

TORTOISE ENERGY INFRASTRUCTURE CORP

Form 497

April 21, 2011

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**Filed pursuant to Rule 497(e) under
the Securities Act of 1933, As Amended
File no. 333-165006**

PROSPECTUS SUPPLEMENT

(To prospectus dated March 1, 2011)

\$20,000,000

Tortoise Energy Infrastructure Corporation

Common Stock

We have entered into an Equity Distribution Agreement (the "Sales Agreement") with Knight Capital Americas, L.P. (the "Sales Agent") relating to our shares of common stock offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the Sales Agreement, we may offer and sell from time to time shares of our common stock having an aggregate sales price of up to \$20,000,000 through the Sales Agent.

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships ("MLPs") in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. We are a nondiversified, closed-end management investment company. This prospectus supplement, together with the accompanying prospectus dated March 1, 2011, sets forth the information that you should know before investing.

Sales of common stock, if any, will be made by means of ordinary brokers' transactions on the New York Stock Exchange (the "NYSE") or otherwise at market prices prevailing at the time of the sale, at prices related to the prevailing market prices or at negotiated prices. As of the date of this prospectus supplement, we have sold in this offering an aggregate of 82,605 shares of our common stock, representing net proceeds to us of \$3,252,390.62, after payment of commissions of \$49,528.78 in the aggregate.

Our common stock is, and the shares offered pursuant to this prospectus supplement and accompanying prospectus will be, listed on the NYSE under the symbol "TYG." The last reported sale price of our common stock on April 15, 2011 was \$38.59 per share. The net asset value ("NAV") per share of our common stock at the close of business on April 15, 2011 was \$34.99.

Under the terms of the Sales Agreement, we will pay the Sales Agent a total commission equal to 1.5% of the gross sales price per share for any common stock sold through the Sales Agent.

The Sales Agent is not required to sell any specific number or dollar amount of common stock, but subject to the terms and conditions of the Sales Agreement will use its commercially reasonable efforts to sell the common stock offered by this prospectus supplement and the accompanying prospectus. There is no arrangement for common stock to be received in an escrow, trust or similar arrangement.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 30 of the accompanying prospectus.

The Securities and Exchange Commission has not approved or disapproved these securities or passed upon the adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

Knight

The date of this prospectus supplement is April 21, 2011.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and the statement of additional information. We have not, and the Sales Agent has not, authorized anyone to provide you with different information. We are not making an offer of these securities where the offer is not permitted. The information appearing in this prospectus supplement, the accompanying prospectus and the statement of additional information is accurate only as of the dates on their respective covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying 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. Such forward-looking statements may be contained in this prospectus supplement as well as in the accompanying prospectus. 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 conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the SEC.

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 the prospectus accompanying this prospectus supplement. All forward-looking statements contained or incorporated by reference in this prospectus supplement or the accompanying prospectus are made as of the date of this prospectus supplement or the accompanying prospectus, as the case may be. 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 supplement and the accompanying prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933 (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 the prospectus accompanying this prospectus supplement. We urge you to review carefully these sections for a more complete discussion of the risks of an investment in our common stock.

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PROSPECTUS SUPPLEMENT SUMMARY

*This summary contains basic information about us and the offering but does not contain all of the information that is important to your investment decision. You should read this summary together with the more detailed information contained elsewhere in this prospectus supplement and accompanying prospectus and in the statement of additional information, especially the information set forth under the heading **Risk Factors** beginning on page 30 of the accompanying prospectus. When used in this prospectus supplement, the terms **we**, **us**, and **our** refer to Tortoise Energy Infrastructure Corporation, unless specified otherwise.*

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded MLPs in the energy infrastructure sector. Our investment objective is to seek 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 of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. Similar to the tax characterization of cash distributions made by MLPs to unitholders, a significant portion of our distributions have been and are expected to continue to be treated as a return of capital to stockholders.

We are a nondiversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the **1940 Act**). We were organized as a corporation on October 30, 2003, pursuant to a charter (the **Charter**) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the NYSE under the symbol **TYG**. As of February 28, 2011, we had net assets of approximately \$964.6 million attributable to our common stock. As of the date of this prospectus supplement, we have outstanding \$73 million of our Mandatory Redeemable Preferred Stock due December 31, 2019 and approximately \$170 million of our privately placed Senior Notes.

We have established an unsecured credit facility with U.S. Bank N.A. serving as a lender and the lending syndicate agent on behalf of other lenders participating in the credit facility, which currently allows us to borrow up to \$85 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.25%, with a fee of 0.20% on any unused balance of the credit facility. As of the date of this prospectus supplement, the current rate is 1.46%. The credit facility remains in effect through June 20, 2011. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time in accordance with our investment policies. As of the date of this prospectus supplement, we have outstanding approximately \$38.9 million under the credit facility.

Investment Adviser

Tortoise Capital Advisors, L.L.C., a registered investment adviser specializing in managing portfolios of investments in MLPs and other energy companies (the **Adviser**), serves as our investment adviser. As of March 31, 2011, the Adviser managed assets of approximately \$6.6 billion in the energy sector, including the assets of six publicly traded closed-end management investment companies and separate accounts. The Adviser's investment committee is comprised of five portfolio managers. See **Management of the Company** in the accompanying prospectus.

The principal business address of the Adviser is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

Recent Developments

Amendment of Credit Facility. On March 9, 2011, we entered into an amendment to our credit facility with U.S. Bank, N.A. and a lending syndicate. The amendment added the Bank of Nova Scotia to the lending syndicate and increased the amount we may borrow under the credit facility from \$70 million to \$85 million.

Common Stock Distribution. On March 1, 2011, we paid a distribution in the amount of \$0.545 per common share to stockholders of record as of February 18, 2011.

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The Offering

Common stock offered	Up to \$20,000,000
Use of proceeds	We intend to use the net proceeds of this offering primarily to repay short-term debt outstanding under our credit facility and to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes. See Use of Proceeds.
Risk factors	See the section titled Risk Factors and other information included in the accompanying prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.
NYSE symbol	TYG
Stockholder transaction expenses:	
Sales load (as a percentage of offering price)	1.50%
Offering expenses borne by us (as a percentage of offering price)	0.48%
Dividend reinvestment plan fees(1)	None
Example	This example replaces the example as set forth on page 9 of the accompanying prospectus with respect to this offering. The following example illustrates the expenses that common stockholders would pay on a \$1,000 investment in common stock assuming (1) a sales load of 1.50% and offering expenses of 0.48% of the offering price; (2) total annual expenses of 17.69% of net assets attributable to shares of common stock; (3) a 5% annual return; and (4) all distributions are reinvested at net asset value:

	1 Year	3 Years	5 Years	10 Years
Total Expenses Paid by Common Stockholders	\$ 182	\$ 448	\$ 650	\$ 970

The example should not be considered a representation of future expenses. Actual expenses may be greater or less than those assumed. Moreover, our actual rate of return may be greater or less than the hypothetical 5% return assumed in the example.

(1) Stockholders will pay a transaction fee plus brokerage charges if they direct the Plan Agent to sell common stock held in a dividend reinvestment account. See Automatic Dividend Reinvestment and Cash Purchase Plan in the accompanying prospectus.

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ISSUANCE BELOW NET ASSET VALUE

The offering price per common share in this offering, after deducting all expenses of issuance, including the compensation paid to the Sales Agent, may be below our NAV per common share. The NAV of our currently outstanding shares of common stock will be diluted upon the issuance of any shares of common stock below NAV. At our Annual Meeting of Stockholders held on May 21, 2010, our stockholders granted us the authority to sell shares of our common stock for less than NAV, subject to certain conditions. We are seeking approval at our Annual Meeting of Stockholders on May 20, 2011, for the authority to sell shares of our common stock for less than NAV, subject to certain conditions. See Description of Securities Common Stock Issuance of Additional Shares in the accompanying prospectus.

USE OF PROCEEDS

We intend to use the net proceeds of this offering primarily to repay short-term debt outstanding under our credit facility and to invest in energy infrastructure companies in accordance with our investment objective and policies or for working capital purposes.

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The following table sets forth our capitalization: (i) as of February 28, 2011, (ii) pro forma to reflect the subsequent borrowing under our credit facility through the date of this prospectus supplement, the issuance of 82,605 shares of common stock under our at-the-market offering program during the period from March 1, 2011 through the date of this prospectus supplement and the issuance of 36,299 shares of common stock pursuant to our dividend reinvestment plan on March 1, 2011; and (iii) pro forma as adjusted to reflect the issuance of shares offered hereby (assuming the sale of 432,705 common shares at a price of \$38.59 per share (the last reported sale price of our common shares on the New York Stock Exchange on April 15, 2011)). Actual sales, if any, of our common shares, and the actual application of the proceeds thereof, under this prospectus supplement and the accompanying prospectus may be different than as set forth in the table below. In addition, the price per share of any such sale may be greater or less than \$38.59, depending on the market price of our common stock at the time of any such sale. As indicated below, common stockholders will bear the offering costs associated with this offering.

	Actual February 28, 2011 (Unaudited)	Pro Forma (Unaudited)	Pro Forma as Adjusted (Unaudited)
Short-term debt:			
Unsecured credit facility: \$70,000,000 available actual; \$85,000,000 available pro forma and pro forma as adjusted(1)	\$ 43,400,000	\$ 38,900,000	\$ 22,532,390
Long-term debt:			
Tortoise Notes, denominations of \$25,000 or any multiple thereof(2)	169,975,000	169,975,000	169,975,000
Preferred Stock:			
Mandatory Redeemable Preferred Shares, \$10.00 stated value per share at liquidation; 7,300,000 shares authorized/outstanding actual, pro forma and pro forma as adjusted(2)	73,000,000	73,000,000	73,000,000
Net Assets Applicable to Common Stockholders Consist of Capital Stock, \$0.001 par value, 100,000,000 common shares authorized; 27,199,433 common shares issued and outstanding actual; 27,318,337 common shares issued and outstanding pro forma; 27,751,042 common shares issued and outstanding pro forma as adjusted(2)	27,199	27,318(3)	27,751(3)(5)
Additional paid-in capital	417,122,116	421,623,024(4)	437,990,201(4)(6)
Accumulated net investment loss, net of income taxes	(59,211,561)	(59,211,561)	(59,211,561)
Undistributed realized gain, net of income taxes	92,979,378	92,979,378	92,979,378
Net unrealized appreciation of investments, net of income taxes	513,704,079	513,704,079	513,704,079
Net assets applicable to common stockholders	\$ 964,621,211	\$ 969,122,238	\$ 985,489,848

- (1) We have an unsecured credit facility with U.S. Bank, N.A. and a lending syndicate that allows us to borrow up to \$85 million. The amended credit facility expires on June 20, 2011. As of the date of this prospectus supplement, we had \$38.9 million borrowed under our credit facility. The Pro Forma as Adjusted column reflects using all of the proceeds of this offering to pay short-term debt outstanding under our credit facility; however, we may use a portion of the proceeds to invest in energy infrastructure companies in accordance with our investment objective and policies.
- (2) None of these outstanding shares/notes are held by us or for our account.
- (3) Reflects the issuance of 82,605 shares of common stock (aggregate par value \$83) under our at-the-market offering program during the period from March 1, 2011 through the date of this prospectus supplement and the issuance of 36,299 shares of common stock (aggregate par value \$36) pursuant to our dividend reinvestment plan on March 1, 2011.

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- (4) Reflects the issuance of 82,605 shares of common stock during the period from March 1, 2011 through the date of this prospectus supplement in an aggregate amount of \$3,122,391 less \$0.001 par value per share (\$83) and the issuance of 36,299 shares of common stock pursuant to our dividend reinvestment plan on March 1, 2011 in an aggregate amount of \$1,378,636 less \$0.001 par value per share (\$36).
- (5) Pro forma as adjusted common stock reflects the issuance of 432,705 shares of common stock offered hereby (aggregate par value \$433).
- (6) Pro forma as adjusted additional paid-in capital reflects the proceeds from the issuance of shares of common stock offered hereby (\$16,698,081), less \$0.001 par value per share of common stock (\$433), less the sales commission (\$250,471) and less the estimated offering expenses borne by us (\$80,000) related to the issuance of the shares of common stock in this offering.

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Information contained in the table below under the heading "Per Common Share Data" and "Supplemental Data and Ratios" shows our per common share operating performance. Except where noted, the information in this table is derived from our financial statements audited by Ernst & Young LLP, whose report on such financial statements is contained in our 2010 Annual Report and is incorporated by reference into the statement of additional information, both of which are available from us upon request. The information as of February 28, 2011, and for the period from December 1, 2010 through February 28, 2011, appears in our unaudited interim financial statements as filed with the SEC in our most recent stockholder report for the period ended February 28, 2011, which report is incorporated by reference into the statement of additional information, and both of which are available from us upon request. See "Where You Can Find More Information" in this prospectus supplement.

	Period from December 1, 2010 through February 28, 2011 (Unaudited)						
		Year Ended November 30, 2010	Year Ended November 30, 2009	Year Ended November 30, 2008	Year Ended November 30, 2007	Year Ended November 30, 2006	
Per Common Share Data(1)							
Net Asset Value, beginning of period	\$ 32.91	\$ 25.53	\$ 17.36	\$ 32.96	\$ 31.82	\$ 27.12	
Income (loss) from Investment Operations:							
Net investment loss(2)(3)	(0.14)	(0.66)	(0.16)	(0.29)	(0.61)	(0.32)	
Net realized and unrealized gains (losses) on investments and interest rate swap contracts(2)(3)	3.22	10.10	10.65	(12.76)	4.33	7.41	
Total income (loss) from investment operations	3.08	9.44	10.49	(13.05)	3.72	7.09	
Distributions to Auction Preferred Stockholders:							
Net investment income		(0.01)	(0.19)	(0.40)	(0.39)	(0.23)	
Return of capital		(0.01)	(0.19)	(0.40)	(0.39)	(0.23)	

Total distributions to
auction preferred
stockholders

Distributions to
Common Stockholders:

Net investment income

Return of capital	(0.55)	(2.16)	(2.16)	(2.23)	(2.19)	(2.02)
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Total distributions to common stockholders	(0.55)	(2.16)	(2.16)	(2.23)	(2.19)	(2.02)
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Capital Stock

Transactions

Underwriting discounts
and offering costs on
issuance of common
and auction preferred
stock(4)

(0.01)	(0.08)	(0.14)
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Premiums less
underwriting discounts
and offering costs on
issuance of common
stock(5)

0.02	0.11	0.03	0.09	0.08
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Total capital stock transactions	0.02	0.11	0.03	0.08	(0.14)
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Net Asset Value, end of period	\$ 35.46	\$ 32.91	\$ 25.53	\$ 17.36	\$ 32.96	\$ 31.82
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Per common share
market value, end of
period

\$ 40.00	\$ 36.25	\$ 29.50	\$ 17.11	\$ 32.46	\$ 36.13
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Total Investment Return
Based on Market

Value(6)	11.93%	31.58%	88.85%	(42.47)%	(4.43)%	34.50%
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	Period from December 1, 2010	Year Ended November 30, 2010	Year Ended November 30, 2009	Year Ended November 30, 2008	Year Ended November 30, 2007	Year Ended November 30, 2006
	through February 28, 2011 (Unaudited)					

Supplemental Data and Ratios

Net assets applicable to common stockholders, end of period (000 s)

Average Net Assets (000 s)	\$ 964,621	\$ 890,879	\$ 613,601	\$ 407,031	\$ 618,412	\$ 532,433
Average Net Assets (000 s)	\$ 922,122	\$ 782,541	\$ 500,661	\$ 573,089	\$ 659,996	\$ 446,210

Ratio of Expenses to Average Net Assets(7)

Advisory fees	1.54%	1.53%	1.54%	1.82%	1.79%	1.62%
Other operating expenses	0.16	0.21	0.26	0.27	0.25	0.30
Expense reimbursement(8)	(0.00)		(0.03)	(0.19)	(0.19)	(0.22)

Subtotal	1.70	1.74	1.77	1.90	1.85	1.70
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Leverage expenses(9)	1.71	2.11	2.54	3.42	2.71	2.05
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Income tax expense (benefit)(10)	21.85	17.89	29.98	(32.24)	6.44	16.06
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Total expenses	25.26%	21.74%	34.29%	(26.92)%	11.00%	19.81%
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Ratio of net investment loss to average net assets before expense reimbursement(7)(9)

Ratio of net investment loss to average net assets before expense reimbursement(7)(9)	(1.69)%	(2.23)%	(0.97)%	(2.09)%	(2.08)%	(1.52)%
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Ratio of net investment loss to average net assets after expense reimbursement(7)(9)

Ratio of net investment loss to average net assets after expense reimbursement(7)(9)	(1.69)%	(2.23)%	(0.94)%	(1.90)%	(1.89)%	(1.30)%
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Portfolio turnover rate(7)	5.80%	10.26%	17.69%	5.81%	9.30%	2.18%
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Short-term borrowings, end of period (000 s)	\$ 43,400	\$ 38,200	\$ 10,400		\$ 38,050	\$ 32,450
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Long-term debt obligations, end of period (000 s)	\$ 169,975	\$ 169,975	\$ 170,000	\$ 210,000	\$ 235,000	\$ 165,000
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Preferred stock, end of period (000 s)	\$ 73,000	\$ 73,000	\$ 70,000	\$ 70,000	\$ 185,000	\$ 70,000
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Per common share amount of long-term debt obligations outstanding,	\$ 6.25	\$ 6.28	\$ 7.07	\$ 8.96	\$ 12.53	\$ 9.86
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end of period							
Per common share amount							
of net assets, excluding							
long-term debt obligations,							
end of period	\$ 41.71	\$ 39.19	\$ 32.60	\$ 26.32	\$ 45.49	\$ 41.68	
Asset coverage, per \$1,000							
of principal amount of							
long-term debt obligations							
and short-term							
borrowings(11)(12)	\$ 5,863	\$ 5,630	\$ 4,789	\$ 3,509	\$ 3,942	\$ 4,051	
Asset coverage ratio of							
long-term debt obligations							
and short-term							
borrowings(11)(12)	586%	563%	479%	351%	394%	405%	
Asset coverage, per							
\$25,000 liquidation value							
per share of auction							
preferred stock(12)(13)			\$ 86,262	\$ 64,099	\$ 58,752	\$ 74,769	
Asset coverage, per \$10							
liquidation value per share							
of mandatory redeemable							
preferred stock(13)	\$ 44	\$ 42					
Asset coverage ratio of							
preferred stock(12)(13)	437%	417%	345%	256%	235%	299%	

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

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- (2) The per common share data for the years ended November 30, 2009, 2008, 2007, and 2006 do not reflect the change in estimate of investment income and return of capital, for the respective period. See Note 2C to the financial statements for further disclosure.
- (3) The per common share data for the year ended November 30, 2008 reflects the cumulative effect of adopting ASC 740-10, which was a \$1,165,009 increase to the beginning balance of accumulated net investment loss, or \$(0.06) per share.
- (4) Represents the dilution per common share from underwriting and other offering costs for the year ended November 30, 2008. Represents the effect of the issuance of preferred stock for the year ended November 30, 2007. Represents the dilution per common share from underwriting and other offering costs for the year ended November 30, 2006.
- (5) Represents the premium on the shelf offerings of \$0.02 per share, less the underwriting and offering costs of less than \$0.01 per share for the period from December 1, 2010 through February 28, 2011. Represents the premium on the shelf offerings of \$0.25 per share, less the underwriting and offering costs of \$0.14 per share for the year ended November 30, 2010. Represents the premium on the shelf offerings of \$0.05 per share, less the underwriting and offering costs of \$0.02 per share for the year ended November 30, 2009. Represents the premium on the shelf offerings of \$0.34 per share, less the underwriting and offering costs of \$0.25 per share for the year ended November 30, 2008. Represents the premium on the shelf offerings of \$0.21 per share, less the underwriting and offering costs of \$0.13 per share for the year ended November 30, 2007.
- (6) Not annualized. Total investment return is calculated assuming a purchase of common stock at the beginning of the period and a sale at the closing price on the last day of the period reported (excluding brokerage commissions). The calculation also assumes reinvestment of distributions at actual prices pursuant to the Company's dividend reinvestment plan.
- (7) Annualized for periods less than one full year.
- (8) Less than 0.01% for the period from December 1, 2010 through February 28, 2011.
- (9) The expense ratios and net investment loss ratios do not reflect the effect of distributions to auction preferred stockholders.
- (10) For the period from December 1, 2010 through February 28, 2011, the Company accrued \$0 for current income tax expense and \$49,685,197 for net deferred income tax expense. For the year ended November 30, 2010, the Company accrued \$984,330 for current income tax expense and \$139,019,876 for net deferred income tax expense. For the year ended November 30, 2009, the Company accrued \$230,529 for net current income tax benefit and \$150,343,906 for net deferred income tax expense. For the year ended November 30, 2008, the Company accrued \$260,089 for net current income tax expense and \$185,024,497 for deferred income tax benefit. For the year ended November 30, 2007, the Company accrued \$344,910 for current income tax expense and \$42,171,411 for net deferred income tax expense. For the year ended November 30, 2006, the Company accrued \$471,753 for current income tax expense and \$71,190,049 for net deferred income tax expense.
- (11) Represents value of total assets less all liabilities and indebtedness not represented by long-term debt obligations, short-term borrowings and preferred stock at the end of the period divided by long-term debt obligations and short-term borrowings outstanding at the end of the period.

- (12) As of November 30, 2008, the Company had restricted cash in the amount of \$20,400,000 to be used to redeem long-term debt obligations with a par value of \$20,000,000, which are excluded from these asset coverage calculations.
- (13) Represents value of total assets less all liabilities and indebtedness not represented by long-term debt obligations, short-term borrowings and preferred stock at the end of the period divided by long-term debt obligations, short-term borrowings and preferred stock outstanding at the end of the period.

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PLAN OF DISTRIBUTION

We have entered into a Sales Agreement under which we may issue and sell from time to time shares of our common stock having an aggregate sales price of up to \$20,000,000 through the Sales Agent as our agent or as principal. Sales of the shares of common stock, if any, will be made by means of ordinary brokers' transactions on the NYSE or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. As agent, the Sales Agent will not engage in any transactions that stabilize our common stock.

The Sales Agent will offer the common stock subject to the terms and conditions of the Sales Agreement on a daily basis or as otherwise agreed upon by us and the Sales Agent. We will designate the maximum amount of common stock to be sold through the Sales Agent on a daily basis or otherwise determine such maximum amount together with the Sales Agent. Subject to the terms and conditions of the Sales Agreement, the Sales Agent will use its commercially reasonable efforts to sell on our behalf all of the designated common stock. We may instruct the Sales Agent not to sell common stock if the sales cannot be effected at or above the price designated by us in any such instruction. We or the Sales Agent may suspend the offering of the common stock being made through the Sales Agent under the Sales Agreement upon proper notice to the other party.

Under the terms of the Sales Agreement, the Sales Agent will receive from us a total commission equal to 1.5% of the gross sales price per share of common stock for any shares sold through the Sales Agent. The remaining sales proceeds, after deducting any expenses payable by us and any transaction fees imposed by any governmental, regulatory, or self-regulatory organization in connection with the sales, will equal our net proceeds for the sale of such common stock.

The Sales Agent will provide written confirmation to us before the opening of trading on the NYSE on the day immediately following each day on which shares of common stock are sold under the Sales Agreement. Each confirmation will include the number of shares of common stock sold on that day, the net proceeds to us and the compensation payable by us to the Sales Agent.

Settlement for sales of common stock will occur, unless the parties agree otherwise, on the third business day that is also a trading day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in escrow, trust or similar arrangement.

We will report at least quarterly the number of shares of common stock sold through the Sales Agent in connection with the sales of common stock.

In connection with the sales of the common stock on our behalf, the Sales Agent may be deemed to be an underwriter within the meaning of the 1933 Act, and the compensation paid to the Sales Agent may be deemed to be underwriting commissions or discounts. We have agreed in the Sales Agreement to provide indemnification and contribution to the Sales Agent against certain liabilities, including liabilities under the 1933 Act.

In the ordinary course of their business, the Sales Agent and/or its affiliates have in the past performed, and may continue to perform, investment banking, broker dealer, lending, financial advisory, or other services for us for which they have received, or may receive, separate fees.

If the Sales Agent or we have reason to believe that the exemptive provisions set forth in Rule 101(c)(1) of Regulation M under the 1934 Act are not satisfied, that party will promptly notify the others and sales of common stock under the Sales Agreement will be suspended until that or other exemptive provisions have been satisfied in the

judgment of the Sales Agent and us.

We estimate that the total expenses of the offering payable by us, excluding commissions payable to the Sales Agent under the Sales Agreement, will be approximately \$80,000. This estimate also excludes up to \$50,000 of expenses that may be payable by us to the Sales Agent pursuant to a separate agreement.

The offering of shares of common stock pursuant to the Sales Agreement will terminate upon the earlier of (1) the sale of shares of our common stock having an aggregate sales price of \$20,000,000 and (2) the termination of the Sales Agreement by the Sales Agent or us.

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As of the date of this prospectus supplement, we have sold in this offering an aggregate of 82,605 shares of our common stock, representing net proceeds to us of \$3,252,390.62, after payment of commissions of \$49,528.78 in the aggregate.

LEGAL MATTERS

Certain legal matters in connection with the securities offered hereby will be passed upon for us by Husch Blackwell LLP, Kansas City, Missouri (Husch Blackwell). Certain legal matters in connection with the securities offered hereby will be passed upon for the Sales Agent by Andrews Kurth LLP, New York, New York (Andrews Kurth). Husch Blackwell and Andrews Kurth may rely on the opinion of Venable LLP, Baltimore, Maryland, on certain matters of Maryland law.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the 1934 Act, and the 1940 Act and are required to file reports, including annual and semi-annual reports, proxy statements and other information with the SEC. We voluntarily file quarterly shareholder reports.

Our most recent annual shareholder report filed with the SEC is for our fiscal year ended November 30, 2010. Our 2011 first quarter report containing our unaudited financial statements as of February 28, 2011, notes thereto, and other information about us is incorporated by reference into our statement of additional information. These documents are available on the SEC's EDGAR system and can be inspected and copied for a fee at the SEC's public reference room, 100 F Street, N.E., Room 1580, Washington, D.C. Additional information about the operation of the public reference room facilities may be obtained by calling the SEC at (202) 551-5850.

This prospectus supplement and the accompanying prospectus do not contain all of the information in our registration statement, including amendments, exhibits, and schedules. Statements in this prospectus supplement and the accompanying prospectus about the contents of any contract or other document are not necessarily complete and in each instance reference is made to the copy of the contract or other document filed as an exhibit to the registration statement, each such statement being qualified in all respects by this reference.

Additional information about us can be found on our Adviser's website at www.tortoiseadvisors.com and in our registration statement (including amendments, exhibits, and schedules) on Form N-2 filed with the SEC. Information included on our Adviser's website does not form part of this prospectus supplement. The SEC maintains a web site (<http://www.sec.gov>) that contains our registration statement, other documents incorporated by reference, and other information we have filed electronically with the SEC, including proxy statements and other reports we have filed with the SEC.

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Base Prospectus

\$375,000,000
Tortoise Energy Infrastructure Corporation
Common Stock
Preferred Stock
Debt Securities

Tortoise Energy Infrastructure Corporation (the Company, we or our) is a nondiversified, closed-end management investment company. Our investment objective is to seek 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 of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. Under normal circumstances, we invest at least 90% of our total assets (including assets obtained through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. 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.

We may offer, on an immediate, continuous or delayed basis, including through a rights offering to existing stockholders, up to \$375,000,000 aggregate initial offering price of our common stock (\$0.001 par value per share), preferred stock (\$0.001 par value per share) or debt securities, which we refer to in this prospectus collectively as our securities, in one or more offerings. We may offer our common stock, preferred stock or debt securities separately or together, in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. In addition, from time to time, certain of our stockholders may offer our common stock in one or more offerings. The sale of such stock by certain of our stockholders may involve shares of common stock that were issued to the stockholders in one or more private transactions and will be registered by us for resale. The identity of any selling stockholder, the number of shares of our common stock to be offered by such selling stockholder, the price and terms upon which our shares of common stock are to be sold from time to time by such selling stockholder, and the percentage of common stock held by any selling stockholder after the offering, will be set forth in a prospectus supplement to this prospectus. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in any of our securities. We will not receive any of the proceeds from common stock sold by any selling stockholder.

We may offer our securities, or certain of our stockholders may offer our common stock, directly to one or more purchasers through agents that we or they designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the particular offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us or any selling stockholder and such agents or underwriters or among the underwriters or the basis upon which such amount may be calculated. For more information about the manner in which we may offer our securities, or a selling stockholder may offer our common stock, see Plan of Distribution and Selling Stockholders. Our securities may not be sold through agents, underwriters or dealers without delivery of a prospectus supplement.

Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol TYG. As of February 25, 2011, the last reported sale price for our common stock was \$40.09.

Investing in our securities involves certain risks. You could lose some or all of your investment. See Risk Factors beginning on page 30 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

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.

Prospectus dated March 1, 2011

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This prospectus, together with any prospectus supplement, sets forth concisely the information that you should know before investing. You should read this prospectus and any related prospectus supplement, which contain important information, before deciding whether to invest in our securities. You should retain this prospectus and any related prospectus supplement for future reference. A statement of additional information, dated March 1, 2011, 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 65 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 are available on our investment adviser s website at www.tortoiseadvisors.com. Information included on our 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.

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You should rely only on the information contained or incorporated by reference in this prospectus and any related prospectus supplement 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 and any prospectus supplement do 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 and in any prospectus supplement is accurate only as of the dates on their covers. Our business, financial condition and prospects may have changed since such dates. We will advise investors of any material changes to the extent required by applicable law.

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement 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. Such forward-looking statements may be contained in this prospectus as well as in any accompanying prospectus supplement. 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 conditions in the U.S. and international financial, petroleum and other markets, the price at which our shares will trade in the public markets and other factors discussed in our periodic filings with the Securities and Exchange Commission (the SEC).

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 or any accompanying prospectus supplement are made as of the date of this prospectus or the accompanying prospectus supplement, as the case may be. 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 and any accompanying prospectus supplement 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.

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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 in this prospectus and in any related prospectus supplement and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 30 of this prospectus.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio of publicly traded master limited partnerships (MLPs) in the energy infrastructure sector. Our investment objective is to seek 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 of, and all distributions received from, securities in which we invest regardless of the tax character of the distributions. Similar to the tax characterization of cash distributions made by MLPs to unitholders, a significant portion of our distributions have been and are expected to continue to be treated as a return of capital to stockholders.

We are a nondiversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act). We were organized as a corporation on October 30, 2003, pursuant to a charter (the Charter) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations in February 2004 following our initial public offering. Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol TYG. As of January 31, 2011, we had net assets of approximately \$935.5 million attributable to our common stock. As of the date of this prospectus, we have outstanding \$73 million of our Mandatory Redeemable Preferred Stock due December 31, 2019 (the Tortoise Preferred Shares) and approximately \$170 million of our privately placed Senior Notes (the Tortoise Notes).

We have established an unsecured credit facility with U.S. Bank N.A. serving as a lender and the lending syndicate agent on behalf of other lenders participating in the credit facility, which currently allows us to borrow up to \$70 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.25%, with a fee of 0.20% on any unused balance of the credit facility. As of the date of this prospectus, the current rate is 1.51%. The credit facility remains in effect through June 20, 2011. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time in accordance with our investment policies. As of the date of this prospectus, we have outstanding approximately \$57.5 million under the credit facility.

Investment Adviser

Tortoise Capital Advisors, L.L.C., a registered investment adviser specializing in managing portfolios of investments in MLPs and other energy companies (the Adviser), serves as our investment adviser. As of January 31, 2011, the Adviser managed assets of approximately \$6.3 billion in the energy sector, including the assets of six publicly traded closed-end management investment companies and separate accounts for institutions and high net worth individuals. The Adviser's investment committee is comprised of five portfolio managers. See Management of the Company .

The principal business address of the Adviser is 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

The Offering

We may offer, on an immediate, continuous or delayed basis, up to \$375,000,000 of our securities, including common stock pursuant to a rights offering, or certain of our stockholders who purchased shares from us in private placement transactions may offer our common stock, on terms to be determined at the time of the offering. Our securities will be offered at prices and on terms to be set forth in one or more prospectus supplements to this prospectus. Subject to certain conditions, we may offer our common stock at prices below our net asset value (NAV). We will provide information in the prospectus supplement for the expected trading market, if any, for our preferred stock or debt securities.

While the number and amount of securities we may issue pursuant to this registration statement is limited to \$375,000,000 of securities, our board of directors (the Board of Directors or the Board) may, without any

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action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue under our Charter or the 1940 Act.

We may offer our securities, or certain of our stockholders may offer our common stock, directly to one or more purchasers through agents that we or they designate from time to time, or to or through underwriters or dealers. The prospectus supplement relating to the offering will identify any agents or underwriters involved in the sale of our securities, and will set forth any applicable purchase price, fee, commission or discount arrangement between us or any selling stockholder and such agents or underwriters or among underwriters or the basis upon which such amount may be calculated. See Plan of Distribution and Selling Stockholders. Our securities may not be sold through agents, underwriters or dealers without delivery of a prospectus supplement describing the method and terms of the offering of our securities.

Use of Proceeds

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds of any sale of our securities primarily to invest in energy infrastructure companies in accordance with our investment objective and policies as described under Investment Objective and Principal Investment Strategies within approximately three months of receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any debt we incur, to redeem preferred stock or for working capital purposes, including the payment of distributions, interest and operating expenses, although there is currently no intent to issue securities primarily for this purpose. We will not receive any of the proceeds from a sale of our common stock by any selling stockholder.

Federal Income Tax Status of 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 invest a substantial portion of our assets in MLPs. Although MLPs 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 invest, and interest payments received on debt securities owned by us, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of preferred stock, debt securities and borrowings under our unsecured 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.

Distributions

We expect to distribute substantially all of our DCF to holders of common stock through quarterly distributions. Our Board of Directors adopted a policy to target distributions to common stockholders in an amount of at least 95% of DCF on an annual basis. We will pay distributions on our common stock each fiscal quarter out of DCF, if any. As of the date of this prospectus, we have paid distributions every quarter since the completion of our first full fiscal quarter ended on May 31, 2004. There is no assurance that we will continue to make regular distributions. If distributions paid to holders of our common and preferred stock exceed the current and accumulated earnings and profit allocated to the particular shares held by a stockholder, the excess of such distribution will constitute, for federal income tax purposes,

a tax-free 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. Our preferred stock and debt securities will pay distributions and interest, respectively, in accordance with their terms. So long as we have preferred stock and debt securities outstanding, we may not declare distributions on common or preferred stock unless we meet applicable asset coverage tests.

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Principal Investment Policies

Under normal circumstances, we invest at least 90% of our total assets (including assets we obtain through leverage) in securities of energy infrastructure companies and invest at least 70% of our total assets in equity securities of MLPs. Energy infrastructure companies engage in the business of transporting, processing, storing, distributing or marketing natural gas, natural gas liquids (primarily propane), coal, crude oil or refined petroleum products, or exploring, developing, managing or producing such commodities. We invest primarily in energy infrastructure companies organized in the United States. It is anticipated that all of the publicly traded MLPs in which we will invest have a market capitalization greater than \$100 million at the time of investment.

We also may invest in equity and debt securities of energy infrastructure companies that are organized and/or taxed as corporations to the extent consistent with our investment objective. We also may invest in securities of general partners or other affiliates of MLPs and private companies operating energy infrastructure assets.

We have adopted the following additional nonfundamental investment policies:

We may invest up to 30% of our total assets in restricted securities, primarily through direct placements. Subject to this policy, we may invest without limitation in illiquid securities. The types of restricted securities that we may purchase include securities of private energy infrastructure companies and privately issued securities of publicly traded energy infrastructure companies. Restricted securities, whether issued by public companies or private companies, are generally considered illiquid. Investments in private companies that do not have any publicly traded shares or units are limited to 5% of total assets.

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

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

We will not engage in short sales.

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

Under adverse market or economic conditions, we may invest up to 100% of our total assets in securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper rated in the highest category by a rating agency or other liquid fixed income securities deemed by the Adviser to be consistent with a defensive posture (collectively, "short-term securities"), or we may hold cash. To the extent we invest in short-term securities or cash for defensive purposes, such investments are inconsistent with, and may result in us not achieving, our investment objective.

We also may invest in short-term securities or cash pending investment of offering proceeds to meet working capital needs including, but not limited to, for collateral in connection with certain investment techniques, to hold a reserve pending payment of distributions, and to facilitate the payment of expenses and settlement of trades. The yield on such securities may be lower than the returns on MLPs or yields on lower rated fixed income securities.

Use of Leverage by the Company

The borrowing of money and the issuance of preferred stock and debt securities represents 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 33 1/3% of total assets for senior debt securities) or we may elect to reduce the use

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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) that 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. Additionally, 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, it creates special risks that may adversely affect common stockholders. Because the Adviser's fee is based upon a percentage of our Managed Assets (as defined below), the Adviser's fee is higher when we are leveraged. Therefore, the Adviser has a financial incentive to use leverage, which will create a conflict of interest between the 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](#) [Additional Risks to Common Stockholders](#) [Leverage Risk](#).

We may use interest rate transactions for 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. Accordingly, if no leverage is outstanding, we currently do not expect to engage in interest rate transactions. 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](#) [Company Risks](#) [Hedging Strategy Risk](#).

Conflicts of Interest

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

Situations may occur when we could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates for their other funds or 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 private placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of the Adviser or its affiliates with energy infrastructure companies. See [Investment Objective and Principal Investment Strategies](#) [Conflicts of Interest](#).

Company Risks

Our NAV, our ability to make distributions, our ability to service debt securities and preferred stock, and our ability to meet asset coverage requirements depends on the performance of our investment portfolio. The performance of our investment portfolio is subject to a number of risks, including the following:

Capital Markets Volatility Risk. Our capital structure and performance may be adversely impacted by weakness in the credit markets and stock market if such weakness results in declines in the value of MLPs in which we invest. If the value of our investments decline or remain volatile, there is a risk that we may be required to reduce outstanding leverage, which could adversely affect our stock price and ability to pay distributions at historical levels. A sustained economic slowdown may adversely affect the ability of MLPs to sustain their historical distribution levels, which in turn, may adversely affect our ability to sustain distributions at historical levels. MLPs that have historically relied heavily on outside capital to fund their growth may be impacted by a slowdown in the capital markets. The performance of the MLP

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sector is dependent on several factors including the condition of the financial sector, the general economy and the commodity markets.

Concentration Risk. Under normal circumstances, we concentrate our investments in the energy sector, with an emphasis on securities issued by MLPs in the energy infrastructure sector, a subset of the energy sector. The primary risks inherent in investments in MLPs in the energy infrastructure sector include the following: (1) the performance and level of distributions of MLPs can be affected by direct and indirect commodity price exposure, (2) a decrease in market demand for natural gas or other energy commodities could adversely affect MLP revenues or cash flows, (3) energy infrastructure assets deplete over time and must be replaced and (4) a rising interest rate environment could increase an MLP's cost of capital.

Industry Specific Risk. Energy infrastructure companies also are subject to risks specific to the industry they serve. For risks specific to the pipeline, processing, propane, coal and marine shipping industries, see [Risk Factors](#) [Company Risks](#) [Industry Specific Risk](#).

MLP Risk. We invest primarily in equity securities of MLPs. As a result, we are subject to the risks associated with an investment in MLPs, including cash flow risk, tax risk, deferred tax risk and capital markets risk. Cash flow risk is the risk that MLPs will not make distributions to holders (including us) at anticipated levels or that such distributions will not have the expected tax character. MLPs also are subject to tax risk, which is the risk that an MLP might lose its partnership status for tax purposes. Deferred tax risk is the risk that we incur a current tax liability on that portion of an MLP's income and gains that is not offset by tax deductions and losses. Capital markets risk is the risk that MLPs will be unable to raise capital to meet their obligations as they come due or execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures.

Equity Securities Risk. MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment toward MLPs or the energy sector, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of DCF). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including size, earnings power, coverage ratios and characteristics and features of different classes of securities. See [Risk Factors](#) [Company Risks](#) [Equity Securities Risk](#) and [Risk Factors](#) [Additional Risks to Common Stockholders](#) [Leverage Risk](#).

Hedging Strategy Risk. We may use interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. There is no assurance that the interest rate hedging transactions into which we enter will be effective in reducing our exposure to interest rate risk. Hedging transactions are subject to correlation risk, which is the risk that payment on our hedging transactions may not correlate exactly with our payment obligations on senior securities. Interest rate transactions that we may use for hedging purposes, such as swaps, caps and floors, will expose us to certain risks that differ from the risks associated with our portfolio holdings. See [Risk Factors](#) [Company Risks](#) [Hedging Strategy Risk](#).

Competition Risk. At the time we completed our initial public offering in February 2004, we were the only publicly traded investment company offering access to a portfolio of energy infrastructure MLPs. Since that time a number of alternative vehicles for investment in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, have emerged. In addition, tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact our ability to meet our investment objective, which in turn could adversely impact our ability to make interest or distribution payments.

Restricted Security Risk. We may invest up to 30% of total assets in restricted securities, primarily through direct placements. Restricted securities are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is

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adequate. This lack of liquidity creates special risks for us. See **Risk Factors** **Company Risks** **Restricted Security Risk**.

Liquidity Risk. Certain MLP securities may trade less frequently than those of other companies due to their smaller capitalizations. Investments in securities that are less actively traded or over time experience decreased trading volume may be difficult to dispose of when we believe it is desirable to do so, may restrict our ability to take advantage of other opportunities, and may be more difficult to value.

Valuation Risk. We may invest up to 30% of total assets in restricted securities, which are subject to restrictions on resale. The value of such investments ordinarily will be based on fair valuations determined by the Adviser pursuant to procedures adopted by the Board of Directors. Restrictions on resale or the absence of a liquid secondary market may affect adversely our ability to determine NAV. The sale price of securities that are restricted or otherwise are not readily marketable may be higher or lower than our most recent valuations.

Nondiversification Risk. We are a nondiversified investment company under the 1940 Act and we are not a regulated investment company under the Internal Revenue Code. Accordingly, there are no regulatory limits under the 1940 Act or Internal Revenue Code with respect to the number or size of securities held by us and we may invest more assets in fewer issuers as compared to a diversified fund.

Tax Risk. Because we are treated as a corporation for federal income tax purposes, our financial statements reflect deferred tax assets or liabilities according to generally accepted accounting principles. Deferred tax assets may constitute a relatively high percentage of NAV. Realization of deferred tax assets including net operating loss and capital loss carryforwards, are dependent, in part, on generating sufficient taxable income of the appropriate character prior to expiration of the loss carryforwards. In addition, a substantial change in our ownership may limit our ability to utilize our loss carryforwards. Unexpected significant decreases in MLP cash distributions or significant declines in the fair value of our MLP investments, among other factors, may change our assessment regarding the recoverability of deferred tax assets and would likely result in a valuation allowance, or recording of a larger allowance. If a valuation allowance is required to reduce the deferred tax asset in the future, it could have a material impact on our NAV and results of operations in the period it is recorded. Conversely, in periods of generally increasing MLP prices, we will accrue a deferred tax liability to the extent the fair value of our assets exceeds our tax basis. We may incur significant tax liability during periods in which gains on MLP investments are realized.

Management Risk. The Adviser was formed in October 2002 to provide portfolio management services to institutional and high net worth investors seeking professional management of their MLP investments. The Adviser has been managing our portfolio since we began operations in February 2004. As of January 31, 2011, the Adviser had client assets under management of approximately \$6.3 billion. To the extent that the Adviser's assets under management continue to grow, the Adviser may have to hire additional personnel and, to the extent it is unable to hire qualified individuals, its operations may be adversely affected.

See **Risk Factors** **Company Risks** for a more detailed discussion of these and other risks of investing in our securities.

Additional Risks to Common Stockholders

Leverage Risk. We are currently leveraged and intend to continue to use leverage primarily for investment purposes. Leverage, which is a speculative technique, could cause us to lose money and can magnify the effect of any losses. Weakness in the credit markets may cause our leverage costs to increase and there is a risk that we may not be able to renew or replace existing leverage on favorable terms or at all. If the cost of leverage is no longer favorable, or if we are otherwise required to reduce our leverage, we may not be able to maintain common stock distributions at historical levels and common stockholders will bear any costs associated with selling portfolio securities. If our net asset value

of our portfolio declines or remains subject to heightened market volatility, there is an increased risk that we will be unable to maintain coverage ratios for senior debt securities and preferred stock mandated by the 1940 Act, rating agency guidelines or contractual terms of bank lending facilities or privately placed notes. If we do not cure any deficiencies within specified cure periods, we will be required to redeem such

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senior securities in amounts that are sufficient to restore the required coverage ratios or, in some cases, offer to redeem all of such securities. As a result, we may be required to sell portfolio securities at inopportune times, and we may incur significant losses upon the sale of such securities. There is no assurance that a leveraging strategy will be successful.

Market Impact Risk. The sale of our common stock (or the perception that such sales may occur) may have an adverse effect on prices in the secondary market for our common stock. An increase in the number of common shares available may put downward pressure on the market price for our common stock. Our ability to sell shares of common stock below NAV may increase this pressure. These sales also might make it more difficult for us to sell additional equity securities in the future at a time and price we deem appropriate.

Dilution Risk. The voting power of current stockholders will be diluted to the extent that such stockholders do not purchase shares in any future common stock offerings or do not purchase sufficient shares to maintain their percentage interest. In addition, if we sell shares of common stock below NAV, our NAV will fall immediately after such issuance. See *Description of Securities* *Common Stock* *Issuance of Additional Shares* which includes a table reflecting the dilutive effect of selling our common stock below NAV.