%	405%	387%	438%
Asset coverage, per \$25,000 liquidation value per share of preferred stock <sup>(12)</sup>	\$ 108,569	\$ 215,155	\$ 169,383	\$ 265,395

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	<b>Year Ended November 30, 2007</b>	<b>Year Ended November 30, 2006</b>	<b>Year Ended November 30, 2005</b>	<b>Period from February 27, 2004<sup>(1)</sup> through November 30, 2004</b>
Asset coverage, per \$25,000 liquidation value per share of preferred stock(13)	\$ 58,752	\$ 74,769	\$ 68,008	\$ 83,026
Asset coverage ratio of preferred stock(13)	235%	299%	272%	332%

- (1) Commencement of Operations.
- (2) Information presented relates to a share of common stock outstanding for the entire period.
- (3) Represents the issuance of preferred stock for the year ended November 30, 2007. Represents the dilution per common share from underwriting and other offering costs for the year ended November 30, 2006. Represents the issuance of preferred stock for the year ended November 30, 2005. Represents \$(1.17) and \$(0.06) for the issuance of common and preferred stock, respectively, for the period from February 27, 2004 through November 30, 2004.
- (4) Represents the premium on the shelf offerings of \$0.21 per share, less the underwriting and offering costs of \$0.13 per share for the year ended November 30, 2007. The amount is less than \$0.01 per share, and represents the premium on the secondary offering of \$0.14 per share, less the underwriting discounts and offering costs of \$0.14 per share for the year ended November 30, 2005.
- (5) The per common share data for the periods ended November 30, 2006, 2005 and 2004, do not reflect the change in estimate of investment income and return of capital, for the respective period. See Note 2C to the financial statements for further disclosure.
- (6) Not annualized. Total investment return is calculated assuming a purchase of common stock at the market price on the first day (or initial public offering price) and a sale at the current market price on the last day of the period reported (excluding brokerage commissions). The calculation also assumes reinvestment of dividends at actual prices pursuant to the Company's dividend reinvestment plan.
- (7) Annualized for periods less than one full year.
- (8) The expense ratios and net investment loss ratios do not reflect the effect of dividend payments to preferred stockholders.
- (9) The Company accrued \$42,516,321, \$71,661,802, \$24,659,420 and \$30,330,018 for the years ended November 30, 2007, 2006 and 2005 and for the period from February 27, 2004 through November 30, 2004, respectively, for current and deferred income tax expense.
- (10) The ratio excludes the impact of current and deferred income taxes.

- (11) Represents value of total assets less all liabilities and indebtedness not represented by auction rate senior notes, short-term borrowings and preferred stock at the end of the period divided by auction rate senior notes and short-term borrowings outstanding at the end of the period.
- (12) Represents value of total assets less all liabilities and indebtedness not represented by preferred stock at the end of the period divided by preferred stock outstanding at the end of the period, assuming the retirement of all auction rate senior notes and short-term borrowings.
- (13) Represents value of total assets less all liabilities and indebtedness not represented by auction rate senior notes, short-term borrowings and preferred stock at the end of the period divided by auction rate senior notes, short-term borrowings and preferred stock outstanding at the end of the period.

**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:

Year	Title of Security	Total Principal	Asset Coverage per \$1,000 of Principal Amount	Asset Coverage per Share	Average Fair Value per \$25,000
		Amount/Liquidation Preference Outstanding		(\$25,000 Liquidation Preference)	Denomination or per Share Amount <sup>(1)</sup>
2004	Tortoise Notes Series A and B	\$ 110,000,000	\$ 4,378		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(3)</sup> (1,400 shares)	\$ 35,000,000		\$ 83,026	\$ 25,000
		\$ 145,000,000			
2005	Tortoise Notes Series A, B and C	\$ 165,000,000	\$ 3,874		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(3)</sup> and II <sup>(4)</sup> (2,800 shares)	\$ 70,000,000		\$ 68,008	\$ 25,000
		\$ 235,000,000			
2006	Tortoise Notes Series A, B and C	\$ 165,000,000	\$ 4,051		\$ 25,000
	Tortoise Preferred Shares Series I <sup>(3)</sup> and II <sup>(4)</sup> (2,800 shares)	\$ 70,000,000		\$ 74,769	\$ 25,000
	Borrowings				
	Unsecured Revolving Credit Facility <sup>(4)</sup>	\$ 32,450,000	\$ 4,051		
		\$ 267,450,000			
2007	Tortoise Notes Series A	\$ 60,000,000	\$ 3,942		\$ 25,781 <sup>(1)</sup>
	Series B	\$ 50,000,000	\$ 3,942		\$ 25,185 <sup>(1)</sup>
	Series C and D	\$ 125,000,000 <sup>(6)</sup>	\$ 3,942		\$ 25,000 <sup>(2)</sup>
	Tortoise Preferred Shares Series I <sup>(3)</sup> (1,400 shares)	\$ 35,000,000		\$ 58,752	\$ 25,604 <sup>(1)</sup>
	Series II <sup>(4)</sup> (1,400 shares)	\$ 35,000,000		\$ 58,752	\$ 25,667 <sup>(1)</sup>



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Series III and IV (4,600 shares)	\$ 115,000,000	\$ 58,752	\$ 25,000 <sup>(2)</sup>
Borrowings			
Unsecured Revolving Credit Facility <sup>(5)</sup>	\$ 38,050,000	\$ 3,942	
	\$ 458,050,000		

- (1) Fair value of the Series A and B Tortoise Notes and Series I and II Tortoise Preferred Shares was calculated using the spread between the interest/dividend 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.
- (2) Fair value of the Series C and D Tortoise Notes and Series III and IV Tortoise Preferred Shares approximates the principal amount and liquidation preference, respectively, because the interest and dividend rates payable on Tortoise Notes and Tortoise Preferred Shares are generally determined at auctions and fluctuate with changes in prevailing market interest rates.
- (3) Formerly designated as Series I MMP Shares.
- (4) Formerly designated as Series II MMP Shares.
- (5) We have an unsecured credit facility which, as of November 30, 2007, allowed us to borrow up to \$150,000,000. The credit facility expires on March 21, 2008, at which time we currently expect to renew the credit facility.
- (6) On January 31, 2008, we filed with the SEC a notice of redemption with respect to all of our outstanding Series C Tortoise Notes (\$55,000,000 aggregate principal amount), which we expect to redeem on March 4, 2008.

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**MARKET AND NET ASSET VALUE INFORMATION**

Our common stock is listed on the New York Stock Exchange ( NYSE ) under the symbol TYG. Shares of our common stock commenced trading on the NYSE on February 25, 2004.

Our common stock has a limited trading history and 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 common stock (calculated within 48 hours of pricing). However, at our Annual Meeting of Stockholders held on April 13, 2007, our common stockholders granted to us the authority to sell shares of our common stock for less than NAV, subject to certain conditions. Our issuance of 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.

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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. NAV is generally determined on the last business day of each calendar month. See "Determination of Net Asset Value" for information as to the determination of our NAV.

Month Ended	Market Price <sup>(1)</sup>		Net Asset Value <sup>(2)</sup>	Premium/ (Discount) To Net Asset Value <sup>(3)</sup>	
	High	Low		High	Low
December 31, 2004	27.53	26.56	26.53	3.8%	0.1%
January 31, 2005	28.57	27.10	27.17	5.2%	-0.3%
February 28, 2005	31.05	28.55	28.56	8.7%	0.0%
March 31, 2005	30.91	28.54	28.37	9.0%	0.6%
April 30, 2005	30.00	28.40	27.61	8.7%	2.9%
May 31, 2005	29.15	28.19	28.61	1.9%	-1.5%
June 30, 2005	31.50	28.30	27.75	13.5%	2.0%
July 31, 2005	33.25	31.10	28.69	15.9%	8.4%
August 31, 2005	33.19	31.10	30.32	9.5%	2.6%
September 30, 2005	32.01	30.32	29.16	9.8%	4.0%
October 31, 2005	31.20	28.10	29.09	7.3%	-3.4%
November 30, 2005	30.75	28.25	28.70	7.1%	-1.6%
December 31, 2005	28.60	26.60	27.12	5.5%	-1.9%
January 31, 2006	29.95	27.92	26.65	12.4%	4.8%
February 28, 2006	29.48	28.35	28.17	4.7%	0.6%
March 31, 2006	29.58	27.91	27.55	7.4%	1.3%
April 30, 2006	28.95	27.56	28.12	3.0%	-2.0%
May 31, 2006	29.89	28.52	28.58	4.6%	-0.2%
June 30, 2006	30.01	27.85	28.91	3.8%	-3.7%
July 31, 2006	30.47	28.06	28.32	7.6%	-0.9%
August 31, 2006	30.70	29.10	29.46	4.2%	-1.2%
September 30, 2006	31.60	30.49	29.59	6.8%	3.0%
October 31, 2006	32.80	31.14	29.34	11.8%	6.1%
November 30, 2006	36.13	31.85	31.01	16.5%	2.7%
December 31, 2006	36.31	33.48	31.82	14.1%	5.2%
January 31, 2007	35.50	34.13	32.62	8.8%	4.6%
February 28, 2007	36.64	35.15	34.27	6.9%	2.6%
March 31, 2007	38.93	35.26	34.83	11.8%	1.2%
April 30, 2007	41.71	39.13	36.81	13.3%	6.3%
May 31, 2007	42.12	39.59	39.45	6.8%	0.4%
June 30, 2007	42.68	40.25	38.73	10.2%	3.9%
July 31, 2007	44.89	39.98	39.23	14.4%	1.9%
August 31, 2007	39.52	34.39	38.46	2.8%	-10.6%
September 30, 2007	39.75	33.63	34.63	14.8%	-2.9%
October 31, 2007	35.43	33.00	32.71	8.3%	0.9%
November 30, 2007	35.29	30.70	35.37	-0.2%	-13.2%

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December 31, 2007	33.44	31.72	32.96	1.5%	-3.8%
January 31, 2008	34.25	30.86	32.80	4.4%	-5.9%

Source: Bloomberg Financial and Fund Accounting Records.

- (1) Based on high and low closing market price for the respective month.
- (2) Based on the NAV calculated on the close of business on the last business day of each prior calendar month.
- (3) Calculated based on the information presented. Percentages are rounded.

The last reported sale price, NAV per share and percentage premium to NAV per share of our common stock on February 12, 2008 were \$34.10, \$32.34 and 5.44%, respectively. As of February 12, 2008, we had 19,087,891 shares of our common stock outstanding and net assets of approximately \$617,348,496.

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**USE OF PROCEEDS**

Unless otherwise specified in a prospectus supplement, we will invest the net proceeds of any sales of securities in accordance with our investment objective and policies as described under Investment Objective and Principal Investment Strategies within approximately 3 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 under our unsecured credit facility in pursuit of our investment objective and policies, retire or redeem other senior securities, and 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 dividend 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 a charter (the "Charter") governed by the laws of the State of Maryland. Our fiscal year ends on November 30. In our initial public offering on February 27, 2004, and the exercise of subsequent overallotment options, we raised aggregate gross proceeds of \$315,000,000. We completed five additional offerings of common stock in December 2004, August 2006, December 2006, March 2007 and December 2007. As of November 30, 2007, we had net assets of \$618,412,176 attributable to our common stock. Our common stock is listed on the NYSE under the symbol "TYG". As of the date of this prospectus, we have four series of Tortoise Notes and four series of Tortoise Preferred Shares outstanding. The outstanding Tortoise Notes are rated "Aaa" and "AAA" by Moody's Investors Service Inc. ("Moody's") and Fitch Ratings ("Fitch"), respectively. The outstanding Tortoise Preferred Shares are rated "Aa2" and "AA" by Moody's and Fitch, respectively.

The following table provides information about our outstanding securities as of November 30, 2007:

Title of Class	Amount Authorized	Amount Held by the Company or for its Account	Amount Outstanding
Common Stock	100,000,000	0	18,760,441 <sup>(3)</sup>
Tortoise Notes			
Series A	\$ 60,000,000	0	\$ 60,000,000
Series B	\$ 50,000,000	0	\$ 50,000,000
Series C	\$ 55,000,000	0	\$ 55,000,000 <sup>(4)</sup>
Series D	\$ 70,000,000	0	\$ 70,000,000
Preferred Stock	10,000,000 <sup>(1)</sup>		
Series I Tortoise Auction Preferred Shares	1,400 <sup>(2)</sup>	0	1,400
Series II Tortoise Auction Preferred Shares	1,400 <sup>(2)</sup>	0	1,400
Series III Money Market Preferred Shares	2,400 <sup>(2)</sup>	0	2,400
Series IV Money Market Preferred Shares	2,200 <sup>(2)</sup>	0	2,200

- (1) Includes 2,800 shares of preferred stock designated as Tortoise Auction Preferred Shares and 4,800 shares of preferred stock designated as MMP Shares as set forth below.
- (2) Each share has a liquidation preference of \$25,000 (\$35,000,000 in the aggregate for each of Series I and Series II Tortoise Auction Preferred Shares, and \$60,000,000 and \$55,000,000 in the aggregate for Series III and Series IV MMP Shares, respectively).
- (3) On December 21, 2007, we issued 327,450 shares of our common stock in a direct sale to certain purchasers. We used the net proceeds (approximately \$10.2 million) of the issuance of the common stock to retire a portion of the short-term debt outstanding under our credit facility.
- (4)

On January 31, 2008, we filed with the SEC a notice of redemption with respect to all of our outstanding Series C Tortoise Notes (\$55,000,000 aggregate principal amount), which we expect to redeem on March 4, 2008.

## **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. Similar to the federal income tax characterization of cash distributions made by MLPs to the MLPs unit holders, we believe that our common stockholders will have relatively high levels of return of capital associated with cash distributions we make to stockholders.

**Table of Contents****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.

*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 organized as partnerships, 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.

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, pipeline MLPs do not have 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 is fee

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based, although it is not uncommon to have some participation in the prices of the natural gas and NGL commodities for a portion of revenue.

*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.

## **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.

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.

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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 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.

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.

**Table of Contents****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 MLPs for federal income tax purposes). The table below summarizes the features of these securities, and a further discussion of these securities follows.

	<b>Common Units (for MLPs taxed as partnerships)<sup>1</sup></b>	<b>Convertible Subordinated Units (for MLPs taxed as partnerships)</b>	<b>I-Shares</b>
<b>Voting Rights</b>	Limited to certain significant decisions; no annual election of directors	Same as common units	No direct MLP voting rights
<b>Dividend Priority</b>	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
<b>Dividend Rate</b>	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
<b>Trading</b>	Listed on NYSE, AMEX or NASDAQ National Market	Not publicly traded	Listed on NYSE
<b>Federal Income Tax Treatment</b>	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
<b>Type of Investor</b>	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
<b>Liquidity Priority</b>			

	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)
<b>Conversion Rights</b>	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.

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*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.

*Limited Liability Company Common Units.* Some energy infrastructure companies in which we may invest have been organized as LLCs. Such LLCs are generally 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 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 filing obligations.



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*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. 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, payment-in-kind and auction rate 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 are adequate to meet future obligations or have improved or are 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.

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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, 2007 and 2006, our actual portfolio turnover rate was 9.30% and 2.18%, 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 that will increase our tax liability and thereby lower 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, which, in turn, may result in an incentive fee being paid to our Adviser by that other fund. Any of their 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

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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. In addition, our Adviser's compliance officer periodically reviews the allocation of investment opportunities to ensure compliance with its policies and procedures.

The Adviser also serves as investment adviser for three other publicly traded and two privately held 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.

Situations may occur when we could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for its 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. We and the Adviser have applied to the SEC for exemptive relief to permit us and our affiliates to make such investments. There is no guarantee that the requested relief will be granted by SEC. Unless and until we obtain an exemptive order, we will not co-invest with our affiliates in negotiated private placement transactions. Unless we receive exemptive relief, 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 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 other investment funds with the same investment objective as ours.

## **LEVERAGE**

### **Use of Leverage**

We currently engage in leverage and may borrow money or issue additional debt securities, and/or issue additional preferred stock, which may be auction rate securities, to provide us with additional funds to invest. The

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borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. Currently, our long term plan is to use leverage to represent approximately 33% of our total assets, including the proceeds from such leverage. However, we reserve the right at any time, if we believe that market conditions are appropriate, to use financial leverage to the extent permitted by the 1940 Act (50% for preferred stock and 33 1/3% for debt) or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a policy permitting temporary increases in the amount of leverage we may use from 33% of our total assets to up to 38% of our total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) such increased leverage is reduced 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. 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 \$150,000,000. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 0.75%. As of November 30, 2007, the current rate was 5.99%. The credit facility remains in effect through March 21, 2008, at which time we currently expect to renew, and we may draw on the facility from time to time in accordance with our investment policies. As of November 30, 2007, we had \$38,050,000 outstanding under our credit facility.

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 cash dividend or other 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 dividend, 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 dividends. 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.

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 cash dividend or other distribution on common or preferred 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



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deducting the amount of the dividend, other distribution or share purchase price, as the case may be. 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 be ranked on parity with any outstanding Tortoise Notes.

**Hedging Transactions**

In an attempt to reduce the interest rate risk arising from our leveraged capital structure, we currently use, and may in the future 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 obligation on any variable rate borrowings, such as Tortoise Notes and variable rate preferred shares, such as Tortoise Preferred Shares. 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 payments on the Tortoise Notes or dividend payments on Tortoise Preferred Shares. 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 have entered into interest rate swap transactions intended to reduce our interest rate risk with respect to our interest and dividend payment obligations under the currently outstanding Tortoise Notes and Tortoise Preferred Shares, respectively. See Risk Factors Company Risks Hedging Strategy Risk.

**Effects of Leverage**

As of November 30, 2007, we were obligated to pay the following rates on our outstanding Tortoise Notes and Tortoise Preferred Shares.

<b>Title of Security</b>	<b>Aggregate Principal Amount/Liquidation Preference</b>	<b>Term of Current Rate Period</b>	<b>Interest/Dividend Rate per Annum</b>
Series A Tortoise Notes <sup>(1)</sup>	60,000,000	5 years (9/5/07-9/4/12)	6.75%
Series B Tortoise Notes <sup>(1)</sup>	50,000,000		7.00%

		1 year 9/12/07-9/11/08)	
Series C Tortoise Notes <sup>(2)</sup>	55,000,000	7 days	5.85%
Series D Tortoise Notes <sup>(2)</sup>	70,000,000	28 days	6.10%
Series I Tortoise Preferred Shares <sup>(1)</sup>	35,000,000	3 years	6.25%
		(9/13/07-9/12/10)	
Series II Tortoise Preferred Shares <sup>(1)</sup>	35,000,000	3 years	6.25%
		(9/7/07-9/6/10)	
Series III MMP Shares <sup>(2)</sup>	60,000,000	28 days	6.35%
Series IV MMP Shares <sup>(2)</sup>	55,000,000	28 days	6.40%
	420,000,000(total)		

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- (1) Does not include commissions paid by us in connection with the establishment of a special rate period. See Notes 9 and 10 of the accompanying notes to our audited 2007 financial statements.
- (2) Includes commissions paid to the auction agent in the amount of 0.25%.

As of November 30, 2007, we have entered into the following interest rate swap agreements in an attempt to reduce our exposure to increasing dividend and interest expense relating to our Tortoise Preferred Shares and Tortoise Notes, respectively, resulting from increasing short-term interest rates.

Notional Amount	Rate Payable As of November 30, 2007	Maturity Date
\$ 50,000,000	4.64%	7/12/2011
\$ 55,000,000	4.99%	4/21/2012
\$ 60,000,000	5.03%	4/21/2013
\$ 55,000,000	4.54%	5/01/2014
\$ 35,000,000	5.20%	11/12/2020
\$ 35,000,000	5.21%	11/18/2020
\$ 290,000,000(total)	4.90%	(weighted average)

Assuming that the dividend rates payable on the Tortoise Preferred Shares and the interest rates payable on the Tortoise Notes remain as described above (an average annual cost of 6.43% based on the amount of leverage outstanding at November 30, 2007), 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 3.31%.

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	-27.5%	-17.2%	-6.8%	3.6%	13.9%

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.

### **Recent Developments**

As of the date of this prospectus, we had outstanding \$240,000,000 aggregate principal amount/liquidation preference of auction rate Tortoise Notes and Tortoise Preferred Shares, with interest/dividend rates that reset through auctions conducted every 28 days or less. As described in more detail below, we also had outstanding \$180,000,000 aggregate principal amount/liquidation preference of Tortoise Notes and Tortoise Preferred Shares, with interest/dividend rate periods that have been extended for certain periods as reflected in the table above. Recent problems in the credit market have adversely impacted borrowing costs. Borrowing costs in auction rate markets, including the markets for Tortoise Preferred Shares and Tortoise Notes, have become less predictable in part as a result of widening spreads to LIBOR in recent months. Interest/dividend rates for our auction rate securities have been subject to greater volatility and uncertainty, which may result in an auction in which sufficient clearing bids are not made. In the event sufficient clearing bids are not made, the interest/dividend rate (as the case may be) for a series of Tortoise Notes or Tortoise Preferred Shares, as applicable, will be set at the maximum rate as determined

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by the terms of such securities. These market developments have increased, and may continue to increase, our financing costs. Because common stockholders indirectly bear the cost of leverage, an increase in interest and dividend obligations on our Tortoise Notes and Tortoise Preferred Shares may reduce our total return to common stockholders and may impact our DCF. See [Additional Risks to Common Stockholders](#) [Leverage Risk](#).

As noted above, in response to these market developments, we exercised our option to designate special rate periods for certain series of Tortoise Notes and Tortoise Preferred Shares as indicated above, in an attempt to limit our exposure to increasing interest and dividend rates and what we believe are inefficiencies in the auction markets. During a special rate period, each series will have a fixed interest or dividend rate, will not be available for purchase or sale in an auction, and will not be subject to redemption at our option but will remain subject to mandatory redemption provisions under the Indenture or corresponding articles supplementary, as applicable. We may exercise our option to designate special rate periods for other series of our outstanding Tortoise Notes and Tortoise Preferred Shares in the future.

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**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 dividend payments on preferred stock and interest payments on debt securities.

*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.

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

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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.

Extreme weather patterns, such as hurricane Ivan in 2004 and hurricane Katrina in 2005, could result in significant volatility in the supply of energy and power and could adversely impact the value 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