TORTOISE POWER & ENERGY INFRASTRUCTURE FUND INC
Form N-2/A
May 14, 2009

As filed with the Securities and Exchange Commission on May 14, 2009

Securities Act Registration No. 333-145105
Investment Company Act Registration No. 811-22106

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form N-2

R	REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
R	PRE-EFFECTIVE AMENDMENT NO. 1
£	POST-EFFECTIVE AMENDMENT NO.
	and/or
R	REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940
R	AMENDMENT NO. 1

Tortoise Power and Energy Infrastructure Fund, Inc.

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Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

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

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

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

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount to be Registered(1)	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock	200,000	$20.00	$5,000,000	$153.50(2)

(1) Estimated solely for the purpose of calculating the registration fee.

(2) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2009

PRELIMINARY PROSPECTUS

Common Shares
Tortoise Power and Energy Infrastructure Fund, Inc.
$20.00 per share

The Fund. Tortoise Power and Energy Infrastructure Fund, Inc. (the "Fund," "we," "us" or "our") is a Maryland corporation registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940 (the "1940 Act"). We intend to elect to be treated and to qualify as a regulated investment company under the Internal Revenue Code of 1986, as amended (the "Code"). We will be managed by Tortoise Capital Advisors, L.L.C. (the "Advisor"), an investment advisor specializing in managing portfolios of securities of master limited partnerships and other energy companies. As of April 30, 2009, our Advisor managed investments of approximately $1.9 billion.

Investment Objectives. Our primary investment objective is to provide a high level of current income, with a secondary objective of capital appreciation. There can be no assurance that we will achieve our investment objectives.

Investment Strategy. We seek to provide stockholders a vehicle to invest in a portfolio consisting primarily of securities issued by power and energy infrastructure companies. The securities in which we will invest include income-producing debt and equity securities. Under normal circumstances, we plan to invest at least 80% of our total assets (including any assets obtained through leverage) in securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations. Power infrastructure operations use asset systems to provide electric power generation (including renewable energy), transmission and distribution. Energy infrastructure operations use a network of pipeline assets to transport, store, gather and/or process crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or natural gas liquids. We will not invest more than 15% of our total assets in restricted securities, all of which may be illiquid securities, with certain exceptions as described more fully herein.

We seek to invest in a portfolio of companies focused solely on the power and energy infrastructure sectors. We believe this sector provides stable and defensive characteristics throughout economic cycles. We anticipate that a significant portion of our portfolio will initially include investment grade debt securities, as well as dividend-paying equity securities.

No Prior Trading History. Prior to this offering, there has been no public or private market for our common shares. Shares of closed-end management investment companies frequently trade at prices lower than their net asset value (often referred to as a "discount"), which may increase investor risk of loss. The risk of loss due to this discount may be greater for initial investors expecting to sell their shares in a relatively short period after completion of this initial public offering.

(continued on following page)

Our strategy of investing primarily in securities issued by power or energy infrastructure companies, 15% of which may be restricted securities as described more fully herein, involves a high degree of risk. You could lose some or all of your investment. An investment in this fund may be considered speculative. See "Risks" beginning on page of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus before making a decision to purchase our common shares.

	Per Share	Total(1)
Public Offering Price	$ 20.00	$
Sales Load(2)	$	$
Proceeds, before expenses, to the Fund(3)	$	$

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

(2) The Advisor (not the Fund) has agreed to pay from its own assets a structuring fee to Wachovia Capital Markets, LLC. See "Underwriting."

(3) In addition to the sales load, the Fund will pay offering costs estimated at approximately $, which represents approximately $ per share.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common shares to purchasers on or about , 2009.

Wachovia Securities

The date of this prospectus is , 2009

(continued from preceding page)

Exchange Listing. Our common shares are expected to be listed on the New York Stock Exchange under the trading or "ticker" symbol "TPZ."

Leverage. We may borrow money, issue preferred stock or issue debt securities to the extent permitted by the 1940 Act. These practices result in leverage. Leverage creates an opportunity for increased income and capital appreciation for common stockholders, but, at the same time, it gives rise to special risks that may adversely affect common stockholders. We will not incur leverage if, immediately following the creation of leverage, our leverage would be greater than 15% of our total assets. If we utilize leverage, the common shares sold in this offering will be junior in liquidation and distribution rights to senior securities, such as preferred shares or debt securities, that we may issue. Because our Advisor’s fee is based on total assets (including any assets acquired with the proceeds of leverage), our Advisor’s fee will be higher if we utilize leverage. There can be no assurance that a leveraged strategy will be successful during any period in which it is used. See "Leverage" and "Risks – Risks Related to Our Operation – Leverage Risk."

This prospectus sets forth information about us that a prospective investor should know before investing. You should read this prospectus and retain it for future reference. A Statement of Additional Information, dated , 2009, containing additional information about us, has been filed with the Securities and Exchange Commission and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the Statement of Additional Information, the table of contents of which is on page __ of this prospectus, by calling toll-free 1-866-362-9331 or by writing to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. You can also obtain a copy of our Statement of Additional Information and our future annual and semi-annual reports to stockholders on our Advisor’s website (http://www.tortoiseadvisors.com). Information included on our Advisor’s website is not incorporated into this prospectus. You can review and copy documents we have filed at the SEC’s Public Reference Room in Washington, D.C. Call 1-202-551-5850 for information. The SEC charges a fee for copies. You can obtain the same information free from the SEC’s website (http://www.sec.gov) on which you may view our Statement of Additional Information, all materials incorporated by reference, and other information about us. You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC’s Public Reference Section, 100 F Street N.E., Room 1580, Washington, D.C. 20549.

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

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You should rely only on the information contained or incorporated by reference in this prospectus. The Fund has not, and the underwriters have not, authorized any other person to provide you with any different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date of this prospectus. The Fund's business, financial condition and prospects may have changed since that date. The Fund will amend or supplement this prospectus to reflect material changes to the information contained in this prospectus to the extent required by applicable law.

Until , 2009 (25 days after the date of this prospectus) all dealers that buy, sell or trade our common shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to each dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to its unsold allotments or subscriptions.

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PROSPECTUS SUMMARY

This section is only a summary. It is not complete and may not contain all of the information you may want to consider before investing in our common shares. You should review the more detailed information contained in this prospectus, including under the heading "Risks" beginning on page . Unless indicated otherwise in this prospectus or the context requires otherwise, all references in this prospectus to the "Fund," "we," "our" or "us" are to Tortoise Power and Energy Infrastructure Fund, Inc.

The Fund

We are a Maryland corporation registered as a non-diversified, closed-end management investment company under the 1940 Act. We intend to elect to be treated and to qualify as a regulated investment company ("RIC") under the Internal Revenue Code of 1986, as amended (the "Code").

Investment Objectives

Our primary investment objective is to provide a high level of current income, with a secondary objective of capital appreciation. There can be no assurance that we will achieve our investment objectives.

Our Advisor

We will be managed by Tortoise Capital Advisors, L.L.C., an investment advisor specializing in managing portfolios of securities of master limited partnerships ("MLPs") and other energy companies. As of April 30, 2009, our Advisor managed investments of approximately $1.9 billion in the energy sector, including the assets of four publicly traded closed-end management investment companies. Each of our Advisor’s investment decisions will be reviewed and approved for us by its investment committee of five managing directors. The managing directors have an average of over 23 years of debt and equity investment experience and three of the five managing directors have significant experience in managing portfolios of debt and equity securities that include the securities of issuers in the power and energy infrastructure sectors.

Investment Strategy

We seek to provide stockholders a vehicle to invest in a portfolio consisting primarily of securities issued by power and energy infrastructure companies. The securities in which we will invest include income-producing debt and equity securities. Under normal circumstances, we plan to invest at least 80% of our total assets (including any assets obtained through leverage) in securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations. We define power and energy infrastructure operations as follows:

- Power Infrastructure – The ownership and operation of asset systems that provide electric power generation (including renewable energy), transmission and distribution.

- Energy Infrastructure – The ownership and operation of a network of pipeline assets to transport, store, gather and/or process crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or natural gas liquids.

Market Opportunity

We seek to invest in a portfolio of companies focused solely on the power and energy infrastructure sectors and that provide stable and defensive characteristics throughout economic cycles. We believe that the current market conditions provide a favorable entry point for our strategy, with yield spreads above historical averages. Over time, we will seek to capitalize on relative value opportunities, with the ability to invest across the capital structure while minimizing risk.

We will focus on minimizing risk and volatility using our Advisor's disciplined investment screening process, including proprietary risk and financial analysis. We anticipate that a significant portion of our portfolio will initially include investment grade debt securities, as well as dividend-paying equity securities. We intend to build a portfolio with companies that generally (i) have assets in diverse geographic locations across the U.S., (ii) transport, process, or distribute diverse energy products, or (iii) serve different end users. Among other things, our non-fundamental policies (i) limit our investment in non-investment grade rated debt

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securities to no more than 20% of our total assets, (ii) limit our ability to incur leverage so that, immediately following the creation of leverage, our leverage is not in excess of 15% of our total assets, and (iii) require that we maintain at least 40% of our total assets in debt securities.

Targeted Investment Characteristics

Our investment strategy will be anchored in our Advisor's fundamental principles of yield, quality and growth. We anticipate that our targeted investments will generally have the following characteristics:

- Essential Infrastructure Assets – Companies that operate critical tangible assets that connect sources of energy supply to areas of energy demand. These businesses are essential to economic productivity and experience relatively inelastic demand.

- High Current Yield – Companies that generate a current cash return at the time of investment. We do not intend to invest in start-up companies or companies with speculative business plans.

    - Predictable Revenues – Companies with stable and predictable revenue streams, often linked to areas experiencing demographic growth and with low commodity price risk.

- Stable Cost Structures – Companies with relatively low maintenance expenditures and economies of scale due to operating leverage.

- High Barriers to Entry – Companies with operating assets that are difficult to replicate due to regulation, natural monopolies, availability of land or high costs of new development.

    - Long-Lived Assets – Companies that operate tangible assets with long economic useful lives.

- Experienced, Operations-Focused Management Teams – Companies with management teams possessing successful track records and who have substantial knowledge, experience, and focus in their particular segments of the power and energy infrastructure sectors.

Power and Energy Infrastructure Investment

We believe that power and energy infrastructure companies will provide attractive investment opportunities for the following reasons:

The International Energy Administration ("IEA") projects that North American energy and electricity consumption will increase annually by 0.6% and 1.1%, respectively, from 2006 through 2030. This increase results in an overall energy and electricity consumption increase of approximately 15% and 30%, respectively, by 2030.

The power and energy infrastructure sectors have a growing need for capital to update and expand infrastructure assets. In particular, these companies need capital to facilitate the construction of additional infrastructure assets, to modernize or maintain existing infrastructure assets, and to finance industry consolidation. Power infrastructure investment has fallen short of demand growth for nearly 30 years, leading to inadequate capacity. The U.S. Department of Energy ("DOE") estimates that 70% of transmission lines and power transformers and 60% of circuit breakers are over 25 years old, which we understand to be well into their useful lives. Companies in the energy infrastructure sector expect to construct over 5,000 miles of natural gas pipelines and 2,000 miles of crude oil pipelines to support new sources of energy supply as well as replace and/or maintain existing infrastructure. The Federal Energy Regulatory Commission ("FERC") has created incentives to spur investment in power and energy infrastructure assets.

The IEA estimates that $3.4 trillion will need to be invested in such power and energy infrastructure internal growth projects from 2007 to 2030 in North America. We expect such spending to finance upgrades and expansion of electric power infrastructure; pipeline infrastructure projects to support growing population centers; pipeline and storage terminal projects to increase the movement of crude oil across North America; and natural gas projects to develop infrastructure that efficiently connects new areas of supply to growing areas of demand. This investment should help alleviate congestion, upgrade or replace aged infrastructure and

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meet growing North American demand.

Experience of the Advisor

- Experience Across Power and Energy Infrastructure Value Chain. Our Advisor has significant expertise working with energy infrastructure companies and managed investments of approximately $1.9 billion in the energy infrastructure sector as of April 30, 2009. The five members of our Advisor’s investment committee have, on average, over 23 years of debt and equity investment experience. In addition to their experience at the Advisor, three of the five members of our Advisor’s investment committee were partners at Fountain Capital Management ("Fountain Capital") and have significant experience in managing portfolios of debt securities that included the securities of issuers in the power and energy infrastructure sectors. Fountain Capital was formed in 1990 and focuses primarily on providing investment advisory services to institutional investors in the non-investment grade rated debt market. The Advisor's philosophy places extensive focus on quality through proprietary models, including risk, valuation and financial models.

  - Strong Reputation, Deep Relationships and Access to Deal Flow. Our Advisor has developed a strong reputation and deep relationships with issuers, underwriters and sponsors that we believe will afford us competitive advantages in evaluating, and managing investment opportunities. Our Advisor, a pioneer in institutional direct placements with MLPs and other energy infrastructure companies, has participated in over 90 direct placements, private company investments and initial public offerings in which it has invested over $1.3 billion since 2002 through its publicly traded funds and other specialty vehicles.

- Capital Markets Innovation. Our Advisor is a leader in providing investment, financing and structuring opportunities for its publicly traded funds and for its private funds. Our Advisor believes its innovation includes the following highlights:

o First publicly traded, closed-end management investment company focused primarily on investing in energy MLPs;
o Led development of institutional MLP direct placements to fund acquisitions, capital projects and sponsor liquidity;
o Completed the first follow-on common stock offering in a decade for a closed-end, management investment company; and
o Established one of the first registered closed-end fund universal shelf registration statements and completed the first registered direct offering from a universal shelf registration statement for a closed-end fund.

These highlights should not be read as indications of our future performance, including whether our common shares will trade above, at or below our net asset value ("NAV").

- Disciplined Investment Philosophy. Our Advisor’s senior investment professionals have substantial experience in structuring investments that balance the needs of power and energy infrastructure companies with appropriate risk control. In making its investment decisions, our Advisor intends to continue the disciplined investment approach that it has utilized since its founding. That investment approach will emphasize current income, low volatility and minimization of downside risk. Our Advisor’s investment process involves an assessment of the overall attractiveness of the specific segment in which a power or energy infrastructure company is involved, the company’s specific competitive position within that segment, potential commodity price risk, supply and demand, regulatory considerations, the stability and potential growth of the company’s cash flows, and the company’s management track record.

Portfolio Securities

Targeted Investments. We may invest in a wide range of securities expected to generate for us regularly recurring income. The securities in which we invest will primarily include:

- Debt securities (primarily rated investment grade)
- Dividend-paying equity securities

Up to 25% of the securities listed above may be securities issued by MLPs.

Temporary Investments and Defensive Investments. Pending investment of the proceeds of this offering, we expect to invest substantially all of the net offering proceeds in cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper or other liquid debt securities. We may also invest in these instruments on a temporary basis to meet working capital needs, including, but not limited to, holding a reserve pending payment of distributions or facilitating the payment of expenses and settlement of trades. In addition, although inconsistent with our investment objectives, under adverse market or economic conditions, we may invest 100% of our total assets in these securities. The yield on these securities may be lower than the returns on the securities in which we will otherwise invest or yields on lower-rated, fixed-income securities. To the extent we invest in these securities on a temporary basis or for defensive purposes, we may not achieve our investment objectives.

Principal Investment Strategies

As a nonfundamental investment policy, under normal circumstances we plan to invest at least 80% of our total assets (including assets we obtain through leverage) in the securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations.

We have adopted the following additional nonfundamental investment policies:

- We will not incur leverage if, immediately thereafter, our leverage is in excess of 15% of our total assets.
- We will not invest more than 20% of our total assets in non-investment grade rated debt securities.
- We will not invest more than 15% of our total assets in restricted securities, that are ineligible for resale under Rule 144A ("Rule 144A") under the Securities Act of 1933 ("1933 Act"), all of which may be illiquid securities.
- We will invest a minimum of 40% of our total assets in debt securities.
- We may invest up to 10% of our total assets in securities issued by non-U.S. issuers (including Canadian issuers).
- We will not engage in short sales.

As used for the purpose of each nonfundamental investment policy above, the term "total assets" includes any assets obtained through leverage. Our Board of Directors may change our nonfundamental investment policies without stockholder approval and will provide notice to stockholders of material changes in such policies (including notice through stockholder reports). Any change in the policy of investing under normal circumstances at least 80% of our total assets (including assets we obtain through leverage) in the securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations requires at least 60 days' prior written notice to stockholders. Unless otherwise stated, the investment restrictions described above apply at the time of purchase, and we will not be required to reduce a position due solely to market value fluctuations. See "The Fund" for more detailed information.

In addition, to comply with federal tax requirements for qualification as a RIC, our investments will be limited so that at the close of each quarter of each taxable year (i) at least 50% of the value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with such other securities limited for purposes of such calculation, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% outstanding voting securities of such issuer, and (ii) not more than 25% of the value of our total assets is invested in the securities of any one issuer (other than U.S. Government securities or the securities of other RICs), the securities (other than the securities of other RICs) of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships (which includes MLPs). These tax-related limitations may be changed by the Board of Directors to the extent appropriate in light of changes to applicable tax requirements.

Leverage

Once the proceeds of this offering have been fully invested in securities that meet our investment objectives, we may fund continued investment activities through the borrowing of money and the issuance of preferred stock and debt securities that represent the leveraging of our common shares. The issuance of additional common shares will enable us to increase the aggregate

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amount of our leverage. We will not incur leverage if, immediately thereafter, our leverage is in excess of 15% of our total assets, including the proceeds of such leverage.

The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time creates special risks that may adversely affect common stockholders. Because our Advisor’s fee is based upon a percentage of our "Managed Assets," our Advisor’s fee will be higher when we are leveraged. Managed Assets is defined as our total assets (including any assets attributable to any leverage that may be outstanding) minus the sum of accrued liabilities (other than debt representing financial leverage and the aggregate liquidation preference of any outstanding preferred shares). Therefore, our Advisor has a financial incentive to use leverage, which will create a conflict of interest between our Advisor and our common stockholders, who will bear the costs and risks of our leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See "Leverage" and "Risks — Risks Related to Our Operations — Leverage Risk."

We may in the future use interest rate transactions, for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. Interest rate transactions that we may use for hedging purposes may expose us to certain risks that differ from the risks associated with our portfolio holdings. See "Leverage — Hedging Transactions" and "Risks — Risks Related to Our Operations — Hedging Strategy Risk."

Conflicts of Interest

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

Our Advisor has written allocation policies and procedures that it will follow in addressing any conflicts. When two or more clients advised by our Advisor or its affiliates seek to purchase or sell the same securities, the securities actually purchased or sold will be allocated among the clients on a good faith equitable basis by our Advisor in its discretion and in accordance with each client’s investment objectives and our Advisor’s procedures.

Situations may occur when we could be disadvantaged because of the investment activities conducted by our Advisor and its affiliates for their other accounts. Such situations may be based on, among other things, the following: (1) legal or internal restrictions on the combined size of positions that may be taken for us or their other accounts, thereby limiting the size of our position; (2) the difficulty of liquidating an investment for us or their other accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act. Our investment opportunities may be limited by affiliations of our Advisor or its affiliates with power and energy infrastructure companies. See "Management of the Company – Conflicts of Interest."

Advisor Information

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

Who May Want to Invest

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

potential high current income;

- a fund focused primarily on the power and energy infrastructure sectors;
- a fund whose capital structure will not be significantly leveraged;
- a fund that will initially invest primarily in investment grade securities;
- professional securities selection and active management by an experienced advisor.

An investment in the Fund involves a high degree of risk. Investors could lose some or all of their investment.

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THE OFFERING	
Common Shares Offered	of our common shares, excluding of our common shares issuable pursuant to the overallotment option granted to the underwriters.
Price Per Common Share	$20.00
Common Shares Outstanding After the Offering	of our common shares, excluding of our common shares issuable pursuant to the overallotment option granted to the underwriters.
Listing and Symbol	Our common shares are expected to be listed on the New York Stock Exchange under the trading or "ticker" symbol "TPZ."
Use of Proceeds	We expect to use the net proceeds from the sale of our common shares to invest in accordance with our investment objectives and policies and for working capital purposes. Pending investment, we expect the net proceeds of this offering will be invested in cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper or other liquid debt securities. See "Use of Proceeds."
Fees	Pursuant to our investment advisory agreement, we will pay our Advisor a fee for its investment management services equal to an annual rate of 1.00% of our average monthly Managed Assets. The fee will be calculated and accrued daily and paid quarterly in arrears. See "Management of the Fund – Investment Advisory Agreement – Management Fee."
Regulatory Status	We are registered as a non-diversified, closed-end management investment company under the 1940 Act. See "Closed-End Fund Structure."
Tax Status	We intend to elect to be treated, and to qualify each year, as a RIC under the Code. Assuming that we qualify as a RIC, we generally will not be subject to U.S. federal income tax on income and gains that we distribute each taxable year to stockholders if we meet certain minimum distribution requirements. To qualify as a RIC, we will be required to meet asset diversification tests, to meet an annual qualifying income test and to distribute substantially all of our income. See "Certain U.S. Federal Income Tax Considerations."

Distributions	We intend to make monthly cash distributions of our investment company taxable income to common stockholders. We expect to declare the initial distribution approximately 45 to 60 days, and to pay such distribution approximately 60 to 90 days, from the completion of this offering, depending upon market conditions. In addition, on an annual basis, we intend to distribute capital gains realized during the fiscal year in the last fiscal quarter. Various factors will affect the level of our income, such as our asset mix. We may not be able to make distributions in certain circumstances. To permit us to maintain a more stable distribution, our Board of Directors may from time to time cause us to distribute less than the entire amount of income earned in a particular period. The undistributed income would be available to supplement future distributions. As a result, the distributions

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	paid by us for any particular period may be more or less than the amount of income actually earned by us during that period. Undistributed income will add to our net asset value, and, correspondingly, distributions from undistributed income will deduct from our net asset value. See "Distributions" and "Risks — Risks Related to Our Operations — Performance Risk."
Dividend Reinvestment Plan	We intend to have a dividend reinvestment plan for our stockholders that will be effective after completion of this offering. Our plan will be an "opt out" dividend reinvestment plan. As a result, if we declare a distribution after the plan is effective, a stockholder's cash distribution will be automatically reinvested in additional common shares, unless the stockholder specifically "opts out" of the dividend reinvestment plan so as to receive cash distributions. Stockholders who receive distributions in the form of common shares will generally be subject to the same federal, state and local tax consequences as stockholders who elect to receive their distributions in cash. See "Dividend Reinvestment Plan" and "Certain U.S. Federal Income Tax Considerations."
Risks	Investing in our common shares involves risk, including the risk that you may receive little or no return on your investment, or even that you may lose part or all of your investment. Therefore, before investing in our common shares you should consider carefully the following risks. We are designed primarily as a long-term investment vehicle, and our common shares are not an appropriate investment for a short-term trading strategy. An investment in our common shares should not constitute a complete investment program for any investor and involves a high degree of risk. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objectives.

Risks Related to Our Operations

No Operating History. We are a Maryland corporation registered as a non-diversified, closed-end management investment company under the 1940 Act. We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objectives and that the value of an investment in our common shares could decline substantially and cause you to lose some or all of your investment.

General Securities Risk. We expect to invest in securities that may be subject to certain risks, including:

Issuer Risk. The value of the securities may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's products and services.

Credit Risk. Credit risk is the risk that a security in our portfolio will decline in price or the issuer will fail to make dividend, interest or principal payments when due because the issuer of the security experiences a decline in its financial status. We may invest up to 20% of our assets in debt securities that are rated non-investment grade. Securities rated non-investment grade are regarded as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal, and these bonds are commonly referred to as "junk bonds." These securities are subject to a greater risk of default.

Interest Rate Risk. Interest rate risk is the risk that securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of certain income-generating securities generally will fall.

Reinvestment Risk. Reinvestment risk is the risk that income from our portfolio will decline if we invest the proceeds from matured or traded securities at market interest rates that are below our portfolio's current earnings rate. A decline in income could affect the NAV of our common shares or our overall return.

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Call or Prepayment Risk. During periods of declining interest rates, borrowers may exercise their option to call or prepay principal earlier than scheduled, forcing us to reinvest in lower yielding securities.

Valuation of Certain Securities. Certain investments with limited secondary markets may be difficult to value. Where market quotations are not readily available, valuation may require more research than for more liquid investments. In addition, elements of judgment may play a greater role in valuation in such cases than for investments with a more active secondary market because there is less reliable objective data available. Please see "–Valuation Risk."

Duration and Maturity Risk. We have no set policy regarding the maturity or duration of any or all of our securities. Holding long duration and long maturity investments will magnify certain risks. These risks include interest rate risk, credit risk and liquidity risks as discussed above.

Current Capital Markets Environment Risk. Global financial markets and economic conditions have been, and continue to be, volatile due to a variety of factors, including significant write-offs in the financial services sector. The capital markets have experienced periods of significant volatility since the latter half of 2007. General market uncertainty has resulted in declines in valuation, greater volatility and less liquidity for a variety of securities. During times of increased market volatility, we may not be able to sell portfolio securities readily at prices reflecting the values at which the securities are carried on our books. Sales of large blocks of securities by market participants that are seeking liquidity can further reduce prices in an illiquid market.

These market conditions have also resulted in widening credit spreads and a lack of price transparency in a variety of credit instruments, including debt securities. In such conditions, valuation of certain debt portfolio securities may be uncertain and/or result in sudden and significant valuation changes in our holdings. Illiquidity and volatility in the credit markets may directly and adversely affect the setting of distribution rates on the common shares.

The cost of raising capital in the debt and equity capital markets has increased substantially while the ability to raise capital from those markets has diminished significantly. In particular, as a result of concerns about the general stability of financial markets and specifically the solvency of lending counterparties, the cost of raising capital from the credit markets generally has increased as many lenders and institutional investors have increased interest rates, enacted tighter lending standards, refused to refinance debt on existing terms or at all and reduced, or in some cases ceased to provide, funding to borrowers. In addition, lending counterparties under existing revolving credit facilities and other debt instruments may be unwilling or unable to meet their funding obligations. Due to these factors, companies may be unable to obtain new debt or equity financing on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, companies may not be able to meet their obligations as they come due. Moreover, without adequate funding, companies may be unable to execute their maintenance and growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

The prolonged continuation or further deterioration of current market conditions could adversely impact our portfolio.

Investment Grade Debt Securities Risk. We intend to invest a portion of our assets in debt securities rated "investment grade" by nationally recognized statistical rating organizations ("NRSROs") or judged by our Advisor to be of comparable credit quality. Although we do not intend to do so, we may invest up to 100% in such securities. Investment grade debt securities are rated Baa3 or higher by Moody's Investors Service ("Moody's"), BBB- or higher by Standard & Poor's Ratings Services ("S&P"), or BBB- or higher by Fitch, Inc. ("Fitch"). Investment grade debt securities generally pay yields above those of otherwise-comparable U.S. government securities because they are subject to greater risks than U.S. government securities, and yields that are below those of non-investment grade debt securities, commonly referred to as "junk bonds," because they are considered to be subject to fewer risks than non-investment grade debt securities. Despite being considered to be subject to fewer risks than junk bonds, investment grade debt securities are, in fact, subject to risks, including volatility, credit risk and risk of default, sensitivity to general economic or industry conditions, potential lack of resale opportunities (illiquidity), and additional expenses to seek recovery from issuers who default. In addition, ratings are relative and subjective and not absolute standards of quality, and ratings do not assess the risk of a decline in market value. Securities ratings are based largely on an issuer’s historical financial condition and the NRSRO’s analysis at the time of rating. Consequently, the rating assigned to any particular debt security or instrument is not necessarily a reflection of an issuer’s current financial condition. In addition, NRSROs may make assumptions when rating a debt security that turn out not to be correct, or may base their ratings on information that is not correct, either of which can result in a rating that is higher than would otherwise be the case. It is also possible that NRSROs might not change their ratings of a particular debt security to reflect subsequent events on a timely basis. Subsequent to our purchase of a debt security that is rated investment grade, the debt security may cease to be rated or its rating may be reduced, resulting in investment grade debt securities becoming junk bonds. None of these events will require our sale of such securities, although our Advisor will consider these events in determining whether we should continue to hold the securities.

MLP Risks. An investment in MLP securities involves some risks that differ from the risks involved in an investment in the common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP’s partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state.

Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. In addition, the value of our investment in an MLP will depend largely on the MLP’s treatment as a partnership for U.S. federal income tax purposes. If an MLP does not meet current legal requirements to maintain partnership status, or if it is unable to do so because of tax law changes, it would be treated as a corporation for U.S. federal income tax purposes. In that case, the MLP would be obligated to pay income tax at the entity level and distributions received by us generally would be taxed as dividend income. As a result, there could be a material reduction in our cash flow and there could be a material decrease in the value of our common shares.

Restricted Securities Risk. We will not invest more than 15% of our total assets in restricted securities that are ineligible for resale under Rule 144A, all of which may be illiquid securities. Restricted securities (including restricted securities that are eligible for resale under Rule 144A) are less liquid than freely tradable securities because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike freely tradable securities, which can be expected to be sold immediately if the market is adequate. The illiquidity of these investments may make it difficult for us to sell such investments at advantageous times and prices or in a timely manner. In addition, if for any reason we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the fair value at which we previously have recorded our investments. To enable us to sell our holdings of a restricted security not registered under the 1933 Act, in limited circumstances we may have the right to cause some of those securities to be registered. If we have the right to cause such registration, the expenses of registering restricted securities may not be determined at the time we buy the securities. When we must arrange registration because we wish to sell the security, a considerable period may elapse between the time the decision is made to sell a security and the time the security is registered so that we could sell it. We would bear the risks of any downward price fluctuation during that period.

Rule 144A Securities Risk. The Fund may purchase Rule 144A securities. Rule 144A provides an exemption from the registration requirements of the 1933 Act for the resale of certain restricted securities to qualified institutional buyers, such as the Fund. Securities saleable among qualified institutional buyers pursuant to Rule 144A will not be counted towards the 15% limitation on restricted securities.

An insufficient number of qualified institutional buyers interested in purchasing Rule 144A-eligible securities held by us, however, could affect adversely the marketability of certain Rule 144A securities, and we might be unable to dispose of such securities promptly or at reasonable prices. To the extent that liquid Rule 144A securities that the Fund holds become illiquid, due to the lack of sufficient qualified institutional buyers or market or other conditions, the percentage of the Fund’s assets invested in illiquid assets would increase and the fair value of such investments may become not readily determinable. In addition, if for any reason we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the fair value at which we previously recorded these investments.

Tax Risk. We intend to elect to be treated, and to qualify each year, as a "regulated investment company" under the Code. To maintain our qualification for federal income tax purposes as a regulated investment company under the Code, we must meet certain source-of-income, asset diversification and annual distribution requirements, as discussed in detail below under "Certain U.S. Federal Income Tax Considerations." If for any taxable year we fail to qualify for the special federal income tax treatment afforded to regulated investment companies, all of our taxable income will be subject to federal income tax at regular corporate rates (without any deduction for distributions to our stockholders) and our income available for distribution will be reduced. For additional information on the requirements imposed on regulated investment companies and the consequences of a failure to qualify, see

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"Certain U.S. Federal Income Tax Considerations" below.

Equity Securities Risk. Equity securities of entities that operate in the power and energy infrastructure sectors can be affected by macroeconomic and other factors affecting the stock market in general, expectations about changes in interest rates, investor sentiment towards such entities, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of distributions). Prices of equity securities of individual entities also can be affected by fundamentals unique to the company or partnership, including earnings power and coverage ratios.

Power and energy infrastructure company equity prices are primarily influenced by distribution growth rates and prospects for distribution growth. Any of the foregoing risks could substantially impact the ability of such an entity to grow its distributions.

Non-investment Grade Debt Securities Risk. We will not invest more than 20% of our total assets in debt securities rated non-investment grade by NRSROs or unrated securities of comparable quality. Non-investment grade securities are rated Ba1 or lower by Moody's, BB+ or lower by S&P or BB or lower by Fitch or, if unrated are determined by our Advisor to be of comparable credit quality. Non-investment grade securities, also sometimes referred to as "junk bonds," generally pay a premium above the yields of U.S. government securities or debt securities of investment grade issuers because they are subject to greater risks than these securities. These risks, which reflect their speculative character, include the following: greater volatility; greater credit risk and risk of default; potentially greater sensitivity to general economic or industry conditions; potential lack of attractive resale opportunities (illiquidity); and additional expenses to seek recovery from issuers who default.

In addition, the prices of these non-investment grade debt securities are more sensitive to negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher grade securities. Non-investment grade securities tend to be less liquid than investment grade securities. The market value of non-investment grade securities may be more volatile than the market value of investment grade securities and generally tends to reflect the market's perception of the creditworthiness of the issuer and short-term market developments to a greater extent than investment grade securities, which primarily reflect fluctuations in general levels of interest rates.

Securities ratings are based largely on an issuer's historical financial condition and the NRSRO's analysis at the time of rating. Consequently, the rating assigned to any particular debt security or instrument is not necessarily a reflection of an issuer's current financial condition. In addition, NRSROs may make assumptions when rating a debt security that turn out not to be correct, or may base their ratings on information that is not correct, either of which can result in a rating that is higher than would otherwise be the case. It is also possible that NRSROs might not change their ratings of a particular debt security to reflect subsequent events on a timely basis. Subsequent to our purchase of a debt security that is rated investment grade, the debt security may cease to be rated or its rating may be reduced, resulting in investment grade debt securities becoming junk bonds. None of these events will require our sale of such securities, although our Advisor will consider these events in determining whether we should continue to hold the securities.

The market for non-investment grade and comparable unrated securities has experienced periods of significantly adverse prices and liquidity several times, particularly at or around times of economic recession. Past market recessions have adversely affected the value of such securities as well as the ability of certain issuers of such securities to repay principal and to pay interest thereon or to refinance such securities. The market for these securities may react in a similar fashion in the future.

Non-U.S. Securities Risk. We may invest up to 10% of our total assets in securities issued by non-U.S. issuers (including Canadian issuers) and that otherwise meet our investment objectives. This may include investments in the securities of non-U.S. issuers that involve risks not ordinarily associated with investments in securities and instruments of U.S. issuers. For example, non-U.S. companies are not generally subject to uniform accounting, auditing and financial standards and requirements comparable to those applicable to U.S. companies. Non-U.S. securities exchanges, brokers and companies may be subject to less government supervision and regulation than exists in the U.S. Dividend and interest income may be subject to withholding and other non-U.S. taxes, which may adversely affect the net return on such investments. Because we do not intend to invest more than 10% of our total assets in securities issued by non-U.S. issuers (including Canadian issuers), we will not be able to pass through to our stockholders any foreign income tax credits as a result of any foreign income taxes we pay. There may be difficulty in obtaining or enforcing a court judgment abroad. In addition, it may be difficult to effect repatriation of capital invested in certain countries. In addition, with respect to certain countries, there are risks of expropriation, confiscatory taxation, political or social instability or diplomatic developments that could affect our assets held in non-U.S. countries. There may be less publicly available information about a non-U.S. company than there is regarding a U.S. company. Non-U.S. securities markets may have substantially less volume than U.S. securities markets and some non-U.S. company securities are less liquid than securities of otherwise comparable U.S. companies. Non-U.S. markets also have different clearance and settlement procedures that could cause us to encounter difficulties in purchasing and selling securities on such markets and may result in our missing attractive investment opportunities or experiencing a loss. In addition, a portfolio that includes non-U.S. securities issued by non-U.S. issuers (including Canadian issuers) can expect to have a higher expense ratio because of the increased transaction costs in non-U.S. markets and the increased costs of maintaining the custody of such non-U.S. securities.

When investing in securities issued outside of the U.S. by non-U.S. issuers (including Canadian issuers), there is also the risk that the value of such an investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates. We do not currently intend to reduce or hedge our exposure to non-U.S. currencies. Such a decrease in the value of our investments when leverage is outstanding may result in our having to reduce the amount of leverage if our statutory or other asset coverage ratios fall below required amounts. Such reduction of leverage may cause us to recognize a loss on transactions undertaken to reduce our leverage, resulting in a further decrease in our value.

Valuation Risk. The fair value of certain of our investments may not be readily determinable. The fair value of these securities will be determined pursuant to methodologies established by our Board of Directors. While the fair value of securities we acquire through direct placements generally will be based on a discount from quoted market prices, other factors may adversely affect our ability to determine the fair value of such a security. Fair value pricing involves judgments that are inherently subjective and inexact. Our determination of fair value may differ materially from the values that would have been used if a ready market for these securities had existed. As a result, we may not be able to dispose of our holdings at a price equal to or greater than the fair value, which could have a negative impact on our NAV.

Fair value pricing involves judgments that are inherently subjective and inexact. Our Advisor is subject to a conflict of interest in determining the fair value of securities in our portfolio, as the management fees we pay our Advisor are based on the value of our average monthly Managed Assets. See "Management of the Fund – Conflicts of Interest."

Quarterly Results Risk. We could experience fluctuations in our operating results due to a number of factors, including the return on our investments, the level of our expenses, variations in and the timing of the recognition of realized and unrealized gains or losses, the degree to which we encounter competition in our markets and general economic conditions. As a result of these factors, results for any period should not be relied upon as being indicative of performance in future periods.

Leverage Risk. Our use of leverage through borrowings or the issuance of preferred stock or debt securities, and any other transactions involving indebtedness (other than for temporary or emergency purposes) would be considered "senior securities" for purposes of the 1940 Act. We will not incur leverage if, immediately thereafter, our leverage is in excess of 15% of our total assets, including the proceeds of such leverage.

Leverage is a speculative technique that may adversely affect common stockholders. If the return on securities acquired with borrowed funds or other leverage proceeds does not exceed the cost of the leverage, the use of leverage could cause us to lose money. Because our Advisor's fee is based upon a percentage of our Managed Assets, our Advisor's fee is higher when we are leveraged. Therefore, our Advisor has a financial incentive to use leverage, which will create a conflict of interest between our Advisor and our common stockholders, who will bear the costs of our leverage. Successful use of leverage depends on our Advisor's ability to predict or to hedge correctly interest rates and market movements, and there is no assurance that the use of a leveraging strategy will be successful during any period in which it is used.

We will pay (and the holders of our common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the senior securities, including higher advisory fees. Accordingly, we cannot assure you that the issuance of senior securities will result in a higher yield or return to the holders of our common shares. Costs of the offering of senior securities will be borne immediately by our common stockholders and result in a reduction of net asset value of our common shares. See "Leverage."

Hedging Strategy Risk. We may in the future use interest rate swap transactions, for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. Interest rate swap transactions that we may use for hedging purposes will expose us to certain risks that differ from the risks associated with our portfolio holdings. Economic costs of hedging are reflected in the price of interest rate swaps, floors, caps and similar techniques, the costs of which can be significant, particularly when long-term interest rates are substantially above short-term interest rates. In addition, our success in using hedging instruments is subject to our Advisor’s ability correctly to predict changes in the relationships of such hedging instruments to our leverage risk, and there can be no assurance that our Advisor’s judgment in this respect will be accurate. Consequently, the use of hedging

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transactions might result in reduced overall performance, whether or not adjusted for risk, than if we had not engaged in such transactions.

Depending on the state of interest rates in general, our use of interest rate swap transactions could increase or decrease the cash available to us for payment of dividends or interest, as the case may be. We will, however, accrue the amount of our obligations under any interest rate transactions and designate on our books and records with our custodian, an amount of cash or liquid high grade securities having an aggregate net asset value at all times at least equal to that amount. To the extent there is a decline in interest rates, the value of interest rate swaps or caps could decline and result in a decline in the NAV of our common shares. In addition, if the counterparty to an interest rate swap transaction defaults, we would not be able to use the anticipated net receipts under the interest rate swap or cap to offset our cost of financial leverage.

Liquidity Risk. Although some of the securities in which we invest may trade on the New York Stock Exchange ("NYSE"), NYSE Alternext US and the NASDAQ Market, certain of those securities may trade less frequently than those of larger companies that have larger market capitalizations. Additionally, certain securities may not trade on such exchanges (e.g., Rule 144A securities for which there generally is a secondary market of qualified institutional buyers) or may be unregistered and/or subject to lock-up periods (e.g., securities purchased in direct placements). The potential illiquidity of these investments may make it difficult for us to sell such investments at advantageous times and prices or in a timely manner. In the event certain securities experience limited trading volumes, the prices of such securities may display abrupt or erratic movements at times. In addition, it may be more difficult for us to buy and sell significant amounts of such securities without an unfavorable impact on prevailing market prices. As a result, these securities may be difficult to sell at a favorable price at the times when we believe it is desirable to do so. Investment of our capital in securities that are less actively traded (or over time experience decreased trading volume) may restrict our ability to take advantage of other market opportunities or to sell those securities. This also may affect adversely our ability to make required interest payments on our debt securities and distributions on any of our preferred stock, to redeem such securities, or to meet asset coverage requirements.

Non-Diversification Risk. We are registered as a non-diversified, closed-end management investment company under the 1940 Act. Accordingly, there are no regulatory limits under the 1940 Act on the number or size of securities that we hold, and we may invest more assets in fewer issuers compared to a diversified fund. However, in order to qualify as a RIC for federal income tax purposes, we must diversify our holdings so that, at the end of each quarter (i) at least 50% of the value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with such other securities limited for purposes of such calculation, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of our total assets is invested in the securities of any one issuer (other than U.S. Government securities or the securities of other RICs), the securities (other than the securities of other RICs) of any two or more issuers that we control and that are engaged in the same trade or business or similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships (which includes MLPs). An inherent risk associated with any investment concentration is that we may be adversely affected if one or two of our investments perform poorly. Financial difficulty on the part of any single portfolio company would then expose us to a greater risk of loss than would be the case if we were a "diversified" company holding numerous investments.

Given our contemplated investments in MLPs and other entities that are treated as partnerships for U.S. federal income tax purposes, compliance with the qualifying income and asset diversification tests applicable to RICs presents unusual challenges and will require careful, ongoing monitoring. The Advisor has experience monitoring such investments and will apply that experience to our investment portfolio. There can be no assurance, however, that the Advisor will succeed under all circumstances in ensuring that we meet the requirements for RIC status, particularly given that certain determinations, such as whether a security in which we invest constitutes debt or equity for tax purposes, may not be free from doubt.

Unidentified Investments Risk. We have not entered into definitive agreements for any specific investments in which we will invest the net proceeds of this offering. As a result, you will not be able to evaluate the economic merits of investments we make with the net proceeds of this offering prior to your purchase of common shares in this offering. We will have significant flexibility in investing the net proceeds of this offering and may make investments with which you do not agree or do not believe are consistent with our targeted investment characteristics.

Competition Risk. There are a number of alternatives to us as vehicles for investment in a portfolio of companies operating primarily in the power and energy infrastructure sectors, including publicly traded investment companies and private equity funds. In addition, recent tax law changes have increased the ability of RICs or other institutions to invest in MLPs. These competitive conditions may adversely impact our ability to meet our investment objectives, which in turn could adversely impact our ability to make interest or distribution payments on any securities we may issue. Some of our competitors may have a lower cost of borrowing funds than we have, greater access to funding sources not available to us, or a less stringent set of regulatory constraints than those applicable to us.

Performance Risk. We intend to make regular cash distributions, no less than monthly, of all or substantially all of our investment company taxable income (other than long-term capital gains) to common stockholders. We intend to pay common stockholders, at least annually, all or substantially all of our long-term capital gains. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, the 1940 Act may limit our ability to make distributions in certain circumstances. See "Distributions." Restrictions and provisions in any future credit facilities and debt securities may also limit our ability to make distributions. For federal income tax purposes, we are required to distribute substantially all of our net investment income each year both to reduce our federal income tax liability and to avoid a potential excise tax. If our ability to make distributions on our common shares is limited, such limitations could, under certain circumstances, impair our ability to maintain our qualification for taxation as a RIC, which would have adverse consequences for our stockholders. See "Certain U.S. Federal Income Tax Considerations." We cannot assure you that you will receive distributions at a particular level or at all. The equity securities in which we invest may not appreciate or may decline in value. The debt or preferred equity securities in which we invest may not make all required payments. Any gains that we do realize on the disposition of any securities may not be sufficient to offset losses on other securities. A significant decline in the value of the securities in which we invest may negatively impact our ability to pay distributions or cause you to lose all or a part of your investment.

Legal and Regulatory Change Risks. The regulatory environment for closed-end companies is evolving, and changes in the regulation of closed-end companies may adversely affect the value of our investments, our ability to obtain the leverage that we might otherwise obtain, or to pursue our trading strategy. In addition, the securities markets are subject to comprehensive statutes and regulations. The Securities and Exchange Commission ("SEC"), other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies. The effect of any future regulatory change on us could be substantial and adverse.

Management Risk. Our Advisor was formed in October 2002 to provide portfolio management services to institutional and high-net worth investors seeking professional management of their MLP investments. Our Advisor has been managing investments in portfolios of MLPs and other energy infrastructure companies since that time, including management of the investments of four publicly traded closed-end management investment companies, one of which has elected to be regulated as a BDC under the 1940 Act, and the management of the investments of two privately-held funds. Our investments and those of the other funds managed by our Advisor are managed by our Advisor's investment committee and we share many of the same officers as those funds.

Concentration Risk. The Fund's strategy of concentrating in power and energy infrastructure investments means that the performance of the Fund will be closely tied to the performance of these particular market sectors. The Fund's concentrations in these investments may present more risk than if it were broadly diversified over numerous industries and sectors of the economy. A downturn in these investments would have a greater impact on the Fund than on a fund that does not concentrate in such investments. At times, the performance of these investments may lag the performance of other industries or the market as a whole.

Conflicts Risk. Conflicts of interest may arise because our Advisor and its affiliates generally will be carrying on substantial investment activities for other clients in which we will have no interest. Our Advisor may have financial incentives to favor certain of such accounts over us. Any of its proprietary accounts and other customer accounts may compete with us for specific trades. Our Advisor may buy or sell securities for us that differ from securities bought or sold for other accounts and customers, although their investment objectives and policies may be similar to ours. Situations may occur in which we could be disadvantaged because of the investment activities conducted by our Advisor for its other accounts. Such situations may be based on, among other things, legal or internal restrictions on the combined size of positions that may be taken for us and the other accounts, thereby limiting the size of our position, or the difficulty of liquidating an investment for us and the other accounts where the market cannot absorb the sale of the combined position. Our Advisor may also have an incentive to make investments in one fund, having the effect of increasing the value of a security in the same issuer held by another fund, which in turn may result in an incentive fee being paid to our Advisor by that other fund.

Our investment opportunities may be limited by affiliations of our Advisor or its affiliates with power or energy infrastructure companies. In addition, to the extent our Advisor sources, contemplates, structures, or makes private investments in power or energy infrastructure companies, certain employees of our Advisor may become aware of actions planned by such companies, such as acquisitions, that may not be announced to the public. It is possible that we could be precluded from investing in a power or energy infrastructure company about which our Advisor has material nonpublic information.

Our investment opportunities may be limited by investment opportunities in companies that our Advisor is evaluating for other clients. To the extent a potential investment is appropriate for us and one or more other clients, our Advisor will need to fairly allocate that investment to us or the other client, or both, depending on its allocation procedures and applicable law related to combined or joint transactions. There may arise an attractive limited investment opportunity suitable for us in which we cannot invest under the particular allocation method being used for that investment.

Under the 1940 Act, we and our affiliated companies are generally precluded from co-investing in negotiated private placements of securities. Except as permitted by law, our Advisor will not co-invest its other clients' assets in negotiated private transactions in which we invest. To the extent we are precluded from co-investing, our Advisor will allocate private investment opportunities among its clients, including but not limited to us and our affiliated companies, based on allocation policies that take into account several suitability factors, including the size of the investment opportunity, the amount each client has available for investment and the client's investment objectives. These allocation policies may result in the allocation of investment opportunities to an affiliated company rather than to us.

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

Risks Related to Investing in the Power and Energy Infrastructure Sectors

Under normal circumstances we plan to invest at least 80% of our total assets (including assets we obtain through leverage) in the securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations. Our focus on the power and energy infrastructure sectors may present more risks than if it were broadly diversified over numerous sectors of the economy. Therefore, a downturn in the power and energy infrastructure sectors would have a larger impact on us than on an investment company that does not concentrate in these sectors. Specific risks of investing in the power and energy infrastructure sectors include the following:

Interest Rate Risk. A rising interest rate environment could adversely impact the performance of companies in the power and energy infrastructure sectors. Rising interest rates may increase the cost of capital for companies operating in these sectors. A higher cost of capital could limit growth from acquisition or expansion projects, limit the ability of such entities to make or grow distributions or meet debt obligations, and adversely affect the prices of their securities.

Credit Rating Downgrade Risk. Power and energy infrastructure companies rely on access to capital markets as a source of liquidity for capital requirements not satisfied by operating cash flows. Credit downgrades in the companies in which we invest may impact their ability to raise capital on favorable terms and increase their borrowing costs.

Terrorism and Natural Disasters Risk. Power and energy infrastructure companies, and the market for their securities, are subject to disruption as a result of terrorist activities, such as the terrorist attacks on the World Trade Center on September 11, 2001; war, such as the war in Iraq and its aftermath; and other geopolitical events, including upheaval in the Middle East or other energy producing regions. The U.S. government has issued warnings that energy assets, specifically those related to pipeline infrastructure, production facilities, and transmission and distribution facilities, might be specific targets of terrorist activity. Such events have led, and in the future may lead, to short-term market volatility and may have long-term effects on the power and energy infrastructure sectors and markets. Such events may also adversely affect our business and financial condition.

Natural risks, such as earthquakes, flood, lighting, hurricane and wind, are inherent risks in power and energy infrastructure company operations. For example, extreme weather patterns, such as Hurricane Ivan in 2004 and Hurricanes Katrina and Rita in 2005, or the threat thereof, could result in substantial damage to the facilities of certain companies located in the affected areas and significant volatility in the supply of power and energy and could adversely impact the prices of the securities in which we invest. This volatility may create fluctuations in commodity prices and earnings of companies in the power and energy infrastructure sectors.

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Power Infrastructure Company Risk. Companies operating in the power infrastructure sector also are subject to additional risks, including those discussed below. To the extent that any of these risks materialize for a company whose securities are in our portfolio, the value of these securities could decline and our net asset value and share price could be adversely affected.

Operating Risk. The operation of asset systems that provide electric power generation (including renewable energy), transmission and distribution involves many risks, including:

- Equipment failure causing outages;
- Transmission or transportation constraints, inoperability or inefficiencies;
- Dependence on a specified fuel source, including the transportation of fuel;
- Changes in electricity and fuel usage;
- Availability of competitively priced alternative energy sources;
- Changes in generation efficiency and market heat rates;
- Lack of sufficient capital to maintain facilities;
- Seasonality;
- Changes in supply and demand for energy commodities;
- Catastrophic events such as fires, explosions, floods, earthquakes, hurricanes and similar occurrences;
- Structural, maintenance, impairment and safety problems and storage, handling, disposal and decommissioning costs associated with operating nuclear generating facilities; and
- Environmental compliance.

Any of these risks could have an adverse effect on a company with power infrastructure operations and its securities. Additionally, older generating equipment may require significant capital expenditures to keep them operating at peak efficiency. This equipment is more likely to require periodic upgrading and improvement. Breakdown or failure of an operating facility may prevent the facility from performing under applicable power sales agreements, which in certain situations, could result in termination of the agreement or incurring a liability for liquidated damages. A company’s ability to successfully and timely complete capital improvements to existing facilities or other capital projects is contingent upon many variables. Should any such efforts be unsuccessful, a power infrastructure company could be subject to additional costs and / or the write-off of its investment in the project or improvement. Any of these costs could adversely affect the value of securities in our portfolio.

As a result of the above risks and other potential hazards associated with the power infrastructure sector, certain companies may become exposed to significant liabilities for which they may not have adequate insurance coverage.

Regulatory Risk. Issuers in the power infrastructure sector may be subject to regulation by various governmental authorities in various jurisdictions and may be affected by the imposition of special tariffs and changes in tax laws, regulatory policies and accounting standards. Power infrastructure companies' inability to predict, influence or respond appropriately to changes in law or regulatory schemes, including any inability to obtain expected or contracted increases in electricity tariff rates or tariff adjustments for increased expenses, could adversely impact their results of operations. Furthermore, changes in laws or regulations or changes in the application or interpretation of regulatory provisions in jurisdictions where power infrastructure companies operate, particularly utilities where electricity tariffs are subject to regulatory review or approval, could adversely affect their business, including, but not limited to:

· changes in the determination, definition or classification of costs to be included as reimbursable or pass-through costs;

- changes in the definition or determination of controllable or non-controllable costs;
- changes in the definition of events which may or may not qualify as changes in economic equilibrium;
- changes in the timing of tariff increases; or
- other changes in the regulatory determinations under the relevant concessions.

Any of the above events may result in lower margins for the affected businesses, which can adversely affect the operations of a power infrastructure company and hence the value of securities in our portfolio.

Prices for certain power infrastructure companies are regulated in the U.S. with the intention of protecting the public while ensuring that the rate of return earned by such companies is sufficient to allow them to attract capital in order to grow and continue to provide appropriate services. The rates assessed for these rate-regulated power infrastructure companies by state and certain city regulators are generally subject to cost-of-service regulation and annual earnings oversight. This regulatory treatment does not provide any assurance as to achievement of earnings levels. Such rates are generally regulated based on an analysis of a company's costs and capital structure, as reviewed and approved in a regulatory proceeding. While rate regulation is premised on the full recovery of prudently incurred costs and a reasonable rate of return on invested capital, there can be no assurance that the regulators will judge all of a power infrastructure company's costs to have been prudently incurred, that the regulators will not reduce the amount of invested capital included in the capital structure that the power infrastructure company's rates are based upon or that the regulatory process in which rates are determined will always result in rates that will produce full recovery of a power infrastructure company's costs, including regulatory assets reported in the balance sheet, and the return on invested capital allowed by the regulators.

Federal Energy Regulatory Commission Risk. FERC ruled in 2008 that it has jurisdiction under the Federal Power Act ("FPA") over the acquisition of certain power infrastructure company securities by investment advisers that are themselves public utility holding companies as defined under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"). The Fund could become subject to FERC's jurisdiction if it is deemed to be a holding company of a public utility company or of a holding company of a public utility company, and the Fund may be required to aggregate securities held by the Fund or other funds and accounts managed by our Advisor and its affiliates. A company is a holding company within the meaning of PUHCA 2005 and the FPA if it directly or indirectly owns, controls, or holds, with power to vote, 10 percent or more of the outstanding voting securities of a public utility company or of a holding company of any public utility company. In general, a holding company under the FPA may not purchase, acquire or take a security or securities valued in excess of $10 million of any other public utility company or of a public utility holding company unless FERC has approved the transaction or an exemption or waiver is available. Accordingly, the Fund may be prohibited from buying securities of a public utility company or of a holding company of any public utility company or may be forced to divest itself of such securities because of other holdings by the Fund or other funds or accounts managed by our Advisor and its affiliates.

Environmental Risk. Power infrastructure company activities are subject to stringent environmental laws and regulation by many federal, state, local authorities, international treaties and foreign governmental authorities. These regulations generally involve emissions into the air, effluents into the water, use of water, wetlands preservation, waste disposal, endangered species and noise regulation, among others. Failure to comply with such laws and regulations or to obtain any necessary environmental permits pursuant to such laws and regulations could result in fines or other sanctions. Environmental laws and regulations affecting power generation and distribution are complex and have tended to become more stringent over time. Congress and other domestic and foreign governmental authorities have either considered or implemented various laws and regulations to restrict or tax certain emissions, particularly those involving air and water emissions. Existing environmental regulations could be revised or reinterpreted, new laws and regulations could be adopted or become applicable, and future changes in environmental laws and regulations could occur, including potential regulatory and enforcement developments related to air emissions.

These laws and regulations have imposed, and proposed laws and regulations could impose in the future, additional costs on the operation of power plants. Power infrastructure companies have made and will likely continue to make significant capital and other expenditures to comply with these and other environmental laws and regulations. Changes in, or new, environmental restrictions may force power infrastructure companies to incur significant expenses or expenses that may exceed their estimates. There can be no assurance that such companies would be able to recover all or any increased environmental costs from their

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customers or that their business, financial condition or results of operations would not be materially and adversely affected by such expenditures or any changes in domestic or foreign environmental laws and regulations, in which case the value of these companies' securities in our portfolio could be adversely affected.

Power infrastructure companies may not be able to obtain or maintain all required environmental regulatory approvals. If there is a delay in obtaining any required environmental regulatory approvals or if a power infrastructure company fails to obtain, maintain or comply with any such approval, the operation of its facilities could be stopped or become subject to additional costs. In addition, a power infrastructure company may be responsible for any on-site liabilities associated with the environmental condition of facilities that it has acquired, leased or developed, regardless of when the liabilities arose and whether they are known or unknown.

Competition Risk. The power infrastructure sector is characterized by numerous strong and capable competitors, many of which may have extensive and diversified developmental or operating experience (including both domestic and international experience) and financial resources. Further, in recent years, the power infrastructure sector has been characterized by strong and increasing competition with respect to both obtaining power sales agreements and acquiring existing power generation assets. In certain markets these factors have caused reductions in prices contained in new power sales agreements and, in many cases, have caused higher acquisition prices for existing assets through competitive bidding practices. The evolution of competitive electricity markets and the development of highly efficient gas-fired power plants have also caused, or are anticipated to cause, price pressure in certain power markets.

Energy Infrastructure Company Risk. Companies operating in the energy infrastructure sector also are subject to additional risks, including those described below. To the extent that any of these risks materialize for a company whose securities are in our portfolio, the value of these securities could decline and our net asset value and share price would be adversely affected.

Pipeline Company Risk. Pipeline companies are subject to many risks, including varying demand for crude oil, natural gas, natural gas liquids or refined products in the markets served by the pipeline; changes in the availability of products for gathering, transportation, processing or sale due to natural declines in reserves and production in the supply areas serviced by the companies' facilities; sharp decreases in crude oil or natural gas prices that cause producers to curtail production or reduce capital spending for exploration activities; and environmental regulation. Demand for gasoline, which accounts for a substantial portion of refined product transportation, depends on price, prevailing economic conditions in the markets served, and demographic and seasonal factors.

Gathering and Processing Company Risk. Gathering and processing companies are subject to many risks, including declines in production of crude oil and natural gas fields, which utilize their gathering and processing facilities as a way to market the gas, prolonged depression in the price of natural gas or crude oil refining, which curtails production due to lack of drilling activity, and declines in the prices of natural gas liquids and refined petroleum products, resulting in lower processing margins.

Propane Company Risk. Propane companies are subject to many risks, including earnings variability based upon weather patterns in the locations where the company operates and the wholesale cost of propane sold to end customers. Midstream propane companies' unit prices are largely based on safety in distribution coverage ratios, the interest rate environment and, to a lesser extent, distribution growth. In addition, propane companies are facing increased competition due to the growing availability of natural gas, fuel oil and alternative energy sources for residential heating.

Supply & Demand Risk. A decrease in the production of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other energy commodities, or a decrease in the volume of such commodities available for transportation, processing, storage or distribution, may adversely impact the financial performance of companies in the energy infrastructure sector. Production declines and volume decreases could be caused by various factors, including catastrophic events affecting production, depletion of resources, labor difficulties, political events, OPEC actions, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, failure to obtain necessary permits, unscheduled outages, unanticipated expenses, inability to successfully carry out new construction or acquisitions, import supply disruption, increased competition from alternative energy sources or related commodity prices. Alternatively, a sustained decline in demand for such commodities could also adversely affect the financial performance of companies in the energy infrastructure sector. Factors that could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel

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economy, consumer shifts to the use of alternative fuel sources, changes in commodity prices or weather. The length and severity of the current recession and its impact on companies in the energy infrastructure sector, cannot be determined.

The profitability of companies engaged in processing and pipeline activities may be materially impacted by the volume of natural gas or other energy commodities available for transporting, processing, storing or distributing. A significant decrease in the production of natural gas, oil, coal or other energy commodities, due to a decline in production from existing facilities, import supply disruption, depressed commodity prices or otherwise, would reduce revenue and operating income of such entities.

Price Volatility Risk. The volatility of energy commodity prices can indirectly affect certain entities that operate in the midstream segment of the energy infrastructure sector due to the impact of prices on the volume of commodities transported, processed, stored or distributed. Most energy infrastructure entities are not subject to direct commodity price exposure because they do not own the underlying energy commodity. Nonetheless, the price of an energy infrastructure security can be adversely affected by the perception that the performance of all such entities is directly tied to commodity prices.

Competition Risk. Even if reserves exist in areas accessed by the facilities of transporting and processing energy infrastructure companies, they may not be chosen by producers to gather, transport, process, fractionate, store or otherwise handle the natural gas, natural gas liquids, crude oil, refined petroleum products or coal that are produced. They compete with others on the basis of many factors, including but not limited to geographic proximity to the production, costs of connection, available capacity, rates and access to markets.

Regulatory Risk. Energy infrastructure companies are subject to significant federal, state and local government regulation in virtually every aspect of their operations, including how facilities are constructed, maintained and operated, environmental and safety controls, and the prices they may charge for the products and services they provide. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of energy infrastructure companies.

Energy infrastructure companies engaged in interstate pipeline transportation of natural gas, refined petroleum products and other products are subject to regulation by the FERC with respect to tariff rates these companies may charge for pipeline transportation services. An adverse determination by the FERC with respect to the tariff rates of an energy infrastructure company could have a material adverse effect on its business, financial condition, results of operations and cash flows and its ability to make cash distributions to its equity owners. In May 2005, FERC issued a policy statement that pipelines, including those organized as partnerships, can include in computing their cost of service a tax allowance to reflect actual or potential tax liability on their public utility income attributable to all entities or individuals owning public utility assets, if the pipeline establishes that the entities or individuals have an actual or potential income tax liability on such income. Whether a pipeline’s owners have such actual or potential income tax liability will be reviewed by FERC on a case-by-case basis. If an MLP is unable to establish that its unitholders are subject to U.S. federal income taxation on the income generated by the MLP, FERC could disallow a substantial portion of the MLP’s income tax allowance. If FERC were to disallow a substantial portion of the MLP’s income tax allowance, the level of maximum tariff rates the MLP could lawfully charge could be lower than the MLP had been charging prior to such ruling or could be lower than the MLP’s actual costs to operate the pipeline. In either case, the MLP would be adversely affected.

Risks Related to this Offering

Share Price Volatility. The trading price of our common shares following this offering may fluctuate substantially. The price of the common shares that will prevail in the market after this offering may be higher or lower than the price you pay and the liquidity of our common shares may be limited, in each case depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include the following:

- changes in the value of our portfolio of investments;
- price and volume fluctuations in the overall stock market from time to time;

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- significant volatility in the market price and trading volume of securities of similar investment companies;
- our dependence on the power and energy infrastructure sectors;
- our inability to deploy or invest our capital;
- fluctuations in interest rates;
- any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts;
- operating performance of companies comparable to us;
- changes in regulatory policies with respect to investment companies;
- our ability to borrow money or obtain additional capital;
- losing RIC status under the Code;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends; or
- departures of key personnel.

Market Risk. Before this offering, there was no public trading market for our common shares. We cannot predict the prices at which our common shares will trade. The initial public offering ("IPO") price for our common shares will be determined through our negotiations with the underwriters and may not bear any relationship to the market price at which it will trade after this offering or to any other established criteria of our value. Shares of companies offered in an IPO often trade at a discount to the IPO price due to sales load (underwriting discount) and related offering expenses.

In addition, shares of closed-end investment companies have in the past frequently traded at discounts to their NAV and our stock may also be discounted in the market. This characteristic is a risk separate and distinct from the risk that our NAV could decrease as a result of our investment activities and may be greater for investors expecting to sell their shares in a relatively short period following completion of this offering. We cannot assure you whether our common shares will trade above, at or below our NAV. Whether investors will realize gains or losses upon the sale of our common shares will depend entirely upon whether the market price of our common shares at the time of sale is above or below the investor's purchase price for our common shares. Because the market price of our common shares is affected by factors such as NAV, dividend levels (which are dependant, in part, on expenses), supply of and demand for our common shares, stability of dividends, trading volume of our common shares, general market and economic conditions, and other factors beyond our control, we cannot predict whether our common shares will trade at, below or above NAV or at, below or above the offering price. In addition, if our common shares trade below their NAV, we will generally not be able to issue additional common shares at their market price without first obtaining the approval of our stockholders and our independent directors to such issuance.

Dilution Risk. If you purchase our common shares in this offering, the price that you pay will be greater than the NAV per common share immediately following this offering. This is in large part due to the expenses incurred by us in connection with the consummation of this offering. The voting power of current stockholders will be diluted to the extent that such stockholders do not purchase shares in any future common stock offerings or do not purchase sufficient shares to maintain their percentage interest. In addition, if we sell shares of common stock below NAV, our NAV will fall immediately after such issuance.

We are seeking approval from the Fund's initial stockholders (i.e., the stockholders of the Fund prior to this offering) for the authority to sell common shares for less than NAV, subject to certain conditions listed in "Description of Capital Stock – Common Shares – Issuance of Additional Shares." All investors who purchase common shares in this offering will be bound by such approval. As a result, during the first year of the Fund's operations, there will be no stockholder approval necessary or sought prior to any such issuance of common shares below NAV. After the first year of the Fund's operations, we intend to seek such approval from stockholders at each annual meeting of stockholders. The issuance of additional shares of the Fund at below NAV will dilute the interest in the Fund's assets, income and relative voting power of existing stockholders, including those who purchase common

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shares in this offering.

Takeover Risk. The Maryland General Corporation Law and our charter and bylaws contain provisions that may have the effect of discouraging, delaying or making difficult a change in control of the Fund or the removal of our incumbent directors. We will be covered by the Business Combination Act of the Maryland General Corporation Law to the extent that such statute is not superseded by applicable requirements of the 1940 Act. However, our Board of Directors has adopted a resolution exempting us from the Business Combination Act for any business combination between us and any person to the extent that such business combination receives the prior approval of our Board of Directors, including a majority of our directors who are not interested persons as defined in the 1940 Act.

Under our charter, our Board of Directors is divided into three classes serving staggered terms, which will make it more difficult for a hostile bidder to acquire control of us. In addition, our Board of Directors may, without stockholder action, authorize the issuance of shares of stock in one or more classes or series, including preferred stock. See "Description of Capital Stock." Subject to compliance with the 1940 Act, our Board of Directors may, without stockholder action, amend our charter to increase the number of shares of stock of any class or series that we have authority to issue. The existence of these provisions, among others, may have a negative impact on the price of our common shares and may discourage third-party bids for ownership of our Fund. These provisions may prevent any premiums being offered to you for our common shares.

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FORWARD-LOOKING STATEMENTS

The matters discussed in this prospectus, as well as in future oral and written statements by our management, that are forward-looking statements are based on current management expectations that involve substantial risks and uncertainties that could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. Forward-looking statements relate to future events or our future financial performance. We generally identify forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Important assumptions include our ability to originate new investments, achieve certain levels of return, the availability to us of additional capital and the ability to maintain certain debt to asset ratios. In light of these and other uncertainties, the inclusion of a forward-looking statement in this prospectus should not be regarded as a representation by us that our plans or objectives will be achieved. The forward-looking statements contained in this prospectus include statements as to:

- our future operating results;
- our business prospects and the prospects of our prospective investments;
- the impact of investments that we expect to make;
- the timing of distribution payments;
- our informal relationships with third parties;
- the dependence of our future success on the general economy and its impact on power and energy infrastructure companies;
- the ability of our investments to achieve their objectives;
- our expected financings and investments;
- our regulatory structure and tax status;
- our ability to operate as an investment company;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our investments; and
- the size or growth prospects of all companies with power and energy infrastructure operations.

For a discussion of factors that could cause our actual results to differ from forward-looking statements contained in this prospectus, please see the discussion under the heading "Risks." You should not place undue reliance on these forward-looking statements. The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. Except for our ongoing obligations under the federal securities laws, we do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the 1933 Act.

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SUM MARY OF FUND EXPENSES

The purpose of the table and example below is to assist you in understanding the various costs and expenses that an investor in this offering will bear directly or indirectly. The following table shows the Fund's expenses as a percentage of net assets attributable to common shares. We caution you that the percentages in the table below indicating annual expenses are estimates and may vary.

Stockholder Transaction Expense (as a percentage of offering price):

Sales Load	%1
Offering Expenses Borne by the Fund	%2
Dividend Reinvestment Plan Expenses	None3
Total stockholder transaction expenses paid	%
Annual Expenses (as a percentage of net assets attributable to common shares)4:	
Management Fee (payable under investment advisory agreement)	%5
Interest Payments on Borrowed Funds	%6
Other Expenses	%7
Total annual expenses	%8

1 For a description of the sales load and of other compensation paid to the underwriters by the Fund, see "Underwriting." The Advisor (not the Fund) has agreed to pay from its own assets a structuring fee to Wachovia Capital Markets, LLC. See "Underwriting".

2 The percentage reflects estimated offering expenses of approximately $.

3 The expenses associated with the administration of our dividend reinvestment plan are included in "Other Expenses." The participants in our dividend reinvestment plan will pay a pro rata share of brokerage commissions incurred with respect to open market purchases, if any, made by the plan agent under the plan. For more details about the plan, see "Dividend Reinvestment Plan."

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

5 Although our management fee is 1.0% (annualized) of our average monthly Managed Assets, the table above reflects expenses as a percentage of net assets. Managed Assets means our total assets (including any assets purchased with any borrowed funds) minus the sum of accrued liabilities other than debt entered into for the purpose of leverage and the aggregate liquidation preference of any outstanding preferred shares. Net assets is defined as Managed Assets minus debt entered into for the purposes of leverage and the aggregate liquidation preference of any outstanding preferred shares. See "Management of the Fund — Investment Advisory Agreement — Management Fee."

6 We may borrow money or issue debt securities and/or preferred stock to provide us with additional funds to invest. The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The table above assumes we borrow for investment purposes approximately $ million, which reflects leverage in an amount representing 15% of our total assets (including such borrowed funds) assuming an annual interest rate of % on the amount borrowed and assuming we issue million common shares.

7 "Other Expenses" includes our estimated overhead expenses, including payments to our transfer agent, our administrator and legal and accounting expenses. The holders of our common shares indirectly bear the cost associated with such other expenses.

8 The table presented above estimates what our annual expenses would be, stated as a percentage of our net assets attributable to our common shares. The table presented below, unlike the table presented above, estimates what our annual expenses would be stated as a percentage of our Managed Assets. As a result, our estimated total annual expenses would be as follows:

Management fee	1.00%
Interest Payments on Borrowed Funds	. %
Other expenses	. %
Acquired fund fees and expenses	. %
Total annual expenses	. %

As of the date of this Prospectus, the Fund has not commenced investment operations. The "Other Expenses" shown in the table and related footnote above are based on estimated amounts for the Fund's first year of operation unless otherwise indicated and assume that the Fund issues approximately _______ common shares. If the Fund issues fewer common shares, all other things being equal, certain of these percentages would increase. For additional information with respect to the Fund's expenses, see "Management of the Fund" and "Dividend Reinvestment Plan."

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Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common shares. These amounts are based upon assumed offering expenses of % and our payment of annual operating expenses at the levels set forth in the table above.

	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a $1,000 investment, assuming a 5% annual return	$	$	$	$

The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown. Moreover, while the example assumes, as required by the applicable rules of the SEC, a 5% annual return, our performance will vary and may result in a return greater or less than 5%. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in our dividend reinvestment plan may receive common shares valued at the market price in effect at that time. This price may be at, above or below net asset value. See "Dividend Reinvestment Plan" for additional information regarding our dividend reinvestment plan.

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USE OF PROCEEDS

The net proceeds of this offering will be approximately $ after deducting both the sales load (underwriting discount) and estimated offering expenses of approximately $ paid by us. We expect to use the net proceeds from this offering to invest in accordance with our investment objectives and strategies and for working capital purposes. We currently anticipate that we will be able to invest substantially all of the net proceeds in accordance with our investment objectives and policies by approximately three months after the completion of the offering, depending on market conditions. Pending investment as described under the heading "The Fund," we expect the net proceeds of this offering will be invested in cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper or other liquid debt securities. Until we are fully invested, the return on our common shares is expected to be lower than that realized after full investment in accordance with our investment objectives.

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THE FUN D

We are registered as a non-diversified, closed-end management investment company under the 1940 Act. Although we were organized as a corporation on July 5, 2007 under the laws of the State of Maryland, we have not commenced operations and intend to commence operations immediately following the closing of this offering. We seek to provide our stockholders a vehicle to invest in a portfolio consisting primarily of securities issued by power and energy infrastructure companies. We intend to elect to be treated and to qualify as a RIC under the Code.

Our primary investment objective is to provide a high level of current income, with a secondary objective of capital appreciation. There can be no assurance that we will achieve our investment objectives.

Investment Strategy

We seek to provide stockholders a vehicle to invest in a portfolio consisting primarily of securities issued by power and energy infrastructure companies. The securities in which we will invest include income-producing debt and equity securities. Under normal circumstances, we plan to invest at least 80% of our total assets (including any assets obtained through leverage) in securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations. We define power and energy infrastructure operations as follows:

- Power Infrastructure – The ownership and operation of asset systems that provide electric power generation (including renewable energy), transmission and distribution.

- Energy Infrastructure – The ownership and operation of a network of pipeline assets to transport, store, gather and/or process crude oil, refined petroleum products (including biodiesel and ethanol), natural gas or natural gas liquids.

Market Opportunity

We seek to invest in a portfolio of companies focused solely on the power and energy infrastructure sectors and that provide stable and defensive characteristics throughout economic cycles. We believe that the current market conditions provide a favorable entry point for our strategy, with yield spreads above historical averages. Over time, we will seek to capitalize on relative value opportunities, with the ability to invest across the capital structure while minimizing risk.

We will focus on minimizing risk and volatility using our Advisor's disciplined investment screening process, including proprietary risk and financial analysis. We anticipate that a significant portion of our portfolio will initially include investment grade debt securities, as well as dividend-paying equity securities. We intend to build a portfolio with companies that generally (i) have assets in diverse geographic locations across the U.S., (ii) transport, process, or distribute diverse energy products, or (iii) serve different end users. Among other things, our non-fundamental policies (i) limit our investment in non-investment grade rated debt securities to no more than 20% of our total assets, (ii) limit our ability to incur leverage so that, immediately thereafter, our leverage is not in excess of 15% of our total assets, and (iii) require that we maintain at least 40% of our assets in debt securities.

Targeted Investment Characteristics

Our investment strategy will be anchored in our Advisor's fundamental principles of yield, quality and growth. We anticipate that our targeted investments will generally have the following characteristics:

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Essential Infrastructure Assets – Companies that operate critical tangible assets that connect sources of energy supply to areas of energy demand. These businesses are essential to economic productivity and experience relatively inelastic demand.

- High Current Yield – Companies that generate a current cash return at the time of investment. We do not intend to invest in start-up companies or companies with speculative business plans.

- Predictable Revenues – Companies with stable and predictable revenue streams, often linked to areas experiencing demographic growth and with low commodity price risk.

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- Stable Cost Structures – Companies with relatively low maintenance expenditures and economies of scale due to operating leverage.
- High Barriers to Entry – Companies with operating assets that are difficult to replicate due to regulation, natural monopolies, availability of land or high costs of new development.
- Long-Lived Assets – Companies that operate tangible assets with long economic useful lives.
- Experienced, Operations-Focused Management Teams – Companies with management teams possessing successful track records and who have substantial knowledge, experience, and focus in their particular segments of the power and energy infrastructure sectors.

Power and Energy Infrastructure Investment

We believe that power and energy infrastructure companies will provide attractive investment opportunities for the following reasons:

The International Energy Administration ("IEA") projects that North American energy and electricity consumption will increase annually by 0.6% and 1.1%, respectively, from 2006 through 2030. This increase results in an overall energy and electricity consumption increase of approximately 15% and 30%, respectively by 2030.

The power and energy infrastructure sectors have a growing need for capital to update and expand infrastructure assets. In particular, these companies need financing to facilitate the construction of additional infrastructure assets, to modernize or maintain existing infrastructure assets, and to finance industry consolidation. Power infrastructure investment has fallen short of demand growth for nearly 30 years, leading to inadequate capacity. The U.S. Department of Energy ("DOE") estimates that 70% of transmission lines and power transformers and 60% of circuit breakers are over 25 years old, which we understand to be well into their useful lives. Companies in the energy infrastructure sector expect to construct over 5,000 miles of natural gas pipelines and 2,000 miles of crude oil pipelines to support new sources of energy supply as well as replace and/or maintain existing infrastructure. FERC has created incentives to spur investment in power and energy infrastructure assets.

The IEA estimates that $3.4 trillion will need to be invested in such power and energy infrastructure internal growth projects from 2007 to 2030 in North America. We expect such spending to finance upgrades and expansion of electric power infrastructure; pipeline infrastructure projects to support growing population centers; pipeline and storage terminal projects to increase the movement of crude oil across North America; and natural gas projects to develop infrastructure that efficiently connects new areas of supply to growing areas of demand. This investment should help alleviate congestion, upgrade or replace aged infrastructure and meet growing North American demand.

Experience of the Advisor

- Experience Across Energy and Power Infrastructure Value Chain. Our Advisor has significant expertise working with energy infrastructure companies and managed investments of approximately $1.9 billion in the energy sector as of April 30, 2009. The five members of our Advisor's investment committee have, on average, over 23 years of debt and equity investment experience. In addition to their experience at the Advisor, three of the five members of our Advisor's investment committee were partners at Fountain Capital and have significant experience in managing portfolios of debt securities that included the securities of issuers in the power and energy infrastructure sectors. Fountain Capital was formed in 1990 and focuses primarily on providing investment advisory services to institutional investors in the non-investment grade rated debt market. The Advisor's philosophy places extensive focus on quality through proprietary models, including risk, valuation and financial models.

- Strong Reputation, Deep Relationships and Access to Deal Flow. Our Advisor has developed a strong reputation and deep relationships with issuers, underwriters and sponsors that we believe will afford us competitive advantages in evaluating and managing investment opportunities. Our Advisor, a pioneer in institutional direct placements with MLPs and other energy infrastructure companies, has participated in over 90 direct placements, private company investments and initial public offerings in which it has invested over $1.3 billion since 2002 through its publicly traded funds and other specialty vehicles.

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- Capital Markets Innovation. Our Advisor is a leader in providing investment, financing and structuring opportunities for its publicly traded funds and for its private funds. Our Advisor believes its innovation includes the following highlights:

  - o First publicly traded, closed-end management investment company focused primarily on investing in energy MLPs;
  - o Led development of institutional MLP direct placements to fund acquisitions, capital projects and sponsor liquidity;
  - o Completed the first follow-on common stock offering in a decade for a closed-end, management investment company; and
  - o Established one of the first registered closed-end fund universal shelf registration statements and completed the first registered direct offering from a universal shelf registration statement for a closed-end fund.

These highlights should not be read as indications of our future performance, including whether our common shares will trade above, at or below our NAV.

- Disciplined Investment Philosophy. Our Advisor's senior investment professionals have substantial experience in structuring investments that balance the needs of power and energy infrastructure companies with appropriate risk control. In making its investment decisions, our Advisor intends to continue the disciplined investment approach that it has utilized since its founding. That investment approach will emphasize current income, low volatility and minimization of downside risk. Our Advisor's investment process involves an assessment of the overall attractiveness of the specific segment in which a power or energy infrastructure company is involved, the company's specific competitive position within that segment, potential commodity price risk, supply and demand, regulatory considerations, the stability and potential growth of the company's cash flows and the company's management track record.

Portfolio Securities

We will seek to achieve our investment objectives by investing in the following categories of securities:

Targeted Investments. We may invest in a wide range of securities that generate income, including, but not limited to, debt securities and dividend paying equity securities. Up to 25% of these securities may be securities issued by MLPs. Our investments in securities that generate income may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, floating rate, adjustable rate, and payment in kind features. Our investments may have extended or no maturities, may be secured or unsecured and may be senior or junior subordinated. Securities that generate income also may be subject to call features and redemption provisions. We may invest in securities that generate income of any credit quality, including up to 20% of our total assets in debt securities rated non-investment grade (commonly referred to as "junk bonds"), that are considered speculative as to the issuer's capacity to pay interest and repay principal.

Securities that generate income in which we may invest include, but are not limited to, the following types of securities:

- Debt Securities. We may invest in debt securities, including bonds, debentures or other debt instruments, which are expected to provide a high level of current income. These securities may be senior or junior positions in the capital structure of a borrower, may be secured (with specific collateral or have a claim on the assets and/or stock of the borrower that is senior to that held by subordinated debt holders and stockholders of the borrower) or unsecured, and may be used to finance leveraged buy-outs, recapitalizations, mergers, acquisitions, stock repurchases or internal growth of the borrower. These loans may have fixed rates of interest or variable rates of interest that are reset either daily, monthly, quarterly or semi-annually by reference to a base lending rate, plus a premium. The base lending rate may be the London Inter-Bank Offer Rate ("LIBOR"), the prime rate offered by one or more major U.S. banks or some other base rate varying over time. Certain of the bonds in which we may invest may have an extended or no maturity or may be zero coupon bonds. We may invest in debt securities that are not rated or securities that are non-investment grade. Certain of these securities may be securities issued by MLPs.

We may invest in a wide variety of income-generating securities that are rated or determined by the Advisor to be investment grade quality and that are issued by corporations and other non-governmental entities and issuers. Investment grade quality securities are those that, at the time of investment, are either rated by one of the NRSROs that rate such securities within the four highest letter grades (including BBB- or higher by S&P or Fitch or Baa3 or higher by Moody's), or if unrated are determined by the Advisor to be of comparable quality to the securities in which the Fund may otherwise invest. Investment grade securities may include securities that, at the time of investment, are rated non-investment grade by S&P, Moody's or

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Fitch, so long as at least one NRSRO rates such securities within the four highest grades (such securities are commonly referred to as split-rated securities).

Investment grade securities that generate income are subject to market and credit risk. Investment grade securities that generate income have varying levels of sensitivity to changes in interest rates and varying degrees of credit quality. The values of investment grade income-generating securities may be affected by changes in the credit rating or financial condition of an issuer.

We may invest up to 20% of our total assets in debt securities rated non-investment grade securities by NRSROS or unrated of comparable quality. Non-investment grade securities are rated below Ba1 or lower by Moody's, BB+ or lower by S&P, BB or lower by Fitch or, if unrated, determined by the Advisor to be of comparable quality. The ratings of Moody's, S&P and Fitch represent their opinions as to the quality of the obligations which they undertake to rate. Ratings are relative and subjective and, although ratings may be useful in evaluating the safety of interest and principal payments, they do not evaluate the market value risk of such obligations. Although these ratings may be an initial criterion for selection of portfolio investments, the Advisor also will independently evaluate these securities and the ability of the issuers of such securities to pay interest and principal.

Securities rated non-investment grade are regarded as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal, and are commonly referred to as "junk bonds" or "high-yield bonds." The credit quality of most non-investment grade securities reflects a greater-than-average possibility that adverse changes in the financial condition of an issuer, or in general economic conditions, or both, may impair the ability of the issuer to make payments of interest and principal. The inability (or perceived inability) of issuers to make timely payments of interest and principal would likely make the values of non-investment grade securities held by us more volatile and could limit our ability to sell such securities at favorable prices. In the absence of a liquid trading market for non-investment grade securities, we may have difficulties determining the fair market value of such investments. To the extent we invest in unrated securities, our ability to achieve our investment objectives will be more dependent on our Advisor's credit analysis than would be the case when we invest in rated securities.

Because the risk of default is higher for non-investment grade securities than for investment grade securities, our Advisor's research and credit analysis is an especially important part of managing securities of this type. Our Advisor will attempt to identify those issuers of non-investment grade securities whose financial condition our Advisor believes are adequate to meet future obligations or have improved or are expected to improve in the future. Our Advisor's analysis will focus on relative values based on such factors as interest or dividend coverage, asset coverage, earnings prospects and the experience and managerial strength of the issuer.

- Securities of MLPs. In addition to debt securities issued by MLPs, we may invest in a wide range of equity securities issued by MLPs, including common units, convertible subordinated units, equity securities issued by affiliates of MLPs, I-Shares and LLC common units. The following is a more detailed description of each such security.

o MLP Common Units. MLP common units represent an equity ownership interest in a partnership, providing limited voting rights and entitling the holder to a share of the company's success through distributions and/or capital appreciation. Unlike stockholders of a corporation, common unitholders do not elect directors annually and generally have the right to vote only on certain significant events, such as a merger, a sale of substantially all of the assets, removal of the general partner or material amendments to the partnership agreement. MLPs are required by their partnership agreements to distribute a large percentage of their current operating earnings. Common unitholders generally have first right to a minimum quarterly distribution ("MQD") prior to distributions to the convertible subordinated unitholders or the general partner (including incentive distributions). Common unitholders typically have arrearage rights if the MQD is not met. In the event of liquidation, MLP common unitholders have first rights to the partnership's remaining assets after bondholders, other debt holders, and preferred unitholders have been paid in full. MLP common units trade on a national securities exchange or over-the-counter. Also, like common stock, prices of MLP common units are sensitive to general movements in the stock market and a drop in the stock market may depress the price of MLP common units to which we have exposure.

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

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

- Equity Securities of MLP Affiliates. In addition to equity securities of MLPs, we may also invest in equity securities of MLP affiliates, by purchasing securities of publicly traded limited liability entities that own general partner interests of MLPs. General partner interests of MLPs are typically retained by an MLP's original sponsors, such as its founders, corporate partners, entities that sell assets to the MLP and investors such as the entities from which we may purchase general partner interests. An entity holding general partner interests, but not its investors, can be liable under certain circumstances for amounts greater than the amount of the entity's investment in the general partner interest. General partner interests often confer direct board participation rights and in many cases, operating control, over the MLP. These interests themselves are generally not publicly traded, although they may be owned by publicly traded entities. General partner interests receive cash distributions which are contractually defined in the partnership agreement and are typically 2% of the MLP's aggregate cash distributions. In addition, holders of general partner interests typically hold incentive distribution rights, which provide them with a larger share of the aggregate MLP cash distributions as the distributions to limited partner unitholders are increased to prescribed levels. General partner interests generally cannot be converted into common units. The general partner interest can be redeemed by the MLP if the MLP unitholders choose to remove the general partner, typically with a supermajority vote by limited partner unitholders.

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

- Limited Liability Company Units. Some companies in which we may invest have been organized as LLCs and are generally characterized as MLPs in the marketplace. Such LLCs are treated in the same manner as MLPs for federal income tax purposes. Consistent with our investment objectives and policies, we may invest in common units or other securities of such LLCs. LLC common units represent an equity ownership interest in an LLC, entitling the holder to a share of the LLC's success through distributions and/or capital appreciation. Similar to MLPs, LLCs typically do not pay federal income tax at the entity level and are required by their operating agreements to distribute a large percentage of their earnings. LLC common unitholders generally have first rights to a MQD prior to distributions to subordinated unitholders and typically have arrearage rights if the MQD is not met. In the event of liquidation, LLC common unitholders have first rights to the LLC's remaining assets after bond holders, other debt holders and preferred unitholders, if any, have been paid in full. LLC common units may trade on a national securities exchange or over-the-counter.

- Dividend-Paying Equity Securities. We may invest in other dividend-paying equity investments that are expected to pay dividends on a current basis. Equity investments may include common and preferred stock, limited partner interests, LLC interests, general partner interests, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited partnerships or LLCs. When we acquire these securities in unregistered transactions, we also may obtain registration rights that may include demand and "piggyback" registration rights. We may receive warrants or other non-income producing equity securities. We may retain such securities, including equity shares received upon conversion of convertible securities, until we determine it is appropriate in light of current market conditions to effect a disposition of such securities. Equity investments generally represent an equity ownership interest in an issuer. An adverse event, such as an unfavorable earnings report, may depress the value of a particular equity investment we hold. Also, prices of equity investments are sensitive to general movements in the stock market and a drop in the stock market may depress the price of equity investments we own. Equity investment prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or rising interest rates, which increases borrowing costs and the costs of capital.

Preferred equity generally has a preference over common equity in liquidation proceedings and for dividends. As such, preferred equity is inherently more risky than the bonds and loans of the issuer, but less risky than its common stock. Preferred equity often contains provisions that allow for redemption in the event of certain tax or legal changes or at the issuers' call. Preferred equity may not provide any voting rights, except in cases when dividends are in arrears beyond a certain time period.

Restricted Securities. We may invest up to 15% of our total assets in restricted securities that are ineligible for resale under Rule 144A, all of which may be illiquid securities. Restricted securities (including Rule 144A securities) are less liquid than freely tradable securities because of statutory and/or contractual restrictions on resale. Such securities are not freely tradeable in the open market. This lack of liquidity creates special risks for us. However, we could sell such securities in private transactions with a limited number of purchasers or in public offerings under the 1933 Act if we have registration rights for the resale of such securities. Certain restricted securities generally become freely tradable upon the passage of time and satisfaction of other applicable conditions.

Rule 144A Securities. The Fund may purchase Rule 144A securities, which are generally traded on a secondary market accessible to certain qualified institutional buyers. Rule 144A provides an exemption from the registration requirements of the 1933 Act for the resale of certain restricted securities to qualified institutional buyers, such as the Fund. There is no limit to our investment in Rule 144A securities and Rule 144A securities will not be counted towards the Fund's 15% limitation on investing in restricted securities.

Institutional markets for securities that exist or may develop as a result of Rule 144A may provide both readily ascertainable fair values for those Rule 144A securities as well as the ability to liquidate investments in those securities. An insufficient number of qualified institutional buyers interested in purchasing Rule 144A-eligible securities held by us, however, could affect adversely the marketability of certain Rule 144A securities, and we might be unable to dispose of such securities promptly or at reasonable prices. To the extent that liquid Rule 144A securities that the Fund holds become illiquid, due to the lack of sufficient qualified institutional buyers or market or other conditions, the percentage of the Fund's assets invested in illiquid assets would increase.

Non-U.S. Securities. We may invest up to 10% of our total assets in securities issued by non-U.S. issuers (including Canadian issuers). These securities may be issued by companies organized and/or having securities traded on an exchange outside the U.S. or may be securities of U.S. companies that are denominated in the currency of a different country. See "Risks – Risks Related to Our Operations – Non-U.S. Securities Risk."

Temporary Investments and Defensive Investments. Pending investment of the proceeds of this offering, we expect to invest substantially all of the net offering proceeds in cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers' acceptances and other bank obligations, commercial paper or other liquid debt securities. We may also invest in these instruments on a temporary basis to meet working capital needs, including, but not limited to, holding a reserve pending payment of distributions or facilitating the payment of expenses and settlement of trades.

In addition, and although inconsistent with our investment objectives, under adverse market or economic conditions, we may invest 100% of our total assets in these securities. The yield on these securities may be lower than the returns on the securities in which we will otherwise invest or yields on lower-rated, fixed-income securities. To the extent we invest in these securities on a temporary basis or for defensive purposes, we may not achieve our investment objectives.

Investment Process

Our Advisor's securities selection process includes a comparison of quantitative, qualitative, and relative value factors. Although our Advisor uses research provided by broker dealers and investment firms when available, primary emphasis is placed on proprietary

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analysis and risk, financial and valuation models conducted and maintained by our Advisor's in-house investment professionals. To determine whether a company meets its investment criteria, our Advisor will generally look for the targeted investment characteristics as described herein.

All decisions to invest in a company must be approved by the unanimous decision of our Advisor's investment committee.

Investment Policies

We seek to achieve our investment objectives by investing in income-producing debt and equity securities of companies that our Advisor believes offer attractive distribution rates.

The following are our fundamental investment limitations set forth in their entirety. We may not:

- issue senior securities, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

- borrow money, except as permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

- make loans, except by the purchase of debt obligations, by entering into repurchase agreements or through the lending of portfolio securities and as otherwise permitted by the 1940 Act and the rules and interpretive positions of the SEC thereunder;

- invest 25% or more of our total assets in any particular industry, except that we will concentrate our assets in the group of industries constituting the power and energy infrastructure sectors;

- underwrite securities issued by others, except to the extent that we may be considered an underwriter within the meaning of the 1933 Act in the disposition of restricted securities held in our portfolio;

- purchase or sell real estate unless acquired as a result of ownership of securities or other instruments, except that we may invest in securities or other instruments backed by real estate or securities of companies that invest in real estate or interests therein; and

- purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments, except that we may purchase or sell options and futures contracts or invest in securities or other instruments backed by physical commodities.

As a nonfundamental investment policy, under normal circumstances, we will invest at least 80% of our total assets (including assets we obtain through leverage) in the securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations.

We also have adopted the following additional nonfundamental policies:

- We will not incur leverage if, immediately thereafter, our leverage is in excess of 15% of our total assets.

- We will not invest more than 20% of our total assets in non-investment grade rated debt securities.

- We will not invest more than 15% of our total assets in restricted securities that are ineligible for resale pursuant to Rule 144A, all of which may be illiquid securities.

- We will invest a minimum of 40% of our total assets in debt securities.
- We may invest up to 10% of our total assets in securities issued by non-U.S. issuers (including Canadian issuers).
- We will not engage in short sales.

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As used for the purpose of each nonfundamental investment policy above, the term "total assets" includes any assets obtained through leverage. Our Board of Directors may change our nonfundamental investment policies without stockholder approval and will provide notice to stockholders of material changes in such policies (including notice through stockholder reports). Any change in the policy of investing under normal circumstances at least 80% of our total assets (including assets obtained through leverage) in the securities of companies that derive more than 50% of their revenue from power or energy infrastructure operations requires at least 60 days' prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase, and we will not be required to reduce a position due solely to market value fluctuations.

In addition, to comply with federal tax requirements for qualification as a RIC, our investments will be limited so that at the close of each quarter of each taxable year (i) at least 50% of the value of our total assets is represented by cash and cash items, U.S. Government securities, the securities of other RICs and other securities, with such other securities limited for purposes of such calculation, in respect of any one issuer, to an amount not greater than 5% of the value of our total assets and not more than 10% outstanding voting securities of such issuer, and (ii) not more than 25% of the value of our total assets is invested in the securities of any one issuer (other than U.S. Government securities or the securities of other RICs), the securities (other than the securities of other RICs) of any two or more issuers that we control and that are determined to be engaged in the same business or similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships (which includes MLPs). These tax-related limitations may be changed by the Board of Directors to the extent appropriate in light of changes to applicable tax requirements.

Portfolio Turnover

Our annual portfolio turnover rate may vary greatly from year to year. Although we cannot accurately predict our annual portfolio turnover rate, it is not expected to exceed 30% under normal circumstances. Portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for us. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that we bear.

Brokerage Allocation and Other Practices

Subject to policies established by our Advisor and approved by our Board of Directors, we do not expect to execute transactions through any particular broker or dealer, but we will seek to obtain the best net results for us, taking into account such factors as price (including the applicable brokerage commission or dealer spread), size of order, difficulty of execution and operational facilities of the firm and the firm's risk and skill in positioning blocks of securities. While we will generally seek reasonably competitive trade execution costs, we will not necessarily pay the lowest spread or commission available. Subject to applicable legal requirements, we may select a broker based partly on brokerage or research services provided to us. In return for such services, we may pay a higher commission than other brokers would charge if our Advisor determines in good faith that such commission is reasonable in relation to the services provided.

Proxy Voting Policies

We, along with our Advisor, have adopted proxy voting policies and procedures ("Proxy Policy") that we believe are reasonably designed to ensure that proxies are voted in our best interests and the best interests of our stockholders. Subject to its oversight, our Board of Directors has delegated responsibility for implementing the Proxy Policy to our Advisor.

In the event requests for proxies are received to vote equity securities on routine matters, such as election of directors or ratification of auditors, the proxies usually will be voted in accordance with the recommendation of the company's management unless our Advisor determines it has a conflict or our Advisor determines there are other reasons not to vote in accordance with the recommendation of the company's management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and equity compensation plans, corporate governance proposals and stockholder proposals, our Advisor will vote, or abstain from voting if deemed appropriate, on a case-by-case basis in a manner it believes to be in the best economic interest of our stockholders. In the event requests for proxies are received with respect to debt securities, our Advisor will vote on a case-by-case basis in a manner it believes to be in the best economic interest of our stockholders.

Our Chief Executive Officer will be responsible for monitoring our actions and ensuring that (i) proxies are received and forwarded to the appropriate decisionmakers, and (ii) proxies are voted in a timely manner upon receipt of voting instructions. We are not responsible for voting proxies we do not receive, but we will make reasonable efforts to obtain missing proxies. Our Chief Executive Officer will implement procedures to identify and monitor potential conflicts of interest that could affect the proxy voting

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process, including (i) significant client relationships, (ii) other potential material business relationships, and (iii) material personal and family relationships. All decisions regarding proxy voting will be determined by our Advisor's investment committee and will be executed by our Chief Executive Officer. Every effort will be made to consult with the portfolio manager and/or analyst covering the security. We may determine not to vote a particular proxy if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).

If a request for proxy presents a conflict of interest between our stockholders, on one hand, and our Advisor, the underwriters, or any affiliated persons of ours, on the other hand, our management may (i) disclose the potential conflict to the Board of Directors and obtain consent, or (ii) establish an ethical wall or other informational barrier between the persons involved in the conflict and the persons making the voting decisions.

Staffing

We do not currently have, nor do we expect in the future to have, any employees. Services necessary for our business will be provided by individuals who are employees of our Advisor, pursuant to the terms of the investment advisory agreement. See "Management of the Fund — Investment Advisory Agreement."

Properties

Our office is located at 11550 Ash Street, Suite 300, Leawood, Kansas 66211.

Legal Proceedings

Neither we nor our Advisor are currently subject to any material legal proceedings.

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LEVERAGE

Use of Leverage

We may borrow money or issue debt securities and/or preferred stock to provide us with additional funds to invest. The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. We will not incur leverage if, immediately thereafter, the leverage of the Fund is more than 15% of our total assets, including the proceeds from such leverage. We generally will not use leverage unless our Board of Directors believes that leverage will serve the best interests of our stockholders. The principal factor used in making this determination is whether the potential return is likely to exceed the cost of leverage. We do not anticipate using leverage where the estimated costs of using such leverage and the on-going cost of servicing the payment obligations on such leverage exceed the estimated return on the proceeds of such leverage. However, in making the determination whether to use leverage, we must rely on estimates of leverage costs and expected returns. Actual costs of leverage vary over time depending on interest rates and other factors, and actual returns vary depending on many factors. Our Board of Directors will also consider other factors, including whether the current investment opportunities will help us achieve our investment objectives and strategies.

Leverage creates a greater risk of loss, as well as potential for more gain, for our common shares than if leverage is not used. Leverage capital would have complete priority upon distribution of assets over common shares. We expect to invest the net proceeds derived from any use or issuance of leverage capital according to the investment objectives and strategies described in this prospectus. If shares of preferred stock are issued, they would pay adjustable rate dividends based on shorter-term interest rates, which would be reset periodically. The adjustment period for preferred stock dividends could be as short as one day or as long as a year or more. As long as our portfolio is invested in securities that provide a higher rate of return than the dividend rate or interest rate of the leverage capital after taking its related expenses into consideration, the leverage will cause our common stockholders to receive a higher rate of income than if we were not leveraged. Conversely, if the return derived from such securities is less than the cost of leverage (including increased expenses to us), our total return will be less than if leverage had not been used, and, therefore, the amount available for distribution to our common stockholders will be reduced. In the latter case, our Advisor in its best judgment nevertheless may determine to maintain our leveraged position if it expects that the long term benefits to our common stockholders of so doing will outweigh the current reduced return. There is no assurance that we will utilize leverage capital or, if leverage capital is utilized, that those instruments will be successful in enhancing the level of our total return. The NAV of our common shares will be reduced by the fees and issuance costs of any leverage capital. We do not intend to use leverage capital until the proceeds of this offering are fully invested in accordance with our investment objectives.

There is no assurance that outstanding amounts we borrow may be prepayable by us prior to final maturity without significant penalty, but we do not expect any sinking fund or mandatory retirement provisions. Outstanding amounts would be payable at maturity or such earlier times as we may agree. We may be required to prepay outstanding amounts or incur a penalty rate of interest in the event of the occurrence of certain events of default. We may be expected to indemnify our lenders, particularly any banks, against liabilities they may incur related to their loan to us. We may also be required to secure any amounts borrowed from a bank by pledging our investments as collateral.

Leverage creates risk for holders of our common shares, including the likelihood of greater volatility of our NAV and the value of our shares, and the risk of fluctuations in interest rates on leverage capital, which may affect the return to the holders of our common shares or cause fluctuations in the distributions paid on our common shares. The fee paid to our Advisor will be calculated on the basis of our Managed Assets, including proceeds from leverage capital. During periods in which we use leverage, the fee payable to our Advisor will be higher than if we did not use leverage. Consequently, we and our Advisor may have differing interests in determining whether to leverage our assets. Our Board of Directors will monitor our use of leverage and this potential conflict.

Under the 1940 Act, we are not permitted to issue preferred stock unless immediately after such issuance, the value of our total assets (including the proceeds of such issuance) less all liabilities and indebtedness not represented by senior securities is at least equal to 200% of the total of the aggregate amount of senior securities representing indebtedness plus the aggregate liquidation value of the outstanding preferred stock. Stated another way, we may not issue preferred stock that, together with outstanding preferred stock and debt securities, has a total aggregate liquidation value and outstanding principal amount of more than 50% of the amount of our total assets, including the proceeds of such issuance, less liabilities and indebtedness not represented by senior securities. In addition, we are not permitted to declare any cash dividend or other distribution on our common stock, or purchase any of our shares of common stock (through tender offers or otherwise), unless we would satisfy this 200% asset coverage after deducting the amount of such dividend, distribution or share purchase price, as the case may be. We may, as a result of market conditions or otherwise, be required to purchase or redeem preferred stock, or sell a portion of our investments when it may be disadvantageous to do so, in order to

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maintain the required asset coverage. Common stockholders would bear the costs of issuing preferred stock, which may include offering expenses and the ongoing payment of dividends. Under the 1940 Act, we may only issue one class of preferred stock.

Under the 1940 Act, we are not permitted to issue debt securities or incur other indebtedness constituting senior securities unless immediately thereafter, the value of our total assets (including the proceeds of the indebtedness) less all liabilities and indebtedness not represented by senior securities is at least equal to 300% of the amount of the outstanding indebtedness. Stated another way, we may not issue debt securities in a principal amount of more than 33.33% of the amount of our total assets, including the amount borrowed, less all liabilities and indebtedness not represented by senior securities. We also must maintain this 300% asset coverage for as long as the indebtedness is outstanding. The 1940 Act provides that we may not declare any cash dividend or other distribution on common or preferred stock, or purchase any of our shares of stock (through tender offers or otherwise), unless we would satisfy this 300% asset coverage after deducting the amount of the dividend, other distribution or share purchase price, as the case may be. If the asset coverage for indebtedness declines to less than 300% as a result of market fluctuations or otherwise, we may be required to redeem debt securities, or sell a portion of our investments when it may be disadvantageous to do so. Under the 1940 Act, we may only issue one class of senior securities representing indebtedness.

Effects of Leverage

The following table is designed to illustrate the effect of leverage on the return to a holder of our common shares in the amount of approximately 15% of our total assets, assuming hypothetical annual returns of our portfolio of minus 10% to plus 10%. As the table shows, leverage generally increases the return to holders of common shares when portfolio return is positive and greater than the cost of leverage and decreases the return when the portfolio return is negative or less than the cost of leverage. The figures appearing in the table are hypothetical and actual returns may be greater or less than those appearing in the table. See "Risks – Risks Related to Our Operations – Leverage."

	Assumed Portfolio Return (net of expenses)				
	(10)%	(5)%	0%	5%	10%
Corresponding Common Shares Return	( )%	( )%	( )%	%	%

Hedging Transactions

In an attempt to reduce the interest rate risk arising from our leveraged capital structure, we may use interest rate transactions such as swaps, caps and floors. The use of interest rate transactions is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In an interest rate swap, we would agree to pay to the other party to the interest rate swap (known as the "counterparty") a fixed rate payment in exchange for the counterparty agreeing to pay to us a variable rate payment intended to approximate our variable rate payment obligation on any variable rate borrowings. The payment obligations would be based on the notional amount of the swap. In an interest rate cap, we would pay a premium to the counterparty up to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate of interest, would receive from the counterparty payments equal to the difference based on the notional amount of such cap. In an interest rate floor, we would be entitled to receive, to the extent that a specified index falls below a predetermined interest rate, payments of interest on a notional principal amount from the party selling the interest rate floor. Depending on the state of interest rates in general, our use of interest rate transactions could affect our ability to make required interest payments on any outstanding debt securities or preferred stock. We will, however, accrue the amount of our obligations under any interest rate transactions and designate on our books and records with our custodian, an amount of cash or liquid high grade securities having an aggregate net asset value at all times at least equal to that amount. To the extent there is a decline in interest rates, the value of the interest rate transactions could decline. If the counterparty to an interest rate transaction defaults, we would not be able to use the anticipated net receipts under the interest rate transaction to offset our cost of financial leverage. See "Risks – Risks Related to Our Operations – Hedging Strategy Risk."

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MAN AGEMENT OF THE FUND

Directors and Executive Officers

Our business and affairs are managed under the direction of our Board of Directors. Accordingly, our Board of Directors provides broad supervision over our affairs, including supervision of the duties performed by our Advisor. Certain employees of our Advisor are responsible for our day-to-day operations. The names and ages of our directors and executive officers, together with their principal occupations and other affiliations during the past five years, are set forth below. Each director and executive officer will hold office for the term to which he is elected and until his successor is duly elected and qualifies, or until he resigns or is removed in the manner provided by law. Unless otherwise indicated, the address of each director and executive officer is 11550 Ash Street, Suite 300, Leawood, Kansas 66211. Our Board of Directors consists of a majority of directors who are not "interested persons" (as defined in the 1940 Act) of our Advisor or its affiliates ("Independent Directors"). The directors who are "interested persons" (as defined in the 1940 Act) are referred to as "Interested Directors." Under our Articles of Incorporation (the "Charter"), the Board of Directors is divided into three classes. Each class of directors will hold office for a three-year term. However, the initial members of the three classes have initial terms of one, two and three years, respectively. At each annual meeting of our stockholders, the successors to the class of directors whose terms expire at such meeting will be elected to hold office for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until their successors are duly elected and qualify.

Name and Age	Position(s) Held with Fund, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Public Company Directorships Held by Director/Officer
Independent Directors				
Conrad S. Ciccotello (Born 1960)	Class I Director since inception	Tenured Associate Professor of Risk Management and Insurance, Robinson College of Business, Georgia State University (faculty member since 1999); Director of Graduate Personal Financial Planning Programs; formerly, Editor, "Financial Services Review," (2001-2007) (an academic journal dedicated to the study of individual financial management); formerly, faculty member, Pennsylvania State University (1997-1999). Published several academic and professional journal articles about energy infrastructure and oil and gas	7	None

		MLPs.		
John R. Graham (Born 1945)	Class III Director since inception	Executive-in-Residence and Professor of Finance (part-time), College of Business Administration, Kansas State University (has served as a professor or adjunct professor since 1970); Chairman of the Board, President and CEO, Graham Capital Management, Inc. (primarily a real estate development, investment and venture capital company); Owner of Graham Ventures (a business services and venture capital firm); Part-time Vice President Investments, FB Capital Management, Inc. (a registered investment adviser), since 2007. Formerly, CEO, Kansas Farm Bureau Financial Services, including seven affiliated insurance or financial service companies (1979-2000).	7	Kansas State Bank
Charles E. Heath (Born 1944)	Class II Director since inception	Retired in 1999. Formerly, Chief Investment Officer, GE Capital's Employers Reinsurance Corporation (1989-1999); Chartered Financial Analyst ("CFA") designation since 1974.	7	None

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Name and Age	Position(s) Held with Fund, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Public Company Directorships Held by Director/Officer
Interested Directors and Officers(2)				
H. Kevin Birzer (Born 1959)	Class III Director and Chairman of the Board since inception	Managing Director of the Advisor since 2002; Member, Fountain Capital Management ("Fountain Capital") (1990-present); Director and Chairman of the Board of each of TYG, TYY, TYN, TTO and the two private investment companies managed by the Advisor since its inception; formerly, Vice President, Corporate Finance Department, Drexel Burnham Lambert (1986-1989); formerly, Vice President, F. Martin Koenig & Co., an investment management firm (1983-1986); CFA designation since 1988.	7	None
Terry C. Matlack (Born 1956)	Class II Director and Chief Financial Officer since inception	Managing Director of the Advisor since 2002; Full-time Managing Director, Kansas City Equity Partners, L.C. ("KCEP") (2001-2002); formerly, President, GreenStreet Capital, a private investment firm (1998-2001); Director and Chief Financial Officer of each of TYG, TYY, TYN, TTO and the two privately held investment companies managed by the Adviser since its inception; Chief Compliance Officer of TYG from 2004 through May 2006 and of each of TYY and TYN from their inception through May 2006; Treasurer of each of TYG, TYY and TYN from their inception to November 2005; Assistant	7	None

		Treasurer of TYG, TYY and TYN from November 2005 to April 2008, of TTO and one of the two private investment companies from their inception to April 2008, and of the other private investment company since its inception; CFA designation since 1985.		
David J. Schulte (Born 1961)	President and Chief Executive Officer since inception	Managing Director of the Advisor since 2002; Full-time Managing Director, KCEP (1993-2002); President and Chief Executive Officer of TYG since 2003 and of TYY since 2005; Chief Executive Officer of TYN since 2005 and President of TYN from 2005 to September 2008; Chief Executive Officer of TTO since 2005 and President of TTO from 2005 to April 2007; President of one of the two private investment companies since 2007 and of the other private investment company from 2007 to June 2008; Chief Executive Officer of one of the two private investment companies since 2007 and of the other private investment company from 2007 to December 2008; CFA designation since 1992.	N/A	None
Zachary A. Hamel (Born 1965)	Senior Vice President since inception	Managing Director of the Advisor since 2002; Partner, Fountain Capital (1997-present); Senior Vice President of TYY and TTO since 2005 and of TYG, TYN and the two private investment companies since 2007; Secretary of each of TYG, TYY, TYN and TTO from	N/A	None

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Name and Age	Position(s) Held with Fund, Term of Office and Length of Time Served	Principal Occupation During Past Five Years	Number of Portfolios in Fund Complex Overseen by Director(1)	Other Public Company Directorships Held by Director/Officer
		their inception to April 2007; CFA designation since 1998.		
Kenneth P. Malvey (Born 1965)	Senior Vice President and Treasurer since inception	Managing Director of the Advisor since 2002; Partner, Fountain Capital (2002-present); formerly, Investment Risk Manager and member of the Global Office of Investments, GE Capital's Employers Reinsurance Corporation (1996-2002); Treasurer of TYG, TYY and TYN since November 2005, of TTO since September 2005, and of the two private investment companies since 2007; Senior Vice President of TYY and TTO since 2005, and of TYG, TYN and the two private investment companies since 2007; Assistant Treasurer of TYG, TYY and TYN from their inception to November 2005; Chief Executive Officer of one of the private investment companies since December 2008; CFA designation since 1996.	N/A	None

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(1) This number includes four publicly traded closed-end funds (Tortoise Energy Infrastructure Corporation ("TYG"), Tortoise Energy Capital Corporation ("TYY"), Tortoise North American Energy Corporation ("TYN") and Tortoise Capital Resources Corporation ("TTO"), two privately-held closed-end funds and the Fund. Our Advisor also serves as the investment advisor to these funds.

(2) As a result of their respective positions held with the Advisor or its affiliates, these individuals are considered "interested persons" within the meaning of the 1940 Act.

Other Senior Investment Professionals

Rob Thummel joined the Advisor in 2004 as an Investment Analyst. In September 2008, he was appointed President of TYN. Previously, Mr. Thummel was Director of Finance at KLT Inc., a subsidiary of Great Plains Energy from

1998 to 2004 and a Senior Auditor at Ernst & Young from 1995 to 1998. Mr. Thummel earned a master of Business Administration from the University of Kansas and a Bachelor of Science in Accounting from Kansas State University.

Bernard Colson joined the Advisor in 2007 as an Investment Analyst. Previously, Mr. Colson was an Investment Analyst at Waddell & Reed from 2004 to 2006 where he covered the electric utilities and media industries. Prior to Waddell & Reed, Mr. Colson was an Investment Analyst at Citigroup Asset Management from 2001 to 2004, where he covered the electric utilities and was a member of the Large Cap Core portfolio management team. He received a Bachelor of Arts degree in Sociology from Yale University and a Master of Business Administration from the University of Michigan Business School. Mr. Colson is a CFA Charter holder.

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Audit and Valuation Committee

Our Board of Directors has a standing Audit and Valuation Committee that consists of three Independent Directors of the Fund: Mr. Ciccotello (Chairman), Mr. Graham, and Mr. Heath. The Audit and Valuation Committee's function is to select an independent registered public accounting firm to conduct the annual audit of our financial statements, review with the independent registered public accounting firm the outline, scope and results of this annual audit, review the investment valuations proposed by our Advisor's investment committee and review the performance and approval of all fees charged by the independent registered public accounting firm for audit, audit-related and other professional services. In addition, the Audit and Valuation Committee meets with the independent registered public accounting firm and representatives of management to review accounting activities and areas of financial reporting and control. The Audit and Valuation Committee has at least one member who is deemed to be a financial expert and operates under a written charter approved by the Board of Directors. The Audit and Valuation Committee meets periodically, as necessary.

Nominating and Governance Committee

We have a Nominating and Governance Committee that consists exclusively of our three Independent Directors: Conrad S. Ciccotello, John R. Graham (Chairman) and Charles E. Heath. The Nominating and Governance Committee's function is to: (1) identify individuals qualified to become Board members, consistent with criteria approved by our Board of Directors, and to recommend to the Board of Directors the director nominees for the next annual meeting of stockholders and to fill any vacancies; (2) monitor the structure and membership of Board committees; (3) review issues and developments related to corporate governance issues and develop and recommend to the Board of Directors corporate governance guidelines and procedures to the extent necessary or desirable; (4) evaluate and make recommendations to the Board of Directors regarding director compensation; and (5) oversee the evaluation of the Board of Directors. The Nominating and Governance Committee will consider stockholder recommendations for nominees for membership to the Board of Directors so long as such recommendations are made in accordance with our Bylaws.

Compliance Committee

We have a Compliance Committee that consists exclusively of our three Independent Directors: Conrad S. Ciccotello, John R. Graham and Charles E. Heath (Chairman). The Compliance Committee's function is to review and assess management's compliance with applicable securities laws, rules and regulations, monitor compliance with our Code of Ethics, and handle other matters as the Board of Directors or committee chair deems appropriate.

Board Compensation

Our directors and officers who are interested persons will receive no salary or fees from us. Each Independent Director will receive from us a fee of $2,000 (and reimbursement for related expenses) for each meeting of the Board of Directors or Audit and Valuation Committee he or she attends in person (or $1,000 for each Board of Directors or Audit and Valuation Committee meeting attended telephonically, or for each Audit and Valuation Committee meeting attended in person that is held on the same day as a Board of Directors meeting). Independent Directors also receive $1,000 for each other committee meeting attended in person or telephonically (other than Audit and Valuation Committee meetings). The annual retainer of each Independent Director and for the chairman of the Audit and Valuation Committee and other Committee Chairmen will be determined by the Board of Directors after completion of this offering.

We do not compensate our officers. No director or officer is entitled to receive pension or retirement benefits from us and no director receives any compensation from us other than in cash.

Our Advisor

We have entered into an investment advisory agreement with Tortoise Capital Advisors, L.L.C., a registered investment advisor, pursuant to which it will serve as our investment advisor. Our Advisor was formed in October 2002 and has been managing assets in portfolios of MLPs and other energy infrastructure companies since that time. Our Advisor also manages the investments of four publicly traded funds and two privately-held funds, all of which are non-diversified, closed-end management investment companies and one of which has elected to be regulated as a BDC under the 1940 Act.

Our Advisor is controlled equally by FCM Tortoise, L.L.C. ("FCM"), an affiliate of Fountain Capital and Kansas City Equity Partners, L.C. ("KCEP"). KCEP has no operations and is a holding company. FCM has no operations and serves as a holding

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company. Fountain Capital's ownership in our Advisor was transferred to FCM, an entity with the same principals as Fountain Capital, effective as of August 2, 2007. The transfer did not result in a change in control of our Advisor.

- Our Advisor was formed in 2002 by Fountain Capital and KCEP to provide portfolio management services exclusively with respect to energy infrastructure investments.

- Fountain Capital was formed in 1990 and focuses primarily on providing investment advisory services to institutional investors with respect to non-investment grade rated debt.

- KCEP was formed in 1993 and managed KCEP Ventures II, L.P. ("KCEP II"), a private equity fund with committed capital of $55 million invested in a variety of companies in diverse industries. KCEP II wound up its operations in late 2006, has no remaining portfolio investments and has distributed proceeds to its partners. KCEP I, L.P. ("KCEP I"), a start-up and early-stage venture capital fund launched in 1994 and previously managed by KCEP, also recently completed the process of winding down. As a part of that process, KCEP I entered into a consensual order of receivership, which was necessary to allow KCEP I to distribute its remaining $1.3 million of assets to creditors and the Small Business Administration ("SBA"). The consensual order acknowledged a capital impairment condition and the resulting nonperformance by KCEP I of its agreement with the SBA, both of which were violations of the provisions requiring repayment of capital under the Small Business Investment Act of 1958 and the regulations thereunder.

Our Advisor has 33 full-time employees, including the five members of the investment committee of our Advisor.

Investment Committee

Management of our portfolio is the responsibility of our Advisor. Each of our Advisor's investment decisions will be reviewed and approved for us by its investment committee, which also acts as the investment committee for the four publicly held funds, and the two privately-held funds managed by our Advisor. Our Advisor's investment committee is comprised of its five Managing Directors: H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry C. Matlack and David J. Schulte. The members of our Advisor's investment committee have an average of over 23 years of debt and equity investment experience. All decisions to invest in a portfolio company must be approved by the unanimous decision of our Advisor's investment committee, and any one member of our Advisor's investment committee can require our Advisor to sell a security. Biographical information about each member of our Advisor's investment committee is set forth below.

Kevin Birzer

Kevin Birzer has been a Managing Director of TCA since 2002 and is also a Member with Fountain Capital. Mr. Birzer has 28 years of investment experience, and began his career in 1981 at KPMG Peat Marwick. His subsequent experience includes three years working as a Vice President for F. Martin Koenig & Co., focusing on equity and option investments, and three years at Drexel Burnham Lambert, where he was a Vice President in the Corporate Finance Department. In 1990, Mr. Birzer co-founded Fountain Capital, a high yield bond management firm, where he remains a part owner. He earned his CFA designation in 1988.

Zachary Hamel

Zachary Hamel has been a Managing Director of our Advisor since 2002 and is also a Partner with Fountain Capital. Mr. Hamel also serves as Senior Vice President of the four publicly traded funds and the two privately-held funds managed by our Advisor. Mr. Hamel joined Fountain Capital in 1997 and covered the energy, chemicals and utilities sectors. Prior to joining Fountain Capital, Mr. Hamel worked for the Federal Deposit Insurance Corp. ("FDIC") for eight years as a Bank Examiner and a Regional Capital Markets Specialist. He earned his CFA designation in 1998.

Ken Malvey

Ken Malvey has been a Managing Director of TCA since 2002 and is also Partner with Fountain Capital. Mr. Malvey also serves as Senior Vice President and Treasurer of the four publicly traded funds and the two privately held funds managed by our Advisor and as the Chief Executive Officer of one of the privately held funds. Prior to joining Fountain Capital in 2002, Mr. Malvey was one of three members of the Global Office of Investments for GE Capital's Employers Reinsurance Corporation. Most recently, he was the Global Investment Risk Manger for a portfolio of approximately $24 billion of fixed-income, public equity and alternative investment

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assets. Before joining GE Capital in 1996, he was a Bank Examiner and Regional Capital Markets Specialist with the FDIC for nine years. He earned his CFA designation in 1996.

Terry Matlack

Terry Matlack has been a Managing Director of our Advisor since 2002 and serves as Chief Financial Officer and Director of the four publicly traded funds and the two privately-held funds managed by our Advisor. From 2001 to 2002, Mr. Matlack was a full-time Managing Director at KCEP. Prior to joining KCEP, Mr. Matlack was President of GreenStreet Capital and its affiliates in the telecommunications service industry. Mr. Matlack has also served as the Executive Vice President and a board member of W.K. Communications, Inc., a cable television acquisition company, and Chief Operating Officer of W.K. Cellular, a cellular rural service area operator. He earned his CFA designation in 1985.

David Schulte

David Schulte has been a Managing Director of our Advisor since 2002 and serves as Chief Executive Officer and President of two of the publicly traded funds, and as Chief Executive Officer of the other two publicly traded funds and one of the privately-held funds managed by our Advisor, and as President of the other privately-held fund. Previously, Mr. Schulte was a full-time Managing Director at KCEP from 1993 to 2002, where he led private financing for two growth MLPs. Mr. Schulte served on the Board of Directors of Inergy, LP, a propane gas MLP, from 2001 to 2004. Before joining KCEP, he spent five years as an investment banker at the predecessor of Oppenheimer & Co., Inc. He is a certified public accountant ("CPA") and also earned his CFA designation in 1992.

The following table provides information about the other accounts managed on a day-to-day basis by each member of our Advisor's investment committee as of December 31, 2008:

	Number of Accounts	Total Assets of Accounts	Number of Accounts Paying a Performance Fee	Total Assets of Accounts Paying a Performance Fee
H. Kevin Birzer				
Registered investment companies	5	$ 1,109,317,225	0	$ 0
Other pooled investment vehicles	4	$ 157,970,377	1	$ 102,958,967
Other accounts	213	$ 1,462,563,20	0	$ 0
Zachary A. Hamel				
Registered investment companies	5	$ 1,109,317,225	0	$ 0
Other pooled investment vehicles	4	$ 157,970,377	1	$ 102,958,967
Other accounts	213	$ 1,462,563,20	0	$ 0
Kenneth P. Malvey				
Registered investment companies	5	$ 1,109,317,225	0	$ 0
Other pooled investment vehicles	4	$ 157,970,377	1	$ 102,958,967
Other accounts	213	$ 1,462,563,20	0	$ 0
Terry C. Matlack				
Registered investmen				