

TORTOISE ENERGY INFRASTRUCTURE CORP
Form N-CSRS
July 22, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number **811-21462**

Tortoise Energy Infrastructure Corporation
(Exact name of registrant as specified in charter)

11550 Ash Street, Suite 300, Leawood, KS 66211
(Address of principal executive offices) (Zip code)

Terry Matlack
Diane Bono

11550 Ash Street, Suite 300, Leawood, KS 66211
(Name and address of agent for service)

913-981-1020
Registrant's telephone number, including area code

Date of fiscal year end: **November 30**

Date of reporting period: **May 31, 2014**

Item 1. Reports to Stockholders.

Company at a Glance

Tortoise Energy Infrastructure Corp. (NYSE: TYG) is a pioneering closed-end investment company investing primarily in equity securities of publicly-traded Master Limited Partnerships (MLPs) and their affiliates in the energy infrastructure sector.

Investment Goals: Yield, Growth and Quality

TYG seeks a high level of total return with an emphasis on current distributions paid to stockholders.

In seeking to achieve **yield**, we target distributions to our stockholders that are roughly equal to the underlying yield on a direct investment in MLPs. In order to accomplish this, we maintain our strategy of investing primarily in energy infrastructure MLPs with attractive current yields and growth potential.

We seek to achieve distribution **growth** as revenues of our underlying companies grow with the economy, with the population and through rate increases. This revenue growth generally leads to increased operating profits, and when combined with internal expansion projects and acquisitions, is expected to provide attractive growth in distributions to us. We also seek distribution growth through timely debt and equity offerings.

TYG seeks to achieve **quality** by investing in companies operating energy infrastructure assets that are critical to the U.S. economy. Often these assets would be difficult to replicate. We also back experienced management teams with successful track records. By investing in us, our stockholders have access to a portfolio that is diversified through geographic regions and across product lines, including natural gas, natural gas liquids, crude oil and refined products.

About Energy Infrastructure Master Limited Partnerships

MLPs are limited partnerships whose units trade on public exchanges such as the New York Stock Exchange (NYSE), the NYSE Alternext US and NASDAQ. Buying MLP units makes an investor a limited partner in the MLP. There are currently more than 100 MLPs in the market in industries related to energy and natural resources.

We primarily invest in MLPs and their affiliates in the energy infrastructure sector. Energy infrastructure MLPs are engaged in the transportation, storage and processing of crude oil, natural gas and refined products from production points to the end users. Our investments are primarily in midstream (mostly pipeline) operations, which typically produce steady cash flows with less exposure to commodity prices than many alternative investments in the broader energy industry. With the growth potential of this sector, along with our disciplined investment approach, we endeavor to generate a predictable and increasing distribution stream for our investors.

A TYG Investment Versus a Direct Investment in MLPs

We provide our stockholders an alternative to investing directly in MLPs and their affiliates. A direct MLP investment potentially offers an attractive distribution with a significant portion treated as return of capital, and a historically low correlation to returns on stocks and bonds. However, the tax characteristics of a direct MLP investment are generally undesirable for tax-exempt investors such as retirement plans. We are structured as a C Corporation accruing federal and state income taxes, based on taxable earnings and profits. Because of this innovative structure, pioneered by Tortoise Capital Advisors, institutions and retirement accounts are able to join individual stockholders as investors in MLPs.

Additional features include:

- ◆ One Form 1099 per stockholder at the end of the year, thus avoiding multiple K-1s and multiple state filings for individual partnership investments;
- ◆ A professional management team, with more than 130 years combined investment experience, to select and manage the portfolio on your behalf;

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- ◆ The ability to access investment grade credit markets to enhance stockholder return; and
 - ◆ Access to direct placements and other investments not available through the public markets.
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June 23, 2014

Dear Fellow Stockholders,

The second fiscal quarter ending May 31, 2014 was positive for midstream MLPs, whose success continued to be driven by the robust oil and gas production that is creating the critical need for energy infrastructure build-out. Their performance was further enhanced by an upbeat earnings season and an uptick in pipeline reversal projects, particularly in the pipeline-constrained Marcellus shale in Pennsylvania where takeaway needs are acute.

With respect to the broad market, equities demonstrated some volatility as the second fiscal quarter unfolded, although strength among blue chips and stronger-than-expected first-quarter earnings reports from nearly three-quarters of the companies in the S&P 500 Index[®] helped maintain a generally upward trajectory. For the three- and six-month periods ending May 31, 2014, the S&P 500 Index[®] returned 4.0 and 7.6 percent respectively, with energy, utilities, consumer staples and materials emerging as the best-performing sectors.

Master Limited Partnership Sector Review and Outlook

MLPs handily outperformed the broader market, with the Tortoise MLP Index[®] posting 10.2 and 13.5 percent total returns for the three- and six-month periods through May 31, 2014. Midstream MLPs outperformed upstream MLPs by a wide margin, as upstream MLPs dealt with a weaker earnings season. The Tortoise Midstream MLP Index returned 10.8 and 14.0 percent for the three and six months, respectively, compared to the Tortoise Upstream MLP Index's 1.5 and 6.8 percent returns for the same periods.

Strong oil and natural gas production growth out of premier North American shales is driving the need for new infrastructure, and midstream MLPs are responding. While infrastructure build-out continues for both crude oil and natural gas liquids pipelines, there has been an increase in natural gas pipelines activity, especially around the gas-rich Marcellus. We also are seeing investments to enable gas pipelines to reverse the direction they transport gas. As the sources of oil and gas have shifted, some pipelines are adding bi-directional capability and reversing flow, reflecting how domestic production growth is reducing our reliance on imported energy and changing the way it moves around our country.

Capital markets continued to underpin sector growth, with MLPs raising approximately \$14.6 billion in equity and \$14.1 billion in debt offerings during the second fiscal quarter, bringing the totals for debt and equity raised during the first half of the fiscal year to approximately \$19.6 billion and \$20.7 billion respectively, including three new initial public offerings in the second quarter. Merger and acquisition activity has remained healthy, with approximately \$14.7 billion in MLP transactions announced thus far in 2014. The largest of these was Kinder Morgan's dropdown of natural gas assets to El Paso Pipeline Partners, LP in a deal valued at approximately \$2 billion. As part of the deal, El Paso will acquire a 50 percent interest in Ruby Pipeline and Gulf LNG and a 47.5 percent interest in Young Gas Storage.

Fund Merger

During the quarter, stockholders approved the merger of Tortoise Energy Capital Corp. (NYSE: TYY) and Tortoise North American Energy Corp. (NYSE: TYN) into Tortoise Energy Infrastructure Corp. (NYSE: TYG). The mergers closed on June 23, 2014. Accordingly, next quarter the TYG financials will include the merger details. We thank all of our TYG, TYY and TYN stockholders who voted on this matter. We expect stockholders of the merged funds will benefit from operating cost savings, distribution growth, enhanced market liquidity and greater financial flexibility.

Fund Performance Review

The fund's total assets increased from approximately \$2.3 billion on Feb. 28, 2014, to \$2.6 billion as of May 31, 2014, primarily from net realized and unrealized gains on investments as well as approximately \$53 million in new leverage proceeds. Leverage (including bank debt, senior notes and preferred stock) as a percent of total assets remained relatively flat, ending the fiscal quarter at 19.7 percent.

At fiscal quarter end, the fund paid a distribution of \$0.58 per common share (\$2.32 annualized) to stockholders, an increase of 0.4 percent quarter over quarter and 1.8 percent year over year. The distribution represented an annualized distribution rate of 4.8 percent based on the fund's fiscal quarter closing price of \$48.34. In managing the fund, Tortoise places particular emphasis on

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distribution coverage: distributable cash flow (DCF) earned by the fund divided by distributions paid to stockholders. Our goal is to declare what we believe to be sustainable quarterly distributions with increases safely covered by earned distributable cash flow. The distribution payout coverage was 106.5 percent for the fiscal quarter and 110.2 percent for the last four quarters.

(Unaudited)

For the fiscal quarter, the fund's market-based total return was 9.5 percent and its NAV-based total return was 12.6 percent (-0.4 and 16.8 percent for the six months, respectively) including the reinvestment of distributions. The difference between the market value total return and the NAV total return reflected a decrease in the premium of the fund's stock price to a discount relative to its NAV during the quarter. This was the case for many closed-end funds as they continued to come under pressure due to concerns over rising interest rates.

Key Quarterly Performance Drivers

- The proliferation of pipeline infrastructure expansion projects underway continued to drive the fund's strong asset performance during the fiscal quarter.
- The fund was positively impacted on both an absolute and relative basis from its investments in refined products pipeline MLPs as they continued to benefit from strong fundamentals and expected dropdown acquisitions.
- An overweight position among crude oil pipeline MLPs whose success was driven by increasing volumes, particularly those linking to refineries along the Gulf Coast, led to strong absolute and relative results in this sector. Results were further enhanced by superior stock selection.
- Certain non-midstream MLPs the fund did not hold, given its midstream investment strategy, had strong performance during the quarter. This restrained performance slightly during the period.

Additional information about the fund's financial performance, distributions and leverage is available in the Key Financial Data and Management's Discussion sections of this report.

Concluding Thoughts

We believe the prolific volumes of oil and natural gas being produced in the premier basins will continue to drive the need for new pipelines to remove bottlenecks and transport these valuable resources from areas of growing production to end users.

In closing, we invite you to visit Tortoise's new educational microsite, www.uncoverenergy.com, which provides articles covering 10 themes that trace North America's energy past, present and future. We created this site as part of our commitment to promote education and knowledge about the energy sector. It is designed to be a resource for the investment community, educators and the general public. As always, we welcome your feedback and suggestions. Also, if you haven't had a chance to view our May webcast of the annual stockholders meeting, we encourage you to do so.

Sincerely,
The Managing Directors
Tortoise Capital Advisors, L.L.C.
The adviser to Tortoise Energy Infrastructure Corp.

The Tortoise MLP Index® is a float-adjusted, capitalization-weighted index of energy master limited partnerships (MLPs). The Tortoise Midstream MLP Index, a sub-index of the Tortoise MLP Index®, is comprised of all constituents included in the following sub sectors: Crude Oil Pipelines, Gathering & Processing, Natural Gas Pipelines and Refined Products Pipelines. The Tortoise Upstream MLP Index is comprised of all constituents included in the Tortoise MLP Index's Coal and Oil & Gas Production sub sector indices. The S&P 500 Index® is an unmanaged market-value-weighted index of stocks, which is widely regarded as the standard for measuring large-cap U.S. stock market performance.

(Unaudited)

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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 we believe is meaningful to understanding our operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and we believe 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 our full financial statements.

	2013			2014	
	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾
Total Income from Investments					
Distributions received from master limited partnerships	\$25,525	\$25,660	\$27,024	\$26,172	\$27,393
Dividends paid in stock	1,492	1,537	1,597	1,637	1,479
Distributions from common stock				52	71
Other income			94		
Total from investments	27,017	27,197	28,715	27,861	28,943
Operating Expenses Before Leverage Costs and Current Taxes					
Advisory fees, net of fees waived	4,752	4,895	4,957	5,119	5,774
Other operating expenses	348	351	349	362	365
	5,100	5,246	5,306	5,481	6,139
Distributable cash flow before leverage costs and current taxes	21,917	21,951	23,409	22,380	22,804
Leverage costs ⁽²⁾	3,816	3,835	4,184	4,691	4,982
Current income tax expense ⁽³⁾					
Distributable Cash Flow⁽⁴⁾	\$18,101	\$18,116	\$19,225	\$17,689	\$17,822
As a percent of average total assets⁽⁵⁾					
Total from investments	5.41%	5.28%	5.44%	5.01%	4.73%
Operating expenses before leverage costs and current taxes	1.02%	1.02%	1.00%	0.99%	1.00%
Distributable cash flow before leverage costs and current taxes	4.39%	4.26%	4.44%	4.02%	3.73%
As a percent of average net assets⁽⁵⁾					
Total from investments	9.04%	8.91%	9.51%	9.03%	8.43%
Operating expenses before leverage costs and current taxes	1.71%	1.72%	1.76%	1.78%	1.79%
Leverage costs and current taxes	1.28%	1.26%	1.39%	1.52%	1.45%
Distributable cash flow	6.05%	5.93%	6.36%	5.73%	5.19%
Selected Financial Information					
Distributions paid on common stock	\$16,225	\$16,321	\$16,442	\$16,643	\$16,730
Distributions paid on common stock per share	0.5700	0.5725	0.5750	0.5775	0.5800
Distribution coverage percentage for period ⁽⁶⁾	111.6%	111.0%	116.9%	106.3%	106.5%
Net realized gain, net of income taxes, for the period	32,768	3,363	31,391	8,609	5,695
Total assets, end of period	1,974,131	2,031,736	2,188,730	2,294,312	2,579,795
Average total assets during period ⁽⁷⁾	1,981,853	2,043,631	2,118,177	2,253,941	2,428,481
Leverage ⁽⁸⁾	315,900	339,400	407,600	454,000	507,000
Leverage as a percent of total assets	16.0%	16.7%	18.6%	19.8%	19.7%
Net unrealized appreciation, end of period	630,465	660,779	705,678	749,365	907,206
Net assets, end of period	1,167,024	1,180,576	1,245,761	1,280,942	1,425,918
Average net assets during period ⁽⁹⁾	1,185,578	1,210,359	1,211,261	1,251,952	1,361,662
Net asset value per common share	40.98	41.41	43.36	44.41	49.43
Market value per share	44.43	43.34	49.76	44.65	48.34
Shares outstanding (000 s)	28,481	28,509	28,733	28,844	28,844

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- (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 value of paid-in-kind distributions, premium on redemption of MRP stock, amortization of debt issuance costs and non-recurring merger expenses; 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) Computed by averaging month-end values within each period.
- (8) Leverage consists of long-term debt obligations, preferred stock and short-term borrowings.
- (9) Computed by averaging daily net assets within each period.

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Management's Discussion (Unaudited)

The information contained in this section should be read in conjunction with our Financial Statements and the Notes thereto. In addition, this report contains certain forward-looking statements. These statements include the plans and objectives of management for future operations and financial objectives and can be identified by the use of forward-looking terminology such as may, will, expect, intend, anticipate, estimate, or continue or the negative thereof or other variations thereon or comparable terminology. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results and conditions to differ materially from those projected in these forward-looking statements are set forth in the Risk Factors section of our public filings with the SEC.

Overview

Tortoise Energy Infrastructure Corp. (the Company) primary investment objective is to seek a high level of total return for our stockholders, with an emphasis on distribution income paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in the energy infrastructure sector. While we are a registered investment company under the Investment Company Act of 1940, as amended (the 1940 Act), we are not a regulated investment company for federal tax purposes. Our distributions do not generate unrelated business taxable income (UBTI) and our stock may therefore be suitable for holding by pension funds, IRAs and mutual funds, as well as taxable accounts. We invest primarily in master limited partnerships (MLPs) through private and public market purchases. MLPs are publicly traded partnerships whose equity interests are traded in the form of units on public exchanges, such as the NYSE or NASDAQ. Tortoise Capital Advisors, L.L.C. serves as our investment adviser.

Company Update

On May 28, 2014, the stockholders of the Company, Tortoise Energy Capital Corporation (TYY) and Tortoise North American Energy Corporation (TYN) each approved proposed mergers of TYY and TYN into the Company. The Company acquired the net assets of TYY (\$766,488,956) and TYN (\$210,449,285) on June 23, 2014. A total of 15,043,739 shares of common stock were issued to common stockholders of TYY and 4,130,451 shares of common stock were issued to common stockholders of TYN. The aggregate net assets of the Company prior to the reorganization totaled \$1,469,645,683 and following the mergers the combined net assets of the Company totaled \$2,446,583,924.

Following completion of the mergers, the Company entered into an amendment to its Investment Advisory Agreement with the Adviser. Under the terms of the amendment, the Company pays the Adviser a fee equal to an annual rate of 0.95 percent of the Company's average monthly managed assets up to \$2.5 billion, 0.90 percent of average monthly managed assets between \$2.5 billion and \$3.5 billion, and 0.85 percent of average monthly managed assets above \$3.5 billion, in exchange for the investment advisory services provided. Following completion of the merger on June 23, 2014, managed assets were approximately \$4.3 billion.

Total assets increased approximately \$285 million during the 2nd quarter, primarily as a result of higher market values of our MLP investments as well as increased leverage utilization. Distribution increases from our MLP investments during the quarter were in-line with our expectations. Asset-based expenses increased from the previous quarter along with average managed assets. Total leverage as a percent of total assets was relatively unchanged and we increased our quarterly distribution to \$0.58 per share. Additional information on these events and results of our operations are discussed in more detail below.

Critical Accounting Policies

The financial statements are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex, or subjective judgments. Our critical accounting policies are those applicable to the valuation of investments, tax matters and certain revenue recognition matters as discussed in Note 2 in the Notes to Financial Statements.

Determining Distributions to Stockholders

Our portfolio generates cash flow from which we pay distributions to stockholders. Our Board of Directors has adopted a policy of declaring what it believes to be sustainable distributions. In determining distributions, our Board of Directors considers a number of current and anticipated factors, including, among others, distributable cash flow (DCF), realized and unrealized gains, leverage amounts and rates, current and deferred taxes payable, and potential volatility in returns from our investments and the overall

market. While the Board considers many factors in determining distributions to stockholders, particular emphasis is given to DCF and distribution coverage. Distribution coverage is DCF divided by distributions paid to stockholders and is discussed in more detail below. Over the long-term, we expect to distribute substantially all of our DCF to holders of common stock. Our Board of Directors reviews the distribution rate quarterly and may adjust the quarterly distribution throughout the year.

Determining DCF

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

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles (GAAP), recognizes distribution income from MLPs and common stock on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from

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Management's Discussion *(Unaudited)*

(Continued)

investments in the DCF calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts are not included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income. Non-recurring expenses related to the mergers are excluded from DCF. A reconciliation of Net Investment Loss, before Income Taxes to DCF is included below.

Distributions Received from Investments

Our ability to generate cash is dependent on the ability of our portfolio of investments to generate cash flow from their operations. In order to maintain and grow distributions to our stockholders, we evaluate each holding based upon its contribution to our investment income, our expectation for its growth rate, and its risk relative to other potential investments.

We concentrate on MLPs we believe can expect an increasing demand for services from economic and population growth. We seek well-managed businesses with hard assets and stable recurring revenue streams. Our focus remains primarily on investing in fee-based service providers that operate long-haul, interstate pipelines. We further diversify among issuers, geographies and energy commodities to seek a distribution payment which approximates an investment directly in energy infrastructure MLPs. In addition, many crude/refined products and natural gas liquids pipeline companies are regulated and currently benefit from a tariff inflation escalation index of PPI + 2.65 percent. Over the long-term, we believe distributions from our investments will outpace inflation and interest rate increases, and produce positive real returns.

Total distributions received from our investments for the 2nd quarter 2014 were approximately \$28.9 million, representing a 7.1 percent increase as compared to 2nd quarter 2013 and a 3.9 percent increase as compared to 1st quarter 2014. These changes reflect increases in per share distribution rates on our investments, the distributions received from additional investments funded from leverage proceeds and the impact of various portfolio trading activity.

Expenses

We incur two types of expenses: (1) operating expenses, consisting primarily of the advisory fee, and (2) leverage costs. On a percentage basis, operating expenses before leverage costs and current taxes were an annualized 1.00 percent of average total assets for the 2nd quarter 2014, a decrease of 0.02 percent as compared to 2nd quarter 2013 and an increase of 0.01 percent as compared to 1st quarter 2014. Advisory fees for the 2nd quarter 2014 increased 12.8 percent from 1st quarter 2014 as a result of increased average managed assets for the quarter. Yields on our investments are currently below their 5-year historical average of approximately 7 percent. All else being equal, if yields on our investments decrease and distributions remain constant or grow, asset values will increase as will our managed assets and advisory fees. Other operating expenses increased slightly as compared to 1st quarter 2014.

Leverage costs consist of two major components: (1) the direct interest expense on our senior notes and short-term credit facility, and (2) distributions to preferred stockholders. Other leverage expenses include rating agency fees and commitment fees. Total leverage costs for DCF purposes were approximately \$5.0 million for the 2nd quarter 2014, an increase of 6.2 percent as compared to 1st quarter 2014 due to increased leverage utilization.

The weighted average annual rate of our leverage at May 31, 2014 was 3.94 percent. This rate includes balances on our bank credit facility which accrue interest at a variable rate equal to one-month LIBOR plus 1.125 percent. We have entered into \$110 million notional amount of interest rate swap contracts with an effective date of March 15, 2015 in an attempt to reduce the refinance risk associated with long-term debt that matures in April 2015. Our weighted average rate may vary in future periods as a result of changes in LIBOR, the utilization of our credit facility and as our leverage matures or is redeemed. Additional information on our leverage is disclosed below in Liquidity and Capital Resources and in our Notes to Financial Statements.

Distributable Cash Flow

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For 2nd quarter 2014, our DCF was approximately \$17.8 million, a decrease of 1.5 percent as compared to 2nd quarter 2013 and a slight increase as compared to 1st quarter 2014. The changes are the net result of changes in distributions and expenses as outlined above. We paid a distribution of \$16.7 million, or \$0.58 per share, during the quarter. This represents an increase of \$0.01 per share as compared to 2nd quarter 2013 and an increase of \$0.0025 per share as compared to 1st quarter 2014.

Our distribution coverage ratio was 106.5 percent for 2nd quarter 2014, a decrease in the coverage ratio of 5.1 percent as compared to 2nd quarter 2013 and an increase of 0.2 percent as compared to 1st quarter 2014. Our goal is to pay what we believe to be sustainable distributions with any increases safely covered by earned DCF. A distribution coverage ratio of greater than 100 percent provides flexibility for on-going management of the portfolio, changes in leverage costs, the impact of taxes from realized gains and other expenses. An on-going distribution coverage ratio of less than 100 percent will, over time, erode the earning power of a portfolio and may lead to lower distributions. We expect to allocate a portion of the projected future growth in DCF to increase distributions to stockholders while also continuing to build critical distribution coverage to help preserve the sustainability of distributions to stockholders for the years ahead.

Net investment loss before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for 2014 YTD and 2nd quarter 2014 (in thousands):

	2014 YTD	2nd Qtr 2014
Net Investment Loss, before Income Taxes	\$ (10,830)	\$ (2,331)
Adjustments to reconcile to DCF:		
Dividends paid in stock	3,116	1,479
Distributions characterized as return of capital	42,893	18,503
Amortization of debt issuance costs	167	85
Expenses related to fund mergers	165	86
DCF	\$ 35,511	\$ 17,822

Management's Discussion *(Unaudited)*

(Continued)

Liquidity and Capital Resources

We had total assets of \$2.6 billion at quarter-end. Our total assets reflect the value of our investments, which are itemized in the Schedule of Investments. It also reflects cash, interest and other receivables, if any, and any expenses that may have been prepaid. During 2nd quarter 2014, total assets increased approximately \$285 million, primarily due to an increase in the value of our investments as reflected by the change in realized and unrealized gains on investments (excluding return of capital on distributions) of approximately \$244 million as well as net purchases of approximately \$48 million funded through increased leverage utilization and a decrease in receivable for investments sold of approximately \$5 million.

Total leverage outstanding at May 31, 2014 was \$507.0 million, an increase of \$53.0 million as compared to February 28, 2014. Outstanding leverage is comprised of \$350 million in senior notes, \$80 million in preferred shares and \$77 million outstanding under the credit facility, with 75.9 percent of leverage with fixed rates and a weighted average maturity of 5.3 years. Total leverage represented 19.7 percent of total assets at May 31, 2014, as compared to 19.8 percent as of February 28, 2014 and 16.0 percent as of May 31, 2013. We issued senior notes in the amount of \$20 million on April 17, 2014 and \$15 million on May 8, 2014 and \$15 million of our senior notes matured on May 12, 2014. Our leverage as a percent of total assets remains below our long-term target level of 25 percent, allowing the opportunity to add leverage when compelling investment opportunities arise. Temporary increases to up to 30 percent of our total assets may be permitted, provided that such leverage is consistent with the limits set forth in the 1940 Act, and that such leverage is expected to be reduced over time in an orderly fashion to reach our long-term target. Our leverage ratio is impacted by increases or decreases in investment values, issuance of equity and/or the sale of securities where proceeds are used to reduce leverage.

Our longer-term leverage (excluding our bank credit facility) of \$430 million is comprised of 81 percent private placement debt and 19 percent publicly traded preferred equity with a weighted average rate of 4.41 percent and remaining weighted average laddered maturity of approximately 6.3 years.

Our Mandatory Redeemable Preferred Stock has an optional redemption feature allowing us to redeem all or a portion of the stock after December 31, 2015 and on or prior to December 31, 2016 at \$10.10 per share. Any optional redemption after December 31, 2016 and on or prior to December 31, 2017 will be at \$10.05 per share. Any redemption after December 31, 2017 will be at the liquidation preference amount of \$10.00 per share.

We have used leverage to acquire MLPs and common stock consistent with our investment philosophy. The terms of our leverage are governed by regulatory and contractual asset coverage requirements that arise from the use of leverage. Additional information on our leverage and asset coverage requirements is discussed in Notes 8, 9 and 10 in the Notes to Financial Statements. Our coverage ratios are updated each week on our Web site at www.tortoiseadvisors.com.

Taxation of our Distributions and Income Taxes

We invest in partnerships that generally have cash distributions in excess of their income for accounting and tax purposes. Accordingly, the distributions include a return of capital component for accounting and tax purposes. Distributions declared and paid by us in a year generally differ from taxable income for that year, as such distributions may include the distribution of current year taxable income or return of capital.

The taxability of the distribution you receive depends on whether we have annual earnings and profits (E&P). E&P is primarily comprised of the taxable income from MLPs with certain specified adjustments as reported on annual K-1s, fund operating expenses and net realized gains. If we have E&P, it is first allocated to the preferred shares and then to the common shares.

In the event we have E&P allocated to our common shares, all or a portion of our distribution will be taxable at the Qualified Dividend Income (QDI) rate, assuming various holding requirements are met by the stockholder. The QDI rate is variable based on the taxpayer's taxable income. The portion of our distribution that is taxable may vary for either of two reasons. First, the characterization of the distributions we receive from MLPs could change annually based upon the K-1 allocations and result in less return of capital and more in the form of income. Second, we could sell an MLP investment and realize a gain or loss at any time. It

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is for these reasons that we inform you of the tax treatment after the close of each year as the ultimate characterization of our distributions is undeterminable until the year is over.

E&P for 2013 exceeded total distributions to stockholders. As a result, for tax purposes, distributions to common stockholders for the year ended 2013 were 100 percent qualified dividend income. This information is reported to stockholders on Form 1099-DIV and is available on our Web site at www.tortoiseadvisors.com. For book purposes, the source of distributions to common stockholders for the year ended 2013 was 100 percent return of capital. We currently estimate that 80 to 100 percent of 2014 distributions will be characterized as qualified dividend income for tax purposes, with the remaining percentage, if any, characterized as return of capital. A final determination of the characterization will be made in January 2015.

The unrealized gain or loss we have in the portfolio is reflected in the Statement of Assets and Liabilities. At May 31, 2014, our investments are valued at \$2.576 billion, with an adjusted cost of \$1.137 billion. The \$1.439 billion difference reflects unrealized gain that would be realized for financial statement purposes if those investments were sold at those values. The Statement of Assets and Liabilities also reflects a net deferred tax liability primarily due to unrealized gains (losses) on investments. At May 31, 2014, the balance sheet reflects a net deferred tax liability of approximately \$637 million or \$22.10 per share. Accordingly, our net asset value per share represents the amount which would be available for distribution to stockholders after payment of taxes.

To the extent we have taxable income in the future, we will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets or borrowings. Details of our taxes are disclosed in Note 5 in our Notes to Financial Statements.

Schedule of InvestmentsMay 31, 2014
(Unaudited)

	Shares	Fair Value
Master Limited Partnerships and Related Companies 179.8%		
Crude/Refined Products Pipelines 85.0%		
United States 85.0%		
Buckeye Partners, L.P.	1,898,088	\$ 148,923,984
Enbridge Energy Partners, L.P.	2,287,200	70,903,200
Genesis Energy L.P.	322,156	18,362,892
Holly Energy Partners, L.P.	1,232,000	43,538,880
Magellan Midstream Partners, L.P.	3,227,500	264,267,700
MPLX LP	950,733	54,343,898
NuStar Energy L.P.	699,300	40,573,386
Oiltanking Partners, L.P.	666,500	59,385,150
Phillips 66 Partners LP	319,300	19,333,615
Plains All American Pipeline, L.P.	3,994,244	225,554,959
Rose Rock Midstream, L.P.	146,157	6,347,599
Sunoco Logistics Partners L.P.	2,030,300	186,787,600
Tesoro Logistics LP	812,500	56,631,250
Valero Energy Partners LP	374,151	16,623,529
		1,211,577,642
Natural Gas/Natural Gas Liquids Pipelines 61.9%		
United States 61.9%		
Crestwood Midstream Partners LP	1,575,037	34,335,807
El Paso Pipeline Partners, L.P.	911,654	31,215,033
Energy Transfer Equity, L.P.	1,408,800	71,792,448
Energy Transfer Partners, L.P.	1,759,295	99,083,494
Enterprise Products Partners L.P.	2,358,900	176,492,898
EQT Midstream Partners, LP	736,138	60,466,375
Kinder Morgan Management, LLC ⁽²⁾	1,091,639	78,674,437
ONEOK Partners, L.P.	1,739,856	95,866,066
Regency Energy Partners LP	2,915,700	81,056,460
Spectra Energy Partners, LP	1,661,500	87,145,675
Williams Partners L.P.	1,267,100	67,295,681
		883,424,374
Natural Gas Gathering/Processing 32.9%		
United States 32.9%		
Access Midstream Partners, L.P.	1,929,700	121,551,803
DCP Midstream Partners, LP	1,256,400	67,481,244
EnLink Midstream Partners, LP	1,338,100	40,771,907
MarkWest Energy Partners, L.P.	1,222,900	75,758,655
Targa Resources Partners LP	930,302	63,223,324
Western Gas Partners LP	1,396,358	100,523,812
		469,310,745
Total Master Limited Partnerships and Related Companies (Cost \$1,127,417,345)		2,564,312,761
Common Stock 0.8%		
Crude/Refined Products Pipelines 0.8%		
United States 0.8%		
Plains GP Holdings, L.P. (Cost \$8,998,493)	414,593	11,442,767
Short-Term Investment 0.0%		

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United States Investment Company	0.0%		
Fidelity Institutional Money Market Portfolio			
Class I, 0.05% ⁽³⁾ (Cost \$95,087)		95,087	95,087
Total Investments	180.6%		
(Cost \$1,136,510,925)			2,575,850,615
Interest Rate Swap Contracts	0.0%		
\$110,000,000 notional Unrealized Appreciation ⁽¹⁾			651,412
Other Assets and Liabilities	(50.5%)		(720,584,216)
Long-Term Debt Obligations	(24.5%)		(350,000,000)
Mandatory Redeemable Preferred Stock			
at Liquidation Value	(5.6%)		(80,000,000)
Total Net Assets Applicable to			
Common Stockholders	100.0%		\$ 1,425,917,811

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

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

(3) Rate indicated is the current yield as of May 31, 2014.

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

See accompanying Notes to Financial Statements.

Statement of Assets & Liabilities

May 31, 2014

(Unaudited)

Assets	
Investments at fair value (cost \$1,136,510,925)	\$ 2,575,850,615
Receivable for Adviser fee waiver	16,809
Unrealized appreciation of interest rate swap contracts	651,412
Current tax asset	108,064
Prepaid expenses and other assets	3,167,794
Total assets	2,579,794,694
Liabilities	
Payable to Adviser	3,942,593
Distribution payable to common stockholders	1,341,555
Accrued expenses and other liabilities	4,185,234
Deferred tax liability	637,407,501
Short-term borrowings	77,000,000
Long-term debt obligations	350,000,000
Mandatory redeemable preferred stock (\$10.00 liquidation value per share; 8,000,000 shares outstanding)	80,000,000
Total liabilities	1,153,876,883
Net assets applicable to common stockholders	\$ 1,425,917,811
Net Assets Applicable to Common Stockholders Consist of:	
Capital stock, \$0.001 par value; 28,844,464 shares issued and outstanding (100,000,000 shares authorized)	\$ 28,844
Additional paid-in capital	276,917,243
Accumulated net investment loss, net of income taxes	(122,650,349)
Undistributed realized gain, net of income taxes	364,416,546
Net unrealized appreciation of investments and interest rate swap contracts, net of income taxes	907,205,527
Net assets applicable to common stockholders	\$ 1,425,917,811
Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding)	\$ 49.43

Statement of Operations

Period from December 1, 2013 through May 31, 2014

(Unaudited)

Investment Income	
Distributions from master limited partnerships	\$ 53,565,429
Distributions from common stock	122,554
Less return of capital on distributions	(42,893,265)
Net distributions from investments	10,794,718
Dividends from money market mutual funds	50
Total Investment Income	10,794,768
Operating Expenses	
Advisory fees	10,947,105
Administrator fees	244,641
Merger expenses	165,081
Professional fees	110,189
Directors fees	93,449
Stockholder communication expenses	85,408
Custodian fees and expenses	48,486
Fund accounting fees	43,847
Franchise fees	22,382
Registration fees	20,703

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Stock transfer agent fees	8,758
Other operating expenses	48,605
Total Operating Expenses	11,838,654
Leverage Expenses	
Interest expense	7,807,780
Distributions to mandatory redeemable preferred stockholders	1,750,032
Amortization of debt issuance costs	166,670
Other leverage expenses	115,918
Total Leverage Expenses	9,840,400
Total Expenses	21,679,054
Less fees waived by Adviser	(54,478)
Net Expenses	21,624,576
Net Investment Loss, before Income Taxes	(10,829,808)
Deferred tax benefit	3,285,486
Net Investment Loss	(7,544,322)
Realized and Unrealized Gain on Investments and Interest Rate Swaps	
Net realized gain on investments, before income taxes	22,760,811
Deferred tax expense	(8,457,034)
Net realized gain on investments	14,303,777
Net unrealized appreciation of investments	324,171,391
Net unrealized depreciation of interest rate swap contracts	(3,491,291)
Net unrealized appreciation of investments and interest rate swap contracts, before income taxes	320,680,100
Deferred tax expense	(119,152,277)
Net unrealized appreciation of investments and interest rate swap contracts	201,527,823
Net Realized and Unrealized Gain on Investments and Interest Rate Swaps	215,831,600
Net Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	\$ 208,287,278

See accompanying Notes to Financial Statements.

Statement of Changes in Net Assets

	Period from December 1, 2013 through May 31, 2014 <i>(Unaudited)</i>	Year Ended November 30, 2013
Operations		
Net investment loss	\$ (7,544,322)	\$ (20,729,523)
Net realized gain on investments	14,303,777	87,821,680
Net unrealized appreciation of investments and interest rate swap contracts	201,527,823	203,684,498
Net increase in net assets applicable to common stockholders resulting from operations	208,287,278	270,776,655
Distributions to Common Stockholders		
Return of capital	(33,372,893)	(65,088,705)
Capital Stock Transactions		
Proceeds from shelf offerings of 86,387 and 339,239 common shares, respectively	4,178,193	15,596,651
Underwriting discounts and offering expenses associated with the issuance of common stock	(56,565)	(214,176)
Issuance of 25,236 and 97,255 common shares from reinvestment of distributions to stockholders, respectively	1,120,731	4,269,494
Net increase in net assets applicable to common stockholders from capital stock transactions	5,242,359	19,651,969
Total increase in net assets applicable to common stockholders	180,156,744	225,339,919
Net Assets		
Beginning of period	1,245,761,067	1,020,421,148
End of period	\$ 1,425,917,811	\$ 1,245,761,067
Accumulated net investment loss, net of income taxes, end of period	\$ (122,650,349)	\$ (115,106,027)

See accompanying Notes to Financial Statements.

Statement of Cash Flows

Period from December 1, 2013 through May 31, 2014

*(Unaudited)***Cash Flows From Operating Activities**

Distributions received from master limited partnerships	\$	53,565,429
Dividends and distributions received from common stock and money market mutual funds		122,615
Purchases of long-term investments		(206,792,460)
Proceeds from sales of long-term investments		116,082,955
Proceeds from sales of short-term investments, net		81,146
Interest expense paid		(6,711,472)
Distributions to mandatory redeemable preferred stockholders		(1,750,032)
Other leverage expenses paid		(22,352)
Income taxes paid		(15,518,000)
Operating expenses paid		(11,488,552)
Net cash used in operating activities		(72,430,723)

Cash Flows From Financing Activities

Advances from revolving line of credit		219,500,000
Repayments on revolving line of credit		(170,100,000)
Issuance of long-term debt obligations		65,000,000
Maturity of long-term debt obligations		(15,000,000)
Debt issuance costs		(168,137)
Issuance of common stock		4,178,193
Common stock issuance costs		(68,702)
Distributions paid to common stockholders		(30,910,631)
Net cash provided by financing activities		72,430,723
Net change in cash		
Cash beginning of period		
Cash end of period	\$	

Reconciliation of net increase in net assets applicable to common stockholders resulting from operations to net cash used in operating activities

Net increase in net assets applicable to common stockholders resulting from operations	\$	208,287,278
Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash used in operating activities:		
Purchases of long-term investments		(206,614,252)
Proceeds from sales of long-term investments		116,082,955
Proceeds from sales of short-term investments, net		81,146
Return of capital on distributions received		42,893,265
Deferred tax expense		124,323,825
Net unrealized appreciation of investments and interest rate swap contracts		(320,680,100)
Net realized gain on investments		(22,760,811)
Amortization of debt issuance costs		166,670
Changes in operating assets and liabilities:		
Increase in current tax asset		(108,064)
Increase in prepaid expenses and other assets		(73,788)
Decrease in payable for investments purchased		(178,208)
Increase in payable to Adviser, net of fees waived		551,968
Decrease in current tax liability		(15,409,936)
Increase in accrued expenses and other liabilities		1,007,329
Total adjustments		(280,718,001)
Net cash used in operating activities	\$	(72,430,723)

Non-Cash Financing Activities

Reinvestment of distributions by common stockholders in additional common shares	\$	1,120,731
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See accompanying Notes to Financial Statements.

10 Tortoise Energy Infrastructure Corp.

Financial Highlights

	Period from December 1, 2013 through May 31, 2014 <i>(Unaudited)</i>	Year Ended November 30, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011	Year Ended November 30, 2010
Per Common Share Data⁽¹⁾					
Net Asset Value, beginning of period	\$ 43.36	\$ 36.06	\$ 33.37	\$ 32.91	\$ 32.91
Income from Investment Operations					
Net investment loss ⁽²⁾	(0.26)	(0.73)	(0.64)	(0.77)	(0.77)
Net realized and unrealized gains on investments and interest rate swap contracts ⁽²⁾	7.47	10.27	5.51	3.35	3.35
Total income from investment operations	7.21	9.54	4.87	2.58	2.58
Distributions to Auction Preferred Stockholders					
Return of capital					
Distributions to Common Stockholders					
Return of capital	(1.16)	(2.29)	(2.25)	(2.20)	(2.20)
Capital Stock Transactions					
Premiums less underwriting discounts and offering costs on issuance of common stock ⁽³⁾	0.02	0.05	0.07	0.08	0.08
Net Asset Value, end of period	\$ 49.43	\$ 43.36	\$ 36.06	\$ 33.37	\$ 33.37
Per common share market value, end of period	\$ 48.34	\$ 49.76	\$ 39.17	\$ 39.35	\$ 39.35
Total Investment Return Based on Market Value ⁽⁴⁾⁽⁵⁾	(0.43)%	33.77%	5.62%	15.25%	15.25%

Supplemental Data and Ratios

Net assets applicable to common stockholders, end of period (000 s)	\$1,425,918	\$1,245,761	\$1,020,421	\$925,419	\$925,419
Average net assets (000 s)	\$1,307,410	\$1,167,339	\$989,745	\$912,567	\$912,567
Ratio of Expenses to Average Net Assets ⁽⁶⁾					
Advisory fees	1.68%	1.61%	1.60%	1.57%	1.57%
Other operating expenses	0.14	0.12	0.13	0.16	0.16
Total operating expenses, before fee waiver	1.82	1.73	1.73	1.73	1.73
Fee waiver ⁽⁷⁾	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)
Total operating expenses	1.81	1.73	1.72	1.72	1.72
Leverage expenses ⁽⁸⁾	1.51	1.59	1.67	1.75	1.75
Income tax expense ⁽⁹⁾	19.07	14.05	8.37	4.63	4.63
Total expenses	22.39%	17.37%	11.76%	8.10%	8.10%

See accompanying Notes to Financial Statements.

Financial Highlights*(Continued)*

	Period from December 1, 2013 through May 31, 2014 <i>(Unaudited)</i>	Year Ended November 30, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011	Year Novem 30, 2010
Ratio of net investment loss to average net assets before fee waiver ⁽⁶⁾⁽⁸⁾	(1.17)%	(1.78)%	(1.82)%	(2.32)%	(2.32)%
Ratio of net investment loss to average net assets after fee waiver ⁽⁶⁾⁽⁸⁾	(1.16)%	(1.78)%	(1.81)%	(2.31)%	(2.31)%
Portfolio turnover rate ⁽⁴⁾	4.96%	13.40%	12.86%	17.70%	17.70%
Short-term borrowings, end of period (000 s)	\$ 77,000	\$ 27,600	\$ 63,400	\$ 47,900	\$ 38,000
Long-term debt obligations, end of period (000 s)	\$ 350,000	\$ 300,000	\$ 194,975	\$ 194,975	\$ 169,000
Preferred stock, end of period (000 s)	\$ 80,000	\$ 80,000	\$ 73,000	\$ 73,000	\$ 73,000
Per common share amount of long-term debt obligations outstanding, end of period	\$ 12.13	\$ 10.44	\$ 6.89	\$ 7.03	\$ 7.03
Per common share amount of net assets, excluding long-term debt obligations, end of period	\$ 61.56	\$ 53.80	\$ 42.95	\$ 40.40	\$ 39.00
Asset coverage, per \$1,000 of principal amount of long-term debt obligations and short-term borrowings ⁽¹⁰⁾	\$ 4,527	\$ 5,047	\$ 5,232	\$ 5,111	\$ 5,111
Asset coverage ratio of long-term debt obligations and short-term borrowings ⁽¹⁰⁾	453%	505%	523%	511%	511%
Asset coverage, per \$25,000 liquidation value per share of auction preferred stock ⁽¹¹⁾					
Asset coverage, per \$10 liquidation value per share of mandatory redeemable preferred stock ⁽¹¹⁾	\$ 38	\$ 41	\$ 41	\$ 39	\$ 39
Asset coverage ratio of preferred stock ⁽¹¹⁾	381%	406%	408%	393%	393%

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

(2) The per common share data for the years ended November 30, 2013, 2012, 2011, 2010, and 2009 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 \$0.02 per share, less the underwriting and offering costs of less than \$0.01 per share for the period from December 1, 2013 through May 31, 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. Represents the premium on the shelf offerings of \$0.08 per share, less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2012. Represents the premium on the shelf offerings of \$0.09 per share, less the underwriting and offering costs of \$0.01 per share for the year ended November 30, 2011. Represents the premium on the shelf offerings of \$0.25 per share, less the underwriting and offering costs of \$0.14 per share for the year ended November 30, 2010. Represents the premium on the shelf offerings of \$0.05 per share, less the underwriting and offering costs of \$0.02 per share for the year ended November 30, 2009.

(4) Not annualized for periods less than one full year.

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

(6) Annualized for periods less than one full year.

(7) Less than 0.01% for the year ended November 30, 2013.

(8) The expense ratios and net investment loss ratios do not reflect the effect of distributions to auction preferred stockholders.

(9) For the period from December 1, 2013 through May 31, 2014, the Company accrued \$124,323,825 for net deferred income tax expense. For the year ended November 30, 2013, the Company accrued \$23,290,478 for net current income tax expense and \$140,745,675 for net deferred income tax expense. For the year ended November 30, 2012, the Company accrued \$16,189,126 for current income tax expense and \$66,613,182 for net deferred income tax expense. For the year ended November 30, 2011, the Company accrued \$8,950,455 for current income tax expense and \$33,248,897 for net deferred income tax expense. For the year ended November 30, 2010, the Company accrued \$984,330 for current income tax expense and \$139,019,876 for net deferred income tax expense. For the year ended November 30, 2009, the Company accrued \$230,529 for net current income tax benefit and \$150,343,906 for net deferred income tax expense.

(10) Represents value of total assets less all liabilities and indebtedness not represented by long-term debt obligations, short-term borrowings and preferred stock at the end of the period divided by long-term debt obligations and short-term borrowings outstanding at the end of the period.

(11) Represents value of total assets less all liabilities and indebtedness not represented by long-term debt obligations, short-term borrowings and preferred stock at the end of the period divided by long-term debt obligations, short-term borrowings and preferred stock outstanding at the end of the period.

See accompanying Notes to Financial Statements.

12 Tortoise Energy Infrastructure Corp.

Notes to Financial Statements *(Unaudited)*

May 31, 2014

1. Organization

Tortoise Energy Infrastructure Corporation (the Company) was organized as a Maryland corporation on October 29, 2003, and is a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Company's investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. The Company seeks to provide its stockholders with an efficient vehicle to invest in the energy infrastructure sector. The Company commenced operations on February 27, 2004. The Company's stock is listed on the New York Stock Exchange under the symbol TYG.

On January 28, 2014, the Boards of Directors of the Company and of each of Tortoise Energy Capital Corporation (TYY) and Tortoise North American Energy Corporation (TYN) approved the proposed mergers of each of TYY and TYN into the Company. Stockholders of each of the Company, TYY and TYN approved the mergers on May 28, 2014. As part of the mergers, TYY and TYN common stockholders will be issued common stock of the Company and the Company would acquire substantially all of the assets and liabilities of TYY and TYN. See Note 13 Subsequent Events for further information.

2. Significant Accounting Policies

A. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

B. Investment Valuation

The Company primarily owns securities that are listed on a securities exchange or over-the-counter market. The Company values 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 Company uses the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ will be 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 will be valued at the mean between the last bid price and last ask price on such day.

The Company may invest up to 30 percent of its total assets in restricted securities. 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 the Company's ability to dispose of them. Investments in private placement securities and other securities for which market quotations are not readily available will be valued in good faith by using fair value procedures approved by the Board of Directors. 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 the Company's portfolio securities before the net asset value has been calculated (a significant event), the portfolio securities so affected will generally be priced using fair value procedures. The Company did not hold any restricted securities as of May 31, 2014.

An equity security of a publicly traded company acquired in a direct placement transaction may be subject to restrictions on resale that can affect the security's liquidity and fair value. Such securities that are convertible or otherwise will become freely tradable will be valued based on the market value of the freely tradable security less an applicable discount. Generally, the discount will initially be equal to the discount at which the Company purchased the securities. 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.

The Company generally values debt securities at prices based on market quotations for such securities, except those securities purchased with 60 days or less to maturity are valued on the basis of amortized cost, which approximates market value.

The Company generally values its interest rate swap contracts using industry-accepted models which discount the estimated future cash flows based on 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.

C. Security Transactions and Investment Income

Security 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 Company allocates distributions between investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information provided by each portfolio company and other industry sources. 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 Company.

For the period from December 1, 2012 through November 30, 2013, the Company estimated the allocation of investment income and return of capital for distributions received from investments within the Statement of Operations. For this period, the Company had estimated approximately 7 percent of total distributions as investment income and approximately 93 percent as return of capital.

Subsequent to November 30, 2013, the Company reallocated the amount of investment income and return of capital it recognized for the period from December 1, 2012 through November 30, 2013 based on the 2013 tax reporting information received from the individual MLPs. This reclassification amounted to an increase in pre-tax net investment income of approximately \$7,257,000 or \$0.252 per share (\$4,567,000 or \$0.158 per share, net of deferred tax expense), a decrease in unrealized appreciation of investments of approximately \$6,033,000 or \$0.209 per share (\$3,797,000 or \$0.131 per share, net of deferred tax benefit), and a decrease in realized gains of approximately \$1,224,000 or \$0.043 per share (\$770,000 or \$0.027 per share, net of deferred tax benefit) for the period from December 1, 2013 through May 31, 2014.

Notes to Financial Statements *(Unaudited)**(Continued)*

Subsequent to the period ended February 28, 2014, the Company reallocated the amount of investment income and return of capital it recognized in the current fiscal year based on its revised 2014 estimates, after considering the final allocations for 2013. This reclassification amounted to a decrease in pre-tax net investment income of approximately \$130,000 or \$0.004 per share (\$82,000 or \$0.003 per share, net of deferred tax benefit), a decrease in unrealized appreciation of investments of approximately \$276,000 or \$0.010 per share (\$174,000 or \$0.006 per share, net of deferred tax benefit), and an increase in realized gains of approximately \$406,000 or \$0.014 per share (\$256,000 or \$0.009 per share, net of deferred tax expense).

D. Distributions to Stockholders

Distributions to common stockholders are recorded on the ex-dividend date. The Company 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 character of distributions to common stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For book purposes, the source of the Company's distributions to common stockholders for the year ended November 30, 2013 and the period ended May 31, 2014 was 100 percent return of capital. For tax purposes, the Company's distributions to common stockholders for the year ended November 30, 2013 were 100 percent qualified dividend income. The tax character of distributions paid to common stockholders in the current year will be determined subsequent to November 30, 2014.

Distributions to mandatory redeemable preferred (MRP) stockholders are accrued daily based on a fixed annual rate and paid on the first business day of each month. The Company may not declare or pay distributions to its preferred stockholders if it does not meet a 200 percent asset coverage ratio for its debt or the rating agency basic maintenance amount for the debt following such distribution. The character of distributions to MRP stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For book purposes, the source of the Company's distributions to MRP stockholders for the year ended November 30, 2013 and the period ended May 31, 2014 was 100 percent return of capital. For tax purposes, the Company's distributions to MRP stockholders for the year ended November 30, 2013 were 100 percent qualified dividend income. The tax character of distributions paid to MRP stockholders in the current year will be determined subsequent to November 30, 2014.

E. Federal Income Taxation

The Company, as a corporation, is 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 percent. The Company may be subject to a 20 percent federal alternative minimum tax (AMT) on its federal alternative minimum taxable income to the extent that its AMT exceeds its regular federal income tax.

The Company invests its assets primarily in master limited partnerships (MLPs), which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, the Company reports its allocable share of the MLP's taxable income in computing its own taxable income. The Company's tax expense or benefit is included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. 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.

F. Offering and Debt Issuance Costs

Offering costs related to the issuance of common and preferred stock are charged to additional paid-in capital when the stock is issued. Offering costs (excluding underwriter discounts and commissions) of \$14,783 related to the issuance of common stock were recorded to additional paid-in capital during the period ended May 31, 2014. Debt issuance costs related to long-term debt obligations and MRP Stock are capitalized and amortized over the period the debt and MRP Stock is outstanding. Capitalized costs (excluding underwriter commissions) were reflected during the period ended May 31, 2014 for the Series U Notes (\$53,600) that were issued in April and May 2014. In addition, offering costs recorded during the fiscal year ended November 30, 2013 were reduced for the Series R Notes (\$4,423), Series S Notes (\$1,729) and Series T Notes (\$4,423) during the period ended May 31,

2014.

G. Derivative Financial Instruments

The Company uses derivative financial instruments (principally interest rate swap contracts) in an attempt to manage interest rate risk. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Company does 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 Statement of Operations. 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 Statement of Assets & Liabilities. Cash settlements under the terms of the derivative instruments and the termination of such contracts are recorded as realized gains or losses in the accompanying Statement of Operations.

H. Indemnifications

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

3. Concentration Risk

Under normal circumstances, the Company intends to invest at least 90 percent of its total assets in securities of energy infrastructure companies, and to invest at least 70 percent of its total assets in equity securities of MLPs. The Company will not invest more than 10 percent of its total assets in any single issuer as of the time of

Notes to Financial Statements (Unaudited)

(Continued)

purchase. The Company may invest up to 25 percent of its assets in debt securities, which may include below investment grade securities. In determining application of these policies, the term "total assets" includes assets obtained through leverage. Companies that primarily invest in a particular sector may experience greater volatility than companies investing in a broad range of industry sectors. The Company 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 the Company uses this strategy, it may not achieve its investment objective.

4. Agreements

The Company has entered into an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. (the "Adviser"). Under the terms of the agreement, the Company pays the Adviser a fee equal to an annual rate of 0.95 percent of the Company'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. The Adviser has contractually agreed to waive all fees due under the Investment Advisory Agreement related to the net proceeds received from the issuance of additional common stock under the at-the-market equity program for a six month period following the date of issuance. The waived fees are not subject to recapture by the Adviser.

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

Computershare Trust Company, N.A. serves as the Company's transfer agent and registrar and Computershare Inc. serves as the Company's dividend paying agent and agent for the automatic dividend reinvestment and cash purchase plan.

U.S. Bank, N.A. serves as the Company's custodian. The Company pays the custodian a monthly fee computed at an annual rate of 0.004 percent of the Company's portfolio assets, plus portfolio transaction fees.

5. Income Taxes

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 the Company's deferred tax assets and liabilities as of May 31, 2014, are as follows:

Deferred tax assets:	
Net operating loss carryforwards	\$ 6,309,176
Capital loss carryforwards	8,840,329
	15,149,505
Deferred tax liabilities:	
Basis reduction of investment in MLPs	118,752,305
Net unrealized gains on investment securities	533,804,701
	652,557,006
Total net deferred tax liability	\$ 637,407,501

At May 31, 2014, a valuation allowance on deferred tax assets was not deemed necessary because the Company believes it is more likely than not that there is an ability to realize its deferred tax assets through future taxable income of the appropriate character. Any adjustments to the Company's estimates of future taxable income will be made in the period such determination is made. The Company recognizes 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 Company's policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of May 31, 2014, the Company had no uncertain

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tax positions and no penalties and interest were accrued. Tax years subsequent to the year ending November 30, 2003 remain open to examination by federal and state tax authorities.

Total income tax expense differs from the amount computed by applying the federal statutory income tax rate of 35 percent to net investment loss and net realized and unrealized gains on investments for the period ended May 31, 2014, as follows:

Application of statutory income tax rate	\$ 116,413,886
State income taxes, net of federal tax benefit	6,885,050
Permanent differences	1,024,889
Total income tax expense	\$ 124,323,825

Total income taxes are computed by applying the federal statutory rate plus a blended state income tax rate.

For the period from December 1, 2013 through May 31, 2014, the components of income tax expense include deferred federal and state income tax expense (net of federal tax benefit) of \$117,381,545 and \$6,942,280, respectively.

As of November 30, 2013, the Company had net operating losses for state income tax purposes of approximately \$461,000. If not utilized, these net operating losses will expire in the years ending November 30, 2020 through November 30, 2032. The amount of deferred tax asset for net operating losses and capital loss carryforwards at May 31, 2014 includes amounts for the period from December 1, 2013 through May 31, 2014. For corporations, capital losses can only be used to offset capital gains and cannot be used to offset ordinary income.

As of May 31, 2014, the aggregate cost of securities for federal income tax purposes was \$816,164,811. The aggregate gross unrealized appreciation for all securities in which there was an excess of fair value over tax cost was \$1,759,685,804, the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over fair value was \$0 and the net unrealized appreciation was \$1,759,685,804.

6. Fair Value of Financial Instruments

Various inputs are used in determining the fair value of the Company's 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 the Company's own assumptions in determining the fair value of investments)

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

The following table provides the fair value measurements of applicable Company assets by level within the fair value hierarchy as of May 31, 2014. These assets are measured on a recurring basis.

Description	Fair Value at			Level 3
	May 31, 2014	Level 1	Level 2	
Assets				
Equity Securities:				
Common Stock ^(a)	\$ 11,442,767	\$ 11,442,767	\$	\$
Master Limited Partnerships and Related Companies ^(a)	2,564,312,761	2,564,312,761		
Other Securities:				
Short-Term Investment ^(b)	95,087	95,087		
Interest Rate Swap Contracts	651,412		651,412	
Total Assets	\$ 2,576,502,027	\$ 2,575,850,615	\$ 651,412	\$

(a) All other industry classifications are identified in the Schedule of Investments.

(b) Short-term investment is a sweep investment for cash balances in the Company at May 31, 2014.

The Company did not hold any Level 3 securities during the period from December 1, 2013 through May 31, 2014. The Company utilizes the beginning of reporting period method for determining transfers between levels. There were no transfers between levels during the period ended May 31, 2014.

Valuation Techniques

In general, and where applicable, the Company uses readily available market quotations based upon the last updated sales price from the principal market to determine fair value. This pricing methodology applies to the Company's Level 1 investments.

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 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. 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.

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.

7. Investment Transactions

For the period from December 1, 2013 through May 31, 2014, the Company purchased (at cost) and sold securities (proceeds received) in the amount of \$206,614,252 and \$116,082,955 (excluding short-term debt securities), respectively.

8. Long-Term Debt Obligations

The Company has \$350,000,000 aggregate principal amount of private senior notes (collectively, the Notes) outstanding at May 31, 2014. During the period from December 1, 2013 through May 31, 2014, the Company issued Notes with an aggregate principal amount of \$65,000,000. Additional amounts of Series R (\$12,500,000), Series S (\$5,000,000) and Series T Notes (\$12,500,000) were issued on January 22, 2014. Series U Notes were issued on April 17, 2014 in the amount of \$20,000,000 and on May 8, 2014

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in the amount of \$15,000,000. The Company's Series H Notes with a notional amount of \$15,000,000 and a floating interest rate based on 3-month LIBOR plus 1.35 percent were paid in full upon maturity on May 12, 2014. The average interest rate on Series H Notes during the period from December 1, 2013 through May 12, 2014 was 1.59 percent.

The Notes are unsecured obligations of the Company and, upon liquidation, dissolution or winding up of the Company, will rank: (1) senior to all of the Company's outstanding preferred shares; (2) senior to all of the Company's outstanding common shares; (3) on parity with any unsecured creditors of the Company and any unsecured senior securities representing indebtedness of the Company and (4) junior to any secured creditors of the Company. 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 the Company. The Notes are also subject to a mandatory redemption if the Company 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 May 31, 2014, the Company was in compliance with asset coverage covenants and basic maintenance covenants for its senior notes.

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 the Series Q and Series U 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 table below are Level 2 valuations within the fair value hierarchy. The following table shows the maturity date, interest rate, payment frequency, notional/carrying amount and estimated fair value for each series of Notes outstanding at May 31, 2014.

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Series	Maturity Date	Interest Rate	Payment Frequency	Notional/Carrying Amount	Estimated Fair Value
Series E	April 10, 2015	6.11%	Quarterly	\$ 110,000,000	\$ 115,232,337
Series G	December 21, 2016	5.85%	Quarterly	30,000,000	33,159,151
Series I	May 12, 2018	4.35%	Quarterly	10,000,000	10,674,853
Series J	December 19, 2019	3.30%	Semi-Annual	15,000,000	15,347,120
Series K	December 19, 2022	3.87%	Semi-Annual	10,000,000	10,310,909
Series L	December 19, 2024	3.99%	Semi-Annual	20,000,000	20,545,591
Series M	September 27, 2017	2.75%	Semi-Annual	13,000,000	13,211,738
Series N	September 27, 2018	3.15%	Semi-Annual	10,000,000	10,214,456
Series O	September 27, 2020	3.78%	Semi-Annual	15,000,000	15,490,212
Series P	September 27, 2023	4.39%	Semi-Annual	12,000,000	12,674,415
Series Q	September 27, 2018	1.58% ⁽¹⁾	Quarterly	10,000,000	10,000,000
Series R	January 22, 2022	3.77%	Semi-Annual	25,000,000	25,675,431
Series S	January 22, 2023	3.99%	Semi-Annual	10,000,000	10,362,349
Series T	January 22, 2024	4.16%	Semi-Annual	25,000,000	26,068,650
Series U	April 17, 2019	1.58% ⁽²⁾	Quarterly	35,000,000	35,000,000
				\$ 350,000,000	\$ 363,967,212

(1) Floating rate resets each quarter based on 3-month LIBOR plus 1.35 percent. The current rate is effective for the period from March 27, 2014 through June 27, 2014. The weighted-average interest rate for the period ended May 31, 2014 was 1.59 percent.

(2) Floating rate resets each quarter based on 3-month LIBOR plus 1.35 percent. The current rate is effective for the period from April 17, 2014 through July 17, 2014. The weighted-average interest rate for the period from April 17, 2014 (date of issuance) through May 31, 2014 was 1.58 percent.

9. Preferred Stock

The Company has 20,000,000 shares of preferred stock authorized. Of that amount, the Company has 8,000,000 authorized shares of Mandatory Redeemable Preferred (MRP) B Stock and all 8,000,000 shares are outstanding at May 31, 2014. The MRP B Stock has a liquidation value of \$10.00 per share plus any accumulated but unpaid distributions, whether or not declared. The MRP B Stock pays cash distributions on the first business day of each month at an annual rate of 4.375 percent. The shares of MRP B Stock trade on the NYSE under the symbol TYG Pr B.

The MRP B Stock has rights determined by the Board of Directors. Except as otherwise indicated in the Company's Charter or Bylaws, or as otherwise required by law, the holders of MRP B Stock have voting rights equal to the holders of common stock (one vote per MRP B 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 B Stock), voting separately as a single class, have the right to elect at least two directors at all times.

At May 31, 2014, the estimated fair value of the MRP B Stock is based on the closing market price of \$9.41 per share and is a Level 1 valuation within the fair value hierarchy. The following table shows the mandatory redemption date, fixed rate, number of shares outstanding, aggregate liquidation preference and estimated fair value as of May 31, 2014.

Series	Mandatory Redemption Date	Fixed Rate	Shares Outstanding	Aggregate Liquidation Preference	Estimated Fair Value
MRP B Stock	December 31, 2027	4.375%	8,000,000	\$80,000,000	\$75,280,000

The MRP B Stock is redeemable in certain circumstances at the option of the Company. Under the Investment Company Act of 1940, the Company 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 B Stock would be less than 200 percent. The MRP B Stock is also subject to a mandatory redemption if the Company fails to meet an asset coverage ratio of at least 225 percent as determined in accordance with the 1940 Act or a rating agency basic maintenance amount if such failure is not waived or cured. At May 31, 2014, the Company was in compliance with asset coverage covenants and basic

maintenance covenants for its MRP B Stock.

10. Credit Facility

As of May 31, 2014, the Company has a \$107,500,000 unsecured, revolving credit facility that matures on June 16, 2014. U.S. Bank, N.A. serves as a lender and the lending syndicate agent on behalf of other lenders participating in the credit facility. The capacity of the credit facility was increased from \$85,000,000 to \$107,500,000 on January 15, 2014. Outstanding balances generally accrue interest at a variable annual rate equal to one-month LIBOR plus 1.125 percent and unused portions of the credit facility accrue a non-usage fee equal to an annual rate of 0.15 percent.

The average principal balance and interest rate for the period during which the credit facility was utilized during the period ended May 31, 2014 was approximately \$49,600,000 and 1.28 percent, respectively. At May 31, 2014, the principal balance outstanding was \$77,000,000 at an interest rate of 1.28 percent.

Under the terms of the credit facility, the Company must maintain asset coverage required under the 1940 Act. If the Company 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 May 31, 2014, the Company was in compliance with the terms of the credit facility.

11. Interest Rate Swap Contracts

The Company has entered into interest rate swap contracts in an attempt to protect itself 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 the Company. At the time the interest rate swap contracts reach their scheduled termination, there is a risk that the Company would 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 the Company is required to terminate any swap contract early due to the net assets of the Company falling below \$450,000,000, the net asset value of the Company declining 50 percent during a span of 12 months, or the Company failing to maintain a required 300 percent asset coverage of the liquidation value of the outstanding debt, then the Company could be required to make a payment to the

Notes to Financial Statements (Unaudited)

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extent of any net unrealized depreciation of the terminated swaps, in addition to redeeming all or some of its outstanding debt. The Company segregates a portion of its assets as collateral for the amount of any net liability of its interest rate swap contracts. Details of the interest rate swap contracts outstanding as of May 31, 2014, are as follows:

Counterparty	Effective Date	Maturity Date	Notional Amount	Fixed Rate Paid by the Company	Floating Rate Received by the Company	Unrealized Appreciation
Wells Fargo Bank, N.A.	03/31/2015	03/31/2018	\$ 15,000,000	1.465%	3-month U.S. Dollar LIBOR	\$ 7,669
Wells Fargo Bank, N.A.	03/31/2015	03/31/2020	15,000,000	2.006%	3-month U.S. Dollar LIBOR	72,456
Wells Fargo Bank, N.A.	03/31/2015	03/31/2022	25,000,000	2.396%	3-month U.S. Dollar LIBOR	181,686
Wells Fargo Bank, N.A.	03/31/2015	03/31/2023	15,000,000	2.555%	3-month U.S. Dollar LIBOR	108,679
Wells Fargo Bank, N.A.	03/31/2015	03/31/2025	40,000,000	2.803%	3-month U.S. Dollar LIBOR	280,922
			\$ 110,000,000			\$ 651,412

The Company is 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 Company 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 Company's leverage.

The unrealized depreciation of interest rate swap contracts in the amount of \$3,491,291 for the period ended May 31, 2014 is included in the Statement of Operations. The total notional amount of all open swap agreements at May 31, 2014 is indicative of the volume of this derivative type for the period ended May 31, 2014.

The following table presents a gross presentation, the effects of offsetting, and a net presentation of the Company's interest rate swap contracts at May 31, 2014.

Description	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Assets & Liabilities	Net Amounts		Cash Collateral Received	Net Amount
			of Assets Presented in the Statement of Assets & Liabilities	Gross Amounts Not Offset in the Statement of Assets & Liabilities		
Interest Rate Swap Contracts	\$651,412	\$	\$651,412	\$	\$	\$651,412

12. Common Stock

The Company has 100,000,000 shares of capital stock authorized and 28,844,464 shares outstanding at May 31, 2014. Transactions in common stock for the period ended May 31, 2014, were as follows:

Shares at November 30, 2013	28,732,841
Shares sold through shelf offerings	86,387
Shares issued through reinvestment of distributions	25,236
Shares at May 31, 2014	28,844,464

13. Subsequent Events

On June 16, 2014, the Company entered into an amendment to its credit facility with U.S. Bank, N.A. that extends the credit facility through September 16, 2014. The terms of the amendment provide for an unsecured revolving credit facility of \$107,500,000. During the extension, outstanding balances generally will accrue interest at a variable annual rate equal to one-month LIBOR plus 1.125 percent and unused portions of the credit facility will accrue a non-usage fee equal to an annual rate of 0.15 percent.

Pursuant to a plan of merger approved by the stockholders of each of the Company, Tortoise Energy Capital Corporation (TYY) and Tortoise North American Energy Corporation (TYN), the Company acquired all of the net assets of TYY (\$766,488,956) and TYN (\$210,449,285) on June 23, 2014. A total of 20,072,262 shares of common stock of TYY were exchanged for 15,043,739 shares of common stock of the Company immediately after the closing date. A total of 6,316,079 shares of common stock of TYN were exchanged for 4,130,451 shares of common stock of the Company immediately after the closing date. These mergers qualified as tax-free reorganizations under Section 368(a)(1)(C) of the Internal Revenue Code. The aggregate net assets of the Company prior to the reorganization totaled \$1,469,645,683 and following the mergers the combined net assets of the Company totaled \$2,446,583,924.

On June 23, 2014, the Company entered into an amendment to its credit facility with US Bank, N.A. that extends the credit facility through June 15, 2015. The terms of the amendment provide for an unsecured revolving credit facility of \$157,500,000. During the extension, outstanding balances generally will accrue interest at a variable annual rate equal to one-month LIBOR plus 1.125 percent and unused portions of the credit facility will accrue a non-usage fee equal to an annual rate of 0.15 percent.

On June 23, 2014, the Company entered into a \$100,000,000 unsecured, revolving credit facility with Scotia Bank, N.A. that matures on June 23, 2016. Outstanding balances generally will accrue interest at a variable annual rate equal to one-month LIBOR plus 1.20 percent and unused portions of the credit facility will accrue a non-usage fee equal to an annual rate of 0.15 percent if the outstanding balance on the facility is below \$60,000,000.

On June 23, 2014, the Company entered into an amendment to its Investment Advisory Agreement with the Adviser. Under the terms of the amendment, the Company pays the Adviser a fee equal to an annual rate of 0.95 percent of the Company's average monthly Managed Assets up to \$2.5 billion, 0.90 percent of average monthly Managed Assets between \$2.5 billion and \$3.5 billion, and 0.85 percent of average monthly Managed Assets above \$3.5 billion, in exchange for the investment advisory services provided.

The Company 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.

Additional Information *(Unaudited)*
Stockholder Proxy Voting Results

The annual meeting of stockholders was held on May 28, 2014. The matters considered at the meeting, together with the actual vote tabulations relating to such matters are as follows:

1. To consider and vote upon a proposal to approve the merger of Tortoise Energy Capital Corporation with and into the Company, including the issuance of additional shares of common stock of the Company in connection therewith.

Vote of Stockholders	No. of Shares
Affirmative	21,141,930
Against	415,093
Abstain	157,797
Broker Non-votes	8,938,646
TOTAL	30,653,466

2. To consider and vote upon a proposal to approve the merger of Tortoise North American Energy Corporation with and into the Company, including the issuance of additional shares of common stock of the Company in connection therewith.

Vote of Stockholders	No. of Shares
Affirmative	21,123,209
Against	420,168
Abstain	171,444
Broker Non-votes	8,938,645
TOTAL	30,653,466

3. To elect two directors of the Company, to hold office for a term of three years and until their successors are duly elected and qualified.

	No. of Shares
Conrad S. Ciccotello	
Affirmative	30,373,255
Withheld	757,976
TOTAL	31,131,231

	No. of Shares
Terry C. Matlack	
Affirmative	30,362,776
Withheld	768,455
TOTAL	31,131,231

Each of Charles E. Heath and Rand C. Berney continued as a director with a term expiring on the date of the 2015 annual meeting of stockholders. H. Kevin Birzer continued as a director with a term expiring on the date of the 2016 annual meeting of stockholders.

4. To approve a proposal to authorize flexibility to the Company to sell its common shares for less than net asset value, subject to certain conditions.

Vote of Common Stockholders of Record (72 Stockholders of Record as of Record Date)	No. of Voting	Recordholders
Affirmative		41
Against		13
Abstain	3	
TOTAL		57

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Vote of Stockholders	No. of Shares
Affirmative	20,392,555
Against	1,044,573
Abstain	232,849
Broker Non-votes	8,938,651
TOTAL	30,608,628

5. To ratify the selection of Ernst & Young LLP as the independent registered public accounting firm of the Company for its fiscal year ending November 30, 2014.

	No. of Shares
Affirmative	30,728,765
Against	234,556
Abstain	167,901
TOTAL	31,131,222

Based upon votes required for approval, each of these matters passed.

Additional Information *(Unaudited)*

(Continued)

Director and Officer Compensation

The Company does 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 period ended May 31, 2014, the aggregate compensation paid by the Company to the independent directors was \$80,000. The Company 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 the Company'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 the Company 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 the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company and information regarding how the Company voted proxies relating to the portfolio of securities during the 12-month period ended June 30, 2013 are available to stockholders (i) without charge, upon request by calling the Company at (913) 981-1020 or toll-free at (866) 362-9331 and on the Company's Web site at www.tortoiseadvisors.com; and (ii) on the SEC's Web site at www.sec.gov.

Form N-Q

The Company files its complete schedule of portfolio holdings for the first and third quarters of each fiscal year with the SEC on Form N-Q. The Company's Form N-Q is available without charge upon request by calling the Company at (866) 362-9331 or by visiting the SEC's Web site at www.sec.gov. In addition, you may review and copy the Company'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.

The Company's Form N-Qs are also available on the Company's Web site at www.tortoiseadvisors.com.

Statement of Additional Information

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

Certifications

The Company'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.

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

Privacy Policy

In order to conduct its business, the Company collects and maintains certain nonpublic personal information about its stockholders of record with respect to their transactions in shares of the Company's securities. This information includes the stockholder's

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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 Company's other stockholders or the Company's 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 Company's 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.

20 Tortoise Energy Infrastructure Corp.

Office of the Company
and of the Investment Adviser
Tortoise Capital Advisors, L.L.C.
11550 Ash Street, Suite 300
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(913) 981-1021 (fax)
www.tortoiseadvisors.com

Board of Directors of
Tortoise Energy Infrastructure Corp.

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

ADMINISTRATOR
U.S. Bancorp Fund Services, LLC
615 East Michigan St.
Milwaukee, Wis. 53202

CUSTODIAN
U.S. Bank, N.A.
1555 North Rivercenter Drive, Suite 302
Milwaukee, Wis. 53212

TRANSFER, DIVIDEND DISBURSING
AND DIVIDEND REINVESTMENT AND
CASH PURCHASE PLAN AGENT
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4801 Main St.
Kansas City, Mo. 64112

INVESTOR RELATIONS
(866) 362-9331
info@tortoiseadvisors.com

STOCK SYMBOL
Listed NYSE Symbol: TYG

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.**

Tortoise Capital Advisors Closed-end Funds

Pureplay MLP Funds				Broader Funds			
Name	Ticker	Focus	Total Assets ⁽¹⁾ (\$ in millions)	Name	Ticker	Focus	Total Assets ⁽¹⁾ (\$ in millions)
Tortoise Energy Infrastructure Corp.		Midstream Equity	\$4,513	Tortoise Pipeline & Energy Fund, Inc.		Pipeline Equity	\$492
Tortoise MLP Fund, Inc.		Natural Gas Infrastructure Equity	\$2,396	Tortoise Energy Independence Fund, Inc.		North American Upstream Equity	\$528

Tortoise Power and
Energy Infrastructure
Fund, Inc.

Power & Energy
Infrastructure
Debt & Dividend
Paying Equity \$260

(1) As of 6/30/14

Item 2. Code of Ethics.

Not applicable for semi-annual reports.

Item 3. Audit Committee Financial Expert.

Not applicable for semi-annual reports.

Item 4. Principal Accountant Fees and Services.

Not applicable for semi-annual reports.

Item 5. Audit Committee of Listed Registrants.

Not applicable for semi-annual reports.

Item 6. Investments.

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

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

Not applicable for semi-annual reports.

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

There have been no changes in the portfolio managers identified in response to this Item in the Registrant's most recent annual report on Form N-CSR.

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

<i>Period</i>	<i>(a) Total Number of Shares (or Units) Purchased</i>	<i>(b) Average Price Paid per Share (or Unit)</i>	<i>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</i>	<i>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</i>
Month #1 12/1/13-12/31/13	0	0	0	0
Month #2 1/1/14-1/31/14	0	0	0	0
Month #3 2/1/14-2/28/14	0	0	0	0
Month #4 3/1/14-3/31/14	0	0	0	0
Month #5 4/1/14-4/30/14	0	0	0	0
Month #6 5/1/14-5/31/14	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 and its Chief Financial Officer have 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 controls 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. 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 the Item 2 requirements through filing of an exhibit.* Not applicable.

(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 Energy Infrastructure Corporation

By (Signature and Title) /s/ Terry Matlack
Terry Matlack, Chief Executive Officer

Date July 22, 2014

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/ Terry Matlack
Terry Matlack, Chief Executive Officer

Date July 22, 2014

By (Signature and Title) /s/ P. Bradley Adams
P. Bradley Adams, Chief Financial Officer

Date July 22, 2014
