TORTOISE ENERGY INFRASTRUCTURE CORP
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Quarterly Report | August 31, 2016

2016 3rd Quarter Report

Closed-End Funds

Tortoise Capital Advisors
2016 3rd Quarter Report to Stockholders

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

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

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TTP and TPZ distribution policies

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

Tortoise Capital Advisors

Closed-end fund comparison

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

[1] As of 9/30/2016

[2] As of 8/31/2016

Tortoise Capital Advisors

Third quarter 2016 report to closed-end fund stockholders

Dear fellow stockholders,

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

Upstream

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

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

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

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

Midstream

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

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

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

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

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

(unaudited)

Downstream

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

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

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

Capital markets

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

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

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

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

Concluding thoughts

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

Sincerely,

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

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

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

It is not possible to invest directly in an index.

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

1 Energy Information Administration, September 2016

(unaudited)

Tortoise
Energy Infrastructure Corp. (TYG)

Fund description

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

Fund performance review

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

3rd fiscal quarter highlights

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

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

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

Key asset performance drivers

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

	Company type	
		Acquisition speculation

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

(unaudited)

Distributable cash flow and distributions

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

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

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

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

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

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

Leverage

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

Income taxes

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

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

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

(unaudited)

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

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

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

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.
(2) Leverage costs include interest expense, distributions to preferred stockholders, interest rate swap expenses and other recurring leverage expenses.
(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow (DCF).
(4) Net investment income (loss), before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the premium on redemptions of senior notes and MRP stock and amortization of debt issuance costs; and decreased by realized and unrealized gains (losses) on interest rate swap settlements and current taxes paid on net investment income.
(5) Annualized.

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

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Tortoise
MLP Fund, Inc. (NTG)

Fund description

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

Fund performance review

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

3rd fiscal quarter highlights

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

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

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

Key asset performance drivers

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

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

(unaudited)

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

Distributable cash flow and distributions

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

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

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

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

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

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

Leverage

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

Income taxes

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

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

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

(unaudited)

NTG Key Financial Data (supplemental unaudited information)

(dollar amounts in thousands unless otherwise indicated)

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

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

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.
(2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.
(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow (DCF).
(4) Net investment income (loss), before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the premium on redemption of senior notes and amortization of debt issuance costs; and decreased by current taxes paid on net investment income.
(5) Annualized.
(6) Distributable Cash Flow divided by distributions paid.
(7) Computed by averaging month-end values within each period.
(8) Leverage consists of senior notes, preferred stock and outstanding borrowings under the credit facility.
(9) Computed by averaging daily net assets within each period.

Tortoise
Pipeline & Energy Fund, Inc. (TTP)

Fund description

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

Fund performance review

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

3rd fiscal quarter highlights

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

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

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

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

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

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

Key asset performance drivers

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

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

(unaudited)

Distributable cash flow and distributions

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

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

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

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

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

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

Leverage

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

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

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

(unaudited)

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

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

	2015			2016	
	Q3[1]	**Q4[1]**	**Q1[1]**	**Q2[1]**	**Q3[1]**
Total Income from Investments					
Dividends and distributions from investments,					