TORTOISE ENERGY INFRASTRUCTURE CORP
Form N-2/A
November 24, 2004

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION NOVEMBER 24, 2004
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U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM N-2

|X| REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
|X| PRE-EFFECTIVE AMENDMENT NO. 1
|_| POST-EFFECTIVE AMENDMENT NO. __
AND
|_| REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940
|X| AMENDMENT NO. 12

TORTOISE ENERGY INFRASTRUCTURE CORPORATION

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APPROXIMATE DATE OF PROPOSED PUBLIC OFFERING: As soon as practicable after the effective date of this Registration Statement

If any of the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. |_|

It is proposed that this filing will become effective (check appropriate box):

|_| when declared effective pursuant to section 8(c).

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF

TITLE OF SECURITIES BEING REGISTERED	AMOUNT BEING REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)
Common Stock	40,000	$25.00	$1,000,000

THE REGISTRANT INTENDS TO AMEND THIS REGISTRATION STATEMENT TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATES AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 24, 2004

PROSPECTUS (TORTOISE LOGO)

___________ COMMON SHARES
TORTOISE ENERGY INFRASTRUCTURE CORPORATION
$________ PER SHARE

Tortoise Energy Infrastructure Corporation (the "Company") is a nondiversified, closed-end management investment company which commenced operations in February 2004. 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 a portfolio of publicly traded master limited partnerships in the energy infrastructure sector ("MLPs"). Under normal circumstances, the Company invests at least 90% of its total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invests at least 70% of its total assets in equity securities of MLPs. Similar to the tax characterization of distributions made by MLPs to their unit holders, the Company believes that it will have relatively high levels of deferred taxable income (i.e., return of capital) associated with distributions to its stockholders. There is no assurance that the Company will achieve its objective.

The Company currently anticipates an offering size of approximately $150,000,000. Depending on the offering price, this would likely result in the issuance of approximately 5.5 million shares.

The Company's currently outstanding shares of common stock are, and the shares offered in this prospectus will be, listed on the New York Stock Exchange under the trading or "ticker" symbol "TYG." The net asset value of the Company's common stock at the close of business on ______, 2004 was $_______ per share, and the last sale price of the common stock on the New York Stock Exchange on such date was $__________. See "Market and Net Asset Value Information."

INVESTING IN THE COMPANY'S COMMON STOCK INVOLVES A HIGH DEGREE OF RISK. INVESTORS COULD LOSE SOME OR ALL OF THEIR INVESTMENT IN THE COMPANY. SEE "RISKS"

BEGINNING ON PAGE __ OF THIS PROSPECTUS.

	PER SHARE	TOTAL(1)
Public offering price..............................	$	$
Underwriting discounts and commissions...............	$	$
Proceeds, before expenses, to the Company(2).........	$	$

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(1) The underwriters named in this prospectus have the option to purchase up to ____________ additional shares at the public offering price, less the underwriting discounts and commissions, within 45 days from the date of this prospectus to cover over-allotments.

(2) The aggregate expenses of the offering are estimated to be $____________, which represents $___ per share issued.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The underwriters expect to deliver the shares on or about ____________, 2004.

LEHMAN BROTHERS

STIFEL, NICOLAUS & COMPANY INCORPORATED

OPPENHEIMER & CO.

RBC CAPITAL MARKETS

WACHOVIA SECURITIES

Prospectus dated __________, 2004

Unlike most investment companies, the Company is taxed like a corporation and has not elected to be treated as a regulated investment company under the Internal Revenue Code.

On July 15, 2004, the Company issued two series of auction rate senior notes due July 15, 2044, in an aggregate principal amount of $110,000,000 ("Tortoise Notes"). On September 16, 2004, the Company issued 1,400 auction rate preferred shares (denominated as Money Market Cumulative Preferred Shares or "MMP Shares"), liquidation preference $25,000 per share ($35,000,000 in the aggregate). The Tortoise Notes are rated "Aaa" and "AAA" by Moody's Investors Service Inc. ("Moody's") and Fitch Ratings ("Fitch"), respectively. The MMP Shares are rated "Aa2" and "AA" by Moody's and Fitch, respectively. As of October 31, 2004, Tortoise Notes and MMP Shares represented 22.4% and 7.1% of the Company's total assets, respectively. The Company may, in the future, issue additional series of Tortoise Notes or MMP Shares or other senior securities to the extent permitted by the Investment Company Act of 1940, as amended (the "1940 Act").

The Company's common stock is junior in liquidation and distribution rights to Tortoise Notes and MMP Shares. The issuance of debt and preferred

stock, including Tortoise Notes and MMP Shares, represent the leveraging of the Company's common stock. The issuance of additional common stock offered by this prospectus will enable the Company to increase the aggregate amount of its leverage. The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time, it creates special risks that may adversely affect common stockholders. Because the Adviser's fee is based on total assets (including assets obtained through leverage), the Adviser's fee is higher when the Company is leveraged. There can be no assurance that a leveraged strategy will be successful during any period in which it is used. See "Leverage" and "Risks--Leverage Risk."

The prospectus sets forth concisely the information about the Company that a prospective investor should know before investing. You should read this prospectus, which contains important information about the Company, before deciding whether to invest in the Company's common stock and retain it for future reference. A statement of additional information, dated ___________, 2004, containing additional information about the Company, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page ___ of this prospectus, by calling 1-888-728-8784 or by writing to the Company at 10801 Mastin Boulevard, Suite 222, Overland Park, Kansas 66210. You can review and copy documents the Company has filed at the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Call 1-202-942-8090 for information. The Securities and Exchange Commission charges a fee for copies. You can get the same information free from the Securities and Exchange Commission's website (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the Securities and Exchange Commission's Public Reference Section, Washington, D.C. 20549-0102.

The Company's common stock does not represent a deposit or obligation of, and is not guaranteed or endorsed by, any bank or other insured depository institution and is not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. THE COMPANY HAS NOT, AND THE UNDERWRITERS HAVE NOT, AUTHORIZED ANY OTHER PERSON TO PROVIDE YOU WITH DIFFERENT INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. THE COMPANY IS NOT, AND THE UNDERWRITERS ARE NOT, MAKING AN OFFER TO SELL THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED. YOU SHOULD ASSUME THAT THE INFORMATION APPEARING IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE OF THIS PROSPECTUS. THE COMPANY'S BUSINESS, FINANCIAL CONDITION AND PROSPECTS MAY HAVE CHANGED SINCE THAT DATE. THE COMPANY WILL AMEND OR SUPPLEMENT THIS PROSPECTUS TO REFLECT MATERIAL CHANGES TO THE INFORMATION CONTAINED IN THIS PROSPECTUS TO THE EXTENT REQUIRED BY APPLICABLE LAW.

PROSPECTUS SUMMARY

This is only a summary. This summary may not contain all of the information that you should consider before investing in the Company's shares of common stock offered by this prospectus (the "Common Shares"). You should review the more detailed information contained in this prospectus and in the statement of additional information, especially the information set forth under the heading "Risks" beginning on page __ of this prospectus. Unless otherwise indicated, the information presented in this prospectus assumes that the underwriters do not exercise their over-allotment option.

THE COMPANY

Tortoise Energy Infrastructure Corporation (the "Company") is a nondiversified, closed-end management investment company which commenced operations in February 2004. The Company's investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of the Company's investment objective, total return includes capital appreciation of, and all distributions received from, securities in which the Company will invest regardless of the tax character of the distributions. The Company seeks to provide its stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships in the energy infrastructure sector ("MLPs"). Similar to the tax characterization of distributions made by MLPs to its unit holders, the Company believes that it will have relatively high levels of deferred taxable income associated with distributions made to its stockholders. Tortoise Capital Advisors, LLC (the "Adviser") serves as the Company's investment adviser.

The Company completed its initial public offering of common stock in February 2004, raising approximately $315 million in equity. The Company raised an additional $110 million through the issuance of Tortoise Notes in July 2004 and an additional $35 million through the issuance of MMP Shares in September 2004. The Company declared distributions to holders of common stock in May, August and November 2004 in the amount of $0.20, $0.34 and $0.43 per share, respectively. The Company expects that a significant portion of these distributions will be treated as a return of capital to stockholders for tax purposes.

THE OFFERING

The Company is offering ___________ Common Shares at an offering price of $_____ per share through a group of underwriters (the "Underwriters") led by Lehman Brothers Inc., Stifel, Nicolaus & Company, Incorporated, RBC Capital Markets Corporation, Oppenheimer & Co. Inc. and Wachovia Capital Markets, LLC. An investor must purchase at least 100 Common Shares ($_____) in order to participate in this offering. The Company has given the Underwriters an option to purchase up to _________ additional Common Shares at the public offering price, less the underwriting discounts and commissions, within 45 days from the date of this prospectus to cover over-allotments. The provisions of the 1940 Act require that the public offering price of the Common Shares, less underwriting commissions and discounts, must equal or exceed the net asset value per share of the Company's common stock (calculated within 48 hours of pricing). See "Underwriting."

The offering will commence as soon as practical following the Company's ex-dividend date for its distribution for the fiscal quarter ending November 30, 2004, which was November 17, 2004.

LISTING

Like the Company's outstanding shares of common stock, the Common Shares will be listed on the New York Stock Exchange ("NYSE") under the trading or "ticker" symbol "TYG."

TAX STATUS OF COMPANY

Unlike most investment companies, the Company is not treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). Therefore, the Company is obligated to pay federal and applicable state corporate taxes on its taxable income. On the other hand, the Company is not subject to the "qualifying income" rules applicable to regulated investment companies. Under current tax law, the qualifying income rules limit the ability of regulated investment companies to invest directly in MLPs. Unlike regulated investment companies, the Company is not required to distribute substantially all of its income and capital gains. The Company invests a substantial portion of its assets in MLPs. Although the MLPs generate taxable income to the Company, the Company expects the MLPs to pay cash distributions in excess of the taxable income reportable by the Company. Similarly, the Company expects to distribute cash in excess of its taxable income to its stockholders and intends to distribute substantially all of its distributable cash flow (generally, cash from operations less certain operating expenses and reserves). The taxation of Company distributions is discussed below under "Prospectus Summary--Stockholder Tax Features." See also "Tax Matters."

TAXATION OF MLPs AND MLP INVESTORS

The Company invests primarily in MLPs, which are treated as partnerships for federal income tax purposes. Limited partners, such as the Company, are required to pay tax on their allocable share of the MLPs' income, gains, losses and deductions, including accelerated depreciation and amortization deductions. Such items generally are allocated among the general partner and limited partners in accordance with their percentage interests in the MLP. Partners recognize and must report their allocable share of income regardless of whether any cash distributions are paid out. MLPs typically are

required by their charter documents to distribute substantially all of their distributable cash flow. The types of MLPs in which the Company invests have historically made cash distributions to limited partners that exceed the amount of taxable income allocable to limited partners. This may be due to a variety of factors, including that the MLP may have significant non-cash deductions, such as accelerated depreciation. If the cash distributions exceed the taxable income reported, the MLP investor's basis in MLP units will decrease. This feature will reduce current income tax liability, but potentially will increase the investor's gain upon the sale of its MLP interest.

STOCKHOLDER TAX FEATURES

Stockholders of the Company hold common stock of a corporation. Shares of common stock differ substantially from partnership interests for federal income tax purposes. Unlike holders of MLP common units, stockholders of the Company will not recognize an allocable share of the Company's income, gains, losses and deductions. Stockholders recognize income only if the Company pays out distributions. The tax character of the distributions can vary. If the Company makes distributions from current or accumulated earnings and profits allocable to the particular shares held by a stockholder, such distributions will be taxable to a stockholder in the current period as dividend income. Dividend income will be treated as "qualified dividends" for federal income tax purposes, subject to favorable capital gains rates. If distributions exceed the Company's allocated current or accumulated earnings and profits, such excess distributions will constitute a tax-free return of capital to the extent of a stockholder's basis in its common stock. To the extent excess distributions exceed a stockholder's basis, the amount in excess of basis will be taxed as capital gain. Based on the historical performance of MLPs, the Company expects that a significant portion of distributions to holders of common stock will constitute a tax-free return of capital. In addition, earnings and profits are treated generally, for federal income tax purposes, as first being used to pay distributions on the MMP Shares, and then to the extent remaining, if any, to pay distributions on common stock. There is no assurance that the Company will make regular distributions

or that the Company's expectation regarding the tax character of its distributions will be realized. The special tax treatment for qualified dividends is scheduled to expire as of December 31, 2008.

Upon the sale of common stock, a stockholder generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the stockholder and the stockholder's federal income tax basis in its common stock sold, as adjusted to reflect return(s) of capital. Generally, such capital gain or loss will be long-term capital gain or loss if common stock were held as a capital asset for more than one year. The tax basis for common stock owned by an individual stockholder will be adjusted to equal their full market value upon such stockholder's death. See "Tax Matters."

COMPARISON WITH DIRECT INVESTMENTS IN MLPs

The Company is designed to provide an efficient vehicle for investing in a portfolio of MLPs. The Company was the first publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. The Company believes that an investor who invests in the Company will benefit from a number of portfolio and tax features that would not be available from a direct investment in MLPs, including the following:

- An investment in the Company offers exposure to a number of MLPs within the energy infrastructure sector through a single investment vehicle;

- An investment in the Company offers access to direct placements. Direct placements offer the potential for increased return, but are typically only available to a limited number of institutional investors such as the Company;

- Each stockholder of the Company will receive a single Form 1099, rather than a Form K-1 from each MLP if an investor invested directly in the MLP;

- Stockholders of the Company will not be required to file state income tax returns in each state in which MLPs owned by the Company operate, whereas limited partners of MLPs may be required to make state filings in states in which the MLP operates;

- The passive activity income and loss rules apply to a direct investment in MLPs, but not to an investment in the Company (these rules limit the ability of an investor to use losses to offset other gains);

- The Internal Revenue Code generally excludes corporate dividends from treatment as unrelated business taxable income ("UBTI") (unless the stock is debt-financed). Tax-exempt investors, including employee benefit plans and IRAs, will not have UBTI upon receipt of distributions from the Company, whereas a tax-exempt limited partner's allocable share of income of an MLP is treated as UBTI; and

- There is a limit on the extent to which regulated investment companies can invest in MLP units, but such limit does not apply to the Company.

Unlike MLPs, the Company is obligated to pay current and deferred tax with respect to its income, thereby subjecting the Company's income to a double layer of tax upon distribution to the Company's stockholders. Like other investment companies, stockholders of the Company bear the operating costs of the Company, including management fees, custody and administration, and the costs of operating as a public company.

INVESTMENT POLICIES

Under normal circumstances, the Company invests at least 90% of its total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invests at least 70% of its total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. The Company invests solely in energy infrastructure companies

organized in the United States. All publicly traded companies in which the Company invests have an equity market capitalization greater than $100 million.

The Company invests primarily in equity securities of MLPs, which currently consist of the following instruments: common units, convertible subordinated units and I-Shares. As of the date of this prospectus, almost all MLP common units and I-Shares in which the Company invests are listed and traded on the NYSE, American Stock Exchange ("AMEX") or NASDAQ National Market. The Company also may purchase MLP common units through direct placements. MLP convertible subordinated units are not listed or publicly traded and are typically purchased in directly negotiated transactions with MLP affiliates or institutional holders of such shares.

MLP common unit holders have typical limited partner rights, including limited management and voting rights. MLP common units have priority over convertible subordinated units upon liquidation. Common unit holders are entitled to minimum quarterly distributions ("MQD"), including arrearage rights, prior to any distribution payments to convertible subordinated unit holders or incentive distribution payments to the general partner. MLP convertible subordinated units are convertible into common units on a one-to-one basis after the passage of time and/or achievement of specified financial goals. MLP convertible subordinated units are entitled to MQD after the payments to holders of common units and before incentive distributions to the general partner. MLP convertible subordinated units do not have arrearage rights. I-Shares have similar features to common units except that distributions are payable in additional I-Shares rather than cash. The Company invests in I-Shares only if it has adequate cash to satisfy its distribution targets.

Although the Company also may invest in equity and debt securities of energy infrastructure companies that are organized and/or taxed as corporations, it is likely that any such investments will be in debt securities because the dividends from equity securities of such corporations typically do not meet the Company's investment objective. The Company also may invest in securities of general partners or other affiliates of MLPs and private companies operating energy infrastructure assets.

The Company has adopted the following additional nonfundamental investment policies:

- The Company may invest up to 30% of its total assets in restricted securities, primarily through direct placements. Subject to this policy, the Company may invest without limitation in illiquid securities. The types of restricted securities that the Company may purchase consist of MLP convertible subordinated units, MLP common units and securities of private energy infrastructure companies (i.e., non-MLPs). Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

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

- The Company will not invest more than 10% of total assets in any single issuer.

- The Company will not engage in short sales.

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

CONFLICTS OF INTEREST

Conflicts of interest may arise from the fact that the Adviser and its affiliates carry on substantial investment activities for other clients, in which the Company has no interest. The Adviser or its affiliates may have financial incentives to favor certain of such accounts over the Company. Any of their proprietary accounts and other customer accounts may compete with the Company for specific trades. The Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for, the Company, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers, even though their investment objectives may be the same as, or similar to, those of the Company.

Situations may occur when the Company could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for its other accounts. Such situations may be based on, among other things, the following: (i) legal or internal restrictions on the combined size of positions that may be taken for the Company or the other accounts, thereby limiting the size of the Company's position; (ii) the difficulty of liquidating an investment for the Company or the other accounts where the market cannot absorb the sale of the combined position; or (iii) limits on co-investing in private placement securities under the 1940 Act. The Company's investment opportunities may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies. See "The Company--Conflicts of Interest."

USE OF LEVERAGE BY THE COMPANY

The Company currently is engaged in, and may in the future engage in, the use of financial leverage. On July 15, 2004, the Company issued $110,000,000 in aggregate principal amount of Tortoise Notes. On September 16, 2004, the Company issued 1,400 MMP Shares with an aggregate liquidation preference of $35,000,000. Together, the aggregate principal amount of outstanding Tortoise Notes and the aggregate liquidation preference of outstanding MMP Shares represent approximately 29.5% of its total assets, as of October 31, 2004. The aggregate liquidation preference of MMP Shares represents approximately 7.1% of the Company's total assets and the aggregate principal amount of the Tortoise Notes represents approximately 22.4% of the Company's total assets, as of October 31, 2004. The Company may make further use of financial leverage through the issuance of additional Tortoise Notes or MMP Shares or other senior securities to the extent permitted by the 1940 Act. Currently under the 1940 Act, the Company may not borrow for investment purposes more than 33 1/3% of

its total assets, including the amount borrowed, and may not issue preferred stock with an aggregate liquidation preference of more than 50% of its total assets.

Because the Adviser's fee is based upon a percentage of the Company's Managed Assets (as defined below), the Adviser's fee is higher when the Company is leveraged. Therefore, the Adviser has a financial incentive to leverage the Company, which may create a conflict of interest between the Adviser

and the holders of the Common Shares. There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See "Leverage" and "Risks--Leverage Risk."

The Company may, but is not required to, hedge general interest rate exposure arising from its leverage transactions. Under current market conditions, hedging would be accomplished principally by entering into interest rate transactions such as swaps, caps and floors. The Company has entered into an interest rate swap transaction that is intended to hedge the Company's interest payment obligations under the Tortoise Notes against material increases in interest rates through June 2007. The Company's dividend payment obligations under the MMP Shares remain unhedged at this time. The use of interest rate transactions is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. See "Risks--Hedging Strategy Risk."

INVESTMENT ADVISER

Tortoise Capital Advisors, LLC was formed in October 2002 to provide portfolio management services to institutional and high-net-worth investors seeking professional management of their MLP investments. The Adviser is controlled equally by Fountain Capital Management, L.L.C. ("Fountain Capital") and Kansas City Equity Partners LC ("KCEP"). As of October 31, 2004, the Adviser had approximately $591 million of client assets under management. Affiliates of the Adviser had an additional $325 million of energy infrastructure investment assets under management. The Adviser's investment committee is comprised of five portfolio managers led by David J. Schulte, CFA.

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

The Adviser is responsible for the investment of the Company's portfolio in accordance with the Company's investment objective and policies. The Adviser makes all investment decisions for the Company, subject to oversight by the Company's Board of Directors. Day-to-day management of the Company's portfolio is the responsibility of a team of investment analysts and portfolio managers led by Mr. Schulte. Three of the four other members of the Adviser's investment committee are affiliates of, but not employees of, the Adviser, and have significant responsibilities with KCEP, Fountain Capital and their affiliates. All members of the investment committee have undertaken to provide such services as are necessary to fulfill the obligations of the Adviser to the Company. The Company pays the Adviser a fee for its investment management services equal to an annual rate of 0.95% of the Company's average monthly total

assets (including any assets attributable to any leverage) minus accrued liabilities other than (i) deferred taxes, (ii) debt entered into for purposes of leverage and (iii) the aggregate liquidation preference of any outstanding preferred shares ("Managed Assets"). This fee is calculated monthly and paid quarterly.

DISTRIBUTIONS

The Company intends to pay out substantially all of its Distributable Cash Flow ("DCF") to holders of common stock through quarterly distributions. DCF is the amount received by the Company as cash or paid-in-kind distributions from MLPs or their affiliates, and interest payments received on debt securities owned by the Company, less current or anticipated operating expenses, taxes on Company taxable income, and leverage costs paid by the Company. The Company's board of directors (the "Board of Directors" or the "Board") adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis. Distributions will be paid each fiscal quarter out of DCF, if any. There is no assurance that the Company will continue to make regular distributions. The Company has a fiscal year ending November 30.

If a stockholder's shares are registered directly with the Company or with a brokerage firm that participates in the Company's Automatic Dividend Reinvestment Plan, distributions will be automatically reinvested in additional common stock under the Automatic Dividend Reinvestment Plan unless a stockholder elects to receive distributions in cash. If a stockholder elects to receive distributions in cash, payment will be made by check. See "Distributions--Automatic Dividend Reinvestment Plan."

RISKS

Limited Operating History. The Company is a nondiversified, closed-end management investment company which commenced operations in February 2004.

Delay in Use of Proceeds. Although the Company currently intends to invest the proceeds of any sales of Common Shares as soon as practicable following the closing, such investments may be delayed if suitable investments are unavailable at the time or for other reasons or if the Company is unable to secure firm commitments for direct placements. Due to the trading market and volumes for MLPs, it may take the Company a period of time to accumulate positions in certain securities. Because the market for MLP securities may at times be less liquid than the market for many other securities, the Company may be unable to obtain such securities within the time, and in the amount, currently anticipated by the Company. As a result, the proceeds may be invested in cash, cash equivalents, high-quality debt instruments, or other securities pending investment in MLPs or securities of energy infrastructure companies. A delay in the anticipated use of proceeds could lower returns and lower the Company's distribution for the outstanding shares of common stock and the Common Shares offered in this prospectus. See "Use of Proceeds."

Energy Infrastructure Sector. Under normal circumstances, the Company concentrates its investments in the energy infrastructure sector, with an emphasis on securities issued by MLPs. Certain risks inherent in the energy

infrastructure business of these types of MLPs include the following:

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

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

- A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows. Factors that could lead to a decrease in market demand include a recession or other adverse economic conditions, an increase in the market price of the underlying commodity, higher taxes or other regulatory actions that increase costs, or a shift in consumer demand for such products.

- A portion of any one MLP's assets may be dedicated to natural gas reserves and other commodities that naturally deplete over time, which could have a material adverse impact on an MLP's ability to make distributions. MLPs are often dependent upon exploration and development activities by third parties. MLPs employ a variety of means of increasing cash flow, including increasing utilization of existing facilities, expanding operations through new construction, expanding operations through acquisitions, or securing additional long-term contracts. Thus, some MLPs may be subject to construction risk, acquisition risk or other risk factors arising from their specific business strategies. A significant slowdown in large energy companies' disposition of energy infrastructure assets and other merger and acquisition activity in the energy MLP industry could reduce the growth rate of cash flows received by the Company from MLPs that grow through acquisitions.

- The profitability of MLPs could be adversely affected by changes in the regulatory environment. The business of MLPs is heavily regulated by federal and state governments in diverse matters, such as the way in which certain MLP assets are

constructed, maintained and operated and the prices MLPs may charge for their services. Such regulation can change over time in scope and intensity. For example, a particular byproduct of an MLP process may be declared hazardous by a regulatory agency and unexpectedly increase production costs. Moreover, many state and federal environmental laws provide for civil as well as regulatory remediation, thus adding to the potential exposure an MLP may face.

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

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

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

Cash Flow Risk. The Company derives substantially all of its cash flow from investments in equity securities of MLPs. The amount of cash that the Company has available to distribute to stockholders is completely dependent on the ability of MLPs held by the Company to make distributions to its partners. The Company has no control over the actions of underlying MLPs. The amount of cash that each individual MLP can distribute to its partners depends on the amount of cash it generates from operations, which will vary from quarter to quarter depending on factors affecting the energy infrastructure market generally and on factors affecting the particular business lines of the MLP. Available cash will also depend on the MLPs' level of operating costs (including incentive distributions to the general partner), level of capital expenditures, debt service requirements, acquisition costs (if any), fluctuations in working capital needs and other factors.

Tax Risk of MLPs. The value of the Company's investment in MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. If an MLP does not meet current law requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be taxed as a corporation. In that case, the MLP would be obligated to pay income tax at the entity level and distributions received by the Company would be taxed entirely as dividend income. As a result, there would be a material reduction in the Company's cash flow and there would likely be a material decrease in the value of the Common Shares.

Items of income, gains, losses and deductions of each MLP flow through to the Company in its capacity as a partner of the MLP. Historically, a substantial portion of MLP income has been offset by tax deductions. If the amount of MLP income tax deductions that may be claimed by the Company is less than anticipated or the Company turns over its portfolio more rapidly than anticipated, the Company will incur greater current income taxes. A significant slowdown in acquisition activity by the MLPs in the Company's portfolio also could accelerate the Company's obligations to pay income taxes due in part to less accelerated depreciation generated by new acquisitions. In such a case, the portion of the Company's distributions that is treated as a return of capital will be reduced and the portion treated as dividend income would increase, resulting in lower after tax distributions for the Company's stockholders. See "Risks--Deferred Tax Risk."

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

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

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

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

Leverage Risk. The issuance of senior debt securities and preferred stock, including Tortoise Notes and MMP Shares, represents the leveraging of the Company's common stock. Leverage creates an opportunity for an increased return to common stockholders, but it is a speculative technique that could adversely affect common stockholders. Unless the income and capital appreciation, if any, on securities acquired with leverage proceeds or other borrowed funds exceed the costs of the leverage, the use of leverage could cause the Company to lose money. When leverage is used, the net asset value and market value of the Company's common stock will be more volatile. There is no assurance that the use of leverage will be successful during any period in which it is used.

Common stockholders bear the costs of leverage, including outstanding Tortoise Notes and MMP Shares, through higher operating expenses. Common stockholders also bear management fees. Because

management fees are based on Managed Assets, the use of leverage increases the effective management fee borne by holders of common stock. In addition, the issuance of additional senior debt securities or preferred stock by the Company would result in offering expenses and other costs, which would ultimately be borne by the holders of the Company's common stock. Fluctuations in interest rates could increase the Company's interest or dividend payments on Tortoise Notes, MMP Shares or other senior securities and could reduce cash available for distributions on common stock. The Tortoise Notes and MMP Shares are each subject to covenants regarding asset coverage, portfolio composition and other matters, which may affect the Company's ability to pay distributions on common stock in certain instances. The Company may also be required to pledge its assets to the lenders in connection with certain other types of borrowing. See "Risks--Leverage Risk."

Hedging Strategy Risk. The Company currently uses, and may in the future use, interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from the Company's leveraged capital structure. The Company does not intend to hedge interest rate risk of portfolio holdings. Interest rate transactions that the Company may use for hedging purposes will expose the Company to certain risks that differ from the risks associated with its portfolio holdings. There are economic costs of hedging reflected in the price of interest rate swaps, caps and similar techniques, the costs of which can be significant. In addition, the Company's success in using hedging instruments is subject to the Adviser's ability to predict correctly changes in the relationships of such hedging instruments to the Company's leverage risk, and there can be no assurance that the Adviser's judgment in this respect will be accurate.

Depending on the state of interest rates in general, the Company's use of interest rate transactions such as swaps, caps or floors could enhance or decrease distributions on the Company's common stock. To the extent there is a decline in interest rates, the value of interest rate transactions could decline, and result in a decline in the net asset value of the Company's common stock. In addition, if the counterparty to an interest rate transaction defaults, the Company would not be able to use the anticipated net receipts under the interest rate transaction to offset the Company's cost of financial leverage. Consequently, the use of hedging transactions might result in a poorer overall performance for the Company, whether or not adjusted for risk, than if the Company had not engaged in such transactions. See "Risks--Hedging Strategy Risk."

Competition Risk. At the time the Company completed its initial public offering in February 2004, it was the only publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. Since that time a limited number of other alternatives to the Company as a vehicle for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, have been developed. In addition, recent tax law changes or future tax law changes may increase the ability of regulated investment companies or other institutions to invest in MPLs. These competitive conditions may adversely impact the Company's ability to make investments in the MLP market and could adversely impact the Company's distributions to common stockholders. See "Risks--Competition Risk."

Portfolio Turnover Risk. The Company's annual portfolio turnover rate may vary greatly from year to year. Although the Company cannot accurately predict its annual portfolio turnover rate, it is not expected to exceed 30% under normal circumstances. From the commencement of operations through October

31, 2004, the Company's actual portfolio turnover rate was less than 1%. However, portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for the Company. High portfolio turnover may result in the Company's realization of gains that will be taxable as ordinary income to the Company. In addition, high portfolio turnover may increase the Company's current and accumulated earnings and profits, resulting in a greater portion of the Company's distributions being

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treated as dividend income to the Company's stockholders. See "The Company--Portfolio Turnover" and "Tax Matters."

Restricted Securities. The Company may invest up to 30% of total assets in restricted securities, primarily through direct placements. Restricted securities are subject to statutory and contractual restrictions on their public resale, which may make it more difficult to value them, may limit the Company's ability to dispose of them and may lower the amount the Company could realize upon their sale. To enable the Company to sell its holdings of a restricted security not registered under the Securities Act of 1933, as amended (the "1933 Act"), the Company may have to cause those securities to be registered. If the Company decides to pursue a public sale of restricted securities, a considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that the Company could sell it. The Company would bear the risks of any downward price fluctuation during that period.

Liquidity Risk. Although common units of MLPs trade on the NYSE, AMEX, and the NASDAQ National Market, certain MLP securities may trade less frequently than those of larger companies due to their smaller capitalizations. In the event certain MLP securities experience limited trading volumes, the prices of such MLPs may display abrupt or erratic movements at times. Additionally, it may be more difficult for the Company to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. As a result, these securities may be difficult to dispose of at a fair price at the times when the Company believes it is desirable to do so. These securities are also more difficult to value, and the Adviser's judgment as to value will often be given greater weight than market quotations, if any exist. Investment of the Company's capital in securities that are less actively traded or over time experience decreased trading volume may restrict the Company's ability to take advantage of other market opportunities. See "The Company--Investment Policies."

Valuation Risk. Market prices generally will not be available for convertible subordinated units or securities of private companies, and the value of such investments will ordinarily be determined based on fair valuations determined by the Adviser pursuant to procedures adopted by the Board of Directors. Similarly, common units acquired through direct placements will be based on fair value determinations if they are subject to legal and contractual restrictions on resale; however, the Adviser expects that such values will be based on a discount from publicly available market prices. Restrictions on resale or the absence of a liquid secondary market may adversely affect the ability of the Company to determine its net asset value. The sale price of securities that are restricted or otherwise not readily marketable may be lower or higher than the Company's most recent fair valuation. In addition, the Company relies on information provided by MLPs to estimate taxable income allocable to MLP units held by the Company and to calculate associated deferred tax liability. See "Net Asset Value."

Interest Rate Risk. Interest rate risk is the risk that debt securities

will decline in value because of changes in market interest rates. Generally, when market interest rates rise, the values of debt securities decline, and vice versa. The Company's investment in such securities means that the net asset value and market price of the Common Shares will tend to decline if market interest rates rise. During periods of declining interest rates, the issuer of a security may exercise its option to prepay principal earlier than scheduled, forcing the Company to reinvest in lower yielding securities. This is known as call or prepayment risk. Lower grade securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem a lower grade obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in the credit standing of the issuer.

Below Investment Grade Securities. Below investment grade debt securities are commonly referred to as "junk bonds." Below investment grade quality securities are considered speculative with

respect to an issuer's capacity to pay interest and repay principal while they are outstanding. Below investment grade debt securities are susceptible to default or decline in market value due to adverse economic and business developments. The Company does not intend to invest in distressed securities (securities issued by a company in a bankruptcy reorganization, subject to a public or private debt restructuring or otherwise in default or in significant risk of default in the payment of interest and principal). However, in the event any below investment grade debt security becomes distressed while held by the Company, the Company may be required to incur extraordinary expenses in order to protect and recover its investment, and there will be significant uncertainty as to when, in what manner and for what value, if any, the distressed obligations will be satisfied. See "Risks--Below Investment Grade Securities."

Management Risk. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high-net worth investors seeking professional management of their MLP investments. The Adviser has been managing the Company since the Company began operations in February 2004. The Adviser relies on the officers, employees, and resources of Fountain Capital, KCEP and their affiliates for certain functions. Three of the five members of the investment committee are affiliates of, but not employees of, the Adviser, and each have other significant responsibilities with such affiliated entities. Fountain Capital, KCEP and their affiliates conduct businesses and activities of their own in which the Adviser has no economic interest. If these separate activities become significantly greater than the Adviser's activities, there could be material competition for the efforts of key personnel.

Nondiversification. The Company is a nondiversified, closed-end management investment company under the 1940 Act and is not treated as a regulated investment company under the Internal Revenue Code. Accordingly, there are no regulatory limits under the 1940 Act or the Internal Revenue Code on the number or size of securities held by the Company. There currently are approximately fifty-five (55) companies presently organized as MLPs and only a limited amount of those companies operate energy infrastructure assets. The Company selects MLP investments from this small pool of issuers. The Company may invest in non-MLP securities to a lesser degree, consistent with its investment objective and policies.

Market Discount Risk. The Company's common stock has a limited trading history and has traded both at a premium and at a discount relative to net asset value. The public offering price for the Common Shares represents a __% premium

over the per share net asset value on ________, 2004, there can be no assurance that this premium will continue after this offering or that the shares will not again trade at a discount. Shares of closed-end investment companies frequently trade at a discount from net asset value, but in some cases have traded above net asset value. Continued development of alternatives to the Company as a vehicle for investment in MLP securities may contribute to reducing or eliminating any premium or may result in the shares trading at a discount. The risk of the shares of common stock trading at a discount is a risk separate from the risk of a decline in the Company's net asset value as a result of investment activities. Depending on the premium of the Company's common stock, the Company's net asset value may be reduced immediately following this offering by the costs of the offering, which will be borne entirely by the Company. See "Risks--Market Discount Risk" and "Risks--Competition Risk."

Effects of Terrorism. The U.S. securities markets are subject to disruption as a result of terrorist activities, such as the terrorist attacks on the World Trade Center on September 11, 2001; war, such as the war in Iraq and its aftermath; and other geopolitical events. Such events have led, and in the future may lead, to short-term market volatility and may have long-term effects on the U.S. economy and markets.

Anti-Takeover Provisions. The Company's Charter and Bylaws include provisions that could delay, defer or prevent other entities or persons from acquiring control of the Company, causing it to

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engage in certain transactions or modifying its structure. These provisions may be regarded as "anti-takeover" provisions. Such provisions could limit the ability of stockholders to sell their shares at a premium over the then-current market prices by discouraging a third party from seeking to obtain control of the Company. See "Certain Provisions in the Company's Charter and Bylaws."

For more information on the risks of investing in the Company, see "Risks."

ADMINISTRATOR, CUSTODIAN, TRANSFER AGENT AND DIVIDEND PAYING AGENT

U.S. Bancorp Fund Services, LLC serves as the Company's administrator. Computershare Investor Services, LLC serves as the Company's transfer agent, dividend paying agent, and agent for the dividend reinvestment plan. U.S. Bank N.A. serves as the Company's custodian. See "Administrator, Custodian, Transfer Agent and Dividend Paying Agent."

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SUMMARY OF COMPANY EXPENSES

The following table contains information about the costs and expenses that common stockholders will bear directly or indirectly, after giving effect to issuance of Common Shares pursuant to this prospectus. Both the table and footnote (4) assume that existing leverage (Tortoise Notes in an aggregate principal amount of $110 million and MMP Shares with an aggregate liquidation preference of $35 million) remain outstanding. The table also assumes that the Company issues additional Tortoise Notes following this offering in an aggregate principal amount of $100 million, which would increase oustanding leverage to approximately 33 and 1/3% of total assets (including the proceeds of leverage).

Footnote (4) assumes that no additional leverage is used. In this case, existing leverage would represent 22.9% of total assets.

STOCKHOLDER TRANSACTION EXPENSE

Underwriting discounts and commissions (as a percentage of offering price)............	4
Offering Expenses Borne by the Company (as a percentage of offering price)(1)............	
Dividend Reinvestment Plan Fees(2)..	

	PERCENTAGE OF N ATTRIBUTABLE TO STOCK, AFTER GIVI TO THE SALE OF CO OFFERED IN THIS (ASSUMES 33-1/3% OUTSTANDIN
Management Fee..	1.49%
Leverage Costs(3)(4)..	1.92%
Other Expenses(5)...	.23%
Total Annual Expenses...	3.64%
Less Fee and Expense Reimbursement (through 2/28/06)(6).......	.36%
Net Annual Expenses...	3.28%

	PERCENTAGE OF N ATTRIBUTABLE T STOCK, AFTER GIV TO THE SALE OF CO OFFERED IN THIS (ASSUMES NO AD LEVERAGE
Management Fee...	1.28%
Leveraged Costs(3)...	1.09%
Other Expenses(5)..	.22%
Total Annual Expenses..	2.59%
Less Fee Expense and Reimbursement (through 2/28/06)(6).....	(.31)%
Net Annual Expenses..	2.28%

The purpose of the table above and the example below is to help investors understand the fees and expenses that they, as common stockholders, would bear directly or indirectly. The Other Expenses shown in the table and related footnotes are based on estimated amounts for the Company's first year of operations unless otherwise indicated and assume that the Company has issued Common Shares in aggregate amount of $150 million in this offering. If the Company issues fewer Common Shares, all other things being equal, these expenses would increase. For additional information with respect to the Company's expenses, see "Management of the Company."

EXAMPLE:

The following example illustrates the expenses (including the underwriting discounts and commissions of $_____ and estimated offering costs of this offering of $____ per Common Share) that stockholders would pay on a $1,000 investment in Common Shares, assuming (1) total annual expenses of 3.28% of net assets attributable to Common Shares in year 1, increasing to 3.48% in years 2 through 4 and increasing further to 3.64% in years 5 through 10 and (2) a 5% annual return:(1)

	1 YEAR	3 YEARS	5 YEARS	10 YEARS
Total Expenses Paid(2)				

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(1) The example assumes that the estimated Other Expenses set forth in the fee table are accurate, that all distributions are reinvested at net asset value and that the Company is engaged in leverage of 33-1/3% of total assets, assuming a 3.66% cost of leverage. The cost of leverage is expressed as an interest rate and represents the weighted average of interest payable on Tortoise Notes and dividends payable on MMP Shares. THE EXAMPLE SHOULD NOT BE CONSIDERED A REPRESENTATION OF FUTURE EXPENSES. ACTUAL EXPENSES MAY BE GREATER OR LESS THAN THOSE ASSUMED. MOREOVER, THE COMPANY'S ACTUAL RATE OF RETURN MAY BE GREATER OR LESS THAN THE HYPOTHETICAL 5% RETURN SHOWN IN THE EXAMPLE.

(2) Assumes waiver or reimbursement of fees and expenses of 0.36% of net assets in year one, and 0.16% of net assets in years two through four. The Adviser has not agreed to reimburse the Company for any year beyond 2009.

FINANCIAL HIGHLIGHTS

Information contained in the table below under the headings "Per Share Operating Performance" and "Ratios/Supplemental Data" shows the unaudited operating performance of the Company from the commencement of the Company's investment operations on February 27, 2004 until August 31, 2004. Since the Company commenced operations on February 27, 2004, the table covers approximately six months of operations, during which a substantial portion of the Company's assets were held in cash pending investment in securities that meet the Company's investment objective and policies. Accordingly, the information presented may not provide a meaningful picture of the Company's operating performance.

[TO BE UPDATED AS OF OCTOBER 31, 2004]

	PERIOD FR 2004 AUGU (U
COMMON STOCK PER SHARE DATA(2):	
Net Asset Value, beginning of period	
Public offering price	$
Underwriting discounts and offering costs	
Income from Investment Operations:	
Net investment loss(5)	
Net realized and unrealized gain on investments	
Total gain from investment operations	
Less Distributions to Common Shareholders:	
Net investment income	
Return of capital	
Total distributions to common shareholders	
Net Asset Value, end of period	
Common stock per share market value, end of period	
Total Investment Return Based on Market Value(3)	
SUPPLEMENTAL DATA AND RATIOS(4)	
Net assets applicable to common shareholders, end of period (000's)	$3
Ratio of expenses to average net assets before waiver	
Ratio of expenses to average net assets after waiver	
Ratio of expenses, without regard to non-recurring organizational expenses, to average net assets before waiver	
Ratio of expenses, without regard to non-recurring organizational expenses, to average net assets after waiver	
Ratio of investment income to average net assets before waiver	
Ratio of investment income to average net assets after waiver	
Portfolio turnover rate	
Tortoise Auction Rate Senior Notes (000's)	$1
Per share, amount of outstanding at end of period	
Per share, amount of net assets, excluding Senior Notes, at end of period	
Series A	
Series B	
Asset coverage ratio of auction rate senior notes(6)	

The following table sets forth information about the Company's outstanding senior securities as of October 31, 2004:

TOTAL PRINCIPAL	ASSET COVERAGE PER SHARE

TITLE OF SECURITY	AMOUNT/LIQUIDATION PREFERENCE OUTSTANDING	ASSET COVERAGE PER $1,000 OF PRINCIPAL AMOUNT	($25,000 LIQUIDATION PREFERENCE)
Tortoise Notes......			
Series A.........	$60,000,000	$4,263	
Series B.........	$50,000,000	$4,263	
Money Market Cumulative Preferred Shares (1,400 MMP shares)..........	$35,000,000		$80,856

MARKET AND NET ASSET VALUE INFORMATION

The Company's currently outstanding shares of common stock are, and the Common Shares offered by this prospectus, subject to notice of issuance, will be, listed on the NYSE. Shares of the Company's common stock commenced trading on the NYSE on February 25, 2004.

The Company's common stock has a limited trading history and has traded both at a premium and at a discount in relation to net asset value. Although the Company's shares recently have been trading at a premium above net asset value, there can be no assurance that this will continue after the offering or that the shares will not again trade at a discount. The continued development of alternatives to the Company as a vehicle for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, may reduce or eliminate any tendency of the shares to trade at a premium in the future or may result in the shares trading at a discount. Shares of closed-end investment companies frequently trade at a discount from net asset value. See "Risks--Market Discount Risk."

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The following table sets forth for each of the periods indicated the high and low closing market prices for shares of the Company on the NYSE, the net asset value per share and the premium or discount to net asset value per share at which the Company's shares were trading. Net asset value is generally determined on the last business day of each calendar month. See "Net Asset Value" for information as to the determination of the Company's net asset value.

	MARKET PRICE(3)			PREMI (DISCO TO N ASSE VALUE
MONTH ENDED	HIGH	LOW	NET ASSET VALUE(1)	HIGH
March 31, 2004.........................	$26.00	$24.95	$23.77	9.4%
April 30, 2004.........................	25.00	23.10	23.83	4.9%

May 31, 2004..........................	24.20	21.99	22.84	6.0%
June 30, 2004.........................	24.00	22.45	22.67	5.9%
July 31, 2004.........................	24.19	22.74	23.25	4.0%
August 31, 2004.......................	25.06	23.86	24.19	3.6%
September 30, 2004....................	26.60	24.98	24.38	9.1%
October 31, 2004......................	26.60	24.65	25.30	5.1%
November 30, 2004			25.54	

The last reported sale price, net asset value per share and percentage premium to net asset value per share of the common stock on ________, 2004 were $_____, $____ and ___%, respectively. As of October 31, 2004, the Company had 12,684,154 shares of common stock outstanding and net assets of the Company were $323,966,194.

USE OF PROCEEDS

As of October 31, 2004, the Company had invested ____% of its total assets. The net proceeds of the offering of Common Shares will be approximately $___________ after payment of the underwriting discounts and commissions and estimated offering costs. The Company will invest the net proceeds of the offering in accordance with the Company's investment objective and policies as described under "Investment Objective and Principal Investment Strategies" as soon as practicable. It is presently anticipated that the Company will be able to invest substantially all of the net proceeds of this offering in securities of energy infrastructure companies that meet the Company's investment objective and policies within approximately three months after the completion of the offering. Whether the Company can meet this timeframe depends to a significant degree on the availability of direct placement opportunities. Pending such investment, it is anticipated that the proceeds will be invested in securities issued by the U.S. government or its agencies or instrumentalities or in high quality, short-term or long-term debt obligations. A delay in the anticipated use of proceeds could lower returns and lower the Company's distribution for the outstanding shares of common stock and the Common Shares offered hereby.

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CAPITALIZATION

The following table sets forth the capitalization of the Company as of October 31, 2004, and as adjusted to give effect to the issuance of the Common Shares offered hereby. As indicated below, common stockholders will bear the offering costs associated with this offering.

ACTUAL

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LONG-TERM DEBT:	
Tortoise Notes, denominations of $25,000 or any multiple thereof*.....	$110,000,000
PREFERRED SHARES OUTSTANDING:	
MMP Shares, $.001 par value per share, $25,000 stated value per share at liquidation; 7,500 shares authorized/1,400 shares issued*.......	$ 35,000,000
COMMON STOCKHOLDERS' EQUITY:	
Common Stock, $.001 par value per share; 100,000,000 shares authorized; 12,684,154 shares outstanding and __________ shares outstanding as adjusted, respectively*............................	$ 12,684
Additional paid-in capital..	$294,154,142
Undistributed net investment income..................................	--
Accumulated net investment loss, net of ($54,682) deferred tax benefit..	--
Accumulated net realized loss from investments, net of deferred tax benefit:..	(88,778)
Net unrealized appreciation of investments...........................	29,942,828
Net assets applicable to common stock................................	$323,966,194

THE COMPANY

The Company is a nondiversified, closed-end management investment company registered under the 1940 Act which began operations in February 2004. The Company was organized as a Maryland corporation on October 30, 2003, pursuant to a charter (the "Charter") governed by the laws of the State of Maryland. On February 27, 2004, the Company issued an aggregate of 11,000,000 shares of common stock, par value $0.001 per share, in an initial public offering. On March 23, 2004 and April 8, 2004, the Company issued an additional 1,100,000 shares of common stock and 500,000 shares common stock, respectively, in connection with the partial exercises by the underwriters of their over-allotment option. The proceeds of the initial public offering and subsequent exercises of the over-allotment option of common stock was approximately $285,000,000 after the payment of offering expenses. On July 15, 2004, the Company issued $110,000,000 aggregate principal amount of Tortoise Notes. On September 16, 2004, the Company issued 1,400 MMP Shares, liquidation preference $25,000 per share ($35,000,000 in the aggregate). The Company's common stock is listed on the NYSE under the symbol "TYG."

The following provides information about the Company's outstanding securities as of October 31, 2004:

TITLE OF CLASS	AMOUNT AUTHORIZED	AMOUNT HELD BY THE COMPANY OR FOR ITS ACCOUNT

Common Stock	100,000,000	0
Tortoise Notes		
Series A	$60,000,000	0
Series B	$50,000,000	0
Preferred Shares (including MMP Shares)	10,000,000	0
MMP Shares	7,500	0

INVESTMENT OBJECTIVE

The Company's investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of the Company's investment objective, total return includes capital appreciation of, and all distributions received from, securities in which the Company invests regardless of the tax character of the distributions. The Company seeks to provide its stockholders with an efficient vehicle to invest in a portfolio of MLPs. Similar to the tax characterization of cash distributions made by MLPs to its unit holders, the Company believes that its stockholders will have relatively high levels of the deferred taxable income associated with cash distributions made by the Company to stockholders.

ENERGY INFRASTRUCTURE INDUSTRY

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

Energy Infrastructure Companies. For purposes of the Company's policy of investing 90% of total assets in securities of energy infrastructure companies, an energy infrastructure company is one that

derives at least 50% of its revenues from "Qualifying Income" under Section 7704 of the Internal Revenue Code or one that derives at least 50% of its revenues from the provision of services directly related to the generation of Qualifying Income. Qualifying Income is defined as any income and/or gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting natural gas, oil or products thereof), or the marketing or delivery of any mineral or natural resource (including fertilizer, geothermal energy, and timber).

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

transporters a just and reasonable return on capital investment and the opportunity to adjust to changing market conditions.

Master Limited Partnerships. Under normal circumstances, the Company invests at least 70% of its total assets in equity securities of MLPs that derive at least 90% of their income from energy infrastructure operations and are organized as partnerships, thereby eliminating income tax at the entity level. The MLP has two classes of partners, the general partner, and the limited partners. The general partner is usually a major energy company, investment fund or the direct management of the MLP. The general partner normally controls the MLP through a 2% equity interest plus units that are subordinated to the common (publicly traded) units for at least the first five years of the partnership's existence and then only converting to common if certain financial tests are met.

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

Energy infrastructure MLPs in which the Company invests can generally be classified in the following categories:

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

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

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

Propane MLPs are distributors of propane to homeowners for space and water heating. Revenue is derived from the resale of the commodity on a margin over wholesale cost. The ability to maintain margin is a key to profitability. Propane serves approximately 3% of the household energy needs in the United States, largely for homes beyond the geographic reach of natural gas distribution pipelines. Approximately 70% of annual cash flow is earned during the winter

heating season (October through March). Accordingly, volumes are weather dependent, but have utility type functions similar to electricity and natural gas.

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

Although the Company also may invest in equity and debt securities of energy infrastructure companies that are organized and/or taxed as corporations, it is likely that any such investments will be in debt securities because the equity dividends from such corporations typically do not meet the Company's investment objective. The Company also may invest in securities of general partners or other affiliates of MLPs and private companies operating energy infrastructure assets.

INVESTMENT PROCESS

Under normal circumstances, the Company invests at least 90% of its total assets (including assets obtained through leverage) in securities of energy infrastructure companies. The Adviser seeks to invest in securities that offer a combination of quality, growth and yield intended to result in superior total returns over the long run. The Adviser's securities selection process includes a comparison of quantitative, qualitative, and relative value factors. Although the Adviser uses research provided by broker-dealers and investment firms, primary emphasis is placed on proprietary analysis and valuation models conducted and maintained by the Adviser's in-house investment analysts. To determine whether a company meets its criteria, the Adviser generally looks for a strong record of distribution growth, a solid ratio of debt to equity and coverage ratio with respect to distributions to unit holders, and a proven track record, incentive structure and management team. All of the public energy infrastructure companies in which the Company invests have a market capitalization greater than $100 million.

INVESTMENT POLICIES

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

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

The Company has adopted the following additional nonfundamental policies:

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

- The Company may invest up to 30% of total assets in restricted securities, primarily through direct placements. Subject to this policy, the Company may invest without limitation in illiquid securities. The types of restricted securities that the Company may purchase include MLP convertible subordinated units, unregistered MLP common units and securities of private companies (i.e., non-MLPs). Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

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

- The Company will not invest more than 10% of total assets in any single issuer.

- The Company will not engage in short sales.

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

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INVESTMENT SECURITIES

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

Equity Securities of MLPs. Consistent with its investment objective, the Company may invest up to 100% of its total assets in equity securities issued by energy infrastructure MLPs, including common units, convertible subordinated units and I-Shares. The table below summarizes the features of these securities, and a further discussion of these securities follows:

	COMMON UNITS	CONVERTIBLE SUBORDINATED UNITS	
VOTING RIGHTS.............	Limited to certain significant decisions; no annual election of directors	Same as common units	No dire
DIVIDEND PRIORITY.........	First right to minimum quarterly distribution	Second right to MQD; no arrearage rights	Equal i priorit

	("MQD") specified in Partnership Agreement; arrearage rights		but pai I-Share value o
DIVIDEND RATE..............	Minimum set in Partnership Agreement; participate pro rata with subordinated units after both MQDs are met	Equal in amount to common units; participate pro rata with common units above the MQD	Equal i units
TRADING....................	Listed on NYSE, AMEX and NASDAQ National Market	Not publicly traded	Listed
TAX TREATMENT..............	Ordinary income to the extent of taxable income allocated to holder; tax-free return of capital thereafter to extent of holder's basis; remainder as capital gain	Same as common units	Full di as retu since d shares, reduced
TYPE OF INVESTOR...........	Retail; creates UBTI for investment companies tax-exempt investor; not qualifying income for regulated investment companies	Same as common units	Institu create income compani
LIQUIDITY PRIORITY.........	Intended to receive return of all capital first	Second right to return of capital; pro rata with common units thereafter	Same as (indire I-share
CONVERSION RIGHTS..........	None	One-to-one ratio into common units	None

MLP Common Units. MLP common units represent an equity ownership interest in a partnership, providing limited voting rights and entitling the holder to a share of the company's success through distributions and/or capital appreciation. Unlike stockholders of a corporation, common unit holders do not elect directors annually and generally have the right to vote only on certain significant events, such as

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mergers, a sale of substantially all of the assets, removal of the general partner or material amendments to the partnership agreement. MLPs are required by their partnership agreements to distribute a large percentage of their current operating earnings. Common unit holders generally have first right to a MQD prior to distributions to the convertible subordinated unit holders or the general partner (including incentive distributions). Common unit holders typically have arrearage rights if the MQD is not met. In the event of liquidation, MLP common unit holders have first rights to the partnership's remaining assets after bondholders, other debt holders, and preferred unit holders have been paid in full. MLP common units trade on a national securities exchange or over-the-counter.

MLP Convertible Subordinated Units. MLP convertible subordinated units are typically issued by MLPs to founders, corporate general partners of MLPs, entities that sell assets to the MLP, and institutional investors. The purpose

of the convertible subordinated units is to increase the likelihood that during the subordination period there will be available cash to be distributed to common unit holders. The Company expects to purchase subordinated units in direct placements from such persons. Convertible subordinated units generally are not entitled to distributions until holders of common units have received specified MQD, plus any arrearages, and may receive less in distributions upon liquidation. Convertible subordinated unit holders generally are entitled to MQD prior to the payment of incentive distributions to the general partner, but are not entitled to arrearage rights. Therefore, they generally entail greater risk than MLP common units. They are generally convertible automatically into the senior common units of the same issuer at a one-to-one ratio upon the passage of time or the satisfaction of certain financial tests. These units do not trade on a national exchange or over-the-counter, and there is no active market for convertible subordinated units. The value of a convertible security is a function of its worth if converted into the underlying common units. Convertible subordinated units generally have similar voting rights as MLP common units.

MLP I-Shares. I-Shares represent an indirect investment in MLP I-units. I-units are equity securities issued to affiliates of MLPs, typically a limited liability company, that owns an interest in and manages the MLP. The issuer has management rights but is not entitled to incentive distributions. The I-Share issuer's assets consist exclusively of MLP I-units. Distributions by MLPs to I-unit holders are made in the form of additional I-units, generally equal in amount to the cash received by common unit holders of MLPs. Distributions to I-Share holders are made in the form of additional I-Shares, generally equal in amount to the I-units received by the I-Share issuer. The issuer of the I-Share is taxed as a corporation, however, the MLP does not allocate income or loss to the I-Share issuer. Accordingly, investors receive a Form 1099, are not allocated their proportionate share of income of the MLPs and are not subject to state filing obligations.

Debt Securities. The Company may invest up to 25% of its assets in debt securities of energy infrastructure companies, including securities rated below investment grade. The Company's debt securities may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment in kind and auction rate features. To the extent that the Company invests in below investment grade debt securities, such securities will be rated, at the time of investment, at least B- by S&P or B3 by Moody's or a comparable rating by at least one other rating agency or, if unrated, determined by the Adviser to be of comparable quality. If a security satisfies the Company's minimum rating criteria at the time of purchase and is subsequently downgraded below such rating, the Company will not be required to dispose of such security. If a downgrade occurs, the Adviser will consider what action, including the sale of such security, is in the best interest of the Company and its stockholders.

Because the risk of default is higher for below investment grade securities than investment grade securities, the Adviser's research and credit analysis is an especially important part of managing securities of this type. The Adviser will attempt to identify those issuers of below investment grade securities

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whose financial condition the Adviser believes are adequate to meet future obligations or have improved or are expected to improve in the future. The Adviser's analysis focuses on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects and the experience and managerial strength of the issuer.

Restricted Securities. The Company may invest up to 30% of total assets in restricted securities, primarily through direct placements. An issuer may be willing to offer the purchaser more attractive features with respect to securities issued in direct placements because it has avoided the expense and delay involved in a public offering of securities. Adverse conditions in the public securities markets may also preclude a public offering of securities. MLP convertible subordinated units are typically purchased from affiliates of the issuer or other existing holders of convertible units rather than directly from the issuer.

Securities obtained by means of direct placements are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is adequate. This lack of liquidity creates special risks for the Company. However, the Company could sell such securities in privately negotiated transactions with a limited number of purchasers or in public offerings under the 1933 Act. MLP convertible subordinated units also convert to publicly traded common units upon the passage of time and/or satisfaction of certain financial tests.

Defensive and Temporary Investments. Under adverse market or economic conditions or pending investment of offering or leverage proceeds, the Company may invest up to 100% of its total assets in securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other fixed income securities deemed by the Adviser to be consistent with a defensive posture, or may hold cash. The Adviser also may invest in such instruments to meet working capital needs including, but not limited to, for collateral in connection with certain investment techniques, to hold a reserve pending payment of distributions, and to facilitate the payment of expenses and settlement of trades. The yield on such securities may be lower than the returns on MLPs or yields on lower rated fixed income securities. To the extent the Company uses this strategy, it may not achieve its investment objective.

CONFLICTS OF INTEREST

Conflicts of interest may arise from the fact that the Adviser and its affiliates carry on substantial investment activities for other clients, in which the Company has no interest. The Adviser or its affiliates may have financial incentives to favor certain of such accounts over the Company. Any of their proprietary accounts and other customer accounts may compete with the Company for specific trades. The Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for the Company which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers, even though their investment objectives may be the same as, or similar to, those of the Company.

The Adviser evaluates a variety of factors in determining whether a particular investment opportunity or strategy is appropriate and feasible for the relevant account at a particular time, including, but not limited to, the following: (i) the nature of the investment opportunity taken in the context of the other investments at the time; (ii) the liquidity of the investment relative to the needs of the particular entity or account; (iii) the availability of the opportunity (i.e., size of obtainable position); (iv) the transaction costs involved; and (v) the investment or regulatory limitations applicable to the particular entity or account. Because these considerations may differ when applied to the Company and relevant accounts under management in the context of

any particular investment opportunity, the investment

activities of the Company, on the one hand, and other managed accounts, on the other hand, may differ considerably from time to time. In addition, the fees and expenses of the Company differ from those of the other managed accounts. Accordingly, stockholders should be aware that the future performance of the Company and other accounts of the Adviser may vary.

Situations may occur when the Company could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for its other accounts. Such situations may be based on, among other things, the following: (i) legal or internal restrictions on the combined size of positions that may be taken for the Company or the other accounts, thereby limiting the size of the Company's position; or (ii) the difficulty of liquidating an investment for the Company or the other accounts where the market cannot absorb the sale of the combined position. The Company's investment opportunities may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies.

Under the 1940 Act, the Company and its affiliates may be precluded from co-investing in negotiated private placements of securities. The Company may apply to the SEC for exemptive relief to permit the Company and its affiliates to make such investments. Unless and until the Company obtains an exemptive order, the Company will not co-invest with its affiliates in negotiated private placement transactions.

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

PORTFOLIO TURNOVER

The Company's annual portfolio turnover rate may vary greatly from year to year. Although the Company cannot accurately predict its annual portfolio turnover rate, it is not expected to exceed 30% under normal circumstances. From the commencement of operations through October 31, 2004, the Company's actual portfolio turnover rate was less than 1%. However, portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for the Company. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Company. High portfolio turnover may result in the Company's recognition of gains that will increase the Company's tax liability and thereby lower the after-tax distributions of the Company. In addition, high portfolio turnover may increase the Company's current and accumulated earnings profits, resulting in a greater portion of the Company's distributions being treated as taxable dividends for federal income tax purposes. See "Tax Matters."

LEVERAGE

The Company may borrow money, issue preferred stock, or issue other senior securities to the extent permitted by the 1940 Act. These practices are known as leverage. The Company has Tortoise Notes and MMP Shares outstanding in an aggregate principal amount and liquidation preference representing 29.5% of total assets as of October 31, 2004. The Company generally will not use leverage unless it believes that leverage will serve the best interests of its stockholders. The principal, although not exclusive, factor used in making this determination is whether the potential return is likely to exceed the cost of leverage. The Company also may borrow up to an additional 5% of its total assets (not including the amount so borrowed) for temporary purposes, including the settlement and clearance of securities transactions, which otherwise might require untimely dispositions of portfolio holdings.

Under the 1940 Act, the Company is not permitted to incur indebtedness constituting senior securities unless immediately thereafter the Company has total assets (including the proceeds of the indebtedness) at least equal to 300% of the amount of the indebtedness. Stated another way, the Company may not borrow for investment purposes more than 33 1/3% of its total assets, including the amount borrowed. The Company also must maintain this 300% "asset coverage" for as long as the indebtedness is outstanding. The 1940 Act provides that the Company may not declare any cash dividend or other distribution on its shares, or purchase any of its shares of capital stock (through tende