Terreno Realty Corp
Form S-3ASR
March 26, 2015
Table of Contents

As filed with the Securities and Exchange Commission on March 26, 2015.

Registration Statement No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TERRENO REALTY CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**27-1262675**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**

101 Montgomery Street, Suite 200

San Francisco, CA 94104

(415) 655-4580

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

W. Blake Baird

Chairman and Chief Executive Officer

101 Montgomery Street, Suite 200

San Francisco, CA 94104

(415) 655-4580

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

***With copies to*:**

Gilbert G. Menna

Scott C. Chase

Goodwin Procter LLP

Exchange Place

Boston, Massachusetts 02109

(617) 570-1000

Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨		Accelerated filer	x
Non-accelerated filer ¨ (Do not check if a smaller reporting company)		Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Unit**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Common stock, $0.01 par value per share Preferred stock, $0.01 par value per share	(1)	$(1)	$(1)	$(1)

(1) The amount to be registered consists of an unspecified amount of the securities of each identified class as may from time to time be offered at indeterminate prices. As discussed below, pursuant to Rule 415(a)(6) under the Securities Act of 1933, as amended (the Securities Act), this Registration Statement includes a total of $60,585,000 of unsold securities that had been previously registered and for which the registration fee had been previously paid. In accordance with Rules 456(b) and 457(r) under the Securities Act, except with respect to the unsold securities that had been previously registered, the registrant is deferring payment of all of the registration fee.

Pursuant to Rule 415(a)(6) under the Securities Act, this Registration Statement includes $60,585,000 of securities that were previously registered, but were not sold, pursuant to the registrant s Registration Statement on Form S-3 (File No. 333-189561) (the Prior Registration Statement). A registration fee of $8,263 was paid in respect of such $60,585,000 aggregate amount of securities when the Prior Registration Statement was filed with the Securities and Exchange Commission on June 24, 2013, and such registration fee will continue to be applied to the unsold securities. Pursuant to Rule 415(a)(6), no additional registration fee is required in connection with such $60,585,000 aggregate amount of securities being registered hereunder. In accordance with Rule 415(a)(6), the offering of securities registered under the Prior Registration Statement will be terminated as of the date of effectiveness of this Registration Statement.

Table of Contents

PROSPECTUS

TERRENO REALTY CORPORATION

Common Stock

Preferred Stock

We may offer, issue and sell from time to time, in one or more series or classes, together or separately, and in amounts, at prices and on terms to be set forth in one or more prospectus supplements to this prospectus, the securities described in this prospectus.

This prospectus describes some of the general terms that apply to the securities. We will provide the specific terms of any securities we may offer in supplements to this prospectus. You should read this prospectus and any applicable prospectus supplement carefully before you invest. We may also authorize one or more free writing prospectuses to be provided to you in connection with the offering. The prospectus supplement and any free writing prospectus also may add, update or change information contained or incorporated in this prospectus.

We may offer and sell these securities to or through one or more underwriters, dealers or agents, or directly to purchasers on a continuous or delayed basis. The prospectus supplement for each offering of securities will describe the plan of distribution for that offering. For general information about the distribution of securities offered, see Plan of Distribution in this prospectus. The prospectus supplement will also set forth the price to the public of the securities and the net proceeds that we expect to receive from the sale of such securities.

Our common stock and 7.75% Series A Cumulative Redeemable Preferred Stock, which we refer to in this prospectus as our Series A Preferred Stock, are listed on the New York Stock Exchange, or the NYSE, under the symbols TRNO and TRNOPrA, respectively. On March 25, 2015, the closing prices of our common stock and Series A Preferred Stock on the NYSE were $22.22 and $26.16, respectively.

Investing in our securities involves risks. You should carefully read and consider Risk Factors included in our most recent Annual Report on Form 10-K and on page 3 of this prospectus and in the applicable prospectus supplement before investing in our securities.

We impose certain restrictions on the ownership and transfer of our capital stock. You should read the information under the section entitled Description of Capital Stock Restrictions on Transfer in this prospectus for a description of these restrictions.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 26, 2015.

Table of Contents

TABLE OF CONTENTS

	Page
ABOUT THIS PROSPECTUS	1
PROSPECTUS SUMMARY	2
RISK FACTORS	3
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	3
WHERE YOU CAN FIND MORE INFORMATION	4
FORWARD-LOOKING STATEMENTS	4
USE OF PROCEEDS	6
DESCRIPTION OF THE SECURITIES WE MAY OFFER	7
DESCRIPTION OF CAPITAL STOCK	7
GLOBAL SECURITIES	15
CERTAIN PROVISIONS OF MARYLAND LAW AND OUR CHARTER AND BYLAWS	17
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS	24
PLAN OF DISTRIBUTION	40
LEGAL MATTERS	43
EXPERTS	43

You should rely only on the information contained in or incorporated by reference into this prospectus, any applicable prospectus supplement or any applicable free writing prospectus. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. This prospectus and any applicable prospectus supplement do not constitute an offer to sell, or a solicitation of an offer to purchase, any securities in any jurisdiction to or from any person to whom or from whom it is unlawful to make such offer or solicitation in such jurisdiction. You should assume that the information appearing in this prospectus, any applicable prospectus supplement, any applicable free writing prospectus and the documents incorporated by reference herein or therein is accurate only as of their respective dates or on the date or dates which are specified in these documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement on Form S-3 that we have filed with the Securities and Exchange Commission, or the SEC. By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus. The exhibits to our registration statement and documents incorporated by reference contain the full text of certain contracts and other important documents that we have summarized in this prospectus or that we may summarize in a prospectus supplement. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and the exhibits and other documents can be obtained from the SEC as indicated under the sections entitled Where You Can Find More Information and Incorporation of Certain Documents By Reference.

This prospectus only provides you with a general description of the securities we may offer, which is not meant to be a complete description of each security. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of those securities. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read carefully both this prospectus and any prospectus supplement together with the additional information described under the sections entitled Where You Can Find More Information and Incorporation of Certain Documents By Reference.

Unless otherwise indicated or the context requires otherwise, in this prospectus and any prospectus supplement hereto, references to our company, we, us and our mean Terreno Realty Corporation and its consolidated subsidiaries.

Table of Contents

PROSPECTUS SUMMARY

Our Company

We acquire, own and operate industrial real estate in six major coastal U.S. markets: Los Angeles; Northern New Jersey/New York City; San Francisco Bay Area; Seattle; Miami; and Washington, D.C./Baltimore. We invest in several types of industrial real estate, including warehouse/distribution, flex (including light industrial and research and development, or R&D), and trans-shipment. We target functional buildings in infill locations that may be shared by multiple tenants and that cater to customer demand within the various submarkets in which we operate. Infill locations are geographic locations surrounded by high concentrations of already developed land and existing buildings. We completed our initial public offering in February 2010 and as of December 31, 2014, we owned 126 buildings (including one building held for sale) aggregating approximately 9.3 million square feet and two improved land parcels consisting of 3.5 acres. As of December 31, 2014, our properties were approximately 93.7% leased to 299 customers. We were formed in November 2009 as a Maryland corporation, are internally managed and have elected to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2010.

Corporate Information

Our headquarters are located at 101 Montgomery Street, Suite 200, San Francisco, California 94104. Our telephone number is (415) 655-4580. We maintain an Internet site, www.terreno.com, which contains additional information concerning Terreno Realty Corporation. Information on our Internet site is neither part of nor incorporated by reference into this prospectus or any other report or document we file with or furnish to the SEC.

Ratio of Earnings to Fixed Charges and Preferred Stock Dividends

The following table sets forth our ratio of earnings to fixed charges and preferred stock dividends for the periods shown:

	For the Year Ended December 31,				*Period from February 16, 2010 (Commencement of Operations) to*
	2014	*2013*	*2012*	*2011*	*December 31, 2010*
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	1.65	0.87	0.49(1)	(1)	(1)

(1) Fixed charges exceed earnings by $2.0 million, $5.8 million and $6.0 million for the years ended December 31, 2012 and 2011 and for the period from February 16, 2010 (Commencement of Operations) to December 31, 2010.

On July 19, 2012, we issued 1,840,000 shares of Series A Preferred Stock and as of March 24, 2015, 1,840,000 shares of Series A Preferred Stock were outstanding. Prior to the issuance of the Series A Preferred Stock, we had not issued any shares of preferred stock.

Table of Contents

RISK FACTORS

Investing in our securities involves risks. Before purchasing any securities offered by this prospectus, you should carefully consider the information contained or incorporated by reference in this prospectus or in any accompanying prospectus supplement, including, without limitation, the risk factors incorporated by reference in this prospectus from our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 11, 2015, as well as the risks, uncertainties and additional information (i) set forth in our SEC reports on Forms 10-K, 10-Q and 8-K and in the other documents incorporated by reference in this prospectus that we file with the SEC after the date of this prospectus and which are deemed incorporated by reference in this prospectus, and (ii) the information contained in any applicable prospectus supplement. For a description of these reports and documents, and information about where you can find them, see Where You Can Find More Information and Incorporation of Certain Documents By Reference. The risks and uncertainties we discuss in this prospectus and in the documents incorporated by reference in this prospectus are those that we currently believe may materially affect our company. Additional risks not presently known or that are currently deemed immaterial could also materially and adversely affect our financial condition, results of operations, business and prospects. The occurrence of any of these risks might cause you to lose all or a part of your investment in the offered securities. Please also refer to the section below entitled Forward-Looking Statements.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

SEC rules allow us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of securities by means of this prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference into this prospectus. We incorporate by reference into this prospectus the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2014 filed with the SEC on February 11, 2015;

- the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2014 from our Definitive Proxy Statement on Schedule 14A filed with the SEC on March 19, 2015;

- our Current Reports on Form 8-K or Form 8-K/A filed with the SEC on July 27, 2012, June 24, 2013, February 18, 2014, February 4, 2015 and March 16, 2015;

- the description of our shares of Series A Preferred Stock included in our registration statement on Form 8-A filed with the SEC on July 13, 2012, and all reports filed for the purpose of updating such description; and the description of our shares of common stock included in our registration statement on Form 8-A filed with the SEC on January 14, 2010, and all reports filed for the purpose of updating such description.

All documents that we file (but not those that we furnish) pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and prior to the termination of the offering of any of the securities covered under this prospectus shall be deemed to be incorporated by reference into this prospectus and will automatically update and supersede the information in this prospectus, the applicable prospectus supplement and any previously filed documents.

Table of Contents

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. Requests for those documents should be directed to us as follows: Terreno Realty Corporation, 101 Montgomery Street, Suite 200, San Francisco, California, 94104 Attn: Chief Financial Officer, Telephone: (415) 655-4580.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and, in accordance with those requirements, file annual, quarterly and current reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information, as well as this registration statement and the exhibits and schedules thereto, can be inspected at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC s website is http://www.sec.gov. Copies of these documents may be available on our website at www.terreno.com. Our internet website and the information contained therein or connected thereto are not incorporated into this prospectus or any amendment or supplement thereto.

We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities offered by this prospectus. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC s rules and regulations. For further information about us and the securities, we refer you to the registration statement and to such exhibits and schedules. You may review a copy of the registration statement at the SEC s public reference room in Washington, D.C. as well as through the SEC s website. Please be aware that statements in this prospectus referring to a contract or other document are summaries and you should refer to the exhibits that are part of the registration statement for a copy of the contract or document.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Exchange Act. We caution investors that forward-looking statements are based on management s beliefs and on assumptions made by, and information currently available to, management. When used, the words anticipate , believe , estimate , expect , intend , may , might , project , result , seek , should , will , and similar expressions which do not relate solely to historical matters are inte to identify forward-looking statements. These statements are subject to risks, uncertainties, and assumptions and are not guarantees of future performance, which may be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, or projected. We expressly disclaim any responsibility to update our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

4

Table of Contents

Some of the risks and uncertainties that may cause our actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- the factors included under the headings Risk Factors, and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 11, 2015 and in our other public filings;
- our ability to identify and acquire industrial properties on terms favorable to us;
- general volatility of the capital markets and the market price of our common stock;
- adverse economic or real estate conditions or developments in the industrial real estate sector and/or in the markets in which we acquire properties;
- our dependence on key personnel and our reliance on third parties to property manage our industrial properties;
- our inability to comply with the laws, rules and regulations applicable to companies, and in particular, public companies;
- our ability to manage our growth effectively;
- tenant bankruptcies and defaults on or non-renewal of leases by tenants;
- decreased rental rates or increased vacancy rates;
- increased interest rates and operating costs;
- declining real estate valuations and impairment charges;
- our expected leverage, our failure to obtain necessary outside financing, and future debt service obligations;
- our ability to make distributions to our stockholders;

our failure to successfully hedge against interest rate increases;

our failure to successfully operate acquired properties;

our failure to qualify or maintain our status as a REIT and possible adverse changes to tax laws;

uninsured or underinsured losses relating to our properties;

environmental uncertainties and risks related to natural disasters;

financial market fluctuations; and

changes in real estate and zoning laws and increases in real property tax rates.

Table of Contents

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds from the offering of securities under this prospectus for general corporate purposes, including funding our investment activity, the repayment of outstanding indebtedness, working capital and other general purposes. Further details relating to the use of the net proceeds from the offering of securities under this prospectus will be set forth in the applicable prospectus supplement. Pending such uses, we anticipate that we will invest the net proceeds in interest-bearing short-term U.S. government and government agency securities, which are consistent with our intention to maintain our qualification as a REIT.

Table of Contents

DESCRIPTION OF THE SECURITIES WE MAY OFFER

This prospectus contains summary descriptions of our shares of common stock and shares of preferred stock that we may offer from time to time. As further described in this prospectus, these summary descriptions are not meant to be complete descriptions of each security. The particular terms of any security will be described in the accompanying prospectus supplement and other offering material. The accompanying prospectus supplement may add, update or change the terms and conditions of the securities as described in this prospectus.

DESCRIPTION OF CAPITAL STOCK

The following summary of our capital stock does not purport to be complete and is subject to and qualified in its entirety by reference to Maryland law and to our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part. See Where You Can Find More Information .

General

Our charter provides that we may issue up to 400,000,000 shares of common stock and 100,000,000 shares of preferred stock, both having par value $0.01 per share. As of March 24, 2015, 42,875,380 shares of common stock were issued and outstanding and 1,840,000 shares of preferred stock classified as Series A Preferred Stock were issued and outstanding. Our board of directors, without any action on the part of our stockholders, may establish the terms of any stock to be issued and, with the approval of a majority of the entire board, may amend our charter from time to time to increase or decrease the aggregate number of authorized shares of stock or the number of shares of stock of any class or series. Under Maryland law, our stockholders generally are not personally liable for our debts and obligations solely as a result of their status as stockholders.

Common Stock

All shares of our common stock have equal rights as to earnings, assets, dividends and voting. Subject to our charter restrictions on the transfer and ownership of our stock and the preferential rights of holders of any other class or series of our stock, including our Series A Preferred Stock, distributions may be paid to the holders of our common stock if, as and when authorized by our board of directors and declared by us out of funds legally available therefor. Shares of our common stock generally have no preemptive, appraisal, preferential exchange, conversion, sinking fund or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws, by contract or by the restrictions in our charter. In the event of our liquidation, dissolution or winding up, each share of our common stock would be entitled to share ratably in all of our assets that are legally available for distribution after payment of or adequate provision for all of our known debts and other liabilities and subject to any preferential rights of holders of our preferred stock, including our Series A Preferred Stock, if any preferred stock is outstanding at such time, and our charter restrictions on the transfer and ownership of our stock. Subject to our charter restrictions on the transfer and ownership of our stock and except as may otherwise be specified in the terms of any class or series of common stock, each share of our common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as may be provided with respect to any other class or series of stock, including our Series A Preferred Stock, the holders of our common stock will possess exclusive voting power. In an uncontested election, a director is elected if he or she receives more for votes than against or withheld votes, and there is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of common stock can elect all of our directors.

Preferred Stock

The specific terms of a particular class or series of preferred stock will be described in the prospectus supplement relating to that class or series. The description of preferred stock set forth below and the description

Table of Contents

of the terms of a particular class or series of preferred stock set forth in the applicable prospectus supplement do not purport to be complete and are qualified in their entirety by reference to the articles supplementary relating to that class or series.

Our board of directors may authorize the issuance of shares of our preferred stock in one or more series and may determine, with respect to any such series, the rights, preferences, privileges and restrictions of the shares of preferred stock of that series, including:

- distribution rights;
- conversion rights;
- voting rights;
- redemption rights and terms of redemptions; and
- liquidation preferences.

The preferred stock we may offer from time to time under this prospectus, when issued, will be duly authorized, fully paid and nonassessable, and holders of shares of our preferred stock will not have any preemptive rights.

The issuance of shares of our preferred stock could have the effect of delaying, deferring or preventing a change in control or other transaction that might involve a premium price for shares of our common stock or otherwise be in the best interests of our shareholders. In addition, any shares of our preferred stock that we issue could rank senior to our shares of common stock with respect to the payment of distributions, in which case we could not pay any distributions on our common shares until full distributions have been paid with respect to such shares of our preferred stock.

The rights, preferences, privileges and restrictions of each series of shares of our preferred stock will be fixed by articles supplementary relating to the series. We will describe the specific terms of the particular series of shares of our preferred stock in the prospectus supplement relating to that series, which terms will include:

- the designation and par value of the shares of our preferred stock;
- the voting rights, if any, of the shares of our preferred stock;
- the number of shares of our preferred stock offered, the liquidation preference per share of our preferred stock and the offering price of the shares of our preferred stock;

the distribution rate(s), period(s) and payment date(s) or method(s) of calculation applicable to the shares of our preferred stock;

whether distributions will be cumulative or non-cumulative and, if cumulative, the date(s) from which distributions on the shares of our preferred stock will cumulate;

the procedures for any auction and remarketing for the shares of our preferred stock, if applicable;

the provision for a sinking fund, if any, for the shares of our preferred stock;

the provision for, and any restriction on, redemption, if applicable, of the shares of our preferred stock;

the provision for, and any restriction on, repurchase, if applicable, of the shares of our preferred stock;

the terms and provisions, if any, upon which the shares of our preferred stock will be convertible into common shares, including the conversion price (or manner or calculation) and conversion period;

the terms under which the rights of the shares of our preferred stock may be modified, if applicable;

the relative ranking and preferences of the shares of our preferred stock as to distribution rights and rights upon the liquidation, dissolution or winding up of our affairs;

Table of Contents

- any limitation on issuance of any other series of shares of our preferred stock, including any series of shares of our preferred stock ranking senior to or on parity with the series of shares of our preferred stock as to distribution rights and rights upon the liquidation, dissolution or winding up of our affairs;
- any listing of the shares of our preferred stock on any securities exchange;
- if appropriate, a discussion of any additional material U.S. federal income tax considerations applicable to the shares of our preferred stock;
- information with respect to book-entry procedures, if applicable;
- in addition to those restrictions described below, any other restrictions on the ownership and transfer of the shares of our preferred stock; and
- any additional rights, preferences, privileges or restrictions of the shares of our preferred stock.

7.75% Series A Cumulative Redeemable Preferred Stock

General. Our board of directors approved articles supplementary, a copy of which has been previously filed with the SEC and which is incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part, creating the Series A Preferred Stock as a series of our preferred stock, designated as the 7.75% Series A Cumulative Redeemable Preferred Stock. As of March 24, 2015, 1,840,000 shares of Series A Preferred Stock were issued and outstanding.

Ranking. The Series A Preferred Stock ranks, with respect to dividend rights and rights upon our voluntary or involuntary liquidation, dissolution or winding up of our affairs:

- senior to all classes or series of our common stock, and to any other class or series of our capital stock expressly designated as ranking junior to the Series A Preferred Stock;
- on parity with any class or series of our capital stock expressly designated as ranking on parity with the Series A Preferred Stock, none of which exists on the date hereof; and
- junior to any other class or series of our capital stock expressly designated as ranking senior to the Series A Preferred Stock, none of which exists on the date hereof.

The term capital stock does not include convertible or exchangeable debt securities, none of which is outstanding as of the date hereof, which, prior to conversion or exchange, will rank senior in right of payment to the Series A Preferred Stock. The Series A Preferred Stock will also rank junior in right of payment to our other existing and future debt obligations.

Dividend Rate and Payment Date. Subject to the preferential rights of the holders of any class or series of our capital stock ranking senior to the Series A Preferred Stock with respect to dividend rights, holders of shares of the Series A Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by us out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 7.75% per annum of the $25.00 liquidation preference per share of the Series A Preferred Stock (equivalent to the annual rate of $1.9375 per share of the Series A Preferred Stock). Dividends are payable to holders quarterly in arrears on or about the last day of March, June, September and December of each year. Dividends on the Series A Preferred Stock will accrue whether or not we have earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are authorized or declared.

Liquidation Preference. If we voluntarily or involuntarily liquidate, dissolve or wind up our affairs, holders of the Series A Preferred Stock will have the right to receive out of our assets legally available for distribution to our stockholders, after payment of or provision for our debts and other liabilities, a liquidation preference of $25.00 per share, plus an amount equal to accrued and unpaid dividends (whether or not authorized or declared) up to but excluding the date of payment, before any payment is made to holders of the common stock and any other class or series of capital stock ranking junior to the Series A Preferred Stock as to liquidation rights. The rights of holders of Series A Preferred Stock to receive their liquidation preference will be subject to the proportionate rights of any other class or series of our stock ranking on parity with the Series A Preferred Stock as to liquidation.

Optional Redemption. We may not redeem the Series A Preferred Stock prior to July 19, 2017, except in limited circumstances relating to our ability to qualify as a REIT and pursuant to the special optional redemption right described below. On and after July 19, 2017, the Series A Preferred Stock will be redeemable at our option, in whole or in part, at any time and from time to time, for cash at a redemption price of $25.00 per share, plus all accrued and unpaid dividends (whether or not authorized or declared) up to but excluding the date fixed for redemption, without interest, to the extent we have funds legally available for that purpose. Any partial redemption will be on a pro rata basis, by lot, or by any other equitable method we determine will not violate the 9.8% Series A Preferred Stock ownership limit described elsewhere in this prospectus.

Special Optional Redemption. Upon the occurrence of a Change of Control (as defined below), we may, at our option, redeem the Series A Preferred Stock, in whole or in part within 120 days after the first date on which such Change of Control occurs, by paying $25.00 per share, plus any accrued and unpaid dividends to, but not including, the redemption date. If, prior to the Change of Control Conversion Date (as defined below), we have provided or provide notice of redemption with respect to the Series A Preferred Stock (whether pursuant to our optional redemption right or special optional redemption right), the holders of the Series A Preferred Stock will not have the conversion right described below.

A Change of Control is when, after the original issue date of the Series A Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a person under Section 13(d)(3) of the Exchange Act, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of stock of our company entitling that person to exercise more than 50% of the total voting power of all stock of our company entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and

- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or ADRs representing such securities) listed on the NYSE, the NYSE Amex or NASDAQ or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE Amex or NASDAQ.

Conversion Rights. Upon the occurrence of a Change of Control, each holder of Series A Preferred Stock will have the right (unless prior to the Change of Control Conversion Date, we have provided or provide notice of our election to redeem the Series A Preferred Stock) to convert some or all of the Series A Preferred Stock held by such holder on the date the Series A Preferred Stock is to be converted, which we refer to as the Change of Control Conversion Date, into a number of shares of our common stock per share of the Series A Preferred Stock to be converted equal to the lesser of:

the quotient obtained by dividing (i) the sum of the $25.00 liquidation preference plus the amount of any accrued and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Series A Preferred Stock dividend payment date, in which case no additional amount for such accrued and unpaid dividend will be included in this sum) by (ii) the Common Stock Price (as defined below) (such quotient, the Conversion Rate); and

3.2446 (i.e., the Share Cap), subject to certain adjustments;

Table of Contents

subject, in each case, to the provisions for the receipt of alternative consideration as described in the articles supplementary relating to the Series A Preferred Stock.

The Common Stock Price will be (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group, Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if our common stock is not then listed for trading on a U.S. securities exchange.

If, prior to the Change of Control Conversion Date, we have provided or provide a redemption notice, whether pursuant to our special optional redemption right in connection with a Change of Control or our optional redemption right, holders of Series A Preferred Stock will not have any right to convert the Series A Preferred Stock into shares of our common stock in connection with the Change of Control and any shares of Series A Preferred Stock selected for redemption that have been tendered for conversion will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

Except as provided above in connection with a Change of Control, the Series A Preferred Stock is not convertible into or exchangeable for any other securities or property.

No Maturity, Sinking Fund or Mandatory Redemption. The Series A Preferred Stock has no maturity date and we are not required to redeem the Series A Preferred Stock at any time. Accordingly, the Series A Preferred Stock will remain outstanding indefinitely, unless we decide, at our option, to exercise our redemption right or, under circumstances where the holder of the Series A Preferred Stock have a conversion right, such holders convert the Series A Preferred Stock into our common stock. The Series A Preferred Stock is not subject to any sinking fund.

Limited Voting Rights. Holders of the Series A Preferred Stock generally have no voting rights. However, if we are in arrears on dividends on the Series A Preferred Stock for six or more quarterly periods, whether or not consecutive, holders of the Series A Preferred Stock (voting together as a class with the holders of all other classes or series of parity preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote at a special meeting called upon the request of at least 10% of the outstanding shares of Series A Preferred Stock and parity preferred stock held by such holders or at our next annual meeting and each subsequent annual meeting of stockholders for the election of two additional directors to serve on our board of directors until all unpaid dividends for all past dividend periods with respect to the Series A Preferred Stock and any other class or series of parity preferred stock have been paid or declared and a sum sufficient for the payment thereof set aside for payment. In addition, we may not make certain material and adverse changes to the terms of the Series A Preferred Stock without the affirmative vote of the holders of at least two-thirds of the outstanding shares of the Series A Preferred Stock and all other shares of any class or series ranking on parity with the Series A Preferred Stock that are entitled to similar voting rights (voting together as a single class).

Power to Reclassify Shares of Our Stock

Our charter authorizes our board of directors to classify and reclassify any unissued shares of stock into other classes or series of stock, including preferred stock. Prior to the issuance of shares of each class or series, the board of directors is required by Maryland law and by our charter to set, subject to our charter restrictions on the transfer and ownership of our stock and the terms of any outstanding class or series of our stock, the

Table of Contents

preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption for each class or series. Thus, the board of directors could authorize the issuance of shares of common stock or preferred stock with terms and conditions which could have the effect of delaying, deferring or preventing a transaction or a change in control that might involve a premium price for holders of our common stock or that stockholders may believe is in their best interests. A total of 1,840,000 shares of our preferred stock are outstanding as of March 24, 2015.

Power to Increase Authorized Stock and Issue Additional Shares of Our Common Stock and Preferred Stock

We believe that the power of our board of directors to increase the number of authorized shares of stock, issue additional authorized but unissued shares of our common stock or preferred stock and to classify or reclassify unissued shares of our common stock or preferred stock and thereafter to cause us to issue such classified or reclassified shares of stock will provide us with increased flexibility in structuring possible future financings and acquisitions and in meeting other needs which might arise. Subject to the limited rights of holders of Series A Preferred Stock and each other parity class or series of preferred stock, voting together as a single class, to approve certain issuances of senior classes and series of stock, any additional classes or series of stock, as well as of common stock, will be available for issuance without further action by our stockholders, unless stockholder consent is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded.

Restrictions on Transfer

In order for us to qualify as a REIT under the Internal Revenue Code of 1986, as amended (the Code), our stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made). Also, not more than 50% of the value of the outstanding shares of stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year for which an election to be a REIT has been made).

Our charter contains restrictions on the ownership and transfer of our stock. The relevant sections of our charter provide that, commencing with the last day of the first half of the second taxable year for which we have elected to be classified as REIT, no individual (as defined under the Code to include certain entities) may actually or constructively own more than 9.8% in value of the aggregate of our outstanding shares of stock or more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock. In addition, the applicable articles supplementary for any series of preferred stock, including the articles supplementary for the Series A Preferred Stock, will generally prohibit any individual (as defined in the Code to include certain entities) from actually or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of the applicable series of preferred stock. Subject to the exceptions described below, our charter further prohibits any person or entity from beneficially or constructively owning shares in excess of these limits. We refer to these restrictions as the ownership limits and we sometimes refer to the restrictions on ownership by a person or entity separately as the related party tenant limit. We refer to a person or entity that would, but for the restrictions in our charter, have beneficially or constructively owned shares of our stock in violation of the applicable ownership limit or the other restrictions on ownership and transfer of our stock described below and, if appropriate in the context, any person or entity that would have been the record owner of such shares as a prohibited owner.

The beneficial and constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% in value of our outstanding stock or less than 9.8% in value or number of our common shares or preferred shares (or the acquisition of an interest in an entity that owns, actually or constructively, our stock) by an individual or entity could, nevertheless, cause that

Table of Contents

individual or entity, or another individual or entity, to own constructively in excess of 9.8% in value of our outstanding stock or 9.8% in value or number of our outstanding common shares or preferred shares and thereby violate the applicable ownership limit.

Our charter provides that, subject to our directors duties under applicable law, upon request, our board of directors will, prospectively or retroactively, waive the related party tenant limit with respect to a particular stockholder, and establish a different ownership limitation for the stockholder, unless such stockholder s increased ownership of our stock would result in us failing to qualify as a REIT or our board of directors determines in its sole judgment that such stockholder s increased ownership could result in any of our rental income to fail to qualify as such for REIT testing purposes as a result of the related party tenant rules that apply to REITs. As a condition of such waiver, our board of directors may require certain representations and undertakings from the stockholder and/or an opinion of counsel or IRS ruling satisfactory to our board of directors with respect to preserving our REIT status.

Our board of directors may from time to time increase the ownership limits for one or more persons or entities and decrease the ownership limits for all other persons and entities unless, after giving effect to such modification of the ownership limits, five or fewer individuals could beneficially own more than 49.9% in value of our outstanding stock or we would otherwise fail to qualify as a REIT. Any such decrease in the ownership limits will not apply to any person or entity whose ownership of our stock exceeds the decreased ownership limits until the person s or entity s ownership of our stock equals or falls below the decreased ownership limits, but any further acquisition of our stock by such a person or entity will violate the decreased ownership limits.

Our charter provisions further prohibit:

- any person from transferring shares of our stock if such transfer would result in shares of our stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution); and

- any person from owning shares of our stock if such ownership would result in our failing to qualify as a REIT for federal income tax purposes.

Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares of our stock that will or may violate the ownership limits or any of the other foregoing limitations on transferability and ownership will be required to give notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing provisions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT or that compliance with any or all of the restrictions on ownership and transfer of our stock is no longer required in order for us to qualify as a REIT, but only to the extent thereof.

If any purported transfer of our stock or any other event would otherwise result in any person violating the ownership limit or such other limit as established by our board of directors or would result in our failing to qualify as a REIT, then that number of shares in excess of the ownership limit or causing us to fail to qualify as a REIT (rounded up to the nearest whole share) will be automatically transferred to, and held by, a trust for the exclusive benefit of one or more charitable organizations selected by us. The automatic transfer will be effective as of the close of business on the business day prior to the date of the violative transfer or other event that results in a transfer to the trust. Any dividend or other distribution paid to the prohibited owner, prior to our discovery that the shares had been automatically transferred to a trust as described above must be repaid to the trustee upon demand for distribution to the beneficiary of the trust. If the transfer to the trust as described above is not automatically effective, for any reason, to prevent violation of the applicable ownership limit or our failing to qualify as a REIT, then our charter provides that the transfer of the shares resulting in such violation will be void. If any transfer would result in shares of our stock being beneficially owned by fewer than 100 persons, then any such purported transfer will be void and of no force or effect.

Table of Contents

Shares of our stock transferred to the trustee are deemed to be offered for sale to us or our designee at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the trust (or, in the case of a devise or gift, the market price at the time of such devise or gift) and (ii) the market price on the date we accept, or our designee accepts, such offer. We may reduce the amount so payable to the trustee by the amount of any dividends or other distributions paid to the prohibited owner and owed by the prohibited owner to the trustee as described above and pay such amount to the trustee for distribution to the beneficiary of the trust. We have the right to accept such offer until the trustee has sold the shares of our stock held in the trust as discussed below. Upon a sale to us, the interest of the charitable beneficiary in the shares sold terminates and the trustee must distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee with respect to such stock to the charitable beneficiary.

If we do not buy the shares, the trustee must, within 20 days of receiving notice from us of the transfer of shares to the trust, sell the shares to a person or entity designated by the trustee who could own the shares without violating the ownership limits or other restrictions on ownership and transfer of our stock. After that, the trustee must distribute to the prohibited owner an amount equal to the lesser of (i) the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in trust (e.g., in the cause of a gift, devise or other such transaction), the market price of the shares on the day of the event causing the shares to be held in the trust, and (ii) the sales proceeds (net of commissions and other expenses of sale) received by the trustee for the shares. The trustee may reduce the amount payable to the prohibited owner by the amount of any dividends or other distributions paid to the prohibited owner and owed by the prohibited owner to the trustee as described above. Any net sales proceeds in excess of the amount payable to the prohibited owner will be immediately paid to the charitable beneficiary, together with any dividends or other distributions thereon. In addition, if prior to discovery by us that shares of our stock have been transferred to a trust, such shares of stock are sold by a prohibited owner, then such shares shall be deemed to have been sold on behalf of the trust and to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive, such excess amount shall be paid to the trustee upon demand. The prohibited owner has no rights in the shares held by the trustee.

The trustee shall be designated by us and shall be unaffiliated with us and with any prohibited owner. Prior to the sale of any shares by the trust, the trustee will receive, in trust for the beneficiary, all dividends and other distributions paid by us with respect to the shares, and may also exercise all voting rights with respect to the shares.

Subject to Maryland law, effective as of the date that the shares have been transferred to the trust, the trustee shall have the authority, at the trustee s sole discretion:

- to rescind as void any vote cast by a prohibited owner prior to our discovery that the shares have been transferred to the trust; and

- to recast the vote in accordance with the desires of the trustee acting for the benefit of the beneficiary of the trust.

However, if we have already taken irreversible corporate action, then the trustee may not rescind and recast the vote.

In addition, if our board of directors determines in good faith that a proposed transfer or other event has occurred that would result in a violation of the restrictions on ownership and transfer of our stock set forth in our charter, our board of directors will take such action as it deems advisable to refuse to give effect to or to prevent such transfer or other event, including, but not limited to, causing the company to redeem shares of common stock or preferred stock, refusing to give effect to the transfer on our books or instituting proceedings to enjoin the transfer.

Table of Contents

Every owner of 5% or more (or such lower percentage as required by the Code or the regulations promulgated thereunder) of the outstanding shares of our stock, upon request following the end of each of our taxable years, must give us written notice stating the person s name and address, the number of shares of each class and series of our stock that the person beneficially owns and a description of the manner in which the shares are held. Each such owner must also provide us with any additional information that we request in order to determine the effect, if any, of such beneficial ownership on our qualification as a REIT and to ensure compliance with the ownership limits. In addition, any person or entity that is a beneficial owner or constructive owner of shares of our stock and any person or entity (including the stockholder of record) who is holding shares of our stock for a beneficial owner or constructive owner shall, on request, disclose to us in writing such information as we may request in order to determine our status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance.

All certificates representing shares of our common stock and preferred stock bear a legend referring to the restrictions described above.

Stock Exchange Listing

Our shares of common stock and Series A Preferred Stock are listed on the NYSE under the symbols TRNO and TRNOPrA , respectively.

Transfer Agent and Registrar

Our transfer agent and registrar for our shares of common stock and shares of Series A Preferred Stock is Computershare Trust Company, N.A.

GLOBAL SECURITIES

We may issue some or all of our securities of any series as global securities. We will register each global security in the name of a depositary identified in the applicable prospectus supplement. The global securities will be deposited with a depositary or nominee or custodian for the depositary and will bear a legend regarding restrictions on exchanges and registration of transfer as discussed below.

As long as the depositary or its nominee is the registered holder of a global security, that person will be considered the sole owner and holder of the global security and the securities represented by it for all purposes under the securities. Except in limited circumstances, owners of a beneficial interest in a global security:

- will not be entitled to have the global security or any securities represented by it registered in their names;
- will not receive or be entitled to receive physical delivery of certificated securities in exchange for the global security; and
- will not be considered to be the owners or holders of the global security or any securities represented by it for any purposes under the securities.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

Ownership of beneficial interests in a global security will be limited to institutions having accounts with the depositary or its nominee, called participants for purposes of this discussion, and to persons that hold beneficial interests through participants. When a global security is issued, the depositary will credit on its book-entry, registration and transfer system the principal amounts of securities represented by the global security to the

Table of Contents

accounts of its participants. Ownership of beneficial interests in a global security will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by:

- the depositary, with respect to participants interests; or

- any participant, with respect to interests of persons held by the participants on their behalf.

Payments by participants to owners of beneficial interests held through the participants will be the responsibility of the participants. The depositary may from time to time adopt various policies and procedures governing payments, transfers, exchanges and other matters relating to beneficial interests in a global security. None of the following will have any responsibility or liability for any aspect of the depositary s or any participant s records relating to, or for payments made on account of, beneficial interests in a global security, or for maintaining, supervising or reviewing any records relating to those beneficial interests:

- us or our affiliates; or

- any agent of any of the above.

16

Table of Contents

CERTAIN PROVISIONS OF MARYLAND LAW AND OUR CHARTER AND BYLAWS

The following summary of certain provisions of Maryland law and of our charter and bylaws does not purport to be complete and is subject to and qualified in its entirety by reference to Maryland law and to our charter and bylaws, copies of which are filed as exhibits to the registration statement of which this prospectus forms a part. See Where You Can Find More Information .

The MGCL and our charter and bylaws contain provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

Board of Directors; Vacancies; Removals

Our charter provides that the number of directors will be set only by a majority of our entire board of directors within specified limits set forth in our bylaws. Our bylaws provide that a majority of our entire board of directors may at any time increase or decrease the number of directors. However, the number of directors may never be less than the minimum number required by the MGCL, which is one, nor, unless our bylaws are amended, more than 11. Because our board of directors and our stockholders have the power to amend this provision of our bylaws, either our board of directors or our stockholders, by a vote of a majority of the votes entitled to be cast by holders of outstanding shares of our common stock, could modify this provision of our bylaws to change that range. Our bylaws also provide that, in an uncontested election, a director is elected if he or she receives more for votes than against or withheld votes to serve until our next annual meeting of stockholders and until his or her successor is duly elected and qualifies. Under our corporate governance guidelines, any director who fails to be elected by a majority vote is required to tender his or her resignation to our board of directors, subject to acceptance. Our nominating and corporate governance committee will make a recommendation to our board of directors on whether to accept or reject the resignation, or whether other action should be taken. Our board of directors will then act on our nominating and corporate governance committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of election results. If the resignation is not accepted, the director will continue to serve until the next annual meeting and until the director s successor is duly elected and qualifies. The director who tenders his or her resignation will not participate in our board s decision.

Our charter provides that, subject to the rights, if any, of holders of any class or series of preferred stock to elect or remove one or more directors, a director may be removed only for cause, as defined in our charter, and then only by the affirmative vote of at least a majority of the votes entitled to be cast generally in the election of directors. This provision precludes stockholders from removing incumbent directors without cause and filling the vacancies created by such removal with their own nominees.

Our bylaws empower our stockholders to fill vacancies on our board of directors that are caused by the removal of a director. Our board of directors may also fill vacancies that are caused by an increase in the number of directors, the death, resignation or removal of a director. Any director appointed by our board of directors to fill a vacancy on the board will hold office until the next annual meeting of our stockholders and until his or her successor is duly elected and qualifies. However, our corporate governance guidelines will require an individual elected by our board of directors to fill a vacancy created by the removal of a director by our stockholders to tender his or her resignation if a special meeting to approve such election is requested by our stockholders and held in accordance with the provisions of our bylaws prior to the next annual meeting of stockholders and the director s election is not approved by our stockholders at the special meeting.

The articles supplementary with respect to the Series A Preferred Stock provide that if dividends on the Series A Preferred Stock are in arrears for six or more quarterly periods, whether or not consecutive, holders of shares of the Series A Preferred Stock (voting together as a class with the holders of all other classes or series of preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional directors to serve on our board of directors. The Series A Preferred Stock articles supplementary separately provide for the election, term, removal and filling of any vacancy in the office of the preferred stock directors.

Action by Stockholders

Under the MGCL, stockholder action can be taken only at an annual or special meeting of stockholders or by unanimous written consent in lieu of a meeting unless the charter provides for a lesser percentage (which our charter currently does not). These provisions, combined with the requirements of our bylaws regarding advance notice of nominations and other business to be considered at a meeting of stockholders and the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal.

Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals

Our bylaws provide that, with respect to an annual meeting of stockholders, nominations of individuals for election to the board of directors and the proposal of business to be considered by stockholders may be made only (i) pursuant to our notice of the meeting, (ii) by or at the direction of the board of directors or (iii) by a stockholder who was a stockholder of record both at the time of giving of notice by such stockholder as provided for in our bylaws and at the time of the annual meeting and who is entitled to vote at the meeting in the election of each individual so nominated or on any such other business and who has complied with the advance notice procedures and provided the information required by our bylaws. With respect to special meetings of stockholders, only the business specified in the notice of the meeting may be brought before the meeting. Nominations of individuals for election to the board of directors at a special meeting may be made only (i) by or at the direction of the board of directors (ii) by the stockholder that has requested that the special meeting be called for the purpose of electing directors and has complied with the procedures and provided the information required by our bylaws in connection with such request or (iii) provided that the special meeting has been called for the purpose of electing directors, by a stockholder who was a stockholder of record both at the time of giving of notice by such stockholder as provided for in our bylaws and at the time of the special meeting, and who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the advance notice provisions and provided the information required by our bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our board of directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our board of directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give our board of directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, they may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

Calling of Special Meetings of Stockholders

Our bylaws provide that special meetings of stockholders may be called by our board of directors and certain of our officers. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders to act on any matter that may properly be considered at a meeting of stockholders shall be called by the secretary of the corporation upon the written request of stockholders entitled to cast a majority of all the votes entitled to be cast on such matter at such meeting. The articles supplementary with respect to the Series A Preferred Stock provide the holders of Series A Preferred Stock certain rights to have a special meeting called at their request in connection with the election of preferred stock directors upon our being in arrears on dividends on the Series A Preferred Stock for six or more quarterly periods, whether or not consecutive. See Description of Capital Stock Preferred Stock 7.75% Series A Cumulative Redeemable Preferred Stock Limited Voting Rights above.

Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, consolidate, sell all or substantially all of its assets or engage in a share exchange, unless recommended by our board of directors and approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser percentage, but not less than a majority of all of the votes entitled to be cast on the matter. As permitted by Maryland law, any of these actions may be approved by the affirmative vote of the stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter.

So long as any shares of Series A Preferred Stock remain outstanding, we will not, without the consent or the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock together with each other class or series of preferred stock ranking on parity with Series A Preferred Stock with respect to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up and upon which like voting rights have been conferred (voting as a single class):

- authorize, create or issue, or increase the number of authorized or issued shares of, any class or series of stock ranking senior to such Series A Preferred Stock with respect to payment of dividends, or the distribution of assets upon our liquidation, dissolution or winding up, or reclassify any of our authorized capital stock into any such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or

- amend, alter or repeal the provisions of our charter, including the terms of the Series A Preferred Stock, whether by merger, consolidation, transfer or conveyance of substantially all of the company s assets or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series A Preferred Stock,

except that with respect to the occurrence of any of the events described in the second bullet point immediately above, so long as the Series A Preferred Stock remains outstanding with the terms of the Series A Preferred Stock materially unchanged, taking into account that, upon the occurrence of an event described in the second bullet point above, the company may not be the surviving entity, the occurrence of such event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of the Series A Preferred Stock, and in such case such holders shall not have any voting rights with respect to the events described in the second bullet point immediately above. Furthermore, if holders of shares of the Series A Preferred Stock receive the greater of the full trading price of the Series A Preferred Stock on the date of an event described in the second bullet point immediately above or the $25.00 per share liquidation preference pursuant to the occurrence of any of the events described in the second bullet point immediately above, then such holders shall not have any voting rights with respect to the events described in the second bullet point immediately above.

Our bylaws may be amended by our board of directors or by a vote of a majority of the votes entitled to be cast by holders of outstanding shares of our common stock, except for the provisions of our bylaws regarding advance notice of nominations and other business to be considered at a meeting of stockholders or the calling of a stockholder-requested special meeting of stockholders, which may be amended only by our board of directors, and except the following bylaw provisions, each of which may be amended only with the affirmative vote of a majority of the votes cast on such an amendment by holders of outstanding shares of common stock:

provisions opting out of the control share acquisition statute; and

Table of Contents

provisions prohibiting our board or directors without the approval of a majority of the votes entitled to be the cast by holders of outstanding shares of our common stock, from revoking, altering or amending any resolution, or adopting any resolution inconsistent with any previously-adopted resolution of our board of directors, that exempts any business combination between us and any other person or entity from the business combination provisions of the MGCL.

In addition, any amendment to the provisions governing amendments of our bylaws requires the approval of a majority of the votes entitled to be cast by holders of outstanding shares of our common stock.

No Stockholder Rights Plan

We have no stockholder rights plan. In the future, we do not intend to adopt a stockholder rights plan unless our stockholders approve in advance the adoption of a plan or, if adopted by our board of directors, we submit the stockholder rights plan to our stockholders for a ratification vote within 12 months of adoption or the plan will terminate.

No Appraisal Rights

As permitted by the MGCL, our charter provides that stockholders will not be entitled to exercise appraisal rights unless a majority of our entire board of directors determines that appraisal rights will apply, with respect to all or any classes and series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise appraisal rights. This is in addition to Maryland law provisions that generally eliminate appraisal rights for exchange-listed securities.

Business Combinations

Under the MGCL, certain business combinations (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland corporation and an interested stockholder (defined as any person who beneficially owns 10% or more of the voting power of the corporation s shares or an affiliate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then-outstanding voting stock of the corporation), or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder. A person is not an interested stockholder under the statute if the board of directors approved in advance the transaction by which the person otherwise would have become an interested stockholder. Our board of directors may provide that its approval is subject to compliance with any terms and conditions determined by it.

Any such business combination entered into after the five-year prohibition must be recommended by the board of directors of such corporation and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation and (b) two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom (or with whose affiliate) the business combination is to be effected, unless, among other conditions, the corporation s common stockholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested stockholder for its shares.

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by a board of directors prior to the time that the interested stockholder becomes an interested stockholder. Our board of directors has adopted a resolution exempting any business combination between us and any other person or entity from the business combination provisions of the MGCL. Our bylaws provide that this resolution or any other resolution of our board of directors exempting any business combination from the business combination provisions of the MGCL may only be revoked, altered or amended, and our board of directors may only adopt any resolution inconsistent with any such resolution, with the affirmative vote of a majority of the votes cast on the matter by holders of outstanding shares of common stock.

Table of Contents

Control Share Acquisitions

The MGCL provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved at a special meeting by the affirmative vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of stock of a corporation in respect of which any of the following persons is entitled to exercise or direct the exercise of the voting power of shares of stock of the corporation in the election of directors: (i) a person who makes or proposes to make a control share acquisition, (ii) an officer of the corporation or (iii) an employee of the corporation who is also a director of the corporation. Control shares are voting shares of stock which, if aggregated with all other such shares of stock previously acquired by the acquiror or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing directors within one of the following ranges of voting power: (i) one-tenth or more but less than one-third, (ii) one-third or more but less than a majority, or (iii) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel our board of directors to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then, subject to certain conditions and limitations, the corporation may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or of any meeting of stockholders at which the voting rights of such shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation.

Our bylaws exempt any and all acquisitions of shares of our stock from the control share acquisition statute, and this provision of our bylaws may not be amended without the affirmative vote of a majority of the votes cast on the matter by holders of outstanding shares of our common stock.

Certain Elective Provisions of Maryland Law

Title 3, Subtitle 8 of the MGCL permits a Maryland corporation with a class of equity securities registered under the Exchange Act and at least three independent directors to elect to be subject, by provision in its charter or bylaws or a resolution of its board of directors and notwithstanding any contrary provision in the charter or bylaws, to any of (1) a classified board, (2) a two-thirds vote requirement for removing a director, (3) a requirement that the number of directors be fixed only by vote of the directors, (4) a requirement that a vacancy on the board be filled only by the remaining directors and for the remainder of the full term of the class of directors in which the vacancy occurred, or (5) a majority requirement for the calling of a special meeting of stockholders. We have not elected to be governed by these specific provisions. However, we have four independent directors and a class of equity securities registered under the Exchange Act, so our board of directors could elect to provide for any of the foregoing provisions.

Table of Contents

Indemnification and Limitation of Directors and Officers Liability

The MGCL permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from actual receipt of an improper benefit or profit in money, property or services or active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains a provision that eliminates such liability to the maximum extent permitted by Maryland law.

Our charter authorizes us, to the maximum extent that Maryland law in effect from time to time permits, to indemnify any present or former director or officer or any individual who, while a director or officer of our company and at our request, serves or has served another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner, member, manager or trustee, from and against any claim or liability to which that individual may become subject or which that individual may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the fullest extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to:

- any present or former director or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity; or

- any individual who, while a director or officer of our company and at our request, serves or has served another corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise as a director, officer, partner, member, manager or trustee of such corporation, real estate investment trust, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of ours in any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

The MGCL requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful, on the merits or otherwise, in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or are threatened to be made a party by reason of their service in those or other capacities unless it is established that:

- the act or omission of the director or officer was material to the matter giving rise to the proceeding; and

- was committed in bad faith; or
- was the result of active and deliberate dishonesty; or

- the director or officer actually received an improper personal benefit in money, property or services; or
- in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably

Table of Contents

entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct, was adjudged liable to the corporation or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by or in the right of the corporation, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation s receipt of:

- a written affirmation by the director or officer of his good faith belief that he has met the standard of conduct necessary for indemnification by the corporation; and

- a written undertaking by the director or officer or on the director s or officer s behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We have entered into an indemnification agreement with each of our executive officers, certain senior officers and directors whereby we indemnify such executive officers, certain senior officers and directors to the fullest extent permitted by Maryland law against all expenses and liabilities, subject to limited exceptions. These indemnification agreements also provide that upon an application for indemnity by an executive officer, senior officer or director to a court of appropriate jurisdiction, such court may order us to indemnify such executive officer, senior officer or director.

Table of Contents

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

The following is a summary of material United States federal income tax considerations associated with an investment in our capital stock that may be relevant to you as a stockholder, Goodwin Procter LLP has acted as our counsel, has reviewed this summary, and is of the opinion that the discussion contained herein is accurate in all material respects. The statements made in this section of the prospectus are based upon current provisions of the Code and Treasury Regulations promulgated thereunder, published administrative positions of the Internal Revenue Service, or the IRS, and judicial decisions, all of which are subject to change, either prospectively or retroactively. We cannot assure you that any changes will not modify the conclusions expressed in counsel s opinions described herein. This summary does not address all possible tax considerations that may be material to an investor and does not constitute legal or tax advice. Moreover, this summary does not deal with all tax aspects that might be relevant to you, as a prospective holder of capital stock in light of your personal circumstances, nor does it deal with particular types of stockholders that are subject to special treatment under federal income tax laws, such as insurance companies, holders whose shares are acquired through the exercise of stock options or otherwise as compensation, tax-exempt organizations except as provided below, financial institutions or broker-dealers, regulated investment companies, traders in securities that elect to use a mark-to-market method of accounting for their security holdings, persons liable for the alternative minimum tax, persons that hold securities as part of a straddle or a hedging or conversion transaction, a U.S. stockholder (as defined below) whose functional currency is not the U.S. dollar, foreign corporations or persons who are not citizens or residents of the United States except as provided below, or others who are subject to special treatment under the Code. The Code provisions governing the federal income tax treatment of REITs and their stockholders are highly technical and complex, and this summary is qualified in its entirety by the express language of applicable Code provisions, Treasury Regulations promulgated thereunder and administrative and judicial interpretations thereof.

This discussion is not intended to be, and should not be construed as, tax advice. We urge you, as a prospective stockholder, to consult your tax advisor regarding the specific tax consequences to you of a purchase of shares, ownership and sale of the shares and of our election to be taxed as a REIT, including the federal, state, local, foreign and other tax consequences of such purchase, ownership, sale and election and of potential changes in applicable tax laws.

REIT Qualification

We have elected to be taxed as a REIT under the Code commencing with our taxable year ended December 31, 2010. A REIT generally is not subject to United States federal income tax on the income that it distributes to stockholders if it meets the applicable REIT distribution requirements and other requirements for qualification.

We believe that we have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the Code beginning with our taxable year ended December 31, 2010, and that our intended manner of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT for federal income tax purposes. In the opinion of Goodwin Procter LLP, commencing with our taxable year ended December 31, 2010, we have been organized and operated in conformity with the requirements for qualification and taxation as a REIT, and our current and proposed methods of operation will enable us to meet the requirements for qualification and taxation as a REIT under the Code for subsequent taxable years. It must be emphasized that this opinion is based on various assumptions and representations as to factual matters, including representations made by us in a factual certificate provided by one of our officers. Goodwin Procter LLP will have no obligation to update its opinion subsequent to its date. Moreover, our qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code discussed below, including through actual annual (or in some cases quarterly) operating results, requirements relating to income, asset ownership, distribution levels and diversity of share ownership and the various other REIT qualification requirements imposed under the Code, the results of which will not be monitored by Goodwin Procter LLP.

Table of Contents

Accordingly, no assurance can be given that our actual results of operation for any particular taxable year will satisfy those requirements. Given the complex nature of the REIT qualification requirements, the ongoing importance of factual determinations and the possibility of future changes in our circumstances, we cannot provide any assurance that our actual operating results will satisfy the requirements for taxation as a REIT under the Code for any particular taxable year.

Taxation as a REIT

Provided we qualify for taxation as a REIT, we generally will not be subject to federal corporate income tax on our net income that is distributed currently to our stockholders. This treatment substantially eliminates double taxation (that is, taxation at both the corporate and stockholder levels) that generally results from an investment in a corporation. However, we will be subject to federal income tax as follows:

- We will be taxed at regular corporate rates on any undistributed REIT taxable income . REIT taxable income is the taxable income of the REIT, subject to specified adjustments, including a deduction for dividends paid.

- Under some circumstances, we may be subject to the alternative minimum tax on our items of tax preference.

- If we have net income from the sale or other disposition of foreclosure property that is held primarily for sale to customers in the ordinary course of business, or other nonqualifying income from foreclosure property, we will be subject to tax at the highest corporate rate on this income.

- Our net income from prohibited transactions will be subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property held primarily for sale to customers in the ordinary course of business, other than foreclosure property.

- If we fail to satisfy either the 75% gross income test or the 95% gross income test discussed below, but nonetheless maintain our qualification as a REIT because other requirements are met, we will be subject to a tax equal to the greater of (1) the amount by which 75% of our gross income exceeds the amount of our income qualifying under the 75% test for the taxable year or (2) the amount by which 95% of our gross income exceeds the amount of our income qualifying for the 95% income test for the taxable year, multiplied by a fraction intended to reflect our profitability.

- If we fail to satisfy any of the asset tests (other than a failure by a de minimis amount of the 5% or 10% asset tests) and we qualify for and satisfy certain cure provisions, then we will have to pay an excise tax equal to the greater of (1) $50,000 and (2) an amount determined by multiplying (x) the net income generated during a specified period by the assets that caused the failure by (y) the highest federal income tax rate applicable to corporations.

If we fail to satisfy any REIT requirements other than the income test or asset test requirements and we qualify for a reasonable cause exception, then we may retain our REIT qualification, but we will have to pay a penalty equal to $50,000 for each such failure.

We will be subject to a 4% excise tax on the excess of the required distribution over the sum of amounts actually distributed and amounts retained for which federal income tax was paid, if we fail to distribute during each calendar year at least the sum of:

(1) 85% of our REIT ordinary income for the year;

(2) 95% of our REIT capital gain net income for the year; and

(3) any undistributed taxable income from prior taxable years.

We will be subject to a 100% penalty tax on some payments we receive (or on certain expenses deducted by a taxable REIT subsidiary) if arrangements among us, our tenants and our taxable REIT subsidiaries are not comparable to similar arrangements among unrelated parties.

25

Table of Contents

If we should acquire any asset from a C corporation in a carry-over basis transaction and we subsequently recognize gain on the disposition of such asset during the ten-year recognition period beginning on the date on which we acquired the asset, then, to the extent of any built-in gain, such gain will be subject to tax at the highest regular corporate rate. Built-in gain means the excess of (a) the fair market value of the asset as of the beginning of the applicable recognition period over (b) the adjusted basis in such asset as of the beginning of such recognition period.

Income earned by our taxable REIT subsidiaries, if any, will be subject to tax at regular corporate rates.

We may be required to pay penalties to the IRS in certain circumstances, including if we fail to meet recordkeeping requirements intended to monitor our compliance with rules relating to the composition of our stockholders.

Requirements for Qualification as a REIT

We elected to be taxed as a REIT under the Code commencing with our taxable year ended December 31, 2010 and do not intend to revoke such election for any subsequent taxable years. In order to qualify as a REIT, we must meet the requirements discussed below, relating to our organization, sources of income, nature of assets and distributions of income to stockholders.

The Code defines a REIT as a corporation, trust or association:

(1) that is managed by one or more trustees or directors;

(2) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

(3) that would be taxable as a domestic corporation, but for Sections 856 through 859 of the Code;

(4) that is neither a financial institution nor an insurance company subject to applicable provisions of the Code;

(5) the beneficial ownership of which is held by 100 or more persons;

(6) during the last half of each taxable year, not more than 50% in value of the outstanding shares of which is owned directly or indirectly by five or fewer individuals, as defined in the Code to include specified entities;

(7) that makes an election to be taxable as a REIT, or has made this election for a previous taxable year which has not been revoked or terminated, and satisfies all relevant filing and other administrative requirements established by the IRS that must be met to elect and maintain REIT status;

(8) that uses a calendar year for federal income tax purposes and complies with the recordkeeping requirements of the Code and regulations promulgated thereunder; and

(9) that meets other applicable tests, described below, regarding the nature of its income and assets and the amount of its distributions.

Conditions (1), (2), (3) and (4) above must be met during the entire taxable year and condition (5) above must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. For purposes of determining stock ownership under condition (6) above, a supplemental unemployment compensation benefits plan, a private foundation and a portion of a trust permanently set aside or used exclusively for charitable purposes generally are each considered an individual. A trust that is a qualified trust under Code Section 401(a) generally is not considered an individual, and beneficiaries of a qualified trust are treated as holding shares of a REIT in proportion to their actuarial interests in the trust for purposes of condition (6) above.

We believe that we have satisfied and will continue to satisfy the above ownership requirements. In addition, our charter restricts ownership and transfers of our stock that would violate these requirements,

Table of Contents

although these restrictions may not be effective in all circumstances to prevent a violation. To monitor its compliance with condition (6) above, a REIT is required to send annual letters to its stockholders requesting information regarding the actual ownership of its shares. If we comply with the annual letters requirement and we do not know or, exercising reasonable diligence, would not have known of our failure to meet condition (6) above, then we will be treated as having met condition (6) above.

To qualify as a REIT, we cannot have at the end of any taxable year any undistributed earnings and profits that are attributable to a non-REIT taxable year. We believe that we have not had any non-REIT earnings and profits at the end of any taxable year and we intend to distribute any non-REIT earnings and profits that we accumulate before the end of any taxable year in which we accumulate such earnings and profits.

Qualified REIT Subsidiaries and Disregarded Entities. We hold our assets through a limited liability company, which is a disregarded entity because we own 100% of the interests in it, directly or through other disregarded entities. If we own a corporate subsidiary that is a qualified REIT subsidiary , or if we own 100% of the membership interests in a limited liability company or other unincorporated entity that does not elect to be treated as a corporation for federal income tax purposes, the separate existence of that subsidiary, limited liability company or other unincorporated entity generally will be disregarded for federal income tax purposes. Generally, a qualified REIT subsidiary is a corporation, other than a taxable REIT subsidiary (discussed below), all of the stock of which is owned by the REIT. A limited liability company or other unincorporated entity 100% owned by a single member that does not elect to be treated as a corporation for federal income tax purposes generally is disregarded as an entity separate from its owner for federal income tax purposes. All assets, liabilities and items of income, deduction and credit of the qualified REIT subsidiary or disregarded entity will be treated as assets, liabilities and items of income, deduction and credit of its owner. Thus, in applying the requirements in this section, our qualified REIT subsidiaries and disregarded entities will be ignored and all assets, liabilities and items of income, deduction and credit of these subsidiaries will be treated as ours. Neither a qualified REIT subsidiary nor a disregarded entity will be subject to federal corporate income taxation, although such entities may be subject to state and local taxation in some states.

Ownership of Partnership Interests by a REIT. A REIT that is a partner in a partnership (or a member in a limited liability company or other entity that is treated as a partnership for federal income tax purposes) will be deemed to own its proportionate share of the assets of the partnership and will be deemed to earn its proportionate share of the partnership s income. The assets and gross income of the partnership retain the same character in the hands of the REIT for purposes of the gross income and asset tests applicable to REITs as described below. Thus, our proportionate share of the assets and items of income of any entity taxable as a partnership for federal income tax purposes in which we hold an interest will be treated as our assets and liabilities and our items of income for purposes of applying the requirements described in this prospectus. The assets, liabilities and items of income of any partnership in which we own an interest include such entity s share of the assets and liabilities and items of income with respect to any partnership in which it holds an interest.

Taxable REIT Subsidiaries. In the future we may own subsidiaries that have elected to be treated as taxable REIT subsidiaries for federal income tax purposes, although we do not currently own any taxable REIT subsidiaries. A taxable REIT subsidiary of a REIT is a corporation in which the REIT directly or indirectly owns stock and that elects, together with the REIT, to be treated as a taxable REIT subsidiary under Section 856(l) of the Code. The election can be revoked at any time as long as the REIT and the taxable REIT subsidiary revoke such election jointly. In addition, if a taxable REIT subsidiary owns, directly or indirectly, securities representing more than 35% of the vote or value of a subsidiary corporation (other than a REIT), that subsidiary will also be treated as a taxable REIT subsidiary. A taxable REIT subsidiary is a corporation subject to federal income tax, and state and local income tax where applicable, as a regular C corporation.

Generally, a taxable REIT subsidiary can perform some impermissible tenant services without causing us to receive impermissible tenant services income under the REIT income tests. Other than certain activities related to operating or managing a lodging or health care facility, a taxable REIT subsidiary also can recognize income that

Table of Contents

would be subject to the 100% prohibited transaction tax, or income that would be nonqualifying income under the gross income tests, if earned by a REIT. However, several provisions regarding the arrangements between a REIT and its taxable REIT subsidiaries ensure that a taxable REIT subsidiary will be subject to an appropriate level of federal income taxation. For example, a taxable REIT subsidiary is limited in its ability to deduct interest payments made to us in excess of a certain amount. In addition, we will be obligated to pay a 100% penalty tax on some payments that we receive or on certain expenses deducted by the taxable REIT subsidiary if the economic arrangements among us, our tenants and the taxable REIT subsidiary are not comparable to similar arrangements among unrelated parties.

Income Tests Applicable to REITs. To qualify as a REIT, we must satisfy two gross income tests. First, at least 75% of our gross income, excluding gross income from prohibited transactions and certain other income and gains described below, for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property, including rents from real property (which includes certain of our expenses that are paid or reimbursed by tenants), gains on the disposition of real estate assets, dividends paid by another REIT and interest on obligations secured by mortgages on real property or on interests in real property, or from temporary investments of new capital in stock or debt securities during the one-year period following our receipt of new capital that we raise through equity offerings or issuance of debt obligations with at least a five-year term. Second, at least 95% of our gross income, excluding gross income from prohibited transactions and certain other income and gains described below, for each taxable year must be derived from any combination of income qualifying under the 75% test and dividends, interest, and gain from the sale or disposition of stock or securities.

Rents received by us will qualify as rents from real property in satisfying the gross income requirements for a REIT described above only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from the term rents from real property solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, rents received from a related party tenant will not qualify as rents from real property in satisfying the gross income tests unless the tenant is a taxable REIT subsidiary and at least 90% of the property is leased to unrelated tenants and the rent paid by the taxable REIT subsidiary is substantially comparable to the rent paid by the unrelated tenants for comparable space. A tenant is a related party tenant if the REIT, or an actual or constructive owner of 10% or more of the REIT, actually or constructively owns 10% or more of the tenant. Third, if rent attributable to personal property, leased in connection with a lease of real property, is greater than 15% of the total rent received under the lease, then the portion of rent attributable to the personal property will not qualify as rents from real property.

Generally, for rents to qualify as rents from real property for the purpose of satisfying the gross income tests, we may provide directly only a de minimis amount of services, unless those services are customarily furnished or rendered in connection with the rental of real property and not otherwise considered rendered to the occupant . Accordingly, we may not provide impermissible services to tenants (except through an independent contractor from whom we derive no revenue and that meets other requirements or through a taxable REIT subsidiary) without giving rise to impermissible tenant service income . Impermissible tenant service income is deemed to be at least 150% of our direct cost of providing the service. If the impermissible tenant service income exceeds 1% of our total income from a property, then all of the income from that property will fail to qualify as rents from real property. If the total amount of impermissible tenant service income from a property does not exceed 1% of our total income from the property, the services will not taint the other income from the property (that is, it will not cause the rent paid by tenants of that property to fail to qualify as rents from real property), but the impermissible tenant service income will not qualify as rents from real property.

Any gain we realize on the sale of any property held as inventory or other property held primarily for sale to customers in the ordinary course of business will be treated as income from a prohibited transaction that is subject to a 100% penalty tax, unless such property has been held by us for at least two years and certain other requirements are satisfied or the gain is realized in a taxable REIT subsidiary. Under existing law, whether

Table of Contents

property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business is a question of fact that depends on all the facts and circumstances of a particular transaction. We generally intend to hold our properties for investment with a view to long-term appreciation, to engage in the business of acquiring, developing, owning and operating properties, and to make occasional sales of properties, consistent with our investment objectives. We cannot provide any assurance, however, that the IRS might not contend that one or more of these sales are subject to the 100% penalty tax.

For purposes of the gross income tests, temporary investment income generally constitutes qualifying income if such income is earned as a result of investing new capital raised through the issuance of our common stock or certain long-term debt obligations in stock and debt obligations, but only during the one-year period beginning on the date we receive the new capital. If we are unable to invest a sufficient amount of the net proceeds of any offering of our stock or debt securities in real estate assets, as detailed below, within such one-year period, we could fail the 75% gross income test.

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may nevertheless qualify as a REIT for that year if we are entitled to relief under the Code. These relief provisions generally will be available if our failure to meet the tests is due to reasonable cause and not due to willful neglect and, following our identification of such failure for any taxable year, we file a schedule describing each item of our gross income described in the gross income tests in accordance with the applicable Treasury Regulations. It is not possible, however, to state whether in all circumstances we would be entitled to the benefit of these relief provisions. For example, if we fail to satisfy the gross income tests because nonqualifying income that we intentionally incur exceeds the limits on nonqualifying income, the IRS could conclude that the failure to satisfy the tests was not due to reasonable cause. If these relief provisions are inapplicable to a particular set of circumstances involving us, we will fail to qualify as a REIT. As discussed under Taxation as a REIT , even if these relief provisions apply, a tax would be imposed based on the amount of nonqualifying income.

Asset Tests Applicable to REITs. At the close of each quarter of our taxable year, we must satisfy four tests relating to the nature of our assets:

(1) at least 75% of the value of our total assets must be represented by real estate assets, cash, cash items and government securities. Real estate assets include, for this purpose, stock or debt instruments held for less than one year purchased with the proceeds of an offering of our shares or publicly offered long-term debt;

(2) not more than 25% of our total assets may be represented by securities other than those in the 75% asset class;

(3) except for investments in qualified REIT subsidiaries, taxable REIT subsidiaries, equity interests in REITs or other securities that qualify as real estate assets for purposes of the test described in clause (1), the value of any one issuer s securities owned by us may not exceed 5% of the value of our total assets; we may not own more than 10% of the total voting power of any one issuer s outstanding securities; and we may not own more than 10% of the total value of the outstanding securities of any one issuer; and

(4)

not more than 25% of our total assets may be represented by securities of one or more taxable REIT subsidiaries.

Securities for purposes of the asset tests may include debt securities. However, the 10% value test does not apply to certain straight debt and other excluded securities, as described in the Code including, but not limited to, any loan to an individual or estate, any obligation to pay rents from real property and any security issued by a REIT. In addition, (a) a REIT s interest as a partner in a partnership is not considered a security for purposes of applying the 10% value test to securities issued by the partnership; (b) any debt instrument issued by a partnership (other than straight debt or another excluded security) will not be considered a security issued by the partnership if at least 75% of the partnership s gross income is derived from sources that would qualify for the

Table of Contents

75% gross income test; and (c) any debt instrument issued by a partnership (other than straight debt or another excluded security) will not be considered a security issued by the partnership to the extent of the REIT s interest as a partner in the partnership. In general, straight debt is defined as a written, unconditional promise to pay on demand or at a specific date a fixed principal amount, and the interest rate and payment dates on the debt must not be contingent on profits or the discretion of the debtor. In addition, straight debt may not contain a convertibility feature.

As provided above, stock or debt securities attributable to the temporary investment of new capital that we raise through the issuance of our stock or debt securities constitute good assets for purposes of the 75% asset test, but only during the one-year period beginning on the date we receive the new capital. We intend to invest the net proceeds of this offering in interest-bearing short-term U.S. government and government agency securities. If we are unable to invest a sufficient amount of the net proceeds of any offering of our stock or debt securities in real estate assets, we could be limited to investing all or a portion of any remaining funds in cash or cash equivalents.

After initially meeting the asset tests at the close of any quarter, we will not lose our status as a REIT if we fail to satisfy any of the asset tests (other than the 10% voting limitation) at the end of a later quarter solely by reason of changes in the relative values of our assets. If the failure to satisfy any such asset tests results from an acquisition of securities or other property during a quarter, the failure can be cured by disposition of sufficient non-qualifying assets within 30 days after the close of that quarter.

Moreover, if we fail to satisfy any of the asset tests at the end of a calendar quarter during a taxable year and such failure is not cured within 30 days as described above, we will not lose our REIT status if one of the following additional exceptions applies: (A) the failure is due to a violation of the 5% or 10% asset tests and is de minimis (for this purpose, a de minimis failure is one that arises from our ownership of assets the total value of which does not exceed the lesser of 1% of the total value of our assets at the end of the quarter in which the failure occurred and $10 million) and we either dispose of the assets that caused the failure or otherwise satisfy the asset tests within six months after the last day of the quarter in which our identification of the failure occurred; or (B) the failure is due to a violation of any of the asset tests (other than a de minimis violations of the 5% or 10% asset tests) and all of the following requirements are satisfied: (i) the failure is due to reasonable cause and not willful neglect, (ii) we file a schedule in accordance with Treasury Regulations providing a description of each asset that caused the failure, (iii) we either dispose of the assets that caused the failure or otherwise satisfy the asset tests within six months after the last day of the quarter in which our identification of the failure occurred, and (iv) we pay an excise tax equal to the greater of (x) $50,000 and (y) an amount determined by multiplying the net income generated during a specified period by the assets that caused the failure by the highest federal income tax applicable to corporations.

Foreclosure Property. Foreclosure property is real property (including interests in real property) and any personal property incident to such real property (1) that is acquired by a REIT as a result of the REIT having bid on the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after there was a default (or default was imminent) on a lease of the property or a mortgage loan held by the REIT and secured by the property, (2) for which the related loan or lease was made, entered into or acquired by the REIT at a time when default was not imminent or anticipated and (3) for which such REIT makes an election to treat the property as foreclosure property. REITs generally are subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property is held primarily for sale to customers in the ordinary course of a trade or business.

Hedging Transactions. We may enter into hedging transactions with respect to one or more of our assets or liabilities. Hedging transactions could take a variety of forms, including interest rate swaps or cap agreements, options, futures contracts, forward rate agreements or similar financial instruments. Except to the extent as may be provided by future Treasury Regulations, any income from a hedging transaction which is clearly identified as such before the close of the day on which it was acquired, originated or entered into, including gain from the disposition or termination of such a transaction, will not constitute gross income for purposes of the 95% and 75% income tests if such hedging transaction is entered into (i) in the normal course of our business primarily to manage risk of interest rate or price changes or currency fluctuations with respect to indebtedness incurred or to be incurred by us to acquire or carry real estate assets or (ii) primarily to manage the risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests (or any property which generates such income or gain). To the extent we enter into other types of hedging transactions, the income from those transactions is likely to be treated as nonqualifying income for purposes of both of the 75% and 95% gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our ability to qualify as a REIT.

Annual Distribution Requirements Applicable to REITs. To qualify as a REIT, we are required to distribute dividends, other than capital gain dividends, to our stockholders each year in an amount at least equal to (1) the sum of (a) 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gain, and (b) 90% of the net income, after tax, from foreclosure property, minus (2) the sum of certain specified items of noncash income. In addition, if we recognize any built-in gain, we will be required, under Treasury Regulations, to distribute at least 90% of the built-in gain, after tax, recognized on the disposition of the applicable asset. See Taxation as a REIT for a discussion of the possible recognition of built-in gain. These distributions must be paid either in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the prior year and if paid with or before the first regular dividend payment date after the declaration is made.

We believe that we have made and we intend to continue to make timely distributions sufficient to satisfy the annual distribution requirements.

It is possible that we, from time to time, may choose to retain cash to fund capital projects or future operations or may not have sufficient cash or other liquid assets to meet this distribution requirement or to distribute such greater amount as may be necessary to avoid income and excise taxation, in part due to timing differences between (a) the actual receipt of income and the actual payment of deductible expenses and (b) the inclusion of such income and the deduction of such expenses in arriving at our taxable income, or as a result of nondeductible expenses such as principal amortization or capital expenditures in excess of noncash deductions. In such event, we may find it necessary to arrange for borrowings or pay taxable stock dividends in order to meet the distribution requirement.

Under some circumstances, we may be able to rectify a failure to meet the distribution requirement for a year by paying dividends to stockholders in a later year, which may be included in our deduction for dividends paid for the earlier year. We will refer to such dividends as deficiency dividends . Thus, we may be able to avoid being taxed on amounts distributed as deficiency dividends. We will, however, be required to pay interest based upon the amount of any deduction taken for deficiency dividends.

To the extent that we do not distribute (and are not deemed to have distributed, as described below) all of our net capital gain or distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be subject to tax on these retained amounts at regular corporate tax rates.

In addition, we will be subject to a 4% excise tax on the excess of the required distribution over the sum of amounts actually distributed and amounts retained for which federal income tax was paid, if we fail to distribute during each calendar year at least the sum of:

(1) 85% of our REIT ordinary income for the year;

(2) 95% of our REIT capital gain net income for the year; and

(3) any undistributed taxable income from prior taxable years.

Table of Contents

A REIT may elect to retain rather than distribute all or a portion of its net capital gains and pay the tax on the gains. In that case, a REIT may elect to have its stockholders include their proportionate share of the undistributed net capital gains in income as long-term capital gains and receive a credit for their share of the tax paid by the REIT. For purposes of the 4% excise tax described above, any such retained amounts would be treated as having been distributed.

Record-Keeping Requirements. We are required to comply with applicable record-keeping requirements. Failure to comply could result in monetary fines.

Failure to Qualify as a REIT. If we fail to satisfy any REIT requirements (other than the income test or asset test requirements, with respect to which specific cure provisions apply), we generally will be eligible for relief from REIT disqualification if the failure is due to reasonable cause and not willful neglect and we pay a penalty of $50,000 with respect to such failure. It is not possible to state whether in all circumstances we would be entitled to such statutory relief. If we fail to qualify for taxation as a REIT in any taxable year and a relief provision does not apply, we will be subject to tax on our taxable income at regular corporate rates, including any applicable alternative minimum tax. Distributions to stockholders in any year in which we fail to qualify as a REIT will not be deductible by us nor will they be required to be made. In such event, to the extent of current or accumulated earnings and profits, all distributions to stockholders will be taxable as dividend income. Subject to limitations of the Code, corporate stockholders may be eligible for the dividends received deduction and non-corporate stockholders may be eligible to treat the dividends received from us as qualified dividend income taxable as net capital gains under the provisions of Section 1(h)(11) of the Code, for taxable years beginning before January 1, 2013. Unless we are entitled to relief under specific statutory provisions, we also will be disqualified from electing to be taxed as a REIT for the four taxable years following the year during which qualification was lost.

Taxation of U.S. Stockholders

When we refer to a U.S. stockholder, we mean a beneficial owner of a share of our capital stock that is, for United States federal income tax purposes:

(1) a citizen or resident, as defined in Code Section 7701(b), of the United States;

(2) a corporation, or other entity treated as a corporation for federal income tax purposes, created or organized under the laws of the United States, any state or the District of Columbia;

(3) an estate the income of which is subject to federal income taxation regardless of its source; or

(4) a trust that is subject to the primary supervision of a United States court and the control of one or more United States persons or that has a valid election in effect under the applicable Treasury Regulations to be treated as a United States person under the Code.

Generally, in the case of a partnership (or other entity treated as such for federal income tax purposes) that holds our capital stock, any partner that would be a U.S. stockholder if it held the capital stock directly is also a U.S. stockholder. A non-U.S. stockholder is a holder, including any partner in a partnership that holds our capital stock, that is not a U.S. stockholder.

Distributions by Us. So long as we qualify as a REIT, distributions to U.S. stockholders out of our current or accumulated earnings and profits that are not designated as capital gain dividends will be taxable as dividend income and will not be eligible for the dividends received deduction generally available for corporations and generally will not be eligible for treatment as qualified dividend income by non-corporate stockholders except with respect to the portion of any distribution (a) that represents income from dividends we receive from a TRS or a corporation in which we own shares (but only if such dividends would be eligible for the lower rate on dividends if paid by the corporation to its individual stockholders), or (b) that is equal to the sum of our real estate investment trust taxable income (taking into account the dividends paid deduction available to us) for our

Table of Contents

previous taxable year and certain net built-in gain with respect to property acquired from a C corporation in certain transactions in which we must adopt the basis of the asset in the hands of the C corporation for such previous taxable year and less any taxes imposed on us for such previous taxable year. Distributions in excess of our current and accumulated earnings and profits will not be taxable to a U.S. stockholder to the extent that the distributions do not exceed the adjusted tax basis of the stockholder s shares. Rather, such distributions will reduce the adjusted basis of such shares, but not below zero. Distributions in excess of current and accumulated earnings and profits that exceed the U.S. stockholder s adjusted basis in its shares will be treated as gain from the sale or exchange of such shares taxable as capital gains in the amount of such excess if the shares are held as a capital asset. If we declare a dividend in October, November or December of any year with a record date in one of these months and pay the dividend on or before January 31 of the following year, we will be treated as having paid the dividend, and the stockholder will be treated as having received the dividend, on December 31 of the year in which the dividend was declared. This discussion applies equally to distributions payable in cash and taxable stock distributions.

We may elect to designate distributions of our net capital gain as capital gain dividends . Capital gain dividends are taxed to stockholders as gain from the sale or exchange of a capital asset held for more than one year, to the extent that they do not exceed our actual net capital gain for the taxable year, without regard to how long the U.S. stockholder has held its shares. If we designate any portion of a dividend as a capital gain dividend, a U.S. stockholder will receive an IRS Form 1099-DIV indicating the amount that will be taxable to the stockholder as capital gain. Corporate stockholders, however, may be required to treat up to 20% of capital gain dividends as ordinary income.

Instead of paying capital gain dividends, we may choose to retain all or part of our net capital gain and designate such amount as undistributed capital gain . We will be subject to tax at regular corporate rates on any undistributed capital gains. A U.S. stockholder:

(1) will include in its income as long-term capital gains its proportionate share of such undistributed capital gains; and

(2) will be deemed to have paid its proportionate share of the tax paid by us on such undistributed capital gains and receive a credit or a refund to the extent that the tax paid by us exceeds the U.S. stockholder s tax liability on the undistributed capital gains.

A U.S. stockholder will increase the basis in its capital stock by the difference between the amount of capital gain included in its income with respect to such stock and the amount of tax it is deemed to have paid. Our earnings and profits will be adjusted appropriately.

We will classify portions of any designated capital gain dividend or undistributed capital gains as either:

(1) a long-term capital gain rate gain distribution, which would be taxable to non-corporate U.S. stockholders at the tax rate applicable to long-term capital gain; or

(2) an unrecaptured Section 1250 gain distribution, which would be taxable to non- corporate U.S. stockholders at a maximum rate of 25%.

We must determine the maximum amounts that we may designate as long-term and 25% rate capital gain dividends by performing the computation required by the Code as if the REIT were an individual whose ordinary income were subject to a marginal tax rate in excess of 25%.

Distributions made by us and gain arising from the sale or exchange by a U.S. stockholder of shares of our capital stock will not be treated as passive activity income, and as a result, U.S. stockholders generally will not be able to apply any passive losses against this income or gain. In addition, taxable distributions from our company generally will be treated as investment income for purposes of the investment interest limitations. A U.S. stockholder may elect to treat capital gain dividends and capital gains from the disposition of shares of our capital stock as investment income for purposes of the investment interest limitation, in which case the applicable capital gains will be taxed at ordinary income rates. We will notify stockholders regarding the portions of distributions for each year that constitute ordinary income, return of capital and capital gain. U.S. stockholders may not include in their own income tax returns any net operating losses or capital losses of our company. Our operating or capital losses would be carried over for potential offset against our future income, subject to applicable limitations.

We may make distributions to U.S. stockholders that are paid in common stock or preferred stock and are intended to be treated as dividends for U.S. federal income tax purposes. In that event, our U.S. stockholders would generally have taxable income with respect to such distributions of our common stock or preferred stock and may have tax liability on account of such distributions in excess of cash (if any) that is received.

Sales of Shares. Upon any taxable sale or other disposition of shares, a U.S. stockholder will recognize gain or loss for federal income tax purposes in an amount equal to the difference between:

(1) the amount of cash and the fair market value of any property received on the sale or other disposition; and

(2) the holder s adjusted basis in the shares for tax purposes.

This gain or loss will be a capital gain or loss if the shares have been held by the U.S. stockholder as a capital asset. The applicable tax rate will depend on the stockholder s holding period in the shares (generally, if an asset has been held for more than one year it will produce long-term capital gain) and the stockholder s tax bracket. A U.S. person that is an individual will generally be subject to tax on long term capital gain (which generally includes any capital gain dividends he or she receives, his or her proportionate share of our undistributed capital gain, and capital gain realized from the disposition of our capital stock, in each case, if the applicable holding periods are satisfied) at a maximum rate of 20%. The IRS has the authority to prescribe, but has not yet prescribed, regulations that would apply a capital gain tax rate of 25% (which is generally higher than the long-term capital gain tax rates for non-corporate stockholders) to a portion of capital gain realized by a non-corporate stockholder on the sale of REIT shares that would correspond to the REIT s unrecaptured Section 1250 gain . Stockholders are urged to consult with their own tax advisors with respect to their capital gain tax liability. A corporate U.S. stockholder will be subject to tax at a maximum rate of 35% on capital gain from the sale of our capital stock. In general, any loss recognized by a U.S. stockholder upon the sale or other disposition of shares that have been held for six months or less, after applying the holding period rules, will be treated as a long-term capital loss, to the extent of distributions received by the U.S. stockholder from us that were required to be treated as long-term capital gains. All or a portion of any loss realized upon a taxable disposition of shares may be disallowed if other shares are purchased within 30 days before or after the date of disposition.

Medicare Tax. For taxable years beginning after December 31, 2012, a U.S. person that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of (1) the U.S. person s net investment income for the relevant taxable year and (2) the excess of the U.S. person s modified gross income for the taxable year over a certain threshold (which in the case of individuals will be between $125,000 and $250,000, depending on the individual s circumstances). Net investment income generally would include dividends on our stock and gain from the sale of our stock. If you are a U.S. person that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of this tax to your income and gains in respect of your investment in our common or preferred stock.

Taxation of Tax-Exempt Stockholders

Except as provided below, if a tax-exempt stockholder has not held its capital stock as debt financed property within the meaning of the Code, dividend income from our company will not be unrelated business taxable income, referred to as UBTI. Similarly, gain from the sale of shares will not constitute UBTI unless the tax-exempt stockholder has held its shares as debt financed property within the meaning of the Code or is a dealer with respect to our shares.

Table of Contents

For tax-exempt stockholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts or qualified group legal services plans exempt from federal income taxation under Section 501(c)(7), (c)(9), (c)(17) or (c)(20) of the Code, respectively, income from an investment in our shares will constitute UBTI; however, an organization exempt under Section 501(c)(9), (c)(17) or (c)(20) of the Code may reduce UBTI if it properly sets aside or reserves such amounts for certain purposes specified in the Code. These tax-exempt stockholders should consult their own tax advisors concerning these set aside and reserve requirements.

In addition, a portion of the dividends paid by a pension-held REIT are treated as UBTI if received by any trust which is described in Section 401(a) of the Code, is tax-exempt under Section 501(a) of the Code and holds more than 10%, by value, of the interests in the pension-held REIT. Tax-exempt pension funds that are described in Section 401(a) of the Code are referred to below as pension trusts .

A REIT is a pension-held REIT if the following conditions apply:

(1) it qualified as a REIT only by reason of Section 856(h)(3) of the Code, which provides that stock owned by a pension trust will be treated, for purposes of determining if the REIT is closely held, as owned by the beneficiaries of the trust rather than by the trust itself; and

(2) either (a) at least one pension trust holds more than 25% of the value of the REIT s stock, or (b) a group of pension trusts each individually holding more than 10% of the value of the REIT s stock, collectively owns more than 50% of the value of the REIT s stock.

The percentage of any pension-held REIT dividend treated as UBTI is equal to the ratio of the UBTI earned by the REIT, treating the REIT as if it were a pension trust and therefore subject to tax on UBTI, to the total gross income of the REIT. An exception applies where such percentage is less than 5% for any taxable year.

The rules described above under the heading Taxation of U.S. Stockholders Distributions by Us concerning the inclusion of our designated undistributed capital gain in the income of our stockholders will apply to tax-exempt stockholders. Thus, tax-exempt stockholders will be allowed a credit or refund of the tax deemed paid by them in respect of the includible gain.

U.S. Taxation of Non-U.S. Stockholders

Distributions by Us. Distributions by us to a non-U.S. stockholder that are neither attributable to gain from sales or exchanges by us of U.S. real property interests nor designated by us as capital gains dividends will be treated as dividends of ordinary income to the extent that they are made out of our current or accumulated earnings and profits. These distributions ordinarily will be subject to withholding of federal income tax on a gross basis at a rate of 30%, or a lower rate as permitted under an applicable income tax treaty, unless the dividends are treated as effectively connected with the conduct by the non-U.S. stockholder of a U.S. trade or business or are attributable to a permanent establishment that the non-U.S. stockholder maintains in the United States if that is required by an applicable income tax treaty as a condition for subjecting the non-U.S. stockholder to U.S. taxation on a net income basis. Under some treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from REITs. Dividends that are effectively connected with a U.S. trade or business or are attributable to a permanent establishment that the non-U.S. stockholder maintains in the United States if that is required by an applicable income tax treaty, will be subject to tax on a net basis, that is, after allowance for deductions, at graduated rates, in the same manner as such dividends are taxable to U.S. stockholders, and are generally not subject to withholding. Applicable certification and disclosure requirements must be satisfied to obtain a reduced rate of withholding under an applicable income tax treaty or to be exempt from withholding under the effectively connected income exemption. Any dividends received by a corporate non-U.S. stockholder that is engaged in a U.S. trade or business also may be subject to an additional branch profits tax at a 30% rate, or lower applicable treaty rate.

Table of Contents

Distributions in excess of our current and accumulated earnings and profits that exceed the non-U.S. stockholder s basis in its capital stock will be taxable to a non-U.S. stockholder as gain from the sale of our stock, which is discussed below. Distributions in excess of our current or accumulated earnings and profits that do not exceed the adjusted basis of the non-U.S. stockholder in its capital stock will reduce the non-U.S. stockholder s adjusted basis in its capital stock, but not below zero, and will not be subject to federal income tax, but will be subject to U.S. withholding tax as described below.

We expect to withhold U.S. income tax at the rate of 30% on any dividend distributions (including distributions that later may be determined to have been in excess of current and accumulated earnings and profits) made to a non-U.S. stockholder unless:

(1) a lower treaty rate applies and the non-U.S. stockholder files with us an IRS Form W-8BEN evidencing eligibility for that reduced treaty rate; or

(2) the non-U.S. stockholder files with us an IRS Form W-8ECI claiming that the distribution is income effectively connected with such non-U.S. stockholder ft">**As a percent of average net assets(5)**

Total from investments		12.66 %	12.13 %	12.17 %	11.79 %	11.27 %	12.67 %	13.27 %
Operating expenses before leverage costs and current taxes		1.71 %	1.75 %	1.73 %	1.72 %	1.74 %	1.77 %	1.80 %
Leverage costs and current taxes		1.85 %	1.85 %	1.77 %	1.71 %	1.72 %	1.92 %	2.07 %
Distributable cash flow		9.10 %	8.53 %	8.67 %	8.36 %	7.81 %	8.98 %	9.40 %
Selected Financial Information								
Distributions paid on common stock	$	79,464	$79,670	$19,891	$19,892	$19,891	$19,925	$19,962
Distributions paid on common stock per share		1.6900	1.6900	0.4225	0.4225	0.4225	0.4225	0.4225
Distribution coverage percentage for period(6)		98.8 %	96.3 %	99.1 %	99.5 %	94.1 %	97.2 %	94.2 %
Net realized gain (loss), net of income taxes, for the period		49,307	29,189	14,157	14,896	2,126	13,289	(1,122)
Total assets, end of period(7)	1,514,354		1,327,977	1,514,354	1,657,717	1,509,815	1,437,520	1,327,977
Average total assets during period(7)(8)	1,454,091		1,515,484	1,524,805	1,596,610	1,601,462	1,486,578	1,384,718
Leverage(9)		440,800	443,800	440,800	439,700	442,700	439,300	443,800
Leverage as a percent of total assets		29.1 %	33.4 %	29.1 %	26.5 %	29.3 %	30.6 %	33.4 %
Net unrealized appreciation, end of period		107,907	24,370	107,907	193,975	123,020	69,547	24,370
Net assets, end of period		904,866	754,085	904,866	981,071	886,964	823,888	754,085
Average net assets during period(10)		862,527	892,196	913,726	960,910	950,384	855,842	802,165

Net asset value per common share	19.22	15.96	19.22	20.84	18.81	17.44	15.96
Market value per common share	18.90	15.90	18.90	20.49	18.99	17.70	15.90
Shares outstanding (000's)	47,081	47,247	47,081	47,081	47,161	47,247	47,247

(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 net premiums on options written, 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 for periods less than one full year.
(6) Distributable Cash Flow divided by distributions paid.
(7) Includes deferred issuance and offering costs on senior notes and preferred stock.
(8) Computed by averaging month-end values within each period.
(9) Leverage consists of senior notes, preferred stock and outstanding borrowings under the credit facility.
(10) 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 year ending November 30, 2017 were -14.2% and -12.6%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Pipeline Index[SM] returned 2.8% for the same period. Midstream fundamentals remained steady throughout the fiscal year, supported by consistently strong quarterly earnings reports. However, these solid fundamental results did not translate to positive stock performance. While midstream fundamentals were healthy, uncertainty resulted from simplification and IDR restructuring transactions and the trend towards self-funding. Sometimes these actions also resulted in lower distribution rates.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2017)	$1.63
Distributions paid per share (4th quarter 2017)	$0.4075
Distribution rate (as of 11/30/2017)	9.6%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in October 2011	$10.0975
Market-based total return	(14.2)%
NAV-based total return	(12.6)%
Premium (discount) to NAV (as of 11/30/2017)	(9.6)%

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 was approximately 100 basis points inside of last year as volatility was approximately 13% below last year on average. The notional amount of the fund's covered calls averaged approximately 8.9% of total assets, and their out-of-the-money percentage at the time written averaged approximately 5.4% during the fiscal quarter.

Unlike the fund return, index return is pre-expenses.

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

TransCanada Corporation	Midstream natural gas/natural gas liquids pipeline company	Regulated pipeline business with visibility to dividend growth
Pembina Pipeline Corp.	Midstream crude oil pipeline company	Steady cash flow profile and midstream growth projects
VTTI Energy Partners LP	Midstream refined product pipeline MLP	Announced acquisition by parent company
MPLX LP	Midstream gathering and processing MLP	Greater strategic clarity on dropdowns and incentive distribution rights restructuring
Williams Partners L.P.	Midstream gathering and processing MLP	Increased natural gas volume growth

Plains GP Holdings, L.P.	Midstream crude oil pipeline company	Reduced distribution on weaker supply & logistics outlook
Enbridge Energy Management, L.L.C.	Midstream crude oil pipeline company	Strategic review with lower distribution viewed unfavorably
Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Concerns about equity funding for project backlog
SemGroup Corporation	Midstream crude oil pipeline company	Acquisition of Houston Fuel Oil Terminal resulted in equity overhang
NuStar Energy L.P.	Midstream crude oil MLP	Concerns about pace of crude oil volume ramp

(unaudited)

2017 Annual Report | November 30, 2017

Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company ("RIC") allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund's gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC's. The fund must also distribute at least 90 percent of its investment company income. RIC's are also subject to excise tax rules which require RIC's to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which is included on the inside front cover of this report. To summarize, the fund intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the 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 to meet annual excise distribution requirements. The fund distributes a fixed amount per common share, currently $0.4075, each quarter to its common shareholders. This amount is subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds' performance in the short term, the fund expects such distributions to correlate with its performance over time.

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 decreased approximately 5.7% as compared to 3rd quarter 2017, primarily due to decreased distribution rates on several of the fund's investments and lower income on premiums from sales of covered call options. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 4.5% during the quarter primarily due to lower asset-based fees. Leverage costs were relatively unchanged as compared to 3rd quarter 2017. As a result of the changes in income and expenses, DCF decreased approximately 6.9% as compared to 3rd quarter 2017. In addition, the fund had net realized gains on investments of $0.4 million during 4th quarter 2017. The fund paid a quarterly distribution of $0.4075 per share, which was unchanged over the prior quarter and 4th quarter 2016. The fund has paid cumulative distributions to stockholders of $10.0975 per share since its inception in October 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 (Loss)" on the Statement of Operations is adjusted as follows to reconcile to DCF for 4th quarter 2017 (in thousands):

	YTD 2017	4th Qtr 2017
Net Investment Income (Loss)	$ (458)	$ 33
Adjustments to reconcile to DCF:		
Net premiums on options written	4,503	967
	9,137	2,072

Distributions characterized as return of capital		
Dividends paid in stock	1,194	329
Amortization of debt issuance costs	57	14
DCF	$ 14,433	$ 3,415

Leverage

The fund’s leverage utilization increased by $1.3 million during 4th quarter 2017 and represented 26.7% of total assets at November 30, 2017. The fund has maintained compliance with its applicable coverage ratios. At year-end, approximately 64% of the leverage cost was fixed, the weighted-average maturity was 2.2 years and the weighted-average annual rate on leverage was 3.43%. 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.

(unaudited)

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.

	Year Ended November 30,		2016	2017			
	2016	**2017**	**Q4(1)**	**Q1(1)**	**Q2(1)**	**Q3(1)**	**Q4(1)**
Total Income from Investments							
Dividends and distributions from investments, net of foreign taxes withheld	$ 14,675	$ 14,711	$ 3,606	$ 3,594	$ 3,778	$ 3,780	$ 3,559
Dividends paid in stock	1,704	1,194	444	385	238	242	329
Net premiums on options written	5,178	4,503	1,284	1,275	1,135	1,126	967
Total from investments	21,557	20,408	5,334	5,254	5,151	5,148	4,855
Operating Expenses Before Leverage Costs							
Advisory fees, net of fees waived	2,707	3,131	768	824	822	756	729
Other operating expenses	561	573	142	150	145	146	132
	3,268	3,704	910	974	967	902	861
Distributable cash flow before leverage costs	18,289	16,704	4,424	4,280	4,184	4,246	3,994
Leverage costs(2)	2,180	2,271	544	551	563	578	579
Distributable Cash Flow(3)	$ 16,109	$ 14,433	$ 3,880	$ 3,729	$ 3,621	$ 3,668	$ 3,415
Net realized gain (loss) on investments and foreign currency translation, for the period	$ 3,488	$ 2,605	$ 25,178	$ 2,316	$ (357)	$ 292	$ 354
As a percent of average total assets(4)							
Total from investments	8.08%	7.09%	7.25%	6.94%	6.89%	7.35%	7.28%
Operating expenses before leverage costs	1.22%	1.29%	1.24%	1.29%	1.29%	1.29%	1.29%
Distributable cash flow before leverage costs	6.86%	5.80%	6.01%	5.65%	5.60%	6.06%	5.99%
As a percent of average net assets(4)							
Total from investments	11.18%	9.30%	9.38%	8.77%	8.88%	9.93%	9.79%
Operating expenses before leverage costs	1.69%	1.69%	1.60%	1.63%	1.67%	1.74%	1.74%
Leverage costs	1.13%	1.04%	0.96%	0.92%	0.97%	1.11%	1.17%
Distributable cash flow	8.36%	6.57%	6.82%	6.22%	6.24%	7.08%	6.88%
Selected Financial Information							
Distributions paid on common stock	$ 16,327	$ 16,327	$ 4,082	$ 4,082	$ 4,081	$ 4,082	$ 4,082
Distributions paid on common stock per share	1.6300	1.6300	0.4075	0.4075	0.4075	0.4075	0.4075
Total assets, end of period(5)	303,989	259,175	303,989	303,685	278,733	274,878	259,175
Average total assets during period(5)(6)	266,897	288,004	295,803	307,063	296,418	278,007	267,349
Leverage(7)	66,600	69,300	66,600	66,700	67,400	68,000	69,300
Leverage as a percent of total assets	21.9%	26.7%	21.9%	22.0%	24.2%	24.7%	26.7%
Net unrealized appreciation (depreciation), end of period	6,052	(27,789)	6,052	8,983	(13,246)	(21,276)	(27,789)
Net assets, end of period	234,539	188,517	234,539	235,779	210,076	199,503	188,517
Average net assets during period(8)	192,888	219,359	228,681	242,897	230,203	205,675	198,953
Net asset value per common share	23.42	18.82	23.42	23.54	20.97	19.92	18.82
Market value per common share	21.55	17.01	21.55	21.45	19.97	18.43	17.01
Shares outstanding (000's)	10,016	10,016	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 for periods less than one full year.
(5) Includes deferred issuance and offering costs on senior notes and preferred stock.
(6) Computed by averaging month-end values within each period.
(7) Leverage consists of senior notes, preferred stock and outstanding borrowings under the revolving credit facility.
(8) Computed by averaging daily net assets within each period.

2017 Annual Report | November 30, 2017

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 year ending November 30, 2017 were -11.0% and -13.5%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Oil and Gas Producers Index^{SM} returned -15.5% for the same period. Although both negative, liquids producers performed better than natural gas producers. Liquids producers in the Permian fared better than most during the period as it has become the lowest cost basin in the U.S. The fund's negative performance was somewhat mitigated by its exposure to midstream companies that it holds to execute its covered call strategy.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2017)	$1.75
Distributions paid per share (4th quarter 2017)	$0.4375
Distribution rate (as of 11/30/2017)	14.1%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in July 2012	$9.1875
Market-based total return	(11.0)%
NAV-based total return	(13.5)%
Premium (discount) to NAV (as of 11/30/2017)	(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 65.4% of total assets and their out-of-the-money percentage at the time written averaged approximately 10.7% during the fiscal quarter.

Unlike the fund return, index return is pre-expenses.

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

Cabot Oil & Gas Corporation	Upstream liquids producer	Provided updated outlook that projects significant free cash flow over the next 3 years
Royal Dutch Shell plc	Upstream oil and gas producer	Benefited from rising oil prices due to the extension of the OPEC production cut agreement through the end of 2018
Continental Resources, Inc.	Upstream liquids producer	Benefited from rising oil prices due to the extension of the OPEC production cut agreement through the end of 2018
Diamondback Energy, Inc.	Upstream liquids producer	Benefited from rising oil prices due to the extension of the OPEC production cut agreement through the end of 2018
Centennial Resource Development, Inc.	Upstream oil and gas producer	Benefited from rising oil prices due to the extension of the OPEC production cut agreement through the end of 2018

Pioneer Natural Resources Company	Upstream liquids producer	Concerns about oil production percentage relative to natural gas production percentage from the Permian basin
Carrizo Oil & Gas, Inc.	Upstream oil and natural gas producer	Equity overhang due to high leverage and perceived need for acquisition
Anadarko Petroleum Corporation	Upstream oil and natural gas producer	Concerns about Colorado drilling and regulatory outlook
Range Resources Corporation	Upstream natural gas producer	Lower than expected results in Terryville natural gas asset
Enbridge Energy Management, L.L.C.	Midstream crude oil pipeline company	Strategic review with lower distribution viewed unfavorably

(unaudited)

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

Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company ("RIC") allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund's gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC's. The fund must also distribute at least 90 percent of its investment company income. RIC's are also subject to excise tax rules which require RIC's to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the 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 to meet annual excise distribution requirements. Distribution amounts are subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds' performance in the short term, the fund expects such distributions to correlate with its performance over time.

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 1.6% as compared to 3rd quarter 2017, primarily due to trading activity. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 1.8% during the quarter due to lower asset-based fees and other operating expenses. Total leverage costs increased approximately 0.9% as compared to 3rd quarter 2017, primarily due to an increase in interest rates during the quarter. As a result of the changes in income and expenses, DCF decreased by approximately 1.7% as compared to 3rd quarter 2017. In addition, the fund had net realized losses on investments of $18.8 million during 4th quarter 2017.

The fund maintained its quarterly distribution of $0.4375 per share during 4th quarter 2017, which was equal to the distribution paid in the prior quarter and 4th quarter 2016. The fund has paid cumulative distributions to stockholders of $9.1875 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 Income (Loss)" on the Statement of Operations is adjusted as follows to reconcile to DCF for 4th quarter 2017 (in thousands):

	YTD 2017	4th Qtr 2017
Net Investment Loss	$ (2,930)	$ (748)
Adjustments to reconcile to DCF:		
Net premiums on options written	22,648	5,720
Distributions characterized as		

return of capital	4,202	1,058
Dividends paid in stock	695	135
DCF	$24,615	$6,165

Leverage

The fund’s leverage utilization decreased slightly as compared to 3rd quarter 2017. The fund utilizes all floating rate leverage that had an interest rate of 2.17% and represented 25.3% of total assets at year-end. 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.

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.

(unaudited)

2017 Annual Report | November 30, 2017

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.

	Year Ended November 30, 2016	2017	2016 Q4(1)	2017 Q1(1)	Q2(1)	Q3(1)	Q4(1)
Total Income from Investments							
Distributions and dividends from investments, net of foreign taxes withheld	$6,129	$5,977	$1,363	$1,494	$1,516	$1,526	$1,441
Dividends paid in stock	1,124	695	293	299	129	132	135
Net premiums on options written	23,129	22,648	5,645	5,749	5,425	5,754	5,720
Total from investments	30,382	29,320	7,301	7,542	7,070	7,412	7,296
Operating Expenses Before Leverage Costs							
Advisory fees, net of fees waived	2,733	2,978	749	820	791	686	681
Other operating expenses	620	544	151	144	140	135	125
	3,353	3,522	900	964	931	821	806
Distributable cash flow before leverage costs	27,029	25,798	6,401	6,578	6,139	6,591	6,490
Leverage costs(2)	783	1,183	212	251	285	322	325
Distributable Cash Flow(3)	$26,246	$24,615	$6,189	$6,327	$5,854	$6,269	$6,165
Net realized gain (loss) on investments and foreign currency translation, for the period	$(27,326)	$(21,311)	$4,490	$5,898	$(6,084)	$(2,332)	$(18,793)
As a percent of average total assets(4)							
Total from investments	10.80 %	10.52 %	9.58 %	9.86 %	9.70 %	11.55 %	11.60 %
Operating expenses before leverage costs	1.19 %	1.26 %	1.18 %	1.26 %	1.28 %	1.28 %	1.28 %
Distributable cash flow before leverage costs	9.61 %	9.26 %	8.40 %	8.60 %	8.42 %	10.27 %	10.32 %
As a percent of average net assets(4)							
Total from investments	14.30 %	13.97 %	12.31 %	12.36 %	12.60 %	15.93 %	15.77 %
Operating expenses before leverage costs	1.58 %	1.68 %	1.52 %	1.58 %	1.66 %	1.76 %	1.74 %
Leverage costs	0.37 %	0.56 %	0.36 %	0.41 %	0.51 %	0.69 %	0.70 %
Distributable cash flow	12.35 %	11.73 %	10.43 %	10.37 %	10.43 %	13.48 %	13.33 %
Selected Financial Information							
Distributions paid on common stock	$25,403	$25,460	$6,351	$6,351	$6,360	$6,369	$6,380
Distributions paid on common stock per share	1.7500	1.7500	0.4375	0.4375	0.4375	0.4375	0.4375
Total assets, end of period	319,343	255,302	319,343	297,341	264,083	238,932	255,302
Average total assets during period(5)	281,272	278,827	306,669	310,231	289,030	254,645	252,191
Leverage(6)	63,800	64,500	63,800	65,100	64,600	64,700	64,500
Leverage as a percent of total assets	20.0 %	25.3 %	20.0 %	21.9 %	24.5 %	27.1 %	25.3 %
Net unrealized appreciation (depreciation), end of period	1,717	(19,852)	1,717	(16,339)	(40,654)	(63,116)	(19,852)
Net assets, end of period	246,088	187,889	246,088	230,201	198,379	171,942	187,889
Average net assets during period(7)	212,528	209,940	238,453	247,529	222,615	184,587	185,583
Net asset value per common share	16.95	12.88	16.95	15.84	13.63	11.79	12.88
Market value per common share	15.85	12.39	15.85	16.33	14.43	12.61	12.39
Shares outstanding (000's)	14,516	14,584	14,516	14,537	14,559	14,584	14,584

(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 for periods less than one full year.
(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 seeks to invest 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 year ending November 30, 2017 were -0.3% and -4.3%, respectively (including the reinvestment of distributions). Comparatively, the TPZ Benchmark Composite* returned -3.0% for the same period. Midstream fundamentals remained steady throughout the fiscal year, supported by consistently strong quarterly earnings reports. However, these solid fundamental results did not translate to positive stock performance. While midstream fundamentals were healthy, uncertainty resulted from simplification and IDR restructuring transactions and the trend towards self-funding. Sometimes these actions also resulted in lower distribution rates.

Performance was helped by the fund's focus on power and utilities which had positive performance for the fiscal year due to low interest rates. Negative performance was further mitigated by the fund's energy fixed income holdings as they outperformed energy equities throughout the fiscal year.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2017)	$1.50
Monthly distributions paid per share (4th quarter 2017)	$0.1250
Distribution rate (as of 11/30/2017)	7.5 %
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0 %
Cumulative distribution to stockholders since inception in July 2009	$13.7750
Market-based total return	(0.3)%
NAV-based total return	(4.3)%
Premium (discount) to NAV (as of 11/30/2017)	(6.5)%

* 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.

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.

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

ONEOK, Inc.	Midstream natural gas/natural gas liquids pipeline company	Improved outlook for ethane recoveries and higher natural gas liquids (NGL) prices
TransCanada Corporation	Midstream natural gas/natural gas liquids pipeline company	Regulated pipeline business with visibility to dividend growth
MPLX LP	Midstream gathering and processing MLP	Greater strategic clarity on dropdowns and incentive distribution rights restructuring

HollyFrontier Corporation	Refining company	Increased refining margins due to wider crude oil price spreads
Cheniere Corp.	Midstream natural gas/natural gas liquids pipeline company	Construction progress continues without delay
Enbridge Energy Management, L.L.C.	Midstream crude oil pipeline company	Strategic review with lower distribution viewed unfavorably
Plains GP Holdings, L.P.	Midstream crude oil pipeline company	Reduced distribution on weaker supply & logistics outlook
Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Concerns about equity funding for project backlog
NuStar Energy L.P.	Midstream crude oil MLP	Concerns about pace of crude oil volume ramp
Plains All American Pipeline, L.P.	Midstream crude oil pipeline MLP	Reduced distribution on weaker supply & logistics outlook

(unaudited)

2017 Annual Report | November 30, 2017

Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company ("RIC") allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund's gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC's. The fund must also distribute at least 90 percent of its investment company income. RIC's are also subject to excise tax rules which require RIC's to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which is included on the inside front cover of this report. To summarize, the fund intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the 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 to meet annual excise distribution requirements. The fund distributes a fixed amount per common share, currently $0.125, each month to its common shareholders. This amount is subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds' performance in the short term, the fund expects such distributions to correlate with its performance over time.

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 decreased approximately 2.1% as compared to 3rd quarter 2017 mainly due to decreased distribution rates on certain of the fund's investments. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 4.6% during the quarter primarily due to lower asset-based fees. Total leverage costs decreased approximately 1.7% as compared to 3rd quarter 2017, primarily due to lower interest rate swap expenses during the quarter. As a result of the changes in income and expenses, DCF decreased approximately 1.4% as compared to 3rd quarter 2017. In addition, the fund had net realized losses on investments of $4.5 million during 4th quarter 2017.

The fund paid monthly distributions of $0.125 per share during 4th quarter 2017, which was unchanged over the prior quarter and 4th quarter 2016. The fund's Board of Directors has declared monthly distributions of $0.125 per share to be paid during 1st quarter 2018. The fund has paid cumulative distributions to stockholders of $13.775 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 (Loss)" on the Statement of Operations is adjusted as follows to reconcile to DCF for 4th quarter 2017 (in thousands):

	YTD 2017	4th Qtr 2017
Net Investment Income	$ 4,090	$ 1,008
Adjustments to reconcile to DCF:		

Dividends paid in stock	810	218
Distributions characterized as return of capital	5,000	1,197
Interest rate swap expenses	(129)	(16)
Change in amortization methodology	14	(4)
DCF	$9,785	$2,403

Leverage

The fund's leverage utilization increased $2.0 million as compared to 3rd quarter 2017 and represented 26.4% of total assets at November 30, 2017. The fund has maintained compliance with its applicable coverage ratios. At year-end, including the impact of interest rate swaps, approximately 28% of the leverage cost was fixed, the weighted-average maturity was 0.8 years and the weighted-average annual rate on leverage was 2.26%. These rates will vary in the future as a result of changing floating rates and as swaps mature or are 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.

(unaudited)

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.

	Year Ended November 30,		2016	2017			
	2016	2017	Q4[1]	Q1[1]	Q2[1]	Q3[1]	Q4[1]
Total Income from Investments							
Interest earned on corporate bonds	$6,430	$5,931	$1,537	$1,519	$1,508	$1,480	$1,42
Distributions and dividends from investments, net of foreign taxes withheld	6,557	6,672	1,620	1,650	1,657	1,715	1,65
Dividends paid in stock	1,000	810	258	264	162	166	218
Total from investments	13,987	13,413	3,415	3,433	3,327	3,361	3,29
Operating Expenses Before Leverage Costs							
Advisory fees	1,864	2,031	503	518	525	501	487
Other operating expenses	566	508	140	133	130	130	115
	2,430	2,539	643	651	655	631	602
Distributable cash flow before leverage costs	11,557	10,874	2,772	2,782	2,672	2,730	2,69
Leverage costs[2]	910	1,089	221	241	269	292	287
Distributable Cash Flow[3]	$10,647	$9,785	$2,551	$2,541	$2,403	$2,438	$2,40
Net realized gain (loss) on investments and foreign currency translation, for the period	$7,176	$4,325	$8,066	$3,005	$5,008	$815	$(4,5
As a percent of average total assets[4]							
Total from investments	7.00 %	6.25 %	6.39 %	6.30 %	5.99 %	6.31 %	6.42
Operating expenses before leverage costs	1.22 %	1.18 %	1.20 %	1.20 %	1.18 %	1.18 %	1.17
Distributable cash flow before leverage costs	5.78 %	5.07 %	5.19 %	5.10 %	4.81 %	5.13 %	5.25
As a percent of average net assets[4]							
Total from investments	9.56 %	8.24 %	8.37 %	8.13 %	7.84 %	8.45 %	8.60
Operating expenses before leverage costs	1.66 %	1.56 %	1.58 %	1.54 %	1.54 %	1.59 %	1.57
Leverage costs	0.62 %	0.67 %	0.54 %	0.57 %	0.63 %	0.73 %	0.75
Distributable cash flow	7.28 %	6.01 %	6.25 %	6.02 %	5.67 %	6.13 %	6.28
Selected Financial Information							
Distributions paid on common stock	$10,688	$10,427	$2,607	$2,607	$2,607	$2,606	$2,60
Distributions paid on common stock per share	1.5375	1.5000	0.3750	0.3750	0.3750	0.3750	0.37
Total assets, end of period	217,415	202,291	217,415	223,313	213,441	213,992	202,
Average total assets during period[5]	199,824	214,463	215,113	220,830	220,356	211,408	205,
Leverage[6]	50,600	53,400	50,600	51,100	51,300	51,400	53,4
Leverage as a percent of total assets	23.3 %	26.4 %	23.3 %	22.9 %	24.0 %	24.0 %	26.4
Net unrealized appreciation, end of period	30,817	15,138	30,817	34,896	21,461	17,555	15,1
Net assets, end of period	166,073	148,243	166,073	171,566	161,413	155,739	148,
Average net assets during period[7]	146,274	162,708	164,170	171,188	168,319	157,849	153,
Net asset value per common share	23.89	21.33	23.89	24.68	23.22	22.40	21.3
Market value per common share	21.43	19.94	21.43	22.56	21.84	20.33	19.9
Shares outstanding (000's)	6,951	6,951	6,951	6,951	6,951	6,951	6,95

(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 for periods less than one full year.
(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.

2017 Annual Report | November 30, 2017

TYG Schedule of Investments
November 30, 2017

	Shares	Fair Value
Master Limited Partnerships — 178.1%[1]		
Crude Oil Pipelines — 34.7%[1]		
United States — 34.7%[1]		
Andeavor Logistics LP	2,697,314	$ 120,731,775
BP Midstream Partners LP	1,226,047	22,399,879
Enbridge Energy Partners, L.P.	6,083,756	88,944,512
Genesis Energy L.P.	1,393,074	29,909,298
Plains All American Pipeline, L.P.	4,818,784	93,966,288
Shell Midstream Partners, L.P.	2,018,379	54,597,152
		410,548,904
Natural Gas/Natural Gas Liquids Pipelines — 51.6%[1]		
United States — 51.6%[1]		
Dominion Energy Midstream Partners, LP	1,082,833	34,813,081
Energy Transfer Partners, L.P.[2]	11,396,024	189,287,959
Enterprise Products Partners L.P.	6,519,892	160,584,940
EQT Midstream Partners, LP	1,272,460	87,316,205
Spectra Energy Partners, LP	1,522,280	62,291,698
Tallgrass Energy Partners, LP	1,701,776	74,742,002
		609,035,885
Natural Gas Gathering/Processing — 48.5%[1]		
United States — 48.5%[1]		
Antero Midstream Partners LP	1,660,647	45,750,825
DCP Midstream, LP	1,817,807	63,877,738
EnLink Midstream Partners, LP	4,587,525	73,354,525
MPLX LP	3,855,529	138,259,270
Noble Midstream Partners LP	272,732	13,486,597
Rice Midstream Partners LP	1,843,425	38,398,543
Western Gas Partners, LP	2,849,396	127,709,929
Williams Partners L.P.	1,966,643	72,175,798
		573,013,225
Refined Product Pipelines — 43.3%[1]		
United States — 43.3%[1]		
Buckeye Partners, L.P.	2,647,499	121,599,629
Holly Energy Partners, L.P.	1,669,996	55,293,568
Magellan Midstream Partners, L.P.	2,790,873	186,988,491
NuStar Energy L.P.	1,365,641	39,685,527
Phillips 66 Partners LP	946,859	44,369,813
Phillips 66 Partners LP[3]	583,711	27,160,073
Valero Energy Partners LP	888,135	36,910,890
		512,007,991
Total Master Limited Partnerships (Cost $1,914,428,819)		2,104,606,005
Common Stock — 3.8%[1]		
Natural Gas/Natural Gas Liquids Pipelines — 3.8%[1]		
United States — 3.8%[1]		
ONEOK, Inc. (Cost $45,401,107)	870,420	45,174,798
Preferred Stock — 3.1%[1]		
Natural Gas Gathering/Processing — 2.0%[1]		
United States — 2.0%[1]		
Targa Resources Corp., 9.500%[3][4]	21,758	23,396,034
Oil and Gas Production — 1.1%[1]		
United States — 1.1%[1]		

Anadarko Petroleum Corporation, 7.500%, 06/07/2018	392,800		12,809,208
Total Preferred Stock (Cost $35,391,606)			36,205,242
Private Investment — 2.2%[(1)]			
Renewables — 2.2%[(1)]			
United States — 2.2%[(1)]			
Tortoise HoldCo II, LLC[(3)(4)(5)] (Cost $34,916,525)		N/A	25,886,172
Short-Term Investment — 0.0%[(1)]			
United States Investment Company — 0.0%[(1)]			
Invesco Government & Agency Portfolio — Institutional Class, 0.98%[(6)] (Cost $208,128)	208,128		208,128
Total Investments — 187.2%[(1)] **(Cost $2,030,346,185)**			2,212,080,345
Interest Rate Swap Contracts — (0.0)%[(1)]			
$15,000,000 notional — net unrealized depreciation[(7)]			(157,702)
Other Assets and Liabilities — 0.2%[(1)]			1,885,079
Deferred Tax Liability — (29.0)%[(1)]			(342,079,252)
Credit Facility Borrowings — (9.5)%[(1)]			(112,700,000)
Senior Notes — (34.9)%[(1)]			(412,500,000)
Mandatory Redeemable Preferred Stock **at Liquidation Value — (14.0)%[(1)]**			(165,000,000)
Total Net Assets Applicable to **Common Stockholders — 100.0%[(1)]**		$	1,181,528,470

(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 $157,702.
(3) Restricted securities have a total fair value of $76,442,279, which represents 6.5% of net assets. See Note 6 to the financial statements for further disclosure.
(4) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.
(5) Deemed to be an affiliate of the fund.
(6) Rate indicated is the current yield as of November 30, 2017.
(7) See Note 12 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

NTG Schedule of Investments

November 30, 2017

	Shares	Fair Value
Master Limited Partnerships — 167.5%[1]		
Crude Oil Pipelines — 32.0%[1]		
United States — 32.0%[1]		
Andeavor Logistics LP	1,450,409	$ 64,920,307
BP Midstream Partners LP	713,172	13,029,653
Enbridge Energy Partners, L.P.	3,533,429	51,658,732
Genesis Energy L.P.	1,054,968	22,650,163
Plains All American Pipeline, L.P.	2,991,043	58,325,339
Shell Midstream Partners, L.P.	1,130,841	30,589,249
		241,173,443
Natural Gas/Natural Gas Liquids Pipelines — 52.7%[1]		
United States — 52.7%[1]		
Dominion Energy Midstream Partners, LP	978,545	31,460,222
Energy Transfer Partners, L.P.	7,068,994	117,415,990
Enterprise Products Partners L.P.	4,434,109	109,212,105
EQT Midstream Partners, LP	803,112	55,109,545
Spectra Energy Partners, LP	834,847	34,161,939
Tallgrass Energy Partners, LP	1,135,235	49,859,521
		397,219,322
Natural Gas Gathering/Processing — 51.9%[1]		
United States — 51.9%[1]		
Antero Midstream Partners LP	725,846	19,997,057
DCP Midstream, LP	1,641,517	57,682,907
EnLink Midstream Partners, LP	3,383,588	54,103,572
MPLX LP	2,377,526	85,258,082
Noble Midstream Partners LP	155,562	7,692,541
Rice Midstream Partners LP	1,133,910	23,619,345
Western Gas Partners, LP	1,693,813	75,916,699
Williams Partners L.P.	1,828,781	67,116,263
		391,386,466
Refined Product Pipelines — 30.9%[1]		
United States — 30.9%[1]		
Buckeye Partners, L.P.	1,544,576	70,942,376
Holly Energy Partners, L.P.	1,010,104	33,444,543
Magellan Midstream Partners, L.P.	869,301	58,243,167
NuStar Energy L.P.	793,760	23,066,666
Phillips 66 Partners LP	310,784	14,563,338
Phillips 66 Partners LP[2]	537,734	25,020,763
Valero Energy Partners LP	187,891	7,808,750
		233,089,603
Total Master Limited Partnerships (Cost $1,226,382,703)		1,262,868,834
Common Stock — 5.3%[1]		
Natural Gas/Natural Gas Liquids Pipelines — 5.3%[1]		
United States — 5.3%[1]		
ONEOK, Inc. (Cost $40,369,910)	773,963	40,168,680
Preferred Stock — 2.6%[1]		
Natural Gas Gathering/Processing — 1.7%[1]		
United States — 1.7%[1]		
Targa Resources Corp., 9.500%[2][3]	12,252	13,174,382
Oil and Gas Production — 0.9%[1]		
United States — 0.9%[1]		

Anadarko Petroleum Corporation, 7.500%, 06/07/2018	199,500	6,505,695
Total Preferred Stock (Cost $19,038,600)		19,680,077
Short-Term Investment — 0.0%[1]		
United States Investment Company — 0.0%[1]		
Invesco Government & Agency Portfolio — Institutional Class, 0.98%[4] (Cost $162,156)	162,157	162,157
Total Investments — 175.4%[1] (Cost $1,285,953,369)		1,322,879,748
Other Assets and Liabilities — (0.3)%[1]		(2,621,838)
Deferred Tax Liability — (16.2)%[1]		(122,372,790)
Credit Facility Borrowings — (6.6)%[1]		(49,800,000)
Senior Notes — (37.7)%[1]		(284,000,000)
Mandatory Redeemable Preferred Stock at Liquidation Value — (14.6)%[1]		(110,000,000)
Total Net Assets Applicable to Common Stockholders — 100.0%[1]		$ 754,085,120

(1) Calculated as a percentage of net assets applicable to common stockholders.
(2) Restricted securities have a total fair value of $38,195,145, which represents 5.1% of net assets. See Note 6 to the financial statements for further disclosure.
(3) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.
(4) Rate indicated is the current yield as of November 30, 2017.

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

TTP Schedule of Investments
November 30, 2017

	Shares	Fair Value
Common Stock — 92.9%[1]		
Crude Oil Pipelines — 36.0%[1]		
Canada — 21.2%[1]		
Gibson Energy Inc	188,122	$ 2,519,667
Enbridge Inc.	503,775	18,997,355
Inter Pipeline Ltd.	502,133	10,547,459
Pembina Pipeline Corporation	226,342	7,882,452
United States — 14.8%[1]		
Plains GP Holdings, L.P.	913,432	18,807,565
SemGroup Corporation	382,241	9,173,784
		67,928,282
Natural Gas Gathering/Processing — 17.5%[1]		
United States — 17.5%[1]		
EnLink Midstream, LLC	530,288	8,855,810
Targa Resources Corp.	280,249	12,162,807
The Williams Companies, Inc.	410,025	11,911,226
		32,929,843
Natural Gas/Natural Gas Liquids Pipelines — 25.9%[1]		
Canada — 10.4%[1]		
Keyera Corp.	18,864	531,640
TransCanada Corporation	396,968	19,066,373
United States — 15.5%[1]		
ONEOK, Inc.	385,387	20,001,585
Tallgrass Energy GP, LP	409,412	9,252,711
		48,852,309
Oil and Gas Production — 13.5%[1]		
United States — 13.5%[1]		
Anadarko Petroleum Corporation[2]	23,500	1,130,115
Antero Resources Corporation[2][3]	60,900	1,157,100
Cabot Oil & Gas Corporation[2]	43,300	1,253,535
Carrizo Oil & Gas, Inc.[2][3]	23,800	460,054
Cimarex Energy Co.[2]	14,900	1,730,039
Concho Resources Inc.[2][3]	21,600	3,020,976
Continental Resources, Inc.[2][3]	28,300	1,339,439
Diamondback Energy, Inc.[2][3]	9,100	994,721
EOG Resources, Inc.[2]	24,600	2,517,072
EQT Corporation[2]	33,100	1,972,760
Laredo Petroleum, Inc.[2][3]	90,800	970,652
Newfield Exploration Company[2][3]	33,900	1,048,527
Noble Energy, Inc.[2]	45,500	1,196,650
Parsley Energy, Inc.[2][3]	38,300	1,028,738
PDC Energy, Inc.[2][3]	14,400	661,680
Pioneer Natural Resources Company[2]	8,200	1,279,528
Range Resources Corporation[2]	88,800	1,600,176
RSP Permian, Inc.[2][3]	28,300	1,039,459
WPX Energy, Inc.[2][3]	80,000	1,013,600
		25,414,821
Total Common Stock (Cost $195,365,330)		175,125,255
Master Limited Partnerships and Related Companies — 40.5%[1]		
Crude Oil Pipelines — 10.9%[1]		
United States — 10.9%[1]		
Andeavor Logistics LP	22,878	1,024,019
BP Midstream Partners LP	71,626	1,308,607
Enbridge Energy Management, L.L.C.[4]	963,871	13,012,262

Genesis Energy L.P.	76,499		1,642,434
Shell Midstream Partners, L.P.		132,089	3,573,008
			20,560,330
Natural Gas/Natural Gas Liquids Pipelines — 10.1%[1]			
United States — 10.1%[1]			
Energy Transfer Equity, L.P.		43,645	707,049
Energy Transfer Partners, L.P.	714,412		11,866,383
Enterprise Products Partners L.P.		154,506	3,805,483
EQT Midstream Partners, LP	3,592		246,483
Tallgrass Energy Partners, LP		52,446	2,303,428
			18,928,826
Natural Gas Gathering/Processing — 10.0%[1]			
United States — 10.0%[1]			
DCP Midstream, LP		58,115	2,042,161
EnLink Midstream Partners, LP	92,339		1,476,501
MPLX LP		245,647	8,808,902
Noble Midstream Partners LP	22,872		1,131,020
Rice Midstream Partners LP		150,313	3,131,020
Western Gas Partners, LP	50,531		2,264,799
			18,854,403
Refined Product Pipelines — 9.5%[1]			
United States — 9.5%[1]			
Buckeye Partners, L.P.	95,105		4,368,173
Holly Energy Partners, L.P.		96,994	3,211,471
Magellan Midstream Partners, L.P.	35,211		2,359,137
NuStar Energy L.P.		135,021	3,923,710
Phillips 66 Partners LP	36,049		1,689,256
Phillips 66 Partners LP[5]		37,151	1,728,636
Valero Energy Partners LP	15,417		640,731
			17,921,114
Total Master Limited Partnerships and Related Companies (Cost $83,785,038)			76,264,673

See accompanying Notes to Financial Statements.

TTP Schedule of Investments (continued)
November 30, 2017

	Shares	Fair Value
Preferred Stock — 3.7%[1]		
Natural Gas Gathering/Processing — 1.2%[1]		
United States — 1.2%[1]		
Targa Resources Corp., 9.500%[5][6]	2,108	$ 2,266,699
Oil and Gas Production — 2.5%[1]		
United States — 2.5%[1]		
Anadarko Petroleum Corporation, 7.500%, 06/07/2018	39,500	1,288,095
Hess Corporation, 8.000%, 02/01/2019	60,000	3,393,000
		4,681,095
Total Preferred Stock (Cost $7,003,895)		6,947,794
Short-Term Investment — 0.1%[1]		
United States Investment Company — 0.1%[1]		
Invesco Government & Agency Portfolio — Institutional Class, 0.98%[7] (Cost $288,054)	288,054	288,054
Total Investments — 137.2%[1] (Cost $286,442,317)		258,625,776
Total Value of Options Written (Premiums received $353,524) — (0.2)%[1]		(322,204)
Other Assets and Liabilities — (0.3)%[1]		(486,401)
Credit Facility Borrowings — (10.2)%[1]		(19,300,000)
Senior Notes — (18.0)%[1]		(34,000,000)
Mandatory Redeemable Preferred Stock at Liquidation Value — (8.5)%[1]		(16,000,000)
Total Net Assets Applicable to Common Stockholders — 100.0%[1]		$ 188,517,171

(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. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.
(5) Restricted securities have a total fair value of $3,995,335, which represents 2.1% of net assets. See Note 6 to the financial statements for further disclosure.
(6) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.
(7) Rate indicated is the current yield as of November 30, 2017.

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

NDP Schedule of Investments

November 30, 2017

	Shares	Fair Value
Common Stock — 101.5%(1)		
Crude Oil Pipelines — 0.0%(1)		
United States — 0.0%(1)		
SemGroup Corporation	344	$ 8,256
Natural Gas Gathering/Processing — 0.6%(1)		
United States — 0.6%(1)		
Targa Resources Corp.	26,507	1,150,404
Oil and Gas Production — 97.3%(1)		
The Netherlands — 3.9%(1)		
Royal Dutch Shell plc (ADR)	114,500	7,341,740
United Kingdom — 1.1%(1)		
BP p.l.c. (ADR)	51,096	2,047,417
United States — 92.3%(1)		
Anadarko Petroleum Corporation(2)	111,000	5,337,990
Antero Resources Corporation(2)(3)	302,100	5,739,900
Cabot Oil & Gas Corporation(2)	451,100	13,059,345
Carrizo Oil & Gas, Inc.(2)(3)	210,000	4,059,300
Centennial Resource Development, Inc.(3)	117,239	2,378,779
Cimarex Energy Co.(2)	73,100	8,487,641
Concho Resources Inc.(2)(3)	90,543	12,663,344
Continental Resources, Inc.(2)(3)	177,500	8,401,075
Devon Energy Corporation(2)	229,334	8,836,239
Diamondback Energy, Inc.(2)(3)	107,400	11,739,894
EOG Resources, Inc.(2)	174,000	17,803,680
EQT Corporation(2)	108,100	6,442,760
Laredo Petroleum, Inc.(2)(3)	306,100	3,272,209
Newfield Exploration Company(2)(3)	231,300	7,154,109
Parsley Energy, Inc.(2)(3)	247,600	6,650,536
PDC Energy, Inc.(2)(3)	58,400	2,683,480
Pioneer Natural Resources Company(2)	138,500	21,611,540
Range Resources Corporation(2)	455,700	8,211,714
RSP Permian, Inc.(2)(3)	233,700	8,583,801
SM Energy Company(2)	151,000	3,116,640
Whiting Petroleum Corporation(3)	6	150
WPX Energy, Inc.(2)(3)	565,800	7,168,686
		182,791,969
Oilfield Services — 3.6%(1)		
United States — 3.6%(1)		
Fairmount Santrol Holdings Inc.(2)(3)	505,000	2,434,100
U.S. Silica Holdings, Inc. (2)	130,600	4,332,002
		6,766,102
Total Common Stock (Cost $209,599,783)		190,716,731
Master Limited Partnerships and Related Companies — 32.3%(1)		
Crude Oil Pipelines — 8.7%(1)		
United States — 8.7%(1)		
Andeavor Logistics LP	57,607	2,578,489
BP Midstream Partners LP	70,583	1,289,551
Enbridge Energy Management, L.L.C.(4)	395,599	5,340,591
Plains All American Pipeline, L.P.	168,322	3,282,279
Shell Midstream Partners, L.P.	139,785	3,781,184
		16,272,094
Natural Gas/Natural Gas Liquids Pipelines — 5.5%(1)		
United States — 5.5%(1)		
Energy Transfer Equity, L.P.	44,365	718,713

Energy Transfer Partners, L.P.	342,200		5,683,942
EQT Midstream Partners, LP		24,303	1,667,672
Spectra Energy Partners, LP	34,627		1,416,937
Tallgrass Energy Partners, LP		20,140	884,549
			10,371,813
Natural Gas Gathering/Processing — 9.4%[1]			
United States — 9.4%[1]			
Antero Midstream Partners LP		75,672	2,084,764
DCP Midstream, LP	155,345		5,458,823
EnLink Midstream Partners, LP		86,700	1,386,333
MPLX LP	121,726		4,365,094
Noble Midstream Partners LP		25,215	1,246,882
Rice Midstream Partners LP	40,357		840,636
Western Gas Partners, LP		17,480	783,454
Williams Partners L.P.	42,688		1,566,650
			17,732,636
Refined Product Pipelines — 7.4%[1]			
United States — 7.4%[1]			
Buckeye Partners, L.P.	49,673		2,281,481
Holly Energy Partners, L.P.		100,261	3,319,642
Magellan Midstream Partners, L.P.	22,216		1,488,472
NuStar Energy L.P.		59,614	1,732,383
Phillips 66 Partners LP	53,277		2,496,560
Phillips 66 Partners LP[5]		32,400	1,507,572
Valero Energy Partners LP	26,106		1,084,965
			13,911,075
Other — 1.3%[1]			
United States — 1.3%[1]			
Westlake Chemical Partners LP	110,115		2,422,530
Total Master Limited Partnerships and Related Companies (Cost $61,828,980)			60,710,148

See accompanying Notes to Financial Statements.

NDP Schedule of Investments (continued)
November 30, 2017

	Shares	Fair Value
Preferred Stock — 1.8%[1]		
Natural Gas Gathering/Processing — 1.2%[1]		
United States — 1.2%[1]		
Targa Resources Corp., 9.500%[5][6]	1,997	$2,147,342
Oil and Gas Production — 0.6%[1]		
United States — 0.6%[1]		
Anadarko Petroleum Corporation, 7.500%, 06/07/2018	36,900	1,203,309
Total Preferred Stock (Cost $3,283,226)		3,350,651
Short-Term Investment — 0.2%[1]		
United States Investment Company — 0.2%[1]		
Invesco Government & Agency Portfolio — Institutional Class, 0.98%[7] (Cost $312,930)	312,930	312,930
Total Investments — 135.8%[1] (Cost $275,024,919)		255,090,460
Total Value of Options Written (Premiums received $1,895,945) — (1.0)%[1]		(1,813,409)
Other Assets and Liabilities — (0.5)%[1]		(888,498)
Credit Facility Borrowings — (34.3)%[1]		(64,500,000)
Total Net Assets Applicable to Common Stockholders — 100.0%[1]		$187,888,553

(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. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.
(5) Restricted securities have a total fair value of $3,654,914, which represents 1.9% of net assets. See Note 6 to the financial statements. for further disclosure.
(6) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.
(7) Rate indicated is the current yield as of November 30, 2017.

ADR = American Depository Receipts

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

TPZ Schedule of Investments
November 30, 2017

	Principal Amount	Fair Value
Corporate Bonds — 72.2%[1]		
Crude Oil Pipelines — 9.7%[1]		
Canada — 5.7%[1]		
Enbridge Inc., 5.500%, 07/15/2077	$ 8,500,000	$ 8,478,750
United States — 4.0%[1]		
SemGroup Corp., 6.375%, 03/15/2025[2]	6,000,000	5,955,000
		14,433,750
Natural Gas/Natural Gas Liquids Pipelines — 27.0%[1]		
Canada — 5.0%[1]		
TransCanada Corporation, 5.625%, 05/20/2075	7,000,000	7,404,600
United States — 22.0%[1]		
Cheniere Corp., 7.000%, 06/30/2024	4,000,000	4,540,000
Cheniere Corp., 5.875%, 03/31/2025	2,000,000	2,167,500
Columbia Pipeline Group, Inc., 3.300%, 06/01/2020	2,000,000	2,032,232
Florida Gas Transmission Co., LLC, 5.450%, 07/15/2020[2]	1,500,000	1,600,091
Kinder Morgan, Inc., 6.500%, 09/15/2020	4,000,000	4,389,200
Midcontinent Express Pipeline LLC, 6.700%, 09/15/2019[2]	2,000,000	2,095,000
ONEOK, Inc., 4.250%, 02/01/2022	4,500,000	4,659,300
ONEOK, Inc., 7.500%, 09/01/2023	2,000,000	2,387,260
Rockies Express Pipeline, LLC, 6.000%, 01/15/2019[2]	4,000,000	4,128,800
Ruby Pipeline, LLC, 6.000%, 04/01/2022[2]	1,420,455	1,517,977
Southern Star Central Corp., 5.125%, 07/15/2022[2]	3,000,000	3,108,750
		40,030,710
Natural Gas Gathering/Processing — 10.4%[1]		
United States — 10.4%[1]		
Blue Racer Midstream, LLC, 6.125%, 11/15/2022[2]	4,000,000	4,150,000
DCP Midstream LLC, 9.750%, 03/15/2019[2]	4,000,000	4,340,000
The Williams Companies, Inc., 7.875%, 09/01/2021	5,000,000	5,825,000
The Williams Companies, Inc., 4.550%, 06/24/2024	1,000,000	1,036,250
		15,351,250
Oil and Gas Production — 4.2%[1]		
United States — 4.2%[1]		
Carrizo Oil & Gas, Inc., 7.500%, 09/15/2020	1,000,000	1,020,000
EQT Corporation, 8.125%, 06/01/2019	2,000,000	2,166,188

Hess Corporation, 4.300%, 04/01/2027	3,000,000	2,987,583
		6,173,771
Power/Utility — 17.9%[(1)]		
United States — 17.9%[(1)]		
The AES Corporation, 5.500%, 04/15/2025	4,000,000	4,215,000
CMS Energy Corp., 8.750%, 06/15/2019	5,185,000	5,673,074
Dominion Resources, Inc., 5.750%, 10/01/2054	4,000,000	4,320,000
Duquesne Light Holdings, Inc., 6.400%, 09/15/2020[(2)]	3,000,000	3,294,288
Duquesne Light Holdings, Inc., 5.900%, 12/01/2021[(2)]	2,000,000	2,217,624
NRG Energy, Inc., 6.250%, 07/15/2022	2,000,000	2,082,500
NRG Yield Operating LLC, 5.375%, 08/15/2024	2,500,000	2,593,750
NV Energy, Inc., 6.250%, 11/15/2020	1,000,000	1,103,357
Pattern Energy Group Inc., 5.875%, 02/01/2024[(2)]	1,000,000	1,057,500
		26,557,093
Refining — 3.0%[(1)]		
United States — 3.0%[(1)]		
HollyFrontier Corporation, 5.875%, 04/01/2026	4,000,000	4,432,624
Total Corporate Bonds (Cost $102,090,656)		106,979,198

See accompanying Notes to Financial Statements.

TPZ Schedule of Investments (continued)
November 30, 2017

	Shares		Fair Value
Master Limited Partnerships and Related Companies — 38.5%[1]			
Crude Oil Pipelines — 9.2%[1]			
United States — 9.2%[1]			
Andeavor Logistics LP	33,993		$1,521,527
BP Midstream Partners LP		56,069	1,024,381
Enbridge Energy Management, L.L.C.[3]	640,503		8,646,794
Shell Midstream Partners, L.P.		89,044	2,408,640
			13,601,342
Natural Gas/Natural Gas Liquids Pipelines — 9.6%[1]			
United States — 9.6%[1]			
Energy Transfer Equity, L.P.		30,902	500,612
Energy Transfer Partners, L.P.	528,169		8,772,887
Enterprise Products Partners L.P.		119,603	2,945,822
Tallgrass Energy Partners, LP	44,952		1,974,292
			14,193,613
Natural Gas Gathering/Processing — 10.1%[1]			
United States — 10.1%[1]			
DCP Midstream, LP	52,040		1,828,686
EnLink Midstream Partners, LP		128,687	2,057,705
MPLX LP	146,476		5,252,629
Noble Midstream Partners LP		17,176	849,353
Rice Midstream Partners LP	102,565		2,136,429
Western Gas Partners, LP		63,378	2,840,602
			14,965,404
Refined Product Pipelines — 9.6%[1]			
United States — 9.6%[1]			
Buckeye Partners, L.P.		60,959	2,799,847
Holly Energy Partners, L.P.	95,869		3,174,223
Magellan Midstream Partners, L.P.		36,250	2,428,750
NuStar Energy L.P.	102,338		2,973,942
Phillips 66 Partners LP		24,755	1,160,019
Phillips 66 Partners LP[2]	28,667		1,333,876
Valero Energy Partners LP		9,774	406,207
			14,276,864
Total Master Limited Partnerships and Related Companies (Cost $50,300,712)			57,037,223
Common Stock — 21.2%[1]			
Crude Oil Pipelines — 2.4%[1]			
Canada — 1.1%[1]			
Enbridge Inc.	44,286		1,670,025
United States — 1.3%[1]			
SemGroup Corporation	79,830		1,915,920
			3,585,945
Natural Gas/Natural Gas Liquids Pipelines — 11.7%[1]			
United States — 11.7%[1]			
Kinder Morgan, Inc.	385,467		6,641,597
ONEOK, Inc.		148,091	7,685,922
Tallgrass Energy GP, LP	133,814		3,024,196
			17,351,715
Natural Gas Gathering/Processing — 7.1%[1]			
United States — 7.1%[1]			

EnLink Midstream LLC	125,234		2,091,408
Targa Resources Corp.		138,091	5,993,149
The Williams Companies, Inc.	83,852		2,435,901
			10,520,458
Total Common Stock (Cost $28,324,776)			31,458,118

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

TPZ Schedule of Investments (continued)

November 30, 2017

	Shares		Fair Value	
Preferred Stock — 3.2%(1)				
Natural Gas Gathering/Processing — 1.2%(1)				
United States — 1.2%(1)				
Targa Resources Corp., 9.500%(2)(4)	1,685		$	1,811,854
Oil and Gas Production — 0.5%(1)				
United States — 0.5%(1)				
Anadarko Petroleum Corporation, 7.500%, 06/07/2018		24,400		795,684
Power/Utility — 1.5%(1)				
United States — 1.5%(1)				
DTE Energy, 6.500%, 10/01/2019	39,600			2,225,916
Total Preferred Stock (Cost $4,496,162)				4,833,454
Short-Term Investment — 0.1%(1)				
United States Investment Company — 0.1%(1)				
Invesco Government & Agency Portfolio — Institutional Class, 0.98%(5) (Cost $126,115)		126,115		126,115
Total Investments — 135.2%(1) (Cost $185,338,421)				200,434,108
Interest Rate Swap Contracts — 0.0%(1)				
$15,000,000 notional — net unrealized appreciation(6)				42,784
Other Assets and Liabilities — 0.8%(1)				1,165,922
Credit Facility Borrowings — (36.0)%(1)				(53,400,000)
Total Net Assets Applicable to Common Stockholders — 100.0%(1)			$	148,242,814

(1) Calculated as a percentage of net assets applicable to common stockholders.
(2) Restricted securities have a total fair value of $36,610,760, which represents 24.7% of net assets. See Note 6 to the financial statements for further disclosure.
(3) Security distributions are paid-in-kind. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.
(4) Securities have been valued by using significant unobservable inputs in accordance with fair value procedures, as more fully described in Note 2 to the financial statements.
(5) Rate indicated is the current yield as of November 30, 2017.
(6) See Note 12 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

Schedule of Interest Rate Swap Contracts
November 30, 2017

TYG

Counterparty	Maturity Date	Notional Amount	Fixed Rate Paid by TYG	Floating Rate Received by TYG	Unrealized Depreciation
The Bank of Nova Scotia	09/02/2018	$ 5,000,000	1.815 %	1-month U.S. Dollar LIBOR	$ (9,497)
The Bank of Nova Scotia	09/02/2021	10,000,000	2.381 %	1-month U.S. Dollar LIBOR	(148,205)
		$ 15,000,000			$ (157,702)

TPZ

Counterparty	Maturity Date	Notional Amount	Fixed Rate Paid by TPZ	Floating Rate Received by TPZ	Unrealized Appreciation (Depreciation)
Wells Fargo Bank, N.A.	08/06/2018	$ 6,000,000	1.950 %	3-month U.S. Dollar LIBOR	$ (14,760)
Wells Fargo Bank, N.A.	11/29/2019	6,000,000	1.330 %	3-month U.S. Dollar LIBOR	73,203
Wells Fargo Bank, N.A.	08/06/2020	3,000,000	2.180 %	3-month U.S. Dollar LIBOR	(15,659)
		$ 15,000,000			$ 42,784

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

Schedule of Options Written
November 30, 2017

TTP

Call Options Written	**Expiration Date**	**Strike Price**	**Contracts**	**Notional Value**	**Fair Value**
Anadarko Petroleum Corporation	December 2017	$ 50.60	83	$ 419,980	$ (3,180)
Anadarko Petroleum Corporation	December 2017	51.00	152	775,200	(3,344)
Antero Resources Corporation	December 2017	20.00	609	1,218,000	(12,180)
Cabot Oil & Gas Corporation	December 2017	30.50	433	1,320,650	(6,014)
Carrizo Oil & Gas, Inc.	December 2017	20.00	238	476,000	(16,660)
Cimarex Energy Co.	December 2017	122.00	149	1,817,800	(10,286)
Concho Resources Inc.	December 2017	146.00	216	3,153,600	(17,665)
Continental Resources, Inc.	December 2017	48.00	283	1,358,400	(32,545)
Diamondback Energy, Inc.	December 2017	113.00	91	1,028,300	(8,224)
EOG Resources, Inc.	December 2017	107.00	246	2,632,200	(7,872)
EQT Corporation	December 2017	62.50	331	2,068,750	(11,585)
Laredo Petroleum, Inc.	December 2017	10.45	400	418,000	(6,714)
Laredo Petroleum, Inc.	December 2017	11.55	508	586,740	(6,439)
Newfield Exploration Company	December 2017	31.30	82	256,660	(3,549)
Newfield Exploration Company	December 2017	31.00	257	796,700	(21,845)
Noble Energy, Inc.	December 2017	26.90	96	258,240	(2,668)
Noble Energy, Inc.	December 2017	28.50	359	1,023,150	(2,991)
Parsley Energy, Inc.	December 2017	26.75	229	612,575	(19,145)
Parsley Energy, Inc.	December 2017	27.50	154	423,500	(7,700)
PDC Energy, Inc.	December 2017	46.20	53	244,860	(7,321)
PDC Energy, Inc.	December 2017	47.00	91	427,700	(7,853)
Pioneer Natural Resources Company	December 2017	159.00	82	1,303,800	(17,925)
Range Resources Corporation	December 2017	18.50	314	580,900	(14,899)
Range Resources Corporation	December 2017	18.00	574	1,033,200	(34,440)
RSP Permian, Inc.	December 2017	37.90	63	238,770	(2,277)
RSP Permian, Inc.	December 2017	38.00	220	836,000	(10,409)
WPX Energy, Inc.	December 2017	12.90	474	611,460	(16,694)
WPX Energy, Inc.	December 2017	13.00	326	423,800	(9,780)
Total Value of Call Options Written (Premiums received $353,524)				$ 26,344,935	$ (322,204)

NDP

Call Options Written	**Expiration Date**	**Strike Price**	**Contracts**	**Notional Value**	**Fair Value**
Anadarko Petroleum Corporation	December 2017	$ 51.00	1,110	$ 5,661,000	$ (24,420)
Antero Resources Corporation	December 2017	20.80	3,021	6,283,680	(32,715)
Cabot Oil & Gas Corporation	December 2017	31.00	4,511	13,984,100	(45,110)
Carrizo Oil & Gas, Inc.	December 2017	20.50	2,100	4,305,000	(118,436)
Cimarex Energy Co.	December 2017	125.00	731	9,137,500	(23,758)
Concho Resources Inc.	December 2017	149.00	905	13,484,500	(35,390)
Continental Resources, Inc.	December 2017	49.00	1,775	8,697,500	(177,500)
Devon Energy Corporation	December 2017	41.00	2,293	9,401,300	(52,739)
Diamondback Energy, Inc.	December 2017	116.00	1,074	12,458,400	(36,304)
EOG Resources, Inc.	December 2017	108.00	1,740	18,792,000	(38,280)
EQT Corporation	December 2017	63.70	1,081	6,885,970	(34,307)
Fairmount Santrol Holdings Inc.	December 2017	5.00	5,050	2,525,000	(131,300)
Laredo Petroleum, Inc.	December 2017	10.75	3,061	3,290,575	(113,718)
Newfield Exploration Company	December 2017	32.00	2,313	7,401,600	(115,650)
Parsley Energy, Inc.	December 2017	27.00	2,476	6,685,200	(175,902)
PDC Energy, Inc.	December 2017	47.70	584	2,785,680	(45,500)
Pioneer Natural Resources Company	December 2017	164.00	1,385	22,714,000	(121,529)
Range Resources Corporation	December 2017	18.40	4,557	8,384,880	(232,234)
RSP Permian, Inc.	December 2017	39.00	2,337	9,114,300	(62,476)
SM Energy Company	December 2017	21.50	1,510	3,246,500	(41,129)
US Silica Holdings Inc	December 2017	36.75	1,306	4,799,550	(26,878)
WPX Energy, Inc.	December 2017	13.25	5,658	7,496,850	(128,134)

Total Value of Call Options Written (Premiums received $1,895,945)	$ 187,535,085	$ (1,813,409)

See accompanying Notes to Financial Statements.

Statements of Assets & Liabilities

November 30, 2017

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Assets		
Investments in unaffiliated securities at fair value(1)	$2,186,194,173	$1,322,879,748
Investments in affiliated securities at fair value(2)	25,886,172	—
Receivable for Adviser fee waiver	7,256	—
Receivable for investments sold	8,610,316	3,747,053
Unrealized appreciation of interest rate swap contracts, net	—	—
Dividends, distributions and interest receivable from investments	718,719	384,463
Current tax asset	13,014,797	534,721
Prepaid expenses and other assets	883,375	431,174
Total assets	2,235,314,808	1,327,977,159
Liabilities		
Call options written, at fair value(3)	—	—
Payable to Adviser	3,660,808	2,169,432
Accrued directors' fees and expenses	69,297	51,951
Payable for investments purchased	11,497,201	1,523,478
Distribution payable to common stockholders	—	1,455,351
Accrued expenses and other liabilities	8,262,079	3,278,954
Unrealized depreciation of interest rate swap contracts	157,702	—
Deferred tax liability	342,079,252	122,372,790
Credit facility borrowings	112,700,000	49,800,000
Senior notes, net(4)	411,762,053	283,713,450
Mandatory redeemable preferred stock, net(5)	163,597,946	109,526,633
Total liabilities	1,053,786,338	573,892,039
Net assets applicable to common stockholders	$ 1,181,528,470	$ 754,085,120
Net Assets Applicable to Common Stockholders Consist of:		
Capital stock, $0.001 par value per share	$ 49,379	$ 47,247
Additional paid-in capital	853,299,330	563,623,191
Undistributed (accumulated) net investment income (loss), net of income taxes	(239,156,803)	(137,388,906)
Undistributed (accumulated) net realized gain (loss), net of income taxes	985,757,121	303,433,195
Net unrealized appreciation (depreciation), net of income taxes	(418,420,557)	24,370,393
Net assets applicable to common stockholders	$ 1,181,528,470	$ 754,085,120
Capital shares:		
Authorized	100,000,000	100,000,000
Outstanding	49,379,408	47,246,780
Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding)	$ 23.93	$ 15.96

(1) Investments in unaffiliated securities at cost	$1,995,429,660	$1,285,953,369
(2) Investments in affiliated securities at cost	$ 34,916,525	$ —
(3) Call options written, premiums received	$ —	$ —
(4) Deferred debt issuance and offering costs	$ 737,947	$ 286,550
(5) Deferred offering costs	$ 1,402,054	$ 473,367

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
$ 258,625,776	$ 255,090,460	$ 200,434,108
—	—	—
—	—	—
—	—	—
—	—	42,784
524,739	199,173	1,806,127
—	—	—
24,192	12,272	8,404
259,174,707	255,301,905	202,291,423
322,204	1,813,409	—
485,029	460,451	325,401
25,718	25,605	21,154
—	—	—
—	287,594	—
633,896	326,293	302,054
—	—	—
—	—	—
19,300,000	64,500,000	53,400,000
33,925,435	—	—
15,965,254	—	—
70,657,536	67,413,352	54,048,609
$ 188,517,171	$ 187,888,553	$ 148,242,814
$ 10,016	$ 14,584	$ 6,951
221,651,398	265,375,631	128,799,420
990,851	(2,914,758)	4,655,808
(6,346,349)	(54,734,980)	(357,661)
(27,788,745)	(19,851,924)	15,138,296
$ 188,517,171	$ 187,888,553	$ 148,242,814
100,000,000	100,000,000	100,000,000
10,016,413	14,583,662	6,951,333
$ 18.82	$ 12.88	$ 21.33
$ 286,442,317	$ 275,024,919	$ 185,338,421
$ —	$ —	$ —
$ 353,524	$ 1,895,945	$ —
$ 74,565	$ —	$ —
$ 34,746	$ —	$ —

See accompanying Notes to Financial Statements.

Statements of Operations
Year Ended November 30, 2017

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Investment Income		
Distributions from master limited partnerships	$ 174,345,027	$ 104,723,775
Dividends and distributions from common stock	2,461,936	1,592,166
Dividends and distributions from preferred stock	3,540,010	1,912,065
Less return of capital on distributions	(178,393,605)	(103,809,279)
Less foreign taxes withheld	—	—
Net dividends and distributions from investments	1,953,368	4,418,727
Interest from corporate bonds	—	—
Dividends from money market mutual funds	3,416	2,106
Total Investment Income	1,956,784	4,420,833
Operating Expenses		
Advisory fees	24,431,976	14,348,854
Administrator fees	503,822	448,504
Professional fees	358,672	223,965
Directors' fees	241,250	184,946
Stockholder communication expenses	202,059	127,064
Custodian fees and expenses	107,949	65,217
Fund accounting fees	92,415	78,792
Registration fees	51,821	46,443
Stock transfer agent fees	13,404	12,078
Franchise fees	1,439	3,462
Other operating expenses	191,573	101,970
Total Operating Expenses	26,196,380	15,641,295
Leverage Expenses		
Interest expense	17,391,106	11,702,724
Distributions to mandatory redeemable preferred stockholders	6,919,999	4,677,005
Amortization of debt issuance costs	460,190	369,139
Other leverage expenses	276,720	88,850
Total Leverage Expenses	25,048,015	16,837,718
Total Expenses	51,244,395	32,479,013
Less fees waived by Adviser (Note 4)	(35,684)	—
Net Expenses	51,208,711	32,479,013
Net Investment Income (Loss), before Income Taxes	(49,251,927)	(28,058,180)
Deferred tax benefit	17,310,874	8,291,376
Net Investment Income (Loss)	(31,941,053)	(19,766,804)
Realized and Unrealized Gain (Loss) on Investments and Interest Rate Swaps		
Net realized gain (loss) on investments in unaffiliated securities	202,295,304	45,079,395
Net realized gain on options	602,988	384,431
Net realized loss on interest rate swap settlements	(188,170)	—
Net realized gain on foreign currency and translation of other assets and liabilities denominated in foreign currency	—	—
Net realized gain (loss), before income taxes	202,710,122	45,463,826
Current tax expense	(35,365,364)	(440,504)
Deferred tax expense	(48,056,303)	(15,834,537)
Income tax expense	(83,421,667)	(16,275,041)
Net realized gain (loss)	119,288,455	29,188,785
Net unrealized depreciation of investments in unaffiliated securities	(332,359,498)	(130,115,374)
Net unrealized depreciation of investments in affiliated securities	(9,030,353)	—
Net unrealized appreciation of options	—	—
Net unrealized appreciation of interest rate swap contracts	207,349	—
Net unrealized depreciation of other assets and liabilities due to foreign currency translation	—	—

Net unrealized depreciation, before income taxes	(341,182,502)	(130,115,374)
Deferred tax benefit	140,407,459	46,578,418
Net unrealized depreciation	(200,775,043)	(83,536,956)
Net Realized and Unrealized Loss	(81,486,588)	(54,348,171)
Net Decrease in Net Assets Applicable to Common Stockholders Resulting from Operations	$ (113,427,641)	$ (74,114,975)

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
$ 5,338,969	$ 4,532,839	$ 4,000,281
9,203,618	1,173,852	2,146,727
588,385	328,090	543,190
(9,136,999)	(4,201,670)	(5,000,251)
(423,532)	(64,578)	(20,032)
5,570,441	1,768,533	1,669,915
—	—	5,916,711
3,299	6,589	1,898
5,573,740	1,775,122	7,588,524
3,143,429	3,004,436	2,030,813
114,306	109,252	85,509
149,454	147,511	152,715
87,776	87,828	69,873
68,056	48,691	92,352
21,032	19,320	10,949
52,154	50,969	30,072
24,459	24,459	24,382
12,468	12,392	15,316
—	—	—
43,775	44,097	27,490
3,716,909	3,548,955	2,539,471
1,566,568	1,182,891	959,261
686,401	—	—
57,013	—	—
18,002	—	—
2,327,984	1,182,891	959,261
6,044,893	4,731,846	3,498,732
(12,974)	(26,663)	—
6,031,919	4,705,183	3,498,732
(458,179)	(2,930,061)	4,089,792
—	—	—
(458,179)	(2,930,061)	4,089,792
2,586,784	(21,311,036)	4,322,726
1,999,135	12,144,173	—
—	—	(138,700)
17,830	—	1,794
4,603,749	(9,166,863)	4,185,820
—	—	—
—	—	—
—	—	—
4,603,749	(9,166,863)	4,185,820
(34,863,434)	(27,812,648)	(15,874,586)
—	—	—
1,026,681	6,243,375	—
—	—	196,092
(3,975)	—	(234)

(33,840,728)	(21,569,273)	(15,678,728)
(33,840,728)	(21,569,273)	(15,678,728)
(29,236,979)	(30,736,136)	(11,492,908)
$ (29,695,158)	$ (33,666,197)	$ (7,403,116)

See accompanying Notes to Financial Statements.

Statements of Changes in Net Assets

	Tortoise Energy Infrastructure Corp.		Tortoise MLP Fund, Inc.	
	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2017	Year Ended November 30, 2016
Operations				
Net investment income (loss)	$ (31,941,053)	$ (38,025,109)	$ (19,766,804)	$ (21,714,757)
Net realized gain (loss)	119,288,455	117,748,586	29,188,785	49,307,107
Net unrealized appreciation (depreciation)	(200,775,043)	26,561,096	(83,536,956)	78,801,730
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	(113,427,641)	106,284,573	(74,114,975)	106,394,080
Distributions to Common Stockholders				
Net investment income	—	—	—	—
Net realized gain	—	—	—	—
Return of capital	(128,748,918)	(127,370,405)	(79,670,471)	(79,464,402)
Total distributions to common stockholders	(128,748,918)	(127,370,405)	(79,670,471)	(79,464,402)
Capital Stock Transactions				
Proceeds from issuance of common shares through shelf offerings	4,639,779	24,678,844	—	—
Underwriting discounts and offering expenses associated with the issuance of common stock	(91,276)	(412,770)	—	(46,340)
Issuance of common shares from reinvestment of distributions to stockholders	6,881,998	3,361,039	3,004,499	1,573,688
Other proceeds	180	—	—	—
Net increase in net assets applicable to common stockholders from capital stock transactions	11,430,681	27,627,113	3,004,499	1,527,348
Total increase (decrease) in net assets applicable to common stockholders	(230,745,878)	6,541,281	(150,780,947)	28,457,026
Net Assets				
Beginning of year	1,412,274,348	1,405,733,067	904,866,067	876,409,041
End of year	$ 1,181,528,470	$ 1,412,274,348	$ 754,085,120	$ 904,866,067
Undistributed (accumulated) net investment income (loss), net of income taxes, end of year	$ (239,156,803)	$ (207,215,750)	$ (137,388,906)	$ (117,622,102)
Transactions in common shares				
Shares outstanding at beginning of year	48,980,215	48,016,591	47,080,789	47,000,211
Shares issued through shelf offerings	155,743	849,006	—	—
Shares issued through reinvestment of distributions	243,450	114,618	165,991	80,578
Shares outstanding at end of year	49,379,408	48,980,215	47,246,780	47,080,789

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

	Tortoise Pipeline & Energy Fund, Inc.		Tortoise Energy Independence Fund, Inc.		Tortoise Power and Energy Infrastructure Fund, Inc.	
	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2017	Year Ended November 30, 2016
	$ (458,179)	$ 372,171	$ (2,930,061)	$ (1,807,587)	$ 4,089,792	$ 4,960,755
	4,603,749	5,319,164	(9,166,863)	(20,323,202)	4,185,820	6,898,290
	(33,840,728)	47,731,706	(21,569,273)	68,212,366	(15,678,728)	17,338,882
	(29,695,158)	53,423,041	(33,666,197)	46,081,577	(7,403,116)	29,197,927
	(539,043)	(3,810,236)	—	—	(7,224,707)	(8,977,396)
	(2,497,430)	(12,516,517)	—	—	(2,519,243)	(1,710,279)
	(13,290,280)	—	(25,460,285)	(25,403,124)	(683,050)	—
	(16,326,753)	(16,326,753)	(25,460,285)	(25,403,124)	(10,427,000)	(10,687,675)
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	927,023	—	—	—
	—	—	—	—	—	—
	—	—	927,023	—	—	—
	(46,021,911)	37,096,288	(58,199,459)	20,678,453	(17,830,116)	18,510,252
	234,539,082	197,442,794	246,088,012	225,409,559	166,072,930	147,562,678
	$ 188,517,171	$ 234,539,082	$ 187,888,553	$ 246,088,012	$ 148,242,814	$ 166,072,930
	$990,851	$1,926,853	$(2,914,758)	$(182,319)	$4,655,808	$6,607,440
	10,016,413	10,016,413	14,516,071	14,516,071	6,951,333	6,951,333
	—	—	—	—	—	—
	—	—	67,591	—	—	—
	10,016,413	10,016,413	14,583,662	14,516,071	6,951,333	6,951,333

See accompanying Notes to Financial Statements.

Statements of Cash Flows
Year Ended November 30, 2017

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Cash Flows From Operating Activities		
Dividends, distributions and interest received from investments	$ 180,350,270	$ 108,229,964
Purchases of long-term investments	(514,202,092)	(314,913,306)
Proceeds from sales of long-term investments	567,584,240	312,426,586
Sales (purchases) of short-term investments, net	158,325	195,331
Call options written, net	602,988	384,431
Payments on interest rate swap contracts, net	(188,170)	—
Interest received on securities sold, net	—	—
Interest expense paid	(17,523,969)	(11,655,273)
Distributions to mandatory redeemable preferred stockholders	(6,920,000)	(4,677,000)
Other leverage expenses paid	(306,415)	(130,093)
Income taxes paid	(38,910,088)	(144,516)
Operating expenses paid	(26,589,148)	(15,896,506)
Net cash provided by operating activities	144,055,941	73,819,618
Cash Flows From Financing Activities		
Advances on credit facilities, net	3,400,000	3,000,000
Issuance of senior notes	25,000,000	—
Maturity of senior notes	(55,000,000)	—
Debt issuance costs	(103,930)	—
Issuance of common stock	4,639,779	—
Common stock issuance costs	(125,109)	—
Distributions paid to common stockholders	(121,866,861)	(76,819,618)
Other proceeds	180	—
Net cash used in financing activities	(144,055,941)	(73,819,618)
Net change in cash	—	—
Cash — beginning of year	—	—
Cash — end of year	$ —	$ —

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
$ 14,641,704	$ 6,046,779	$ 13,082,485
(69,375,081)	(179,757,545)	(67,565,515)
72,640,321	190,389,217	65,494,794
27,587	(36,225)	15,040
1,889,664	11,886,556	—
—	—	(138,700)
—	—	177,064
(1,536,606)	(1,103,319)	(884,536)
(686,400)	—	—
(18,000)	—	—
(800)	(850)	—
(3,731,484)	(3,561,483)	(2,553,632)
13,850,905	23,863,130	7,627,000
2,700,000	700,000	2,800,000
—	—	—
—	—	—
—	—	—
—	—	—
—	—	—
(16,550,905)	(24,563,130)	(10,427,000)
—	—	—
(13,850,905)	(23,863,130)	(7,627,000)
—	—	—
—	—	—
$ —	$ —	$ —

See accompanying Notes to Financial Statements.

Statements of Cash Flows (continued)
Year Ended November 30, 2017

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Reconciliation of net decrease in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities		
Net decrease in net assets applicable to common stockholders resulting from operations	$ (113,427,641)	$ (74,114,975)
Adjustments to reconcile net decrease in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities:		
Purchases of long-term investments	(525,699,293)	(316,436,784)
Proceeds from sales of long-term investments	576,194,556	316,173,639
Sales (purchases) of short-term investments, net	158,325	195,331
Call options written, net	602,988	384,431
Return of capital on distributions received	178,393,605	103,809,279
Deferred tax benefit	(109,662,030)	(39,035,257)
Net unrealized depreciation	341,182,502	130,115,374
Amortization of market premium, net	—	—
Net realized gain	(202,898,292)	(45,463,826)
Amortization of debt issuance costs	460,190	369,139
Changes in operating assets and liabilities:		
(Increase) decrease in dividends, distributions and interest receivable from investments	(119)	(148)
(Increase) decrease in current tax asset	(3,544,725)	295,988
Increase in receivable for investments sold	(8,610,316)	(3,747,053)
Increase (decrease) in prepaid expenses and other assets	(57,632)	(78,586)
Increase in payable for investments purchased	11,497,201	1,523,478
Decrease in payable to Adviser, net of fees waived	(410,008)	(234,139)
Increase (decrease) in accrued expenses and other liabilities	(123,370)	63,727
Total adjustments	257,483,582	147,934,593
Net cash provided by operating activities	$ 144,055,941	$ 73,819,618
Non-Cash Financing Activities		
Reinvestment of distributions by common stockholders in additional common shares	$ 6,881,998	$ 3,004,499

See accompanying Notes to Financial Statements.

Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
$ (29,695,158)	$ (33,666,197)	$ (7,403,116)
(69,375,081)	(179,757,545)	(67,565,515)
72,640,321	190,389,217	65,494,794
27,587	(36,225)	15,040
1,889,664	11,886,556	—
9,136,999	4,201,670	5,000,251
—	—	—
33,840,728	21,569,273	15,678,728
—	—	542,724
(4,603,749)	9,166,863	(4,324,520)
57,013	—	—
(69,035)	69,987	128,050
—	—	—
—	—	—
109	500	371
—	—	—
(31,237)	(40,388)	(14,270)
32,744	79,419	74,463
43,546,063	57,529,327	15,030,116
$ 13,850,905	$ 23,863,130	$ 7,627,000
$ —	$ 927,023	$ —

See accompanying Notes to Financial Statements.

TYG Financial Highlights

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 3 2013
Per Common Share Data[1]					
Net Asset Value, beginning of year	$ 28.83	$ 29.28	$ 49.34	$ 43.36	$ 36.0
Income (Loss) from Investment Operations					
Net investment loss[2]	(0.65)	(0.78)	(0.62)	(0.66)	(0.7
Net realized and unrealized gain (loss) on investments and interest rate swap contracts[2]	(1.64)	2.94	(16.85)	9.01	10.27
Total income (loss) from investment operations	(2.29)	2.16	(17.47)	8.35	9.54
Distributions to Common Stockholders					
Return of capital	(2.62)	(2.62)	(2.59)	(2.38)	(2.29
Capital Stock Transactions					
Premiums less underwriting discounts and offering costs on issuance of common stock[3]	0.01	0.01	(0.00)	0.01	0.05
Net Asset Value, end of year	$23.93	$28.83	$29.28	$49.34	$43.36
Per common share market value, end of year	$ 25.86	$ 30.63	$ 26.57	$ 46.10	$ 49.7
Total investment return based on market value[4]	(7.49)%	26.21 %	(37.86)%	(2.54)%	33.77
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of year (000's)	$ 1,181,528	$ 1,412,274	$ 1,405,733	$ 2,369,068	$ 1,245,76
Average net assets (000's)	$1,406,724	$1,345,764	$1,974,038	$1,837,590	$1,167,339
Ratio of Expenses to Average Net Assets					
Advisory fees	1.74 %	1.74 %	1.76 %	1.65 %	1.61
Other operating expenses	0.12	0.12	0.10	0.13	0.12
Total operating expenses, before fee waiver	1.86	1.86	1.86	1.78	1.73
Fee waiver[5]	(0.00)	(0.01)	—	(0.00)	(0.00
Total operating expenses	1.86	1.85	1.86	1.78	1.73
Leverage expenses	1.78	2.29	1.75	1.38	1.5
Income tax expense (benefit)[6]	(5.28)	4.64	(24.50)	7.81	14.05
Total expenses	(1.64)%	8.78 %	(20.89)%	10.97 %	17.37

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ende Novembe 2013
Ratio of net investment loss to average net assets before fee waiver	(2.27)%	(2.83)%	(1.50)%	(1.33)%	(1.78
Ratio of net investment loss to average net assets after fee waiver	(2.27)%	(2.82)%	(1.50)%	(1.33)%	(1
Portfolio turnover rate	20.38%	24.23%	12.94%	15.33%	13.40
Credit facility borrowings, end of year (000's)	$ 112,700	$ 109,300	$ 66,000	$ 162,800	$ 27,6
Senior notes, end of year (000's)	$412,500	$442,500	$ 545,000	$544,400	$ 300,0
Preferred stock, end of year (000's)	$ 165,000	$ 165,000	$ 295,000	$ 224,000	$ 80,0
Per common share amount of senior notes outstanding, end of year	$8.35	$9.03	$11.35	$11.34	$10.44
Per common share amount of net assets, excluding senior notes, end of year	$ 32.28	$ 37.86	$ 40.63	$ 60.68	$ 53
Asset coverage, per $1,000 of principal amount of senior notes and credit facility borrowings(7)	$3,564	$3,858	$3,784	$4,667	$5,047
Asset coverage ratio of senior notes and credit facility borrowings(7)	356%	386%	378%	467%	5
Asset coverage, per $10 liquidation value per share of mandatory redeemable preferred stock(8)	$27	$30	$26	$35	$41
Asset coverage ratio of preferred stock(8)	271%	297%	255%	354%	4

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

(2) The per common share data for the years ended November 30, 2016, 2015, 2014 and 2013 do not reflect the change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

(3) Represents the premium on the shelf offerings of $0.01 per share, less the underwriting and offering costs of less than $0.01 per share for the year ended November 30, 2017. Represents the premium on the shelf offerings of $0.02 per share, less the underwriting and offering costs of less than $0.01 per share for the year ended November 30, 2016. Represents underwriting and offering costs of less than $0.01 per share for the year ended November 30, 2015. Represents the premium on the shelf offerings of $0.02 per share, less the underwriting and offering costs of $0.01 per share for the year ended November 30, 2014. Represents the premium on the shelf offerings of $0.06 per share, less the underwriting and offering costs of $0.01 per share for the year ended November 30, 2013.

(4) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at the closing price on the last day of the year reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to TYG's dividend reinvestment plan.

(5) Less than 0.01% for the years ended November 30, 2017, 2014 and 2013.

(6) For the year ended November 30, 2017, TYG accrued $35,365,364 for current income tax expense and $109,662,030 for net deferred income tax benefit. For the year ended November 30, 2016, TYG accrued $57,075,786 for current income tax expense and $5,303,392 for net deferred income tax expense. For the year ended November 30, 2015, TYG accrued $66,785,732 for net current income tax expense and $550,449,662 for net deferred income tax benefit. For the year ended November 30, 2014, TYG accrued $52,981,532 for current income tax expense and $90,477,388 for net deferred income tax expense. For the year ended November 30, 2013, TYG accrued $23,290,478 for net current income tax expense and $140,745,675 for net deferred income tax expense.

(7) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes and credit facility borrowings outstanding at the end of the year.

(8) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes, credit facility borrowings and preferred stock outstanding at the end of the year.

See accompanying Notes to Financial Statements.

NTG Financial Highlights

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 3 2013
Per Common Share Data[1]					
Net Asset Value, beginning of year	$ 19.22	$ 18.65	$ 29.83	$ 28.00	$ 24.50
Income (Loss) from Investment Operations					
Net investment loss[2]	(0.42)	(0.46)	(0.32)	(0.54)	(0.42
Net realized and unrealized gain (loss) on investments[2]	(1.15)	2.72	(9.17)	4.06	5.59
Total income (loss) from investment operations	(1.57)	2.26	(9.49)	3.52	5.17
Distributions to Common Stockholders					
Return of capital	(1.69)	(1.69)	(1.69)	(1.69)	(1.67
Capital stock transactions					
Premiums less underwriting discounts and offering costs on issuance of common stock[3]	—	(0.00)	(0.00)	—	0.00
Net Asset Value, end of year	$15.96	$19.22	$18.65	$29.83	$28.00
Per common share market value, end of year	$ 15.90	$ 18.90	$ 16.18	$ 27.97	$ 27.22
Total investment return based on market value[4]	(7.67)%	27.99 %	(37.08)%	9.08 %	16.27
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of year (000's)	$ 754,085	$ 904,866	$ 876,409	$ 1,401,926	$ 1,315,866
Average net assets (000's)	$892,196	$862,527	$ 1,174,085	$ 1,404,751	$ 1,274,638
Ratio of Expenses to Average Net Assets					
Advisory fees	1.61 %	1.56 %	1.56 %	1.48 %	1.38
Other operating expenses	0.14	0.16	0.12	0.10	0.10
Total operating expenses, before fee waiver	1.75	1.72	1.68	1.58	1.48
Fee waiver	—	(0.01)	(0.09)	(0.16)	(0.23
Total operating expenses	1.75	1.71	1.59	1.42	1.25
Leverage expenses	1.89	1.95	1.42	1.09	1.08
Income tax expense (benefit)[5]	(4.33)	7.25	(21.92)	7.04	11.09
Total expenses	(0.69)%	10.91 %	(18.91)%	9.55 %	13.42

See accompanying Notes to Financial Statements.

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013
Ratio of net investment loss to average net assets before fee waiver	(2.22)%	(2.53)%	(1.36)%	(1.97)%	(1.76)%
Ratio of net investment loss to average net assets after fee waiver	(2.22)%	(2.52)%	(1.27)%	(1.81)%	(1.53)%
Portfolio turnover rate	20.94 %	35.47 %	17.54 %	18.09 %	13.42 %
Credit facility borrowings, end of year (000's)	$ 49,800	$ 46,800	$ 62,800	$ 68,900	$ 27,200
Senior notes, end of year (000's)	$284,000	$284,000	$ 348,000	$ 348,000	$ 255,000
Preferred stock, end of year (000's)	$ 110,000	$ 110,000	$ 90,000	$ 90,000	$ 90,000
Per common share amount of senior notes outstanding, end of year	$6.01	$6.03	$7.40	$7.40	$5.43
Per common share amount of net assets, excluding senior notes, end of year	$ 21.97	$ 25.25	$ 26.05	$ 37.23	$ 33.43
Asset coverage, per $1,000 of principal amount of senior notes and credit facility borrowings(6)	$3,589	$4,068	$3,353	$4,579	$5,982
Asset coverage ratio of senior notes and credit facility borrowings(6)	359%	407%	335%	458%	598%
Asset coverage, per $25 liquidation value per share of mandatory redeemable preferred stock(7)	$67	$76	$69	$94	$113
Asset coverage ratio of preferred stock(7)	270%	305%	275%	377%	454%

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

(2) The per common share data for the years ended November 30, 2016, 2015, 2014 and 2013 do not reflect the change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

(3) Represents underwriting and offering costs of less than $0.01 per share for the years ended November 30, 2016 and 2015. Represents the premiums on the shelf offerings of less than $0.01 per share, less the underwriter discount and offering costs of less than $0.01 per share for the years ended November 30, 2013 and 2012.

(4) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at the closing price on the last day of the year reported (excluding brokerage commissions). This calculation also assumes reinvestment of distributions at actual prices pursuant to NTG's dividend reinvestment plan.

(5) For the year ended November 30, 2017, NTG accrued $440,504 for current income tax expense and $39,035,257 for net deferred income tax benefit. For the year ended November 30, 2016, NTG accrued $1,891,670 for current income tax expense and $60,652,872 for net deferred income tax expense. For the year ended November 30, 2015, NTG accrued $200,550 for current income tax expense and $257,585,058 for net deferred income tax benefit. For the year ended November 30, 2014, NTG accrued $581,000 for current income tax expense and $98,329,597 for net deferred income tax expense. For the year ended November 30, 2013, NTG accrued $141,332,523 for net deferred income tax expense.

(6) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes and credit facility borrowings outstanding at the end of the year.

(7) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes, credit facility borrowings and preferred stock outstanding at the end of the year.

See accompanying Notes to Financial Statements.

TTP Financial Highlights

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 3 2013
Per Common Share Data[(1)]					
Net Asset Value, beginning of year	$23.42	$19.71	$35.04	$30.33	$25.24
Income (Loss) from Investment Operations					
Net investment income (loss)[(2)]	(0.05)	0.04	0.22	0.08	0.10
Net realized and unrealized gain (loss)[(2)]	(2.92)	5.30	(13.60)	6.26	6.62
Total income (loss) from investment operations	(2.97)	5.34	(13.38)	6.34	6.72
Distributions to Common Stockholders					
Net investment income	(0.05)	(0.38)	(0.34)	(0.02)	(0.57
Net realized gain	(0.25)	(1.25)	(1.61)	(1.61)	(1.03
Return of capital	(1.33)	—	—	—	(0.03
Total distributions to common stockholders	(1.63)	(1.63)	(1.95)	(1.63)	(1.63
Net Asset Value, end of year	$18.82	$23.42	$19.71	$35.04	$30.33
Per common share market value, end of year	$17.01	$21.55	$17.47	$32.50	$28.11
Total investment return based on market value[(3)]	(14.18)%	34.89%	(41.19)%	21.68%	23.44
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of year (000's)	$188,517	$234,539	$197,443	$350,975	$303,797
Average net assets (000's)	$ 219,359	$ 192,888	$ 292,473	$ 357,486	$ 289,876
Ratio of Expenses to Average Net Assets					
Advisory fees	1.43%	1.48%	1.44%	1.37%	1.42
Other operating expenses	0.26	0.29	0.22	0.18	0.19
Total operating expenses, before fee waiver	1.69	1.77	1.66	1.55	1.61
Fee waiver	(0.00)	(0.07)	(0.14)	(0.19)	(0.26
Total operating expenses	1.69	1.70	1.52	1.36	1.35
Leverage expenses	1.06	1.23	0.93	0.75	0.90
Total expenses	2.75%	2.93%	2.45%	2.11%	2.25

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013
Ratio of net investment income (loss) to average net assets before fee waiver	(0.21)%	0.12 %	0.60 %	0.02 %	0.08 %
Ratio of net investment income (loss) to average net assets after fee waiver	(0.21)%	0.19%	0.74%	0.21%	0.34%
Portfolio turnover rate	24.23 %	90.22 %	18.84 %	18.45 %	31.43 %
Credit facility borrowings, end of year (000's)	$ 19,300	$ 16,600	$ 16,900	$ 26,000	$ 22,200
Senior notes, end of year (000's)	$ 34,000	$ 34,000	$ 54,000	$ 49,000	$ 49,000
Preferred stock, end of year (000's)	$ 16,000	$ 16,000	$ 16,000	$ 16,000	$ 16,000
Per common share amount of senior notes outstanding, end of year	$3.39	$3.39	$5.39	$4.89	$4.89
Per common share amount of net assets, excluding senior notes, end of year	$ 22.21	$ 26.81	$ 25.10	$ 39.93	$ 35.22
Asset coverage, per $1,000 of principal amount of senior notes and credit facility borrowings(4)	$4,837	$5,951	$4,010	$5,893	$5,492
Asset coverage ratio of senior notes and credit facility borrowings(4)	484%	595%	401%	589%	549%
Asset coverage, per $25 liquidation value per share of mandatory redeemable preferred stock(5)	$93	$113	$82	$121	$112
Asset coverage ratio of preferred stock(5)	372%	452%	327%	486%	448%

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

(2) The per common share data for the years ended November 30, 2016, 2015, 2014, and 2013 do not reflect the change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

(3) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at the closing price on the last day of the year reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to TTP's dividend reinvestment plan.

(4) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes and credit facility borrowings outstanding at the end of the year.

(5) Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the year divided by senior notes, credit facility borrowings and preferred stock outstanding at the end of the year.

See accompanying Notes to Financial Statements.

NDP Financial Highlights

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013
Per Common Share Data[(1)]					
Net Asset Value, beginning of year	$16.95	$15.53	$22.76	$26.49	$22.73
Income (Loss) from Investment Operations					
Net investment income (loss)[(2)]	(0.20)	(0.12)	(0.10)	(0.12)	0.01
Net realized and unrealized gain (loss)[(2)]	(2.12)	3.29	(5.38)	(1.86)	5.50
Total income (loss) from investment operations	(2.32)	3.17	(5.48)	(1.98)	5.51
Distributions to Common Stockholders					
Net investment income[(3)]	—	—	(0.00)	(0.00)	(0.27)
Net realized gain	—	—	—	(1.66)	(1.42)
Return of capital	(1.75)	(1.75)	(1.75)	(0.09)	(0.06)
Total distributions to common stockholders	(1.75)	(1.75)	(1.75)	(1.75)	(1.75)
Net Asset Value, end of year	$12.88	$16.95	$15.53	$ 22.76	$ 26.49
Per common share market value, end of year	$12.39	$15.85	$13.18	$21.29	$24.08
Total investment return based on market value[(4)]	(11.04)%	36.27%	(31.05)%	(5.16)%	15.83%
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of year (000's)	$187,889	$246,088	$225,410	$330,458	$384,471
Average net assets (000's)	$209,940	$212,528	$288,672	$413,380	$366,900
Ratio of Expenses to Average Net Assets					
Advisory fees	1.43%	1.42%	1.33%	1.25%	1.25%
Other operating expenses	0.26	0.29	0.21	0.16	0.16
Total operating expenses, before fee waiver	1.69	1.71	1.54	1.41	1.41
Fee waiver	(0.01)	(0.13)	(0.13)	(0.17)	(0.17)
Total operating expenses	1.68	1.58	1.41	1.24	1.24
Leverage expenses	0.56	0.37	0.21	0.14	0.16
Total expenses	2.24%	1.95%	1.62%	1.38%	1.40%

See accompanying Notes to Financial Statements.

2017 Annual Report | November 30, 2017

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year End Novembe 2013
Ratio of net investment income (loss) to average net assets before fee waiver	(1.41)%	(0.98)%	(0.61)%	(0.61)%	(0.1
Ratio of net investment income (loss) to average net assets after fee waiver	(1.40)%	(0.85)%	(0.48)%	(0.44)%	0.0
Portfolio turnover rate	64.88%	47.03%	15.63%	43.21%	45.5
Credit facility borrowings, end of period (000's)	$ 64,500	$ 63,800	$ 61,800	$ 56,200	$ 56,30
Asset coverage, per $1,000 of principal amount of credit facility borrowings(5)	$ 3,913	$ 4,857	$ 4,647	$ 6,880	$ 7,82
Asset coverage ratio of credit facility borrowings(5)	391%	486%	465%	688%	78

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

(2) The per common share data for the years ended November 30, 2016, 2015, 2014 and 2013 do not reflect the change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

(3) Less than $0.01 for the years ended November 30, 2015 and 2014.

(4) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at the closing price on the last day of the year reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to NDP's dividend reinvestment plan.

(5) Represents value of total assets less all liabilities and indebtedness not represented by credit facility borrowings at the end of the year divided by credit facility borrowings outstanding at the end of the year.

See accompanying Notes to Financial Statements.

TPZ Financial Highlights

	Year Ended November 30, 2017		Year Ended November 30, 2016		Year Ended November 30, 2015		Year Ended November 30, 2014		Year Ende November 2013
Per Common Share Data[1]									
Net Asset Value, beginning of year	$23.89		$21.23		$31.08		$28.12		$26.76
Income (loss) from Investment Operations									
Net investment income[2]	0.59		0.71		0.88		0.81		0.76
Net realized and unrealized gain (loss)[2]	(1.65	)	3.49		(7.87	)	3.65		2.10
Total income (loss) from investment operations	(1.06	)	4.20		(6.99	)	4.46		2.86
Distributions to Common Stockholders									
Net investment income	(1.04	)	(1.29	)	(0.91	)	(0.90	)	(0.50
Net realized gain	(0.36	)	(0.25	)	(1.95	)	(0.60	)	(1.00
Return of capital	(0.10	)	—		—		—		—
Total distributions to common stockholders	(1.50	)	(1.54	)	(2.86	)	(1.50	)	(1.50
Net Asset Value, end of year	$21.33		$23.89		$21.23		$31.08		$28.12
Per common share market value, end of year	$19.94		$21.43		$18.53		$26.90		$24.74
Total investment return based on market value[3]	(0.27	)%	25.57	%	(22.54	)%	14.94	%	3.80
Total investment return based on net asset value[4]	(4.31	)%	22.18	%	(23.19	)%	16.84	%	11.36
Supplemental Data and Ratios									
Net assets applicable to common stockholders, end of year (000's)	$148,243		$166,073		$147,563		$216,048		$195,484
Average net assets (000's)	$ 162,708		$ 146,274		$ 187,752		$ 208,698		$ 193,67
Ratio of Expenses to Average Net Assets									
Advisory fees	1.25	%	1.27	%	1.20	%	1.12	%	1.13
Other operating expenses	0.31		0.39		0.31		0.26		0.26
Total operating expenses, before fee waiver	1.56		1.66		1.51		1.38		1.39
Fee waiver	—		—		(0.01	)	(0.07	)	(0.12
Total operating expenses	1.56		1.66		1.50		1.31		1.27
Leverage expenses	0.59		0.44		0.26		0.19		0.25
Total expenses	2.15	%	2.10	%	1.76	%	1.50	%	1.52

See accompanying Notes to Financial Statements.

	Year Ended November 30, 2017	Year Ended November 30, 2016	Year Ended November 30, 2015	Year Ended November 30, 2014	Year Ended November 30, 2013
Ratio of net investment income to average net assets before fee waiver	2.51%	3.39%	3.25%	2.62%	2.62%
Ratio of net investment income to average net assets after fee waiver	2.51%	3.39%	3.26%	2.69%	2.74%
Portfolio turnover rate	30.86%	40.61%	30.99%	18.39%	12.21%
Credit facility borrowings, end of year (000's)	$ 53,400	$ 50,600	$ 49,900	$ 42,400	$ 37,400
Asset coverage, per $1,000 of principal amount of senior notes and credit facility borrowings(5)	$ 3,776	$ 4,282	$ 3,957	$ 6,095	$ 6,227
Asset coverage ratio of senior notes and credit facility borrowings(5)	378%	428%	396%	610%	623%

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

(2) The per common share data for the years ended November 30, 2016, 2015, 2014 and 2013 do not reflect the change in estimate of investment income and return of capital, for the respective year. See Note 2C to the financial statements for further disclosure.

(3) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at the closing price on the last day of the year reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to TPZ's dividend reinvestment plan.

(4) Total investment return is calculated assuming a purchase of common stock at the beginning of the year and a sale at net asset value on the last day of the year reported. The calculation also assumes reinvestment of distributions at actual prices pursuant to TPZ's dividend reinvestment plan.

(5) Represents value of total assets less all liabilities and indebtedness not represented by credit facility borrowings at the end of the year divided by credit facility borrowings outstanding at the end of the year.

See accompanying Notes to Financial Statements.

Notes to Financial Statements

November 30, 2017

1. General Organization

This report covers the following companies, each of which is listed on the New York Stock Exchange ("NYSE"): Tortoise Energy Infrastructure Corp. ("TYG"), Tortoise MLP Fund, Inc. ("NTG"), Tortoise Pipeline & Energy Fund, Inc. ("TTP"), Tortoise Energy Independence Fund, Inc. ("NDP"), and Tortoise Power and Energy Infrastructure Fund, Inc. ("TPZ"). These companies are individually referred to as a "Fund" or by their respective NYSE symbols, or collectively as the "Funds", and each is a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Each of TYG, NTG, TTP and NDP has a primary investment objective to seek a high level of total return with an emphasis on current distributions. TPZ has a primary investment objective to provide a high level of current income, with a secondary objective of capital appreciation.

2. Significant Accounting Policies

The Funds follow accounting and reporting guidance applicable to investment companies under U.S. generally accepted accounting principles ("GAAP").

A. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the amount of income and expenses during the period reported. Actual results could differ from those estimates.

B. Security Valuation

In general, and where applicable, the Funds use readily available market quotations based upon the last updated sales price from the principal market to determine fair value. The Funds primarily own securities that are listed on a securities exchange or are traded in the over-the-counter market. The Funds value those securities at their last sale price on that exchange or over-the-counter market on the valuation date. If the security is listed on more than one exchange, the Funds use the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ are valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or over-the-counter market on such day, the security is valued at the mean between the last bid price and last ask price on such day. These securities are categorized as Level 1 in the fair value hierarchy as further described below.

Restricted securities are subject to statutory or contractual restrictions on their public resale, which may make it more difficult to obtain a valuation and may limit a Fund's ability to dispose of them. Investments in private placement securities and other securities for which market quotations are not readily available are valued in good faith by using fair value procedures. Such fair value procedures consider factors such as discounts to publicly traded issues, time until conversion date, securities with similar yields, quality, type of issue, coupon, duration and rating. If events occur that affect the value of a Fund's portfolio securities before the net asset value has been calculated (a "significant event"), the portfolio securities so affected are generally priced using fair value procedures.

An equity security of a publicly traded company acquired in a private placement transaction without registration under the Securities Act of 1933, as amended (the "1933 Act"), is subject to restrictions on resale that can affect the security's liquidity and fair value. If such a security is convertible into publicly traded common shares, the security generally will be valued at the common share market price adjusted by a percentage discount due to the restrictions and categorized as Level 2 in the fair value hierarchy. To the extent that such securities are convertible or otherwise become freely tradable within a time frame that may be reasonably determined, an amortization schedule may be used to determine the discount. If the security has characteristics that are dissimilar to the class of security that trades on the open market, the security will generally be valued and categorized as Level 3 in the fair value hierarchy.

Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity. Unobservable inputs reflect the Funds' own beliefs about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, which might include the Fund's own data. The Fund's own data are adjusted if information is reasonably available without undue cost and effort that indicates that market participants would use different assumptions. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Exchange-traded options are valued at the last reported sale price on any exchange on which they trade. If no sales are reported on any exchange on the measurement date, exchange-traded options are valued at the mean between the last highest bid and last lowest asked prices obtained as of the closing of the exchanges on which the option is traded. The value of Flexible Exchange Options (FLEX Options) are determined (i) by an evaluated price as determined by a third-party valuation service; or (ii) by using a quotation provided by a broker-dealer.

The Funds generally value debt securities at evaluated bid prices obtained from an independent third-party valuation service that utilizes a pricing matrix based upon yield data for securities with similar characteristics, or based on a direct written broker-dealer quotation from a dealer who has made a market in the security. Debt securities with 60 days or less to maturity at time of purchase are valued on the basis of amortized cost, which approximates market value.

Interest rate swap contracts are valued by using industry-accepted models, which discount the estimated future cash flows based on a forward rate curve and the stated terms of the interest rate swap agreement by using interest rates currently available in the market, or based on dealer quotations, if available, and are categorized as Level 2 in the fair value hierarchy.

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

Various inputs are used in determining the fair value of the Funds' investments and financial instruments. These inputs are summarized in the three broad levels listed below:

Level 1 — quoted prices in active markets for identical investments

Level 2 — other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)

Level 3 — significant unobservable inputs (including a Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following tables provide the fair value measurements of applicable assets and liabilities by level within the fair value hierarchy as of November 30, 2017. These assets and liabilities are measured on a recurring basis.

TYG:

Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments:				
Master Limited Partnerships(a)	$ 2,077,445,932	$ 27,160,073	$ —	$ 2,104,606,005
Common Stock(a)	45,174,798	—	—	45,174,798
Preferred Stock(a)	12,809,208	—	23,396,034	36,205,242
Private Investment(a)	—	—	25,886,172	25,886,172
Short-Term Investment(b)	208,128	—	—	208,128
Total Assets	$ 2,135,638,066	$ 27,160,073	$ 49,282,206	$ 2,212,080,345
Liabilities				
Interest Rate Swap Contracts	$ —	$ 157,702	$ —	$ 157,702

NTG:

Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments:				
Master Limited Partnerships(a)	$1,237,848,071	$ 25,020,763	$ —	$ 1,262,868,834
Common Stock(a)	40,168,680	—	—	40,168,680
Preferred Stock(a)	6,505,695	—	13,174,382	19,680,077
Short-Term Investment(b)	162,157	—	—	162,157
Total Assets	$ 1,284,684,603	$ 25,020,763	$ 13,174,382	$ 1,322,879,748

TTP:

Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments:				
Common Stock(a)	$ 175,125,255	$ —	$ —	$ 175,125,255
Master Limited Partnerships and Related Companies(a)	74,536,037	1,728,636	—	76,264,673
Preferred Stock(a)	4,681,095	—	2,266,699	6,947,794
Short-Term Investment(b)	288,054	—	—	288,054
Total Assets	$ 254,630,441	$ 1,728,636	$ 2,266,699	$ 258,625,776
Liabilities				
Written Call Options	$ 157,951	$ 164,253	$ —	$ 322,204

NDP:

Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments:				
Common Stock(a)	$ 190,716,731	$ —	$ —	$ 190,716,731
Master Limited Partnerships and Related Companies(a)	59,202,576	1,507,572	—	60,710,148
Preferred Stock(a)	1,203,309	—	2,147,342	3,350,651

Short-Term Investment(b)	312,930	—	—	312,930
Total Assets	$ 251,435,546	$ 1,507,572	$ 2,147,342	$ 255,090,460
Liabilities				
Written Call Options	$ 608,757	$ 1,204,652	$ —	$ 1,813,409

Notes to Financial Statements (continued)

TPZ:

Description	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments:				
Corporate Bonds(a)	$ —	$ 106,979,198	$ —	$ 106,979,198
Master Limited Partnerships and Related Companies(a)	55,703,347	1,333,876	—	57,037,223
Common Stock(a)	31,458,118	—	—	31,458,118
Preferred Stock(a)	3,021,600	—	1,811,854	4,833,454
Short-Term Investment(b)	126,115	—	—	126,115
Total Investments	90,309,180	108,313,074	1,811,854	200,434,108
Interest Rate Swap Contracts	—	42,784	—	42,784
Total Assets	$ 90,309,180	$ 108,355,858	$ 1,811,854	$ 200,476,892

(a) All other industry classifications are identified in the Schedule of Investments.
(b) Short-term investment is a sweep investment for cash balances.
The Funds utilize the beginning of reporting period method for determining transfers between levels. During the year ended November 30, 2017, Rice Midstream Partners LP common units held by TYG, NTG, TTP, NDP, and TPZ in the amount of $37,261,802, $21,904,472, $2,844,385, $2,865,468, and $2,019,828, respectively, were transferred from Level 2 to Level 1 when they converted into registered and unrestricted common units of Rice Midstream Partners LP. There were no other transfers between levels for the Funds during the year ended November 30, 2017.

The following tables present each Fund's assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended November 30, 2017:

Preferred Stock	**TYG**	**NTG**	**TTP**	**NDP**	**TPZ**
Balance — beginning of year	$ 22,478,411	$ 12,657,666	$ 2,177,797	$ 2,063,121	$ 1,740,791
Purchases	—	—	—	—	—
Return of capital	—	—	—	—	—
Sales	—	—	—	—	—
Total realized gains	—	—	—	—	—
Change in unrealized gains	917,623	516,716	88,902	84,221	71,063
Balance — end of year	$ 23,396,034	$ 13,174,382	$ 2,266,699	$ 2,147,342	$ 1,811,854

Warrants	**TYG**	**NTG**	**TTP**	**NDP**	**TPZ**
Balance — beginning of year	$ 14,662,641	$ 8,256,558	$ 1,420,555	$ 1,345,782	$ 1,135,487
Purchases	—	—	—	—	—
Return of capital	—	—	—	—	—
Sales	(15,779,244)	(8,885,319)	(1,528,735)	(1,448,266)	(1,221,957)
Total realized gains	12,633,897	7,114,164	1,224,001	1,159,579	978,372
Change in unrealized gains	(11,517,294)	(6,485,403)	(1,115,821)	(1,057,095)	(891,902)
Balance — end of year	$ —	$ —	$ —	$ —	$ —

Private Investment	**TYG**	**NTG**	**TTP**	**NDP**	**TPZ**
Balance — beginning of year	$ —	$ —	$ —	$ —	$ —
Purchases	34,916,525	—	—	—	—
Return of capital	—	—	—	—	—
Sales	—	—	—	—	—
Total realized gains	—	—	—	—	—
Change in unrealized gains	(9,030,353)	—	—	—	—
Balance — end of year	$ 25,886,172	$	$ —	$ —	$ —

	TYG	**NTG**	**TTP**	**NDP**	**TPZ**
Change in unrealized gains on investments still held at November 30, 2017	$ (8,112,730)	$ 516,716	$ 88,902	$ 84,221	$ 71,063

The Funds own units of preferred stock of Targa Resources Corp. that were issued in a private placement transaction that closed on March 16, 2016. The preferred stock provides the purchaser an option to convert into common stock after 12 years. In addition, the preferred stock can be repurchased by the issuer at a price of $1,100 per share after five years and $1,050 per share after six years. As part of the transaction, each Fund received two classes of warrants. On December 29, 2016 each fund exercised warrant shares in full in exchange for common shares of Targa Resources Corp.

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

A lattice model is being utilized to determine fair value of the preferred stock. The Funds estimate future volatility of the underlying common stock price and the discount rate to apply to expected future cash flows. Unobservable inputs used to determine the discount rate include an illiquidity spread due to the shares being issued in the private market and a seniority spread due to the purchased private preferred units being lower in the capital structure than the issuer's public preferred stock. An increase (decrease) in the illiquidity spread or seniority spread would lead to a corresponding decrease (increase) in fair value of the preferred stock. An increase (decrease) in estimated future volatility would lead to a corresponding increase (decrease) in fair value of the preferred stock.

During the year ended November 30, 2017, TYG began investing in Tortoise HoldCo II, LLC, a wholly-owned investment of TYG, which acquired an approximately 40 megawatt commercial and industrial solar portfolio. As of November 30, 2017, TYG has committed a total of $34,916,525 of equity funding to Tortoise HoldCo II, LLC.

The following tables summarize the fair value and significant unobservable inputs that each Fund used to value its portfolio investments categorized as Level 3 as of November 30, 2017:

Assets at Fair Value		**TYG**		**NTG**		**TTP**		**NDP**		**TPZ**
Preferred Stock	$	23,396,034	$	13,174,382	$	2,266,699	$	2,147,342	$	1,811,854
Private Investment	$	25,886,172	$	—	$	—	$	—	$	—

Assets at Fair Value	**Valuation Technique**	**Unobservable Inputs**	**Input**
Preferred Stock	Lattice model	Illiquidity spread	1.25%
Preferred Stock	Lattice model	Seniority spread	0.25%
Private Investment	Discounted cash flows model	Contracted weighted average cost of capital	7.00%
		Post-contracted weighted average cost of capital	9.00%
	Recent transaction	Purchase price	$23,359,762

C. Securities Transactions and Investment Income

Securities transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. Dividend income and distributions are recorded on the ex-dividend date. Distributions received from investments generally are comprised of ordinary income and return of capital. The Funds estimate the allocation of distributions between investment income and return of capital at the time such distributions are received based on historical information or regulatory filings. These estimates may subsequently be revised based on actual allocations received from the portfolio companies after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year-end of the Funds.

During the year ended November 30, 2017, the Funds reallocated the amount of 2016 investment income and return of capital they recognized based on the 2016 tax reporting information received. These reclassifications amounted to:

	Increase (Decrease) in Net Investment Income		**Increase (Decrease) in Unrealized Appreciation**		**Increase (Decrease) in Realized Gains**	
	Amount	**Per Share**	**Amount**	**Per Share**	**Amount**	**Per Share**
TYG						
Pre-tax	$ (18,247,941)	$ (0.370)	$ 15,743,255	$ 0.319	$ 2,504,686	$ 0.051
After-tax	$ (11,496,203)	$ (0.233)	$ 9,918,250	$ 0.201	$ 1,577,953	$ 0.032
NTG						
Pre-tax	$ (3,490,318)	$ (0.074)	$ 3,339,710	$ 0.071	$ 150,608	$ 0.003
After-tax	$ (2,207,277)	$ (0.047)	$ 2,112,033	$ 0.045	$ 95,244	$ 0.002
TTP	$ (83,274)	$ (0.008)	$ 79,038	$ 0.008	$ 4,236	$ 0.000
NDP	$ 95,499	$ 0.007	$ (88,032)	$ (0.006)	$ (7,467)	$ (0.001)
TPZ	$ (225,224)	$ (0.032)	$ 216,014	$ 0.031	$ 9,210	$ 0.001

In addition, the Funds may be subject to withholding taxes on foreign-sourced income. The Funds accrue such taxes when the related income is earned.

D. Foreign Currency Translation

For foreign currency, investments in foreign securities, and other assets and liabilities denominated in a foreign currency, the Funds translate these amounts into U.S. dollars on the following basis: (i) market value of investment securities, assets and liabilities at the current rate of exchange on the valuation date, and (ii) purchases and sales of investment securities, income and expenses at the relevant rates of exchange on the respective dates of such transactions. The Funds do not isolate the portion of gains and losses on investments that is due to changes in the foreign exchange rates from that which is due to changes in market prices of securities.

Notes to Financial Statements (continued)

E. Federal and State Income Taxation
Each of TYG and NTG, as corporations, are obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35%. Each of TYG and NTG may be subject to a 20% federal alternative minimum tax (“AMT”) on its federal alternative minimum taxable income to the extent that its AMT exceeds its regular federal income tax.
TTP, NDP and TPZ each qualify as a regulated investment company (“RIC”) under the Internal Revenue Code (“IRC”). As a result, TTP, NDP and TPZ generally will not be subject to U.S. federal income tax on income and gains that they distribute each taxable year to stockholders if they meet certain minimum distribution requirements. RICs are required to distribute substantially all of their income, in addition to meeting certain asset diversification requirements, and are subject to a 4% non-deductible U.S. federal excise tax on certain undistributed income unless the fund makes sufficient distributions to satisfy the excise tax avoidance requirement.

The Funds invest in master limited partnerships (“MLPs”), which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, each Fund reports its allocable share of the MLP’s taxable income in computing its own taxable income. The Funds’ tax expense or benefit, if applicable, is included in the Statements of Operations based on the component of income or gains (losses) to which such expense or benefit relates. For TYG and NTG, deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

The Funds recognize the tax benefits of uncertain tax positions only when the position is “more likely than not” to be sustained upon examination by the tax authorities based on the technical merits of the tax position. The Funds’ policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of November 30, 2017, the Funds had no uncertain tax positions and no penalties or interest was accrued. The Funds do not expect any change in their unrecognized tax positions in the next twelve months. The tax years ended on the following dates remain open to examination by federal and state tax authorities:

TYG — November 30, 2014 through 2017

NTG — November 30, 2012 through 2017

TTP, NDP and TPZ — November 30, 2014 through 2017

F. Distributions to Stockholders
Distributions to common stockholders are recorded on the ex-dividend date. The Funds may not declare or pay distributions to its common stockholders if it does not meet asset coverage ratios required under the 1940 Act or the rating agency guidelines for its debt and preferred stock following such distribution. The amount of any distributions will be determined by the Board of Directors. The character of distributions to common stockholders made during the year may differ from their ultimate characterization for federal income tax purposes.

As RICs, TTP, NDP and TPZ each intend to make cash distributions of its investment company taxable income and capital gains to common stockholders. In addition, on an annual basis, TTP, NDP and TPZ each may distribute additional capital gains in the last calendar quarter if necessary to meet minimum distribution requirements and thus avoid being subject to excise taxes. Distributions paid to stockholders in excess of investment company taxable income and net realized gains will be treated as return of capital to stockholders.

Distributions to mandatory redeemable preferred (“MRP”) stockholders are accrued daily based on applicable distribution rates for each series and paid periodically according to the terms of the agreements. The Funds may not declare or pay distributions to its preferred stockholders if it does not meet a 200% asset coverage ratio for its debt or the rating agency basic maintenance amount for the debt following such distribution. The character of distributions to preferred stockholders made during the year may differ from their ultimate characterization for federal income tax purposes.

For tax purposes, distributions to stockholders for the year ended November 30, 2017 were characterized as follows:

	TYG		NTG		TTP*		NDP	TPZ*
	Common	**Preferred**	**Common**	**Preferred**	**Common**	**Preferred**	**Common**	**Common**
Qualified dividend income	100%	100%	72%	100%	17%	89%	—	13%
Ordinary dividend income	—	—	—	—	—	—	—	56%
Return of capital	—	—	28%	—	81%	—	100%	7%
Long-term capital gain	—	—	—	—	2%	11%	—	24%

* For Federal income tax purposes, distributions of short-term capital gains are included in qualified dividend income.

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

G. Offering and Debt Issuance Costs
Offering costs related to the issuance of common stock are charged to additional paid-in capital when the stock is issued. Debt issuance costs related to senior notes and MRP Stock are capitalized and amortized over the period the debt or MRP Stock is outstanding.
TYG:
Offering costs (excluding underwriter discounts and commissions) of $91,276 related to the issuance of common stock were recorded to additional paid-in capital during the year ended November 30, 2017. Capitalized costs (excluding underwriter commissions) were reflected during the year ended November 30, 2017 for Series PP Notes ($103,930) that were issued in September 2017.

There were no offering or debt issuance costs recorded during the year ended November 30, 2017, for NTG, TTP, NDP or TPZ.

H. Derivative Financial Instruments
The Funds have established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Funds do not hold or issue derivative financial instruments for speculative purposes. All derivative financial instruments are recorded at fair value with changes in fair value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the accompanying Statements of Operations. Derivative instruments that are subject to an enforceable master netting arrangement allow a Fund and the counterparty to the instrument to offset any exposure to the other party with amounts owed to the other party. The fair value of derivative financial instruments in a loss position are offset against the fair value of derivative financial instruments in a gain position, with the net fair value appropriately reflected as an asset or liability within the accompanying Statements of Assets & Liabilities.

TYG and TPZ use interest rate swap contracts in an attempt to manage interest rate risk. Cash settlements under the terms of the interest rate swap contracts and the termination of such contracts are recorded as realized gains or losses in the accompanying Statements of Operations.

TYG, NTG, TTP and NDP seek to provide current income from gains earned through an option strategy that normally consists of writing (selling) call options on selected equity securities held in the portfolio ("covered calls"). The premium received on a written call option is initially recorded as a liability and subsequently adjusted to the then current fair value of the option written. Premiums received from writing call options that expire unexercised are recorded as a realized gain on the expiration date. Premiums received from writing call options that are exercised are added to the proceeds from the sale of the underlying security to calculate the realized gain (loss). If a written call option is repurchased prior to its exercise, the realized gain (loss) is the difference between the premium received and the amount paid to repurchase the option.

I. Indemnifications
Under each of the Funds' organizational documents, its officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds may enter into contracts that provide general indemnification to other parties. A Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Funds that have not yet occurred, and may not occur. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

J. Cash and Cash Equivalents
Cash and cash equivalents include short-term, liquid investments with an original maturity of three months or less and money market fund accounts.

K. Recent Accounting and Regulatory Updates
In April 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-03 "Interest — Imputation of Interest (Subtopic 835-30), Simplifying the Presentation of Debt Issuance Costs". ASU 2015-03 requires that debt issuance costs related to a note be reported in the balance sheet as a direct deduction from the face amount of that note. ASU 2015-03 is effective for fiscal years beginning on or after December 15, 2015 and interim periods within these fiscal years, and must be applied retrospectively. The funds adopted ASU 2015-03 during the period ended February 28, 2017. For TYG, NTG and TTP, accrued deferred debt issuance and offering costs related to senior notes were reclassified from "Prepaid expenses and other assets" to "Senior notes, net" and accrued deferred offering costs related to mandatory redeemable preferred stock were reclassified from "Prepaid expenses and other assets" to "Mandatory redeemable preferred stock, net" on the Statements of Assets & Liabilities. There was no impact to the financial statements related to the adoption of ASU 2015-03 for NDP and TPZ.

In October 2016, the U.S. Securities and Exchange Commission adopted new rules and amended existing rules (together, "final rules") intended to modernize the reporting and disclosure of information by registered investment companies. In part, the final rules amend Regulation S-X and require standardized, enhanced disclosure about derivatives in investment company financial statements, as well as other amendments. The compliance date for the amendments to Regulation S-X was August 1, 2017. The funds adopted the amendments to Regulation S-X during the period ended August 31, 2017. For TYG and TPZ, the Schedule of Interest Rate Swap Contracts is now being included in the Financial Statements. For TTP and NDP, the notional value of options written is disclosed in the Schedule of Options Written. There was no impact to the financial statements related to the adoption of the amendments to Regulation S-X for NTG.

3. Concentration Risk

Each of the Funds concentrates its investments in the energy sector. Funds that primarily invest in a particular sector may experience greater volatility than companies investing in a broad range of industry sectors. A Fund may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent a Fund uses this strategy, it may not achieve its investment objective.

Notes to Financial Statements (continued)

4. Agreements

The Funds have each entered into an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. (the "Adviser"). The Funds each pay the Adviser a fee based on the Fund's average monthly total assets (including any assets attributable to leverage and excluding any net deferred tax asset) minus accrued liabilities (other than net deferred tax liability, debt entered into for purposes of leverage and the aggregate liquidation preference of outstanding preferred stock) ("Managed Assets"), in exchange for the investment advisory services provided. Average monthly Managed Assets is the sum of the daily Managed Assets for the month divided by the number of days in the month. Accrued liabilities are expenses incurred in the normal course of each Fund's operations. Waived fees are not subject to recapture by the Adviser. The annual fee rates paid to the Adviser as of November 30, 2017 are as follows:
TYG — 0.95% up to $2,500,000,000, 0.90% between $2,500,000,000 and $3,500,000,000, and 0.85% above $3,500,000,000.

NTG — 0.95%.

TTP — 1.10%, less a fee waiver of 0.05% during calendar year 2016.

NDP — 1.10%, less a fee waiver of 0.10% during calendar year 2016.

TPZ — 0.95%.

In addition, the Adviser has contractually agreed to waive all fees due under the Investment Advisory Agreements for TYG and NTG related to the net proceeds received from the issuance of additional common stock under at-the-market equity programs for a six month period following the date of issuance.

U.S. Bancorp Fund Services, LLC serves as each Fund's administrator. Each Fund pays the administrator a monthly fee computed at an annual rate of 0.04% of the first $1,000,000,000 of the Fund's Managed Assets, 0.01% on the next $500,000,000 of Managed Assets and 0.005% on the balance of the Fund's Managed Assets.

U.S. Bank, N.A. serves as the Funds' custodian. Each Fund pays the custodian a monthly fee computed at an annual rate of 0.004% of the Fund's U.S. Dollar-denominated assets and 0.015% of the Fund's Canadian Dollar-denominated assets, plus portfolio transaction fees.

5. Income Taxes

TYG and NTG:
Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of TYG's and NTG's deferred tax assets and liabilities as of November 30, 2017 are as follows:

	TYG	NTG
Deferred tax assets:		
Net operating loss carryforwards	$ 878,196	$ 20,181,278
AMT credit	—	2,782,197
	878,196	22,963,475
Deferred tax liabilities:		
Basis reduction of investment in MLPs	275,769,915	131,762,128
Net unrealized gains on investment securities	67,187,533	13,574,137
	342,957,448	145,336,265
Total net deferred tax liability	$342,079,252	$122,372,790

At November 30, 2017, a valuation allowance on deferred tax assets was not deemed necessary because each of TYG and NTG believe it is more likely than not that there is an ability to realize its deferred tax assets through future taxable income. Any adjustments to TYG's or NTG's estimates of future taxable income will be made in the period such determination is made.

During the year ending November 30, 2017, TYG received $8,934,770 in Investment Tax Credits through its investment in Tortoise HoldCo II, LLC. These tax credits are expected to be utilized in the current year against TYG's federal tax liability.

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

Total income tax expense for each of TYG and NTG differs from the amount computed by applying the federal statutory income tax rate of 35% to net investment loss and net realized and unrealized gains (losses) on investments for the year ended November 30, 2017, as follows:

	TYG	NTG
Application of statutory income tax rate	$ (65,703,507)	$ (39,448,405)
State income taxes, net of federal tax effect	(3,754,486)	(1,983,691)
Permanent differences	2,290,690	1,640,648
Change in deferred tax liability due to change in overall tax rate	1,805,407	1,196,695
Investment tax credits	(8,934,770)	—
Total income tax (benefit)	$ (74,296,666)	$ (38,594,753)

Total income taxes are computed by applying the federal statutory rate plus a blended state income tax rate. During the year, each of TYG and NTG re-evaluated its blended state income tax rate, increasing the overall rate from 36.85% to 37.00% and from 36.59% to 36.76%, respectively, due to anticipated state apportionment of income and gains.

For the year ended November 30, 2017, the components of income tax expense for TYG and NTG include the following:

	TYG	NTG
Current tax expense		
Federal	$ 31,696,061	$ —
State	3,669,303	326,091
AMT	—	114,413
	35,365,364	440,504
Deferred tax benefit		
Federal	(103,734,353)	(37,166,322)
State (net of federal tax effect)	(5,927,677)	(1,868,935)
Total deferred tax (benefit)	(109,662,030)	(39,035,257)
Total income tax (benefit), net	$ (74,296,666)	$ (38,594,753)

TYG acquired all of the net assets of Tortoise Energy Capital Corporation (“TYY”) and Tortoise North American Energy Corporation (“TYN”) on June 23, 2014 in a tax-free reorganization under Section 368(a)(1)(C) of the IRC. As of November 30, 2017, TYG and NTG had net operating losses for federal income tax purposes of approximately $2,509,000 (from TYN) and $54,619,000, respectively. The net operating losses may be carried forward for 20 years. If not utilized, these net operating losses will expire in the year ending November 30, 2027 for TYG and in the years ending November 30, 2033 through 2036 for NTG. Utilization of TYG’s net operating losses from TYN is further subject to Section 382 limitations of the IRC, which limit tax attributes subsequent to ownership changes.

As of November 30, 2017, NTG had $2,782,197 of AMT credits available, which may be credited in the future against regular income tax and carried forward indefinitely.

TTP, NDP and TPZ:
It is the intention of TTP, NDP and TPZ to each continue to qualify as a RIC under Subchapter M of the IRC and distribute all of its taxable income. Accordingly, no provision for federal income taxes is required in the financial statements.

The amount and character of income and capital gain distributions to be paid, if any, are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. These differences are primarily due to return of capital distributions from underlying investments, wash sales, straddles, swaps, differences in the timing of recognition of gains or losses on investments and distributions in excess of current earnings. These reclassifications have no impact on net assets or results of operations. Permanent book and tax basis differences resulted in the following reclassifications:

	TTP(1)	NDP(1)	TPZ(1)(2)
Undistributed (accumulated) net investment income (loss)	$ 61,220	$ 197,622	$ 1,183,283

Undistributed (accumulated) net realized gain (loss)	(27,750)	1,008,649	(1,183,283)
Additional paid-in capital	(33,470)	(1,206,271)	—

(1) Primarily related to character differences of realized gains (losses) on investments.
(2) Primarily related to character differences of realized losses on interest rate swap settlements.

Notes to Financial Statements (continued)

The tax character of distributions paid to stockholders for the years ending November 30, 2017 and November 30, 2016 was as follows:

	Year Ended November 30, 2017			
	TTP		NDP	TPZ
	Common	Preferred	Common	Common
Ordinary income(1)	$ 2,702,194	$ 610,837	$ —	$ 7,224,707
Long-term capital gain	334,279	75,564	—	2,519,243
Return of capital	13,290,280	—	25,460,285	683,050
Total distributions	$16,326,753	$ 686,401	$ 25,460,285	$10,427,000

	Year Ended November 30, 2016			
	TTP		NDP	TPZ
	Common	Preferred	Common	Common
Ordinary income(1)	$ 15,773,743	$ 663,152	$ —	$ 9,685,245
Long-term capital gain	553,010	23,249	—	1,002,430
Return of capital	—	—	25,403,124	—
Total distributions	$16,326,753	$ 686,401	$ 25,403,124	$10,687,675

(1) For Federal income tax purposes, distributions of short-term capital gains are treated as ordinary income distributions.

As of November 30, 2017, the components of accumulated earnings (deficit) on a tax basis were as follows:

	TTP	NDP	TPZ
Unrealized appreciation (depreciation)	$(32,347,366)	$(40,077,121)	$19,452,478
Capital loss carryforwards	—	(31,731,168)	—
Qualified late year ordinary losses	—	(2,368,975) (1)	—
Other temporary differences	(796,877) (2)	(3,324,398) (2)	(16,035)
Accumulated earnings (deficit)	$ (33,144,243)	$ (77,501,662)	$ 19,436,443

(1) Qualified late year ordinary losses are net ordinary losses incurred between January 1 and the end of NDP's fiscal year on November 30, 2017, per IRC Sec. 852(b)(8). Such losses may be deferred until the first day of NDP's next fiscal year.

(2) Primarily related to losses deferred under straddle regulations per IRC Sec. 1092.

As of November 30, 2017, NDP had a long-term capital loss carryforward of approximately $31,731,000, which may be carried forward for an unlimited period under the Regulated Investment Company Modernization Act of 2010. To the extent NDP realizes future net capital gains, those gains will be offset by any unused capital loss carryforwards. Capital loss carryforwards will retain their character as either short-term or long-term capital losses. Thus, such losses must be used first to offset gains of the same character; for example, long-term loss carryforwards will first offset long-term gains, before they can be used to offset short-term gains.

As of November 30, 2017, the aggregate cost of investments, aggregate gross unrealized appreciation and aggregate gross unrealized depreciation on a federal income tax basis were as follows:

	TYG	NTG	TTP	NDP	TPZ
Cost of investments	$1,285,022,089	$927,514,497	$285,505,872	$285,663,629	$177,809,847
Gross unrealized appreciation of investments	$ 957,129,827	$415,770,997	$ 12,311,157	$ 22,624,098	$ 25,899,942
Gross unrealized depreciation of investments	(30,229,273)	(20,405,746)	(39,159,933)	(53,114,731)	(3,232,897)
Net unrealized appreciation (depreciation) of investments	$926,900,554	$395,365,251	$(26,848,776)	$(30,490,633)	$22,667,045

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

6. Restricted Securities

Certain of the Funds' investments are restricted and are valued as determined in accordance with fair value procedures, as more fully described in Note 2. The carrying value per unit of unrestricted common units of Phillips 66 Partners LP was $48.52 on September 21, 2017, the date of the purchase agreement and the date an enforceable right to acquire the restricted Phillips 66 Partners LP units was obtained by each fund. The following table shows the principal amount or shares, acquisition date(s), acquisition cost, fair value and the percent of net assets which the securities comprise at November 30, 2017.

TYG:

Investment Security	Investment Type	Shares	Acquisition Date(s)	Acquisition Cost	Fair Value	Fair Value as Percen of Net Ass
Phillips 66 Partners LP	Master Limited Partnership	583,711	10/06/17	$27,780,537	$27,160,073	2.3%
Targa Resources Corp., 9.500%	Preferred Stock	21,758	03/16/16	19,265,393	23,396,034	2.0
Tortoise HoldCo II, LLC	Private Investment	N/A	08/18/17-11/30/17	34,916,525	25,886,172	2.2
				$81,962,455	$76,442,279	6.5%

NTG:

Investment Security	Investment Type	Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Val as Perc of Net As
Phillips 66 Partners LP	Master Limited Partnership	537,734	10/06/17	$25,592,356	$25,020,763	3.4%
Targa Resources Corp., 9.500%	Preferred Stock	12,252	03/16/16	10,848,405	13,174,382	1.7
				$36,440,761	$38,195,145	5.1%

TTP:

Investment Security	Investment Type	Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Val as Perc of Net As
Phillips 66 Partners LP	Master Limited Partnership	37,151	10/06/17	$ 1,768,126	$ 1,728,636	0.9%
Targa Resources Corp., 9.500%	Preferred Stock	2,108	03/16/16	1,866,506	2,266,699	1.2
				$3,634,632	$3,995,335	2.1%

NDP:

Investment Security	Investment Type	Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Val as Perc of Net As
Phillips 66 Partners LP	Master Limited Partnership	32,400	10/06/17	$ 1,542,012	$ 1,507,572	0.7%
Targa Resources Corp., 9.500%	Preferred Stock	1,997	03/16/16	1,768,223	2,147,342	1.2
				$3,310,235	$3,654,914	1.9%

TPZ:

Investment Security	Investment Type	Principal Amount/Shares	Acquisition Date(s)	Acquisition Cost	Fair Value	Fair Val as Perc of Net As

Blue Racer Midstream, LLC, 6.125%, 11/15/2022*	Corporate Bond	$4,000,000	06/23/16-07/29/16	$ 3,810,000	$ 4,150,000	2.8%
DCP Midstream LLC, 9.750%, 03/15/2019*	Corporate Bond	$4,000,000	08/07/09-08/16/12	3,674,870	4,340,000	3.0
Duquesne Light Holdings, Inc., 6.400%, 09/15/2020*	Corporate Bond	$3,000,000	11/30/11	3,180,330	3,294,288	2.2
Duquesne Light Holdings, Inc., 5.900%, 12/01/2021*	Corporate Bond	$2,000,000	11/18/11-12/05/11	2,074,420	2,217,624	1.5
Florida Gas Transmission Co., LLC, 5.450%, 07/15/2020*	Corporate Bond	$1,500,000	07/08/10-01/04/11	1,551,220	1,600,091	1.1
Midcontinent Express Pipeline, LLC, 6.700%, 09/15/2019*	Corporate Bond	$2,000,000	09/09/09-03/02/10	2,061,010	2,095,000	1.4
Pattern Energy Group Inc., 5.875%, 02/01/2024*	Corporate Bond	$1,000,000	01/20/17-01/23/17	1,011,875	1,057,500	0.7
Rockies Express Pipeline, LLC, 6.000%, 01/15/2019*	Corporate Bond	$4,000,000	08/03/15	4,130,000	4,128,800	2.8
Ruby Pipeline, LLC, 6.000%, 04/01/2022*	Corporate Bond	$1,420,455	09/17/12	1,616,250	1,517,977	1.0

Notes to Financial Statements (continued)

TPZ: (continued)

Investment Security	Investment Type	Principal Amount/Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Value as Percent of Net Assets
SemGroup Corp, 6.375%, 03/15/2025*	Corporate Bond	$6,000,000	03/08/17	$5,939,010	$5,955,000	4.0 %
Southern Star Central Corp., 5.125%, 07/15/2022*	Corporate Bond	$3,000,000	06/17/14	3,041,250	3,108,750	2.1
Phillips 66 Partners LP	Master Limited Partnership	28,667	10/06/17	1,364,348	1,333,876	0.9
Targa Resources Corp., 9.500%	Preferred Stock	1,685	03/16/16	1,491,965	1,811,854	1.2
				$34,946,548	$36,610,760	24.7%

*Security is eligible for resale under Rule 144A under the 1933 Act.

7. Affiliated Company Transactions

A summary of the transactions in affiliated companies during the year ended November 30, 2017 is as follows:

TYG:

Investment Security	11/30/16 Share Balance	Gross Additions	Gross Reductions	Realized Gain/(Loss)	Distributions Received	11/30/17 Share Balance	11/30/17 Value	Net Change in Unrealized Depreciation
Tortoise HoldCo II, LLC	N/A	$34,916,525	—	—	—	N/A	$25,886,172	$9,030,353

8. Investment Transactions

For the year ended November 30, 2017, the amount of security transactions (other than U.S. government securities and short-term investments), is as follows:

	TYG	NTG	TTP	NDP	TPZ
Purchases	$525,699,293	$316,436,784	$69,375,081	$179,757,545	$67,565,515
Sales	$576,194,556	$316,173,639	$72,640,321	$190,389,217	$65,494,794

9. Senior Notes

TYG, NTG and TTP each have issued private senior notes (collectively, the "Notes"), which are unsecured obligations and, upon liquidation, dissolution or winding up of a Fund, will rank: (1) senior to all of the Fund's outstanding preferred shares, if any; (2) senior to all of the Fund's outstanding common shares; (3) on parity with any unsecured creditors of the Fund and any unsecured senior securities representing indebtedness of the Fund and (4) junior to any secured creditors of the Fund. Holders of the Notes are entitled to receive periodic cash interest payments until maturity. The Notes are not listed on any exchange or automated quotation system.

The Notes are redeemable in certain circumstances at the option of a Fund, subject to payment of any applicable make-whole amounts or early redemption premiums. The Notes for a Fund are also subject to a mandatory redemption if the Fund fails to meet asset coverage ratios required under the 1940 Act or the rating agency guidelines if such failure is not waived or cured. At November 30, 2017, each of TYG, NTG and TTP were in compliance with asset coverage covenants and basic maintenance covenants for its senior notes.

Details of each Fund's outstanding Notes, including estimated fair value, as of November 30, 2017 are included below. The estimated fair value of each series of fixed-rate Notes was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued debt and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent debt issuance, the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the Notes and the AAA corporate finance debt rate.

The estimated fair value of floating rate Notes approximates the carrying amount because the interest rate fluctuates with changes in interest rates available in the current market. The estimated fair values in the following tables are Level 2 valuations within the fair value hierarchy.

TYG:

Series	Maturity Date	Interest Rate		Payment Frequency	Notional Amount	Estimated Fair Value
Series I	May 12, 2018	4.35 %		Quarterly	$10,000,000	$10,098,383
Series X	June 15, 2018	4.55%		Quarterly	12,500,000	12,745,612
Series N	September 27, 2018	3.15 %		Semi-Annual	10,000,000	10,086,210
Series CC	September 27, 2019	3.48%		Semi-Annual	15,000,000	15,230,373
Series J	December 19, 2019	3.30 %		Semi-Annual	15,000,000	15,313,751
Series Y	June 14, 2020	2.77%		Semi-Annual	12,500,000	12,576,519
Series LL	June 14, 2020	2.52 %	(1)	Quarterly	20,000,000	20,000,000
Series O	September 27, 2020	3.78%		Semi-Annual	15,000,000	15,383,059
Series Z	June 14, 2021	2.98 %		Semi-Annual	12,500,000	12,597,542

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

Series	Maturity Date	Interest Rate	Payment Frequency	Notional Amount	Estimated Fair Value
Series R	January 22, 2022	3.77 %	Semi-Annual	$25,000,000	$25,855,973
Series DD	September 27, 2022	4.21%	Semi-Annual	13,000,000	13,618,770
Series II	December 18, 2022	3.22 %	Semi-Annual	10,000,000	10,095,381
Series K	December 19, 2022	3.87%	Semi-Annual	10,000,000	10,424,166
Series S	January 22, 2023	3.99 %	Semi-Annual	10,000,000	10,449,134
Series P	September 27, 2023	4.39%	Semi-Annual	12,000,000	12,725,131
Series FF	November 20, 2023	4.16 %	Semi-Annual	10,000,000	10,419,814
Series JJ	December 18, 2023	3.34%	Semi-Annual	20,000,000	20,227,025
Series T	January 22, 2024	4.16 %	Semi-Annual	25,000,000	26,397,544
Series L	December 19, 2024	3.99%	Semi-Annual	20,000,000	20,989,346
Series AA	June 14, 2025	3.48 %	Semi-Annual	10,000,000	10,146,991
Series MM	June 14, 2025	2.57%(2)	Quarterly	30,000,000	30,000,000
Series NN	June 14, 2025	3.20 %	Semi-Annual	30,000,000	29,849,726
Series KK	December 18, 2025	3.53%	Semi-Annual	10,000,000	10,167,636
Series OO	April 9, 2026	3.27 %	Semi-Annual	30,000,000	29,576,708
Series PP	September 25, 2027	3.33%	Semi-Annual	25,000,000	24,641,001
				$412,500,000	$419,615,795

(1) Floating rate resets each quarter based on 3-month LIBOR plus 1.20%. The current rate is effective for the period from September 14, 2017 through December 13, 2017. The weighted-average interest rate for the year ended November 30, 2017 was 2.34%.

(2) Floating rate resets each quarter based on 3-month LIBOR plus 1.25%. The current rate is effective for the period from September 14, 2017 through December 13, 2017. The weighted-average interest rate for the year ended November 30, 2017 was 2.39%.

TYG's Series G Notes with a notional amount of $30,000,000 and a fixed interest rate of 5.85% were paid in full upon maturity on December 21, 2016. TYG's Series M Notes ($13,000,000) and Series BB Notes ($12,000,000), each with a fixed interest rate of 2.75%, were paid in full upon maturity on September 27, 2017.

TYG issued Series PP Notes with a notional amount of $25,000,000 and a fixed interest rate of 3.33% on September 25, 2017.

NTG:

Series	Maturity Date	Interest Rate	Payment Frequency	Notional Amount	Estimated Fair Value
Series C	December 15, 2017	3.73 %	Quarterly	$57,000,000	$57,475,956
Series I	April 17, 2018	2.77%	Semi-Annual	10,000,000	10,040,574
Series G	May 12, 2018	4.35 %	Quarterly	10,000,000	10,098,383
Series K	September 9, 2019	2.62%(1)	Quarterly	35,000,000	35,000,000
Series D	December 15, 2020	4.29 %	Quarterly	112,000,000	116,861,769
Series J	April 17, 2021	3.72%	Semi-Annual	30,000,000	30,690,663
Series L	April 17, 2021	2.80 %(2)	Quarterly	20,000,000	20,000,000
Series M	April 17, 2021	3.06%	Semi-Annual	10,000,000	10,011,448
				$284,000,000	$290,178,793

(1) Floating rate resets each quarter based on 3-month LIBOR plus 1.30%. The current rate is effective for the period from September 11, 2017 through December 10, 2017. The weighted-average rate for the year ended November 30, 2017 was 2.44%.

(2) Floating rate resets each quarter based on 3-month LIBOR plus 1.45%. The current rate is effective for the period from October 17, 2017 through January 16, 2018. The weighted-average rate for the year ended November 30, 2017 was 2.60%.

TTP:

Series	Maturity Date	Interest Rate	Payment Frequency	Notional Amount	Estimated Fair Value
Series C	December 15, 2018	3.49 %	Quarterly	$6,000,000	$6,084,443

Series F	December 12, 2020	3.01%	Semi-Annual	6,000,000	6,069,573
Series D	December 15, 2021	4.08 %	Quarterly	16,000,000	16,659,759
Series G	December 12, 2022	2.36%(1)	Quarterly	6,000,000	6,000,000
				$34,000,000	$34,813,775

(1) Floating rate resets each quarter based on 3-month LIBOR plus 1.05%. The current rate is effective for the period from September 12, 2017 to December 11, 2017. The weighted-average interest rate for the year ended November 30, 2017 was 2.19%.

Notes to Financial Statements (continued)

10. Mandatory Redeemable Preferred Stock
TYG, NTG and TTP each have issued and outstanding MRP Stock at November 30, 2017. The MRP Stock has rights determined by the Board of Directors. Except as otherwise indicated in the Funds' Charter or Bylaws, or as otherwise required by law, the holders of MRP Stock have voting rights equal to the holders of common stock (one vote per MRP share) and will vote together with the holders of shares of common stock as a single class except on matters affecting only the holders of preferred stock or the holders of common stock. The 1940 Act requires that the holders of any preferred stock (including MRP Stock), voting separately as a single class, have the right to elect at least two directors at all times.

Under the Investment Company Act of 1940, a fund may not declare dividends or make other distributions on shares of common stock or purchases of such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding MRP Stock would be less than 200%. The MRP Stock is also subject to a mandatory redemption if a Fund fails to meet an asset coverage ratio of at least 225% as determined in accordance with the 1940 Act or a rating agency basic maintenance amount if such failure is not waived or cured. At November 30, 2017, each of TYG, NTG and TTP were in compliance with asset coverage covenants and basic maintenance covenants for its MRP Stock.

Details of each Fund's outstanding MRP Stock, including estimated fair value, as of November 30, 2017 is included below. The estimated fair value of each series of TYG, NTG and TTP MRP Stock was calculated for disclosure purposes by discounting future cash flows at a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued preferred stock and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent preferred stock issuance, the spread between the AA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the MRP Stock and the AA corporate finance debt rate. The estimated fair values of each series of the TYG, NTG and TTP MRP Stock are Level 2 valuations within the fair value hierarchy.

TYG:
TYG has 65,000,000 shares of preferred stock authorized and 16,500,000 shares of MRP Stock outstanding at November 30, 2017. TYG's MRP Stock has a liquidation value of $10.00 per share plus any accumulated but unpaid distributions, whether or not declared. Holders of the MRP D Stock and MRP E Stock are entitled to receive cash interest payments semi-annually at a fixed rate until maturity. The TYG MRP Stock is not listed on any exchange or automated quotation system.

Series	Mandatory Redemption Date	Fixed Rate	Shares Outstanding	Aggregate Liquidation Preference	Estimated Fair Value
Series D	December 17, 2021	4.01%	8,500,000	$ 85,000,000	$ 86,967,682
Series E	December 17, 2024	4.34%	8,000,000	80,000,000	82,918,323
			16,500,000	$ 165,000,000	$ 169,886,005

TYG's MRP Stock is redeemable in certain circumstances at the option of TYG, subject to payment of any applicable make-whole amounts.

NTG:

NTG has 10,000,000 shares of preferred stock authorized and 4,400,000 shares of MRP Stock outstanding at November 30, 2017. NTG's MRP Stock has a liquidation value of $25.00 per share plus any accumulated but unpaid distributions, whether or not declared. Holders of NTG MRP Stock are entitled to receive cash interest payments each quarter at a fixed rate until maturity. The NTG MRP Stock is not listed on any exchange or automated quotation system.

Series	Mandatory Redemption Date	Fixed Rate	Shares Outstanding	Aggregate Liquidation Preference	Estimated Fair Value
Series B	December 15, 2017	4.33%	2,600,000	$ 65,000,000	$ 65,622,504
Series C	December 8, 2020	3.73%	200,000	5,000,000	5,027,045
Series D	December 8, 2022	4.19%	1,600,000	40,000,000	40,666,133
			4,400,000	$ 110,000,000	$ 111,315,682

NTG's MRP Stock is redeemable in certain circumstances at the option of NTG, subject to payment of any applicable make-whole amounts.

TTP:

TTP has 10,000,000 shares of preferred stock authorized and 640,000 shares of MRP Stock outstanding at November 30, 2017. TTP's MRP Stock has a liquidation value of $25.00 per share plus any accumulated but unpaid distributions, whether or not declared. Holders of TTP MRP Stock are entitled to receive cash interest payments each quarter at a fixed rate until maturity. The TTP MRP Stock is not listed on any exchange or automated quotation system.

Series	Mandatory Redemption Date	Fixed Rate	Shares Outstanding	Aggregate Liquidation Preference	Estimated Fair Value
Series A	December 15, 2018	4.29%	640,000	$16,000,000	$16,275,897

TTP's MRP Stock is redeemable in certain circumstances at the option of TTP, subject to payment of any applicable make-whole amounts.

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

11. Credit Facilities

The following table shows key terms, average borrowing activity and interest rates for the period during which the facility was utilized during the year ended November 30, 2017, as well as the principal balance and interest rate in effect at November 30, 2017 for each of the Funds' credit facilities:

	TYG	TYG	NTG	TTP	NDP
Lending syndicate agent	U.S. Bank, N.A.	Scotia Bank, N.A.	Bank of America, N.A.	Scotia Bank, N.A.	Scotia Bank, N.A
Type of facility	Unsecured, revolving credit facility	Unsecured, revolving credit facility	Unsecured, revolving credit facility	Unsecured, revolving credit facility	Unsecured revolving credit facility
Borrowing capacity	$130,000,000	$90,000,000	$97,000,000	$35,000,000	$80,000,000
Maturity date	June 12, 2019	June 22, 2018	June 12, 2019	364-day rolling evergreen	179-day rolling evergreen
Interest rate	1-month LIBOR plus 1.20%	1-month LIBOR plus 1.20%	1-month LIBOR plus 1.20%	1-month LIBOR plus 1.125%	1-month LIBOR plus 0.80%
Non-usage fee	0.15%-0.25%(1)	0.15%(2)	0.15%-0.25%(3)	0.15%	0.20%(4
For the year ended November 30, 2017:					
Average principal balance	$61,900,000	$63,000,000	$48,900,000	$16,400,000(6)	$63,200,000
Average interest rate	2.44%	2.25%	2.44%	2.17%(6)	1.85%
As of November 30, 2017:					
Principal balance outstanding	$49,700,000	$63,000,000	$49,800,000	$19,300,000	$64,500,000
Interest rate	2.57%	2.57%	2.57%	2.50%	2.17%

(1) Non-use fees are equal to a rate of 0.25% when the outstanding balance is below $65,000,000 and 0.15% when the outstanding balance is at least $65,000,000, but below $91,000,000. The outstanding balance will not be subject to the non-use fee when the amount outstanding is at least $91,000,000.

(2) Non-usage fee is waived if the outstanding balance on the facility is at least $63,000,000.

(3) Non-use fees are equal to a rate of 0.25% when the outstanding balance is below $48,500,000 and 0.15% when the outstanding balance is at least $48,500,000, but below $67,900,000. The outstanding balance will not be subject to the non-use fee when the amount outstanding is at least $67,900,000.

(4) Non-usage fee is waived if the outstanding balance on the facility is at least $56,000,000.

(5) Non-usage fee is waived if the outstanding balance on the facility is at least $42,000,000.

(6) For the period from June 30, 2015 through June 30, 2017 TTP's credit facility allowed for interest rates to be fixed at 2.03% on $7,000,000 of the outstanding principal balance.

For the period from December 1, 2016 through June 12, 2017 (the date the agreement was amended), TYG had a revolving credit facility with U.S. Bank, N.A. The terms of the agreement provided for a $157,500,000 facility. Outstanding balances accrued interest at a variable rate equal to one-month LIBOR plus 1.20%. The average principal balance and interest rate during which this credit facility was utilized was approximately $68,500,000 and 2.08%, respectively.

For the period from December 1, 2016 through June 12, 2017 (the date the agreement was amended), NTG had a revolving credit facility with Bank of America, N.A. The terms of the agreement provided for a $117,000,000 facility. Outstanding balances accrued interest at a variable rate equal to one-month LIBOR plus 1.20%. The average principal balance and interest rate for the period during which this credit facility was utilized was approximately $51,900,000 and 2.08%, respectively.

Under the terms of the credit facilities, the Funds must maintain asset coverage required under the 1940 Act. If a Fund fails to maintain the required coverage, it may be required to repay a portion of an outstanding balance until the coverage requirement has been met. At November 30, 2017, each Fund was in compliance with credit facility terms.

12. Derivative Financial Instruments

The Funds have adopted the disclosure provisions of FASB Accounting Standard Codification 815, Derivatives and Hedging (“ASC 815”). ASC 815 requires enhanced disclosures about the Funds’ use of and accounting for derivative instruments and the effect of derivative instruments on the Funds’ results of operations and financial position. Tabular disclosure regarding derivative fair value and gain/loss by contract type (e.g., interest rate contracts, foreign exchange contracts, credit contracts, etc.) is required and derivatives accounted for as hedging instruments under ASC 815 must be disclosed separately from those that do not qualify for hedge accounting. Even though the Funds may use derivatives in an attempt to achieve an economic hedge, the Funds’ derivatives are not accounted for as hedging instruments under ASC 815 because investment companies account for their derivatives at fair value and record any changes in fair value in current period earnings.

Notes to Financial Statements (continued)

Interest Rate Swap Contracts

TYG and TPZ have each entered into interest rate swap contracts in an attempt to protect it from increasing interest expense on its leverage resulting from increasing interest rates. A decline in interest rates may result in a decline in the value of the swap contracts, which may result in a decline in the net assets of TYG and TPZ. At the time the interest rate swap contracts reach their scheduled termination, there is a risk that TYG and TPZ will not be able to obtain a replacement transaction, or that the terms of the replacement would not be as favorable as on the expiring transaction. In addition, if TYG or TPZ is required to terminate any swap contract early due to a decline in net assets below a threshold amount ($450,000,000 for TYG and $60,000,000 for TPZ) or failing to maintain a required 300% asset coverage of the liquidation value of the outstanding debt, then TYG or TPZ could be required to make a payment to the extent of any net unrealized depreciation of the terminated swaps, in addition to redeeming all or some of its outstanding debt. TYG and TPZ each segregate a portion of its assets as collateral for the amount of any net liability of its interest rate swap contracts.

TYG and TPZ are exposed to credit risk on the interest rate swap contracts if the counterparty should fail to perform under the terms of the interest rate swap contracts. The amount of credit risk is limited to the net appreciation of the interest rate swap contracts, if any, as no collateral is pledged by the counterparty. In addition, if the counterparty to the interest rate swap contracts defaults, the Fund would incur a loss in the amount of the receivable and would not receive amounts due from the counterparty to offset the interest payments on the Fund's leverage.

The average notional amount of all open swap agreements for TYG and TPZ for the year ended November 30, 2017 was approximately $15,000,000 and $19,300,000, respectively.

The following table presents TYG's and TPZ's interest rate swap contracts, each of which is subject to a netting agreement, on a gross and a net basis at November 30, 2017:

				Gross Amounts Not Offset in the Statement of Assets & Liabilities		
Description	**Gross Amounts of Recognized Assets**	**Gross Amounts Offset in the Statements of Assets & Liabilities**	**Net Amounts of Assets Presented in the Statements of Assets & Liabilities**	**Financial Instruments**	**Cash Collateral Received**	**Net Amount**
TPZ: Interest Rate Swap Contracts	$ 73,203	$ (30,419)	$ 42,784	$ —	$—	$ 42,784

				Gross Amounts Not Offset in the Statement of Assets & Liabilities		
Description	**Gross Amounts of Recognized Liabilities**	**Gross Amounts Offset in the Statements of Assets & Liabilities**	**Net Amounts of Liabilities Presented in the Statements of Assets & Liabilities**	**Financial Instruments**	**Cash Collateral Received**	**Net Amount**
TYG: Interest Rate Swap Contracts	$ 157,702	$ —	$ 157,702	$ —	$ —	$ 157,702

TPZ: Interest Rate Swap Contracts	$ 30,419	$ (30,419)	$ —	$ —	$ —	$ —

Written Call Options

Transactions in written option contracts for TYG, NTG, TTP and NDP for the year ended November 30, 2017, are as follows:

	TYG		NTG	
	Number of Contracts	**Premium**	**Number of Contracts**	**Premium**
Options outstanding at November 30, 2016	—	$ —	—	$ —
Options written	20,444	919,888	13,616	571,277
Options closed*	—	—	—	—
Options exercised	(5,548)	(316,900)	(3,350)	(186,846)
Options expired	(14,896)	(602,988)	(10,266)	(384,431)
Options outstanding at November 30, 2017	—	$ —	—	$ —

2017 Annual Report | November 30, 2017

Notes to Financial Statements (continued)

	TTP		NDP	
	Number of Contracts	Premium	Number of Contracts	Premium
Options outstanding at November 30, 2016	5,857	$ 462,996	36,989	$ 2,153,562
Options written	69,474	4,502,002	551,385	23,291,025
Options closed*	(65,275)	(4,412,200)	(476,349)	(20,666,341)
Options exercised	(1,807)	(119,558)	(35,090)	(1,495,822)
Options expired	(1,136)	(79,716)	(26,357)	(1,386,479)
Options outstanding at November 30, 2017	7,113	$ 353,524	50,578	$ 1,895,945

* The aggregate cost of closing written option contracts was $0 for TYG, $0 for NTG, $2,492,781 for TTP and $9,908,647 for NDP, resulting in net realized gains of $0, $0, $1,919,419 and $10,757,694 for TYG, NTG, TTP and NDP, respectively.

The following table presents the types and fair value of derivatives by location as presented on the Statements of Assets & Liabilities at November 30, 2017:

	Assets/(Liabilities)	
Derivatives not accounted for as hedging instruments under ASC 815	Location	Fair Value
TYG: Interest rate swap contracts	Interest rate swap contracts	$ (157,702)
TTP: Written equity call options	Options written, at fair value	$ (322,204)
NDP: Written equity call options	Options written, at fair value	$ (1,813,409)
TPZ: Interest rate swap contracts	Interest rate swap contracts	$ 42,784

The following table presents the effect of derivatives on the Statements of Operations for the year ended November 30, 2017:

Derivatives not accounted for as hedging instruments under ASC 815	Location of Gains (Losses) on Derivatives	Net Realized Gain (Loss) on Derivatives	Net Unrealized Appreciation of Derivatives
TYG: Interest rate swap contracts	Interest rate swaps	$ (188,170)	$ 207,349
TYG: Written equity call options	Options	$ 602,988	$ —
NTG: Written equity call options	Options	$ 384,431	$ —
TTP: Written equity call options	Options	$ 1,999,135	$ 1,026,681
NDP: Written equity call options	Options	$ 12,144,173	$ 6,243,375
TPZ: Interest rate swap contracts	Interest rate swaps	$ (138,700)	$ 196,092

13. Subsequent Events

On December 21, 2017, the Funds held a special stockholder meeting to consider a vote on a new investment advisory agreement between each Fund and its investment adviser, Tortoise Capital Advisors, L.L.C. ("the "Adviser"). Each Fund's stockholders voted to approve the new investment advisory agreement between the Fund and the Adviser. The current investment advisory agreement for each Fund will terminate upon the closing of the proposed change in ownership of the parent company of the Adviser (the "Transaction") which is expected to occur by the end of the first calendar quarter of 2018. The proposed new investment advisory agreement for each Fund is substantially identical to its current investment advisory agreement, except for the effective dates and the termination dates, and would simply continue the relationship between each Fund and the Adviser. The Transaction is not expected to result in any change in the day-to-day portfolio management, investment objectives and policies or investment processes of the Funds.

TYG:

On December 22, 2017 The Tax Cuts and Jobs Act was signed into law thus reducing the U.S. corporate tax rate from 35% to 21%. For the fiscal year ending November 30, 2018, an effective tax rate of 24.56% and 23.43% will be used to calculate any current and deferred tax liability respectively. Management is continuing to evaluate the implications of tax reform and will provide additional details in subsequent quarters as necessary.

During the period from December 1, 2017 through the date the financial statements were issued, TYG issued 62,700 shares of common stock under its at-the-market equity offering program for gross proceeds of approximately $2.0 million.

TYG has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

Notes to Financial Statements (continued)

NTG:
On December 13, 2017, NTG issued $32,000,000 Series N Senior Notes which carry a fixed interest rate of 3.18% and mature on December 13, 2024 and $25,000,000 Series O Senior Notes which carry a fixed interest rate of 3.47% and mature on December 13, 2027.

On December 13, 2017, NTG issued 1,600,000 Series E Mandatory Redeemable Preferred Shares (aggregate liquidation preference $40,000,000) and 1,000,000 Series F Mandatory Redeemable Preferred Shares (aggregate liquidation preference $25,000,000). The Series E Mandatory Redeemable Preferred Shares carry a fixed interest rate of 3.78% and a mandatory redemption date of December 13, 2024. The Series F Mandatory Redeemable Preferred Shares carry a fixed interest rate of 4.07% and a mandatory redemption date of December 13, 2027.

On December 22, 2017 The Tax Cuts and Jobs Act was signed into law thus reducing the U.S. corporate tax rate from 35% to 21%. For the fiscal year ending November 30, 2018, an effective tax rate of 24.28% and 23.14% will be used to calculate any current and deferred tax liability respectively. Management is continuing to evaluate the implications of tax reform and will provide additional details in subsequent quarters as necessary.

NTG has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

TTP:
TTP has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no items require recognition or disclosure.

NDP:
NDP has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no items require recognition or disclosure.

TPZ:
On December 29, 2017, TPZ paid a distribution in the amount of $0.125 per common share, for a total of $868,917. Of this total, the dividend reinvestment amounted to $11,068.

TPZ has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Tortoise Energy Infrastructure Corporation
Tortoise MLP Fund, Inc.
Tortoise Pipeline & Energy Fund, Inc.
Tortoise Energy Independence Fund, Inc.
Tortoise Power and Energy Infrastructure Fund, Inc.

We have audited the accompanying statements of assets and liabilities of Tortoise Energy Infrastructure Corporation, Tortoise MLP Fund, Inc., Tortoise Pipeline & Energy Fund, Inc., Tortoise Energy Independence Fund, Inc., and Tortoise Power and Energy Infrastructure Fund, Inc., (the "Funds"), including the schedules of investments, as of November 30, 2017, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period the ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of November 30, 2017, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Tortoise Energy Infrastructure Corporation, Tortoise MLP Fund, Inc., Tortoise Pipeline & Energy Fund, Inc., Tortoise Energy Independence Fund, Inc., and Tortoise Power and Energy Infrastructure Fund, Inc. at November 30, 2017, the results of their operations and their cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with U.S. generally accepted accounting principles.

January 22, 2018

Company Officers and Directors (unaudited)
November 30, 2017

Name and Age[(1)]	Position(s) Held With Company, Term of Office and Length of Time Served[(2)]	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director[(3)]	Other Public Company Directorships Held
Independent Directors				
Conrad S. Ciccotello (Born 1960)	Class I Director of TYG since 2003 and of NTG since 2010; Class II Director of NDP since 2012 and of TPZ since 2007; Class III Director of TTP since 2011.	Professor and Director, Reiman School of Finance, University of Denver (faculty member since 2017); Professor and Chairman of the Department of Risk Management and Insurance, Robinson College of Business, Georgia State University (1999-2017); Director of Personal Financial Planning Program; Investment Consultant to the University System of Georgia for its defined contribution retirement plan; Formerly Faculty Member, Pennsylvania State University (1997-1999); Published a number of academic and professional journal articles on investment company performance and structure, with a focus on MLPs.	5	CorEnergy Infrastructure Trust, Inc.
Rand C. Berney (Born 1955)	Class I Director of TTP since January 1, 2014; Class II Director of each of TYG and NTG since January 1, 2014; Class III Director of each of NDP and TPZ since January 1, 2014.	Executive-in-Residence and Professor for Professional Financial Planning Course and Professional Ethics Course, College of Business Administration, Kansas State University since 2012; Formerly Senior Vice President of Corporate Shared Services of ConocoPhillips from 2009 to 2012, Vice President and Controller of ConocoPhillips from 2002 to 2009, and Vice President and Controller of Phillips Petroleum Company from 1997 to 2002; Member of the Oklahoma Society of CPAs, the Financial Executive Institute, American Institute of Certified Public Accountants, the Institute of Internal Auditors and the Institute of Management Accountants.	5	None
Charles E. Heath (Born 1942)	Class I Director of TTP since 2011; Class II Director of TYG since 2003 and of NTG since 2010; Class III Director of NDP since 2012 and of TPZ since 2007.	Retired in 1999, Formerly Chief Investment Officer, GE Capital's Employers Reinsurance Corporation (1989-1999). Chartered Financial Analyst ("CFA") designation since 1974.	5	CorEnergy Infrastructure Trust, Inc.
Alexandra Herger (Born 1957)	Class I Director of each of NDP and TPZ since January 1, 2015; Class II Director of TTP since January 1, 2015; Class III Director of each of TYG and NTG since January 1, 2015.	Retired in 2014; Previously interim vice president of exploration for Marathon Oil in 2014 prior to her retirement; Director of international exploration and new ventures for Marathon Oil from 2008 to 2014; Held various positions with Shell Exploration and Production Co. between 2002 and 2008; Member of the Society of Exploration Geophysicists, the American Association of Petroleum Geologists, the Houston Geological Society and the Southeast Asia Petroleum Exploration Society; Member of the 2010 Leadership Texas/Foundation for Women's Resources since 2010; Director of Panoro Energy ASA, an international independent oil and gas company listed on the Oslo Stock Exchange.	5	None

Interested Directors [(4)]

H. Kevin Birzer (Born 1959)	Class I Director and Chairman of the Board of NDP since 2012 and of TPZ since 2007; Class II Director and Chairman of the Board of TTP since 2011; Class III Director and Chairman of the Board of TYG since 2003 and of NTG since 2010.	Chief Executive Officer of the Adviser; Managing Director of the Adviser and member of the Investment Committee of the Adviser since 2002; Director and Chairman of the Board of each of Tortoise Energy Capital Corporation ("TYY") and Tortoise North American Energy Corporation ("TYN") from its inception until its merger into TYG effective June 23, 2014; Director and Chairman of the Board of Tortoise Capital Resources Corporation ("TTO"), which changed its name to CorEnergy Infrastructure Trust, Inc. on December 3, 2012 ("CORR"), from its inception through November 30, 2011. CFA designation since 1988.	5	None
Terry C. Matlack (Born 1956)	Class I Director of each of TYG and NTG since 2012; Class II Director of each of NDP and TPZ since 2012; Class III Director of TTP since 2012.	Managing Director of the Adviser and member of the Investment Committee of the Adviser since 2002; Director of each of TYY and TYN from November 12, 2012 until its merger into TYG effective June 23, 2014; Chief Executive Officer of each of TYG and TPZ from May 2011 to June 30, 2015, of NTG from 2010 to June 30, 2015, of each of TTP and NDP from its inception to June 30, 2015 and of each of TYY and TYN from May 2011 until its merger into TYG effective June 23, 2014; Chief Financial Officer of each of TYG, TYY, TYN and TPZ from its inception to May 2011, and of TTO from its inception to June 2012. CFA designation since 1985.	5	Epiq Systems, Inc. (until June 2012)

(1) The address of each director and officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

(2) Ending year of Director terms by Class are as follows:

	TYG	NTG	TTP	NDP	TPZ
Class I	2020	2020	2018	2019	2019
Class II	2018	2018	2019	2020	2020
Class III	2019	2019	2020	2018	2018

(3) This number includes TYG, NTG, TTP, NDP and TPZ. The Adviser serves as the investment adviser to TYG, NTG, TTP, NDP and TPZ.

(4) As a result of their respective positions held with the Adviser or its affiliates, these individuals are considered "interested persons" within the meaning of the 1940 Act.

2017 Annual Report | November 30, 2017

Company Officers and Directors (unaudited) (continued)

November 30, 2017

Name and Age[1] Interested Officers[3]	Position(s) Held With Company, Term of Office and Length of Time Served[2]	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director	Other Public Company Directorships Held
P. Bradley Adams (Born 1960)	Chief Executive Officer of each of TYG, NTG, TTP, NDP and TPZ since June 30, 2015. Principal Financial Officer and Treasurer of each of TYG, NTG, TTP, NDP and TPZ since May 18, 2017.	Managing Director of the Adviser since January 2013; Director of Financial Operations of the Adviser from 2005 to January 2013; Chief Financial Officer of NTG from 2010 to June 30, 2015, of each of TYG and TPZ from May 2011 to June 30, 2015, of each of TTP and NDP from its inception to June 30, 2015, and of each of TYY and TYN from May 2011 to June 23, 2014; Assistant Treasurer of each of the TYG, TYY and TYN from November 2005 to May 2011, of TPZ from its inception to May 2011, and of TTO from its inception to June 2012.	N/A	None
Matthew G.P. Sallee (Born 1978)	President of TYG and NTG since June 30, 2015.	Managing Director of the Adviser since January 2014 and member of the Investment Committee of the Adviser since June 30, 2015; Portfolio Manager of the Adviser since July 2013; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Investment Analyst of the Adviser from 2009 to June 2012; Research Analyst of the Adviser from 2005 to 2009. CFA designation since 2009.	N/A	None
Brian A. Kessens (Born 1975)	President of TTP and TPZ since June 30, 2015.	Managing Director of the Adviser since January 2015 and a member of the Investment Committee of the Adviser since June 30, 2015; Portfolio Manager of the Adviser since July 2013; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Investment Analyst of the Adviser from 2008 to June 2012. CFA designation since 2006.	N/A	None
Robert J. Thummel (Born 1972)	President of NDP since June 30, 2015.	Managing Director of the Adviser since January 2014 and a member of the Investment Committee of the Adviser since June 30, 2015; Portfolio Manager of the Adviser since July 2013; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Investment Analyst of the Adviser from 2004 to June 2012. Previously, the President of TYN from 2008 until its merger into TYG in June 2014.	N/A	None
Nicholas S. Holmes (Born 1985)	Vice President of each of TYG and NTG since June 30, 2015.	Investment Analyst of the Adviser since January 2015; Research Analyst of the Adviser from January 2012 through December 2014 and Assistant Research Analyst from January 2010 through December 2011. CFA designation since 2013.	N/A	None
Stephen Pang (Born 1981)	Vice President of TTP since May 18, 2017.	Director of the Adviser since 2017. Investment Analyst of the Adviser since 2015. CFA designation since 2016.	N/A	None
Adam Peltzer (Born 1975)	Vice President of TPZ since May 18, 2017.	Director and Investment Analyst of the Adviser since March 2015. CFA designation since 2009.	N/A	None
Brett Jergens (Born 1978)	Vice President of NDP since June 30, 2015.	Investment Analyst of the Adviser since December 2010; Research Analyst of the Adviser from June 2007 to December 2010. CFA designation since	N/A	None

		2011.		
Shobana Gopal (Born 1962)	Vice President of each of TYG, NTG, TTP, NDP and TPZ since June 30, 2015.	Director, Tax of the Adviser since January 2013; Tax Analyst of the Adviser from September 2006 through December 2012.	N/A	None
Diane Bono (Born 1958)	Secretary of each of TYG, NTG, TTP, NDP and TPZ since May 2013.	Chief Compliance Officer of the Adviser since June 2006; Chief Compliance Officer of TYG since June 2006 and of each of NTG, TTP, NDP and TPZ since its inception, and of each of TYY and TYN from June 2006 to June 23, 2014; Secretary of each of TYY and TYN from May 2013 to June 23, 2014.	N/A	None

(1) The address of each director and officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.
(2) Officers are elected annually.
(3) As a result of their respective positions held with the Adviser or its affiliates, these individuals are considered “interested persons” within the meaning of the 1940 Act.

Additional Information (unaudited)

Notice to Shareholders

For stockholders that do not have a November 30, 2017 tax year end, this notice is for information purposes only. For stockholders with a November 30, 2017 tax year end, please consult your tax advisor as to the pertinence of this notice. For the fiscal year ended November 30, 2017, each Fund is designating the following items with regard to distributions paid during the year.

Common Distributions

	Return of Capital Distributions	Long-Term Capital Gain Distributions(1)	Ordinary Income Distributions	Total Distributions	Qualifying Dividends(2)	Qualifying For Corporate Dividends Rec. Deduction(3)
TTP	81.40%	2.05%	16.55%	100.00%	100.00%	87.94%
NDP	100.00%	0.00%	0.00%	100.00%	0.00%	0.00%
TPZ	6.55%	24.16%	69.29%	100.00%	18.52%	16.67%

Preferred Distributions

	Return of Capital Distributions	Long-Term Capital Gain Distributions(1)	Ordinary Income Distributions	Total Distributions	Qualifying Dividends(2)	Qualifying For Corporate Dividends Rec. Deduction(3)
TTP	0.00%	11.01%	88.99%	100.00%	100.00%	87.94%

(1) The Fund designates long-term capital gain distributions per IRC Code Sec. 852(b)(3)(C). The long-term capital gain tax rate is variable based on the taxpayer's taxable income.

(2) Represents the portion of Ordinary Income Distributions taxable at the capital gain tax rates if the stockholder meets holding period requirements.

(3) Represents the portion of Ordinary Income Distributions which qualify for the "Corporate Dividends Received Deduction."

Director and Officer Compensation

The Funds do not compensate any of its directors who are "interested persons," as defined in Section 2(a)(19) of the 1940 Act, nor any of its officers. For the year ended November 30, 2017, the aggregate compensation paid by the Funds to the independent directors was as follows:

TYG	NTG	TTP	NDP	TPZ
$217,000	$172,000	$88,000	$88,000	$71,000

The Funds did not pay any special compensation to any of its directors or officers.

Forward-Looking Statements

This report contains "forward-looking statements" within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect each Fund's actual results are the performance of the portfolio of investments held by it, the conditions in the U.S. and international financial, petroleum and other markets, the price at which shares of each Fund will trade in the public markets and other factors discussed in filings with the SEC.

Proxy Voting Policies

A description of the policies and procedures that each Fund uses to determine how to vote proxies relating to portfolio securities owned by the Fund and information regarding how each Fund voted proxies relating to the portfolio of securities during the 12-month period ended June 30, 2017 are available to stockholders (i) without charge, upon request by calling the Adviser at (913) 981-1020 or toll-free at (866) 362-9331 and on or through the Adviser's Web site at www.tortoiseadvisors.com; and (ii) on the SEC's Web site at www.sec.gov.

Form N-Q

Each Fund files its complete schedule of portfolio holdings for the first and third quarters of each fiscal year with the SEC on Form N-Q. Each Fund's Form N-Q is available without charge upon request by calling the Adviser at (866) 362-9331 or by visiting the SEC's Web site at www.sec.gov. In addition, you may review and copy each Fund's Form N-Q at the SEC's Public Reference Room in Washington D.C. You may obtain information on the operation of the Public Reference Room by calling (800) SEC-0330.

Each Fund's Form N-Qs are also available through the Adviser's Web site at www.tortoiseadvisors.com.

Statement of Additional Information
The Statement of Additional Information ("SAI") includes additional information about each Fund's directors and is available upon request without charge by calling the Adviser at (866) 362-9331 or by visiting the SEC's Web site at www.sec.gov.

Certifications
Each Fund's Chief Executive Officer has submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the SEC, as an exhibit to its most recently filed Form N-CSR, the certification of its Chief Executive Officer and Principal Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

2017 Annual Report | November 30, 2017

Additional Information (unaudited) (continued)

Privacy Policy
In order to conduct its business, each Fund collects and maintains certain nonpublic personal information about its stockholders of record with respect to their transactions in shares of each Fund's securities. This information includes the stockholder's address, tax identification or Social Security number, share balances, and distribution elections. We do not collect or maintain personal information about stockholders whose share balances of our securities are held in "street name" by a financial institution such as a bank or broker.
We do not disclose any nonpublic personal information about you, the Funds' other stockholders or the Funds' former stockholders to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law.

To protect your personal information internally, we restrict access to nonpublic personal information about the Funds' stockholders to those employees who need to know that information to provide services to our stockholders. We also maintain certain other safeguards to protect your nonpublic personal information.

Repurchase Disclosure
Notice is hereby given in accordance with Section 23(c) of the 1940 Act, that each Fund may from time to time purchase shares of its common stock in the open market.

Automatic Dividend Reinvestment
Each of NTG, TTP, NDP and TPZ have an Automatic Dividend Reinvestment Plan and TYG has an Automatic Dividend Reinvestment and Cash Purchase Plan (each, a "Plan"). Each Plan allows participating common stockholders to reinvest distributions, including dividends, capital gains and return of capital in additional shares of the Fund's common stock and TYG's Plan also allows registered holders of the TYG's common stock to make optional cash investments, in accordance with TYG's Plan, on a monthly basis.

If a stockholder's shares are registered directly with the Fund or with a brokerage firm that participates in the Fund's Plan, all distributions are automatically reinvested for stockholders by the Agent in additional shares of common stock of the Fund (unless a stockholder is ineligible or elects otherwise). Stockholders holding shares that participate in the Plan in a brokerage account may not be able to transfer the shares to another broker and continue to participate in the Plan. Stockholders who elect not to participate in the Plan will receive all distributions payable in cash paid by check mailed directly to the stockholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by Computershare, as dividend paying agent. Distributions subject to tax (if any) are taxable whether or not shares are reinvested.

Any single investment pursuant to the cash purchase option under TYG's Plan must be in an amount of at least $100 and may not exceed $5,000 per month unless a request for waiver has been granted. A request for waiver should be directed to TYG at 1-866-362-9331 and TYG has the sole discretion to grant any requested waiver. Optional cash investments may be delivered to the Agent by personal check, by automatic or electronic bank account transfer or by online access at www.computershare.com. TYG reserves the right to reject any purchase order. Stockholders who hold shares in street or other nominee name who want to participate in optional cash investments should contact their broker, bank or other nominee and follow their instructions. There is no obligation to make an optional cash investment at any time, and the amount of such investments may vary from time to time. Optional cash investments must be received by the Agent no later than two business days prior to the monthly investment date (the "payment date") for purchase of common shares on the next succeeding purchase date under TYG's Plan. Scheduled optional cash purchases may be cancelled or refunded upon a participant's written request received by the Agent at least two business days prior to the purchase date. Participants will not be able to instruct the Agent to purchase common shares at a specific time or at a specific price.

If on the distribution payment date or, for TYG, the purchase date for optional cash investments, the net asset value per share of the common stock is equal to or less than the market price per share of common stock plus estimated brokerage commissions, the Fund will issue additional shares of common stock to participants. The number of shares will be determined by the greater of the net asset value per share or 95 percent of the market price. Otherwise, shares generally will be purchased on the open market by the Agent as soon as possible following the payment date or purchase date, but in no event later than 30 days after such date except as necessary to comply with applicable law. There are no brokerage charges with respect to shares issued directly by the Fund as a result of distributions payable either in shares or in cash or, for TYG, as a result of optional cash investments. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Agent's open-market purchases in connection with the reinvestment of distributions or optional cash investments. If a participant elects to have the Agent sell part or all of his or her common stock and remit the proceeds, such participant will be charged a transaction fee of $15.00 plus his or her pro rata share of brokerage commissions on the shares sold.

Participation is completely voluntary. Stockholders may elect not to participate in the Plan, and participation may be terminated or resumed at any time without penalty, by giving notice in writing, by telephone or Internet to Computershare, the Plan Agent, at the address set forth below. Such termination will be effective with respect to a particular distribution if notice is received prior to such record date.

Additional information about the Plan may be obtained by writing to Computershare Trust Company, N.A, P.O. Box 30170, College Station, TX 77842-3170. You may also contact Computershare by phone at (800) 426-5523 or visit their Web site at www.computershare.com.

Additional Information (unaudited) (continued)

Approval of the Investment Advisory Agreement
The Board of Directors, including the directors who are not "interested persons" (as defined in the Investment Company Act of 1940) (the "Independent Directors") considered both the renewal of each fund's current investment advisory agreement (the "Current Investment Advisory Agreement") and, in connection with the change of control of the Adviser that would occur as a result of the closing of the proposed change in ownership of the parent company of the Adviser (the "Transaction"), a new investment advisory agreement between the Adviser and the fund ("New Investment Advisory Agreement"). The Current Investment Advisory Agreement for each fund was reviewed and, by unanimous vote, renewed by such fund's Board of Directors, including the Independent Directors, at an in-person meeting held on October 16, 2017. Such renewal term expires upon the earlier to occur of the closing of the Transaction or December 31, 2018. At the same meeting, the Board of Directors, including the Independent Directors, reviewed and unanimously approved the New Investment Advisory Agreements for each fund, subject to requisite stockholder approval and the closing of the Transaction.

As the Current Investment Advisory Agreement and the New Investment Advisory Agreement for each fund were reviewed and considered by the fund's Board of Directors contemporaneously, and they are substantially identical except for the effective and termination dates, the Board of Director's analysis of them engaged a parallel process and, with respect to the New Investment Advisory Agreement, drew additional focus on the expected effect that the change of control of the Adviser would have on the Adviser and the fund's relationship with the Adviser.

In preparation for its review of the Current Investment Advisory Agreement and the New Investment Advisory Agreement of each fund, the Independent Directors consulted with independent legal counsel regarding the factors to be considered in its review and the nature of information to be provided, and through its independent legal counsel the Independent Directors sent a detailed formal request for information to the Adviser. In addition to materials received and reviewed by the Board of Directors throughout the year, the Adviser provided extensive information, including information from independent third party sources, and the directors reviewed such information, over the course of several weeks in response to this request.

For each fund, the Adviser provided information to assist the Board of Directors in assessing, among other things, the nature, extent and quality of advisory, administrative and other services provided by the Adviser, the investment performance of the fund (including a comparison of advisory fees and total expenses of the fund to other peer funds), the cost of services provided (including a comparison of advisory fees and total expenses of the fund to other peer funds), the profitability of the advisory contract to the Adviser, the potential for economies of scale, if any, and the collateral benefits the Adviser may derive from its relationship with the fund.

In August 2017, the Independent Directors consulted with independent legal counsel regarding the legal issues and items to consider in a potential change of control of the Adviser. Working with their independent legal counsel, the Independent Directors provided to the Adviser a document requesting information from the potential acquirer, to assist the Board of Directors in assessing the potential acquirer and the impact that the change of control would have on the Adviser's relationship with the funds and the factors considered in reviewing and approving a new investment advisory agreement. The Board of Directors met several times in September 2017 to review and discuss these considerations.

After the Adviser's decision to engage in exclusive negotiations with Lovell Minnick Partners LLC ("Lovell Minnick"), the Board of Directors held an in-person meeting on October 2, 2017 to meet with representatives of the Adviser and Lovell Minnick. At this meeting, Lovell Minnick outlined its background, expertise and experience, described its business, operational and management plans for the Adviser following the closing of the Transaction, summarized the principal terms of the Transaction, and answered such questions as were raised at the meeting. Later that day, Lovell Minnick provided to the Board of Directors, in response to the written request for information submitted by the Independent Directors, detailed information to assist the Board of Directors of each fund in its review and consideration of the New Investment Advisory Agreement and the effect that the Transaction would have on the Adviser and its relationship with the fund ("Transaction Materials").

The Board of Directors of each fund reviewed the Transaction Materials, along with the materials it had received for its general review of the Current Investment Advisory Agreement and the New Investment Advisory Agreement, and held a meeting with the Adviser on October 9, 2017 to discuss and address issues and questions. The Transaction Materials provided to the Board of Directors included, among other things, responsive information regarding (1) the organizational and operational structure of the acquirer and how the Adviser would be integrated into that structure, (2) the background and qualifications of Lovell Minnick and the executives who will be primarily responsible for the acquirer's relationship with the Adviser, (3) the capitalization and financial condition of the acquirer, (4) the financing arrangements for the Transaction and the implications of leverage upon the Adviser, (5) whether after the Transaction there were plans to change the business, operations or management of the Adviser, (6) acquirer's availability of capital for future investments in the Adviser, (7) legal, litigation and regulatory matters, including Lovell Minnick's compliance policies, (8) potential conflicts of interest that may arise due to the acquirer's ownership of the Adviser, (9) the draft definitive purchase agreement and a summary of the terms of the Transaction, including closing conditions, and (10) confirmation that the Transaction is structured to comply with the safe harbor of Section 15(f) of the 1940 Act, and that the fund would not bear any expenses related to the Transaction. At the meeting, the Board of Directors also reviewed and discussed the terms of the Transaction.

In connection with each Board of Director's consideration of the New Investment Advisory Agreement, the directors considered, among other information and factors, the following factors regarding the Transaction's effect upon the Adviser and the fund's relationship with the Adviser:

the statements of Lovell Minnick and the Adviser to the Board of Directors that:

_the day-to-day portfolio management, investment objectives and policies, and investment processes of the fund will not change in any material respect as a result of the Transaction;

2017 Annual Report | November 30, 2017

Additional Information (unaudited) (continued)

_the Transaction does not require or propose any change in the Adviser's day-to-day portfolio management teams or key personnel, except that certain founders of the Adviser are expected to leave Tortoise upon the closing of the Transaction;

_the services provided by the Adviser to the fund will be of the same or improved quality following the closing of the Transaction as those in effect immediately prior to the closing of the Transaction;

_there will be no impact on the profitability of the Adviser as a result of the Transaction;

_the acquirer and the Adviser intend to comply with the safe harbor provisions of Section 15(f) of the 1940 Act, including having Independent Directors comprise 75% or more of the fund's Board of Directors for three years following the closing of the Transaction and they will use reasonable best efforts not to engage in activities that would impose an "unfair burden" (within the meaning of Section 15(f)) on the funds for a period of two years following the closing of the Transaction.

except for provisions relating to effectiveness and termination dates, the terms of the New Investment Advisory Agreement are substantially identical to the Current Investment Advisory Agreement, including the fee and expense structure and the advisory fee rate;

the investment advisory and administrative services to be provided to the fund by the Adviser are the same under the Current Investment Advisory Agreement and the New Investment Advisory Agreements;

the impact of the Transaction on the Adviser's day-to-day operations, including, without limitation, the potential increase in resources available to the Adviser personnel as a result of the Transaction;

the anticipated capitalization and level of indebtedness of the Adviser following the closing of the Transaction;

the reputation, capabilities, experience, organizational structure and financial resources of Lovell Minnick;

the long-term business goals of Lovell Minnick and the Adviser with regard to the business and operations of the Adviser;

that stockholders of the funds will not bear any costs in connection with the Transaction, as the parties to the purchase agreement for the Transaction will bear the costs, fees and expenses incurred by the funds in connection with the proxy statement, the solicitation of proxies, and any other costs of the funds associated with the Transaction; and

the terms of the Transaction, including payments made by the acquirer to the owners of the Adviser in connection with the Transaction, Tortoise ongoing management and employees retaining a significant equity interest in Tortoise with many investing additional capital alongside the acquirer, and employment relationships of the Adviser's key personnel following closing of the Transaction.

The Board of Directors of each fund, including the Independent Directors, considered and evaluated all the information provided to it by the Adviser and Lovell Minnick. The directors did not identify any single factor as being all-important or controlling, and each director may have attributed different levels of important to different factors. In deciding to renew the Current Investment Advisory Agreement (for a term expiring upon the earlier to occur of the closing of the Transaction or December 31, 2018) and to approve the New Investment Advisory Agreement, and in addition to factors described above, the Board of Directors' decision included an assessment of the following factors.

Nature, Extent and Quality of Services Provided. The Board of Directors considered information regarding the history, qualification and background of the Adviser and the individuals who will be primarily responsible for the portfolio management of the fund. Additionally, the Board of Directors considered the quality and extent of the resources devoted to research and analysis of the fund's actual and potential investments, including the research and decision-making processes utilized by the Adviser, as well as risk oversight and the methods adopted to seek to achieve compliance with the investment objectives, policies and restrictions of the fund, and meeting regulatory requirements. Further, the Board of Directors considered the quality and depth of the Adviser personnel (including the number and caliber of portfolio managers and research analysts involved and the size and experience of the investment, accounting, trading, client service and compliance teams dedicated to the fund), the fact that the current day-to-day portfolio management teams of the Adviser will continue to be engaged in the investment management of the fund's portfolio, and other Adviser resources and plans for growth, use of affiliates of the Adviser, and the particular expertise with respect to energy companies, MLP markets and financing (including private financing).

In addition to advisory services, the Board of Directors considered the quality of the administrative and other non-investment advisory services provided to the fund. The Adviser will provide the fund with certain services (in addition to any such services provided to the fund by third parties) and officers and other personnel as are necessary for the operations of the fund. In particular, the Adviser will provide the fund with the following administrative services, among others: (1) preparing disclosure documents, such as periodic stockholder reports and the prospectus and the statement of additional information in connection with public offerings; (2) communicating with analysts to support secondary market analysis of the fund; (3) oversight of daily accounting and pricing; (4) preparing periodic filings with regulators and stock exchanges; (5) overseeing and coordinating the activities of other service providers; (6) organizing Board meetings and preparing the materials for such Board meetings; (7) providing compliance support; (8) furnishing analytical and other support to assist the Board of Directors in its consideration of strategic issues; (9) the responsible handling of the leverage target; and (10) performing other administrative services for the operation of the fund, such as press releases, fact sheets, investor calls, leverage financing, tax reporting, tax management, fulfilling regulatory filing requirements and investor relations services.

Additional Information (unaudited) (continued)

In addition, in deciding to approve the New Investment Advisory Agreement, the Board of Directors considered the Adviser's and Lovell Minnick's representations that Lovell Minnick intends for the Adviser to continue to operate following the closing of the Transaction in much the same manner as it operates today, and that the impact of the Transaction on the day-to-day operations of the Adviser would be neutral or positive. The Board of Directors also considered the likelihood that the Transaction may result in increased resources available to the Adviser's personnel in day-to-day operations as well as strategically.

The Board of Directors also reviewed information received from the Adviser and the fund's Chief Compliance Officer regarding the compliance policies and procedures established pursuant to the 1940 Act and their applicability to the fund, including the fund's code of ethics. In addition, in deciding to approve the New Investment Advisory Agreement, the Board of Directors considered Lovell Minnick's statements that the Adviser's compliance policies and procedures (including ethics policies and procedures), disaster recovery program and cybersecurity infrastructure would be the same, or improved, following the closing of the Transaction.

The Board of Directors concluded that the nature of the fund and the specialized expertise of the Adviser in the niche market of MLPs for each of TYG and NTG and the energy market for each of TTP, NDP and TPZ, as well as the nature, extent and quality of services provided by the Adviser to the fund, made it qualified to serve as the adviser. In deciding to renew the Current Investment Advisory Agreement, the Independent Directors recognized that the Adviser's commitment to a long-term investment horizon correlated well to the investment strategy of the fund. In deciding to approve the New Investment Advisory Agreement, the Board of Directors recognized that Lovell Minnick's and the Adviser's investment horizon correlated well to the investment strategy of the fund. The Board of Directors reviewed the financial information, including information regarding existing and anticipated indebtedness, provided by the Adviser and Lovell Minnick and concluded that upon closing of the Transaction, the Adviser will have the financial resources to meet its obligations to the fund.

The Board of Directors concluded that they are satisfied with the nature, extent and quality of services that the Adviser will provide to each fund under its New Investment Advisory Agreement and that the nature, extent and quality of services provided by the Adviser under the Current Investment Advisory Agreement are expected to continue under the New Investment Advisory Agreement at the same or improved levels.

Investment Performance, Costs of Services, Profitability. The Board of Directors reviewed and evaluated information regarding the fund's performance and the performance of other Adviser accounts (including other investment companies), and information regarding the nature of the markets during the performance period, with a particular focus on the MLP sector for each of TYG and NTG and on the energy sector for each of TTP, NDP and TPZ. The Board of Directors considered the fund's investment performance against peer funds for the following periods, where applicable: one year, three year, five year, ten year, 2015, 2016, 2017 year-to-date and since inception for each of TYG, NTG, TTP, NDP and TPZ. Additionally, the Board of Directors considered each fund's performance against a specialized sector (including a custom composite of sector indices ("custom composite") for each of TTP and TPZ) and more general market indices for the fiscal year-to-date, one year and since inception periods for each fund. The Board of Directors also considered senior management's and portfolio managers' analysis of the reasons for any over-performance or underperformance against its peers and/or sector market indices, as applicable. The Board of Directors noted that for the relevant periods, based on NAV: TYG's performance outperformed and underperformed the median for its peers depending on the period, and outperformed and underperformed sector market indices depending on the period and the index and outperformed and underperformed the general market index depending on the period; NTG's performance outperformed and underperformed the median for its peers depending on the period, and outperformed and underperformed the specialized sector and general market indices depending on the period; TTP's performance outperformed and underperformed the median for its peers depending on the period, and outperformed and underperformed the custom composite, the specialized sector market index and the general market index depending on the period and the index; NDP's performance outperformed and underperformed the median for its peers depending on the period, and outperformed and underperformed the specialized sector market index and outperformed and underperformed the general market index depending on the period; and TPZ's performance outperformed and underperformed the median for its peers depending on the period and outperformed and underperformed the custom composite and the general market index depending on the period. The Board of Directors noted that for the relevant periods, based on market price, each of TYG, NTG and TTP outperformed and underperformed the median for its peers depending on the period; NDP outperformed and underperformed the median for its peers depending on the period, and TPZ outperformed and underperformed the median for its peers depending on the period. For each of TTP and TPZ, the Board of Directors noted the lack of peers and sector market indices with similar strategies to the fund and also took into account the custom composite to better reflect the strategy of the fund. The Adviser believes that performance relative to the applicable custom composite for each of TTP and TPZ is an appropriate performance metric for the fund. The Board of Directors also noted that the custom composites for TTP and TPZ and the sector market indices are pre expenses, in contrast to each of these funds and its peers, and the sector market indices are pre-tax accrual in contrast to TYG and NTG and their MLP peers. The Board of Directors also noted differences across the peer universe in distribution and leverage strategies, including the fund's focus on sustainable distributions and leverage strategy, and took into account that stockholders, in pursuing their investment goals and objectives, may have purchased their shares based upon the reputation and the investment style, long-term philosophy and strategy of the Adviser. The Board of Directors also considered discussions with the Adviser regarding a variety of initiatives for the fund, including the Adviser's plans to continue aftermarket support and investor communications regarding recent market price performance. The Board of Directors also noted differences across the peer universe in distribution and leverage strategies, including the fund's focus on sustainable distributions and leverage strategy, and took into account that stockholders, in pursuing their investment goals and objectives, may have purchased their shares based upon the reputation and the investment style, long-term philosophy and strategy of the Adviser. Based upon their review and also considering market conditions and volatility, the Board of Directors concluded that each fund's performance has been reasonable based on the fund's strategy and compared to other closed-end funds that focus on the MLP sector (for each of TYG and NTG) and the energy sector (for each of TTP, NDP and TPZ) and that the fund has generated reasonable returns for investors.

2017 Annual Report | November 30, 2017

Additional Information (unaudited) (continued)

The Adviser provided detailed information concerning its cost of providing services to the fund, its profitability in managing the fund, its overall profitability, and its financial condition. The Board of Directors reviewed the methodology used to prepare this financial information. This financial information regarding the Adviser is considered in order to evaluate the Adviser's financial condition, its ability to continue to provide services under the Current Investment Advisory Agreement and the New Investment Advisory Agreement, and the reasonableness of the current advisory fee, and was, to the extent possible, evaluated in comparison to other more specialized investment advisers.

The Board of Directors considered and evaluated information regarding fees charged to, and services provided to, other investment companies advised by the Adviser (including the impact of any fee waiver or reimbursement arrangements and any expense reimbursement arrangements), and fees charged to separate institutional accounts and other accounts managed by the Adviser. The information provided to the Board of Directors discussed the significant differences in scope of services provided to the fund and to the Adviser's other non-closed-end fund clients. The Board of Directors considered the fee comparisons in light of the different services provided in managing these other types of clients. The Board of Directors considered and evaluated the information they received comparing the fund's contractual annual advisory fee and overall expenses with a peer group of comparable closed-end funds with similar investment objectives and strategies, including other MLP or energy investment companies, as applicable depending on the fund, determined by the Adviser. Given the specialized universe of managers and funds fitting within the criteria for the peer group as well as a lack of reliable, consistent third party data, the Adviser did not believe that it would be beneficial to engage the services of an independent third-party to prepare the peer group analysis, and the Independent Directors concurred with this approach. The Adviser provided information on the methodology used for determining the peer group.

The Board of Directors reviewed and considered the advisory fee payable by the fund under the Current Investment Advisory Agreement and the New Investment Advisory Agreement. The Board of Directors compared the fund's contractual advisory fee and total expense ratio to industry data with respect to other mutual funds in the same peer group. The Board noted that the advisory fee rates payable to the Adviser would be the same under the New Investment Advisory Agreement as they are under the Current Investment Advisory Agreement. The Board of Directors concluded that the fees (including the advisory fee) and expenses that the fund is paying under the Current Investment Advisory Agreement and the New Investment Advisory Agreement, as well as the operating expense ratios of the fund, are reasonable given the quality of services provided under the Current Investment Advisory Agreement and the New Investment Advisory Agreement and that such fees and expenses are reasonable compared to the fees charged by advisers to comparable funds.

Economies of Scale. The Board of Directors considered information from the Adviser concerning whether economies of scale would be realized as the fund grows, and whether fee levels reflect any economies of scale for the benefit of the fund's stockholders. In addition, in deciding to approve the New Investment Advisory Agreement, the Board of Directors considered any potential economies of scale that may result from the Transaction and whether fee levels reflect any economies of scale for the benefit of the fund's stockholders. The Board of Directors concluded that economies of scale are difficult to measure and predict overall and that such economies of scale could not be predicted in advance of the closing of the Transaction. Accordingly, the Board of Directors reviewed other information, such as year-over-year profitability of the Adviser generally, the profitability of its management of the fund, and the fees of competitive funds not managed by the Adviser over a range of asset sizes. The Board of Directors concluded the Adviser is appropriately sharing any economies of scale through its fee structure under the Current Investment Advisory Agreement, and will appropriately be sharing any economies of scale through its fee structure under the New Investment Advisory Agreement, and through reinvestment in its business resources to provide stockholders additional content and services.

Collateral Benefits Derived by the Adviser. The Board of Directors reviewed information from the Adviser and Lovell Minnick concerning collateral benefits it may receive as a result of its relationship with the fund. The Board of Directors concluded that the Adviser generally does not and will not directly use the fund's or stockholder information to generate profits in other lines of business, and therefore would not derive any significant collateral benefits from them.

The Board of Directors did not, with respect to their deliberations concerning their approval of the continuation of the Current Investment Advisory Agreement or the approval of the New Investment Advisory Agreement for each fund, consider the benefits the Adviser may derive from relationships the Adviser may have with brokers through soft dollar arrangements because the Adviser does not employ any third party soft dollar arrangements in rendering its advisory services. The Adviser receives unsolicited research from some of the brokers with whom it places trades on behalf of clients, however, the Adviser has no arrangements or understandings with such brokers regarding receipt of research in return for commissions. The Adviser does not consider this research when selecting brokers to execute fund transactions and does not put a specific value on unsolicited research, nor attempt to estimate and allocate the relative costs or benefits among clients.

Conclusion. On the basis of such information as the Board of Directors considered necessary to the exercise of its reasonable business judgment and its evaluation of all of the factors described above, and after the Independent Directors' separate consultation with its independent legal counsel, the Board of Directors concluded that their analysis favored approval of the continuation of the Current Investment Advisory Agreement and approval of the New Investment Advisory Agreement for each fund, and that (a) the terms and conditions thereof are fair and reasonable and in the best interests of the fund and its stockholders, and (b) with respect to the New Investment Advisory Agreement, the Transaction would not result in the imposition of an unfair burden on the fund or its stockholders.

Office of the Company
and of the Investment Adviser
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Board of Directors of
Tortoise Energy Infrastructure Corp.
Tortoise MLP Fund, Inc.
Tortoise Pipeline & Energy Fund, Inc.
Tortoise Energy Independence Fund, Inc.
Tortoise Power and Energy Infrastructure Fund, Inc.

H. Kevin Birzer, Chairman
Tortoise Capital Advisors, L.L.C.

Terry Matlack
Tortoise Capital Advisors, L.L.C.

Rand C. Berney
Independent

Conrad S. Ciccotello
Independent

Charles E. Heath
Independent

Alexandra Herger
Independent

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Stock Symbols
Listed NYSE Symbols: TYG, NTG, TTP, NDP, TPZ

This report is for stockholder information. This is not a prospectus intended for use in the purchase or sale of fund shares. **Past performance is no guarantee of future results and your investment may be worth more or less at the time you sell.**

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Item 2. Code of Ethics.

The Registrant has adopted a code of ethics that applies to the Registrant s Principal Executive Officer and its Principal Financial Officer. The Registrant has not made any amendments to this code of ethics during the period covered by this report. The Registrant has not granted any waivers from any provisions of this code of ethics during the period covered by this report.

Item 3. Audit Committee Financial Expert.

The Registrant s Board of Directors has determined that there is at least one audit committee financial expert serving on its audit committee. Mr. Conrad Ciccotello is the audit committee financial expert and is considered to be independent as each term is defined in Item 3 of Form N-CSR. In addition to his experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements, Mr. Ciccotello has a Ph.D. in Finance.

Item 4. Principal Accountant Fees and Services.

The Registrant has engaged its principal accountant to perform audit services, audit-related services and tax services during the past two fiscal years. Audit services refer to performing an audit of the Registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years. Audit-related services refer to the assurance and related services by the principal accountant that are reasonably related to the performance of the audit. Tax services refer to professional services rendered by the principal accountant for tax compliance (including preparation of tax returns), tax advice, and tax planning. The following table details the approximate amounts of aggregate fees billed to the Registrant for the last two fiscal years for audit fees, audit-related fees, tax fees and other fees by the principal accountant.

	FYE 11/30/2017	FYE 11/30/2016
Audit Fees	$144,000	$142,000
Audit-Related Fees		
Tax Fees	$ 55,000	$ 53,000
All Other Fees		
Aggregate Non-Audit Fees	$ 55,000	$ 53,000

The audit committee has adopted pre-approval policies and procedures that require the audit committee to pre-approve (i) the selection of the Registrant s independent registered public accounting firm, (ii) the engagement of the independent registered public accounting firm to provide any non-audit services to the Registrant, (iii) the engagement of the independent registered public accounting firm to provide any non-audit services to the Adviser or any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Registrant, if the engagement relates directly to the operations and financial reporting of the Registrant, and (iv) the fees and other compensation to be paid to the independent registered public accounting firm. The Chairman of the audit committee may grant the pre-approval of any engagement of the independent registered public accounting firm for non-audit services of less than $10,000, and such delegated pre-approvals will be presented to the full audit committee at its next meeting. Under certain limited circumstances, pre-approvals are not required under securities law regulations for certain non-audit services below certain de minimus thresholds. Since the adoption of these policies and procedures, the audit committee has pre-approved all audit and non-audit services provided to the Registrant by the principal accountant. None of these services provided by the principal accountant were approved by the audit committee pursuant to the de minimus exception under Rule 2.01(c)(7)(i)(C) or Rule 2.01(c)(7)(ii) of Regulation S-X. All of the principal accountant s hours spent on auditing the Registrant s financial statements were attributed to work performed by full-time permanent employees of the principal accountant.

In the Registrant’s fiscal years ended November 30, 2017 and 2016, the Adviser was billed approximately $457,900 and $143,300 in fees, respectively, for tax and other non-audit services provided to the Adviser. These non-audit services were not required to be preapproved by the Registrant’s audit committee. No entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Registrant, has paid to, or been billed for fees by, the principal accountant for non-audit services rendered to the Adviser or such entity during the Registrant’s last two fiscal years. The audit committee has considered whether the principal accountant’s provision of services (other than audit services) to the Registrant, the Adviser or any entity controlling, controlled by, or under common control with the Adviser that provides services to the Registrant is compatible with maintaining the principal accountant’s independence in performing audit services.

Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, and is comprised of Mr. Conrad S. Ciccotello, Mr. Rand C. Berney, Mr. Charles E. Heath and Ms. Alexandra A. Herger.

Item 6. Investments.

(a) Schedule of Investments is included as part of the report to shareholders filed under Item 1.

(b) Not applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

Copies of the proxy voting policies and procedures of the Registrant and the Adviser are attached hereto as Exhibit 99.VOTEREG and Exhibit 99.VOTEADV, respectively.

Item 8. Portfolio Managers of Closed-End Management Investment Companies.

Unless otherwise indicated, information is presented as of November 30, 2017.

Portfolio Managers

As of the date of this filing, primary responsibility for the day-to-day management of the Registrant’s portfolio is the joint responsibility of a team of portfolio managers consisting of Brian A. Kessens, James R. Mick, Matthew G.P. Sallee, Robert J. Thummel, Jr., Stephen Pang and Brett Jergens. The investment committee of the Adviser, comprised of certain of these portfolio managers and other employees of the Adviser, provides investment strategy oversight to the portfolio management team who implements the strategy. Biographical information about each portfolio manager named above as of the date of this filing is set forth below.

Name and Age*	Position(s) Held with Company and Length of Time Served	Principal Occupation During Past Five Years
Brian A. Kessens (Born 1975)	N/A	Investment Analyst of the Adviser from 2008 to June 2012; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Portfolio Manager of the Adviser since July 2013; Managing Director of the Adviser since January 2015; Member of the Investment Committee of the Adviser and President of each of TTP and TPZ since June 30, 2015. CFA designation since 2006.
James R. Mick (Born 1975)	N/A	Research Analyst of the Adviser from 2006 to 2011; Investment Analyst of the Adviser from 2011 to June 2012; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Portfolio Manager of the Adviser since July 2013; Managing Director of the Adviser since January 2014; Member of the Investment Committee of the Adviser since June 30, 2015. CFA designation since 2010.
Matthew G.P. Sallee (Born 1978)	President since June 30, 2015	Research Analyst of the Adviser from 2005 to 2009; Investment Analyst of the Adviser from 2009 to June 2012; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Portfolio Manager of the Adviser since July 2013; Managing Director of the Adviser since January 2014; Member of the Investment Committee of the Adviser and President of TYG since June 30, 2015. CFA designation since 2009.
Robert J. Thummel, Jr. (Born 1972)	N/A	Investment Analyst of the Adviser from 2004 to June 2012; Senior Investment Analyst of the Adviser from June 2012 to July 2013; Portfolio Manager of the Adviser since July 2013; Managing Director of the Adviser since January 2014; President of TYN from 2008 until its merger into TYG effective June 23, 2014; Member of the Investment Committee of the Adviser and President of NDP since June 30, 2015.
Stephen Pang (Born 1981)	N/A	Investment Analyst of the Adviser from January 2015 to January 2017; Director of the Adviser since January 2017; Portfolio Manager of the Adviser since January 2018; Vice President of TTP since May 2017. CFA designation since 2016.
Brett Jergens (Born 1978)	N/A	Research Analyst of the Adviser from June 2007 to December 2010; Investment Analyst of the Adviser from December 2010 to January 2018. Portfolio Manager of the Adviser since January 2018. Vice President of NDP since June 2015. CFA designation since 2011.

*The address of each portfolio manager is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

The Adviser also serves as the investment adviser to TYG, TPZ, TTP and NDP.

The following table provides information about the other accounts managed on a day-to-day basis by each of the portfolio managers as of November 30, 2017:

Name of Manager	Number of Accounts	Total Assets of Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
Brian A. Kessens				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—
James R. Mick				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—
Matthew G.P. Sallee				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—
Robert J. Thummel, Jr.				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—
Stephen Pang				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—
Brett Jergens				
Registered investment companies	8	$6,542,865,150	0	—
Other pooled investment vehicles	16	$ 828,789,911	1	$175,772,564
Other accounts	965	$6,664,460,902	0	—

Material Conflicts of Interest

Conflicts of interest may arise from the fact that the Adviser and its affiliates carry on substantial investment activities for other clients, in which the Registrant has no interest, some of which may have investment strategies similar to the Registrant. In addition, conflicts of interest may arise from the fact that a related person of the Adviser has an interest in a limited liability company client, similar to a general partner interest in a partnership, for which the Adviser also serves as manager. The Adviser or its affiliates may have financial incentives to favor certain of these accounts over the Registrant. For example, the Adviser may have an incentive to allocate potentially more favorable investment opportunities to other funds and clients that pay the Adviser an incentive or performance fee. Performance and incentive fees also create the incentive to allocate potentially riskier, but potentially better performing, investments to such funds and other clients in an effort to increase the incentive fee. The Adviser also may have an incentive to make investments in one fund, having the effect of increasing the value of a security in the same issuer held by another fund or client, which in turn, may result in an incentive fee being paid to the Adviser by that other fund or client. Any of the Adviser's or its affiliates' proprietary accounts or other customer accounts may compete with the Registrant for specific trades. The Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for, other accounts and customers, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, the Registrant, even though their investment objectives may be the same as, or similar to, the Registrant's objectives. The Adviser has written allocation policies and procedures designed to address potential conflicts of interest. For instance, when two or more clients advised by the Adviser or its affiliates seek to purchase or sell the same publicly traded securities, the securities actually purchased or sold will be allocated among the clients on a good faith equitable basis by the Adviser in its discretion and in accordance with the clients' various investment objectives and the Adviser's procedures. In some cases, this system may adversely affect the price or size of the position the Registrant may obtain or sell. In other cases, the Registrant's ability to participate in volume transactions may produce better execution for it. When possible, the Adviser combines all of the trade orders into one or more block orders, and each account participates at the average unit or share price obtained in a block order. When block orders are only partially filled, the Adviser considers a number of factors in determining how allocations are made, with the overall goal to allocate in a manner so that accounts are not preferred or disadvantaged over time. The Adviser also has allocation policies for transactions involving private placement securities, which are designed to result in a fair and equitable participation in offerings or sales for each participating client.

The Adviser also serves as investment adviser for four other publicly traded management investment companies, all of which invest in the energy sector.

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

Situations may occur when the Registrant could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for their other accounts. Such situations may be based on, among other things, the following: (1) legal or internal restrictions on the combined size of positions that may be taken for the Registrant or the other accounts, thereby limiting the size of the Registrant's position; (2) the difficulty of liquidating an investment for the Registrant or the other accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in negotiated transactions under the Investment Company Act of 1940.

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

Under the Investment Company Act of 1940, the Registrant and its affiliated companies may be precluded from co-investing in negotiated private placements of securities. As such, the Registrant will not co-invest with its affiliates in negotiated private placement transactions. The Adviser will observe a policy for allocating negotiated private investment opportunities among its clients that takes into account the amount of each client's available cash and its investment objectives. These allocation policies may result in the allocation of investment opportunities to an affiliated company rather than to the Registrant.

To the extent that the Adviser sources and structures private investments in master limited partnerships ("MLPs"), certain employees of the Adviser may become aware of actions planned by MLPs, such as acquisitions, which may not be announced to the public. It is possible that the Registrant could be precluded from investing in or selling securities of an MLP about which the Adviser has material, non-public information; however, it is the Adviser's intention to ensure that any material, non-public information available to certain employees of the Adviser is not shared with the employees responsible for the purchase and sale of publicly traded MLP securities or to confirm prior to receipt of any material non-public information that the information will shortly be made public. The Registrant's investment opportunities also may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies.

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

Compensation

None of Messrs. Kessens, Mick, Sallee, Thummel, Pang or Jergens receives any direct compensation from the Registrant or any other of the managed accounts reflected in the table above. All such accounts are managed by the Adviser. Each of Messrs. Kessens, Mick, Sallee, Thummel, Pang and Jergens has an employment-related agreement with the Adviser and receives base compensation from the Adviser for the services he provides. They are also eligible for an annual cash bonus based on the Adviser's earnings and the satisfaction of certain other conditions. Additional benefits received by Messrs. Kessens, Mick, Sallee, Thummel, Pang and Jergens are normal and customary employee benefits generally available to all full-time employees. Each of Messrs. Kessens, Mick, Sallee, Thummel, Pang and Jergens owns an equity interest in Tortoise Investments, LLC which wholly owns the Adviser, and each thus benefits from increases in the net income of the Adviser.

Securities Owned in the Registrant by Portfolio Managers

The following table provides information about the dollar range of equity securities in the Registrant beneficially owned by each of the portfolio managers as of November 30, 2017:

Portfolio Manager	**Aggregate Dollar Range of Holdings in the Registrant**
Brian A. Kessens	$10,001 - $50,000
James R. Mick	$1-$10,000
Matthew G.P. Sallee	$100,001 - $500,000
Robert J. Thummel, Jr.	$10,001-$50,000
Stephen Pang	None
Brett Jergens	None

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

Period	*(a) Total Number of Shares (or Units) Purchased*	*(b) Average Price Paid per Share (or Unit)*	*(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs*	*(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs*
Month #1 6/1/17-6/30/17	0	0	0	0
Month #2 7/1/17-7/31/17	0	0	0	0
Month #3 8/1/17-8/31/17	0	0	0	0
Month #4 9/1/17-9/30/17	0	0	0	0
Month #5 10/1/17-10/31/17	0	0	0	0
Month #6 11/1/17-11/30/17	0	0	0	0
Total	0	0	0	0

Item 10. Submission of Matters to a Vote of Security Holders.

None.

Item 11. Controls and Procedures.

(a) The Registrant’s Chief Executive Officer, Principal Financial Officer and Treasurer has concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the “1940 Act”)) are effective as of a date within 90 days of the filing date of this report, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the Registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the Registrant’s second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant’s internal control over financial reporting.

Item 12. Disclosure of Securities Lending Activities For Closed-End Management Investment Companies.

The Registrant does not participate in securities lending activities.

Item 13. Exhibits.

(a)(1) *Any code of ethics or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the Registrant intends to satisfy Item 2 requirements through filing of an exhibit.* Filed herewith.

(2) *Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.* Filed herewith.

(3) *Any written solicitation to purchase securities under Rule 23c-1 under the Act sent or given during the period covered by the report by or on behalf of the Registrant to 10 or more persons.* None.

(b) *Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.* Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant)	Tortoise MLP Fund, Inc.
By (Signature and Title)	/s/ P. Bradley Adams P. Bradley Adams, Chief Executive Officer, Principal Financial Officer and Treasurer
Date January 22, 2018	

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title)	/s/ P. Bradley Adams P. Bradley Adams, Chief Executive Officer, Principal Financial Officer
Date January 22, 2018	