TORTOISE MLP CORP.
Form N-2/A
June 18, 2010

Table of Contents

**As filed with the Securities and Exchange Commission on June 18, 2010**
**Securities Act Registration No. 333-166278**
**Investment Company Act Registration No. 811-22409**

**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**
**Form N-2**

þ **REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933**

þ **PRE-EFFECTIVE AMENDMENT NO. 3**

o **POST-EFFECTIVE AMENDMENT NO.**
**and/or**

þ **REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940**

þ **AMENDMENT NO. 3**

**Tortoise MLP Fund, Inc.**
**11550 Ash Street, Suite 300**
**Leawood, Kansas 66211**
**(913) 981-1020**
**AGENT FOR SERVICE**
**David J. Schulte**
**11550 Ash Street, Suite 300**
**Leawood, Kansas 66211**
***Copies of Communications to:***
**Steven F. Carman, Esq.**
**Eric J. Gervais, Esq.**
**Husch Blackwell Sanders LLP**
**4801 Main Street, Suite 1000**
**Kansas City, MO 64112**
**(816) 983-8000**

**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. o

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

o when declared effective pursuant to Section 8(c).

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933**

| Title of Securities Being Registered | Amount to be Registered | Proposed Maximum Offering Price Per Share | Proposed Maximum Aggregate Offering Price (1) | Amount of Registration Fee (2) |
|---|---|---|---|---|

| | | |
|---|---|---|
| Common Stock | $200,000,000 | $14,260.00 |

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933. In no event will the aggregate initial offering price of all securities offered from time to time pursuant to the prospectus included as a part of this Registration Statement exceed $200,000,000.

(2) $356.50 previously paid.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that 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.**

Table of Contents



**Subject to Completion**

Preliminary Prospectus dated June 18, 2010

**PROSPECTUS**

**Shares**

**Tortoise MLP Fund, Inc.**

**Common Shares**

**$25.00 per Share**

*Investment Objective.* Tortoise MLP Fund, Inc. (the Company, we, us or our ) is a newly organized, non-diversified closed-end management investment company. Our investment objective is to provide our stockholders a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure master limited partnerships ( MLPs ) and their affiliates, with an emphasis on natural gas infrastructure MLPs. Similar to the tax characterization of distributions made by MLPs to their unitholders, a portion of our distributions are expected to be treated as a return of capital to stockholders. We cannot assure you that we will achieve our investment objective. Unlike most investment companies, we have not elected to be treated as a regulated investment company under the Internal Revenue Code.

*Investment Policies.* Under normal circumstances, we will invest at least 80% of our total assets in equity securities of MLPs in the energy infrastructure sector, with at least 70% of our total assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, natural gas liquids ( NGLs ), crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50% of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets. We intend to focus primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and NGL infrastructure assets. We may invest up to 50% of our total assets in restricted securities, primarily through direct investments in securities of listed companies. We will not invest in privately held companies.

*No Prior History.* **Prior to this offering, there has been no public or private market for our common shares**. Our common shares are expected to be listed on the New York Stock Exchange under the trading or ticker symbol NTG.

**Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 25 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus before making a decision to purchase our securities.**

**Shares of closed-end management investment companies frequently trade at prices lower than their net asset value or initial offering price. Market discount risk applies to all investors, but it may be greater for initial investors expecting to sell shares shortly after the completion of the offering.**

| | Per Share | Total[1] |
|---|---|---|
| Public offering price | $ 25.000 | $ |
| Sales load[2] | $ 1.125 | $ |
| Proceeds, before expenses, to the Company[3] | $ 23.875 | $ |

*(notes on following page)*

**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 common shares to purchasers on or about , 2010.

**Morgan Stanley** **Citi**

The date of this prospectus is , 2010.

*(notes from previous page)*

(1) The underwriters named in this prospectus have the option to purchase up to additional common shares at the public offering price, less the sales load, within 45 days from the date of this prospectus to cover over-allotments. If the over-allotment option is exercised in full, the public offering price, sales load and proceeds, before expenses, to us will be , , and , respectively. See Underwriters .

(2) Tortoise Capital Advisors, L.L.C., the adviser to the Company, has agreed to pay from its own assets an upfront marketing and structuring fee to Morgan Stanley & Co. Incorporated and Citigroup Global Markets Inc. These fees are not reflected under sales load in the table above. See Underwriters Additional Compensation to be Paid by the Adviser.

(3) In addition to the sales load, we will pay offering costs of up to $0.05 per share, estimated to total approximately $ , which will reduce the Proceeds, before expenses, to the Company. Tortoise Capital Advisors, L.L.C. has agreed to pay all organizational expenses and the amount by which the aggregate of all of our offering costs (other than the sales load) exceeds $0.05 per share.

*(continued from cover page)*

*Leverage.* The borrowing of money and issuance of preferred stock and debt securities represent the leveraging of our common stock. The term total assets includes assets obtained through leverage for each of our investment policies. Our Board of Directors has approved a leverage target of up to 25% of our total assets at the time of incurrence and has also approved a policy permitting temporary increases in the amount of leverage we may use from 25% of our total assets to up to 30% of our total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) we expect to reduce such increased leverage over time in an orderly fashion. See Risk Factors Leverage Risk.

*Investment Adviser.* We will be managed by Tortoise Capital Advisors, L.L.C. (the Adviser ), a registered investment adviser specializing in managing portfolios of investments in MLPs and other energy companies. As of May 31, 2010, our Adviser managed investments of approximately $3.3 billion in the energy sector, including the assets of five publicly traded closed-end management investment companies. Our Adviser has a 20-person investment team dedicated to the energy sector, and its five managing directors comprise its investment committee.

This prospectus sets forth concisely the information that you should know before investing. You should read this prospectus before deciding whether to invest in our securities. You should retain this prospectus for future reference. A statement of additional information, dated , 2010, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission ( SEC ) 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, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free at 1-866-362-9331 or by writing to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. Our annual, semi-annual and quarterly reports and the statement of additional information also will be available on our investment adviser s website at *www.tortoiseadvisors.com*. Information included on such website does not form part of this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-202-551-5850 for information. The SEC charges a fee for copies. You can get the same information free from the SEC 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 SEC s Public Reference Section, 100 F. Street, N.E., Room 1580, Washington, D.C.

20549.

Our securities do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.

**Table of Contents**

## CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the statement of additional information contain forward-looking statements. Forward-looking statements can be identified by the words may, will, intend, expect, estimate, continue, plan, anticipate, and similar terms and the negative of such terms. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect our actual results are the performance of the portfolio of securities we hold, the time necessary to fully invest the proceeds of this offering the conditions in the U.S. and international financial, natural gas, petroleum and other markets, the price at which our shares will trade in the public markets and other factors.

Although we believe that the expectations expressed in our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in our forward-looking statements. Our future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the Risk Factors section of this prospectus. All forward-looking statements contained or incorporated by reference in this prospectus are made as of the date of this prospectus. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended (the 1933 Act ).

Currently known risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the factors described in the Risk Factors section of this prospectus. We urge you to review carefully that section for a more detailed discussion of the risks of an investment in our securities.

## TABLE OF CONTENTS



**You should rely only on the information contained or incorporated by reference in this prospectus in making your investment decisions. We have not authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction where the offer or sale is not permitted. The information appearing in this prospectus is accurate only as of the dates on its cover. Our business, financial condition and prospects may have changed since such date. We will advise investors of any material changes to the extent required by applicable law.**

Table of Contents

## PROSPECTUS SUMMARY

*The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider. You should review the more detailed information contained elsewhere in this prospectus and in the statement of additional information, especially the information set forth under the heading  Risk Factors  beginning on page 25 of this prospectus.*

**The Company**

We are a newly organized Maryland corporation registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940 (the  1940 Act ). Our investment objective is to provide our stockholders a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation on our common stock, and all distributions received from us. regardless of the tax character of the distributions. Similar to the tax characterization of distributions made by MLPs to their unitholders, a portion of our distributions are expected to be treated as a return of capital to stockholders. We cannot assure you that we will achieve our investment objective.

**Our Adviser**

We will be managed by Tortoise Capital Advisors, L.L.C. (the  Adviser ), a registered investment adviser specializing in managing portfolios of investments in MLPs and other energy companies. As of May 31, 2010, our Adviser managed investments of approximately $3.3 billion in the energy sector, including the assets of five publicly traded closed-end management investment companies. Our Adviser has a 20-person investment team dedicated to the energy sector, and its five managing directors comprise its investment committee.

**Investment Strategy**

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs. MLP affiliates are entities controlling, controlled by or under common control with an MLP.

Under normal circumstances, we will invest at least 80% of our total assets in equity securities of MLPs in the energy infrastructure sector, with at least 70% of our total assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, NGLs, crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50% of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets. We intend to

| | |
|---|---|
| | focus primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and NGL infrastructure assets. |
| **Listing and Symbol** | Our common shares are expected to be listed on the New York Stock Exchange under the trading or ticker symbol NTG. |

Table of Contents

**Use of Proceeds**

We expect to use the net proceeds from the sale of our common shares to invest in accordance with our investment objective and policies and for working capital purposes. Approximately % of the net proceeds of this offering (excluding the over-allotment option) is expected to be used to complete the purchase of certain identified direct investments immediately after the closing of this offering. We expect to fully invest the remaining net proceeds of this offering within three to six months after the closing. It may take us up to six months to invest the proceeds of this offering for several reasons, including the lack of availability of suitable investments, difficulty in securing firm commitments for direct investments and the trading market and volumes of securities of MLPs and their affiliates. Pending such investment, we expect that the net proceeds of this offering will be invested in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid debt securities. See Use of Proceeds.

**Direct Investment Strategy**

We intend to seek direct investment opportunities (direct placements or follow-on offerings) that could take place concurrent with the closing of this offering or soon thereafter. MLPs typically issue new equity in such transactions at some discount to prevailing market price. If we are successful in our efforts to purchase direct investments at a discount, we may benefit from an immediate accretion of the discount and as a result may enhance our NAV. Our Adviser has invested more than $1.5 billion in over 110 direct placements, follow-on offerings and private companies. However, we cannot assure you that it will be successful in this strategy.

**Market Opportunity**

We believe there is growth potential in the energy infrastructure MLP sector that provides attractive investment opportunities as a result of the following factors:

*Natural Gas Infrastructure Emphasis*. The United States has an abundant supply of natural gas with enough natural gas to last for approximately 80 to 120 years, according to various industry sources. Natural gas provides a means of energy independence as nearly 90% of the natural gas consumed in the United States is produced domestically. Demand for natural gas continues to increase as environmentally sensitive power generation companies switch to low-cost cleaner burning fuels. Natural gas is viewed as a reliable back-up energy source to alternative energy (e.g., wind and solar) as it is not dependant on weather patterns. Natural gas is the cleanest fossil fuel, with 50% and 30% fewer carbon dioxide emissions than coal and oil, respectively, as well as lower emissions from sulfur dioxide and other pollutants.

*Significant Capital Requirements*. Energy infrastructure MLP asset footprints expand with growth in energy demand and changes in geographic areas where energy is produced. ICF International estimates that approximately $100-$175 billion will be spent on U.S. natural gas infrastructure from 2009 to 2030 related to the continued natural gas infrastructure build-out that will be needed to support the development of natural gas shale basins. These projects include financing for natural gas pipelines, processing facilities and storage capacity to develop infrastructure that efficiently connects new areas of supply to growing areas of demand. Because MLPs pay out the majority of their cash flow as distributions, they require external financing sources with long-term horizons to finance these internal growth projects.

*Substantial Asset Ownership Realignment*. Energy infrastructure MLPs are estimated to currently own less than 50% of the natural gas, refined product, and crude oil infrastructure assets in the U.S., with the remaining assets largely owned by major energy and utility companies. As such, there is a significant pool of assets that could be acquired by MLPs. Energy infrastructure assets owned by major energy and utility companies are often underutilized by their affiliated core exploration, production, refining and distribution businesses. MLP ownership of these assets allows energy and utility companies to focus on their core businesses and MLPs to maximize operational output and efficiency at a lower cost of capital. MLPs have averaged over $15 billion of acquisitions per year from 2008 through May 31, 2010. We estimate that the continued migration of energy infrastructure assets to MLPs could result in approximately $32 billion of acquisition growth by MLPs between 2010 and 2012. MLP acquisitions would increase the size of the investable universe available to us and enhance our growth potential.

**Experience of the Adviser**

Our Adviser has significant experience investing in energy infrastructure MLPs including:

*Investment Experience Across Energy Value Chain*. Our Adviser has significant expertise in managing energy infrastructure investments and had approximately $3.3 billion of assets under management in the energy sector as of May 31, 2010, including the assets of five publicly traded closed-end management investment companies. As such, our Adviser is one of the largest investment managers dedicated to managing closed-end investment companies focused on U.S. energy infrastructure MLPs. The five members of our Adviser s investment committee have, on average, over 24 years of investment experience. The Adviser s philosophy places extensive focus on quality through proprietary models, including risk, valuation and financial models.

*Deep Relationships and Access to Deal Flow*. Our Adviser has developed deep relationships with issuers, underwriters and sponsors that we believe will afford us competitive advantages in evaluating and managing investment opportunities. Our Adviser led the first MLP direct placement and has participated in over 110 direct placements, follow-on offerings and private company investments in which it has invested over $1.5 billion since 2002 through its listed funds and other specialty vehicles and accounts.

*Capital Markets Innovation*. Our Adviser is a leader in providing investment, financing and structuring opportunities through

Table of Contents

its listed funds. Our Adviser believes its innovation includes the following highlights:

Formed the first listed, closed-end management investment company focused primarily on investing in energy infrastructure MLPs;

Led the development of institutional MLP direct placements to fund capital projects, acquisitions and sponsor liquidity;

Completed the first follow-on common stock offering in a decade for a closed-end, management investment company; and

Established one of the first registered closed-end management investment company universal shelf registration statements and completed the first registered direct offering from a universal shelf registration statement for a closed-end fund.

*Disciplined Investment Philosophy*. In making its investment decisions, our Adviser intends to continue the disciplined investment approach that it has utilized since its founding. That investment approach will emphasize current income, low volatility and minimization of downside risk. Our Adviser s investment process involves an assessment of the overall attractiveness of the specific segment in which an energy infrastructure MLP is involved, the company s specific competitive position within that segment, potential commodity price risk, supply and demand, regulatory considerations, the stability and potential growth of the company s cash flows, and the company s management track record.

**Fees**

Pursuant to our investment advisory agreement, we will pay our Adviser a fee for its investment management services equal to an annual rate of 0.95% of our average monthly Managed Assets. The Adviser has agreed to a fee waiver of 0.10% of Managed Assets for the first year following this offering and 0.05% of Managed Assets for the second year following this offering. The fee will be calculated and accrued daily and paid quarterly in arrears. See Management of the Company Investment Adviser Compensation and Expenses.

**Comparison with Directly Owning MLPs**

We believe that our investors will benefit from a number of portfolio and tax features that would not be available from directly owning MLP units, including the following:

*Access to Direct Placements*. We will seek to invest in direct placements in publicly traded MLPs. Direct placements offer the potential for increased return, but are typically only available to a limited number of institutional investors such as us.

*Simplified Tax Reporting*. Each stockholder will receive a single Form 1099, rather than a Form K-1 from each MLP if such stockholder had instead invested directly in the MLP. In addition, whereas limited partners of an MLP may be required to make state filings in states in which the MLP operates, our stockholders will not be required to file state income tax returns in each state in which MLPs we own operate.

Table of Contents

*Diversified Portfolio*. An investment in our common shares offers diversification among a number of MLPs within the energy infrastructure sector, with an emphasis on natural gas infrastructure MLPs, through a single investment vehicle.

*Active Management by Leading MLP Adviser*. Our Adviser s investment committee has more than 120 years combined investment experience to select and manage a diversified portfolio on behalf of stockholders. The ability to access investment grade credit markets may also lead to greater stockholder returns.

*No Unrelated Business Taxable Income*. 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 pension plans, foundations, 401(k)s and IRAs, will not have UBTI upon receipt of distributions from us, whereas a tax-exempt limited partner s allocable share of income of an MLP is treated as UBTI.

*Retirement Plan Suitability*. The tax characteristics of a direct MLP investment are generally undesirable for tax-exempt investors such as retirement plans. We are structured as a c-corporation and accrue federal and state income taxes based on taxable earnings and profits. Because of this structure, pioneered by our Adviser, institutions and retirement accounts are able to join individual stockholders as investors in MLPs through their investment in us. The tax characteristics of distributions you may receive from us can vary. See Certain Federal Income Tax Matters.

In addition, the passive activity income and loss rules apply to a direct investment in MLPs but not to an investment in our common shares (these rules limit the ability of an investor to use losses to offset other gains).

Unlike MLPs, we will be obligated to pay current and accrue deferred taxes with respect to our income, thereby subjecting our income to a double layer of tax upon distribution to our stockholders. Like other investment companies, our stockholders will bear our operating costs, including management fees, custody and administration fees, and the costs of operating as a public company.

**Principal Investment Strategies**

We have adopted the following nonfundamental investment policies:

Under normal circumstances, we will invest at least 80% of our total assets in equity securities of MLPs in the energy infrastructure sector, with at least 70% of our total assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs.

We may invest up to 50% of our total assets in restricted securities, primarily through direct investments in securities of listed companies. We will not invest in privately held companies.

Table of Contents

We will not invest more than 10% of our total assets in any single issuer.

We will not engage in short sales.

The term total assets includes assets obtained through leverage for the purpose of each of our nonfundamental investment policies, each of which is set forth above. The Board of Directors may change our nonfundamental investment policies without stockholder approval and will provide notice to stockholders of material changes (including notice through stockholder reports), although a change in the policy of investing at least 80% of our total assets in equity securities of energy infrastructure MLPs requires at least 60 days prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase. Furthermore, we will not be required to reduce a position due solely to market value fluctuations.

During the period in which we are investing the net proceeds of this offering, we may deviate from our investment policies by investing the net proceeds in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, high quality, short-term money market instruments, short-term debt securities, certificates or deposit, bankers acceptances and other bank obligations, commercial paper or other liquid fixed income securities.

**Federal Income Tax Status of the Company**

Unlike most investment companies, we have not elected to be treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the Internal Revenue Code ). Therefore, we are obligated to pay federal and applicable state corporate taxes on our taxable income. On the other hand, we are not subject to the Internal Revenue Code s diversification rules limiting the assets in which regulated investment companies can invest. Under current federal income tax law, these rules limit the amount that regulated investment companies may invest directly in the securities of certain MLPs to 25% of the value of their total assets. We will invest a substantial portion of our assets in securities of MLPs. Although MLPs may generate taxable income to us, we expect the MLPs to pay cash distributions in excess of the taxable income reportable by us. Similarly, we expect to distribute substantially all of our distributable cash flow ( DCF ) to our common stockholders. DCF is the amount we receive as cash or paid-in-kind distributions from MLPs or affiliates of MLPs in which we will invest and interest payments on short-term debt securities we own, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of any preferred stock, debt securities and borrowings under any credit facility). However, unlike regulated investment companies, we are not effectively required by the Internal Revenue Code to distribute substantially all of our income and capital gains. See Certain Federal Income Tax Matters.

**Taxation of MLPs and MLP Investors**

We will invest primarily in MLPs, which are treated as partnerships for federal income tax purposes. Limited partners, such as us, will be required to pay tax on their allocable share of each MLP s 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 we intend to invest 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**

Our stockholders 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, our stockholders will not recognize an allocable share of our income, gains, losses and deductions. Stockholders recognize income only if we pay out distributions. The tax character of the distributions can vary. If we make distributions from our current or accumulated earnings and profits, such distributions will be taxable to stockholders 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 provided that certain requirements are met. If distributions exceed our current or accumulated earnings and profits, such excess distributions will constitute a tax-deferred return of capital to the extent of a stockholder s basis in its common shares. To the extent excess distributions exceed a stockholder s basis, they will be taxed as capital gain. Based on the historical performance of MLPs, we expect that a portion of distributions to holders of our common shares will constitute a tax-deferred return of capital. There is no assurance that we will make regular distributions or that our expectation regarding the tax character of our distributions will be realized. The provisions of the Internal Revenue Code applicable to qualified dividend income are effective through December 31, 2010. Thereafter, higher federal income tax rates will apply unless further legislative action is taken.

Upon the sale of common shares, 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 adjusted tax basis in its common shares 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 shares were held as a capital asset for more than one year. See Certain Federal Income Tax Matters.

**Distributions**

We expect to distribute substantially all of our DCF to our common stockholders through quarterly distributions. Our Board of Directors has adopted a policy to target distributions to common stockholders in an amount of at least 95% of our DCF on an annual basis. It is expected that we will declare a distribution to holders of our common stock approximately 45 to 60 days following the completion of this offering and pay a distribution no later than November 30, 2010. Subsequently, we will pay distributions on our common stock each fiscal quarter out of our DCF, if any. If distributions paid to common stockholders exceed the current and accumulated earnings and profits allocated to the particular shares held by a stockholder, the excess of such distribution will constitute, for federal income tax purposes, a tax-deferred return of capital to the extent of the stockholder s basis in the shares and capital gain thereafter. A return of capital reduces the basis of the shares held by a stockholder, which may increase the amount of gain recognized upon the sale of such shares. See Distributions.

**Dividend Reinvestment Plan**

We intend to have a dividend reinvestment plan for our stockholders that will be effective after completion of this offering. Our plan will be an opt out dividend reinvestment plan. As a result, if we declare a distribution after the plan is effective, a stockholder s cash distribution will be automatically reinvested in additional common shares, unless the stockholder specifically opts out of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of common shares will generally be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See Automatic Dividend Reinvestment Plan and Certain Federal Income Tax Matters.

**Leverage**

The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The issuance of additional common stock may enable us to increase the aggregate amount of our leverage. We reserve the right at any time to use financial leverage to the extent permitted by the 1940 Act (50% of total assets for preferred stock and 331/3% of total assets for senior debt securities) or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a leverage target of up to 25% of our total assets at the time of incurrence and has also approved a policy permitting temporary increases in the amount of leverage we may use from 25% of our total assets to up to 30% of our total assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) we expect to reduce such increased leverage over time in an orderly fashion. The timing and terms of any leverage transactions will be determined by our Board of Directors. In addition, the percentage of our assets attributable to

leverage may vary significantly during periods of extreme market volatility and will increase during periods of declining market prices of our portfolio holdings.

The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time creates special risks that may adversely affect common stockholders. Because our Adviser s fee is based upon a percentage of our Managed Assets (defined as our total assets (including any assets attributable to any leverage that may be outstanding but excluding any net deferred tax assets) minus the sum of accrued liabilities other than (1) net deferred tax liabilities, (2) debt entered into for purposes of leverage and (3) the aggregate liquidation preference of any outstanding preferred stock), our Adviser s fee is higher when we are leveraged. Our Adviser does not charge an advisory fee based on net deferred tax assets. Therefore, our Adviser has a financial incentive to use leverage, which will create a conflict of interest between our Adviser and our common stockholders, who will bear the costs of our leverage. 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 Risk Factors Leverage Risk.

We may use interest rate transactions for economic hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. We do not intend to hedge the interest rate risk of our portfolio holdings. Interest rate transactions that we may use for hedging purposes may expose us to certain risks that differ from the risks associated with our portfolio holdings. See Leverage Hedging Transactions and Risk Factors Hedging Strategy Risk.

**Conflicts of Interest**

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

Situations may occur when we could be disadvantaged because of the investment activities conducted by our Adviser and its affiliates for their other accounts. Such situations may be based on, among other things, the following: (1) legal or internal restrictions on the combined size of positions that may be taken for us or the other accounts, thereby limiting the size of our position; (2) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of

the combined position; or (3) limits on co-investing in direct placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of our Adviser or its affiliates with energy infrastructure companies. See Investment Objective and Principal Investment Strategies Conflicts of Interest.

**Adviser Information**

The offices of our Adviser are located at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. The telephone number for our Adviser is (913) 981-1020 and our Adviser s website is www.tortoiseadvisors.com. Information posted to our Adviser s website should not be considered part of this prospectus.

**Who May Want to Invest**

Investors should consider their investment goals, time horizons and risk tolerance before investing in our common shares. An investment in our common shares is not appropriate for all investors, and we are not intended to be a complete investment program. We are designed as a long-term investment and not as a trading vehicle. We may be an appropriate investment for investors who are seeking:

an efficient investment vehicle for accessing a portfolio of energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs;

the opportunity for tax deferred distributions and distribution growth;

simplified tax reporting compared to directly owning MLP units;

an investment for retirement and other tax exempt accounts;

potential diversification of their overall investment portfolio; and

professional securities selection and active management by an experienced adviser.

An investment in our common shares involves a high degree of risk. Investors could lose some or all of their investment.

**Risks**

Investing in our common shares involves risk, including the risk that you may receive little or no return on your investment, or even that you may lose part or all of your investment. Therefore, before investing in our common shares you should consider carefully the risks set forth in Risk Factors . We are designed primarily as a long-term investment vehicle, and our common shares are not an appropriate investment for a short-term trading strategy. An investment in our common shares should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objective.

## SUMMARY OF COMPANY EXPENSES

The following table and example contain information about the costs and expenses that common stockholders will bear directly or indirectly. In accordance with SEC requirements, the table below shows our expenses, including leverage costs, as a percentage of our net assets and not as a percentage of gross assets or Managed Assets. **We caution you that the percentages in the table below indicating annual expenses are estimates and may vary.**

| | |
|---|---|
| **Stockholder Transaction Expense (as a percentage of offering price):** | |
| Sales Load | 4.50%(1) |
| Offering Expenses Borne by the Company | 0.20%(2) |
| Dividend Reinvestment Plan Expenses | None(3) |
| Total Stockholder Transaction Expenses Paid | 4.70% |
| **Annual Expenses (as a percentage of net assets attributable to common shares)(4):** | |
| Management Fee (payable under investment advisory agreement) | 1.27%(5) |
| Leverage Costs | 1.22%(6) |
| Other Expenses | 0.34%(7) |
| Current Income Tax Expenses | 0.00% |
| Deferred Income Tax Expense | 0.00%(8) |
| Total Annual Expenses | 2.83%(9) |
| Less Fee and Expense Reimbursement | (0.13)%(10) |
| Net Annual Expenses | 2.70%(9) |

(1) For a description of the sales load and of other compensation paid to the underwriters by the Company, see Underwriters.

(2) We will pay offering costs of up to $0.05 per share, estimated to total approximately $ . The Adviser has agreed to pay all organizational expenses and the amount by which the aggregate of all of our offering costs (other than the sales load) exceeds $0.05 per share.

(3) The expenses associated with the administration of our dividend reinvestment plan are included in Other Expenses. The participants in our dividend reinvestment plan will pay a per share fee with respect to open market purchases, if any, made by the plan agent under the plan. For more details about the plan, see Automatic Dividend Reinvestment Plan.

(4) Assumes leverage of approximately $127 million determined using the assumptions set forth in footnote (6) below.

(5) Although our management fee is 0.95% (annualized) of our average monthly Managed Assets, the table above reflects expenses as a percentage of net assets. Managed Assets means our total assets (including any assets attributable to any leverage that may be outstanding, but excluding any net deferred tax assets) minus the sum of

accrued liabilities other than (1) net deferred tax liability, (2) debt entered into for the purpose of leverage and (3) the aggregate liquidation preference of any outstanding preferred shares. Net assets is defined as Managed Assets minus net deferred taxes, debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. See Management of the Company Investment Advisory Agreement Management Fee.

(6) We may borrow money or issue debt securities and/or preferred stock to provide us with additional funds to invest. The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The table above assumes we borrow approximately $127 million, which reflects leverage in an amount representing approximately 25% of our total assets (including such leverage) assuming an annual interest rate of 3.66% on the amount borrowed and assuming we issue 16 million common shares.

Table of Contents

(7) Other Expenses includes our estimated overhead expenses, including payments to our transfer agent, our administrator and legal and accounting expenses for our first year of operation assuming we issue 16 million common shares. The holders of our common shares indirectly bear the cost associated with such other expenses as well as all other costs not specifically assumed by our Adviser and incurred in connection with our operations.

(8) As of the date of this prospectus, we have not commenced investment operations. Because it cannot be predicted whether we will incur a benefit or liability in the future, a deferred tax expense of 0.00% has been assumed.

(9) The table presented above estimates what our annual expenses would be, stated as a percentage of our net assets attributable to our common shares. The table presented below, unlike the tab