REVLON INC /DE/
Form DEF 14C
November 19, 2007

SCHEDULE 14C

(Rule 14c-101)

Information Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

Check the appropriate box:

Preliminary information statement

Definitive

information statement

Confidential,

for use of the Commission only
(as permitted by Rule 14c-5(d)(2))

REVLON, INC.

(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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NOTICE OF ACTION TAKEN PURSUANT TO
WRITTEN CONSENT OF STOCKHOLDERS

237 PARK AVENUE
NEW YORK, NEW YORK 10017
TO BE EFFECTIVE ON December 9, 2007

DATE FIRST MAILED TO STOCKHOLDERS: November 19, 2007

WE ARE NOT ASKING YOU FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY.

To the stockholders of
Revlon, Inc.:

This Notice and the accompanying Information Statement are being furnished to the stockholders of Revlon, Inc., a Delaware corporation (the ''Company''), in connection with action taken by the holders of at least a majority of the issued and outstanding voting securities of the Company, approving, by written consent dated November 2, 2007, the amendment and restatement of the Second Amended and Restated Revlon, Inc. Stock Plan (the ''Stock Plan'') to principally: (1) rename the Stock Plan as the Third Amended and Restated Revlon, Inc. Stock Plan; (2) increase the aggregate number of shares of the Company's Class A common stock with respect to which awards may be granted under the Stock Plan from 40,650,000 to 65,650,000 (subject to the adjustment provisions contained in the Stock Plan); (3) remove the provision of the Stock Plan restricting to 15,000,000 the number of shares of the Company's Class A common stock with respect to which awards of restricted and unrestricted stock and restricted stock units may be granted under the Stock Plan and to make certain conforming changes to reflect this change; (4) increase, from 4,065,000 to 6,565,000 (subject to the adjustment provisions contained in the Stock Plan), the number of awards that may be granted under the Stock Plan as restricted and unrestricted stock and restricted stock units without the minimum vesting requirements applicable to such awards under the Stock Plan; and (5) provide that shares withheld by the Company for the payment of taxes upon vesting of awards will become available for subsequent grants of awards (including restricted stock) under the Stock Plan. The primary purpose of these amendments is to afford the Company greater flexibility in the administration of the Stock Plan in furtherance of its efforts to provide meaningful equity-based retention incentives for key existing employees and recruitment incentives for new employees who are expected to contribute to the continued execution of the Company's business strategy.

We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.

As the matters set forth in this Notice and accompanying Information Statement have been duly authorized and approved by the written consent of the holders of at least a majority of the Company's issued and outstanding voting securities, your vote or consent is not requested or required to approve these matters. The accompanying Information

Statement is provided solely for your information. The accompanying Information Statement also serves as the notice required by Section 228 of the Delaware General Corporation Law of the taking of a corporate action without a meeting by less than unanimous written consent of the Company's stockholders.

By order of the Board of Directors,
Robert K. Kretzman

Executive Vice President, Human Resources, Chief
Legal Officer, General Counsel and Secretary
New York, NY
November 19, 2007

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REVLON, INC.
237 PARK AVENUE
NEW YORK, NEW YORK 10017

INFORMATION STATEMENT

We Are Not Asking You for a Proxy and You are Requested Not To Send Us a Proxy.

ABOUT THIS INFORMATION STATEMENT

General

This Information Statement is being furnished by Revlon, Inc., a Delaware corporation (‘‘Revlon’’ or the ‘‘Company’’), in connection with action taken by the holders of at least a majority of the Company’s issued and outstanding voting securities, approving, by written consent dated November 2, 2007, the amendment and restatement of the Second Amended and Restated Revlon, Inc. Stock Plan (the ‘‘Stock Plan’’) to principally: (1) rename the Stock Plan as the Third Amended and Restated Revlon, Inc. Stock Plan; (2) increase the aggregate number of shares of the Company’s Class A common stock with respect to which awards may be granted under the Stock Plan from 40,650,000 to 65,650,000 (subject to the adjustment provisions contained in the Stock Plan); (3) remove the provision of the Stock Plan restricting to 15,000,000 the number of shares of the Company’s Class A common stock with respect to which awards of restricted and unrestricted stock and restricted stock units may be granted under the Stock Plan and to make certain conforming changes to reflect this change; (4) increase, from 4,065,000 to 6,565,000 (subject to the adjustment provisions contained in the Stock Plan), the number of awards that may be granted under the Stock Plan as restricted and unrestricted stock and restricted stock units without the minimum vesting requirements applicable to such awards under the Stock Plan; and (5) provide that shares withheld by the Company for the payment of taxes upon vesting of awards will become available for subsequent grants of awards (including restricted stock) under the Stock Plan. The primary purpose of these amendments is to afford the Company greater flexibility in the administration of the Stock Plan in furtherance of its efforts to provide meaningful equity-based retention incentives for key existing employees and recruitment incentives for new employees who are expected to contribute to the continued execution of the Company’s business strategy.

This Information Statement is being provided pursuant to the requirements of Rule 14c-2 of the Securities Exchange Act of 1934, as amended (the ‘‘Exchange Act’’), to all holders of the Company’s Class A common stock (‘‘Class A Common Stock’’) and Class B common stock (‘‘Class B Common Stock’’ and, together with the Class A Common Stock, the ‘‘Common Stock’’) of record as of November 2, 2007 (the ‘‘Record Date’’), and is being mailed on or about November 19, 2007 to such stockholders. The Company anticipates that the amendment and restatement of the Stock Plan will take effect on December 9, 2007.

The Company’s principal executive offices are located at 237 Park Avenue, New York, New York 10017, and the Company’s telephone number is (212) 527-4000.

Reason for the Written Consent

The Stock Plan Amendment and Restatement

On November 1, 2007, the Company's Board of Directors, acting upon the recommendation of its Compensation and Stock Plan Committee (the ''Compensation Committee''), approved, subject to stockholder approval, an amendment and restatement of the Company's Stock Plan (the ''Stock Plan Amendment and Restatement'') to: (1) rename the Stock Plan as the Third Amended and Restated Revlon, Inc. Stock Plan; (2) increase the aggregate number of shares of the Company's Class A Common Stock with respect to which awards may be granted under the Stock Plan from 40,650,000 to 65,650,000 (subject to the adjustment provisions contained in the Stock Plan); (3) remove the provision of the Stock

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Plan restricting to 15,000,000 the number of shares of the Company's Class A Common Stock with respect to which awards of restricted and unrestricted stock and restricted stock units may be granted under the Stock Plan and to make certain conforming changes to reflect this change; (4) increase, from 4,065,000 to 6,565,000 (subject to the adjustment provisions contained in the Stock Plan), the number of awards that may be granted under the Stock Plan as restricted and unrestricted stock and restricted stock units without the minimum vesting requirements under the Stock Plan; and (5) provide that shares withheld by the Company for the payment of taxes upon vesting of awards will become available for subsequent grants of awards (including restricted stock) under the Stock Plan. The Stock Plan Amendment and Restatement was reviewed and recommended for the Board's approval, subject to further stockholder approval, by the Board's Compensation Committee at a duly convened meeting held on November 1, 2007. The primary purpose of the amendments is to afford the Company greater flexibility in the administration of the Stock Plan in furtherance of its efforts to provide meaningful equity-based retention incentives for key existing employees and recruitment incentives for new employees who are expected to contribute to the continued execution of the Company's business strategy.

The Action by Written Consent

On November 2, 2007, MacAndrews & Forbes Holdings Inc., a corporation wholly owned by Ronald O. Perelman, Chairman of the Company's Board of Directors, and certain of such entity's affiliates and related parties (together, ''M&F''), delivered to the Company an executed written consent of stockholders approving the Stock Plan Amendment and Restatement (the ''Written Consent''). As of such date, M&F beneficially owned approximately 60% of the Company's Common Stock (including 45,616,141 shares of Revlon's Class A Common Stock beneficially owned by a family member of Ronald O. Perelman with respect to which shares MacAndrews & Forbes Holdings Inc. holds a voting proxy), together representing approximately 74% of the combined voting power of Revlon's Common Stock.

Voting and Vote Required

As the matters set forth in this Information Statement have been duly authorized and approved by the written consent of the holders of at least a majority of the Company's issued and outstanding voting securities, the Company is not seeking consent, authorizations or proxies from you. Section 228 of the Delaware General Corporation Law (''Section 228'') provides that the written consent of the holders of outstanding shares of voting capital stock, having not less than the minimum number of votes which would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, may be substituted for a meeting. Approval by at least a majority of the outstanding voting power of the shares of Common Stock present and voting on the matter at a meeting would be required to approve the Stock Plan Amendment and Restatement, which approval has been duly secured by written consent executed and delivered in writing to the Company by M&F, as noted above.

As of the Record Date, the Company had 479,260,736 shares of Class A Common Stock and 31,250,000 shares of Class B Common Stock outstanding and entitled to vote. Each share of Class A Common Stock is entitled to one vote, and each share of Class B Common Stock is entitled to 10 votes. On the Record Date, M&F beneficially owned, directly and indirectly, 274,834,793 shares, or approximately 57%, of the Company's Class A Common Stock and all of the 31,250,000 shares of the Company's Class B Common Stock, with such shares of Class A and Class B Common Stock together representing approximately 60% of the Company's Common Stock and approximately 74% of the combined voting power of the Company's Common Stock. Accordingly, the action by Written Consent executed by M&F on the Record Date pursuant to Section 228 and delivered to the Company is sufficient to approve the Stock Plan Amendment and Restatement and requires no further stockholder action.

Notice Pursuant to Section 228

Pursuant to Section 228, the Company is required to provide prompt notice of the taking of a corporate action by written consent to the Company's stockholders who have not consented in writing to such action. This Information Statement serves as the notice required by Section 228.

Dissenters' Rights of Appraisal

The Delaware General Corporation Law does not provide dissenters' rights of appraisal to the Company's stockholders in connection with the matters approved by the Written Consent.

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Householding of Stockholder Materials

Some banks, brokers and other nominee record holders may be participating in the practice of ‘‘householding’’ stockholder materials, such as proxy statements, information statements and annual reports. This means that only one copy of this Information Statement may have been sent to multiple stockholders in your household. The Company will promptly deliver a separate copy of this Information Statement to you if you write or call the Company at the following address or telephone number: Investor Relations Department, Revlon, Inc., 237 Park Avenue, New York, New York 10017, telephone: (212) 527-5230. If you want to receive separate copies of stockholder materials in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact Revlon at the above address and telephone number.

Interest of Certain Persons in or Opposition to Matters Being Acted Upon.

The Stock Plan Amendment and Restatement described herein has been approved by the Company’s Board of Directors, including all of the Company’s independent directors, based upon, among other factors, the recommendation of the Board’s Compensation Committee and advice from Mercer Human Resource Consulting (‘‘Mercer’’), a nationally recognized, outside compensation advisor, and has been authorized and approved by M&F, in its capacity as the Company’s majority stockholder. The Company’s Directors and officers are eligible to receive awards under the Stock Plan, at the discretion of the Compensation Committee in its administration of the Stock Plan. Although the Company cannot currently determine the number of shares subject to awards that may be granted in the future to the Company’s officers or Directors, each of them could be viewed as having a potential interest in the approval of the Stock Plan Amendment and Restatement in so far as they are eligible to be recipients of future stock-based awards under the Stock Plan.

APPROVAL OF THE THIRD AMENDED AND RESTATED REVLON, INC. STOCK PLAN

On November 1, 2007, the Company’s Board of Directors, acting upon the recommendation of its Compensation Committee, approved, subject to stockholder approval, the Stock Plan Amendment and Restatement. The Stock Plan Amendment and Restatement was reviewed and recommended for the Board’s approval, subject to further stockholder approval, by the Board’s Compensation Committee at a duly convened meeting held on November 1, 2007.

The Company’s Board of Directors adopted the Stock Plan Amendment and Restatement principally because the number of shares currently available for issuance as awards under the Stock Plan is insufficient to satisfy the expected foreseeable future requirements under the Stock Plan. The Company’s Board of Directors believes that grants under the Stock Plan will be an important element in retaining key existing employees and recruiting new employees who are expected to contribute to the continued execution of the Company’s business strategy. As of the Record Date, all outstanding stock options granted under the Stock Plan contained exercise prices substantially higher than the New York Stock Exchange (the ‘‘NYSE’’) price per share of the underlying Class A Common Stock, making outstanding stock options granted under the Stock Plan currently of no realizable economic value to the recipients on such date, thereby diminishing the intended retentive effect of these awards and thus subjecting the Company to increased challenges in terms of employee retention at a critical time in the Company’s business plan. The Company believes that amending the Stock Plan to make available for grant additional restricted stock awards would help offset these circumstances and help provide additional recruitment and retention incentives.

As of September 30, 2007, and before giving effect to the Stock Plan Amendment and Restatement, 8,137,486 shares were available for issuance under the Stock Plan; only 3,400,013 of such shares were available for awards of restricted and unrestricted stock and restricted stock units and only 720,800 of such shares were available for awards of restricted and unrestricted stock and restricted stock units without the minimum vesting requirements under the Stock Plan. After giving effect to the Stock Plan Amendment and Restatement, as of September 30, 2007, there would have been 33,137,486 shares available for issuance as awards under the Stock Plan, all of which could be issued as awards of stock options, stock

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appreciation rights, unrestricted stock, restricted stock or restricted stock units (subject to the terms of the Stock Plan), with 3,220,800 of such shares available for awards of restricted and unrestricted stock and restricted stock units without regard to the one-year and three-year minimum vesting requirements. The closing price of Revlon's Class A Common Stock on the NYSE on September 28, 2007, the last NYSE trading date of September 2007, was $1.15.

Summary of the Third Amended and Restated Revlon, Inc. Stock Plan

The following summary of the Third Amended and Restated Revlon, Inc. Stock Plan is qualified in its entirety by the specific language of the Third Amended and Restated Revlon, Inc. Stock Plan (a copy of which is attached as Appendix I hereto). It should be noted that, although an entire description of the Third Amended and Restated Revlon, Inc. Stock Plan is provided, the only material differences in the terms of the Third Amended and Restated Revlon, Inc. Stock Plan from the terms of the Second Amended and Restated Revlon, Inc. Stock Plan is that the Third Amended and Restated Revlon, Inc. Stock Plan: (1) increases the aggregate number of shares of the Company's Class A Common Stock with respect to which awards may be granted under the Stock Plan from 40,650,000 to 65,650,000 (subject to the adjustment provisions contained in the Stock Plan); (2) removes the provision of the Stock Plan restricting to 15,000,000 the number of shares of the Company's Class A Common Stock with respect to which awards of restricted and unrestricted stock and restricted stock units may be granted under the Stock Plan and makes certain conforming changes to reflect this change; (3) increases, from 4,065,000 to 6,565,000 (subject to the adjustment provisions contained in the Stock Plan), the number of awards that may be granted under the Stock Plan as restricted and unrestricted stock and restricted stock units without regard to the minimum vesting requirements applicable to such awards under the Stock Plan; and (4) provides that shares withheld by the Company for the payment of taxes upon vesting of awards will become available for subsequent grants of awards (including restricted stock) under the Stock Plan.

Description of the Stock Plan Terms

Eligibility and Types of Awards

The Stock Plan provides for the granting of awards to such employees of the Company, its subsidiaries and its affiliates as the committee administering the Stock Plan, which is currently the Compensation Committee, may select from time to time. In addition, awards may be granted to Directors who currently are not receiving compensation as officers or employees of the Company or any of its affiliates (''Non-Employee Directors''). Awards under the Stock Plan may be made in the form of (i) incentive stock options (''ISOs''), which are designed to satisfy the applicable requirements set forth in Section 422 of the Internal Revenue Code of 1986, as amended (the ''Code''), (ii) nonqualified stock options (''NQSOs''), which are not intended to satisfy such requirements (ISOs and NQSOs are collectively referred to as ''Options''), (iii) stock appreciation rights, either granted in tandem with an Option or independent of any Option (collectively, ''SARs''), (iv) restricted stock, (v) unrestricted stock and (vi) restricted stock unit Awards (''Restricted Stock Units'' and, collectively with all other award types, ''Awards'').

As of the Record Date, 282 employees and eight Non-Employee Directors had Awards outstanding under the Stock Plan. The benefits to be derived under the Stock Plan by participants cannot be determined, as the ultimate value of Awards under the Stock Plan depends on a variety of factors, including the market value of the Company's Class A Common Stock, and future grants under the Stock Plan will be made at the sole discretion of the Compensation Committee, based on a variety of factors.

Stock Options Under the Stock Plan

From time to time, certain executive officers' employment agreements and other new hire arrangements provide that management shall recommend to the Compensation Committee that such officers and employees, as the case may be, be granted Options to purchase a specified number of shares (or other types of Awards, as the case may be) (see ''Executive Compensation — Employment Agreements and Payments Upon Termination of Employment Agreements and Changes of Control'').

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As of September 30, 2007, Option Awards have been granted under the Stock Plan to certain individuals and groups as follows (all of such Option Awards have exercise prices which exceeded the $1.15 NYSE closing price per share of the Company’s Class A Common Stock on September 28, 2007 (the last NYSE trading date of September 2007) and thus had no realizable monetary value on such date):

	Options Granted Under the Stock Plan
The following executive officers and former executive officers:	
David L. Kennedy President and Chief Executive Officer	1,828,000
Jack L. Stahl Former President and Chief Executive Officer	6,020,000 (a)
Alan T. Ennis Executive Vice President and Chief Financial Officer	20,000
Robert K. Kretzman Executive Vice President, Human Resources, Chief Legal Officer, General Counsel and Secretary	1,196,500 (b)
Thomas E. McGuire Former Executive Vice President and President of International	1,225,000 (c)
All current executive officers as a group	3,044,500 (b)(d)
All current directors who are not executive officers as a group	1,908,832 (e)
Each associate of such persons	0
Each other person who received or is to receive five percent of such Options	0
All employees (including all current officers who are not executive officers) as a group	9,416,966 (f)

(a) Pursuant to the terms of his employment agreement and separation agreement, each of Mr. Stahl’s stock option awards continues to vest following his September 2006 departure from the Company and remains exercisable until the later of (i) one year after such existing option award becomes 100% fully vested and exercisable or (ii) 18 months following Mr. Stahl’s termination of employment.

(b) Includes 7,000 options granted to Mr. Kretzman that have expired in accordance with the terms of the Stock Plan.

(c) All of Mr. McGuire’s stock options were cancelled in connection with his termination of employment with the Company in October 2006.

(d) Does not include Messrs. Stahl and McGuire, who ceased employment with the Company in September 2006 and October 2006, respectively.

(e) Includes 300,000 options granted to Mr. Perelman that have expired in accordance with the terms of the Stock Plan.

(f) Includes 734,880 options that have terminated or expired in accordance with the terms of the Stock Plan.

The NYSE closing market price of the Class A Common Stock on the Record Date was $1.13. Following the effectiveness of the shareholder actions described in this Information Statement, the Company intends to recommend that the Compensation Committee grant Awards of restricted stock, including Awards to its employees and executive officers, some of which may vest over a period of less than three years. However, since such Awards under the Stock Plan are made at the Compensation Committee’s discretion, there can be no assurance that the Compensation Committee will adopt the Company’s recommendations. Therefore, the benefits and amounts that will be received or allocated under the Stock Plan Amendment and Restatement are not determinable at this time.

Available Shares

The shares available for issuance under the Stock Plan may be authorized but unissued Class A Common Stock or Class A Common Stock held in the Company’s treasury or a combination thereof.

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Currently, an aggregate of 40,650,000 shares of the Company’s Class A Common Stock are reserved for issuance of Awards under the Stock Plan, of which no more than 15,000,000 can be issued in the form of restricted or unrestricted shares and Restricted Stock Units, subject to the adjustment provisions of the Stock Plan, provided that as of September 30, 2007, there remained only 3,400,013 shares available for grants of restricted and unrestricted stock Awards and Restricted Stock Unit Awards. Pursuant to the Stock Plan Amendment and Restatement, an aggregate of 65,650,000 shares will be reserved for issuance as Awards under the Stock Plan, subject to the adjustment provisions of the Stock Plan, and all of the available shares under the Stock Plan will be available for issuance not only as Options, but also as restricted or unrestricted stock Awards or Restricted Stock Unit Awards.

As of September 30, 2007, 26,322,915 shares were subject to Awards under the Stock Plan. As of September 30, 2007, 8,137,486 shares remained available for issuance under the Stock Plan, and, of this amount, only 3,400,013 shares remained available for issuance as restricted and unrestricted stock Awards and Restricted Stock Unit Awards, and of such shares, only 720,800 remained available for Awards of restricted and unrestricted stock Awards and Restricted Stock Units without regard to the Stock Plan’s one-year and three-year minimum vesting requirements. After giving effect to the Stock Plan Amendment and Restatement, as of September 30, 2007, there would have been 33,137,486 shares available for issuance as Awards under the Stock Plan, all of which would have been available for Awards of restricted and unrestricted stock and Restricted Stock Units, 3,220,800 shares of which would have been available for Awards of restricted and unrestricted stock and restricted stock units without regard to the Stock Plan’s minimum vesting requirements as of such date. To the extent Options or other Awards are cancelled in the future, the shares of Class A Common Stock underlying these cancelled Awards would become available for future Awards of any kind under the Stock Plan, subject to the terms of the Stock Plan.

Generally, shares subject to an Award that remain unissued upon expiration or cancellation of the Award become available for other Awards under the Stock Plan, as will shares that are used to satisfy an Option exercise price or that are withheld from payment of an Award to satisfy applicable tax withholding requirements, subject to the terms of the Stock Plan. In addition, the grant or vesting of Restricted Stock Unit Awards that by their terms may be settled solely in cash will not reduce the number of shares of Class A Common Stock that may be made subject to Awards under the Stock Plan.

Subject to the adjustment provisions of the Stock Plan, the total number of shares subject to Options or SARs granted to any Stock Plan participant during 2004 could not exceed 5,700,000 shares and during any subsequent year may not exceed 1,000,000 shares. Additionally, in any year, an independent Director of the Company may not be granted Options or SARs covering, in the aggregate, more than such number of shares of the Company’s Class A Common Stock with a fair market value in excess of $100,000.

In the event that any dividend or other distribution is declared (whether in the form of cash, Class A Common Stock or other property), or there occurs any recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, spin-off, combination, repurchase or share exchange, or other similar corporate transaction or event, then if the Compensation Committee determines in its discretion that it is appropriate to do so, (i) the number and kind of shares of stock or other property which may thereafter be issued in connection with Awards, (ii) the number and kind of shares of stock or other property to be issued or issuable in respect of outstanding Awards, (iii) the exercise price, grant price or purchase price relating to any Award and (iv) the maximum number of shares subject to Awards which may be awarded to any Stock Plan participant during any period may be equitably adjusted (including, without limitation, by way of cancellation of an Award in exchange for a cash payment) to prevent the dilution or enlargement of the rights of participants without change in any aggregate purchase price (provided that no ISO granted under the Stock Plan will be adjusted in a manner that causes such Option to fail to continue to qualify as an ISO without the consent of the participant). Any such adjustment shall be made by the Compensation Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

Administration

The committee administering the Stock Plan is currently the Compensation Committee of the Company's Board of Directors. The Board may at any time appoint a different Stock Plan administrator, provided that it is a committee or subcommittee that consists of two or more directors of the Company. It is intended that Awards constituting qualified, performance-based compensation under Section 162(m) of the Code (''Section 162(m)'') be administered by a committee or subcommittee consisting of two or more ''outside directors'' within the meaning of Section 162(m) of the Code (''Section 162(m)''), and that discretionary grants of Awards to non-employee directors be administered by a committee or subcommittee of ''non-employee directors'' (as such term is defined by Rule 16b-3 of the Exchange Act), although any failure of a committee member to so qualify shall not invalidate any Award under the Stock Plan. The Compensation Committee may delegate to officers or employees of the Company or its subsidiaries its authority to grant Options to participants who are not subject to Section 16 of the Exchange Act or Section 162(m). Grants must be made with an exercise or base price equal to at least the fair market value of the underlying shares on the date of grant.

The Compensation Committee has the discretionary authority to exercise all of the powers granted to it under the Stock Plan, to construe, interpret and implement the Stock Plan and agreements evidencing Awards under the Stock Plan, to prescribe, amend and rescind rules and regulations relating to the Stock Plan, to make all determinations necessary or advisable in administering the Stock Plan, and to correct any defect, supply any omission and reconcile any inconsistency in the Stock Plan. The determination of the Compensation Committee on all matters relating to the Stock Plan or agreement evidencing an Award under the Stock Plan is final, binding and conclusive.

Award Types

General

Subject to the terms of the Stock Plan, the Committee may grant Awards to participants as described below. The terms of Award grants will be set forth in written agreements (''Award Agreements'') between the Company and the participant.

Generally, (a) no Option or SAR granted on or after April 14, 2004 may be exercised more than seven years after the date of grant, and (b) no shares of the Company's Class A Common Stock underlying any other Award under the Stock Plan may vest or become deliverable more than 10 years after the date of grant. Historically, Option and SAR Awards made prior to April 14, 2004 typically had 10-year terms. The Compensation Committee may in its discretion extend the expiration date of outstanding Awards (but not in excess of the seven-year or 10-year term, as the case may be, except in the case of the grantee's death before the expiration of the Award's term), subject to the terms of the Stock Plan. Awards may be transferred by a grantee only by will or by the laws of descent and distribution and generally may be exercised only by the grantee during his or her lifetime, provided that the Compensation Committee may provide in the applicable Award Agreement that Options not intended to be ISOs may be transferred without consideration to any member or members of the grantee's ''immediate family'' (as defined in the Stock Plan), a trust for the benefit of the grantee and/or members of his or her immediate family, or a partnership or limited liability company whose only partners or stockholders are the grantee and/or members of his or her immediate family.

Options

All Options when granted are intended to be NQSOs unless the applicable Award Agreement explicitly states that an Option is intended to be an ISO. If an Option is granted with the stated intent that it be an ISO, and if for any reason such Option (or any portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion) shall be regarded as an NQSO appropriately granted under the Stock Plan, provided that such Option (or portion) otherwise satisfies the terms and conditions of the Stock Plan relating to NQSOs generally.

Options may be exercised in amounts and at times determined by the Compensation Committee. Unless the Award Agreement provides otherwise, an Option may not be exercised prior to the first anniversary of the date of grant and shall become exercisable with respect to 25% of the shares subject thereto on each of the first, second, third and fourth anniversaries of the date of grant. Options that are not exercised during the term established by the Compensation Committee will expire without value.

The purchase price of the Company's Class A Common Stock purchased pursuant to the exercise of an Option (''Option Price'') will be no less than 100% and, in case of an ISO granted to an owner of stock

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possessing 10% or more of the total combined voting power of all classes of stock of the Company, 110%, of the fair market value (as defined in the Stock Plan) of the Company's Class A Common Stock on the day the Option is granted. Upon the exercise of any Option, the Option Price must be fully paid by certified or cashier's check, in shares of the Company's Class A Common Stock equal in fair market value to the Option Price, or, subject to the approval of the Compensation Committee, by attestation of such stock ownership or by personal check.

Pursuant to the Code, the aggregate fair market value (determined as of the date of grant) of the shares granted to any participant under the Stock Plan or any other option plan of the Company or its subsidiaries that may become exercisable for the first time in any calendar year is limited, with respect to ISOs, to $100,000.

Stock Appreciation Rights

The Compensation Committee may grant SARs either alone (''unrelated SARs'') or in conjunction with all or part of an Option. Upon the exercise of a SAR, a holder generally is entitled, without payment to the Company, to receive cash, shares of the Company's Class A Common Stock or any combination thereof, as determined by the Compensation Committee, in an amount equal to (x) the excess of the fair market value of one share of the Company's Class A Common Stock on the exercise date over (i) in the case of a SAR granted in tandem with an Option, the Option Price and (ii) in the case of an unrelated SAR, the appreciation base determined by the Compensation Committee (which shall be not less than 100% of the fair market value (as defined in the Stock Plan) of the Company's Class A Common Stock on the day the SAR is granted), multiplied by (y) the number of shares of the Company's Class A Common Stock subject to the SAR or the portion thereof surrendered. SARs vest and become exercisable in the same manner as Options.

Restricted and Unrestricted Stock

The Compensation Committee may grant restricted or unrestricted stock Awards alone or in tandem with other Awards under the Stock Plan. Vesting of restricted stock Awards may be conditioned upon the completion of a specified period of service, the attainment of specific performance goals or such other factors as the Compensation Committee may determine. The Compensation Committee may, in its discretion, require a grantee to pay an amount to acquire any restricted or unrestricted stock, which amount may be refunded to such grantee upon such events as the Compensation Committee may determine. During the restricted period, the grantee may not transfer, assign or otherwise encumber or dispose of the restricted stock, except as permitted by the Compensation Committee. During the restricted period, the grantee will have the right to vote the restricted stock and/or to receive any cash dividends if and only to the extent so provided by the Compensation Committee.

Restricted Stock Unit Awards

The Compensation Committee may grant Restricted Stock Unit Awards relating to a specified number of shares (or the cash or other fair market value thereof) to be delivered based upon the completion of a specified period of service, the attainment over a specified performance cycle of specified measures of the performance of the Company, one or more of its subsidiaries or affiliates or the participant, or such other factors as the Compensation Committee may determine. The Compensation Committee may provide for full or partial credit, prior to completion of such award cycle or achievement of the degree of attainment of the measures of performance specified in connection with such performance unit, in the event of the participant's death, normal retirement, early retirement, or total or permanent disability, or in other circumstances. The grantee will have no voting rights in respect of shares underlying a Restricted Stock Unit unless and until shares are actually issued in satisfaction of the Award. The Compensation Committee in its discretion may grant dividend equivalent rights in respect of a Restricted Stock Unit that, upon vesting of the Award, will entitle the grantee to ratable payment of dividends declared while the Award was unvested.

Special Vesting Rules

Section 162(m)

The Compensation Committee, in its sole discretion, may grant a restricted stock Award or Restricted Stock Unit Award that is intended to qualify for the performance-based compensation exception to the application of Section 162(m). In such a case, the Compensation Committee will condition the vesting or exercisability of the Award on the attainment of performance goals that are pre-established by the Compensation Committee and that are based, for any period specified by the Compensation Committee in its discretion, on one or more of the following criteria as applied to the participant, a business unit of the Company and/or an affiliate of the Company: stock price, market share, sales, earnings per share, return on equity, assets, capital or investment, net income, operating income, operating income before restructuring charges, plus depreciation and amortization other than relating to early extinguishment of debt and debt issuance costs, sales growth, expense targets, working capital targets relating to inventory and/or accounts receivable, operating margin, planning accuracy (as measured by comparing planned results to actual results), and implementation or completion of critical projects or processes. In any year, the total number of shares that may be made subject to such restricted stock Awards granted to any Stock Plan participant that is intended to qualify for the performance-based compensation exception to the application of Section 162(m) may not exceed 1,000,000 shares, and the total number of shares that may be made subject to such Restricted Stock Unit Awards granted to any Stock Plan participant that is intended to qualify for the performance-based compensation exception to the application of Section 162(m) likewise may not exceed 1,000,000 shares.

To the extent required to qualify payment under an Award as performance-based compensation within the meaning of Section 162(m), Awards whose vesting or exercise is conditioned on the attainment of such performance measures shall become vested or exercisable (as the case may be) only after the attainment of such performance measures has been certified by the Compensation Committee. Whether or not an Award is intended to constitute performance-based compensation within the meaning of Section 162(m), the Compensation Committee shall have the authority to make appropriate adjustments in performance goals under the Award to reflect the impact of extraordinary items not reflected in such goals.

Minimum Vesting Requirements

Awards other than Options and SARs generally vest (i.e., become nonforfeitable) over a minimum period of three years; provided that (i) upon a ‘‘Reorganization Event’’ (as further described below) or, in respect of such an Award to any participant, in the event of the participant’s death, disability, or retirement, no such minimum vesting period shall be required, (ii) to the extent vesting in such an Award is conditioned upon the achievement of one or more performance goals, the Award shall vest over a minimum period of one year (rather than over a minimum period of three years), and (iii) up to 6,565,000 shares may be made subject to such Awards without the Stock Plan’s minimum vesting requirements (prior to the Stock Plan Amendment and Restatement, this number was 4,065,000 shares); note, that, upon giving effect to the Stock Plan Amendment and Restatement, and based on Awards of restricted stock and Restricted Stock Units previously granted with shorter vesting terms as of September 30, 2007, 3,220,800 shares would have remained available for Awards of restricted or unrestricted stock or restricted stock units without regard to the minimum vesting requirements as of such date. With respect to the minimum vesting requirements described above, vesting over a three-year period or one-year period (as the case may be) shall include periodic vesting over such period if the rate of such vesting is proportional throughout such period; provided, however, that, standard vesting restricted stock and Restricted Stock Units (i.e., those Awards not subject to the shorter-vesting basket described in clause (iii) above) may not include periodic vesting thereunder for any interval of less than one year.

Acceleration of Vesting

Subject to the terms of the Stock Plan, the Compensation Committee in its discretion may accelerate the time or times at which an Award may vest or be exercised. During 2006, the Compensation Committee exercised its discretion under the Stock Plan and has determined that, should a change of control (as defined in the Company’s forms of Stock

Option and Restricted Stock Award Agreements under the Stock Plan, filed as Exhibits 10.10 and 10.11, respectively, to the Company's Annual Report on Form 10-K for the year ended December 31, 2006) occur in the future, all stock options, stock appreciation rights and restricted stock grants outstanding on November 12, 2006 would fully vest.

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Effect of Termination of Employment/Service

Except as provided below or as otherwise provided in an applicable Award Agreement, if the employment (or services in the case of a Non-Employee Director) of a grantee with the Company and its affiliates terminates, Options and SARs that are then exercisable will remain exercisable, and any payment or notice provided for under the terms of the vested portion of any other outstanding Award may be given, for a period of 90 days from the date of any such termination, and any Awards or parts thereof that are not exercisable on such termination date will be cancelled and the grantee may not satisfy any condition, limitation or restriction which is unsatisfied as of such termination date.

If the grantee's employment (or provision of services, in the case of a Non-Employee Director) is terminated by the Company for ''good reason'' (as defined in the Company's Executive Severance Policy) or for ''cause'' under an applicable employment agreement or, in the case of a Non-Employee Director, removal for cause as set forth in the Company's By-laws from time to time, or by the grantee other than for ''good reason'' or ''cause'' under an applicable employment agreement, then as of the date of termination all outstanding Awards previously granted to such grantee (whether or not then vested or exercisable) shall be cancelled and the portion of all restricted stock Awards which are unvested or as to which restrictions have not lapsed shall be cancelled and the grantee may not satisfy any condition, limitation or restriction which is then unsatisfied.

Class I, 0.12%(4) (Cost $612,005)612,005612,005**Total Investments 145.0%(1) (Cost $1,327,428,050)**1,783,163,221**Other Assets and Liabilities (17.0%)(1)**(208,796,522)**Long-Term Debt Obligations (20.7%)(1)**(255,000,000)**Mandatory Redeemable Preferred Stock at Liquidation Value (7.3%)(1)**(90,000,000)**Total Net Assets Applicable to Common Stockholders 100.0%(1)**$1,229,366,699

(1) Calculated as a percentage of net assets applicable to common stockholders.
(2) Restricted securities have been fair valued in accordance with procedures approved by the Board of Directors and have a total fair value of $7,444,296, which represents 0.6% of net assets. See Note 7 to the financial statements for further disclosure.
(3) Security distributions are paid-in-kind.
(4) Rate indicated is the current yield as of February 28, 2013.

See accompanying Notes to Financial Statements.

Statement of Assets & Liabilities

February 28, 2013
(Unaudited)

Assets		
Investments at fair value (cost $1,327,428,050)	$	1,783,163,221
Receivable for Adviser fee waiver		430,922
Prepaid expenses and other assets		1,853,547
Total assets		1,785,447,690
Liabilities		
Payable to Adviser		2,661,340
Payable for investments purchased		4,918,952
Distribution payable to common stockholders		19,404,349
Accrued expenses and other liabilities		2,971,832
Deferred tax liability		181,124,518
Long-term debt obligations		255,000,000
Mandatory redeemable preferred stock ($25.00 liquidation value per share; 3,600,000 shares outstanding)		90,000,000
Total liabilities		556,080,991
Net assets applicable to common stockholders	$	1,229,366,699
Net Assets Applicable to Common Stockholders Consist of:		
Capital stock, $0.001 par value; 46,617,023 shares issued and outstanding (100,000,000 shares authorized)	$	46,617
Additional paid-in capital		925,149,393
Accumulated net investment loss, net of income taxes		(39,818,905)
Undistributed realized gain, net of income taxes		55,154,137
Net unrealized appreciation of investments, net of income taxes		288,835,457
Net assets applicable to common stockholders	$	1,229,366,699
Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding)	$	26.37

Statement of Operations

Period from December 1, 2012 through February 28, 2013
(Unaudited)

Investment Income		
Distributions from master limited partnerships	$	24,786,523
Less return of capital on distributions		(23,178,298)
Net distributions from master limited partnerships		1,608,225
Dividends from money market mutual funds		81
Total Investment Income		1,608,306
Operating Expenses		
Advisory fees		3,941,362
Administrator fees		113,131
Professional fees		48,510
Stockholder communication expenses		42,321
Directors fees		35,800
Fund accounting fees		20,869
Custodian fees and expenses		18,025
Registration fees		10,955
Franchise fees		4,993
Stock transfer agent fees		2,975

Other operating expenses		29,860
Total Operating Expenses		4,268,801
Leverage Expenses		
Interest expense		2,394,648
Distributions to mandatory redeemable preferred stockholders		934,250
Amortization of debt issuance costs		94,807
Other leverage expenses		22,513
Total Leverage Expenses		3,446,218
Total Expenses		7,715,019
Less fees waived by Adviser		(705,269)
Net Expenses		7,009,750
Net Investment Loss, before Income Taxes		(5,401,444)
Deferred tax benefit		1,624,185
Net Investment Loss		(3,777,259)
Realized and Unrealized Gain on Investments		
Net realized gain on investments, before income taxes		23,859,642
Deferred tax expense		(8,758,875)
Net realized gain on investments		15,100,767
Net unrealized appreciation of investments, before income taxes		150,672,063
Deferred tax expense		(55,311,714)
Net unrealized appreciation of investments		95,360,349
Net Realized and Unrealized Gain on Investments		110,461,116
Net Increase in Net Assets Applicable to Common Stockholders Resulting from Operations	$	106,683,857

See accompanying Notes to Financial Statements.

Statement of Changes in Net Assets

	Period from December 1, 2012 through February 28, 2013 *(Unaudited)*	Year Ended November 30, 2012
Operations		
Net investment loss	$ (3,777,259)	$ (18,486,108)
Net realized gain on investments	15,100,767	21,014,658
Net unrealized appreciation of investments	95,360,349	71,603,995
Net increase in net assets applicable to common stockholders resulting from operations	106,683,857	74,132,545
Distributions to Common Stockholders		
Return of capital	(19,404,336)	(76,403,671)
Capital Stock Transactions		
Proceeds from shelf offerings of 57,190 and 234,045 common shares, respectively	1,466,453	6,095,538
Underwriting discounts and offering expenses associated with the issuance of common stock	(14,665)	(128,623)
Issuance of 376,005 common shares from reinvestment of distributions to stockholders		9,348,018
Net increase in net assets applicable to common stockholders from capital stock transactions	1,451,788	15,314,933
Total increase in net assets applicable to common stockholders	88,731,309	13,043,807
Net Assets		
Beginning of period	1,140,635,390	1,127,591,583
End of period	$ 1,229,366,699	$ 1,140,635,390
Accumulated net investment loss, net of income taxes, end of period	$ (39,818,905)	$ (36,041,646)

See accompanying Notes to Financial Statements.

Statement of Cash Flows

Period from December 1, 2012 through February 28, 2013

(Unaudited)

Cash Flows From Operating Activities	
Distributions received from master limited partnerships	$ 24,786,523
Dividend income received	76
Purchases of long-term investments	(89,658,392)
Proceeds from sales of long-term investments	94,576,708
Purchases of short-term investments, net	(537,682)
Interest expense paid	(2,417,530)
Distributions to mandatory redeemable preferred stockholders	(934,250)
Operating expenses paid	(3,357,319)
Net cash provided by operating activities	22,458,134
Cash Flows From Financing Activities	
Advances from revolving line of credit	48,200,000
Repayments on revolving line of credit	(72,100,000)
Issuance of common stock	1,466,453
Common stock issuance costs	(24,587)
Net cash used in financing activities	(22,458,134)
Net change in cash	
Cash beginning of period	
Cash end of period	$
Reconciliation of net increase in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities	
Net increase in net assets applicable to common stockholders resulting from operations	$ 106,683,857
Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash provided by operating activities:	
Purchases of long-term investments	(94,577,344)
Proceeds from sales of long-term investments	94,576,708
Purchases of short-term investments, net	(537,682)
Return of capital on distributions received	23,178,298
Deferred tax expense	62,446,404
Net unrealized appreciation of investments	(150,672,063)
Net realized gain on investments	(23,859,642)
Amortization of debt issuance costs	94,807
Changes in operating assets and liabilities:	
Decrease in prepaid expenses and other assets	40,433
Increase in payable for investments purchased	4,918,952
Increase in payable to Adviser, net of fee waiver	186,863
Decrease in accrued expenses and other liabilities	(21,457)
Total adjustments	(84,225,723)
Net cash provided by operating activities	$ 22,458,134

See accompanying Notes to Financial Statements.

Financial Highlights

	Period from December 1, 2012 through February 28, 2013 (Unaudited)	Year Ended November 30, 2012	Year Ended November 30, 2011	Period from July 30, 2010[1] through November 30, 2010
Per Common Share Data[2]				
Net Asset Value, beginning of period	$ 24.50	$ 24.54	$ 24.91	$
Public offering price				25.00
Income (Loss) from Investment Operations				
Net investment loss[3]	(0.08)	(0.40)	(0.34)	(0.04)
Net realized and unrealized gain on investments[3]	2.37	2.02	1.61	1.49
Total income from investment operations	2.29	1.62	1.27	1.45
Distributions to Common Stockholders				
Return of capital	(0.42)	(1.66)	(1.64)	(0.36)
Capital stock transactions				
Underwriting discounts and offering costs on issuance of common stock[4]				(1.18)
Premiums less underwriting discounts and offering costs on issuance of common stock[5][6]	0.00	0.00		
Total capital stock transactions	0.00	0.00		(1.18)
Net Asset Value, end of period	$ 26.37	$ 24.50	$ 24.54	$ 24.91
Per common share market value, end of period	$ 27.59	$ 24.91	$ 24.84	$ 24.14
Total Investment Return Based on Market Value[7]	12.51%	7.14%	9.88%	(2.02)%
Supplemental Data and Ratios				
Net assets applicable to common stockholders, end of period (000 s)	$1,229,367	$1,140,635	$1,127,592	$1,131,120
Average net assets (000 s)	$1,178,669	$1,157,421	$1,140,951	$1,087,459
Ratio of Expenses to Average Net Assets[8]				
Advisory fees	1.36%	1.34%	1.30%	1.07%
Other operating expenses	0.11	0.10	0.13	0.12
Fee waiver	(0.24)	(0.28)	(0.32)	(0.28)
Subtotal	1.23	1.16	1.11	0.91
Leverage expenses	1.18	1.20	1.22	0.48
Income tax expense[9]	21.49	3.86	3.11	10.44
Total expenses	23.90%	6.22%	5.44%	11.83%

See accompanying Notes to Financial Statements.

Financial Highlights
(Continued)

	Period from December 1, 2012 through February 28, 2013 (Unaudited)	Year Ended November 30, 2012	Year Ended November 30, 2011	Period from July 30, 2010[1] through November 30, 2010
Ratio of net investment loss to average net assets before fee waiver[8]	(1.54)%	(1.88)%	(1.69)%	(0.79)%
Ratio of net investment loss to average net assets after fee waiver[8]	(1.30)%	(1.60)%	(1.37)%	(0.51)%
Portfolio turnover rate	5.59%	15.14%	19.57%	1.24%
Short-term borrowings, end of period (000 s)		$ 23,900	$ 10,100	$ 30,700
Long-term debt obligations, end of period (000 s)	$ 255,000	$ 255,000	$ 255,000	$ 230,000
Preferred stock, end of period (000 s)	$ 90,000	$ 90,000	$ 90,000	$ 90,000
Per common share amount of long-term debt obligations outstanding, end of period	$ 5.47	$ 5.48	$ 5.55	$ 5.07
Per common share amount of net assets, excluding long-term debt obligations, end of period	$ 31.84	$ 29.98	$ 30.09	$ 29.98
Asset coverage, per $1,000 of principal amount of long-term debt obligations and short-term borrowings[10]	$ 6,174	$ 5,412	$ 5,593	$ 5,684
Asset coverage ratio of long-term debt obligations and short-term borrowings[10]	617%	541%	559%	568%
Asset coverage, per $25 liquidation value per share of mandatory redeemable preferred stock[11]	$ 114	$ 102	$ 104	$ 106
Asset coverage ratio of preferred stock[11]	456%	409%	418%	423%

(1)Commencement of Operations.

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

(3)The per common share data for the year ended November 30, 2011 and the period from July 30, 2010 through November 30, 2010 do not reflect the change in estimate of investment income and return of capital. See Note 2C to the financial statements for further disclosure.

(4)Represents the dilution per common share from underwriting and other offering costs for the period from July 30, 2010 through November 30, 2010.

(5)Represents the premiums on the shelf offerings of less than $0.01 per share, less the underwriter discount and offering costs of less than $0.01 per share for the period from December 1, 2012 through February 28, 2013 and for the year ended November 30, 2012.

(6)Less than $0.01 for the period from December 1, 2012 through February 28, 2013 and the year ended November 30, 2012.

(7)Not annualized for periods less than one full year. Total investment return is calculated assuming a purchase of common stock at the beginning of the period (or initial public offering price) and a sale at the closing price on the last day of the period reported (excluding brokerage commissions). This calculation also assumes reinvestment of distributions at actual prices pursuant to the company s dividend reinvestment plan.

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

(9)For the period from December 1, 2012 through February 28, 2013, the Company accrued $62,446,404 for net deferred income tax expense. For the year ended November 30, 2012, the Company accrued $44,677,351 for net deferred income tax expense. For the year ended November 30, 2011, the Company accrued $20,589 for current income tax benefit and $35,466,770 for net deferred income tax expense. For the period from July 30, 2010 to November 30, 2010, the Company accrued $50,000 for current income tax expense and $38,533,993 for net deferred income tax expense.

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

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

See accompanying Notes to Financial Statements.

Notes to Financial Statements *(Unaudited)*
February 28, 2013

1. Organization

Tortoise MLP Fund, Inc. (the Company) was organized as a Maryland corporation on April 23, 2010, and is a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Company s investment objective is to seek a high level of total return with an emphasis on current distributions paid to stockholders. The Company seeks to provide its stockholders with an efficient vehicle to invest in the energy infrastructure sector, with an emphasis on natural gas infrastructure. The Company commenced operations on July 30, 2010. The Company s stock is listed on the New York Stock Exchange under the symbol NTG.

2. Significant Accounting Policies

A. Use of Estimates

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

B. Investment Valuation

The Company primarily owns securities that are listed on a securities exchange or over-the-counter market. The Company values those securities at their last sale price on that exchange or over-the-counter market on the valuation date. If the security is listed on more than one exchange, the Company uses the price from the exchange that it considers to be the principal exchange on which the security is traded. Securities listed on the NASDAQ will be valued at the NASDAQ Official Closing Price, which may not necessarily represent the last sale price. If there has been no sale on such exchange or over-the-counter market on such day, the security will be valued at the mean between the last bid price and last ask price on such day.

The Company may invest up to 50 percent of its total assets in restricted securities. Restricted securities are subject to statutory or contractual restrictions on their public resale, which may make it more difficult to obtain a valuation and may limit the Company s ability to dispose of them. Investments in restricted securities and other securities for which market quotations are not readily available will be valued in good faith by using fair value procedures approved by the Board of Directors. Such fair value procedures consider factors such as discounts to publicly traded issues, time until conversion date, securities with similar yields, quality, type of issue, coupon, duration and rating. If events occur that affect the value of the Company s portfolio securities before the net asset value has been calculated (a significant event), the portfolio securities so affected will generally be priced using fair value procedures.

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

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

C. Security Transactions and Investment Income

Security transactions are accounted for on the date the securities are purchased or sold (trade date). Realized gains and losses are reported on an identified cost basis. Interest income is recognized on the accrual basis, including amortization of premiums and accretion of discounts. Dividend and distribution income is recorded on the ex-dividend date. Distributions received from the Company s investments in master limited partnerships (MLPs) generally are comprised of ordinary income and return of capital from the MLPs. The Company allocates distributions between investment income and return of capital based on estimates made at the time such distributions are received. Such estimates are based on information provided by each MLP and other industry sources. These estimates may subsequently be revised based on actual allocations received from MLPs after their tax reporting periods are concluded, as the actual character of these distributions is not known until after the fiscal year end of the Company.

For the period from December 1, 2012 through February 28, 2013, the Company estimated the allocation of investment income and return of capital for the distributions received from MLPs within the Statement of Operations. For this period, the Company has estimated approximately 6 percent as investment income and approximately 94 percent as return of capital.

D. Distributions to Stockholders

Distributions to common stockholders are recorded on the ex-dividend date. The Company may not declare or pay distributions to its common stockholders if it does not meet asset coverage ratios required under the 1940 Act or the rating agency guidelines for its debt and preferred stock following such distribution. The character of distributions to common stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For book purposes, the source of the Company s distributions to common stockholders for the year

Notes to Financial Statements *(Unaudited)*
(Continued)
ended November 30, 2012 and the period ended February 28, 2013 was 100 percent return of capital. For tax purposes, the Company s distributions to common stockholders for the year ended November 30, 2012 were 100 percent return of capital. The tax character of distributions paid to common stockholders in the current year will be determined subsequent to November 30, 2013.

Distributions to mandatory redeemable preferred (MRP) stockholders are accrued daily and paid quarterly based on fixed annual rates. The Company may not declare or pay distributions to its preferred stockholders if it does not meet a 200 percent asset coverage ratio for its debt or the rating agency basic maintenance amount for the debt following such distribution. The character of distributions to MRP stockholders made during the year may differ from their ultimate characterization for federal income tax purposes. For book purposes, the source of the Company s distributions to MRP stockholders for the year ended November 30, 2012 and the period ended February 28, 2013 was 100 percent return of capital. For tax purposes, the Company s distributions to MRP stockholders for the year ended November 30, 2012 were 100 percent return of capital. The tax character of distributions paid to MRP stockholders in the current year will be determined subsequent to November 30, 2013.

E. Federal Income Taxation

The Company, as a corporation, is obligated to pay federal and state income tax on its taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent. The Company may be subject to a 20 percent federal alternative minimum tax (AMT) on its federal alternative minimum taxable income to the extent that its AMT exceeds its regular federal income tax.

The Company invests its assets primarily in MLPs, which generally are treated as partnerships for federal income tax purposes. As a limited partner in the MLPs, the Company reports its allocable share of the MLP s taxable income in computing its own taxable income. The Company s tax expense or benefit is included in the Statement of Operations based on the component of income or gains (losses) to which such expense or benefit relates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

F. Offering and Debt Issuance Costs

Offering costs related to the issuance of common stock are charged to additional paid-in capital when the stock is issued. Debt issuance costs related to long-term debt obligations and MRP Stock are capitalized and amortized over the period the debt and MRP Stock is outstanding.

G. Derivative Financial Instruments

The Company may use derivative financial instruments (principally interest rate swap contracts) in an attempt to manage interest rate risk. The Company has established policies and procedures for risk assessment and the approval, reporting and monitoring of derivative financial instrument activities. The Company does not hold or issue derivative financial instruments for speculative purposes. All derivative financial instruments are recorded at fair value with changes in fair value during the reporting period, and amounts accrued under the agreements, included as unrealized gains or losses in the accompanying Statement of Operations. Cash settlements under the terms of the derivative instruments and the termination of such contracts are recorded as realized gains or losses in the accompanying Statement of Operations. The Company did not hold any derivative financial instruments during the period ended February 28, 2013.

H. Indemnifications

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

I. Recent Accounting Pronouncements

In December 2011, the FASB issued ASU 2011-11 Balance Sheet (Topic 210) Disclosures about Offsetting Assets and Liabilities . ASU 2011-11 requires new disclosures for recognized financial instruments and derivative instruments that are either offset on the balance sheet in accordance with the offsetting guidance in ASC 210-20-45 or ASC 815-10-45 or are subject to an enforceable master netting arrangement or similar arrangement. ASU 2011-11 is effective for periods beginning on or after January 1, 2013 and must be applied retrospectively. Management is currently evaluating the impact of these amendments on the financial statements.

3. Concentration of Risk

Under normal circumstances, the Company intends to invest at least 80 percent of its total assets in equity securities of MLPs in the energy infrastructure sector and to invest at least 70 percent of its total assets in equity securities of natural gas infrastructure MLPs. The Company will not invest more than 10 percent of its total assets in any single issuer as of the time of purchase. The Company may invest up to 50 percent of its total assets in restricted securities. The Company will not invest in privately held companies. In determining application of these policies, the term total

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

assets includes assets obtained through leverage. Companies that primarily invest in a particular sector may experience greater volatility than companies investing in a broad range of industry sectors. The Company may, for defensive purposes, temporarily invest all or a significant portion of its assets in investment grade securities, short-term debt securities and cash or cash equivalents. To the extent the Company uses this strategy, it may not achieve its investment objective.

4. Agreements

The Company has entered into an Investment Advisory Agreement with Tortoise Capital Advisors, L.L.C. (the Adviser). Under the terms of the agreement, the Company pays the Adviser a fee equal to an annual rate of 0.95 percent of the Company s average monthly total assets (including any assets attributable to leverage) minus accrued liabilities (other than debt entered into for purposes of leverage and the aggregate liquidation preference of outstanding preferred stock) (Managed Assets), in exchange for the investment advisory services provided. The Adviser waived an amount equal to 0.20 percent of average monthly Managed Assets for the period from July 28, 2011 through December 31, 2012, and has agreed to waive an amount equal to 0.15 percent of average monthly Managed Assets for the period from January 1, 2013 through December 31, 2013, 0.10 percent of average monthly Managed Assets for the period from January 1, 2014 through December 31, 2014, and 0.05 percent of average monthly Managed Assets for the period from January 1, 2015 through December 31, 2015. In addition, the Adviser has contractually agreed to waive all fees due under the Investment Advisory Agreement related to the net proceeds received from the issuance of additional common stock under the at-the-market equity program for a six month period following the date of issuance.

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

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

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

5. Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company s deferred tax assets and liabilities as of February 28, 2013, are as follows:

Deferred tax assets:	
Net operating loss carryforwards	$ 93,773,386
Deferred tax liabilities:	
Basis reduction of investment in MLPs	107,597,523
Net unrealized gains on investment securities	167,300,381
	274,897,904
Total net deferred tax liability	$ 181,124,518

At February 28, 2013, a valuation allowance on deferred tax assets was not deemed necessary because the Company believes it is more likely than not that there is an ability to realize its deferred tax assets through future taxable income. Any adjustments to the Company s estimates of future taxable income will be made in the period such determination is made. The Company recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained upon examination by the tax authorities based on the technical merits of the tax position. The Company s policy is to record interest and penalties on uncertain tax positions as part of tax expense. As of February 28, 2013, the Company had no uncertain tax positions and no penalties and interest were accrued. All tax years since inception remain open to examination by federal and state tax authorities.

Total income tax expense differs from the amount computed by applying the federal statutory income tax rate of 35 percent to net investment loss and net realized and unrealized gains on investments for the period ended February 28, 2013, as follows:

Application of statutory income tax rate	$59,195,591
State income taxes, net of federal tax benefit	2,892,127
Nondeductible payments on preferred stock	358,686
Total income tax expense	$ 62,446,404

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

For the period from December 1, 2012 through February 28, 2013, the components of income tax expense include deferred federal and state income tax expense (net of federal tax benefit) of $59,537,568 and $2,908,836, respectively.

Notes to Financial Statements *(Unaudited)*
(Continued)
As of November 30, 2012, the Company had a net operating loss for federal income tax purposes of approximately $138,231,000. The net operating loss may be carried forward for 20 years. If not utilized, this net operating loss will expire as follows: $3,343,000, $30,299,000 and $104,589,000 in the years ending November 30, 2030, 2031 and 2032, respectively. The amount of deferred tax asset for net operating losses at February 28, 2013 includes amounts for the period from December 1, 2012 through February 28, 2013.

As of February 28, 2013, the aggregate cost of securities for federal income tax purposes was $1,034,326,653. The aggregate gross unrealized appreciation for all securities in which there was an excess of fair value over tax cost was $748,836,568, the aggregate gross unrealized depreciation for all securities in which there was an excess of tax cost over fair value was $0 and the net unrealized appreciation was $748,836,568.

6. Fair Value of Financial Instruments

Various inputs are used in determining the value of the Company s investments. These inputs are summarized in the three broad levels listed below:

Level 1	quoted prices in active markets for identical investments
Level 2	other significant observable inputs (including quoted prices for similar investments, market corroborated inputs, etc.)
Level 3	significant unobservable inputs (including the Company s own assumptions in determining the fair value of investments)

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

The following table provides the fair value measurements of applicable Company assets by level within the fair value hierarchy as of February 28, 2013. These assets are measured on a recurring basis.

Description	Fair Value at February 28, 2013	Level 1	Level 2	Level 3
Assets				
Equity Securities:				
Master Limited Partnerships and Related Companies[(a)]	$ 1,782,551,216	$ 1,775,106,920	$ 7,444,296	$
Other:				
Short-Term Investment[(b)]	612,005	612,005		
Total Assets	$ 1,783,163,221	$ 1,775,718,925	$ 7,444,296	$

(a) All other industry classifications are identified in the Schedule of Investments.
(b) Short-term investment is a sweep investment for cash balances in the Company at February 28, 2013.
The Company did not hold any Level 3 securities during the period from December 1, 2012 through February 28, 2013.

Valuation Techniques

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

An equity security of a publicly traded company acquired in a private placement transaction without registration under the Securities Act of 1933, as amended (the 1933 Act), is subject to restrictions on resale that can affect the security s fair value. If such a security is convertible into publicly-traded common shares, the security generally will be valued at the common share market price adjusted by a percentage discount due to the restrictions and categorized as Level 2 in the fair value hierarchy. If the security has characteristics that are dissimilar to the class of security that trades on the open market, the security will generally be valued and categorized as Level 3 in the fair value hierarchy.

The Company utilizes the beginning of reporting period method for determining transfers between levels. There were no transfers between levels for the period from December 1, 2012 through February 28, 2013.

7. Restricted Security

Certain of the Company s investments are restricted and are valued as determined in accordance with procedures established by the Board of Directors, as more fully described in Note 2. The table below shows the number of units held, acquisition date, acquisition cost, fair value, fair value per share and percent of net assets which the security comprises at February 28, 2013.

Investment Security	Number of Shares	Acquisition Date	Acquisition Cost	Fair Value	Fair Value Per Share	Fair Value as Percent of Net Assets
Inergy Midstream, L.P.						
Unregistered Common Units	321,429	12/7/12	$6,750,009	$7,444,296	$23.16	0.6%

The carrying value per unit of unrestricted common units of Inergy Midstream, L.P. was $23.10 on November 3, 2012, the date of the purchase agreement and the date an enforceable right to acquire the restricted Inergy Midstream, L.P. units was obtained by the Company.

8. Investment Transactions

For the period from December 1, 2012 through February 28, 2013, the Company purchased (at cost) and sold securities (proceeds received) in the amount of $94,577,344 and $94,576,708 (excluding short-term debt securities), respectively.

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

9. Long-Term Debt Obligations

The Company has $255,000,000 aggregate principal amount of private senior notes, Series A, Series B, Series C, Series D, Series E, Series F, and Series G (collectively, the Notes), outstanding. The Notes are unsecured obligations of the Company and, upon liquidation, dissolution or winding up of the Company, will rank: (1) senior to all of the Company s outstanding preferred shares; (2) senior to all of the Company s outstanding common stock; (3) on parity with any unsecured creditors of the Company and any unsecured senior securities representing indebtedness of the Company and (4) junior to any secured creditors of the Company. Holders of the Notes are entitled to receive cash interest payments each quarter until maturity. The Series A, Series B, Series C, Series D, and Series G Notes accrue interest at fixed rates and the Series E and Series F Notes accrue interest at an annual rate that resets each quarter based on the 3-month LIBOR plus 1.70 and 1.35 percent, respectively. The Notes are not listed on any exchange or automated quotation system.

The Notes are redeemable in certain circumstances at the option of the Company. The Notes are also subject to a mandatory redemption if the Company fails to meet asset coverage ratios required under the 1940 Act or the rating agency guidelines if such failure is not waived or cured. At February 28, 2013, the Company was in compliance with asset coverage covenants and basic maintenance covenants for its senior notes.

The estimated fair value of each series of fixed-rate Notes was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued debt and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent debt issuance, the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the Notes and the AAA corporate finance debt rate. The estimated fair value of the Series E and Series F Notes approximates the carrying amount because the interest rates fluctuate with changes in interest rates available in the current market. The estimated fair values in the table below are Level 2 valuations within the fair value hierarchy. The following table shows the maturity date, interest rate, notional/carrying amount and estimated fair value for each series of Notes outstanding at February 28, 2013.

Series	**Maturity Date**	**Interest Rate**	**Notional/ Carrying Amount**	**Estimated Fair Value**
Series A	December 15, 2013	2.48%	$ 12,000,000	$ 12,089,305
Series B	December 15, 2015	3.14%	24,000,000	24,654,701
Series C	December 15, 2017	3.73%	57,000,000	59,931,979
Series D	December 15, 2020	4.29%	112,000,000	119,451,268
Series E	December 15, 2015	2.01%(1)	25,000,000	25,000,000
Series F	May 12, 2014	1.64%(2)	15,000,000	15,000,000
Series G	May 12, 2018	4.35%	10,000,000	10,746,918
			$ 255,000,000	$ 266,874,171

(1) Floating rate; rate effective for period from December 15, 2012 through March 15, 2013. The weighted-average rate for the period from December 1, 2012 through February 28, 2013 was 2.02 percent.

(2) Floating rate; rate effective for period from February 12, 2013 through May 12, 2013. The weighted-average rate for the period from December 1, 2012 through February 28, 2013 was 1.66 percent.

10. Preferred Stock

The Company has 10,000,000 shares of preferred stock authorized. Of that amount, the Company has 3,600,000 shares of private Mandatory Redeemable Preferred (MRP) Stock authorized and outstanding at February 28, 2013. The MRP Stock has a liquidation value of $25.00 per share plus any accumulated but unpaid distributions, whether or not declared. Holders of the MRP Stock are entitled to receive cash interest payments each quarter at a fixed rate until maturity. The MRP Stock is not listed on any exchange or automated quotation system.

The MRP Stock has rights determined by the Board of Directors. Except as otherwise indicated in the Company s Charter or Bylaws, or as otherwise required by law, the holders of MRP Stock have voting rights equal to the holders of common stock (one vote per MRP share) and will vote together with the holders of shares of common stock as a single class except on matters affecting only the holders of preferred stock or the holders of common stock. The 1940 Act requires that the holders of any preferred stock (including MRP Stock), voting separately as a single class, have the right to elect at least two directors at all times.

Notes to Financial Statements *(Unaudited)*
(Continued)
The estimated fair value of each series of MRP Stock was calculated, for disclosure purposes, by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued preferred stock and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent preferred stock issuance, the spread between the AA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the MRP Stock and the AA corporate finance debt rate. The estimated fair values in the table below are Level 2 valuations within the fair value hierarchy. The following table shows the mandatory redemption date, fixed rate, aggregate liquidation preference, number of shares outstanding and estimated fair value of each series of MRP Stock outstanding as of February 28, 2013.

Series	Mandatory Redemption Date	Fixed Rate	Aggregate Liquidation Preference	Shares Outstanding	Estimated Fair Value
Series A	December 15, 2015	3.69%	$ 25,000,000	1,000,000	$25,538,073
Series B	December 15, 2017	4.33%	65,000,000	2,600,000	67,799,238
			$ 90,000,000	3,600,000	$ 93,337,311

The MRP Stock is redeemable in certain circumstances at the option of the Company. Under the Investment Company Act of 1940, the Company may not declare dividends or make other distributions on shares of common stock or purchases of such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding MRP Stock would be less than 200 percent. The MRP Stock is also subject to a mandatory redemption if the Company fails to meet an asset coverage ratio of at least 225 percent as determined in accordance with the 1940 Act or a rating agency basic maintenance amount if such failure is not waived or cured. At February 28, 2013, the Company was in compliance with asset coverage covenants and basic maintenance covenants for its MRP Stock.

11. Credit Facility

As of February 28, 2013, the Company had a $60,000,000 unsecured, revolving credit facility that matures on June 17, 2013. Bank of America, N.A. serves as a lender and the lending syndicate agent on behalf of other lenders participating in the facility. Outstanding balances generally will accrue interest at a variable annual rate equal to one-month LIBOR plus 1.25 percent and unused portions of the credit facility will accrue a non-usage fee equal to an annual rate of 0.20 percent.

The average principal balance and interest rate for the period during which the credit facility was utilized during the period from December 1, 2012 through February 28, 2013 was approximately $23,200,000 and 1.46 percent, respectively. There was no outstanding balance on the credit facility at February 28, 2013.

Under the terms of the credit facility, the Company must maintain asset coverage required under the 1940 Act. If the Company fails to maintain the required coverage, it may be required to repay a portion of an outstanding balance until the coverage requirement has been met. At February 28, 2013, the Company was in compliance with the terms of the credit facility.

12. Common Stock

The Company has 100,000,000 shares of capital stock authorized and 46,617,023 shares outstanding at February 28, 2013. Transactions in common stock for the period from December 1, 2012 through February 28, 2013, were as follows:

Shares at November 30, 2012	46,559,833
Shares sold through shelf offerings	57,190
Shares at February 28, 2013	46,617,023

13. Subsequent Events

On March 1, 2013, the Company paid a distribution in the amount of $0.41625 per common share, for a total of $19,404,336. Of this total, the dividend reinvestment amounted to $2,035,157.

The Company has performed an evaluation of subsequent events through the date the financial statements were issued and has determined that no additional items require recognition or disclosure.

Additional Information *(Unaudited)*

Director and Officer Compensation

The Company does not compensate any of its directors who are interested persons, as defined in Section 2(a)(19) of the 1940 Act, nor any of its officers. For the period ended February 28, 2013, the aggregate compensation paid by the Company to the independent directors was $31,750. The Company did not pay any special compensation to any of its directors or officers.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect the Company s actual results are the performance of the portfolio of investments held by it, the conditions in the U.S. and international financial, petroleum and other markets, the price at which shares of the Company will trade in the public markets and other factors discussed in filings with the SEC.

Proxy Voting Policies

A description of the policies and procedures that the Company uses to determine how to vote proxies relating to portfolio securities owned by the Company and information regarding how the Company voted proxies relating to the portfolio of securities during the 12-month period ended June 30, 2012 are available to stockholders (i) without charge, upon request by calling the Company at (913) 981-1020 or toll-free at (866) 362-9331 and on the Company s Web site at www.tortoiseadvisors.com; and (ii) on the SEC s Web site at www.sec.gov.

Form N-Q

The Company files its complete schedule of portfolio holdings for the first and third quarters of each fiscal year with the SEC on Form N-Q. The Company s Form N-Q is available without charge upon request by calling the Company at (866) 362-9331 or by visiting the SEC s Web site at www.sec.gov. In addition, you may review and copy the Company s Form N-Q at the SEC s Public Reference Room in Washington D.C. You may obtain information on the operation of the Public Reference Room by calling (800) SEC-0330.

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

Statement of Additional Information

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

Certifications

The Company s Chief Executive Officer submitted to the New York Stock Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

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

Privacy Policy

In order to conduct its business, the Company collects and maintains certain nonpublic personal information about its stockholders of record with respect to their transactions in shares of the Company s securities. This information includes the stockholder s address, tax identification or Social Security number, share balances, and distribution elections. We do not collect or maintain personal information about stockholders whose share balances of our securities are held in street name by a financial institution such as a bank or broker.

We do not disclose any nonpublic personal information about you, the Company s other stockholders or the Company s former stockholders to third parties unless necessary to process a transaction, service an account, or as otherwise permitted by law.

To protect your personal information internally, we restrict access to nonpublic personal information about the Company s stockholders to those employees who need to know that information to provide services to our stockholders. We also maintain certain other safeguards to protect your nonpublic personal information.

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STOCK SYMBOL
Listed NYSE Symbol: NTG

This report is for stockholder information. This is not a prospectus intended for use in the purchase or sale of fund shares. ***Past performance is no guarantee of future results and your investment may be worth more or less at the time you sell.***

Tortoise Capital Advisors Closed-end Funds

Pureplay MLP Funds				**Broader Funds**			
Name	**Ticker**	**Focus**	**Total Assets**[1] ($ in millions)	**Name**	**Ticker**	**Focus**	**Total Assets**[1] ($ in millions)
Tortoise Energy Infrastructure Corp.		Midstream Equity	$2,029	Tortoise Pipeline & Energy Fund, Inc.		Pipeline Equity	$382
Tortoise Energy Capital Corp.		Midstream Equity	$1,040	Tortoise Energy Independence Fund, Inc.		North American Upstream Equity	$412

Tortoise MLP Fund, Inc.	Natural Gas Infrastructure Equity	$1,893	Tortoise Power and Energy Infrastructure Fund, Inc.	Power & Energy Infrastructure Debt & Dividend Paying Equity	$237
Tortoise North American Energy Corp.	Midstream/Upstream Equity	$258			

(1) As of 3/31/13