

TORTOISE ENERGY INFRASTRUCTURE CORP

Form N-30B-2

October 24, 2016

**Quarterly Report** | August 31, 2016

## **2016 3rd Quarter Report**

Closed-End Funds

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## Tortoise Capital Advisors

### 2016 3rd Quarter Report to Stockholders

This combined report provides you with a comprehensive review of our funds that span the entire energy value chain.

Tortoise Capital Advisors is one of the largest managers of energy investments, including closed-end funds, open end funds, private funds and separate accounts.

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## TTP and TPZ distribution policies

Tortoise Pipeline & Energy Fund, Inc. ( TTP ) and Tortoise Power and Energy Infrastructure Fund, Inc. ( TPZ ) are relying on exemptive relief permitting them to make long-term capital gain distributions throughout the year. Each of TTP and TPZ, with approval of its Board of Directors (the Board ), has adopted a distribution policy (the Policy ) with the purpose of distributing over the course of each year, through periodic distributions as nearly equal as practicable and any required special distributions, an amount closely approximating the total taxable income of TTP and TPZ during such year and, if so determined by the Board, all or a portion of the return of capital paid by portfolio companies to TTP and TPZ during such year. In accordance with its Policy, TTP distributes a fixed amount per common share, currently \$0.4075, each quarter to its common shareholders and TPZ distributes a fixed amount per common share, currently \$0.125, each month to its common shareholders. These amounts are subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of TTP s and TPZ s performance, TTP and TPZ expect such distributions to correlate with its performance over time. Each quarterly and monthly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions in light of TTP s and TPZ s performance for the entire calendar year and to enable TTP and TPZ to comply with the distribution requirements imposed by the Internal Revenue Code. The Board may amend, suspend or terminate the Policy without prior notice to shareholders if it deems such action to be in the best interests of TTP, TPZ and their respective shareholders. For example, the Board might take such action if the Policy had the effect of shrinking TTP s or TPZ s assets to a level that was determined to be detrimental to TTP or TPZ shareholders. The suspension or termination of the Policy could have the effect of creating a trading discount (if TTP s or TPZ s stock is trading at or above net asset value), widening an existing trading discount, or decreasing an existing premium. You should not draw any conclusions about TTP s or TPZ s investment performance from the amount of the distribution or from the terms of TTP s or TPZ s distribution policy. Each of TTP and TPZ estimates that it has distributed more than its income and net realized capital gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in TTP or TPZ is paid back to you. A return of capital distribution does not necessarily reflect TTP s or TPZ s investment performance and should not be confused with yield or income. The amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon TTP s and TPZ s investment experience during the remainder of their fiscal year and may be subject to changes based on tax regulations. TTP and TPZ will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

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**Closed-end fund comparison**

| <b>Name/Ticker</b>  | <b>Primary focus</b>  | <b>Structure</b>             | <b>Total assets (\$ millions)<sup>1</sup></b> | <b>Portfolio mix by asset type<sup>2</sup></b> | <b>Portfolio by stru</b> |
|---|---|------------------------------|---|--|--------------------------|
| Tortoise Energy Infrastructure Corp.<br>NYSE: TYG<br>Inception: 2/2004                | Midstream MLPs  | C-corp                       | \$2,651.1                                     |  |                          |
| Tortoise MLP Fund, Inc.<br>NYSE: NTG<br>Inception: 7/2010                             | Natural gas infrastructure MLPs                                 | C-corp                       | \$1,556.4                                     |  |                          |
| Tortoise Pipeline & Energy Fund, Inc.<br>NYSE: TTP<br>Inception: 10/2011              | North American pipeline companies                               | Regulated investment company | \$304.5                                       |  |                          |
| Tortoise Energy Independence Fund, Inc.<br>NYSE: NDP<br>Inception: 7/2012             | North American oil & gas producers                              | Regulated investment company | \$314.6                                       |  |                          |
| Tortoise Power and Energy Infrastructure Fund, Inc.<br>NYSE: TPZ<br>Inception: 7/2009 | Power & energy infrastructure companies (Fixed income & equity) | Regulated investment company | \$217.2                                       |  |                          |

<sup>1</sup> As of 9/30/2016<sup>2</sup> As of 8/31/2016**Tortoise Capital Advisors**

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## Tortoise Capital Advisors

### Third quarter 2016 report to closed-end fund stockholders

Dear fellow stockholders,

The energy value chain continued its recovery during the third fiscal quarter ending August 31, 2016. The broad energy sector as represented by the S&P Energy Select Sector<sup>®</sup> Index was positive for the second consecutive fiscal quarter returning 3.2%. Energy fixed income performed higher than energy equities for the fiscal quarter. Midstream companies continued to focus on capital efficiency by concentrating on their core assets and strengthening their balance sheets where warranted. Another emerging theme was the importance of diversification within the sector. As refiner margins have continued to narrow, downstream companies that also own midstream assets have been focusing incremental investments on more stable midstream assets to grow their businesses.

### Upstream

Upstream oil and gas producers had positive results for the third fiscal quarter, with the Tortoise North American Oil and Gas Producers Index<sup>SM</sup> returning 3.3%. While this was lower than the second fiscal quarter's double-digit positive return, it was much better than the first fiscal quarter's double-digit negative return. Crude oil prices, as represented by West Texas Intermediate (WTI), opened the third fiscal quarter at \$49.10 per barrel and fluctuated within an approximate \$12 range. Oil prices ended the quarter at \$44.70 per barrel, underscoring the continued price volatility.

As this lower price environment has continued for a longer period, one of the main stories for the year has been the success of the Permian basin as it has differentiated itself as the most efficient and premier North American basin. Almost all activity is focused in the Permian along with the South Central Oklahoma Oil Province (SCOOP) and Sooner Trend Anadarko Basin Canadian and Kingfisher Counties (STACK) sub-regions. Within the Permian, the Delaware sub-region has greatly increased its exploration activity and is currently determining where the best resources are located within the area and starting to shift to the development phase. The Midland side is further along with delineation and has shifted to full-scale development mode. The Mid-Continent sub-region is focused on development and enhanced completion techniques that include longer laterals to increase productivity of the wells.

While the Permian basin has seen significant activity, the other basins lagged and production has been declining. There was an uptick in rig activity during the quarter (mostly in the Permian), but the impact of these new rigs will not be felt for six to nine months. U.S. production is estimated to average 8.8 million barrels per day (MMbbl/d) in 2016, down from an average of 9.4 MMbbl/d in 2015.<sup>1</sup> Production is expected to further decline in 2017 to 8.5 MMbbl/d, which was the average for August 2016.

At the end of August, natural gas inventories were 8% higher than at the same time a year ago and 11% higher than the previous five-year average for that week.<sup>1</sup> We expect inventory levels to be at their highest level on record for the end of October as it will take time to work through the high inventory caused by increased production over the past few years that was not depleted during the warm winter.<sup>1</sup> Prices opened the fiscal quarter at \$2.09 per million British thermal units (MMBtu), increasing to end the quarter at \$2.94 per MMBtu mainly due to an exceptionally hot summer. Natural gas production growth is expected to rise only slightly through the rest of 2016 and 3.0% in 2017.<sup>1</sup> In 2017, we believe natural gas prices will gradually rise as the U.S. continues to ramp up exports of liquefied natural gas (LNGs).

### Midstream

The midstream sector continued to recover from the energy market decline, though at a slower pace than last fiscal quarter. The Tortoise MLP Index<sup>®</sup> returned 6.9% during the third fiscal quarter. Broader pipeline companies outperformed MLPs during the fiscal quarter returning 9.2% as reflected by the Tortoise North American Pipeline Index<sup>SM</sup>.

Within the midstream sector, performance was once again positive across the board. Gathering and processing companies significantly outperformed other sub-sectors due to their greater correlation to rising commodity prices, especially to natural gas liquids (NGLs). Natural gas pipeline companies also had a strong quarter as demand remained high and the fundamentals continued to improve along with prices. Crude oil pipeline companies also benefited from improving fundamentals. Refined product pipeline companies had slightly positive performance, but were the lowest contributing sub-sector for the fiscal quarter.

After a long, drawn out saga that impacted the midstream space, investors finally received clarity on The Williams Companies, Inc. (WMB) and Energy Transfer Equity (ETE) merger. During the fiscal quarter, ETE announced the termination of the merger agreement with WMB. While it was not the outcome originally anticipated, the market needed closure on this deal. Both companies are taking steps forward, returning to what they do best, operating strategic energy infrastructure assets and executing their individual business plans.

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While there have always been challenges to building new pipelines, they have become more acute. It has become more difficult to maneuver through the regulations/permits and environmental hurdles to build. This is especially the case in the Northeast, making existing assets even more valuable. The most recent example of this is a Massachusetts Supreme Court ruling against Spectra Energy's proposed Access Northeast Pipeline project. The court ruled that utilities are not allowed to enter into contracts for capacity on natural gas pipelines and place the costs of those contracts into the rate base. Despite these challenges, we believe growth opportunities still exist as our projection for capital investments in MLP, pipeline and related organic projects remains at \$120 billion for 2016 to 2018.

The capital efficiency and balance sheet simplification story that began earlier this year continued throughout the third fiscal quarter. Investors have started rewarding rightsizing of company balance sheets rather than growing distributions, where warranted. The two largest companies that announced their plans for strengthening the balance sheet or simplifying their structure, Plains All American Pipeline, L.P. (PAA) and WMB, have traded well. In both cases the plans included distributions cuts.

(unaudited)

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## Downstream

Energy companies within the downstream segment of the energy value chain had another solid fiscal quarter, due to higher crude oil prices compared to the low base from earlier this year. As mentioned previously, companies that have both midstream and downstream assets have been increasing exposure to their more stable midstream businesses to counteract decreasing downstream margins, highlighting the value of asset diversification.

Refiners continued to benefit from low-priced gasoline and strong exports. On August 29, the average price for regular gasoline decreased to \$2.24 per gallon, a decrease of \$0.27 from the same week last year.<sup>1</sup> Gasoline prices are expected to head lower for the rest of 2016 after peaking in June at \$2.40 per gallon.<sup>1</sup> One headwind that we are still facing, however, is globally high refined product inventory as refiners take advantage of favorable, yet narrowed margins driven by increased demand and an abundance of low cost feedstocks. On the demand side, gasoline consumption is expected to increase by 1.9% in 2016, which would be the highest annual average consumption increase on record, surpassing the previous record that was set in 2007.<sup>1</sup> Vehicle miles traveled are also expected to remain strong, which should contribute to falling inventory levels.

The petrochemical industry is on the verge of a new wave of ethylene capacity coming on-line. The effect of this will likely be increasing demand for ethane, however, this could provide a headwind for ethylene prices. U.S. ethylene prices have been competitive globally, which positions the U.S. well for exporting, even if prices increase. All of this could result in an uptick of plastics, primarily made of ethylene, from the U.S. in the coming months. Unregulated power companies showed strong returns during the fiscal quarter while regulated utilities continued to lag compared to other sectors, given their defensive nature.

## Capital markets

Capital markets continued to thaw and become more constructive. The exploration and production markets have been the most active for all of 2016. Within midstream, we have seen a return of the debt market and companies testing the public market waters, but have found those waters to be tepid. MLP and pipeline companies raised over \$12 billion during the third fiscal quarter, split almost evenly between equity and debt. Third fiscal quarter capital raised was slightly lower than the prior fiscal quarter, yet higher than capital raised during the first fiscal quarter.

Exploration and production companies continued to raise capital during the fiscal quarter, but at a reduced level compared to second fiscal quarter, raising a total of just over \$6 billion for the fiscal quarter, mostly in equities, which is a reversal from the previous quarter.

There were no IPOs in the energy sector during the third fiscal quarter, which has been a common theme throughout this fiscal year. Merger and acquisition activity among MLP and pipeline companies was significantly lower compared to the previous fiscal quarter, mainly because of one very large transaction in the second fiscal quarter, with announced transactions totaling almost \$5 billion for the third fiscal quarter. The largest of these was an Enbridge Energy Partners and Marathon Petroleum Corp. joint venture acquisition of the Dakota Access Pipeline in a deal valued at approximately \$2 billion. Most companies focused their capex budgets on asset acquisition as opposed to acquiring new businesses.

Post fiscal quarter end, Enbridge Inc. announced a plan to acquire Spectra Energy in an all-stock transaction. The combined entity would represent the largest energy infrastructure company in North America. The transaction is expected to close in the first quarter of 2017.

## Concluding thoughts

As we compare the end of the third fiscal quarter of 2016 to that of last year, the industry has come a long way on its path to recovery. This fiscal quarter, market volatility as well as oil and gas price volatility remained in a narrower band than earlier in the year. We expect limited improvement in oil prices for the remainder of 2016 and more of an increase in 2017. Investors have shifted focus from distribution growth to capital efficiency and the market has rewarded those companies where warranted. In our opinion, this is a healthy shift given the current stage of the recovery. We believe the market bottom is behind us and we hope to see continued improvements across the energy value chain.

Sincerely,

The Managing Directors  
Tortoise Capital Advisors, L.L.C.

The S&P Energy Select Sector<sup>®</sup> Index is a capitalization-weighted index of S&P 500<sup>®</sup> Index companies in the energy sector involved in the development or production of energy products. The Tortoise North American Oil and Gas Producers Index<sup>SM</sup> is a float-adjusted, capitalization-weighted index of North American energy companies engaged primarily in the production of crude oil, condensate, natural gas or natural gas liquids (NGLs). The Tortoise North American Pipeline Index<sup>SM</sup> is a float adjusted, capitalization-weighted index of energy pipeline companies domiciled in the United States and Canada. The Tortoise MLP Index<sup>®</sup> is a float-adjusted, capitalization-weighted index of energy master limited partnerships.

The Tortoise indices are the exclusive property of Tortoise Index Solutions, LLC, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Tortoise MLP Index<sup>®</sup>, Tortoise North American Pipeline Index<sup>SM</sup> and Tortoise North American Oil and Gas Producers Index<sup>SM</sup> (the Indices). The Indices are not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, S&P Dow Jones Indices LLC). S&P Dow Jones Indices will not be liable for any errors or omission in calculating the Indices. Calculated by S&P Dow Jones Indices and its related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Tortoise Index Solutions, LLC and its affiliates. S&P<sup>®</sup> is a registered trademark of Standard & Poor's Financial Services LLC (SPFS), and Dow Jones<sup>®</sup> is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones).

**It is not possible to invest directly in an index.**

**Performance data quoted represent past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost.**

1 Energy Information Administration, September 2016

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## Tortoise

### Energy Infrastructure Corp. (TYG)

#### Fund description

TYG seeks a high level of total return with an emphasis on current distributions paid to stockholders. TYG invests primarily in equity securities of master limited partnerships (MLPs) and their affiliates that transport, gather, process or store natural gas, natural gas liquids (NGLs), crude oil and refined petroleum products.

#### Fund performance review

The fund's market-based and NAV-based returns for the fiscal quarter ending August 31, 2016 were 11.7% and 5.2%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index<sup>®</sup> returned 6.9% for the same period. The fund's positive performance reflects midstream MLPs continuing to be rewarded for focusing on capital efficiency and investors realizing the diversification benefits that midstream MLP assets offer to companies that own both midstream and downstream businesses.

#### 3rd fiscal quarter highlights

|  |           |
|--|-----------|
| Distributions paid per share   | \$0.6550  |
| Distribution rate (as of 8/31/2016)                                      | 8.6%      |
| Quarter-over-quarter distribution increase                               | 0.0%      |
| Year-over-year distribution increase                                     | 0.8%      |
| Cumulative distribution to stockholders since inception in February 2004 | \$27.1875 |
| Market-based total return  | 11.7%     |
| NAV-based total return   | 5.2%      |
| Premium (discount) to NAV (as of 8/31/2016)                              | 3.2%      |

*Unlike the fund return, index return is pre-expenses and taxes.*

*Performance data quoted represent past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal quarter.*

#### Key asset performance drivers

|                                    | Company type   |  |
|------------------------------------|--|--|
| Plains All American Pipeline, L.P. | Midstream crude oil pipeline MLP                       | Investors rewarded company's clarity on distribution and strategic direction   |
| Energy Transfer Partners, L.P.     | Midstream natural gas/natural gas liquids pipeline MLP | Investors rewarded company's clarity on distribution and strategic direction following termination of merger agreement with The Williams Companies |
| Sunoco Logistics Partners L.P.     | Midstream crude oil pipeline MLP                       | Announced joint venture for major pipeline project   |
| Williams Partners L.P.             | Midstream gathering and processing MLP                 | Investors rewarded company's clarity on distribution and strategic direction following termination of merger agreement with Energy Transfer Equity |
| ONEOK Partners, L.P.               | Midstream natural gas/natural gas liquids pipeline MLP | Improved outlook for ethane recoveries   |
|                                    | Company type   | Acquisition speculation  |



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|                                   |  |  |
|-----------------------------------|--|--|
| Enterprise Products Partners L.P. | Midstream natural gas/natural gas liquids pipeline MLP |  |
| Shell Midstream Partners, L.P.    | Midstream crude oil pipeline MLP                       | Low yield, high growth names were out of favor |
| Phillips 66 Partners LP           | Midstream refined product pipeline MLP                 | Low yield, high growth names were out of favor |
| Valero Energy Partners LP         | Midstream refined product pipeline MLP                 | Low yield, high growth names were out of favor |
| Dominion Midstream Partners, LP   | Midstream natural gas/natural gas liquids pipeline MLP | Low yield, high growth names were out of favor |

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## Distributable cash flow and distributions

Distributable cash flow ( DCF ) is distributions received from investments less expenses. The total distributions received from investments include the amount received as cash distributions from investments, paid-in-kind distributions, and dividend and interest payments. The total expenses include current or anticipated operating expenses, leverage costs and current income taxes. Current income taxes include taxes paid on net investment income, in addition to foreign taxes, if any. Taxes incurred from realized gains on the sale of investments, expected tax benefits and deferred taxes are not included in DCF.

Distributions received from investments increased approximately 2.3% as compared to 2nd quarter 2016 due primarily to increased distribution rates on investments. Operating expenses, consisting primarily of fund advisory fees, increased 8.0% during the quarter due to higher asset-based fees. Overall leverage costs decreased slightly as compared to 2nd quarter 2016.

As a result of the changes in income and expenses, DCF increased approximately 1.8% as compared to 2nd quarter 2016. The fund paid a quarterly distribution of \$0.655 per share, which was unchanged over the prior quarter and an increase of 0.8% over the 3rd quarter 2015 distribution. The fund has paid cumulative distributions to stockholders of \$27.1875 per share since its inception in Feb. 2004.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles ( GAAP ), recognizes distribution income from MLPs and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from investments in the DCF calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts are not included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, realized and unrealized gains (losses) on interest rate swap settlements, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income.

Net Investment Loss, before Income Taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 3rd quarter 2016 (in thousands):

|  | 2016 YTD    | 3rd Qtr 2016 |
|--|-------------|--------------|
| Net Investment Loss, before Income Taxes         | \$ (45,390) | \$ (7,100)   |
| Adjustments to reconcile to DCF:                 |             |              |
| Distributions characterized as return of capital | 139,903     | 39,784       |
| Amortization of debt issuance costs              | 2,755       | 119          |
| Interest rate swap expenses                      | (657)       | (216)        |
| Premium on redemption of senior notes            | 900         |              |
| Premium on redemption of MRP stock               | 800         |              |
| DCF  | \$ 98,311   | \$ 32,587    |

## Leverage

The fund's leverage utilization increased by \$16.2 million during 3rd quarter 2016 for normal working capital purposes and represented 27.4% of total assets at August 31, 2016, above the long-term target level of 25% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, including the impact of interest rate swaps, approximately 80% of the leverage cost was fixed, the weighted-average maturity was 5.2 years and the weighted-average annual rate on leverage was 3.47%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facilities and as leverage and swaps mature or are redeemed.

## Income taxes

During 3rd quarter 2016, the fund's deferred tax liability increased by \$26 million to \$454 million, primarily as a result of the increase in value of its investment portfolio. The fund had net realized gains of \$17 million during the quarter. To the extent that the fund has taxable income, it will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets, or borrowings.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage, taxes and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions and results, please visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

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**TYG Key Financial Data** (supplemental unaudited information)

(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding **Distributable Cash Flow and Selected Financial Information** is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The **Distributable Cash Flow Ratios** include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

|   | 2015              |                   | 2016              |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Q3 <sup>(1)</sup> | Q4 <sup>(1)</sup> | Q1 <sup>(1)</sup> | Q2 <sup>(1)</sup> | Q3 <sup>(1)</sup> |
| <b>Total Income from Investments</b>                            |                   |                   |                   |                   |                   |
| Distributions and dividends from investments                    | \$52,919          | \$51,564          | \$47,200          | \$44,670          | \$45,694          |
| <b>Operating Expenses Before Leverage</b>                       |                   |                   |                   |                   |                   |
| <b>Costs and Current Taxes</b>                                  |                   |                   |                   |                   |                   |
| Advisory fees   | 8,661             | 7,081             | 5,321             | 5,719             | 6,215             |
| Other operating expenses  | 500               | 512               | 466               | 461               | 459               |
|   | 9,161             | 7,593             | 5,787             | 6,180             | 6,674             |
| Distributable cash flow before leverage costs and current taxes | 43,758            | 43,971            | 41,413            | 38,490            | 39,020            |
| Leverage costs <sup>(2)</sup>                                   | 8,394             | 8,193             | 7,700             | 6,479             | 6,433             |
| Current income tax expense <sup>(3)</sup>                       |                   |                   |                   |                   |                   |
| <b>Distributable Cash Flow<sup>(4)</sup></b>                    | <b>\$35,364</b>   | <b>\$35,778</b>   | <b>\$33,713</b>   | <b>\$32,011</b>   | <b>\$32,587</b>   |
| <b>As a percent of average total assets<sup>(5)</sup></b>       |                   |                   |                   |                   |                   |
| Total from investments  | 5.59 %            | 6.83 %            | 7.67 %            | 7.28 %            | 6.85 %            |
| Operating expenses before leverage costs and current taxes      | 0.97 %            | 1.01 %            | 0.94 %            | 1.01 %            | 1.00 %            |
| Distributable cash flow before leverage costs and current taxes | 4.62 %            | 5.82 %            | 6.73 %            | 6.27 %            | 5.85 %            |
| <b>As a percent of average net assets<sup>(5)</sup></b>         |                   |                   |                   |                   |                   |
| Total from investments  | 10.90 %           | 13.38 %           | 16.09 %           | 13.54 %           | 12.45 %           |
| Operating expenses before leverage costs and current taxes      | 1.89 %            | 1.97 %            | 1.97 %            | 1.87 %            | 1.82 %            |
| Leverage costs and current taxes                                | 1.73 %            | 2.13 %            | 2.62 %            | 1.96 %            | 1.75 %            |
| Distributable cash flow   | 7.28 %            | 9.28 %            | 11.50 %           | 9.71 %            | 8.88 %            |
| <b>Selected Financial Information</b>                           |                   |                   |                   |                   |                   |
| Distributions paid on common stock                              | \$ 31,211         | \$31,450          | \$31,682          | \$ 31,682         | \$ 31,961         |
| Distributions paid on common stock per share                    | 0.6500            | 0.6550            | 0.6550            | 0.6550            | 0.6550            |
| Distribution coverage percentage for period <sup>(6)</sup>      | 113.3%            | 113.8%            | 106.4%            | 101.0%            | 102.0%            |
| Net realized gain, net of income taxes, for the period          | 43,938            | 72,015            | 41,667            | 47,833            | 13,034            |
| Total assets, end of period                                     | 3,445,452         | 2,793,933         | 2,213,663         | 2,587,793         | 2,628,678         |
| Average total assets during period <sup>(7)</sup>               | 3,759,151         | 3,028,322         | 2,475,404         | 2,442,341         | 2,654,126         |
| Leverage <sup>(8)</sup>   | 1,000,400         | 906,000           | 689,700           | 704,000           | 720,200           |
| Leverage as a percent of total assets                           | 29.0%             | 32.4%             | 31.2%             | 27.2%             | 27.4%             |
| Net unrealized appreciation (depreciation), end of period       | 138,802           | (244,207)         | (483,386)         | (269,349)         | (204,786)         |
| Net assets, end of period                                       | 1,754,876         | 1,405,733         | 1,176,897         | 1,390,531         | 1,443,397         |
| Average net assets during period <sup>(9)</sup>                 | 1,925,521         | 1,545,634         | 1,179,868         | 1,312,506         | 1,460,638         |
| Net asset value per common share                                | 36.55             | 29.28             | 24.33             | 28.71             | 29.54             |
| Market value per share  | 35.88             | 26.57             | 24.26             | 27.90             | 30.48             |
| Shares outstanding (000 s)                                      | 48,017            | 48,017            | 48,370            | 48,434            | 48,859            |

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders, interest rate swap expenses and other recurring leverage expenses.

(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow ( DCF ).

(4) Net investment income (loss), before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the premium on redemptions of senior notes and MRP stock and amortization of debt issuance costs; and decreased by realized and unrealized gains (losses) on interest rate swap settlements and current taxes paid on net investment income.

(5) Annualized.

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- (6) Distributable Cash Flow divided by distributions paid.
- (7) Computed by averaging month-end values within each period.
- (8) Leverage consists of senior notes, preferred stock and outstanding borrowings under credit facilities.
- (9) Computed by averaging daily net assets within each period.

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**Tortoise Capital Advisors**

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## Tortoise MLP Fund, Inc. (NTG)

### Fund description

NTG seeks to provide stockholders with a high level of total return with an emphasis on current distributions. NTG invests primarily in master limited partnerships (MLPs) and their affiliates that own and operate a network of pipeline and energy-related logistical infrastructure assets with an emphasis on those that transport, gather, process and store natural gas and natural gas liquids (NGLs). NTG targets midstream MLPs benefiting from U.S. natural gas production and consumption expansion with minimal direct commodity exposure.

### Fund performance review

The fund's market-based and NAV-based returns for the fiscal quarter ending August 31, 2016 were 12.8% and 4.9%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index<sup>®</sup> returned 6.9% for the same period. The fund's positive performance reflects midstream MLPs continuing to be rewarded for focusing on capital efficiency and investors realizing the diversification benefits that midstream MLP assets offer to companies that own both midstream and downstream businesses.

#### 3rd fiscal quarter highlights

|  |          |
|--|----------|
| Distributions paid per share   | \$0.4225 |
| Distribution rate (as of 8/31/2016)                                  | 8.6%     |
| Quarter-over-quarter distribution increase                           | 0.0%     |
| Year-over-year distribution increase                                 | 0.0%     |
| Cumulative distribution to stockholders since inception in July 2010 | \$9.9675 |
| Market-based total return  | 12.8%    |
| NAV-based total return   | 4.9%     |
| Premium (discount) to NAV (as of 8/31/2016)                          | 0.8%     |

*Unlike the fund return, index return is pre-expenses and taxes.*

*Performance data quoted represent past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal quarter.*

### Key asset performance drivers

|                                    | Company type   |  |
|------------------------------------|--|--|
| Energy Transfer Partners, L.P.     | Midstream natural gas/natural gas liquids pipeline MLP | Investors rewarded company's clarity on distribution and strategic direction following termination of merger agreement with The Williams Companies |
| Plains All American Pipeline, L.P. | Midstream crude oil pipeline MLP                       | Investors rewarded company's clarity on distribution and strategic direction   |
| Williams Partners L.P.             | Midstream gathering and processing MLP                 | Investors rewarded company's clarity on distribution and strategic direction following termination of merger agreement with Energy Transfer Equity |
| Enlink Midstream Partners, LP      | Midstream gathering and processing MLP                 | Benefitted from growth potential of an acquisition of midstream assets in the Sooner Trend Anadarko Basin Canadian and Kingfisher (STACK) region   |
| Sunoco Logistics Partners L.P.     | Midstream crude oil pipeline MLP                       | Announced joint venture for major pipeline project   |

**Company type**

|                                       |  |  |
|---------------------------------------|--|--|
| Enterprise Products Partners L.P.     | Midstream natural gas/natural gas liquids pipeline MLP | Acquisition speculation                        |
| Shell Midstream Partners, L.P.        | Midstream crude oil pipeline MLP                       | Low yield, high growth names were out of favor |
| Dominion Midstream Partners, LP       | Midstream natural gas/natural gas liquids pipeline MLP | Low yield, high growth names were out of favor |
| Phillips 66 Partners LP               | Midstream refined product pipeline MLP                 | Low yield, high growth names were out of favor |
| Valero Energy Partners LP (unaudited) | Midstream refined product pipeline MLP                 | Low yield, high growth names were out of favor |

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## Tortoise

### MLP Fund, Inc. (NTG) (continued)

#### Distributable cash flow and distributions

Distributable cash flow ( DCF ) is distributions received from investments less expenses. The total distributions received from investments include the amount received as cash distributions from MLPs, paid-in-kind distributions, and dividend and interest payments. The total expenses include current or anticipated operating expenses, leverage costs and current income taxes. Current income taxes include taxes paid on net investment income in addition to foreign taxes, if any. Taxes incurred from realized gains on the sale of investments, expected tax benefits and deferred taxes are not included in DCF.

Distributions received from investments increased approximately 5.6% as compared to 2nd quarter 2016 due primarily to the impact of trading activity as well as increased distribution rates on investments. Operating expenses, consisting primarily of fund advisory fees, increased 10.0% during the quarter due to higher asset-based fees. Leverage costs increased slightly as compared to 2nd quarter 2016.

As a result of the changes in income and expenses, DCF increased approximately 5.9% as compared to 2nd quarter 2016. The fund paid a quarterly distribution of \$0.4225 per share, which was equal to the distribution paid in the prior quarter and 3rd quarter 2015. The fund has paid cumulative distributions to stockholders of \$9.9675 per share since its inception in July 2010.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles ( GAAP ), recognizes distribution income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from investments in the DCF calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts are not included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income.

Net Investment Loss, before Income Taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 3rd quarter 2016 (in thousands):

|   | 2016 YTD    | 3rd Qtr<br>2016 |
|---|-------------|-----------------|
| Net Investment Loss,<br>before Income Taxes         | \$ (24,412) | \$ (6,783)      |
| Adjustments to reconcile to DCF:                    |             |                 |
| Distributions characterized<br>as return of capital | 82,491      | 26,641          |
| Amortization of debt issuance costs                 | 306         | 93              |
| Premium on redemption<br>of senior notes            | 450         |                 |
| DCF   | \$ 58,835   | \$ 19,951       |

#### Leverage

The fund's leverage utilization increased by \$3.4 million during 3rd quarter 2016 and represented 29.0% of total assets at August 31, 2016, above the long-term target level of 25% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, approximately 76% of the leverage cost was fixed, the weighted-average maturity was 3.1 years and the weighted-average annual rate on leverage was 3.57%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facility and as leverage matures or is redeemed.

#### Income taxes



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During 3rd quarter 2016, the fund's deferred tax liability increased by \$25 million to \$160 million, primarily as a result of the increase in value of its investment portfolio. The fund had net realized gains of \$42 million during the quarter. As of Nov. 30, 2015, the fund had net operating losses of \$160 million for federal income tax purposes. To the extent that the fund has taxable income in the future that is not offset by net operating losses, it will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets, or borrowings.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage, taxes and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions and results, please visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

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**Tortoise Capital Advisors**

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2016 3rd Quarter Report | August 31, 2016

**NTG Key Financial Data** (supplemental unaudited information)  
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

|   | 2015              |                   | 2016              |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Q3 <sup>(1)</sup> | Q4 <sup>(1)</sup> | Q1 <sup>(1)</sup> | Q2 <sup>(1)</sup> | Q3 <sup>(1)</sup> |
| <b>Total Income from Investments</b>                            |                   |                   |                   |                   |                   |
| Distributions and dividends from investments                    | \$ 28,405         | \$ 28,420         | \$ 27,259         | \$ 26,411         | \$ 27,901         |
| <b>Operating Expenses Before Leverage</b>                       |                   |                   |                   |                   |                   |
| <b>Costs and Current Taxes</b>                                  |                   |                   |                   |                   |                   |
| Advisory fees, net of fees waived                               | 4,280             | 3,581             | 2,868             | 3,292             | 3,654             |
| Other operating expenses  | 351               | 341               | 323               | 336               | 336               |
|   | 4,631             | 3,922             | 3,191             | 3,628             | 3,990             |
| Distributable cash flow before leverage costs and current taxes | 23,774            | 24,498            | 24,068            | 22,783            | 23,911            |
| Leverage costs <sup>(2)</sup>                                   | 4,083             | 4,055             | 4,018             | 3,949             | 3,960             |
| Current income tax expense <sup>(3)</sup>                       |                   |                   |                   |                   |                   |
| <b>Distributable Cash Flow<sup>(4)</sup></b>                    | \$ 19,691         | \$ 20,443         | \$ 20,050         | \$ 18,834         | \$ 19,951         |
| <b>As a percent of average total assets<sup>(5)</sup></b>       |                   |                   |                   |                   |                   |
| Total from investments  | 5.88%             | 7.18%             | 8.15%             | 7.55%             | 7.28%             |
| Operating expenses before leverage costs and current taxes      | 0.96%             | 0.99%             | 0.95%             | 1.04%             | 1.04%             |
| Distributable cash flow before leverage costs and current taxes | 4.92%             | 6.19%             | 7.20%             | 6.51%             | 6.24%             |
| <b>As a percent of average net assets<sup>(5)</sup></b>         |                   |                   |                   |                   |                   |
| Total from investments  | 9.88%             | 11.95%            | 14.47%            | 12.42%            | 11.90%            |
| Operating expenses before leverage costs and current taxes      | 1.61%             | 1.65%             | 1.69%             | 1.71%             | 1.70%             |
| Leverage costs and current taxes                                | 1.42%             | 1.71%             | 2.13%             | 1.86%             | 1.69%             |
| Distributable cash flow   | 6.85%             | 8.59%             | 10.65%            | 8.85%             | 8.51%             |
| <b>Selected Financial Information</b>                           |                   |                   |                   |                   |                   |
| Distributions paid on common stock                              | \$ 19,858         | \$ 19,857         | \$ 19,858         | \$ 19,857         | \$ 19,858         |
| Distributions paid on common stock per share                    | 0.4225            | 0.4225            | 0.4225            | 0.4225            | 0.4225            |
| Distribution coverage percentage for period <sup>(6)</sup>      | 99.2%             | 103.0%            | 101.0%            | 94.8%             | 100.5%            |
| Net realized gain (loss), net of income taxes, for the period   | 24,577            | 3,706             | (13,779)          | 21,730            | 27,199            |
| Total assets, end of period                                     | 1,779,889         | 1,483,910         | 1,254,081         | 1,483,491         | 1,528,949         |
| Average total assets during period <sup>(7)</sup>               | 1,917,824         | 1,586,800         | 1,345,702         | 1,390,807         | 1,524,786         |
| Leverage <sup>(8)</sup>   | 512,900           | 500,800           | 431,600           | 439,900           | 443,300           |
| Leverage as a percent of total assets                           | 28.8%             | 33.7%             | 34.4%             | 29.7%             | 29.0%             |
| Net unrealized appreciation (depreciation), end of period       | 189,257           | 29,106            | (52,047)          | 90,594            | 112,273           |
| Net assets, end of period                                       | 1,057,341         | 876,409           | 757,055           | 893,988           | 919,721           |
| Average net assets during period <sup>(9)</sup>                 | 1,140,652         | 953,931           | 757,446           | 845,912           | 932,440           |
| Net asset value per common share                                | 22.50             | 18.65             | 16.11             | 19.02             | 19.53             |
| Market value per common share                                   | 19.85             | 16.18             | 15.64             | 17.82             | 19.68             |
| Shares outstanding (000 s)                                      | 47,000            | 47,000            | 47,000            | 47,000            | 47,081            |

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.

(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow ( DCF ).

(4) Net investment income (loss), before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the premium on redemption of senior notes and amortization of debt issuance costs; and decreased by current taxes paid on net investment income.

(5) Annualized.

(6) Distributable Cash Flow divided by distributions paid.

(7) Computed by averaging month-end values within each period.

(8) Leverage consists of senior notes, preferred stock and outstanding borrowings under the credit facility.

(9) Computed by averaging daily net assets within each period.



## Tortoise

### Pipeline & Energy Fund, Inc. (TTP)

#### Fund description

TTP seeks a high level of total return with an emphasis on current distributions paid to stockholders. TTP invests primarily in equity securities of North American pipeline companies that transport natural gas, natural gas liquids (NGLs), crude oil and refined products and, to a lesser extent, in other energy infrastructure companies.

#### Fund performance review

The fund's market-based and NAV-based returns for the fiscal quarter ending August 31, 2016 were 15.6% and 9.9%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Pipeline Index<sup>SM</sup> returned 9.2% for the same period. The fund's positive performance reflects midstream pipeline companies continuing to be rewarded for focusing on capital efficiency and investors realizing the diversification benefits that midstream assets offer to companies that own both midstream and downstream businesses.

#### 3rd fiscal quarter highlights

|   |          |
|---|----------|
| Distributions paid per share  | \$0.4075 |
| Distribution rate (as of 8/31/2016)                                     | 8.3%     |
| Quarter-over-quarter distribution increase                              | 0.0%     |
| Year-over-year distribution decrease                                    | (9.4)% * |
| Cumulative distribution to stockholders since inception in October 2011 | \$8.0600 |
| Market-based total return   | 15.6%    |
| NAV-based total return  | 9.9%     |
| Premium (discount) to NAV (as of 8/31/2016)                             | (9.7)%   |

\* Reflects the elimination of the capital gain component of the distribution. See Distributable cash flow and distributions on next page for additional information.

**Please refer to the inside front cover of the report for important information about the fund's distribution policy.**

The fund's covered call strategy, which focuses on independent energy companies that are key pipeline transporters, enabled the fund to generate current income. In an attempt to generate the same monthly income, the out-of-the-money percentage decreased quarter-over-quarter as volatility decreased. The notional amount of the fund's covered calls averaged approximately 10.9% of total assets, and their out-of-the-money percentage at the time written averaged approximately 7.5% during the fiscal quarter.

**Unlike the fund return, index return is pre-expenses and taxes.**

**Performance data quoted represent past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal quarter.**

#### Key asset performance drivers

|                          |  |  |
|--------------------------|--|--|
| Spectra Energy Corp      | Midstream natural gas/natural gas liquids pipeline company | Increased Northeast natural gas production supported infrastructure buildout and strong three-year outlook |
| Plains GP Holdings, L.P. | Midstream crude oil pipeline company                       | Clarity on distribution and strategic direction  |
| ONEOK, Inc.              | Midstream natural gas/natural gas liquids pipeline company | Improved outlook for ethane recoveries<br>Entrance into Marcellus shale improved growth outlook            |

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|   |  |  |
|---|--|--|
| TransCanada Corporation<br>The Williams Companies, Inc.   | Midstream natural gas/natural gas liquids pipeline company<br>Midstream gathering and processing company   | Clarity on distribution and strategic direction  |
| Enterprise Products Partners, L.P.<br>VTTI Energy Partners LP<br>Phillips 66 Partners LP<br>Shell Midstream Partners, L.P.<br>Valero Energy Partners LP | Midstream natural gas/natural gas liquids pipeline MLP<br>Midstream refined product pipeline MLP<br>Midstream refined product pipeline MLP<br>Midstream crude oil pipeline MLP<br>Midstream refined product pipeline MLP | Acquisition speculation<br>Equity offering to fund drop down<br>Low yield, high growth names were out of favor<br>Low yield, high growth names were out of favor<br>Low yield, high growth names were out of favor |

(unaudited)

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## Distributable cash flow and distributions

Distributable cash flow ( DCF ) is income from investments less expenses. Income from investments includes the amount received as cash or paid-in-kind distributions from common stock, master limited partnerships ( MLPs ), affiliates of MLPs, and pipeline and other energy companies in which the fund invests, and dividend payments on short-term investments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses and leverage costs.

Distributions received from investments increased approximately 3.1% as compared to 2nd quarter 2016, primarily due to the impact of trading activity offset slightly by lower net premiums on options written during the quarter. Operating expenses, consisting primarily of fund advisory fees, increased by 13.3% during the quarter due to higher asset-based fees. Leverage costs were unchanged as compared to 2nd quarter 2016. As a result of the changes in income and expenses, DCF increased by 1.5% as compared to 2nd quarter 2016. In addition, the fund had net realized gains on investments of \$1.9 million during 3rd quarter 2016.

The fund paid a quarterly distribution of \$0.4075 per share, which was unchanged over the prior quarter and a decrease of 9.4% from the 3rd quarter 2015 distribution. The fund eliminated the capital gain component of the distribution in 1st quarter 2016 because it does not anticipate the same level of capital gains following market declines over the past year. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year if necessary to meet minimum annual distribution requirements and to avoid being subject to excise taxes. The fund's distribution policy is described on the inside front cover of this report. The fund has paid cumulative distributions to stockholders of \$8.06 per share since its inception in Oct. 2011.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) the Statement of Operations, in conformity with U.S. generally accepted accounting principles ( GAAP ), recognizes distributions and dividend income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distributions and dividend income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts are not included as income for GAAP purposes; and (4) net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during the fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses).

Net Investment Income on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 3rd quarter 2016 (in thousands):

|  | 2016 YTD  | 3rd Qtr 2016 |
|--|-----------|--------------|
| Net Investment Income                            | \$ 860    | \$ 410       |
| Adjustments to reconcile to DCF:                 |           |              |
| Net premiums on options written                  | 3,894     | 1,219        |
| Distributions characterized as return of capital | 6,035     | 2,008        |
| Dividends paid in stock                          | 1,260     | 433          |
| Amortization of debt issuance costs              | 80        | 15           |
| Premium on redemption of senior notes            | 100       |              |
| DCF  | \$ 12,229 | \$ 4,085     |

## Leverage

The fund's leverage utilization was relatively unchanged during 3rd quarter 2016 and represented 22.7% of total assets at August 31, 2016, slightly below the long-term target level of 25% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, approximately 78% of the leverage cost was fixed, the weighted-average maturity was 3.3 years and the weighted-average annual rate on leverage was 3.29%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facility and as leverage matures or

is redeemed.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

(unaudited)

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**TTP Key Financial Data** (supplemental unaudited information)

(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

|   | 2015              |                   |                   | 2016              |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Q3 <sup>(1)</sup> | Q4 <sup>(1)</sup> | Q1 <sup>(1)</sup> | Q2 <sup>(1)</sup> | Q3 <sup>(1)</sup> |
| <b>Total Income from Investments</b>  |                   |                   |                   |                   |                   |
| Dividends and distributions from investments, net of foreign taxes withheld                     | \$ 3,978          | \$ 3,998          | \$ 3,529          | \$ 3,685          | \$ 3,855          |
| Dividends paid in stock   | 331               | 337               | 406               | 421               | 433               |
| Net premiums on options written   | 1,212             | 1,346             | 1,437             | 1,238             | 1,219             |
| Total from investments  | 5,521             | 5,681             | 5,372             | 5,344             | 5,507             |
| <b>Operating Expenses Before Leverage Costs</b>   |                   |                   |                   |                   |                   |
| Advisory fees, net of fees waived   | 951               | 786               | 554               | 643               | 742               |
| Other operating expenses  | 167               | 151               | 136               | 139               | 144               |
|   | 1,118             | 937               | 690               | 782               | 886               |
| Distributable cash flow before leverage costs   | 4,403             | 4,744             | 4,682             | 4,562             | 4,621             |
| Leverage costs <sup>(2)</sup>   | 746               | 630               | 564               | 536               | 536               |
| <b>Distributable Cash Flow<sup>(3)</sup></b>  | \$ 3,657          | \$ 4,114          | \$ 4,118          | \$ 4,026          | \$ 4,085          |
| <b>Net realized gain (loss) on investments and foreign currency translation, for the period</b> | \$ 3,718          | \$ 1,669          | \$ (16,941)       | \$ (6,676)        | \$ 1,927          |
| <b>As a percent of average total assets<sup>(4)</sup></b>                                       |                   |                   |                   |                   |                   |
| Total from investments  | 5.73%             | 7.30%             | 9.07%             | 8.68%             | 7.83%             |
| Operating expenses before leverage costs  | 1.16%             | 1.20%             | 1.16%             | 1.27%             | 1.26%             |
| Distributable cash flow before leverage costs   | 4.57%             | 6.10%             | 7.91%             | 7.41%             | 6.57%             |
| <b>As a percent of average net assets<sup>(4)</sup></b>   |                   |                   |                   |                   |                   |
| Total from investments  | 7.62%             | 10.15%            | 14.71%            | 11.87%            | 10.10%            |
| Operating expenses before leverage costs  | 1.54%             | 1.67%             | 1.89%             | 1.74%             | 1.63%             |
| Leverage costs  | 1.03%             | 1.13%             | 1.54%             | 1.19%             | 0.98%             |
| Distributable cash flow   | 5.05%             | 7.35%             | 11.28%            | 8.94%             | 7.49%             |
| <b>Selected Financial Information</b>   |                   |                   |                   |                   |                   |
| Distributions paid on common stock  | \$ 4,507          | \$ 4,508          | \$ 4,082          | \$ 4,081          | \$ 4,082          |
| Distributions paid on common stock per share  | 0.4500            | 0.4500            | 0.4075            | 0.4075            | 0.4075            |
| Total assets, end of period   | 345,569           | 286,039           | 213,999           | 269,483           | 286,224           |
| Average total assets during period <sup>(5)</sup>   | 382,558           | 312,142           | 238,257           | 244,963           | 279,684           |
| Leverage <sup>(6)</sup>   | 91,500            | 86,900            | 65,000            | 65,100            | 65,000            |
| Leverage as a percent of total assets   | 26.5%             | 30.4%             | 30.4%             | 24.2%             | 22.7%             |
| Net unrealized appreciation (depreciation), end of period                                       | 10,975            | (41,680)          | (75,017)          | (5,987)           | 11,363            |
| Net assets, end of period   | 252,182           | 197,443           | 144,960           | 202,587           | 218,368           |
| Average net assets during period <sup>(7)</sup>   | 287,394           | 224,525           | 146,835           | 179,041           | 216,881           |
| Net asset value per common share  | 25.18             | 19.71             | 14.47             | 20.23             | 21.80             |
| Market value per common share   | 21.55             | 17.47             | 12.56             | 17.37             | 19.69             |
| Shares outstanding (000 s)  | 10,016            | 10,016            | 10,016            | 10,016            | 10,016            |

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.

(3) Net investment income (loss) on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ( DCF ): increased by net premiums on options written, the return of capital on distributions, the value of paid-in-kind distributions, the premium on redemption of senior notes and amortization of debt issuance costs.

(4) Annualized.

(5) Computed by averaging month-end values within each period.

(6) Leverage consists of senior notes, preferred stock and outstanding borrowings under the revolving credit facility.

(7) Computed by averaging daily net assets within each period.





## Tortoise

### Energy Independence Fund, Inc. (NDP)

#### Fund description

NDP seeks a high level of total return with an emphasis on current distributions paid to stockholders. NDP invests primarily in equity securities of upstream North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and natural gas liquids that generally have a significant presence in North American oil and gas fields, including shale reservoirs.

#### Fund performance review

The fund's market-based and NAV-based returns for the fiscal quarter ending August 31, 2016 were 17.0% and 8.9%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Oil and Gas Producers Index<sup>SM</sup> returned 3.3% for the same period. The fund's positive performance reflects the improving conditions of upstream oil and gas producers as they continued to adjust to the lower price environment driven by a continued decrease in overall North American production (other than in the Permian basin), and an increase in demand. Again during this fiscal quarter, liquids producers outperformed natural gas producers, particularly those in the Permian basin as it continued to distinguish itself as the most efficient and premier basin in the U.S.

#### 3rd fiscal quarter highlights

|  |          |
|--|----------|
| Distributions paid per share   | \$0.4375 |
| Distribution rate (as of 8/31/2016)                                  | 11.2%    |
| Quarter-over-quarter distribution increase                           | 0.0%     |
| Year-over-year distribution increase                                 | 0.0%     |
| Cumulative distribution to stockholders since inception in July 2012 | \$7.0000 |
| Market-based total return  | 17.0%    |
| NAV-based total return   | 8.9%     |
| Premium (discount) to NAV (as of 8/31/2016)                          | (3.8)%   |

The fund utilizes a covered call strategy, which seeks to generate income while reducing overall volatility. The premium income generated from this strategy helped to lower NAV volatility during the quarter. The notional amount of the fund's covered calls averaged approximately 68.8% of total assets and their out-of-the-money percentage at the time written averaged approximately 10.0% during the fiscal quarter.

#### Key asset performance drivers

|                                   |  |   |
|-----------------------------------|--|---|
| Pioneer Natural Resources Company | Upstream liquids producer              | Increased 2016 production growth guidance on 2Q conference call   |
| EOG Resources, Inc.               | Upstream liquids producer              | Significantly expanded oil and gas resource potential   |
| Devon Energy Corporation          | Upstream natural gas producer          | Increased 2016 production growth and well performance from South Central Oklahoma Oil Province (SCOOP) region |
| Parsley Energy, Inc.              | Upstream oil and gas producer          | Increased production growth guidance and announced significant acquisition                                    |
| RSP Permian, Inc.                 | Upstream oil and gas producer          | Increased 2016 production growth guidance   |
| Range Resources Corporation       | Upstream natural gas producer          | Weaker natural gas prices in the Northeast  |
| Antero Resources Corporation      | Upstream liquids producer              | Weaker natural gas prices in the Northeast  |
| EQT Corporation                   | Upstream natural gas producer          | Weaker natural gas prices in the Northeast  |
| Gulfport Energy Corporation       | Upstream oil and natural gas producer  | Weaker natural gas prices in the Northeast  |
| Phillips 66 Partners LP           | Midstream refined product pipeline MLP | Low yield, high growth names were out of favor  |

*Unlike the fund return, index return is pre-expenses and taxes.*

*Performance data quoted represent past performance: past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal quarter.*

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## Tortoise

### Energy Independence Fund, Inc. (NDP) (continued)

#### Distributable cash flow and distributions

Distributable cash flow ( DCF ) is income from investments less expenses. Income from investments includes the amount received as cash or paid-in-kind distributions from investments and dividend payments on short-term investments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses and leverage costs.

Distributions received from investments decreased approximately 4.7% as compared to 2nd quarter 2016, primarily due to lower net premiums on options written and the impact of trading activity. Operating expenses, consisting primarily of fund advisory fees, increased 10.8% during the quarter due to higher asset-based fees. Total leverage costs increased approximately 4.2% during the quarter due to slightly higher leverage utilization. As a result of the changes in income and expenses, DCF decreased by approximately 6.8% as compared to 2nd quarter 2016. In addition, the fund had net realized losses on investments of \$0.7 million during 3rd quarter 2016.

The fund maintained its quarterly distribution of \$0.4375 per share during 3rd quarter 2016. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year if necessary to meet minimum annual distribution requirements and to avoid being subject to excise taxes. The fund has paid cumulative distributions to stockholders of \$7.00 per share since its inception in July 2012.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) the Statement of Operations, in conformity with U.S. generally accepted accounting principles ( GAAP ), recognizes distributions and dividend income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distributions and dividend income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts are not included as income for GAAP purposes; and (4) net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses).

Net Investment Loss on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 3rd quarter 2016 (in thousands):

|  | 2016 YTD   | 3rd Qtr 2016 |
|--|------------|--------------|
| Net Investment Loss                              | \$ (1,088) | \$ (650)     |
| Adjustments to reconcile to DCF:                 |            |              |
| Net premiums on options written                  | 17,484     | 5,864        |
| Distributions characterized as return of capital | 2,830      | 996          |
| Dividends paid in stock                          | 831        | 285          |
| DCF  | \$ 20,057  | \$ 6,495     |

#### Leverage

The fund's leverage utilization increased by \$1.4 million as compared to May 31, 2016. The fund utilizes all floating rate leverage that had an interest rate of 1.32% at August 31, 2016. Leverage represented 21.2% of total assets at quarter-end, above the long-term target level of 15% of total assets. The fund has maintained compliance with its applicable coverage ratios. The interest rate on the fund's leverage will vary in the future along with changing floating rates.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

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For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

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**Tortoise Capital Advisors**

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**NDP Key Financial Data** (supplemental unaudited information)  
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

|  | 2015               |                   | 2016              |                    |                   |
|--|--------------------|-------------------|-------------------|--------------------|-------------------|
|  | Q3 <sup>(1)</sup>  | Q4 <sup>(1)</sup> | Q1 <sup>(1)</sup> | Q2 <sup>(1)</sup>  | Q3 <sup>(1)</sup> |
| <b>Total Income from Investments</b>   |                    |                   |                   |                    |                   |
| Distributions and dividends from investments, net of foreign taxes withheld              | \$ 1,832           | \$ 1,824          | \$ 1,694          | \$ 1,615           | \$ 1,457          |
| Dividends paid in stock  | 269                | 275               | 268               | 278                | 285               |
| Net premiums on options written  | 5,112              | 5,802             | 5,531             | 6,090              | 5,863             |
| Total from investments   | 7,213              | 7,901             | 7,493             | 7,983              | 7,605             |
| <b>Operating Expenses Before Leverage Costs</b>  |                    |                   |                   |                    |                   |
| Advisory fees, net of fees waived  | 842                | 734               | 586               | 661                | 737               |
| Other operating expenses   | 154                | 141               | 134               | 161                | 174               |
|  | 996                | 875               | 720               | 822                | 911               |
| Distributable cash flow before leverage costs  | 6,217              | 7,026             | 6,773             | 7,161              | 6,694             |
| Leverage costs <sup>(2)</sup>  | 150                | 151               | 181               | 191                | 199               |
| <b>Distributable Cash Flow<sup>(3)</sup></b>   | <b>\$ 6,067</b>    | <b>\$ 6,875</b>   | <b>\$ 6,592</b>   | <b>\$ 6,970</b>    | <b>\$ 6,495</b>   |
| <b>Net realized loss on investments and foreign currency translation, for the period</b> | <b>\$ (10,630)</b> | <b>\$ (6,369)</b> | <b>\$ (7,899)</b> | <b>\$ (23,227)</b> | <b>\$ (690)</b>   |
| <b>As a percent of average total assets<sup>(4)</sup></b>                                |                    |                   |                   |                    |                   |
| Total from investments   | 8.41%              | 10.83%            | 11.88%            | 12.02%             | 10.29%            |
| Operating expenses before leverage costs   | 1.16%              | 1.20%             | 1.14%             | 1.24%              | 1.23%             |
| Distributable cash flow before leverage costs  | 7.25%              | 9.63%             | 10.74%            | 10.78%             | 9.06%             |
| <b>As a percent of average net assets<sup>(4)</sup></b>                                  |                    |                   |                   |                    |                   |
| Total from investments   | 10.41%             | 13.50%            | 17.11%            | 15.67%             | 13.00%            |
| Operating expenses before leverage costs   | 1.44%              | 1.50%             | 1.64%             | 1.61%              | 1.56%             |
| Leverage costs   | 0.22%              | 0.26%             | 0.41%             | 0.37%              | 0.34%             |
| Distributable cash flow  | 8.75%              | 11.74%            | 15.06%            | 13.69%             | 11.10%            |
| <b>Selected Financial Information</b>  |                    |                   |                   |                    |                   |
| Distributions paid on common stock   | \$ 6,350           | \$ 6,351          | \$ 6,351          | \$ 6,351           | \$ 6,350          |
| Distributions paid on common stock per share   | 0.4375             | 0.4375            | 0.4375            | 0.4375             | 0.4375            |
| Total assets, end of period  | 307,266            | 289,330           | 228,663           | 287,532            | 301,460           |
| Average total assets during period <sup>(5)</sup>  | 340,194            | 292,664           | 253,624           | 264,154            | 294,100           |
| Leverage <sup>(6)</sup>  | 61,900             | 61,800            | 61,800            | 62,600             | 64,000            |
| Leverage as a percent of total assets  | 20.1%              | 21.4%             | 27.0%             | 21.8%              | 21.2%             |
| Net unrealized depreciation, end of period   | (61,343)           | (66,495)          | (117,834)         | (27,486)           | (7,816)           |
| Net assets, end of period  | 241,721            | 225,410           | 164,735           | 222,159            | 235,472           |
| Average net assets during period <sup>(7)</sup>  | 274,832            | 234,669           | 176,104           | 202,667            | 232,775           |
| Net asset value per common share   | 16.65              | 15.53             | 11.35             | 15.30              | 16.22             |
| Market value per common share  | 14.64              | 13.18             | 9.76              | 13.71              | 15.61             |
| Shares outstanding (000 s)   | 14,516             | 14,516            | 14,516            | 14,516             | 14,516            |

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense and other recurring leverage expenses.

(3) Net investment income (loss) on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ( DCF ): increased by net premiums on options written, the return of capital on distributions and the value of paid-in-kind distributions.

(4) Annualized.

(5) Computed by averaging month-end values within each period.

(6) Leverage consists of outstanding borrowings under the revolving credit facility.

(7) Computed by averaging daily net assets within each period.



## Tortoise

### Power and Energy Infrastructure Fund, Inc. (TPZ)

#### Fund description

TPZ seeks to provide a high level of current income to stockholders, with a secondary objective of capital appreciation. TPZ invests primarily in fixed income and dividend-paying equity securities of power and energy infrastructure companies that provide stable and defensive characteristics throughout economic cycles.

#### Fund performance review

The fund's market-based and NAV-based returns for the fiscal quarter ending August 31, 2016 were 16.5% and 8.7%, respectively (including the reinvestment of distributions). Comparatively, the TPZ Benchmark Composite\* returned 5.8% for the same period. The fund's positive performance reflects midstream MLP and other pipeline companies continuing to be rewarded for focusing on capital efficiency and investors realizing the diversification benefits that midstream assets offer to companies that own both midstream and downstream businesses. Power companies, an area of focus for the fund, had positive performance for the quarter, but did not perform as well as the other sub-sectors due to their defensive nature. Energy fixed income performed better than energy equities during the fiscal quarter.

#### 3rd fiscal quarter highlights

|   |           |
|---|-----------|
| Monthly distributions paid per share        | \$0.1250  |
| Distribution rate (as of 8/31/2016)         | 7.0%      |
| Quarter-over-quarter distribution increase  | 0.0%      |
| Year-over-year distribution decrease        | (9.1)%**  |
| Cumulative distribution to stockholders     |           |
| since inception in July 2009                | \$11.9000 |
| Market-based total return                   | 16.5%     |
| NAV-based total return                      | 8.7%      |
| Premium (discount) to NAV (as of 8/31/2016) | (7.2)%    |

The TPZ Benchmark Composite includes the BofA Merrill Lynch U.S. Energy Index (CIEN), the BofA Merrill Lynch U.S. Electricity Index (CUEL) and the Tortoise MLP Index® (TMLP). It is comprised of a blend of 70% fixed income and 30% equity securities issued by companies in the power and energy infrastructure sectors.

\* Reflects the elimination of the capital gain component of the distribution. See Distributable cash flow and distributions on next page for additional information.

**Please refer to the inside front cover of the report for important information about the fund's distribution policy. Unlike the fund return, index return is pre-expenses and taxes.**

**Performance data quoted represent past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal quarter.**

#### Key asset performance drivers

|                                |  |  |
|--------------------------------|--|--|
| Energy Transfer Partners, L.P. | Midstream natural gas/natural gas liquids pipeline MLP     | Investors rewarded company's clarity on distribution and strategic direction following termination of merger agreement with The Williams Companies |
| Plains GP Holdings, L.P.       | Midstream crude oil pipeline company                       | Investors rewarded company's clarity on distribution and strategic direction   |
| ONEOK, Inc.                    | Midstream natural gas/natural gas liquids pipeline company | Improved outlook for ethane recoveries   |



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|   |   |   |
|---|---|---|
| Spectra Energy Corp<br>TransCanada<br>Corporation   | Midstream natural gas/natural gas liquids<br>pipeline company<br>Midstream natural gas/natural gas liquids<br>pipeline company  | Increased Northeast natural gas production supported<br>infrastructure buildout and strong three-year outlook<br><br>Entrance into Marcellus shale improved growth outlook  |
| Enterprise Products<br>Partners, L.P.<br>Phillips 66 Partners LP<br>Shell Midstream<br>Partners, L.P.<br>Valero Energy<br>Partners LP<br>Genesis Energy, L.P. | Midstream natural gas/natural gas liquids<br>pipeline MLP<br>Midstream refined product pipeline MLP<br>Midstream crude oil pipeline MLP<br><br>Midstream refined product pipeline MLP<br><br>Midstream crude oil pipeline MLP | Acquisition speculation<br>Low yield, high growth names were out of favor<br><br>Low yield, high growth names were out of favor<br><br>Low yield, high growth names were out of favor<br>Lower distribution growth rate |

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## Distributable cash flow and distributions

Distributable cash flow ( DCF ) is income from investments less expenses. Income from investments includes the accrued interest from corporate bonds, cash distributions and paid-in-kind distributions from master limited partnerships ( MLPs ) and other equity investments and dividends earned from short-term investments. The total expenses include current or anticipated operating expenses and leverage costs.

Distributions received from investments increased 2.8% as compared to 2nd quarter 2016 due to the impact of trading activity. Operating expenses, consisting primarily of fund advisory fees, increased 8.5% during the quarter due to higher asset-based fees. Total leverage costs increased slightly during the quarter. As a result of the changes in income and expenses, DCF increased approximately 1.6% as compared to 2nd quarter 2016. In addition, the fund had net realized gains on investments of \$3.8 million during 3rd quarter 2016.

The fund paid monthly distributions of \$0.125 per share during 3rd quarter 2016, which was unchanged over the prior quarter and a decrease of 9.1% from the distributions paid in 3rd quarter 2015. The fund eliminated the capital gain component of the monthly distribution in 2nd quarter 2016 because it does not anticipate the same level of capital gains following market declines over the past year. The fund's Board of Directors has declared monthly distributions of \$0.125 per share to be paid during 4th quarter 2016. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year if necessary to meet minimum annual distribution requirements and to avoid being subject to excise taxes. The fund's distribution policy is described on the inside front cover of this report. The fund has paid cumulative distributions to stockholders of \$11.90 per share since its inception in July 2009.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) U.S. generally accepted accounting principles ( GAAP ), recognizes distribution income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts are not included as income for GAAP purposes; and (4) amortization of premium or discount for all securities is calculated using the yield to worst methodology for GAAP purposes while yield to call is used in calculating amortization for long-dated hybrid securities in the DCF calculation. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense and realized and unrealized gains (losses) on interest rate swap settlements as leverage costs.

Net Investment Income on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 3rd quarter 2016 (in thousands):

|  | 2016 YTD | 3rd Qtr 2016 |
|--|----------|--------------|
| Net Investment Income                            | \$3,892  | \$1,350      |
| Adjustments to reconcile to DCF:                 |          |              |
| Dividends paid in stock                          | 742      | 251          |
| Distributions characterized as return of capital | 3,629    | 1,167        |
| Interest rate swap expenses                      | (212)    | (65)         |
| Change in amortization methodology               | 45       | 9            |
| DCF  | \$ 8,096 | \$ 2,712     |

## Leverage

The fund's leverage utilization declined by \$2.0 million as compared to May 31, 2016 and represented 23.8% of total assets at August 31, 2016, above the long-term target level of 20% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, including the impact of interest rate swaps, approximately 46% of the leverage cost was fixed, the weighted-average maturity was 1.2 years and the weighted-average annual rate on leverage was 1.77%. These rates will vary in the future as a result of changing floating rates and as swaps mature or are redeemed.

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Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com).

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**TPZ Key Financial Data** (supplemental unaudited information)  
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

|   | 2015              |                   | 2016              |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Q3 <sup>(1)</sup> | Q4 <sup>(1)</sup> | Q1 <sup>(1)</sup> | Q2 <sup>(1)</sup> | Q3 <sup>(1)</sup> |
| <b>Total Income from Investments</b>  |                   |                   |                   |                   |                   |
| Interest earned on corporate bonds  | \$ 1,900          | \$ 1,793          | \$ 1,672          | \$ 1,616          | \$ 1,605          |
| Distributions and dividends from investments, net of foreign taxes withheld                     | 1,138             | 1,431             | 1,568             | 1,631             | 1,738             |
| Dividends paid in stock   | 232               | 236               | 241               | 250               | 251               |
| Total from investments  | 3,270             | 3,460             | 3,481             | 3,497             | 3,594             |
| <b>Operating Expenses Before Leverage Costs</b>   |                   |                   |                   |                   |                   |
| Advisory fees, net of fees waived   | 566               | 497               | 409               | 453               | 499               |
| Other operating expenses  | 138               | 165               | 125               | 148               | 153               |
|   | 704               | 662               | 534               | 601               | 652               |
| Distributable cash flow before leverage costs   | 2,566             | 2,798             | 2,947             | 2,896             | 2,942             |
| Leverage costs <sup>(2)</sup>   | 219               | 217               | 231               | 228               | 230               |
| <b>Distributable Cash Flow<sup>(3)</sup></b>  | \$ 2,347          | \$ 2,581          | \$ 2,716          | \$ 2,668          | \$ 2,712          |
| <b>Net realized gain (loss) on investments and foreign currency translation, for the period</b> | \$ (1,634)        | \$ (3,954)        | \$ (4,797)        | \$ 67             | \$ 3,840          |
| <b>As a percent of average total assets<sup>(4)</sup></b>                                       |                   |                   |                   |                   |                   |
| Total from investments  | 5.43%             | 6.62%             | 7.70%             | 7.32%             | 6.82%             |
| Operating expenses before leverage costs  | 1.17%             | 1.27%             | 1.18%             | 1.26%             | 1.24%             |
| Distributable cash flow before leverage costs   | 4.26%             | 5.35%             | 6.52%             | 6.06%             | 5.58%             |
| <b>As a percent of average net assets<sup>(4)</sup></b>   |                   |                   |                   |                   |                   |
| Total from investments  | 6.95%             | 8.72%             | 11.32%            | 10.03%            | 9.02%             |
| Operating expenses before leverage costs  | 1.50%             | 1.67%             | 1.74%             | 1.72%             | 1.64%             |
| Leverage costs  | 0.47%             | 0.55%             | 0.75%             | 0.65%             | 0.58%             |
| Distributable cash flow   | 4.98%             | 6.50%             | 8.83%             | 7.66%             | 6.80%             |
| <b>Selected Financial Information</b>   |                   |                   |                   |                   |                   |
| Distributions paid on common stock  | \$ 2,867          | \$ 2,868          | \$ 2,867          | \$ 2,607          | \$ 2,607          |
| Distributions paid on common stock per share  | 0.4125            | 0.4125            | 0.4125            | 0.3750            | 0.3750            |
| Total assets, end of period   | 226,510           | 198,282           | 171,284           | 205,150           | 213,243           |
| Average total assets during period <sup>(5)</sup>   | 239,062           | 209,734           | 181,912           | 190,095           | 209,610           |
| Leverage <sup>(6)</sup>   | 54,500            | 49,900            | 49,600            | 52,700            | 50,700            |
| Leverage as a percent of total assets   | 24.1%             | 25.2%             | 29.0%             | 25.7%             | 23.8%             |
| Net unrealized appreciation (depreciation), end of period                                       | 31,449            | 13,478            | (7,382)           | 25,113            | 32,831            |
| Net assets, end of period   | 171,137           | 147,563           | 120,519           | 151,382           | 161,615           |
| Average net assets during period <sup>(7)</sup>   | 186,685           | 159,097           | 123,733           | 138,638           | 158,507           |
| Net asset value per common share  | 24.62             | 21.23             | 17.34             | 21.78             | 23.25             |
| Market value per common share   | 21.37             | 18.53             | 15.17             | 18.86             | 21.57             |
| Shares outstanding (000 s)  | 6,951             | 6,951             | 6,951             | 6,951             | 6,951             |

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, interest rate swap expenses and other recurring leverage expenses.

(3) Net investment income (loss) on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ( DCF ): increased by the return of capital on distributions, the value of paid-in-kind distributions and the change in methodology for calculating amortization of premiums or discounts; and decreased by realized and unrealized gains (losses) on interest rate swap settlements.

(4) Annualized.

- (5) Computed by averaging month-end values within each period.
- (6) Leverage consists of outstanding borrowings under the revolving credit facility.
- (7) Computed by averaging daily net assets within each period.

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**TYG Schedule of Investments** (unaudited)  
August 31, 2016

|   | Shares    | Fair Value    |
|---|-----------|---------------|
| <b>Master Limited Partnerships 177.7%</b>                   |           |               |
| <b>Crude Oil Pipelines 44.2%</b>                            |           |               |
| <b>United States 44.2%</b>                                  |           |               |
| Enbridge Energy Partners, L.P.                              | 1,897,232 | \$ 44,129,616 |
| Genesis Energy L.P.   | 2,331,152 | 83,431,930    |
| Plains All American Pipeline, L.P.                          | 6,098,420 | 171,121,665   |
| Shell Midstream Partners, L.P.                              | 1,597,369 | 48,671,834    |
| Sunoco Logistics Partners L.P.                              | 6,412,715 | 189,816,364   |
| Tesoro Logistics LP   | 2,093,642 | 100,411,070   |
|   |           | 637,582,479   |
| <b>Natural Gas/Natural Gas Liquids Pipelines 66.7%</b>      |           |               |
| <b>United States 66.7%</b>                                  |           |               |
| Columbia Pipeline Partners LP                               | 1,110,158 | 15,064,844    |
| Dominion Midstream Partners, LP                             | 896,190   | 22,816,998    |
| Energy Transfer Partners, L.P. <sup>(2)</sup>               | 5,108,669 | 204,040,240   |
| Enterprise Products Partners L.P.                           | 6,886,458 | 181,802,491   |
| EQT Midstream Partners, LP                                  | 1,966,806 | 154,610,620   |
| ONEOK Partners, L.P.  | 4,956,085 | 192,048,294   |
| Spectra Energy Partners, LP                                 | 2,779,686 | 126,837,072   |
| Tallgrass Energy Partners, LP                               | 1,436,628 | 66,199,818    |
|   |           | 963,420,377   |
| <b>Natural Gas Gathering/Processing 34.8%</b>               |           |               |
| <b>United States 34.8%</b>                                  |           |               |
| Antero Midstream Partners LP                                | 2,223,332 | 61,275,030    |
| DCP Midstream Partners, LP                                  | 1,348,960 | 44,205,419    |
| EnLink Midstream Partners, LP                               | 3,510,721 | 61,964,226    |
| MPLX LP   | 2,421,079 | 80,210,347    |
| Rice Midstream Partners LP                                  | 820,024   | 18,745,749    |
| Western Gas Partners, LP                                    | 3,190,562 | 160,549,080   |
| Williams Partners L.P.                                      | 1,960,231 | 74,684,801    |
|   |           | 501,634,652   |
| <b>Refined Product Pipelines 32.0%</b>                      |           |               |
| <b>United States 32.0%</b>                                  |           |               |
| Buckeye Partners, L.P.                                      | 2,532,174 | 177,910,545   |
| Magellan Midstream Partners, L.P.                           | 2,849,822 | 200,427,981   |
| Phillips 66 Partners LP                                     | 946,859   | 46,841,115    |
| Valero Energy Partners LP                                   | 888,135   | 37,203,975    |
|   |           | 462,383,616   |
| Total Master Limited Partnerships<br>(Cost \$2,031,304,920) |           | 2,565,021,124 |
| <b>Preferred Stock 2.8%</b>                                 |           |               |
| <b>Natural Gas Gathering/Processing 1.7%</b>                |           |               |
| <b>United States 1.7%</b>                                   |           |               |
| Targa Resources Corp., 9.500% <sup>(3)</sup>                | 21,758    | 24,351,740    |
| <b>Oil and Gas Production 1.1%</b>                          |           |               |
| <b>United States 1.1%</b>                                   |           |               |
| Anadarko Petroleum Corporation,<br>7.500%, 06/07/2018       | 392,800   | 15,004,960    |
| Total Preferred Stock<br>(Cost \$36,245,641)                |           | 39,356,700    |
| <b>Warrants 0.6%</b>  |           |               |
| <b>Natural Gas Gathering/Processing 0.6%</b>                |           |               |

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|   |         |                  |
|---|---------|------------------|
| <b>United States 0.6%</b>   |         |                  |
| Targa Resources Corp. Series A,<br>\$18.88, 03/16/2023 <sup>(3)(4)</sup>                    | 305,483 | 6,975,779        |
| Targa Resources Corp. Series B,<br>\$25.11, 03/16/2023 <sup>(3)(4)</sup>                    | 147,302 | 2,495,847        |
| <b>Total Warrants</b><br>(Cost \$3,145,348)   |         | 9,471,626        |
| <b>Short-Term Investment 0.0%</b>   |         |                  |
| <b>United States Investment Company 0.0%</b>  |         |                  |
| Government & Agency Portfolio Institutional Class,<br>0.29% <sup>(5)</sup> (Cost \$392,746) | 392,746 | 392,746          |
| <b>Total Investments 181.1%</b><br>(Cost \$2,071,088,655)                                   |         | 2,614,242,196    |
| <b>Interest Rate Swap Contracts (0.0)%</b>  |         |                  |
| \$20,000,000 notional unrealized depreciation <sup>(6)</sup>                                |         | (692,536)        |
| <b>Other Assets and Liabilities 0.3%</b>  |         | 4,235,385        |
| <b>Deferred Tax Liability (31.5)%</b>   |         | (454,187,784)    |
| <b>Credit Facility Borrowings (7.8)%</b>  |         | (112,700,000)    |
| <b>Senior Notes (30.7)%</b>   |         | (442,500,000)    |
| <b>Mandatory Redeemable Preferred Stock<br/>at Liquidation Value (11.4)%</b>                |         | (165,000,000)    |
| <b>Total Net Assets Applicable to<br/>Common Stockholders 100.0%</b>                        |         | \$ 1,443,397,261 |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) A portion of the security is segregated as collateral for the unrealized depreciation of interest rate swap contracts of \$692,536.

(3) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of \$33,823,366, which represents 2.3% of net assets. See Note 6 to the financial statements for further disclosure.

(4) Non-income producing security.

(5) Rate indicated is the current yield as of August 31, 2016.

(6) See Note 11 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

Tortoise Capital Advisors

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**NTG Schedule of Investments** (unaudited)

August 31, 2016

|   | Shares    | Fair Value    |
|---|-----------|---------------|
| <b>Master Limited Partnerships 162.8%</b>                   |           |               |
| <b>Crude Oil Pipelines 39.7%</b>                            |           |               |
| <b>United States 39.7%</b>                                  |           |               |
| Enbridge Energy Partners, L.P.                              | 2,954,562 | \$ 68,723,112 |
| Genesis Energy L.P.   | 1,197,143 | 42,845,748    |
| Plains All American Pipeline, L.P.                          | 3,821,796 | 107,239,596   |
| Shell Midstream Partners, L.P.                              | 600,405   | 18,294,340    |
| Sunoco Logistics Partners L.P.                              | 2,671,434 | 79,074,446    |
| Tesoro Logistics LP   | 1,026,024 | 49,208,111    |
|   |           | 365,385,353   |
| <b>Natural Gas/Natural Gas Liquids Pipelines 67.0%</b>      |           |               |
| <b>United States 67.0%</b>                                  |           |               |
| Columbia Pipeline Partners LP                               | 625,082   | 8,482,362     |
| Dominion Midstream Partners, LP                             | 548,376   | 13,961,653    |
| Energy Transfer Partners, L.P.                              | 3,522,616 | 140,693,283   |
| Enterprise Products Partners L.P.                           | 4,502,106 | 118,855,598   |
| EQT Midstream Partners, LP                                  | 1,168,004 | 91,816,795    |
| ONEOK Partners, L.P.  | 2,621,417 | 101,579,909   |
| Spectra Energy Partners, LP                                 | 2,256,493 | 102,963,776   |
| Tallgrass Energy Partners, LP                               | 819,012   | 37,740,073    |
|   |           | 616,093,449   |
| <b>Natural Gas Gathering/Processing 39.0%</b>               |           |               |
| <b>United States 39.0%</b>                                  |           |               |
| Antero Midstream Partners LP                                | 725,846   | 20,004,316    |
| DCP Midstream Partners, LP                                  | 1,740,466 | 57,035,071    |
| EnLink Midstream Partners, LP                               | 3,067,916 | 54,148,717    |
| MPLX LP   | 1,538,726 | 50,977,992    |
| Rice Midstream Partners LP                                  | 513,608   | 11,741,079    |
| Western Gas Equity Partners, LP                             | 1,744     | 64,301        |
| Western Gas Partners, LP                                    | 1,807,214 | 90,939,009    |
| Williams Partners L.P.                                      | 1,933,677 | 73,673,094    |
|   |           | 358,583,579   |
| <b>Refined Product Pipelines 17.1%</b>                      |           |               |
| <b>United States 17.1%</b>                                  |           |               |
| Buckeye Partners, L.P.                                      | 1,039,397 | 73,028,033    |
| Magellan Midstream Partners, L.P.                           | 869,301   | 61,137,939    |
| Phillips 66 Partners LP                                     | 310,784   | 15,374,485    |
| Valero Energy Partners LP                                   | 187,891   | 7,870,754     |
|   |           | 157,411,211   |
| Total Master Limited Partnerships<br>(Cost \$1,329,163,959) |           | 1,497,473,592 |
| <b>Preferred Stock 2.3%</b>                                 |           |               |
| <b>Natural Gas Gathering/Processing 1.5%</b>                |           |               |
| <b>United States 1.5%</b>                                   |           |               |
| Targa Resources Corp., 9.500% <sup>(2)</sup>                | 12,252    | 13,712,543    |
| <b>Oil and Gas Production 0.8%</b>                          |           |               |
| <b>United States 0.8%</b>                                   |           |               |
| Anadarko Petroleum Corporation,<br>7.500%, 06/07/2018       | 199,500   | 7,620,900     |
| Total Preferred Stock<br>(Cost \$19,419,735)                |           | 21,333,443    |
| <b>Warrants 0.6%</b>  |           |               |



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|   |         |                |
|---|---------|----------------|
| <b>Natural Gas Gathering/Processing 0.6%</b>  |         |                |
| <b>United States 0.6%</b>   |         |                |
| Targa Resources Corp. Series A,<br>\$18.88, 03/16/2023 <sup>(2)(3)</sup>                    | 172,018 | 3,928,073      |
| Targa Resources Corp. Series B,<br>\$25.11, 03/16/2023 <sup>(2)(3)</sup>                    | 82,946  | 1,405,416      |
| Total Warrants<br>(Cost \$1,771,155)  |         | 5,333,489      |
| <b>Short-Term Investment 0.0%</b>   |         |                |
| <b>United States Investment Company 0.0%</b>  |         |                |
| Government & Agency Portfolio Institutional Class,<br>0.29% <sup>(4)</sup> (Cost \$161,155) | 161,155 | 161,155        |
| <b>Total Investments 165.7%</b><br><b>(Cost \$1,350,516,004)</b>                            |         | 1,524,301,679  |
| <b>Other Assets and Liabilities (0.1)%</b>  |         | (1,493,521)    |
| <b>Deferred Tax Liability (17.4)%</b>   |         | (159,787,206)  |
| <b>Credit Facility Borrowings (5.3)%</b>  |         | (49,300,000)   |
| <b>Senior Notes (30.9)%</b>   |         | (284,000,000)  |
| <b>Mandatory Redeemable Preferred Stock<br/>at Liquidation Value (12.0)%</b>                |         | (110,000,000)  |
| <b>Total Net Assets Applicable to<br/>Common Stockholders 100.0%</b>                        |         | \$ 919,720,952 |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of \$19,046,032, which represents 2.1% of net assets. See Note 6 to the financial statements for further disclosure.

(3) Non-income producing security.

(4) Rate indicated is the current yield as of August 31, 2016.

See accompanying Notes to Financial Statements.

2016 3rd Quarter Report | August 31, 2016

**TTP Schedule of Investments** (unaudited)  
August 31, 2016

|  | Shares    | Fair Value    |
|--|-----------|---------------|
| <b>Common Stock 88.7%</b>  |           |               |
| <b>Crude Oil Pipelines 26.9%</b>                                   |           |               |
| <b>Canada 12.6%</b>  |           |               |
| Enbridge Inc.  | 281,987   | \$ 11,135,667 |
| Inter Pipeline Ltd.  | 502,133   | 10,920,263    |
| Pembina Pipeline Corporation                                       | 177,160   | 5,330,741     |
| <b>United States 14.3%</b>   |           |               |
| Plains GP Holdings, L.P.   | 2,059,195 | 23,433,639    |
| SemGroup Corporation   | 251,765   | 7,829,892     |
|  |           | 58,650,202    |
| <b>Natural Gas Gathering/Processing 9.3%</b>                       |           |               |
| <b>United States 9.3%</b>  |           |               |
| EnLink Midstream, LLC  | 530,288   | 8,829,295     |
| Targa Resources Corp.  | 263,723   | 11,493,048    |
|  |           | 20,322,343    |
| <b>Natural Gas/Natural Gas Liquids Pipelines 35.1%</b>             |           |               |
| <b>Canada 11.5%</b>  |           |               |
| Keyera Corp.   | 58,564    | 1,808,187     |
| TransCanada Corporation  | 513,716   | 23,348,392    |
| <b>United States 23.6%</b>   |           |               |
| ONEOK, Inc.  | 490,833   | 23,015,159    |
| Spectra Energy Corp  | 687,868   | 24,501,858    |
| Tallgrass Energy GP, LP  | 175,642   | 4,087,189     |
|  |           | 76,760,785    |
| <b>Oil and Gas Production 14.0%</b>                                |           |               |
| <b>United States 14.0%</b>   |           |               |
| Anadarko Petroleum Corporation <sup>(2)</sup>                      | 30,500    | 1,630,835     |
| Antero Resources Corporation <sup>(2)(3)</sup>                     | 36,400    | 930,384       |
| Cabot Oil & Gas Corporation <sup>(2)</sup>                         | 115,900   | 2,854,617     |
| Carrizo Oil & Gas, Inc. <sup>(2)(3)</sup>                          | 20,100    | 769,629       |
| Cimarex Energy Co. <sup>(2)</sup>                                  | 16,700    | 2,207,406     |
| Concho Resources Inc. <sup>(2)(3)</sup>                            | 24,400    | 3,152,480     |
| Continental Resources, Inc. <sup>(2)(3)</sup>                      | 22,900    | 1,098,284     |
| Diamondback Energy, Inc. <sup>(2)(3)</sup>                         | 10,400    | 990,600       |
| EOG Resources, Inc. <sup>(2)</sup>                                 | 53,000    | 4,689,970     |
| EQT Corporation <sup>(2)</sup>                                     | 8,300     | 593,450       |
| Gulfport Energy Corporation <sup>(2)(3)</sup>                      | 30,200    | 863,720       |
| Hess Corporation <sup>(2)</sup>                                    | 10,200    | 553,860       |
| Laredo Petroleum, Inc. <sup>(2)(3)</sup>                           | 57,900    | 711,012       |
| Newfield Exploration Company <sup>(2)(3)</sup>                     | 31,500    | 1,365,840     |
| Noble Energy, Inc. <sup>(2)</sup>                                  | 40,700    | 1,403,336     |
| Occidental Petroleum Corporation <sup>(2)</sup>                    | 7,200     | 553,320       |
| PDC Energy, Inc. <sup>(2)(3)</sup>                                 | 2,300     | 152,720       |
| Pioneer Natural Resources Company <sup>(2)</sup>                   | 21,100    | 3,777,955     |
| Range Resources Corporation <sup>(2)</sup>                         | 31,800    | 1,226,526     |
| RSP Permian, Inc. <sup>(2)(3)</sup>                                | 24,600    | 960,630       |
|  |           | 30,486,574    |
| <b>Refined Product Pipelines 3.4%</b>                              |           |               |
| <b>United States 3.4%</b>  |           |               |
| VTTI Energy Partners LP  | 384,360   | 7,391,243     |
| Total Common Stock<br>(Cost \$189,872,482)                         |           | 193,611,147   |
| <b>Master Limited Partnerships<br/>and Related Companies 39.2%</b> |           |               |

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**Crude Oil Pipelines 15.1%**

**United States 15.1%**

|                                       |         |            |
|---------------------------------------|---------|------------|
| Enbridge Energy Management, L.L.C.(4) | 760,852 | 17,316,998 |
| Genesis Energy L.P.                   | 76,499  | 2,737,899  |
| Plains All American Pipeline, L.P.    | 166,915 | 4,683,635  |
| Shell Midstream Partners, L.P.        | 34,207  | 1,042,287  |
| Sunoco Logistics Partners L.P.        | 161,024 | 4,766,310  |
| Tesoro Logistics LP                   | 50,022  | 2,399,055  |
|                                       |         | 32,946,184 |

**Natural Gas/Natural Gas Liquids Pipelines 9.3%**

**United States 9.3%**

|                                   |         |            |
|-----------------------------------|---------|------------|
| Columbia Pipeline Partners LP     | 13,783  | 187,035    |
| Energy Transfer Partners, L.P.    | 290,907 | 11,618,826 |
| Enterprise Products Partners L.P. | 174,456 | 4,605,638  |
| EQT Midstream Partners, LP        | 37,838  | 2,974,445  |
| Tallgrass Energy Partners, LP     | 20,140  | 928,051    |
|                                   |         | 20,313,995 |

**Natural Gas Gathering/Processing 9.3%**

**United States 9.3%**

|                               |         |            |
|-------------------------------|---------|------------|
| DCP Midstream Partners, LP    | 58,115  | 1,904,429  |
| EnLink Midstream Partners, LP | 60,432  | 1,066,625  |
| MPLX LP                       | 225,964 | 7,486,187  |
| Rice Midstream Partners LP    | 42,736  | 976,945    |
| Western Gas Partners, LP      | 35,547  | 1,788,725  |
| Williams Partners L.P.        | 185,555 | 7,069,646  |
|                               |         | 20,292,557 |

**Refined Product Pipelines 5.5%**

**United States 5.5%**

|                                   |        |            |
|-----------------------------------|--------|------------|
| Buckeye Partners, L.P.            | 92,750 | 6,516,615  |
| Magellan Midstream Partners, L.P. | 35,211 | 2,476,390  |
| Phillips 66 Partners LP           | 36,049 | 1,783,344  |
| Valero Energy Partners LP         | 31,129 | 1,303,994  |
|                                   |        | 12,080,343 |

|  |  |            |
|--|--|------------|
| Total Master Limited Partnerships<br>and Related Companies (Cost \$79,063,940) |  | 85,633,079 |
|--|--|------------|

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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**TTP Schedule of Investments** (unaudited) (continued)  
August 31, 2016

|   | Shares  | Fair Value            |
|---|---------|-----------------------|
| <b>Preferred Stock 1.8%</b>   |         |                       |
| <b>Natural Gas Gathering/Processing 1.1%</b>  |         |                       |
| <b>United States 1.1%</b>   |         |                       |
| Targa Resources Corp., 9.500% <sup>(5)</sup>  | 2,108   | \$ 2,359,292          |
| <b>Oil and Gas Production 0.7%</b>  |         |                       |
| <b>United States 0.7%</b>   |         |                       |
| Anadarko Petroleum Corporation,<br>7.500%, 06/07/2018                                       | 39,500  | 1,508,900             |
| Total Preferred Stock<br>(Cost \$3,577,521)   |         | 3,868,192             |
| <b>Warrants 0.4%</b>  |         |                       |
| <b>Natural Gas Gathering/Processing 0.4%</b>  |         |                       |
| <b>United States 0.4%</b>   |         |                       |
| Targa Resources Corp. Series A,<br>\$18.88, 03/16/2023 <sup>(3)(5)</sup>                    | 29,596  | 675,832               |
| Targa Resources Corp. Series B,<br>\$25.11, 03/16/2023 <sup>(3)(5)</sup>                    | 14,271  | 241,804               |
| Total Warrants<br>(Cost \$304,733)  |         | 917,636               |
| <b>Short-Term Investment 0.0%</b>   |         |                       |
| <b>United States Investment Company 0.0%</b>  |         |                       |
| Government & Agency Portfolio Institutional Class,<br>0.29% <sup>(6)</sup> (Cost \$103,289) | 103,289 | 103,289               |
| <b>Total Investments 130.1%</b><br><b>(Cost \$272,921,965)</b>                              |         | <b>284,133,343</b>    |
| <b>Total Value of Options Written</b><br><b>(Premiums received \$350,280) (0.1)%</b>        |         | <b>(195,685)</b>      |
| <b>Other Assets and Liabilities (0.2)%</b>  |         | <b>(569,297)</b>      |
| <b>Credit Facility Borrowings (6.9)%</b>  |         | <b>(15,000,000)</b>   |
| <b>Senior Notes (15.6)%</b>   |         | <b>(34,000,000)</b>   |
| <b>Mandatory Redeemable Preferred Stock<br/>at Liquidation Value (7.3)%</b>                 |         | <b>(16,000,000)</b>   |
| <b>Total Net Assets Applicable to<br/>Common Stockholders 100.0%</b>                        |         | <b>\$ 218,368,361</b> |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

(3) Non-income producing security.

(4) Security distributions are paid-in-kind.

(5) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of \$3,276,928, which represents 1.5% of net assets. See Note 6 to the financial statements for further disclosure.

(6) Rate indicated is the current yield as of August 31, 2016.

See accompanying Notes to Financial Statements.



2016 3rd Quarter Report | August 31, 2016

**TTP Schedule of Options Written** (unaudited)  
August 31, 2016

| Call Options Written                       | Expiration Date | Strike Price | Contracts | Fair Value   |
|--|-----------------|--------------|-----------|--------------|
| Anadarko Petroleum Corporation             | September 2016  | \$ 57.50     | 305       | \$ (10,675)  |
| Antero Resources Corporation               | September 2016  | 29.00        | 241       | (1,632)      |
| Antero Resources Corporation               | September 2016  | 29.50        | 123       | (616)        |
| Cabot Oil & Gas Corporation                | September 2016  | 26.50        | 1,159     | (19,467)     |
| Carrizo Oil & Gas, Inc.                    | September 2016  | 39.50        | 108       | (9,973)      |
| Carrizo Oil & Gas, Inc.                    | September 2016  | 40.00        | 93        | (6,510)      |
| Cimarex Energy Co.                         | September 2016  | 140.00       | 167       | (10,438)     |
| Concho Resources Inc.                      | September 2016  | 143.50       | 244       | (8,559)      |
| Continental Resources, Inc.                | September 2016  | 51.50        | 229       | (13,202)     |
| Diamondback Energy, Inc.                   | September 2016  | 105.00       | 104       | (1,144)      |
| EOG Resources, Inc.                        | September 2016  | 97.50        | 530       | (2,650)      |
| EQT Corporation                            | September 2016  | 72.50        | 83        | (9,710)      |
| Gulfport Energy Corporation                | September 2016  | 28.50        | 126       | (11,810)     |
| Gulfport Energy Corporation                | September 2016  | 29.00        | 176       | (12,345)     |
| Hess Corporation                           | September 2016  | 60.00        | 102       | (1,530)      |
| Laredo Petroleum, Inc.                     | September 2016  | 13.00        | 292       | (10,220)     |
| Laredo Petroleum, Inc.                     | September 2016  | 13.60        | 287       | (7,513)      |
| Newfield Exploration Company               | September 2016  | 49.00        | 315       | (1,890)      |
| Noble Energy, Inc.                         | September 2016  | 37.50        | 407       | (8,140)      |
| Occidental Petroleum Corporation           | September 2016  | 80.00        | 72        | (576)        |
| PDC Energy, Inc.                           | September 2016  | 68.25        | 23        | (3,121)      |
| Pioneer Natural Resources Company          | September 2016  | 197.50       | 211       | (18,462)     |
| Range Resources Corporation                | September 2016  | 41.00        | 318       | (15,900)     |
| RSP Permian, Inc.                          | September 2016  | 41.50        | 88        | (4,597)      |
| RSP Permian, Inc.                          | September 2016  | 42.75        | 158       | (5,005)      |
| <b>Total Value of Call Options Written</b> |                 |              |           | \$ (195,685) |
| (Premiums received \$350,280)              |                 |              |           |              |

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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**NDP Schedule of Investments** (unaudited)

August 31, 2016

|   | Shares  | Fair Value   |
|---|---------|--------------|
| <b>Common Stock 97.7%</b>                             |         |              |
| <b>Oil and Gas Production 97.7%</b>                   |         |              |
| <b>Canada 3.4%</b>                                    |         |              |
| ARC Resources LTD.                                    | 334,600 | \$ 5,837,767 |
| Cenovus Energy Inc.                                   | 153,200 | 2,213,740    |
| <b>The Netherlands 2.4%</b>                           |         |              |
| Royal Dutch Shell plc (ADR)                           | 114,500 | 5,599,050    |
| <b>United Kingdom 2.4%</b>                            |         |              |
| BP p.l.c. (ADR)                                       | 165,500 | 5,603,830    |
| <b>United States 89.5%</b>                            |         |              |
| Anadarko Petroleum Corporation <sup>(2)</sup>         | 270,100 | 14,442,247   |
| Antero Resources Corporation <sup>(2)(3)</sup>        | 146,610 | 3,747,352    |
| Cabot Oil & Gas Corporation <sup>(2)</sup>            | 226,700 | 5,583,621    |
| Carrizo Oil & Gas, Inc. <sup>(2)(3)</sup>             | 215,000 | 8,232,350    |
| Cimarex Energy Co. <sup>(2)</sup>                     | 76,000  | 10,045,680   |
| Concho Resources Inc. <sup>(2)(3)</sup>               | 98,443  | 12,718,836   |
| Continental Resources, Inc. <sup>(2)(3)</sup>         | 166,900 | 8,004,524    |
| Devon Energy Corporation <sup>(2)</sup>               | 258,534 | 11,202,278   |
| Diamondback Energy, Inc. <sup>(2)(3)</sup>            | 69,700  | 6,638,925    |
| EOG Resources, Inc. <sup>(2)</sup>                    | 363,300 | 32,148,417   |
| EQT Corporation <sup>(2)</sup>                        | 276,385 | 19,761,527   |
| Gulfport Energy Corporation <sup>(2)(3)</sup>         | 178,600 | 5,107,960    |
| Laredo Petroleum, Inc. <sup>(3)</sup>                 | 40      | 491          |
| Memorial Resource Development Corp. <sup>(2)(3)</sup> | 82,900  | 1,193,760    |
| Newfield Exploration Company <sup>(2)(3)</sup>        | 202,588 | 8,784,216    |
| Occidental Petroleum Corporation <sup>(2)</sup>       | 29,300  | 2,251,705    |
| Parsley Energy, Inc. <sup>(2)(3)</sup>                | 254,900 | 8,628,365    |
| Pioneer Natural Resources Company <sup>(2)</sup>      | 163,015 | 29,187,836   |
| Range Resources Corporation <sup>(2)</sup>            | 168,900 | 6,514,473    |
| Rice Energy Inc. <sup>(2)(3)</sup>                    | 270,700 | 7,119,410    |
| RSP Permian, Inc. <sup>(2)(3)</sup>                   | 245,500 | 9,586,775    |
| Whiting Petroleum Corporation <sup>(3)</sup>          | 27      | 197          |
| <b>Total Common Stock</b>                             |         |              |
| (Cost \$243,814,293)                                  |         | 230,155,332  |

**Master Limited Partnerships****and Related Companies 28.2%**

|   |         |            |
|---|---------|------------|
| <b>Crude Oil Pipelines 9.8%</b>                       |         |            |
| <b>United States 9.8%</b>                             |         |            |
| Enbridge Energy Management, L.L.C. <sup>(4)</sup>     | 501,860 | 11,422,341 |
| Plains All American Pipeline, L.P.                    | 204,532 | 5,739,168  |
| Rose Rock Midstream, L.P.                             | 32,489  | 816,124    |
| Shell Midstream Partners, L.P.                        | 51,895  | 1,581,241  |
| Tesoro Logistics LP                                   | 70,281  | 3,370,677  |
|   |         | 22,929,551 |
| <b>Natural Gas/Natural Gas Liquids Pipelines 6.7%</b> |         |            |
| <b>United States 6.7%</b>                             |         |            |
| Columbia Pipeline Partners LP                         | 35,719  | 484,707    |
| Energy Transfer Partners, L.P.                        | 152,945 | 6,108,623  |
| Enterprise Products Partners L.P.                     | 229,988 | 6,071,683  |
| EQT GP Holdings, LP                                   | 8,439   | 211,735    |
| EQT Midstream Partners, LP                            | 24,303  | 1,910,459  |
| Tallgrass Energy Partners, LP                         | 20,140  | 928,051    |

|  |         |            |
|--|---------|------------|
|  |         | 15,715,258 |
| <b>Natural Gas Gathering/Processing 5.9%</b>                                   |         |            |
| <b>United States 5.9%</b>  |         |            |
| Antero Midstream Partners LP   | 75,672  | 2,085,520  |
| DCP Midstream Partners, LP   | 155,345 | 5,090,656  |
| EnLink Midstream Partners, LP  | 86,700  | 1,530,255  |
| MPLX LP  | 121,726 | 4,032,782  |
| Rice Midstream Partners LP   | 40,357  | 922,561    |
| Western Gas Partners, LP   | 6,100   | 306,952    |
|  |         | 13,968,726 |
| <b>Refined Product Pipelines 5.8%</b>  |         |            |
| <b>United States 5.8%</b>  |         |            |
| Buckeye Partners, L.P.   | 49,673  | 3,490,025  |
| Magellan Midstream Partners, L.P.  | 92,000  | 6,470,360  |
| Phillips 66 Partners LP  | 53,277  | 2,635,613  |
| Valero Energy Partners LP  | 26,106  | 1,093,580  |
|  |         | 13,689,578 |
| Total Master Limited Partnerships<br>and Related Companies (Cost \$61,972,040) |         | 66,303,113 |

See accompanying Notes to Financial Statements.



2016 3rd Quarter Report | August 31, 2016

**NDP Schedule of Investment** (unaudited) (continued)  
August 31, 2016

|   | Shares  | Fair Value     |
|---|---------|----------------|
| <b>Preferred Stock 1.5%</b>   |         |                |
| <b>Natural Gas Gathering/Processing 0.9%</b>  |         |                |
| <b>United States 0.9%</b>   |         |                |
| Targa Resources Corp., 9.500% <sup>(5)</sup>  | 1,997   | \$ 2,235,059   |
| <b>Oil and Gas Production 0.6%</b>  |         |                |
| <b>United States 0.6%</b>   |         |                |
| Anadarko Petroleum Corporation,<br>7.500%, 06/07/2018                                       | 36,900  | 1,409,580      |
| <b>Total Preferred Stock</b><br>(Cost \$3,365,512)  |         | 3,644,639      |
| <b>Warrants 0.4%</b>  |         |                |
| <b>Natural Gas Gathering/Processing 0.4%</b>  |         |                |
| <b>United States 0.4%</b>   |         |                |
| Targa Resources Corp. Series A,<br>\$18.88, 03/16/2023 <sup>(3)(5)</sup>                    | 28,038  | 640,255        |
| Targa Resources Corp. Series B,<br>\$25.11, 03/16/2023 <sup>(3)(5)</sup>                    | 13,520  | 229,079        |
| <b>Total Warrants</b><br>(Cost \$288,687)   |         | 869,334        |
| <b>Short-Term Investment 0.1%</b>   |         |                |
| <b>United States Investment Company 0.1%</b>  |         |                |
| Government & Agency Portfolio Institutional Class,<br>0.29% <sup>(6)</sup> (Cost \$119,006) | 119,006 | 119,006        |
| <b>Total Investments 127.9%</b><br>(Cost \$309,559,538)                                     |         | 301,091,424    |
| <b>Total Value of Options Written</b><br>(Premiums received \$1,820,728) (0.5%)             |         | (1,168,738)    |
| <b>Other Assets and Liabilities (0.2%)</b>  |         | (450,603)      |
| <b>Credit Facility Borrowings (27.2%)</b>   |         | (64,000,000)   |
| <b>Total Net Assets Applicable to<br/>Common Stockholders 100.0%</b>                        |         | \$ 235,472,083 |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

(3) Non-income producing security.

(4) Security distributions are paid-in-kind.

(5) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of \$3,104,393, which represents 1.3% of net assets. See Note 6 to the financial statements for further disclosure.

(6) Rate indicated is the current yield as of August 31, 2016.

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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**NDP Schedule of Options Written** (unaudited)

August 31, 2016

| Call Options Written                       | Expiration Date | Strike Price | Contracts | Fair Value     |
|--|-----------------|--------------|-----------|----------------|
| Anadarko Petroleum Corporation             | September 2016  | \$ 60.00     | 2,701     | \$ (32,412)    |
| Antero Resources Corporation               | September 2016  | 30.00        | 1,466     | (29,320)       |
| Cabot Oil & Gas Corporation                | September 2016  | 27.00        | 2,267     | (18,136)       |
| Carrizo Oil & Gas, Inc.                    | September 2016  | 40.00        | 2,150     | (150,500)      |
| Cimarex Energy Co.                         | September 2016  | 140.00       | 760       | (47,500)       |
| Concho Resources Inc.                      | September 2016  | 142.00       | 984       | (42,686)       |
| Continental Resources, Inc.                | September 2016  | 52.00        | 1,669     | (83,698)       |
| Devon Energy Corporation                   | September 2016  | 47.00        | 2,585     | (67,210)       |
| Diamondback Energy, Inc.                   | September 2016  | 105.00       | 697       | (7,667)        |
| EOG Resources, Inc.                        | September 2016  | 97.00        | 146       | (1,533)        |
| EOG Resources, Inc.                        | September 2016  | 97.50        | 3,487     | (17,435)       |
| EQT Corporation                            | September 2016  | 74.00        | 2,763     | (198,542)      |
| Gulfport Energy Corporation                | September 2016  | 30.00        | 1,786     | (58,045)       |
| Memorial Resource Development Corp.        | September 2016  | 16.00        | 829       | (10,408)       |
| Newfield Exploration Company               | September 2016  | 50.00        | 2,025     | (15,187)       |
| Occidental Petroleum Corporation           | September 2016  | 78.00        | 293       | (9,669)        |
| Parsley Energy, Inc.                       | September 2016  | 36.00        | 2,549     | (60,383)       |
| Pioneer Natural Resources Company          | September 2016  | 197.50       | 1,630     | (142,625)      |
| Range Resources Corporation                | September 2016  | 42.00        | 1,689     | (50,670)       |
| Rice Energy Inc.                           | September 2016  | 29.00        | 2,707     | (54,140)       |
| RSP Permian, Inc.                          | September 2016  | 43.00        | 2,455     | (70,972)       |
| <b>Total Value of Call Options Written</b> |                 |              |           |                |
| (Premiums received \$1,820,728)            |                 |              |           | \$ (1,168,738) |

See accompanying Notes to Financial Statements.

2016 3rd Quarter Report | August 31, 2016

**TPZ Schedule of Investments** (unaudited)  
August 31, 2016

|   | Principal<br>Amount | Fair Value   |
|---|---------------------|--------------|
| <b>Corporate Bonds 68.3%</b> <sup>(1)</sup>                             |                     |              |
| <b>Crude Oil Pipelines 6.2%</b> <sup>(1)</sup>                          |                     |              |
| <b>Canada 2.8%</b> <sup>(1)</sup>                                       |                     |              |
| Gibson Energy Inc.,<br>6.750%, 07/15/2021 <sup>(2)</sup>                | \$ 4,500,000        | \$ 4,567,500 |
| <b>United States 3.4%</b> <sup>(1)</sup>                                |                     |              |
| SemGroup Corp.,<br>7.500%, 06/15/2021                                   | 5,450,000           | 5,477,250    |
|   |                     | 10,044,750   |
| <b>Local Distribution Companies 6.3%</b> <sup>(1)</sup>                 |                     |              |
| <b>United States 6.3%</b> <sup>(1)</sup>                                |                     |              |
| Black Hills Energy,<br>5.900%, 04/01/2017 <sup>(2)</sup>                | 5,770,000           | 5,867,917    |
| CenterPoint Energy, Inc.,<br>6.500%, 05/01/2018                         | 4,000,000           | 4,284,904    |
|   |                     | 10,152,821   |
| <b>Natural Gas/Natural Gas Liquids Pipelines 24.1%</b> <sup>(1)</sup>   |                     |              |
| <b>Canada 4.3%</b> <sup>(1)</sup>                                       |                     |              |
| TransCanada Corporation,<br>5.625%, 05/20/2075                          | 7,000,000           | 6,947,500    |
| <b>United States 19.8%</b> <sup>(1)</sup>                               |                     |              |
| Cheniere Corp.,<br>7.000%, 06/30/2024 <sup>(2)</sup>                    | 2,000,000           | 2,140,000    |
| Columbia Pipeline Group, Inc.,<br>3.300%, 06/01/2020                    | 2,000,000           | 2,071,070    |
| Florida Gas Transmission Co., LLC,<br>5.450%, 07/15/2020 <sup>(2)</sup> | 1,500,000           | 1,647,258    |
| Kinder Morgan, Inc.,<br>6.500%, 09/15/2020                              | 4,000,000           | 4,472,148    |
| Midcontinent Express Pipeline LLC,<br>6.700%, 09/15/2019 <sup>(2)</sup> | 6,000,000           | 6,255,000    |
| ONEOK, Inc.,<br>4.250%, 02/01/2022                                      | 4,500,000           | 4,353,750    |
| ONEOK, Inc.,<br>7.500%, 09/01/2023                                      | 2,000,000           | 2,215,000    |
| Rockies Express Pipeline, LLC,<br>6.000%, 01/15/2019 <sup>(2)</sup>     | 4,000,000           | 4,210,000    |
| Ruby Pipeline, LLC,<br>6.000%, 04/01/2022 <sup>(2)</sup>                | 1,500,000           | 1,554,468    |
| Southern Star Central Corp.,<br>5.125%, 07/15/2022 <sup>(2)</sup>       | 3,000,000           | 3,007,500    |
|   |                     | 38,873,694   |
| <b>Natural Gas Gathering/Processing 8.1%</b> <sup>(1)</sup>             |                     |              |
| <b>United States 8.1%</b> <sup>(1)</sup>                                |                     |              |
| Blue Racer Midstream, LLC,<br>6.125%, 11/15/2022 <sup>(2)</sup>         | 4,000,000           | 3,850,000    |
| DCP Midstream LLC,<br>9.750%, 03/15/2019 <sup>(2)</sup>                 | 3,000,000           | 3,345,000    |
| The Williams Companies, Inc.,<br>7.875%, 09/01/2021                     | 5,000,000           | 5,825,000    |
|   |                     | 13,020,000   |
| <b>Oil and Gas Production 3.9%</b> <sup>(1)</sup>                       |                     |              |
| <b>United States 3.9%</b> <sup>(1)</sup>                                |                     |              |
| Carrizo Oil & Gas, Inc.,<br>7.500%, 09/15/2020                          | 2,000,000           | 2,055,000    |
| Diamondback Energy, Inc.,<br>7.625%, 10/01/2021                         | 1,000,000           | 1,060,625    |

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|   |           |             |
|---|-----------|-------------|
| EQT Corporation,<br>8.125%, 06/01/2019                              | 2,000,000 | 2,278,436   |
| Range Resources Corporation,<br>5.000%, 03/15/2023                  | 1,000,000 | 987,500     |
|   |           | 6,381,561   |
| <b>Power/Utility 19.7%</b>  |           |             |
| <b>United States 19.7%</b>  |           |             |
| The AES Corporation,<br>5.500%, 04/15/2025                          | 4,000,000 | 4,101,760   |
| CMS Energy Corp.,<br>8.750%, 06/15/2019                             | 5,185,000 | 6,170,617   |
| Dominion Resources, Inc.,<br>5.750%, 10/01/2024                     | 4,000,000 | 4,130,000   |
| Duquesne Light Holdings, Inc.,<br>6.400%, 09/15/2020 <sup>(2)</sup> | 3,000,000 | 3,404,376   |
| Duquesne Light Holdings, Inc.,<br>5.900%, 12/01/2021 <sup>(2)</sup> | 2,000,000 | 2,259,086   |
| NRG Energy, Inc.,<br>6.250%, 07/15/2022                             | 5,000,000 | 5,106,250   |
| NRG Yield Operating LLC,<br>5.375%, 08/15/2024                      | 2,500,000 | 2,606,250   |
| NV Energy, Inc.,<br>6.250%, 11/15/2020                              | 1,000,000 | 1,175,702   |
| Wisconsin Energy Group, Inc.,<br>6.250%, 05/15/2067                 | 3,450,000 | 2,949,750   |
|   |           | 31,903,791  |
| Total Corporate Bonds<br>(Cost \$106,736,842)                       |           | 110,376,617 |

See accompanying Notes to Financial Statements.

Tortoise Capital Advisors

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**TPZ Schedule of Investments** (unaudited) (continued)

August 31, 2016

|   | Shares  | Fair Value        |
|---|---------|-------------------|
| <b>Master Limited Partnerships and Related Companies 38.0%</b>              |         |                   |
| <b>Crude Oil Pipelines 14.3%</b>  |         |                   |
| <b>United States 14.3%</b>  |         |                   |
| Enbridge Energy Management, L.L.C. <sup>(3)</sup>                           | 442,095 | \$ 10,062,084     |
| Genesis Energy, L.P.  | 54,067  | 1,935,058         |
| NuStar Energy L.P.  | 6,432   | 308,736           |
| Plains All American Pipeline, L.P.  | 125,439 | 3,519,818         |
| Shell Midstream Partners, L.P.  | 29,307  | 892,984           |
| Sunoco Logistics Partners L.P.  | 159,265 | 4,714,244         |
| Tesoro Logistics LP   | 34,009  | 1,631,072         |
|   |         | <b>23,063,996</b> |
| <b>Natural Gas/Natural Gas Liquids Pipelines 11.2%</b>                      |         |                   |
| <b>United States 11.2%</b>  |         |                   |
| Energy Transfer Partners, L.P. <sup>(4)</sup>                               | 238,284 | 9,517,063         |
| Enterprise Products Partners L.P.   | 145,712 | 3,846,797         |
| EQT Midstream Partners, LP  | 4,770   | 374,970           |
| ONEOK Partners, L.P.  | 103,809 | 4,022,599         |
| Spectra Energy Partners, LP   | 8,708   | 397,346           |
|   |         | <b>18,158,775</b> |
| <b>Natural Gas Gathering/Processing 7.0%</b>                                |         |                   |
| <b>United States 7.0%</b>   |         |                   |
| DCP Midstream Partners, LP  | 52,040  | 1,705,351         |
| EnLink Midstream Partners, LP   | 22,400  | 395,360           |
| MPLX LP   | 131,504 | 4,356,727         |
| Rice Midstream Partners LP  | 28,091  | 642,160           |
| Western Gas Partners, LP  | 18,799  | 945,966           |
| Williams Partners L.P.  | 86,542  | 3,297,250         |
|   |         | <b>11,342,814</b> |
| <b>Refined Product Pipelines 5.5%</b>                                       |         |                   |
| <b>United States 5.5%</b>   |         |                   |
| Buckeye Partners, L.P.  | 47,132  | 3,311,494         |
| Magellan Midstream Partners, L.P.   | 50,165  | 3,528,104         |
| Phillips 66 Partners LP   | 24,755  | 1,224,630         |
| Valero Energy Partners LP   | 19,193  | 803,995           |
|   |         | <b>8,868,223</b>  |
| Total Master Limited Partnerships and Related Companies (Cost \$40,308,844) |         | <b>61,433,808</b> |
| <b>Common Stock 20.6%</b>   |         |                   |
| <b>Crude Oil Pipelines 7.2%</b>   |         |                   |
| <b>United States 7.2%</b>   |         |                   |
| Plains GP Holdings, L.P.  | 820,383 | 9,335,959         |
| SemGroup Corporation  | 71,922  | 2,236,774         |
|   |         | <b>11,572,733</b> |
| <b>Natural Gas/Natural Gas Liquids Pipelines 8.8%</b>                       |         |                   |
| <b>United States 8.8%</b>   |         |                   |
| ONEOK, Inc.   | 180,423 | 8,460,034         |
| Spectra Energy Corp   | 135,036 | 4,809,982         |
| Tallgrass Energy GP, LP   | 42,124  | 980,225           |
|   |         | <b>14,250,241</b> |
| <b>Natural Gas Gathering/Processing 4.0%</b>                                |         |                   |
| <b>United States 4.0%</b>   |         |                   |
| EnLink Midstream LLC  | 125,234 | 2,085,146         |
| Targa Resources Corp.   | 101,103 | 4,406,069         |
|   |         | <b>6,491,215</b>  |

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Refined Product Pipelines 0.6%)

United States 0.6%)

VTTI Energy Partners LP

50,626

973,538

Total Common Stock

(Cost \$26,371,386)

33,287,727

See accompanying Notes to Financial Statements.

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Tortoise Capital Advisors

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2016 3rd Quarter Report | August 31, 2016

**TPZ Schedule of Investments** (unaudited) (continued)  
August 31, 2016

|   | Shares  | Fair Value     |
|---|---------|----------------|
| <b>Preferred Stock 3.2%</b>   |         |                |
| <b>Natural Gas Gathering/Processing 1.2%</b>  |         |                |
| <b>United States 1.2%</b>   |         |                |
| Targa Resources Corp.,<br>9.500% <sup>(2)(5)</sup>  | 1,685   | \$ 1,885,866   |
| <b>Natural Gas/Natural Gas Liquids Pipelines 1.4%</b>                                       |         |                |
| <b>United States 1.4%</b>   |         |                |
| Kinder Morgan, Inc.,<br>9.750%, 10/26/2018  | 44,949  | 2,242,506      |
| <b>Oil and Gas Production 0.6%</b>  |         |                |
| <b>United States 0.6%</b>   |         |                |
| Anadarko Petroleum Corporation,<br>7.500%, 06/07/2018                                       | 24,400  | 932,080        |
| Total Preferred Stock<br>(Cost \$4,059,820)   |         | 5,060,452      |
| <b>Warrants 0.4%</b>  |         |                |
| <b>Natural Gas Gathering/Processing 0.4%</b>  |         |                |
| <b>United States 0.4%</b>   |         |                |
| Targa Resources Corp. Series A,<br>\$18.88, 03/16/2023 <sup>(2)(5)(6)</sup>                 | 23,657  | 540,214        |
| Targa Resources Corp. Series B,<br>\$25.11, 03/16/2023 <sup>(2)(5)(6)</sup>                 | 11,407  | 193,277        |
| Total Warrants<br>(Cost \$243,584)  |         | 733,491        |
| <b>Short-Term Investment 0.1%</b>   |         |                |
| <b>United States Investment Company 0.1%</b>  |         |                |
| Government & Agency Portfolio Institutional Class,<br>0.29% <sup>(7)</sup> (Cost \$195,359) | 195,359 | 195,359        |
| <b>Total Investments 130.6%</b><br><b>(Cost \$177,915,835)</b>                              |         | 211,087,454    |
| <b>Interest Rate Swap Contracts (0.2%)</b>  |         | (341,125)      |
| \$23,500,000 notional unrealized depreciation <sup>(8)</sup>                                |         | 1,568,699      |
| <b>Other Assets and Liabilities 1.0%</b>  |         | (50,700,000)   |
| <b>Credit Facility Borrowings (31.4%)</b>   |         | (50,700,000)   |
| <b>Total Net Assets Applicable<br/>to Common Stockholders 100.0%</b>                        |         | \$ 161,615,028 |

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) Restricted securities have a total fair value of \$44,727,462, which represents 27.7% of net assets. See Note 6 to the financial statements for further disclosure.

(3) Security distributions are paid-in-kind.

(4) A portion of the security is segregated as collateral for the unrealized depreciation of interest rate swap contracts of \$341,125.

(5) Securities have been valued in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.

(6) Non-income producing security.

(7) Rate indicated is the current yield as of August 31, 2016.

(8) See Note 11 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

**Statements of Assets & Liabilities** (unaudited)

August 31, 2016

|  | <b>Tortoise Energy<br/>Infrastructure<br/>Corp.</b> | <b>Tortoise MLP<br/>Fund, Inc.</b> |
|--|---|------------------------------------|
| <b>Assets</b>  |   |                                    |
| Investments at fair value <sup>(1)</sup>   | \$ 2,614,242,196                                    | \$ 1,524,301,679                   |
| Receivable for Adviser fee waiver  | 19,529  |                                    |
| Receivable for investments sold  | 2,456,813   | 428,370                            |
| Dividends, distributions and interest receivable from investments  | 718,573   | 384,323                            |
| Current tax asset  | 7,917,143   | 2,204,361                          |
| Prepaid expenses and other assets  | 3,324,245   | 1,630,505                          |
| Total assets   | 2,628,678,499                                       | 1,528,949,238                      |
| <b>Liabilities</b>   |   |                                    |
| Call options written, at fair value <sup>(2)</sup>   |   |                                    |
| Payable to Adviser   | 4,244,985   | 2,484,437                          |
| Accrued directors' fees and expenses   | 10,065  | 7,319                              |
| Payable for investments purchased  |   |                                    |
| Accrued expenses and other liabilities   | 5,945,868   | 3,649,324                          |
| Unrealized depreciation of interest rate swap contracts  | 692,536   |                                    |
| Deferred tax liability   | 454,187,784   | 159,787,206                        |
| Credit facility borrowings   | 112,700,000   | 49,300,000                         |
| Senior notes   | 442,500,000   | 284,000,000                        |
| Mandatory redeemable preferred stock   | 165,000,000   | 110,000,000                        |
| Total liabilities  | 1,185,281,238                                       | 609,228,286                        |
| Net assets applicable to common stockholders   | \$ 1,443,397,261                                    | \$ 919,720,952                     |
| <b>Net Assets Applicable to Common Stockholders Consist of:</b>  |   |                                    |
| Capital stock, \$0.001 par value per share   | \$ 48,859   | \$ 47,081                          |
| Additional paid-in capital   | 999,061,775   | 660,180,963                        |
| Undistributed (accumulated) net investment income (loss), net of income taxes  | (202,180,974)                                       | (112,866,561)                      |
| Undistributed (accumulated) net realized gain (loss), net of income taxes  | 851,253,886   | 260,086,871                        |
| Net unrealized appreciation (depreciation), net of income taxes  | (204,786,285)                                       | 112,272,598                        |
| Net assets applicable to common stockholders   | \$ 1,443,397,261                                    | \$ 919,720,952                     |
| <b>Capital shares:</b>   |   |                                    |
| Authorized   | 100,000,000   | 100,000,000                        |
| Outstanding  | 48,858,550  | 47,080,789                         |
| Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding) | \$ 29.54  | \$ 19.53                           |
| (1) Investments at cost  | \$ 2,071,088,655                                    | \$ 1,350,516,004                   |
| (2) Call options written, premiums received  | \$  | \$                                 |

See accompanying Notes to Financial Statements.



| <b>Tortoise Pipeline<br/>&amp; Energy<br/>Fund, Inc.</b> | <b>Tortoise Energy<br/>Independence<br/>Fund, Inc.</b> | <b>Tortoise Power<br/>and Energy<br/>Infrastructure<br/>Fund, Inc.</b> |
|--|--|--|
|  |  |  |
| \$ 284,133,343   | \$ 301,091,424   | \$ 211,087,454   |
| 24,056   | 50,026   |  |
| 1,290,062  |  |  |
| 551,467  | 282,128  | 2,123,815  |
| 225,141  | 36,493   | 31,327   |
| 286,224,069  | 301,460,071  | 213,242,596  |
|  |  |  |
| 195,685  | 1,168,738  |  |
| 529,238  | 550,273  | 339,698  |
| 5,667  | 5,913  | 5,800  |
| 1,553,176  |  |  |
| 571,942  | 263,064  | 240,945  |
|  |  | 341,125  |
|  |  |  |
| 15,000,000   | 64,000,000   | 50,700,000   |
| 34,000,000   |  |  |
| 16,000,000   |  |  |
| 67,855,708   | 65,987,988   | 51,627,568   |
| \$ 218,368,361   | \$ 235,472,083   | \$ 161,615,028   |
|  |  |  |
| \$ 10,016  | \$ 14,516  | \$ 6,951   |
| 229,949,843  | 299,775,389  | 129,482,470  |
|  |  | 694,495  |
| (22,954,821)   | (56,501,621)   | (1,399,442)  |
| 11,363,323   | (7,816,201)  | 32,830,554   |
| \$ 218,368,361   | \$ 235,472,083   | \$ 161,615,028   |
|  |  |  |
| 100,000,000  | 100,000,000  | 100,000,000  |
| 10,016,413   | 14,516,071   | 6,951,333  |
|  |  |  |
| \$ 21.80   | \$ 16.22   | \$ 23.25   |
|  |  |  |
| \$ 272,921,965   | \$ 309,559,538   | \$ 177,915,835   |
| \$ 350,280   | \$ 1,820,728   | \$   |

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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**Statements of Operations** (unaudited)

Period from December 1, 2015 through August 31, 2016

|  | Tortoise Energy<br>Infrastructure<br>Corp. | Tortoise MLP<br>Fund, Inc. |
|--|--|----------------------------|
| <b>Investment Income</b>   |  |                            |
| Distributions from master limited partnerships   | \$ 134,794,560                             | \$ 79,641,768              |
| Dividends and distributions from common stock  | 709,277                                    | 830,323                    |
| Dividends and distributions from preferred stock   | 2,057,870                                  | 1,097,799                  |
| Less return of capital on distributions  | (139,903,457)                              | (82,490,550)               |
| Less foreign taxes withheld  |  |                            |
| Net dividends and distributions from investments   | (2,341,750)                                | (920,660)                  |
| Interest from corporate bonds  |  |                            |
| Dividends from money market mutual funds   | 2,474                                      | 704                        |
| <b>Total Investment Income (Loss)</b>  | <b>(2,339,276)</b>                         | <b>(919,956)</b>           |
| <b>Operating Expenses</b>  |  |                            |
| Advisory fees  | 17,321,073                                 | 9,870,493                  |
| Administrator fees   | 373,130                                    | 329,068                    |
| Professional fees  | 262,108                                    | 176,784                    |
| Directors fees   | 195,097                                    | 141,628                    |
| Stockholder communication expenses   | 158,350                                    | 109,337                    |
| Custodian fees and expenses  | 82,622                                     | 47,176                     |
| Fund accounting fees   | 67,256                                     | 57,772                     |
| Registration fees  | 52,321                                     | 34,681                     |
| Stock transfer agent fees  | 24,735                                     | 8,617                      |
| Franchise fees   | 29,497                                     | 12,399                     |
| Other operating expenses   | 141,643                                    | 77,233                     |
| <b>Total Operating Expenses</b>  | <b>18,707,832</b>                          | <b>10,865,188</b>          |
| <b>Leverage Expenses</b>   |  |                            |
| Interest expense   | 13,339,549                                 | 8,341,506                  |
| Distributions to mandatory redeemable preferred stockholders   | 6,394,385                                  | 3,510,322                  |
| Amortization of debt issuance costs  | 2,754,846                                  | 306,423                    |
| Premium on redemption of senior notes  | 900,000                                    | 450,000                    |
| Premium on redemption of mandatory redeemable preferred stock  | 800,000                                    |                            |
| Other leverage expenses  | 220,337                                    | 75,071                     |
| <b>Total Leverage Expenses</b>   | <b>24,409,117</b>                          | <b>12,683,322</b>          |
| <b>Total Expenses</b>  | <b>43,116,949</b>                          | <b>23,548,510</b>          |
| Less fees waived by Adviser  | (66,639)                                   | (55,998)                   |
| <b>Net Expenses</b>  | <b>43,050,310</b>                          | <b>23,492,512</b>          |
| <b>Net Investment Income (Loss), before Income Taxes</b>   | <b>(45,389,586)</b>                        | <b>(24,412,468)</b>        |
| Deferred tax benefit   | 12,399,253                                 | 7,453,252                  |
| <b>Net Investment Income (Loss)</b>  | <b>(32,990,333)</b>                        | <b>(16,959,216)</b>        |
| <b>Realized and Unrealized Gain (Loss) on Investments and Interest Rate Swaps</b>  |  |                            |
| Net realized gain (loss) on investments  | 157,183,528                                | 54,871,808                 |
| Net realized gain on options   |  |                            |
| Net realized loss on interest rate swap settlements  | (238,457)                                  |                            |
| Net realized gain (loss) on foreign currency and translation of other assets and liabilities denominated in foreign currency |  |                            |
| Net realized gain (loss), before income taxes  | 156,945,071                                | 54,871,808                 |
| Current tax benefit (expense)  | (55,181,168)                               | 98,482                     |
| Deferred tax benefit (expense)   | 769,903                                    | (19,820,722)               |
| Income tax expense   | (54,411,265)                               | (19,722,240)               |
| Net realized gain (loss)   | 102,533,806                                | 35,149,568                 |
| Net unrealized appreciation of investments   | 60,468,343                                 | 129,831,539                |
| Net unrealized appreciation of options   |  |                            |
| Net unrealized appreciation (depreciation) of interest rate swap contracts   | (128,968)                                  |                            |
| Net unrealized appreciation (depreciation) of other assets and liabilities due to foreign currency translation               |  |                            |

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|   |                       |                       |
|---|-----------------------|-----------------------|
| Net unrealized appreciation, before income taxes  | 60,339,375            | 129,831,539           |
| Deferred tax expense  | (20,919,050)          | (46,664,560)          |
| Net unrealized appreciation   | 39,420,325            | 83,166,979            |
| <b>Net Realized and Unrealized Gain</b>   | <b>141,954,131</b>    | <b>118,316,547</b>    |
| <b>Net Increase in Net Assets Applicable to Common Stockholders<br/>Resulting from Operations</b> | <b>\$ 108,963,798</b> | <b>\$ 101,357,331</b> |

See accompanying Notes to Financial Statements.

2016 3rd Quarter Report | August 31, 2016

| <b>Tortoise Pipeline<br/>&amp; Energy<br/>Fund, Inc.</b> | <b>Tortoise Energy<br/>Independence<br/>Fund, Inc.</b> | <b>Tortoise Power<br/>and Energy<br/>Infrastructure<br/>Fund, Inc.</b> |
|--|--|--|
| \$ 3,600,695   | \$ 2,897,405   | \$ 2,900,165   |
| 7,481,728  | 1,761,489  | 1,731,719  |
| 203,436  | 191,261  | 304,347  |
| (6,035,236)  | (2,830,015)  | (3,628,807)  |
| (217,199)  | (84,774)   |  |
| 5,033,424  | 1,935,366  | 1,307,424  |
|  |  | 4,848,474  |
| 696  | 674  | 622  |
| 5,034,120  | 1,936,040  | 6,156,520  |
| 2,041,970  | 2,182,540  | 1,360,800  |
| 74,353   | 79,465   | 57,397   |
| 116,309  | 178,794  | 164,906  |
| 64,092   | 65,017   | 52,092   |
| 56,630   | 42,345   | 72,705   |
| 12,658   | 8,262  | 6,526  |
| 32,579   | 34,735   | 22,084   |
| 18,271   | 18,697   | 18,376   |
| 10,087   | 8,636  | 11,225   |
| 34,147   | 33,952   | 20,863   |
| 2,461,096  | 2,652,443  | 1,786,974  |
| 1,109,032  | 570,617  | 477,424  |
| 514,801  |  |  |
| 79,756   |  |  |
| 100,000  |  |  |
| 12,197   |  |  |
| 1,815,786  | 570,617  | 477,424  |
| 4,276,882  | 3,223,060  | 2,264,398  |
| (102,929)  | (198,413)  |  |
| 4,173,953  | 3,024,647  | 2,264,398  |
| 860,167  | (1,088,607)  | 3,892,122  |
| 860,167  | (1,088,607)  | 3,892,122  |
| (21,695,086)   | (31,810,959)   | (890,351)  |
| 956,930  | 3,340,282  | (220,908)  |
| 5,575  | (4,665)  |  |
| (20,732,581)   | (28,475,342)   | (1,111,259)  |
| (20,732,581)   | (28,475,342)   | (1,111,259)  |
| 52,996,494   | 58,491,919   | 19,335,773   |
| 48,416   | 185,418  |  |

|               |               |            |               |
|---------------|---------------|------------|---------------|
|               |               |            | 16,639        |
| (1,864)       |               | 1,479      |               |
| 53,043,046    |               | 58,678,816 | 19,352,412    |
| 53,043,046    |               | 58,678,816 | 19,352,412    |
| 32,310,465    |               | 30,203,474 | 18,241,153    |
| \$ 33,170,632 | \$ 29,114,867 |            | \$ 22,133,275 |

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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## Statements of Changes in Net Assets

|   | Tortoise Energy Infrastructure Corp.   |                                    | Tortoise MLP Fund, Inc.  |                                    |
|---|--|------------------------------------|--|------------------------------------|
|   | Period from<br>December 1, 2015<br>through<br>August 31, 2016<br>(unaudited) | Year Ended<br>November 30,<br>2015 | Period from<br>December 1, 2015<br>through<br>August 31, 2016<br>(unaudited) | Year Ended<br>November 30,<br>2015 |
| <b>Operations</b>   |  |                                    |  |                                    |
| Net investment income (loss)  | \$ (32,990,333)  | \$ (29,663,135)                    | \$ (16,959,216)  | \$ (14,930,010)                    |
| Net realized gain (loss)  | 102,533,806  | 239,505,914                        | 35,149,568   | 74,333,232                         |
| Net unrealized appreciation (depreciation)  | 39,420,325   | (1,048,807,031)                    | 83,166,979   | (505,485,793)                      |
| Net increase (decrease) in net assets applicable<br>to common stockholders resulting<br>from operations       | 108,963,798  | (838,964,252)                      | 101,357,331  | (446,082,571)                      |
| <b>Distributions to Common Stockholders</b>   |  |                                    |  |                                    |
| Net investment income   |  |                                    |  |                                    |
| Net realized gain   |  |                                    |  |                                    |
| Return of capital   | (95,325,248)   | (124,362,971)                      | (59,572,768)   | (79,430,357)                       |
| Total distributions to common stockholders  | (95,325,248)   | (124,362,971)                      | (59,572,768)   | (79,430,357)                       |
| <b>Capital Stock Transactions</b>   |  |                                    |  |                                    |
| Proceeds from issuance of common shares<br>through shelf offerings  | 22,655,804   |                                    |  |                                    |
| Underwriting discounts and offering expenses<br>associated with the issuance of common stock                  | (352,549)  | (7,291)                            | (46,340)   | (4,308)                            |
| Issuance of common shares from reinvestment<br>of distributions to stockholders                               | 1,722,389  |                                    | 1,573,688  |                                    |
| Net increase (decrease) in net assets<br>applicable to common stockholders from<br>capital stock transactions | 24,025,644   | (7,291)                            | 1,527,348  | (4,308)                            |
| Total increase (decrease) in net assets applicable<br>to common stockholders                                  | 37,664,194   | (963,334,514)                      | 43,311,911   | (525,517,236)                      |
| <b>Net Assets</b>   |  |                                    |  |                                    |
| Beginning of period   | 1,405,733,067  | 2,369,067,581                      | 876,409,041  | 1,401,926,277                      |
| End of period   | \$ 1,443,397,261   | \$ 1,405,733,067                   | \$ 919,720,952   | \$ 876,409,041                     |
| Undistributed (accumulated) net investment<br>income (loss), net of income taxes,<br>end of period            | \$ (202,180,974)   | \$ (169,190,641)                   | \$ (112,866,561)   | \$ (95,907,345)                    |
| <b>Transactions in common shares</b>  |  |                                    |  |                                    |
| Shares outstanding at beginning of period   | 48,016,591   | 48,016,591                         | 47,000,211   | 47,000,211                         |
| Shares issued through shelf offerings   | 783,652  |                                    |  |                                    |
| Shares issued through reinvestment of distributions   | 58,307   |                                    | 80,578   |                                    |
| Shares outstanding at end of period   | 48,858,550   | 48,016,591                         | 47,080,789   | 47,000,211                         |

See accompanying Notes to Financial Statements.

2016 3rd Quarter Report | August 31, 2016

| Tortoise Pipeline & Energy Fund, Inc.                            |                              | Tortoise Energy Independence Fund, Inc.                          |                              | Tortoise Power and Energy Infrastructure Fund, Inc.              |                              |
|--|------------------------------|--|------------------------------|--|------------------------------|
| Period from December 1, 2015 through August 31, 2016 (unaudited) | Year Ended November 30, 2015 | Period from December 1, 2015 through August 31, 2016 (unaudited) | Year Ended November 30, 2015 | Period from December 1, 2015 through August 31, 2016 (unaudited) | Year Ended November 30, 2015 |
| \$ 860,167   | \$ 2,163,077                 | \$ (1,088,607)   | \$ (1,385,242)               | \$ 3,892,122   | \$ 6,122,553                 |
| (20,732,581)   | 15,446,400                   | (28,475,342)   | (23,896,492)                 | (1,111,259)  | 5,399,578                    |
| 53,043,046   | (151,609,618)                | 58,678,816   | (54,363,201)                 | 19,352,412   | (60,109,113)                 |
| 33,170,632   | (134,000,141)                | 29,114,867   | (79,644,935)                 | 22,133,275   | (48,586,982)                 |
| (7,186,198)  | (3,400,129)                  | (1,221,373)  | (7,821)                      | (8,080,925)  | (6,309,193)                  |
| (5,058,867)  | (16,131,876)                 | (17,830,970)   | (25,395,303)                 |  | (13,588,998)                 |
| (12,245,065)   | (19,532,005)                 | (19,052,343)   | (25,403,124)                 | (8,080,925)  | (19,898,191)                 |
| 20,925,567   | (153,532,146)                | 10,062,524   | (105,048,059)                | 14,052,350   | (68,485,173)                 |
| 197,442,794  | 350,974,940                  | 225,409,559  | 330,457,618                  | 147,562,678  | 216,047,851                  |
| \$ 218,368,361   | \$ 197,442,794               | \$ 235,472,083   | \$ 225,409,559               | \$ 161,615,028   | \$ 147,562,678               |
| \$ 6,326,031   | \$ 2,309,980                 | \$ 694,495   | \$ 4,883,298                 |  |                              |
| 10,016,413   | 10,016,413                   | 14,516,071   | 14,516,071                   | 6,951,133  | 6,951,333                    |
| 10,016,413   | 10,016,413                   | 14,516,071   | 14,516,071                   | 6,951,133  | 6,951,333                    |

See accompanying Notes to Financial Statements.

Tortoise Capital Advisors

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**Statements of Cash Flows** (unaudited)

Period from December 1, 2015 through August 31, 2016

|   | <b>Tortoise Energy<br/>Infrastructure<br/>Corp.</b> | <b>Tortoise MLP<br/>Fund, Inc.</b> |
|---|---|------------------------------------|
| <b>Cash Flows From Operating Activities</b>                     |   |                                    |
| Dividends, distributions and interest received from investments | \$ 137,213,872                                      | \$ 81,373,312                      |
| Purchases of long-term investments                              | (528,063,384)                                       | (453,220,211)                      |
| Proceeds from sales of long-term investments                    | 776,959,687   | 513,218,742                        |
| Sales (purchases) of short-term investments, net                | (268,772)   | (97,233)                           |
| Call options written, net                                       |   |                                    |
| Payments on interest rate swap contracts, net                   | (238,457)   |                                    |
| Interest received on securities sold, net                       |   |                                    |
| Interest expense paid   | (14,262,764)  | (8,150,639)                        |
| Distributions to mandatory redeemable preferred stockholders    | (8,580,655)   | (3,280,833)                        |
| Other leverage expenses paid                                    | (228,816)   | (25,500)                           |
| Income taxes paid   | (84,563,967)  | (2,304,643)                        |
| Premium on redemption of senior notes                           | (900,000)   | (450,000)                          |
| Premium on redemption of mandatory redeemable preferred stock   | (800,000)   |                                    |
| Operating expenses paid   | (19,164,262)  | (10,790,634)                       |
| Net cash provided by operating activities                       | 257,102,482   | 116,272,361                        |
| <b>Cash Flows From Financing Activities</b>                     |   |                                    |
| Advances (repayments) on credit facilities, net                 | 46,700,000  | (13,500,000)                       |
| Issuance of mandatory redeemable preferred stock                |   | 45,000,000                         |
| Maturity and redemption of mandatory redeemable preferred stock | (130,000,000)                                       | (25,000,000)                       |
| Issuance of senior notes  |   | 30,000,000                         |
| Maturity and redemption of senior notes                         | (102,500,000)                                       | (94,000,000)                       |
| Debt issuance costs   | (3,096)   | (726,947)                          |
| Issuance of common stock  | 22,655,804  |                                    |
| Common stock issuance costs                                     | (352,549)   | (46,340)                           |
| Distributions paid to common stockholders                       | (93,602,641)  | (57,999,074)                       |
| Net cash used in financing activities                           | (257,102,482)                                       | (116,272,361)                      |
| Net change in cash  |   |                                    |
| Cash beginning of period  |   |                                    |
| Cash end of period  | \$  | \$                                 |

See accompanying Notes to Financial Statements.

| Tortoise Pipeline<br>& Energy<br>Fund, Inc. | Tortoise Energy<br>Independence<br>Fund, Inc. | Tortoise Power<br>and Energy<br>Infrastructure<br>Fund, Inc. |
|---|---|--|
| \$ 11,082,956                               | \$ 4,781,470                                  | \$ 10,024,886  |
| (96,259,286)                                | (57,380,801)                                  | (44,508,635)   |
| 122,598,972                                 | 69,168,725                                    | 44,166,359   |
| 198,024                                     | (61,294)                                      | (65,794)   |
| 779,322                                     | 3,260,420                                     | (220,908)  |
|   |   | 47,984   |
| (1,231,137)                                 | (441,248)                                     | (367,779)  |
| (514,800)                                   |   |  |
| (18,000)                                    |   |  |
| (100,000)                                   |   |  |
| (2,390,986)                                 | (2,474,929)                                   | (1,795,188)  |
| 34,145,065                                  | 16,852,343                                    | 7,280,925  |
| (1,900,000)                                 | 2,200,000                                     | 800,000  |
| (20,000,000)                                |   |  |
| (12,245,065)                                | (19,052,343)                                  | (8,080,925)  |
| (34,145,065)                                | (16,852,343)                                  | (7,280,925)  |
| \$  | \$  | \$   |

See accompanying Notes to Financial Statements.

Tortoise Capital Advisors

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**Statements of Cash Flows** (unaudited) (continued)  
 Period from December 1, 2015 through August 31, 2016

|   | Tortoise Energy<br>Infrastructure<br>Corp. | Tortoise MLP<br>Fund, Inc. |
|---|--|----------------------------|
| <b>Reconciliation of net increase in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities</b>  |  |                            |
| Net increase in net assets applicable to common stockholders resulting from operations  | \$ 108,963,798                             | \$ 101,357,331             |
| Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities: |  |                            |
| Purchases of long-term investments  | (528,063,384)                              | (453,220,211)              |
| Proceeds from sales of long-term investments  | 779,240,067                                | 513,553,410                |
| Sales (purchases) of short-term investments, net  | (268,772)                                  | (97,233)                   |
| Call options written, net   |  |                            |
| Return of capital on distributions received   | 139,903,457                                | 82,490,550                 |
| Deferred tax expense  | 7,749,894                                  | 59,032,030                 |
| Net unrealized appreciation   | (60,339,375)                               | (129,831,539)              |
| Amortization of market premium, net   |  |                            |
| Net realized (gain) loss  | (157,183,528)                              | (54,871,808)               |
| Amortization of debt issuance costs   | 2,754,846                                  | 306,423                    |
| Changes in operating assets and liabilities:  |  |                            |
| (Increase) decrease in dividends, distributions and interest receivable from investments  | (350,309)                                  | (197,282)                  |
| Increase in current tax asset   | (7,917,143)                                | (2,204,361)                |
| (Increase) decrease in receivable for investments sold  | (2,280,380)                                | (334,668)                  |
| Increase in prepaid expenses and other assets   | (89,284)                                   | (45,004)                   |
| Increase in payable for investments purchased   |  |                            |
| Increase (decrease) in payable to Adviser, net of fees waived   | (423,620)                                  | 111,535                    |
| Decrease in current tax liability   | (21,465,656)                               | (198,764)                  |
| Increase (decrease) in accrued expenses and other liabilities   | (3,128,129)                                | 421,952                    |
| Total adjustments   | 148,138,684                                | 14,915,030                 |
| Net cash provided by operating activities   | \$ 257,102,482                             | \$ 116,272,361             |
| <b>Non-Cash Financing Activities</b>  |  |                            |
| Reinvestment of distributions by common stockholders in additional common shares  | \$ 1,722,389                               | \$ 1,573,688               |

See accompanying Notes to Financial Statements.

| <b>Tortoise Pipeline<br/>&amp; Energy<br/>Fund, Inc.</b> | <b>Tortoise Energy<br/>Independence<br/>Fund, Inc.</b> | <b>Tortoise Power<br/>and Energy<br/>Infrastructure<br/>Fund, Inc.</b> |
|--|--|--|
| \$ 33,170,632  | \$ 29,114,867  | \$ 22,133,275  |
| (97,812,462)   | (57,380,801)   | (44,508,635)   |
| 123,889,034  | 69,158,609   | 44,166,359   |
| 198,024  | (61,294)   | (65,794)   |
| 779,322  | 3,260,420  |  |
| 6,035,236  | 2,830,015  | 3,628,807  |
| (53,043,046)   | (58,678,816)   | (19,352,412)   |
|  |  | 313,069  |
| 20,732,581   | 28,475,342   | 890,351  |
| 79,756   |  |  |
| 13,600   | 15,415   | (25,526)   |
| (1,290,062)  | 10,116   |  |
| (21,236)   | (23,808)   | (23,018)   |
| 1,553,176  |  |  |
| (16,438)   | 3,061  | 11,151   |
| (123,052)  | 129,217  | 113,298  |
| 974,433  | (12,262,524)   | (14,852,350)   |
| \$ 34,145,065  | \$ 16,852,343  | \$ 7,280,925   |
| \$   | \$   | \$   |

See accompanying Notes to Financial Statements.

**Tortoise Capital Advisors**

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## TYG Financial Highlights

|  | Period<br>from<br>December<br>1, 2015<br>through<br>August 31,<br>2016<br>(unaudited) | Year<br>Ended<br>November<br>30,<br>2015 | Year<br>Ended<br>November<br>30,<br>2014 | Year<br>Ended<br>November<br>30,<br>2013 | Year<br>Ended<br>November<br>30,<br>2012 | Year<br>Ended<br>November<br>30,<br>2011 |
|--|---|--|--|--|--|--|
| <b>Per Common Share Data<sup>(1)</sup></b>   |   |  |  |  |  |  |
| Net Asset Value, beginning of period   | \$ 29.28  | \$ 49.34                                 | \$ 43.36                                 | \$ 36.06                                 | \$ 33.37                                 | \$ 32.91                                 |
| Income (Loss) from Investment Operations   |   |  |  |  |  |  |
| Net investment loss <sup>(2)</sup>   | (0.68)  | (0.62)                                   | (0.66)                                   | (0.73)                                   | (0.64)                                   | (0.77)                                   |
| Net realized and unrealized gain (loss)<br>on investments and interest rate<br>swap contracts <sup>(2)</sup> | 2.90  | (16.85)                                  | 9.01                                     | 10.27                                    | 5.51                                     | 3.35                                     |
| Total income (loss) from investment<br>operations  | 2.22  | (17.47)                                  | 8.35                                     | 9.54                                     | 4.87                                     | 2.58                                     |
| Distributions to Common Stockholders   |   |  |  |  |  |  |
| Return of capital  | (1.97)  | (2.59)                                   | (2.38)                                   | (2.29)                                   | (2.25)                                   | (2.20)                                   |
| Capital Stock Transactions   |   |  |  |  |  |  |
| Premiums less underwriting discounts<br>and offering costs on issuance of<br>common stock <sup>(3)</sup>     |   |  |  |  |  |  |