TORTOISE MLP FUND, INC.
Form POS 8C
October 02, 2015
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As filed with the Securities and Exchange Commission on October 2, 2015

Securities Act Registration No. 333-176010

Investment Company Act Registration No. 811-22409

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-2

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

¨ **PRE-EFFECTIVE AMENDMENT NO.**

x **POST-EFFECTIVE AMENDMENT NO. 11**

and/or

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

x **AMENDMENT NO. 23**

Tortoise MLP Fund, Inc.

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Approximate Date of Proposed Public Offering: From time to time 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. x

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

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

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Tortoise MLP Fund, Inc. (Registrant)

Contents of Registration Statement

This Post-Effective Amendment consists of the following:

1. Facing sheet of the Registration Statement.

2. Contents of Registration Statement.

3. Tortoise MLP Fund, Inc. Base Prospectus dated October 2, 2015.

4. Tortoise MLP Fund, Inc. Statement of Additional Information dated October 2, 2015.

5. Part C of the Registration Statement (including signature page).

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 2, 2015

Base Prospectus

$350,000,000

Tortoise MLP Fund, Inc.

Common Stock

Preferred Stock

Debt Securities

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

Under normal circumstances, we invest at least 80% of our Total Assets (as defined on page 1) in equity securities of MLPs in the energy infrastructure sector, with at least 50% of our Total Assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, natural gas liquids (NGLs), crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50% of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets. We intend to focus primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and NGL infrastructure assets. We may invest up to 50% of our Total Assets in restricted securities, primarily through direct investments in securities of listed companies. We will not invest in privately held companies.

We may offer, on an immediate, continuous or delayed basis, including through a rights offering to existing stockholders, up to $350,000,000 aggregate initial offering price of our common stock ($0.001 par value per share), preferred stock ($0.001 par value per share) or debt securities, which we refer to in this prospectus collectively as our securities, in one or more offerings. We may offer our common stock, preferred stock or debt securities separately or in concurrent separate offerings, in amounts, at prices and on terms set forth in a prospectus supplement to this prospectus. In addition, from time to time, certain of our stockholders may offer our common stock in one or more offerings. The sale of such stock by certain of our stockholders may involve shares of common stock that were issued to the stockholders in one or more private transactions and will be registered by us for resale. The identity of any selling stockholder, the number of shares of our common stock to be offered by such selling stockholder, the price and terms upon which our shares of common stock are to be sold from time to time by such selling stockholder, and the percentage of common stock held by any selling stockholder after the offering, will be set forth in a prospectus supplement to this prospectus. We will not receive any proceeds from the sale of our common stock by any selling stockholder. You should read this prospectus and the related prospectus supplement carefully before you decide to invest in any of our securities.

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

Our common stock is listed on the New York Stock Exchange under the trading or ticker symbol NTG. As of June 30, 2015, the last reported sale price for our common stock was $21.24. As of September 30, 2015 our net asset value per share was $18.52, which represents a decrease of 13.5% from August 21, 2015, the date our registration statement was most recently declared effective. The decline in our net asset value is a result of decreases in the market values of the MLPs and their affililates in which we have invested.

Investing in our securities involves risks. You could lose some or all of your investment. See Risk Factors beginning on page 32 of this prospectus. You should consider carefully these risks together with all of the other information contained in this prospectus and any prospectus supplement before making a decision to purchase our securities.

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

Prospectus dated October , 2015

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This prospectus provides you with a general description of the securities that we may offer. Each time we use this prospectus to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. This prospectus, together with any prospectus supplement, sets forth concisely the information that you should know before investing. You should read this prospectus and any related prospectus supplement, which contain important information, before deciding whether to invest in our securities. You should retain this prospectus and any related prospectus supplement for future reference. A statement of additional information, dated October , 2015, as supplemented from time to time, containing additional information, has been filed with the Securities and Exchange Commission (SEC) and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the statement of additional information, the table of contents of which is on page 72 of this prospectus, request a free copy of our annual, semi-annual and quarterly reports, request other information or make stockholder inquiries, by calling toll-free at 1-866-362-9331 or by writing to us at 11550 Ash Street, Suite 300, Leawood, Kansas 66211. Our annual, semi-annual and quarterly reports and the statement of additional information are also available on our investment adviser s website at *www.tortoiseadvisors.com*. Information included on such website does not form part of this prospectus. You can review and copy documents we have filed at the SEC s Public Reference Room in Washington, D.C. Call 1-202-551-5850 for information. The SEC charges a fee for copies. You can get the same information free from the SEC s website (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC s Public Reference Section, 100 F. Street, N.E., Room 1580, Washington, D.C. 20549.

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

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

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

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

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

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

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PROSPECTUS SUMMARY

The following summary contains basic information about us and our securities. It is not complete and may not contain all of the information you may want to consider before investing in our securities. You should review the more detailed information contained in this prospectus and in any related prospectus supplement and in the statement of additional information, especially the information set forth under the heading Risk Factors beginning on page 32 of this prospectus.

The Company

We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs. MLP affiliates are issuers of MLP I-Shares and general partners of MLPs. Under normal circumstances, we invest at least 80% of our Total Assets in equity securities of MLPs in the energy infrastructure sector, with at least 50% of our Total Assets in equity securities of natural gas infrastructure MLPs. We define Total Assets as the value of securities, cash or other assets held, including securities or assets obtained through leverage, distributions and interest accrued but not yet received and net deferred tax assets. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, NGLs, crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50% of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets. We focus primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and NGL infrastructure assets.

Our investment objective is to provide our stockholders a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation on our common stock, and all distributions received from us, regardless of the tax character of the distributions. Similar to the tax characterization of distributions made by MLPs to their unitholders, a portion of our distributions are expected to be treated as a return of capital to stockholders. We consider our investment objective a nonfundamental investment policy. We cannot assure you that we will achieve our investment objective.

We are a Maryland corporation registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940 (the 1940 Act). We were organized as a corporation on April 23, 2010, pursuant to a charter (the Charter) governed by the laws of the State of Maryland. Our fiscal year ends on November 30. We commenced operations on July 30, 2010 following our initial public offering. As of June 30, 2015, we had net assets of approximately $1.162 billion attributable to our common stock. Our common stock is listed on the New York Stock Exchange (NYSE) under the trading or ticker symbol NTG.

As of June 30, 2015, we had outstanding $90 million of our privately placed Mandatory Redeemable Preferred Stock (MRP Shares) and $348 million of our privately placed senior notes (the Notes).

We have established an unsecured credit facility with Bank of America, N.A. which currently allows us to borrow up to $117 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.20%, with a fee of 0.15% on any unused balance of the credit facility. As of June 30, 2015, the effective rate was 1.39%. The credit facility remains in effect through June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time to fund investments in accordance with our investment policies and for general corporate

purposes. As of June 30, 2015, we had outstanding $78.4 million under the credit facility.

Investment Adviser

Tortoise Capital Advisors, L.L.C. (the Adviser), a registered investment adviser specializing in managing portfolios of securities of master limited partnerships (MLPs) and other energy companies, serves as our investment adviser. As of June 30, 2015, our Adviser managed investments of approximately $17.0 billion in the energy sector, including the assets of publicly traded closed-end management investment companies, open-end funds and other accounts. Our Adviser s investment committee is comprised of eight portfolio managers. See Management of the Company.

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

The Offering

We may offer, on an immediate, continuous or delayed basis, up to $350,000,000 of our securities, including common stock pursuant to a rights offering, or certain of our stockholders who purchased shares from us in private placement transactions may offer our common stock, on terms to be determined at the time of the offering. Our securities will be offered at prices and on terms to be set forth in one or more prospectus supplements to this prospectus. Subject to certain conditions, we may offer our common stock at prices below our net asset value (NAV). We will provide information in the prospectus supplement for the expected trading market, if any, for our preferred stock or debt securities.

While the number and amount of securities we may issue pursuant to this registration statement is limited to $350,000,000 of securities, our board of directors (the Board of Directors or the Board) may, subject to compliance with the 1940 Act, without any action by the stockholders, amend our Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue under our Charter. Under the 1940 Act, we may only issue one class of preferred stock and one class of senior securities representing indebtedness.

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

Use of Proceeds

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds of any sale of our securities primarily to invest in accordance with our investment objective and policies within approximately three months after the receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any leverage we may have outstanding or for working capital purposes, including the payment of distributions, interest and operating expenses, although there is currently no intent to issue securities primarily for working capital purposes. We will not receive any of the proceeds from a sale of our common stock by any selling stockholder.

Principal Investment Strategies

We have adopted the following nonfundamental investment policies:

Under normal circumstances, we invest at least 80% of our Total Assets in equity securities of MLPs in the energy infrastructure sector, with at least 50% of our Total Assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs.

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

We will not invest more than 10% of our Total Assets in any single issuer.

We will not engage in short sales.

The Board of Directors may change our investment objective and other nonfundamental investment policies without stockholder approval and will provide written notice to stockholders of material changes (including notice through stockholder reports), although a change in the policy of investing at least 80% of our Total Assets in equity securities of energy infrastructure MLPs requires at least 60 days prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase. Furthermore, we will not be required to reduce a position due solely to market value fluctuations.

Although inconsistent with our investment objective, under adverse market or economic conditions or pending investment of offering or leverage proceeds, we may invest 100% of our Total Assets in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, high quality, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid fixed income 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.

Our Adviser seeks to invest in securities that offer a combination of quality, growth and yield intended to result in superior total returns over the long run. It is anticipated that all of the MLPs in which we invest will have a market capitalization greater than $200 million at the time of investment. We will not be required to reduce a position due solely to market value fluctuations.

Federal Income Tax Status of the Company

Unlike most investment companies, we have not elected to be treated as a regulated investment company under the U.S. Internal Revenue Code of 1986, as amended (the Internal Revenue Code). Therefore, we are obligated to pay federal and applicable state corporate taxes on our taxable income. On the other hand, we are not subject to the Internal Revenue Code s diversification rules limiting the assets in which regulated investment companies can invest. Under current federal income tax law, these rules limit the amount that regulated investment companies may invest directly in the securities of certain MLPs to 25% of the value of their total assets. We invest a substantial portion of our assets in securities of MLPs. Although MLPs may generate taxable income to us, we expect the MLPs to pay cash distributions in excess of the taxable income reportable by us. Similarly, we expect to distribute substantially all of our distributable cash flow (DCF) to our common stockholders. DCF is the amount we receive as cash or paid-in-kind distributions from MLPs or affiliates of MLPs in which we invest and interest payments on short-term debt securities we own, less current or anticipated operating expenses, taxes on our taxable income, and leverage costs paid by us (including leverage costs of any preferred stock, debt securities and borrowings under any credit facility). However, unlike regulated investment companies, we are not effectively required by the Internal Revenue Code to distribute substantially all of our income and capital gains. We may be subject to a 20 percent federal alternative minimum tax on our alternative minimum taxable income to the extent that the alternative minimum tax exceeds our regular federal income tax. The extent to which we are required to pay corporate income tax or alternative minimum tax could materially reduce our cash available to make distributions to our common stockholders. See Certain Federal Income Tax Matters.

Taxation of MLPs and MLP Investors

We invest primarily in the equity securities of MLPs, which are treated as partnerships for federal income tax purposes. Limited partners, such as us, are required to pay tax on their allocable share of each MLP s income, gains, losses and deductions, including accelerated depreciation and amortization deductions. Such items generally are allocated among the general partner and limited partners in accordance with their percentage interests in the MLP.

Partners recognize and must report their allocable share of income regardless of whether any cash distributions are paid out. MLPs typically are required by their charter documents to distribute substantially all of their distributable cash flow. The types of MLPs in which we intend to invest have historically made cash distributions to limited partners that exceed the amount of taxable income allocable to limited partners. This may be due to a variety of factors, including that the MLP may have significant non-cash deductions, such as accelerated depreciation. If the cash distributions exceed the taxable income reported, the MLP investor s basis in MLP units will decrease. This feature will reduce current income tax liability, but potentially will increase the investor s gain upon the sale of its MLP interest.

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Stockholder Tax Features

Our stockholders hold common stock of a corporation. Shares of common stock differ substantially from partnership interests for federal income tax purposes. Unlike holders of MLP common units, our stockholders will not recognize an allocable share of our income, gains, losses and deductions. Stockholders recognize income only if we pay out distributions. The tax character of the distributions can vary. If we make distributions from our current or accumulated earnings and profits, such distributions will be taxable to stockholders in the current period as dividend income. Dividend income will be treated as qualified dividends for federal income tax purposes, subject to favorable capital gains rates provided that certain requirements are met. If distributions exceed our current or accumulated earnings and profits, such excess distributions will constitute a tax-deferred return of capital to the extent of a stockholder s basis in its common shares. To the extent excess distributions exceed a stockholder s basis, they will be taxed as capital gain. Based on the historical performance of MLPs, we expect that a portion of distributions to holders of our common shares will constitute a tax-deferred return of capital, which represents a return of a stockholder s original investment in the Company. There is no assurance that we will make regular distributions or that our expectation regarding the tax character of our distributions will be realized.

Upon the sale of common shares, a stockholder generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the stockholder and the stockholder s federal income adjusted tax basis in its common shares sold, as adjusted to reflect return(s) of capital. Generally, such capital gain or loss will be long-term capital gain or loss if common shares were held as a capital asset for more than one year. See Certain Federal Income Tax Matters.

Distributions

Our Board of Directors has adopted a policy of declaring what it believes to be sustainable distributions. In determining distributions, our Board of Directors considers a number of current and anticipated factors, including, among others: DCF; realized and unrealized gains; leverage amounts and rates; current and deferred taxes payable; and potential volatility in returns from our investments and the overall market. Over the long term, we expect to distribute substantially all of our DCF to holders of our common stock. If distributions paid to common stockholders exceed the current and accumulated earnings and profits allocated to the particular shares held by a stockholder, the excess of such distribution will constitute, for federal income tax purposes, a tax-deferred return of capital to the extent of the stockholder s basis in the shares and capital gain thereafter. A return of capital, which represents a return of a stockholder s original investment in the Company, reduces the basis of the shares held by a stockholder, which may increase the amount of gain recognized upon the sale of such shares.

Leverage

The borrowing of money and the issuance of preferred stock and debt securities represent the leveraging of our common stock. The issuance of additional common stock may enable us to increase the aggregate amount of our leverage. We reserve the right at any time to use financial leverage to the extent permitted by the 1940 Act (50% of Total Assets for preferred stock and 33 1 / 3 % of Total Assets for debt securities) or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a leverage target of up to 25% of our Total Assets at the time of incurrence and has also approved a policy permitting temporary increases in the amount of leverage we may use from 25% of our Total Assets to up to 30% of our Total Assets at the time of incurrence, provided that (i) such leverage is consistent with the limits set forth in the 1940 Act, and (ii) we expect to reduce such increased leverage over time in an orderly fashion. The timing and terms of any leverage transactions will be determined by our Board of Directors. In addition, the percentage of our assets attributable to leverage may vary significantly during periods of extreme market volatility and will increase during periods of declining market prices of

our portfolio holdings.

As of June 30, 2015, we had outstanding $348 million of Notes. The Notes mature as follows: the Series B Notes mature December 15, 2015; the Series C Notes mature December 15, 2017; the Series D Notes mature December 15, 2020; the Series E Notes mature December 15, 2015; the Series G Notes mature May 12, 2018; the Series H Notes mature April 17, 2019; the Series I Notes mature April 17, 2018; the Series J Notes mature April 17, 2021; and the Series K Notes mature September 9, 2019. Holders of the Notes are entitled to receive quarterly cash interest payments. The Series B, Series C, Series D, Series G, Series I and Series J Notes accrue interest at fixed rates (3.14%, 3.73%, 4.29%, 4.35%, 2.77% and 3.72%, respectively) and the Series E, Series H and Series K Notes

accrue interest at an annual rate that resets each quarter based on the 3-month LIBOR plus 1.70%, 1.35% and 1.30%, respectively. As of June 30, 2015, the effective rate was 1.99% on the Series E Notes, 1.62% on the Series H Notes and 1.58% on the Series K Notes.

As of June 30, 2015, we had outstanding 3,600,000 MRP Shares. The MRP Shares have a liquidation value of $25.00 per share plus any accumulated but unpaid distributions, whether or not declared. Holders of the MRP Shares are entitled to receive cash distributions each quarter at a fixed rate until their redemption date. The Series A MRP Shares have a redemption date of December 15, 2015 and accrue distributions at a rate of 3.69%. The Series B MRP Shares have a redemption date of December 15, 2017 and accrue distributions at a rate of 4.33%.

We have established an unsecured credit facility with Bank of America, N.A. which currently allows us to borrow up to $117 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.20%, with a fee of 0.15% on any unused balance of the credit facility. As of June 30, 2015, the effective rate was 1.39%. The credit facility remains in effect through June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time to fund investments in accordance with our investment policies and for general corporate purposes. As of June 30, 2015, we had outstanding $78.4 million under the credit facility.

The use of leverage creates an opportunity for increased income and capital appreciation for common stockholders, but at the same time creates special risks that may adversely affect common stockholders. Because our Adviser s fee is based upon a percentage of our Managed Assets, defined as our Total Assets (excluding any net deferred tax assets) minus the sum of accrued liabilities other than (1) net deferred tax liabilities, (2) debt entered into for purposes of leverage, and (3) the aggregate liquidation preference of any outstanding preferred stock, our Adviser s fee is higher when we are leveraged. Our Adviser does not charge an advisory fee based on net deferred tax assets. Therefore, our Adviser has a financial incentive to use leverage, which will create a conflict of interest between our Adviser and our common stockholders, who will bear the costs of our leverage. There can be no assurance that a leveraging strategy will be successful during any period in which it is used. The use of leverage involves risks, which can be significant. See Leverage and Risk Factors Leverage Risk.

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

Conflicts of Interest

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

Our Adviser has written allocation policies and procedures that it will follow in addressing any conflicts. When two or more clients advised by our Adviser 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 Adviser in its discretion

and in accordance with each client s investment objectives and our Adviser s procedures.

From time to time, our Adviser may seed proprietary accounts for the purpose of evaluating a new investment strategy that eventually may be available to clients through one or more product structures. Such accounts also may serve the purpose of establishing a performance record for the strategy. Our Adviser s management of accounts with proprietary interests and nonproprietary client accounts may create an incentive to favor the proprietary accounts in the allocation of investment opportunities, and the timing and aggregation of investments. Our Adviser s proprietary seed accounts may include long-short strategies, and certain client strategies

may permit short sales. A conflict of interest arises if a security is sold short at the same time as a long position, and continuously short selling in a security may adversely affect the stock price of the same security held long in client accounts. Our Adviser has adopted various policies to mitigate these conflicts, including policies that require our Adviser to avoid favoring any account, and that prohibit client and proprietary accounts from engaging in short sales with respect to individual stocks held long in client accounts. Our Adviser s policies also require transactions in proprietary accounts to be placed after client transactions.

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

Risks

We are designed primarily as a long-term investment vehicle, and our securities are not an appropriate investment for a short-term trading strategy. An investment in our securities should not constitute a complete investment program for any investor. Due to the uncertainty in all investments, there can be no assurance that we will achieve our investment objective. Investing in our securities involves risk, including the risk that you may receive little or no return on your investment. Before investing in our securities, you should consider carefully the summary risks set forth below and more fully described in Risk Factors.

Concentration Risk. Under normal circumstances, we will concentrate our investments in the energy infrastructure sector, and will invest in a portfolio consisting primarily of energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs. Risks inherent in the business of these types of MLPs and their affiliates include (1) the volume of natural gas or other energy commodities available for transporting, processing, storing or distributing, (2) energy commodity prices, (3) demand for natural gas, crude oil, and refined petroleum products, (4) climate change regulation, (5) depletion of natural gas reserves and other commodities, (6) changes in the regulatory environment, (7) extreme weather patterns, (8) a rising interest rate environment, (9) the threat of terrorism and related military activity and (10) face operating risks, including the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards.

Industry Specific Risk. Energy infrastructure companies also are subject to risks specific to the industry they serve. For risks specific to the pipeline, processing, propane, marine shipping and E&P industries, see Risk Factors Industry Specific Risk.

MLP Risk. We invest primarily in equity securities of MLPs and their affiliates. As a result, we are subject to the risks associated with an investment in MLPs, including cash flow risk, tax risk, deferred tax risk and capital markets risk, as described in more detail in Risk Factors MLP Risk.

Equity Securities Risk. MLP common units and other equity securities can be affected by macro-economic and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards MLPs or the energy sector, changes in a particular issuer s financial condition, or unfavorable or unanticipated poor performance of a particular issuer (in the case of MLPs, generally measured in terms of distributable cash flow). Prices of common units of individual MLPs and other equity securities also can be affected by fundamentals unique to the partnership or company, including size, earnings power, coverage ratio and characteristics and features of different classes of

securities.

Investing in securities of smaller companies may involve greater risk than is associated with investing in more established companies. Companies with smaller capitalization may have limited product lines, markets or financial resources; may lack management depth or experience; and may be more vulnerable to adverse general market or economic developments than larger more established companies.

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Delay in Use of Proceeds Risk. Although we expect to fully invest the net proceeds of any offering within three months after the closing of the offering, such investments may be delayed if suitable investments are unavailable at the time, if we are unable to secure firm commitments for direct investments, if market conditions and volumes of the securities of MLPs and their affiliates are not favorable at the time or for other reasons.

Capital Markets Risk. Global financial markets and economic conditions have been, and may continue to be, volatile due to a variety of factors, including significant write-offs in the financial services sector. Despite more stabilized economic activity, if the volatility continues, the cost of raising capital in the debt and equity capital markets, and the ability to raise capital, may be impacted. In particular, concerns about the general stability of financial markets and specifically the solvency of lending counterparties, may impact the cost of raising capital from the credit markets through increased interest rates, tighter lending standards, difficulties in refinancing debt on existing terms or at all and reduced, or in some cases ceasing 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. As a result of any of the foregoing, we or the companies in which we invest 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, we or the companies in which we invest may not be able to meet obligations as they come due. Moreover, without adequate funding, MLPs may be unable to execute their 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.

Leverage Risk. Our use of leverage through the issuance of preferred stock or debt securities, and any borrowings (other than for temporary or emergency purposes) would be considered senior securities for purposes of the 1940 Act and create risks. 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. Successful use of leverage depends on our Adviser s ability to predict or 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. Because the fee paid to our Adviser will be calculated on the basis of Managed Assets, the fees will increase when leverage is utilized, giving our Adviser an incentive to utilize leverage.

Hedging Strategy Risk. We may use interest rate transactions for hedging purposes only, in an attempt to reduce the interest rate risk arising from our leveraged capital structure. There is no assurance that the interest rate hedging transactions into which we enter will be effective in reducing our exposure to interest rate risk. Hedging transactions are subject to correlation risk, which is the risk that payment on our hedging transactions may not correlate exactly with our payment obligations on senior securities.

Competition Risk. A number of alternatives exist for investing in a portfolio of energy infrastructure MLPs and their affiliates, including other publicly traded investment companies, structured notes, private funds, open-end funds and indexed products. In addition, recent tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact our ability to meet our investment objective, which in turn could adversely impact our ability to make distributions or interest or distribution payments.

Restricted Securities Risk. We may invest up to 50% of Total Assets in restricted securities, primarily through direct investments in securities of listed companies. Restricted securities are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is adequate.

Liquidity Risk. Although common units of MLPs trade on the NYSE, NYSE MKT LLC (formerly known as AMEX), and the NASDAQ National Market, certain MLP securities may trade less frequently than those of larger companies due to their smaller capitalizations. In the event certain MLP securities experience limited trading volumes, the prices of such MLPs 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.

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Additional Risks to Senior Securities Holders

Interest Rate Risk. Distributions and interest payable on our senior securities are subject to interest rate risk. To the extent that distributions or interest on such securities are based on short-term rates, our leverage costs may rise so that the amount of distributions or interest due to holders of senior securities would exceed the cash flow generated by our portfolio securities. To the extent that our leverage costs are fixed, our leverage costs may increase when our senior securities mature. This might require that we sell portfolio securities at a time when we would otherwise not do so, which may adversely affect our future ability to generate cash flow. In addition, rising market interest rates could negatively impact the value of our investment portfolio, reducing the amount of assets serving as asset coverage for senior securities.

Senior Leverage Risk. Preferred stock would be junior in liquidation and with respect to distribution rights to debt securities and any other borrowings. Senior securities representing indebtedness may constitute a substantial lien and burden on any preferred stock by reason of their prior claim against our income and against our net assets in liquidation. We may not be permitted to declare distributions with respect to any series of preferred stock unless at such time we meet applicable asset coverage requirements and the payment of principal or interest is not in default with respect to the Notes or any other borrowings.

Ratings and Asset Coverage Risk. To the extent that senior securities are rated, a rating does not eliminate or necessarily mitigate the risks of investing in our senior securities, and a rating may not fully or accurately reflect all of the credit and market risks associated with a security. A rating agency could downgrade the rating of our shares of preferred stock or debt securities, which may make such securities less liquid in the secondary market, though probably with higher resulting interest rates. If a rating agency downgrades, or indicates a potential downgrade to, the rating assigned to a senior security, we may alter our portfolio or redeem some senior securities. We may voluntarily redeem a senior security under certain circumstances to the extent permitted by its governing documents.

Inflation Risk. Inflation is the reduction in the purchasing power of money resulting from an increase in the price of goods and services. Inflation risk is the risk that the inflation adjusted or real value of an investment in preferred stock or debt securities or the income from that investment will be worth less in the future. As inflation occurs, the real value of the preferred stock or debt securities and the distributions payable to holders of preferred stock or interest payable to holders of debt securities declines.

Decline in Net Asset Value Risk. A material decline in our NAV may impair our ability to maintain required levels of asset coverage for our preferred stock or debt securities.

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SUMMARY OF COMPANY EXPENSES

The following table and example contain information about the costs and expenses that common stockholders will bear directly or indirectly. In accordance with SEC requirements, the table below shows our expenses, including leverage costs, as a percentage of our net assets as of November 30, 2014, and not as a percentage of gross assets or Managed Assets. The table and example are based on our capital structure as of November 30, 2014. As of that date, we had $348 million of Notes outstanding, $90 million MRP Shares outstanding and $68.9 million outstanding under our unsecured credit facility. Total leverage represented approximately 22.2% of Total Assets as of November 30, 2014.

Stockholder Transaction Expense (as a percentage of offering price):	
Sales Load	%[1]
Offering Expenses Borne by the Company	%[1]
Dividend Reinvestment Plan Expenses	None[2]
Annual Expenses (as a percentage of net assets attributable to common shares):	
Management Fee (payable under investment advisory agreement)	1.54%
Interest Payments on Borrowed Funds (includes issuance costs)	0.90%[3]
Distribution Payments on Preferred Stock (includes issuance costs)	0.28%[4]
Other Expenses	0.10%[5]
Current Income Tax Expense	0.04%[6]
Deferred Income Tax Expense	7.01%[6]
Total Annual Expenses	9.87%[7]

Example

The following example illustrates the expenses that common stockholders would pay on a $1,000 investment in our common stock, assuming (1) total annual expenses of 9.87% of net assets attributable to common shares; (2) a 5% annual return; and (3) all distributions are reinvested at NAV.

	1 Year	3 Years	5 Years	10 Years
Total Expenses Paid by Common Stockholders[8][9]	$ 96	$ 275	$ 437	$ 777

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

The purpose of the table and the example above is to help investors understand the fees and expenses that they, as common stockholders, would bear directly or indirectly. For additional information with respect to our expenses, see Management of the Company.

(1) If the securities to which this prospectus relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load, the estimated offering expenses borne by us and a revised expense example.
(2) Stockholders will pay a transaction fee plus brokerage charges if they direct the plan agent to sell common stock held in a plan account. See Automatic Dividend Reinvestment Plan.
(3) Reflects the weighted average cost of interest payable on the Notes and unsecured credit facility at borrowing rates as of November 30, 2014, including amortization of issuance costs, expressed as a percentage of net assets as of November 30, 2014. Such rates may differ as and when borrowings are made.
(4) Reflects the weighted average cost of distributions payable on Tortoise Preferred Shares as of November 30, 2014, including amortization of issuance costs, expressed as a percentage of net assets as of November 30, 2014.
(5) Other Expenses are based on amounts incurred for the fiscal year ended November 30, 2014.

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(6) For the year ended November 30, 2014, we accrued $581,000 for current income tax expense and $98,329,597 for net deferred income tax expense related to our net investment loss and realized and unrealized gains. Current income tax expense generally relates to net realized gains recognized during the period in excess of capital loss carryforwards and net operating loss carryforwards. Deferred income tax expense represents an estimate of our potential tax liability if we were to recognize the unrealized appreciation of our portfolio assets accumulated during our fiscal year ended November 30, 2014, based on the market values and tax basis of our assets as of November 30, 2014. Future actual income tax expense (if any) will be incurred over many years depending on if and when investment gains are realized, the then-current tax basis of assets, the level of net loss carryforwards and other factors.

(7) The table presents certain of our annual expenses stated as a percentage of our net assets attributable to our common shares. This results in a higher percentage than the percentage attributable to our annual expenses stated as a percentage of our Managed Assets. See Leverage-Annual Expenses on page 28.

(8) Includes deferred income tax expenses. See footnote (5) above for more details.

(9) The example does not include sales load or estimated offering costs. If the securities to which this prospectus relates are sold to or through underwriters, the prospectus supplement will set forth any applicable sales load, the estimated offering expenses borne by us and a revised expense example reflecting such sales load and offering expenses.

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FINANCIAL HIGHLIGHTS

Information contained in the table below under the heading Per Common Share Data and Supplemental Data and Ratios shows our per common share operating performance. The information in this table is derived from our financial statements audited by Ernst & Young, LLP, whose report on such financial statements is contained in our 2014 Annual Report and is incorporated by reference into the statement of additional information, both of which are available from us upon request. See Available Information in this prospectus.

	Year Ended November 30, 2014	Year Ended November 30, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011	Period from July 30, 2010[1] through November 30, 2010
Per Common Share Data[2]					
Net Asset Value, beginning of period	$ 28.00	$ 24.50	$ 24.54	$ 24.91	$
Public offering price					25.00
Income from Investment Operations					
Net investment loss[3]	(0.54)	(0.42)	(0.40)	(0.34)	(0.04)
Net realized and unrealized gain on investments[3]	4.06	5.59	2.02	1.61	1.49
Total income from investment operations	3.52	5.17	1.62	1.27	1.45
Distributions to Common Stockholders					
Return of capital	(1.69)	(1.67)	(1.66)	(1.64)	(0.36)
Capital Stock Transactions					
Underwriting discounts and offering costs on issuance of common stock [4]					(1.18)
Premiums less underwriting discounts and offering costs on issuance of common stock [5]		0.00	0.00		
Total capital stock transactions		0.00	0.00		(1.18)
	$ 29.83	$ 28.00	$ 24.50	$ 24.54	$ 24.91

Net Asset Value, end of period					
Per common share market value, end of period	$ 27.97	$ 27.22	$ 24.91	$ 24.84	$ 24.14
Total Investment Return Based on Market Value (6) (7)	9.08%	16.27%	7.14%	9.88%	(2.02)%
Supplemental Data and Ratios					
Net assets applicable to common stockholders, end of period (000 s)	$ 1,401,926	$ 1,315,866	$ 1,140,635	$ 1,127,592	$ 1,131,120
Average Net Assets (000 s)	$ 1,404,751	$ 1,274,638	$ 1,157,421	$ 1,140,951	$ 1,087,459
Ratio of Expenses to Average Net Assets (8)					
Advisory fees	1.48%	1.38%	1.34%	1.30%	1.07%
Other operating expenses	0.10	0.10	0.10	0.13	0.12
Total operating expenses, before fee waiver	1.58	1.48	1.44	1.43	1.19
Fee waiver	(0.16)	(0.23)	(0.28)	(0.32)	(0.28)
Total operating expenses	1.42	1.25	1.16	1.11	0.91
Leverage expenses	1.09	1.08	1.20	1.22	0.48
Income tax expense (9)	7.04	11.09	3.86	3.11	10.44
Total expenses	9.55%	13.42%	6.22%	5.44%	11.83%
Ratio of net investment loss to average net assets before fee waiver (8)	(1.97)%	(1.76)%	(1.88)%	(1.69)%	(0.79)%
Ratio of net investment loss to average net assets after fee waiver (8)	(1.81)%	(1.53)%	(1.60)%	(1.37)%	(0.51)%
Portfolio turnover rate(6)	18.09%	13.42%	15.14%	19.57%	1.24%
Credit facility borrowings, end of period (000 s)	$ 68,900	$ 27,200	$ 23,900	$ 10,100	$ 30,700
Senior notes, end of period (000 s)	$ 348,000	$ 255,000	$ 255,000	$ 255,000	$ 230,000
Preferred stock, end of period (000 s)	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
Per common share amount of senior notes outstanding, end of period	$ 7.40	$ 5.43	$ 5.48	$ 5.55	$ 5.07
Per common share amount of net assets, excluding senior notes, end of period	$ 37.23	$ 33.43	$ 29.98	$ 30.09	$ 29.98

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	Year Ended November 30, 2014	Year Ended November 30, 2013	Year Ended November 30, 2012	Year Ended November 30, 2011	Period from July 30, 2010[1] through November 30, 2010
Asset coverage, per $1,000 of principal amount of senior notes and credit facility borrowings[10]	$ 4,579	$ 5,982	$ 5,412	$ 5,593	$ 5,684
Asset coverage ratio of senior notes and credit facility borrowings[10]	458%	598%	541%	559%	568%
Asset coverage, per $25 liquidation value per share of mandatory redeemable preferred stock[11]	$ 94	$ 113	$ 102	$ 104	$ 106
Asset coverage ratio of preferred stock[11]	377%	454%	409%	418%	423%

(1) *Commencement of Operations.*

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

(3) *The per common share data for the years ended November 30, 2013, 2012 and 2011 and the period from July 30, 2010 through November 30, 2010 do not reflect the change in estimate of investment income and return of capital. See Note 2C to the financial statements for further disclosure.*

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

(5) *Represents the premiums on the shelf offerings of less than $0.01 per share, less the underwriter discount and offering costs of less than $0.01 per share for the years ended November 30, 2013 and 2012. Amount is less than $0.01 for the years ended November 30, 2013 and 2012.*

(6) *Not annualized for periods less than one full year.*

(7) *Total investment return is calculated assuming a purchase of common stock at the beginning of the period (or initial public offering price) and a sale at the closing price on the last day of the period reported (excluding brokerage commissions). This calculation also assumes reinvestment of distributions at actual prices pursuant to the company s dividend reinvestment plan.*

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

(9) *For the year ended November 30, 2014, the Company accrued $581,000 for current income tax expense and $98,329,597 for net deferred income tax expense. For the year ended November 30, 2013, the Company accrued $141,332,523 for net deferred income tax expense. For the year ended November 30, 2012, the Company accrued $44,677,351 for net deferred income tax expense. For the year ended November 30, 2011, the Company accrued $20,589 for current income tax benefit and $35,466,770 for net deferred income tax expense. For the period from July 30, 2010 to November 30, 2010, the Company accrued $50,000 for current income tax expense and $38,533,993 for net deferred income tax expense.*

(10) *Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the period divided by senior notes and credit facility borrowings outstanding at the end of the period.*

(11)

Represents value of total assets less all liabilities and indebtedness not represented by senior notes, credit facility borrowings and preferred stock at the end of the period divided by the sum of senior notes, credit facility borrowings and preferred stock outstanding at the end of the period.

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SENIOR SECURITIES

The following table sets forth information about our outstanding senior securities as of each fiscal year ended November 30 since our inception. This information has been derived from our audited financial statements, which are incorporated by reference into the statement of additional information.

Year	Title of Security	Total Principal Amount/Liquidation Preference Outstanding	Asset Coverage per $1,000 of Principal Amount	Asset Coverage per Share ($25 Liquidation Preference)	Average Estimated Fair Value Per $25,000 Denomination or per Share Amount
2010	Notes				
	Series A Private Senior Notes	$ 12,000,000	$ 5,684		$ 24,851(1)
	Series B Private Senior Notes	$ 24,000,000	$ 5,684		$ 24,613(1)
	Series C Private Senior Notes	$ 57,000,000	$ 5,684		$ 24,425(1)
	Series D Private Senior Notes	$ 112,000,000	$ 5,684		$ 24,196(1)
	Series E Private Senior Notes	$ 25,000,000	$ 5,684		$ 25,000
	Preferred Stock				
	Series A	$ 25,000,000		$ 106	$ 25(2)
	Series B	$ 65,000,000		$ 106	$ 24(2)
	Borrowings				
	Unsecured Revolving Credit Facility(3)	$ 30,700,000	$ 5,684		
		$ 350,700,000			
2011	Notes				
	Series A Private Senior Notes	$ 12,000,000	$ 5,593		$ 25,214(1)
	Series B Private Senior Notes	$ 24,000,000	$ 5,593		$ 25,540(1)
	Series C Private Senior Notes	$ 57,000,000	$ 5,593		$ 25,763(1)
	Series D Private Senior Notes	$ 112,000,000	$ 5,593		$ 25,825(1)
	Series E Private Senior Notes	$ 25,000,000	$ 5,593		$ 25,000
	Series F Private Senior Notes	$ 15,000,000	$ 5,593		$ 25,000
	Series G Private Senior Notes	$ 10,000,000	$ 5,593		$ 26,375(1)
	Preferred Stock				
	Series A	$ 25,000,000		$ 104	$ 25(2)
	Series B	$ 65,000,000		$ 104	$ 26(2)
	Borrowings				
	Unsecured Revolving Credit Facility(3)	$ 10,100,000	$ 5,593		

		$ 355,100,000			
2012	Notes				
	Series A Private Senior Notes	$ 12,000,000	$ 5,412		$ 25,195(1)
	Series B Private Senior Notes	$ 24,000,000	$ 5,412		$ 25,715(1)
	Series C Private Senior Notes	$ 57,000,000	$ 5,412		$ 26,426(1)
	Series D Private Senior Notes	$ 112,000,000	$ 5,412		$ 26,971(1)
	Series E Private Senior Notes	$ 25,000,000	$ 5,412		$ 25,000
	Series F Private Senior Notes	$ 15,000,000	$ 5,412		$ 25,000
	Series G Private Senior Notes	$ 10,000,000	$ 5,412		$ 27,046(1)
	Preferred Stock				
	Series A	$ 25,000,000		$ 102	$ 26(2)
	Series B	$ 65,000,000		$ 102	$ 26(2)
	Borrowings				
	Unsecured Revolving Credit Facility(3)	$ 23,900,000	$ 5,412		
		$ 368,900,000			

2013 Notes				
Series A Private Senior Notes	$ 12,000,000	$ 5,982		$ 25,139[1]
Series B Private Senior Notes	$ 24,000,000	$ 5,982		$ 25,841[1]
Series C Private Senior Notes	$ 57,000,000	$ 5,982		$ 26,426[1]
Series D Private Senior Notes	$ 112,000,000	$ 5,982		$ 26,490[1]
Series E Private Senior Notes	$ 25,000,000	$ 5,982		$ 25,000
Series F Private Senior Notes	$ 15,000,000	$ 5,982		$ 25,000
Series G Private Senior Notes	$ 10,000,000	$ 5,982		$ 26,889[1]
Preferred Stock				
Series A	$ 25,000,000		$ 113	$ 26[2]
Series B	$ 65,000,000		$ 113	$ 26[2]
Borrowings				
Unsecured Revolving Credit Facility[3]	$ 27,200,000	$ 5,982		
	$ 372,200,000			
2014 Notes				
Series B Private Senior Notes	$ 24,000,000	$ 4,579		$ 25,627[1]
Series C Private Senior Notes	$ 57,000,000	$ 4,579		$ 26,393[1]
Series D Private Senior Notes	$ 112,000,000	$ 4,579		$ 27,172[1]
Series E Private Senior Notes	$ 25,000,000	$ 4,579		$ 25,000
Series G Private Senior Notes	$ 10,000,000	$ 4,579		$ 26,817[1]
Series H Private Senior Notes	$ 45,000,000	$ 4,579		$ 25,000
Series I Private Senior Notes	$ 10,000,000	$ 4,579		$ 25,537[1]
Series J Private Senior Notes	$ 30,000,000	$ 4,579		$ 26,215[1]
Series K Private Senior Notes	$ 35,000,000	$ 4,579		$ 25,000
Preferred Stock				
Series A	$ 25,000,000		$ 94	$ 26
Series B	$ 65,000,000		$ 94	$ 26

Borrowings				
Unsecured Revolving Credit Facility[3]	$	68,900,000	$	4,579
	$	506,900,000		

(1) The estimated fair value of each series of fixed-rate Notes was calculated by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued debt and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent debt issuance, the spread between the AAA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the Notes and the AAA corporate finance debt rate. The estimated fair value of the Series E, Series H and Series K Notes approximates the carrying amount because the interest rates fluctuate with changes in interest rates available in the current market.

(2) The estimated fair value of each series of MRP Shares was calculated by discounting future cash flows by a rate equal to the current U.S. Treasury rate with an equivalent maturity date, plus either 1) the spread between the interest rate on recently issued preferred stock and the U.S. Treasury rate with a similar maturity date or 2) if there has not been a recent preferred stock issuance, the spread between the AA corporate finance debt rate and the U.S. Treasury rate with an equivalent maturity date plus the spread between the fixed rates of the MRP Stock and the AA corporate finance debt rate.

(3) As of November 30, 2010, we had an unsecured credit facility which allowed us to borrow up to $60,000,000. On January 13, 2011, we entered into an amendment to our credit facility that increased the amount available to $95,000,000. On March 11, 2011, we entered into an amendment to our credit facility that reduced the amount available to $80,000,000. On September 23, 2011, we entered into an amendment to our credit facility that reduced the amount available to $65,000,000. On June 18, 2012, we entered into an amendment to our credit facility that reduced the amount available to $60,000,000. On December 20,

2013, we entered into an amendment to our credit facility that increased the amount available to $73,000,000. On January 15, 2014, we entered into an amendment to our credit facility that increased the amount available to $107,000,000. On June 16, 2014, we entered into an amendment to our credit facility that provides for an unsecured credit facility of $107,000,000 through June 15, 2015. On June 15, 2015, we entered into an amended and restated credit agreement establishing a $117,000,000 unsecured credit facility maturing on June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs.

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MARKET AND NET ASSET VALUE INFORMATION

Our common stock is listed on the NYSE under the symbol NTG. Shares of our common stock commenced trading on the NYSE on July 27, 2010.

Our common stock has traded both at a premium and at a discount in relation to NAV. We cannot predict whether our shares will trade in the future at a premium or discount to NAV. The provisions of the 1940 Act generally require that the public offering price of common stock (less any underwriting commissions and discounts) must equal or exceed the NAV per share of a company s additional common stock (calculated within 48 hours of pricing). However, at our Annual Meeting of Stockholders held on May 28, 2014, our common stockholders granted to us the authority to sell shares of our common stock for less than NAV, subject to certain conditions. Our issuance of additional common stock may have an adverse effect on prices in the secondary market for our common stock by increasing the number of shares of common stock available, which may put downward pressure on the market price for our common stock. The continued development of alternatives as vehicles for investing in a portfolio of energy infrastructure MLPs, including other publicly traded investment companies and private funds, may reduce or eliminate any tendency of our shares of common stock to trade at a premium in the future. Shares of common stock of closed-end investment companies frequently trade at a discount from NAV. See Risk Factors Market Discount Risk.

The following table sets forth for each of the periods indicated the high and low closing market prices for our shares of common stock on the NYSE, the NAV per share and the premium or discount to NAV per share at which our shares of common stock were trading. See Determination of Net Asset Value for information as to the determination of our NAV.

	Market Price(1)			Premium/(Discount) to NAV(3)	
Month Ended	**High**	**Low**	**NAV(2)**	**High**	**Low**
November 30, 2012	26.29	23.45	24.93	5.5%	-5.9%
December 31, 2012	25.28	24.35	24.50	3.2%	-0.6%
January 31, 2013	27.00	25.05	23.91	12.9%	4.8%
February 28, 2013	28.14	23.45	26.54	6.0%	-11.6%
March 31, 2013	28.15	26.68	26.37	6.8%	1.2%
April 30, 2013	28.85	27.63	27.79	3.8%	-0.6%
May 31, 2013	30.10	28.27	28.01	7.5%	0.9%
June 30, 2013	29.23	27.41	27.11	7.8%	1.1%
July 31, 2013	29.70	28.75	28.50	4.2%	0.9%
August 31, 2013	29.84	27.30	28.48	4.8%	-4.1%
September 30, 2013	28.97	26.32	27.44	5.6%	-4.1%
October 31, 2013	28.18	26.68	27.96	0.8%	-4.6%
November 30, 2013	27.43	26.25	28.16	-2.6%	-6.8%
December 31, 2013	27.35	25.41	28.00	-2.3%	-9.3%
January 31, 2014	27.45	26.27	28.29	-3.0%	-7.1%
February 28, 2014	26.46	27.63	28.19	-6.1%	-2.0%
March 31, 2014	28.48	25.85	27.84	2.3%	-7.1%
April 30, 2014	27.31	26.36	28.42	-3.9%	-7.2%
May 31, 2014	28.43	27.37	29.64	-4.1%	-7.7%
June 30, 2014	29.92	28.78	30.11	-0.6%	-4.4%
July 31, 2014	29.94	28.18	31.97	-6.3%	-11.9%

August 31, 2014	29.79	27.88	30.58	-2.6%	-8.8%
September 30, 2014	29.72	28.04	32.73	-9.2%	-14.3%
October 31, 2014	28.83	25.09	32.10	-10.2%	-21.8%
November 30, 2014	29.67	27.52	30.78	-3.6%	-10.6%
December 31, 2014	28.03	25.35	29.83	-6.0%	-15.0%
January 31, 2015	27.98	25.32	28.82	-2.9%	-12.1%

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February 28, 2015	26.62	25.58	27.91	-4.6%	-8.3%
March 31, 2015	25.75	23.51	27.88	-7.6%	-15.7%
April 30, 2015	25.58	24.06	26.61	-3.9%	-9.6%
May 31, 2015	25.59	24.23	28.11	-9.0%	-13.8%
June 30, 2015	24.21	21.14	27.00	-10.3%	-21.7%

Source: Bloomberg Financial and Fund Accounting Records.

(1) Based on high and low closing market price for the respective month.
(2) Based on the NAV calculated at the beginning of the respective month, which is calculated on the close of business on the last business day of the prior month.
(3) Calculated based on the market value and net asset value information presented in the table. Percentages are rounded.

The last reported NAV per share, market price and percentage discount to NAV per share of our common stock on June 30, 2015 were $24.72, $21.24 and 14.1%, respectively. As of June 30, 2015, we had 47,000,211 shares of our common stock outstanding and net assets of approximately $1.162 billion.

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THE COMPANY

We are a non-diversified, closed-end management investment company registered under the 1940 Act. We were organized as a Maryland corporation on April 23, 2010 pursuant to articles of incorporation. Our fiscal year ends on November 30. As of June 30, 2015, we had net assets of approximately $1.162 billion attributable to our common stock. Our common stock is listed on the New York Stock Exchange (NYSE) under the symbol NTG.

The following table provides information about our outstanding securities as of June 30, 2015:

Title of Class	Amount Authorized	Amount Held by the Company or for its Account	Amount Outstanding
Common Stock	100,000,000	0	47,000,211
Notes:			
Series B[1]	$ 24,000,000	0	$ 24,000,000
Series C[2]	$ 57,000,000	0	$ 57,000,000
Series D[3]	$ 112,000,000	0	$ 112,000,000
Series E[4]	$ 25,000,000	0	$ 25,000,000
Series G[5]	$ 10,000,000	0	$ 10,000,000
Series H[6]	$ 45,000,000	0	$ 45,000,000
Series I[7]	$ 10,000,000	0	$ 10,000,000
Series J[8]	$ 30,000,000	0	$ 30,000,000
Series K[9]	$ 35,000,000	0	$ 35,000,000
Preferred Stock:			
Series A[10]	$ 25,000,000	0	$ 25,000,000
Series B[11]	$ 65,000,000	0	$ 65,000,000

(1) The Series B Notes mature on December 15, 2015 and bear a fixed interest rate of 3.14%.
(2) The Series C Notes mature on December 15, 2017 and bear a fixed interest rate of 3.73%.
(3) The Series D Notes mature on December 15, 2020 and bear a fixed interest rate of 4.29%.
(4) The Series E Notes mature on December 15, 2015 and bear a floating interest rate of 3-month LIBOR plus 1.70%.
(5) The Series G Notes mature on May 12, 2018 and bear a fixed interest rate of 4.35%.
(6) The Series H Notes mature on April 17, 2019 and bear a floating interest rate of 3-month LIBOR plus 1.35%.
(7) The Series I Notes mature on April 17, 2018 and bear a fixed interest rate of 2.77%.
(8) The Series J Notes mature on April 17, 2021 and bear a fixed interest rate of 3.72%.
(9) The Series K Notes mature on September 9, 2019 and bear a floating interest rate of 3-month LIBOR plus 1.30%.
(10) The Series A MRP Shares have a mandatory redemption date of December 15, 2015 and bear a fixed interest rate of 3.69%.
(11) The Series B MRP Shares have a mandatory redemption date of December 15, 2017 and bear a fixed interest rate of 4.33%.

USE OF PROCEEDS

Unless otherwise specified in a prospectus supplement, we intend to use the net proceeds of any sale of our securities primarily to invest in accordance with our investment objectives and policies within approximately three months of receipt of such proceeds. We may also use proceeds from the sale of our securities to retire all or a portion of any leverage we may have outstanding or for working capital purposes, including the payment of distributions, interest and operating expenses, although there is currently no intent to issue securities primarily for working capital purposes. Our investments may be delayed if suitable investments are unavailable at the time or for other reasons such as difficulty in securing firm commitments for direct investments and the trading market and volumes of the securities of MLPs and their affiliates. Pending such investment, we expect that the net proceeds will be invested in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid debt securities. See Risk Factors Delay in Use of Proceeds Risk. A delay in the anticipated use of proceeds could lower returns and reduce the amount of cash available to make distributions. We will not receive any of the proceeds from a sale of our common stock by any selling stockholder.

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INVESTMENT OBJECTIVE AND PRINCIPAL INVESTMENT STRATEGIES

Investment Objective

Our investment objective is to provide our stockholders a high level of total return with an emphasis on current distributions paid to stockholders. For purposes of our investment objective, total return includes capital appreciation on our common stock, and all distributions received from us, regardless of the tax character of the distributions. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs. Similar to the tax characterization of cash distributions made by MLPs to the MLPs unitholders, a portion of our distributions to stockholders are expected to be treated as return of capital.

Energy Infrastructure Sector

We invest primarily in the energy infrastructure sector, with a focus on midstream energy infrastructure MLPs. The energy infrastructure sector can be broadly categorized as follows:

Upstream: the production of energy resources, including crude oil, natural gas and coal from proved reserves by companies with mature, developed and long-lived assets.

Midstream: the transportation, gathering, processing and storing of natural gas, NGLs, crude oil, refined petroleum products and other resources in a form that is usable by wholesale power generation, utility, petrochemical, industrial and gasoline customers, including pipelines, gas processing plants, liquefied natural gas storage facilities and others.

Downstream: the refining, marketing and distribution of refined energy sources, such as customer-ready natural gas, propane and gasoline, to end-user customers, and the generation, transmission and distribution of power and electricity.

We focus primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and NGL infrastructure assets.

We pursue our objective by investing principally in a portfolio of equity securities issued by MLPs and their affiliates. We may invest in restricted securities, primarily through direct investments in securities of listed companies. MLP common units historically have generated higher average total returns than domestic common stock (as measured by the S&P 500) and fixed income securities. Restricted securities are expected to provide us a higher total return than securities traded in the open market, although restricted securities are subject to risks not associated with listed securities. A more detailed description of investment policies and restrictions, including those deemed to be fundamental and thus subject to change only with the approval of the holders of a majority of our outstanding voting securities, and more detailed information about portfolio investments are contained later in this prospectus and in the statement of additional information.

Energy Infrastructure MLP Sector. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, NGLs, crude oil, refined petroleum products and other resources or distribute, market, explore, develop or produce such commodities. Most pipelines are subject to government regulation concerning the construction, pricing and operation of pipelines. Pipelines are able to set rates to cover operating costs, depreciation and taxes, and provide a return on investment. Intrastate pipelines are generally subject to state regulation to ensure rates charged are just and reasonable. Interstate pipeline rates are

monitored by the Federal Energy Regulatory Commission (FERC) which seeks to ensure that consumers receive adequate and reliable supplies of energy at the lowest possible price while providing energy suppliers and transporters a just and reasonable return on capital investment. In the absence of regulated rates, competitive pricing could reduce revenues and adversely affect profitability. Certain MLPs regulated by the FERC have the right, but are not obligated, to redeem all of their common units held by an investor who is not subject to U.S. federal income taxation at market value, with the purchase price payable in cash or via a three-year interest-bearing promissory note. In the event any MLP in which we invest undertakes a redemption of their common units, the financial condition and results of operation of such MLP could be adversely impacted.

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Master Limited Partnerships. Under normal circumstances, we invest at least 80% of our Total Assets in equity securities of MLPs in the energy infrastructure sector, with at least 50% of our Total Assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs. MLPs are generally taxed as partnerships for federal income tax purposes, thereby eliminating income tax at the entity level. The typical MLP has two classes of partners, the general partner and the limited partners. The general partner is usually a major energy company, investment fund or the direct management of the MLP. The general partner normally controls the MLP through a 2% equity interest plus units that are subordinated to the common (publicly traded) units for at least the first five years of the partnership s existence and that only convert to common units if certain financial tests are met.

As a motivation for the general partner to manage the MLP successfully and increase cash flows, the terms of most MLP partnership agreements typically provide that the general partner receives a larger portion of the net income as distributions reach higher target levels. As cash flow grows, the general partner receives a greater interest in the incremental income compared to the interest of limited partners. The general partner s incentive compensation typically increases up to 50% of incremental income. Nevertheless, the aggregate amount distributed to limited partners will increase as MLP distributions reach higher target levels. Given this structure, the general partner has an incentive to streamline operations and undertake acquisitions and growth projects in order to increase distributions to all partners.

MLPs in which we invest can generally be classified in the following categories:

Pipeline MLPs. Pipeline MLPs are common carrier transporters of natural gas, NGLs (primarily propane, ethane, butane and natural gasoline), crude oil or refined petroleum products (gasoline, diesel fuel and jet fuel). Pipeline MLPs may also operate ancillary businesses such as storage and marketing of such products. Revenue is derived from capacity and transportation fees. Historically, pipeline output has been less exposed to cyclical economic forces due to its low cost structure and government-regulated nature. In addition, most pipeline MLPs have limited direct commodity price exposure because they do not own the product being shipped.

Processing MLPs. Processing MLPs are gatherers and processors of natural gas as well as providers of transportation, fractionation and storage of NGLs. Revenue is derived from providing services to natural gas producers, which require treatment or processing before their natural gas commodity can be marketed to utilities and other end user markets. Revenue for the processor may be fee based or tied to the prices of the natural gas and NGL commodities.

Propane MLPs. Propane MLPs are distributors of propane to homeowners for space and water heating. Revenue is derived from the resale of the commodity at a margin over wholesale cost. The ability to maintain margin is a key to profitability. Propane serves approximately 3% of the household energy needs in the United States, largely for homes beyond the geographic reach of natural gas distribution pipelines. Approximately 70% of annual cash flow is earned during the winter heating season (October through March). Accordingly, volumes are weather dependent, but have utility type functions similar to electricity and natural gas.

Marine Shipping MLPs. Marine shipping MLPs are primarily marine transporters of natural gas, crude oil or refined petroleum products. Marine shipping MLPs derive revenue from charging customers for the transportation of these products utilizing the MLPs vessels. Transportation services are typically provided pursuant to a charter or contract, the terms of which vary depending on, for example, the length of use of a particular vessel, the amount of cargo transported, the number of voyages made, the parties operating a vessel or other factors.

Exploration and Production MLPs. Exploration and production MLPs (E&P) produce energy resources, including natural gas and crude oil, from long-life basins throughout the United States. Revenue is generated by the sale of natural gas or crude oil, resulting in direct commodity price exposure. E&P MLPs reduce cash flow volatility associated with commodity prices by executing multi-year hedging strategies that fix the price of gas and oil produced.

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Investment Process and Risk Management

Our Adviser seeks to invest in securities that offer a combination of quality, growth and yield intended to result in superior total returns over the long run. Our Adviser s securities selection process includes a comparison of quantitative, qualitative, and relative value factors. Although our Adviser intends to use research provided by broker-dealers and investment firms, primary emphasis will be placed on proprietary analysis and valuation models conducted and maintained by our Adviser s in-house investment analysts. To determine whether a company meets its criteria, our Adviser generally will look for a strong record of distribution growth, a solid ratio of debt to equity and coverage ratio with respect to distributions to unitholders, and a proven track record, incentive structure and management team. It is anticipated that all of the MLPs in which we invest will have a market capitalization greater than $200 million at the time of investment. We will not be required to reduce a position due solely to market value fluctuations.

Our Adviser s investment decisions are driven by proprietary financial, risk, and valuation models developed and maintained by our Adviser. Financial models are based on business drivers and include historical and five year operational and financial projections. The models quantify growth, facilitate sensitivity and credit analysis, and aid in MLP peer comparisons. The risk models assess an MLP s asset quality, management, and stability of cash flows. The combination of these assessments results in a tier rating which guides portfolio weightings. Valuation models are multiple stage dividend growth models based on a discounted cash flow framework. Our Adviser also uses traditional valuation metrics such as cash flow multiples and current yield in its investment process. We believe the combination of our Adviser s three proprietary models assists in its evaluation of risk.

In conducting due diligence, our Adviser primarily relies on first-hand sources of information, such as company filings, meetings with management, site visits, government information, etc. The due diligence process followed by our Adviser is comprehensive and includes:

- review of historical and prospective financial information;
- quarterly updates and conference calls;
- analysis of financial models and projections;
- meetings with management and key employees;
- on-site visits; and
- screening of relevant partnership and other key documents.

Investment Policies

We seek to achieve our investment objective by investing primarily in securities of MLPs and their affiliates that our Adviser believes offer attractive distribution rates and capital appreciation potential.

We have adopted the following nonfundamental investment policies:

- Under normal circumstances, we invest at least 80% of our Total Assets in equity securities of MLPs in the energy infrastructure sector, with at least 50% of our Total Assets in equity securities of natural gas infrastructure MLPs. For purposes of these policies, we consider investments in MLPs to include investments in affiliates of MLPs.

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

- We will not invest more than 10% of our Total Assets in any single issuer.

- We will not engage in short sales.

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Pending investment of the proceeds of any offering or leverage proceeds, we expect to invest substantially all of the net proceeds in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial paper or other liquid securities.

The Board of Directors may change our investment objective and other nonfundamental investment policies without stockholder approval and will provide written notice to stockholders of material changes (including notice through stockholder reports), although a change in the policy of investing at least 80% of our Total Assets, in equity securities of energy infrastructure MLPs requires at least 60 days prior written notice to stockholders. Unless otherwise stated, these investment restrictions apply at the time of purchase, and we will not be required to reduce a position due solely to market value fluctuations in order to comply with these restrictions.

We intend to seek direct investment opportunities (direct placements or follow-on offerings). MLPs typically issue new equity in such transactions at some discount to prevailing market price. If we are successful in our efforts to purchase direct investments at a discount, we may benefit from an immediate accretion of the discount and as a result may enhance our NAV. However, we cannot assure you that we will be successful in this strategy.

Investment Securities

The types of securities in which we may invest include, but are not limited to, the following:

Equity Securities of MLPs. Consistent with our investment objective, we may invest up to 100% of our Total Assets in equity securities issued by MLPs, including common units, convertible subordinated units, and equity securities issued by affiliates of MLPs, including I-Shares.

The table below summarizes the features of these securities, and a further discussion of these securities follows:

	Common Units (for MLPs Taxed as Partnerships)[1]	Convertible Subordinated Units (for MLPs Taxed as Partnerships)	I-Shares
Voting Rights	Limited to certain significant decisions; no annual election of directors	Same as common units	No direct MLP voting rights
Dividend Priority	First right to MQD specified in Partnership Agreement; arrearage rights	Second right to MQD; no arrearage rights; may be paid in additional units	Equal in amount and priority to common units but paid in additional I-Shares at current market value of I-Shares
Dividend Rate	Minimum set in Partnership Agreement; participate pro rata with subordinated after both MQDs are met	Equal in amount to common units; participate pro rata with common units above the MQD	Equal in amount to common units
Trading	Listed on NYSE, NYSE MKT LLC and NASDAQ	Not publicly traded	Listed on NYSE

National Market

Federal Income Tax Treatment	Generally, ordinary income to the extent of taxable income allocated to holder; distributions are tax-deferred return of capital to extent of holder s basis; remainder as capital gain	Same as common units	Full distribution treated as return of capital; since distribution is in shares, total basis is not reduced
Type of Investor	Retail; creates unrelated business taxable income for tax-exempt investor; investment by regulated investment companies limited to 25% of total assets	Same as common units	Retail and institutional; does not create unrelated business taxable income; qualifying income for regulated investment companies
Liquidity Priority	Intended to receive return of all capital first	Second right to return of capital; pro rata with common units thereafter	Same as common units (indirect right through I-Share issuer)
Conversion Rights	None	Typically one-to-one ratio into common units	None

(1) Some energy infrastructure companies in which we may invest have been organized as LLCs. Such LLCs are treated in the same manner as MLPs for federal income tax purposes. Common units of LLCs have similar characteristics of those of MLP common units, except that LLC common units typically have voting rights with respect to the LLC, and LLC common units held by management are not entitled to increased percentages of cash distributions as increased levels of cash distributions are received by the LLC. The characteristics of LLCs and their common units are more fully discussed below.

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. In addition, 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.

Limited Liability Company Units. Some energy infrastructure companies in which we may invest have been organized as LLCs. Such LLCs are treated in the same manner as MLPs for federal income tax purposes. Consistent with its investment objective 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.

In contrast to MLPs, LLCs have no general partner, and there are generally no incentives that entitle management or other unitholders to increased percentages of cash distributions as distributions reach higher target levels. In addition, LLC common unitholders typically have voting rights with respect to the LLC, whereas MLP common units have limited voting rights.

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MLP Convertible Subordinated Units. MLP convertible 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 convertible subordinated units is to increase the likelihood that during the subordination period there will be available cash to be distributed to common unitholders. Convertible subordinated units generally are not entitled to distributions until holders of common units have received specified MQD, plus any arrearages, and may receive less than common unitholders in distributions upon liquidation. Convertible 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, convertible subordinated units 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 convertible subordinated units. Although the means by which convertible subordinated units convert into senior common units depend on a security s specific terms, MLP convertible subordinated units typically are exchanged for common units. The value of a convertible security is a function of its worth if converted into the underlying common units. Convertible 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. MLP affiliates are issuers of MLP I-Shares and general partners of MLPs.

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 a limited liability company, 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. 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 income tax filing obligations based solely on the issuer s operations within a state.

General Partner Interests. 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. 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, typically 2% of the MLP s aggregate cash distributions, which are contractually defined in the partnership agreement. In addition, holders of general partner interests typically hold incentive distribution rights (IDRs), 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.

Other Non-MLP Equity Securities. In addition to equity securities of MLPs and their affiliates, we may also invest up to 20% of our Total Assets in common and preferred stock, limited partner interests, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships. Common stock generally represents an equity ownership interest in an issuer. Although common stocks have historically generated higher average total returns than fixed-income securities over the long term, common stocks also have experienced significantly more volatility in those returns and may under-perform relative to

fixed-income securities during certain periods. An adverse event, such as an unfavorable earnings report, may depress the value of a particular common stock we hold. In addition, prices of common stocks are sensitive to general movements in the stock market, and a drop in the stock market may depress the price of

common stocks to which we have exposure. Common stock prices fluctuate for several reasons including changes in investors perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting an issuer occur. In addition, common stock prices may be particularly sensitive to rising interest rates, which increases borrowing costs and the costs of capital.

Restricted Securities. We may invest up to 50% of our Total Assets in restricted securities, primarily through direct investments in securities of listed companies. An issuer may be willing to offer the purchaser more attractive features with respect to securities issued in direct investments because it has avoided the expense and delay involved in a public offering of securities. Adverse conditions in the public securities markets also may preclude a public offering of securities. MLP convertible subordinated units typically are purchased in private placements and do not trade on a national exchange or over-the-counter, and there is no active market for convertible subordinated units. MLP convertible subordinated units typically are purchased from affiliates of the issuer or other existing holders of convertible units rather than directly from the issuer.

Restricted securities obtained by means of direct investments are less liquid than securities traded in the open market because of statutory and contractual restrictions on resale. Such securities are, therefore, unlike securities that are traded in the open market, which can be expected to be sold immediately if the market is adequate. 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. MLP convertible subordinated units generally also convert to publicly traded common units upon the passage of time and/or satisfaction of certain financial tests. We intend to seek direct investment opportunities (direct placements or follow-on offerings) that could take place soon after the closing of an offering. MLPs typically issue new equity in such transactions at some discount to prevailing market price. If we are successful in our efforts to purchase direct investments at a discount, we may be able to both mitigate the costs of an offering to our common stockholders and increase our net asset value per common share. However, we cannot assure you that we will be successful in this strategy.

Temporary Investments and Defensive Investments. Pending investment of the proceeds of any offering (which we expect may take up to approximately three months following the closing of any offering), we may invest offering proceeds in mutual funds, cash, cash equivalents, securities issued or guaranteed by the U.S. Government or its instrumentalities or agencies, short-term money market instruments, short-term debt securities, certificates of deposit, bankers acceptances and other bank obligations, commercial or other liquid securities all of which are expected to provide a lower yield than the securities of MLPs and their affiliates. We may also invest in these instruments on a temporary basis to meet working capital needs, including, but not limited to, for collateral in connection with certain investment techniques, to hold a reserve pending payment of distributions, and to facilitate the payment of expenses and settlement of trades. We anticipate that under normal market conditions and following the investment of the proceeds of any offering not more than 5% of our Total Assets will be invested in these instruments.

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 MLPs 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 objective.

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. For the fiscal years ended November 30, 2013 and November 30, 2014, our actual portfolio turnover rate was 13.42% and 18.09%, respectively. 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. High portfolio turnover may result in our recognition of gains (losses) that will increase (decrease) our tax liability and thereby impact the amount of our after-tax distributions. In addition, high portfolio turnover may increase our current and accumulated earnings and profits, resulting in a greater portion of our distributions being treated as taxable dividends for federal income tax purposes. See Certain Federal Income Tax Matters.

Brokerage Allocation and Other Practices

Subject to policies established by our Adviser 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 Adviser determines in good faith that such commission is reasonable in relation to the services provided.

Legal Proceedings

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

Conflicts of Interest

Conflicts of interest may arise from the fact that our Adviser and its affiliates carry on substantial investment activities for other clients in which we have no interest, some of which may have investment strategies similar to ours. Our Adviser or its affiliates may have financial incentives to favor certain of such accounts over us. For example, our Adviser may have an incentive to allocate potentially more favorable investment opportunities to other funds and clients that pay our Adviser an incentive or performance fee. Performance and incentive fees also create the incentive to allocate potentially riskier, but potentially better performing, investments to such funds and other clients in an effort to increase the incentive fee. Our Adviser also may 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 Adviser by that other fund. Any of the Adviser s or its affiliates proprietary accounts and other customer accounts may compete with us for specific trades. Our Adviser or its affiliates may give advice and recommend securities to, or buy or sell securities for us which advice or securities may differ from advice given to, or securities recommended or bought or sold for, other accounts and customers, even though their investment objectives may be the same as, or similar to our objectives. Our Adviser has written allocation policies and procedures designed to address potential conflicts of interest. For instance, when two or more clients advised by our Adviser or its affiliates seek to purchase or sell the same publicly traded securities, the securities actually purchased or sold will be allocated among the clients on a good faith equitable basis by our Adviser in its discretion and in accordance with the client s various investment objectives and our Adviser s procedures. In some cases, this system may adversely affect the price or size of the position we may obtain. In other cases, the ability to participate in volume transactions may produce better execution for us. When possible, our Adviser combines all of the trade orders into one or more block orders, and each account participates at the average unit or share price obtained in a block order. When block orders are only partially filled, our Adviser considers a number of factors in determining how allocations are made, with the overall goal to allocate in a manner so that accounts are not preferred or disadvantaged over time. Our Adviser also has allocation policies for transactions involving private placement securities, which are designed to result in a fair and equitable participation in offerings or sales for each participating client.

Our Adviser also serves as investment adviser for four other publicly traded closed-end funds, all of which invest in the energy sector. See Management of the Company Investment Adviser.

Our Adviser will evaluate a variety of factors in determining whether a particular investment opportunity or strategy is appropriate and feasible for the relevant account at a particular time, including, but not limited to, the following:

(1) the nature of the investment opportunity taken in the context of the other investments at the time; (2) the liquidity of the investment relative to the needs of the particular entity or account; (3) the availability of the opportunity (i.e., size of obtainable position); (4) the transaction costs involved; and (5) the investment or regulatory limitations applicable to the particular entity or account. Because these considerations may differ when applied to us and relevant accounts under management in the context of any particular investment opportunity, our investment activities, on the one hand, and other managed accounts, on the other hand, may differ considerably from time to time. In addition, our fees and expenses will differ from those of the other managed accounts. Accordingly, stockholders should be aware that our future performance and the future performance of the other accounts of our Adviser may vary.

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From time to time, our Adviser may seed proprietary accounts for the purpose of evaluating a new investment strategy that eventually may be available to clients through one or more product structures. Such accounts also may serve the purpose of establishing a performance record for the strategy. Our Adviser s management of accounts with proprietary interests and nonproprietary client accounts may create an incentive to favor the proprietary accounts in the allocation of investment opportunities, and the timing and aggregation of investments. Our Adviser s proprietary seed accounts may include long-short strategies, and certain client strategies may permit short sales. A conflict of interest arises if a security is sold short at the same time as a long position, and continuously short selling in a security may adversely affect the stock price of the same security held long in client accounts. Our Adviser has adopted various policies to mitigate these conflicts, including policies that require our Adviser to avoid favoring any account, and that prohibit client and proprietary accounts from engaging in short sales with respect to individual stocks held long in client accounts. Our Adviser s policies also require transactions in proprietary accounts to be placed after client transactions.

Situations may occur when we could be disadvantaged because of the investment activities conducted by our Adviser and its affiliates for its other funds or accounts. Such situations may be based on, among other things, the following: (1) legal or internal restrictions on the combined size of positions that may be taken for us or the other accounts, thereby limiting the size of our position; or (2) the difficulty of liquidating an investment for us or the other accounts where the market cannot absorb the sale of the combined position, or (3) limits on co-investing in negotiated transactions under the 1940 Act, as discussed further below.

Under the 1940 Act, we may be precluded from co-investing in negotiated private placements of securities with our affiliates, including other funds managed by the Adviser. As such, we will not co-invest with our affiliates in negotiated private placement transactions. The Adviser will observe a policy for allocating negotiated private placement opportunities among its clients that takes into account the amount of each client s available cash and its investment objectives.

To the extent we are precluded from co-investing, our Adviser 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.

To the extent that our Adviser sources and structures private investments in MLPs, certain employees of our Adviser may become aware of actions planned by MLPs, such as acquisitions, that may not be announced to the public. It is possible that we could be precluded from investing in or selling securities of an MLP about which our Adviser has material, non-public information; however, it is our Adviser s intention to ensure that any material, non-public information available to certain employees of our Adviser is not shared with those employees responsible for the purchase and sale of publicly traded MLP securities or to confirm prior to receipt of any material non-public information that the information will shortly be made public. Our investment opportunities may also be limited by affiliations of our Adviser or its affiliates with energy infrastructure companies.

Our Adviser 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 our Adviser that are the same as, different from, or made at a different time than positions taken for us. Furthermore, our Adviser may at some time in the future manage other investment funds with the same investment objective as ours.

The fair value of certain securities will be determined pursuant to methodologies established by our Board. Fair value pricing involves judgments that are inherently subjective and inexact. Our Adviser is subject to a conflict of interest in determining the fair value of securities in our portfolio, as the management fees we pay our Adviser are based on the value of our average monthly Managed Assets.

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LEVERAGE

Use of Leverage

We currently engage in leverage and may borrow money or issue additional debt securities, and/or issue additional preferred stock, to provide us with additional funds to invest. The borrowing of money and the issuance of preferred stock and debt securities represents the leveraging of our common stock. The issuance of additional common stock may enable us to increase the aggregate amount of our leverage or to maintain any existing leverage. We reserve the right at any time to use financial leverage to the extent permitted by the 1940 Act (50% of Total Assets for preferred stock and 33 1 / 3 % of Total Assets for debt securities) or we may elect to reduce the use of leverage or use no leverage at all. Our Board of Directors has approved a leverage target of up to 25% of our Total Assets at the time of incurrence and has also approved a policy permitting temporary increases in the amount of leverage we may use from 25% of our Total Assets to up to 30% of our Total Assets at the time of incurrence, provided (i) that such leverage is consistent with the limits set forth in the 1940 Act, and (ii) that we expect to reduce such increased leverage over time in an orderly fashion. We generally will not use leverage unless we believe 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 will not issue additional leverage where the estimated costs of issuing 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. We note, however, that in making the determination of whether to issue 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. In addition, the percentage of our assets attributable to leverage may vary significantly during periods of extreme market volatility and will increase during periods of declining market prices of our portfolio holdings. Actual returns vary depending on many factors. The Board of Directors also will consider other factors, including whether the current investment opportunities will help us achieve our investment objective and strategies.

As of June 30, 2015, we had outstanding $348 million of Notes. The Series B Notes mature December 15, 2015, the Series C Notes mature December 15, 2017, the Series D Notes mature December 15, 2020, the Series E Notes mature December 15, 2015, the Series G Notes mature May 12, 2018, the Series H Notes mature April 17, 2019, the Series I Notes mature April 17, 2018, the Series J Notes mature April 17, 2021 and the Series K Notes mature September 9, 2019. Holders of the Notes are entitled to receive quarterly cash interest payments. The Series B, Series C, Series D, Series G, Series I and Series J Notes accrue interest at fixed rates (3.14%, 3.73%, 4.29%, 4.35%, 2.77% and 3.72%, respectively) and the Series E, Series H and Series K Notes accrue interest at an annual rate that resets each quarter based on the 3-month LIBOR plus 1.70%, 1.35% and 1.30%, respectively. As of June 30, 2015, the effective rate was 1.99% on the Series E Notes, 1.62% on the Series H Notes and 1.58% on the Series K Notes.

As of June 30, 2015, we had outstanding 3,600,000 MRP Shares. The MRP Shares have a liquidation value of $25.00 per share plus any accumulated but unpaid distributions, whether or not declared Holders of the MRP Shares are entitled to receive cash distributions each quarter at a fixed rate until their redemption date. The Series A MRP Shares have a redemption date of December 15, 2015 and accrue distributions at a rate of 3.69%. The Series B MRP Shares have a redemption date of December 15, 2017 and accrue distributions at a rate of 4.33%.

We have established an unsecured credit facility with Bank of America, N.A. which currently allows us to borrow up to $117 million. Outstanding balances under the credit facility generally accrue interest at a variable annual rate equal to the one-month LIBOR rate plus 1.20%, with a fee of 0.15% on any unused balance of the credit facility. As of June 30, 2015, the effective rate was 1.39%. The credit facility remains in effect through June 13, 2017. We currently expect to seek to renew the credit facility at an amount sufficient to meet our operating needs. We may draw on the facility from time to time to fund investments in accordance with our investment policies and for general corporate purposes. As June 30, 2015, we had outstanding $78.4 million under the credit facility.

Leverage creates a greater risk of loss, as well as potential for more gain, for our common stock than if leverage is not used. Leverage capital would have complete priority upon distribution of assets over common stock. 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. 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

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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 Adviser 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 stock will be reduced by the fees and issuance costs of any leverage capital.

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 stock, 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 stocks or cause fluctuations in the distributions paid on our common shares. The fee paid to our Adviser 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 Adviser will be higher than if we did not use leverage. Consequently, we and our Adviser 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 any 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 value 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 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 requirement test after deducting the amount of such distribution or share 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 maintain the required asset coverage. Common stockholders would bear the costs of issuing additional preferred stock, which may include offering expenses and the ongoing payment of distributions. 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 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 or incur other indebtedness with an aggregate principal amount of more than 33 1 / 3 % of the value 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 distribution on any class of shares of our stock, or purchase any of our shares of stock (through tender offers or otherwise), unless we would satisfy this 300% asset

coverage requirement test after deducting the amount of the distribution or share purchase price, as the case may be, except that dividends may be declared upon any preferred stock if such senior security representing indebtedness has an asset coverage of at least 200% at the time of declaration thereof after deducting the amount of such distribution. 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. So long as Notes are outstanding, any debt securities offered pursuant to this prospectus and any related prospectus supplement will rank on parity with any outstanding Notes.

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Annual Expenses

The table presented below presents our annual expenses stated as a percentage of our Managed Assets at November 30, 2014, which includes assets attributable to leverage.

Management Fee	0.95%
Other Expenses (excluding current and deferred income tax expenses)	0.06%
Subtotal	1.01%

Armes	PBU1	2/18/2016				10,348	20,695	41,390		$760,748
	PBU2	2/18/2016				7,704	15,408	30,816		$566,398
	PBU3	2/18/2016				7,899	15,798	31,596		$580,734
	PBU4	2/18/2016	$247,917	$495,834	$991,668					
	PBU5	2/18/2016	$282,000	$564,000	$1,128,000					
	PBU6	2/18/2016	$290,356	$580,711	$1,161,422					
	RSU								47,394	$1,742,203
Ginger M. Jones	AIP	2/18/2016	$187,193	$374,385	$748,770					
	PBU2	2/18/2016				1,249	2,497	4,994		$91,790
	PBU3	2/18/2016				1,279	2,557	5,114		$93,995
	PBU5	2/18/2016	$45,695	$91,389	$182,778					
	PBU6	2/18/2016	$47,000	$94,000	$188,000					
	RSU								7,671	$281,986
Brenda S. Harmon	AIP	2/18/2016	$138,560	$277,119	$554,238					
	PBU1	2/18/2016				1,368	2,736	5,472		100,575
	PBU2	2/18/2016				922	1,844	3,688		67,785
	PBU3	2/18/2016				946	1,892	3,784		$69,550
	PBU4	2/18/2016	$32,775	$65,550	$131,100					
	PBU5	2/18/2016	$33,750	$67,500	$135,000					
	PBU6	2/18/2016	$34,767	$69,534	$139,068					
	RSU								5,676	$208,650
Stephen Zamansky	AIP	2/18/2016	$139,889	$279,778	$559,556					
	PBU1	2/18/2016				1,294	2,588	5,176		$95,135
	PBU2	2/18/2016				922	1,844	3,688		67,785
	PBU3	2/18/2016				955	1,910	3,820		$70,212
	PBU4	2/18/2016	$31,000	$62,000	$124,000					

PBU5	2/18/2016	$33,750	$67,500	$135,000		
PBU6	2/18/2016	$35,100	$70,200	$140,400		
RSU					5,730	$210,635

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(1) AIP = Annual Incentive Plan; PBU1 = Performance-based stock units granted in the 2016 tranche of the 2014-2016 Long-Term Incentive Plan; PBU2 = Performance-based stock units granted in the 2016 tranche of the 2015-2017 Long-Term Incentive Plan; PBU3 = Performance-based stock units granted in the 2016 tranche of the 2016-2018 Long-Term Incentive Plan; PBU4 = Performance-based cash granted in the 2016 tranche of the 2014-2016 Long-Term Incentive Plan; PBU5 = Performance-based cash granted in the 2016 tranche of the 2015-2017 Long Term Incentive Plan; PBU6 = Performance-based cash granted in the 2016 tranche of the 2016-2018 Long Term Incentive Plan; RSU = Restricted Stock Units.

(2) The amounts shown in column (c) with respect to AIP represent the threshold opportunity if all of the performance metrics are met. The threshold payout is based on performance at 61% of the corporate operating profit and achievement of corporate free cash flow of $45,000,000. The amounts shown in column (c) with respect to PBU4, PBU5, and PBU6 represent the threshold amount of performance-based cash that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-2018 measurement periods of our Long-Term Incentive Plan, if the 2016 performance is $140,000,000 for corporate net income and return on invested capital is 11.0 percent. If the 2016 performance is below the applicable targets, our executives would not receive any payout of the performance-based cash awarded to them.

(3) The amounts shown in column (d) with respect to AIP represent the target opportunity if all of the performance metrics are met. The amounts shown in column (d) with respect to PBU4, PBU5, and PBU6 represent the amount of performance-based cash that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-2018 measurement periods of our Long-Term Incentive Plan, if the 2016 performance is at 100% of target (the payout is 100% of the executives' targeted payout amounts).

(4) The amounts shown in column (e) with respect to AIP represent the maximum opportunity if all of the performance metrics are met. The maximum payout amounts are capped at 200% of the executives' targeted payout amounts. Maximum payout is earned on performance equal to or exceeding $450,000,000 for the corporate operating profit and achieving or exceeding corporate free cash flow of $100,000,000. The amounts shown in column (e) with respect to PBU4, PBU5, and PBU6 represent the maximum amount of performance-based cash that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-18 measurement periods of our Long-Term Incentive Plan. The payout amounts are capped at 200% of the executives' targeted payout amounts. Maximum payout is earned on performance equal to or exceeding $280,000,000 for corporate net income and a return on invested capital of or exceeding 18.0 percent.

(5) The amounts shown in column (f) represent the threshold number of performance-based stock units that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-2018 measurement periods of our Long-Term Incentive Plan, if the 2016 performance is $140,000,000 for corporate net income and return on invested capital targets is 11.0 percent (in each case, the payout would have been 50% of the executives' targeted payout amounts). If the 2016 performance is below the applicable targets, our executives would not receive any payout of the performance-based stock units awarded to them.

(6) The amounts shown in column (g) represent the target number of performance-based stock units that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-2018 measurement periods of our Long-Term Incentive Plan, if the 2016 performance is $227,000,000 for corporate net income and a

return on invested capital target is 15.0 percent (the payout is 100% of the executives' targeted payout amounts).

(7) The amounts shown in column (h) represent the maximum number of performance-based stock units that the executive would notionally earn for 2016 performance under the 2014-2016, 2015-2017, and 2016-2018 measurement periods of our Long-Term Incentive Plan. Maximum payout is earned on performance equal to or exceeding $280,000,000 of corporate net income and return on invested capital of or exceeding 18.0 percent. The maximum payout amounts are capped at 200% of the executives' targeted payout amounts.

(8) The amounts in column (l) represent the grant date fair value as of the grant date of stock awards determined pursuant to FASB ASC Topic 718. The assumptions made in the valuation are discussed in Note 13 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the twelve months ended December 31, 2015.

For more information about the compensation arrangements in which our named executive officers participate, see "Compensation Discussion and Analysis" beginning on page 11.

OUTSTANDING EQUITY AWARDS AT 2016 FISCAL YEAR-END TABLE

The following table shows all outstanding equity awards (stock options, performance-based stock units that have not been earned, and unvested restricted stock units) held by our named executive officers at the end of 2016.

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(1)	Option Exercise Price ($)	Grant Date	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)(4)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(3)(4)
Bradley E.	26,760		$25.425	February 21, 2013	February 21, 2023	—	—	—	—
Hughes	21,650	10,825	$23.960	February 20, 2014	February 20, 2024	—	—	—	—
						66,965	$2,601,597	9,928	$385,703
	48,410	10,825							
Roy V. Armes		50,351	$23,960	February 20, 2014	August 31, 2021	—	—	—	—
	—					—	—	—	—
						144,776	$5,624,538		
		50,351							
Ginger M. Jones						41,614	$1,616,685	7,611	$295,687
Brenda S.	18,000	—	$22.970	February 23, 2011	February 23, 2021	—	—	—	—
Harmon	17,553		$25.425	February 21, 2013	February 21, 2023	—	—	—	—
	13,314	6,657	$23.960			—	—	—	—

				February 20, 2014	February 20, 2024				
						19,381	$752,964	5,628	$218,648
	48,867	6,657							
Stephen	—					—	—	—	—
Zamansky		7,241	$23.960	February 20, 2014	February 20, 2024	—	—	—	—
	—					19,466	$756,247	5,664	$220,046
	—	7,241							

(1) The stock options vest in one-third increments on each of the first three anniversaries of the grant date (which grant date was February 23, 2011 for the options expiring February 23, 2021, February 21, 2013 for the options expiring on February 21, 2023 and February 20, 2014 for the stock options expiring on February 20, 2024).

(2) Includes dividend equivalent units earned on outstanding restricted stock units. The amounts reported in this column will vest: for Mr. Hughes, as to 3,458 units on February 17, 2017, as to 3,169 units on February 18, 2017, as to 11,105 units on September 1, 2017, as to 11,341 units on December 31, 2017, as to 3,457 units on February 17, 2018, as to 3,169 units on February 18, 2018, as to 11,105 units on September 1, 2018, as to 5,599 units on December 31, 2018, as to 3,457 units on February 17, 2019, as to 11,105 units on September 1, 2019; for Mr. Armes, as to 15,987 units on February 17, 2017, as to 15,766 units on February 18, 2017, as to 15,987 units on February 28, 2017, as to 15,766 units on February 28, 2017, as to 15,987 units on February 28, 2017, as to 48,021 units on December 31, 2017, as to 15,987 units on February 17, 2018, as to 15,766 units on February 18, 2018, as to 17,262 units on December 31, 2018, as to 15,987 units on February 17, 2019; for Ms. Jones, as to 2,588 units on February 17, 2017, as to 2,556 units on February 18, 2017, as to 15,397 units on December 3, 2017, as to 9,149 units on December 31, 2017, as to 2,588 units on February 17, 2018, as to 2,557 units on February 18, 2018, as to 4,191 units on December 31, 2018, as to 2,588 units on February 17, 2019; for Ms. Harmon, as to 1,916 units on February 17, 2017, as to 1,889 units on February 18, 2017, as to 6,757 units on December 31, 2017, as to 1,915 units on February 17, 2018, as to 1,888 units on February 18, 2018, as to 3,101 units on December 31, 2018, as to 1,915 units on February 17, 2019; and for Mr. Zamansky, as to 2,553 units on February 17, 2017, as to 2,798 units

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on February 18, 2017, as to 6,757 units on December 31, 2017, as to 2,552 units on February 17, 2018, as to 2,798 units on February 18, 2018, as to 3,130 units on December 31, 2018, as to 2,552 units on February 17, 2019.

(3) Value is based on the closing price of our common stock of $38.85 on December 30, 2016, as reported on the New York Stock Exchange.

(4) Reflects the target payout opportunity for 2017 and 2018 performance periods under the 2015-2017 and 2016-2018 measurement periods of our Long-Term Incentive Plan. The target payout opportunities for 2017 under the 2015-2017 measurement period (3,096 units for Mr. Hughes, 2,497 units for Ms. Jones, 1,844 units for Ms. Harmon, and 1,844 units for Mr. Zamansky), if earned, will vest on December 31, 2017. The target payout opportunities for each of 2017 and 2018 under the 2016-2018 measurement period (3,416 and 3,416 units for Mr. Hughes, 2,557 and 2,557 for Ms. Jones, 1,892 and 1,892 units for Ms. Harmon, and 1,910 and 1,910 units for Mr. Zamansky,) if earned will vest on December 31, 2018. In the event of death, disability, or retirement during a measurement period, performance awards under the Long-Term Incentive plans are prorated for a period of time that the grantee was employed during the measurement period. Retirement is defined as the earlier of age 65 or the date on which the grantee's years of age and service equal 70.

2016 OPTION EXERCISES AND STOCK VESTED TABLE

The following table shows our named executive officers' exercise of stock options, plus the value realized at exercise by each named executive officer, and restricted stock awards that vested, plus the value realized by each named executive officer as a result of such vesting, during 2016.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)(1)
(a)	(b)	(c)	(d)	(e)
Bradley E. Hughes	—	—	19,718	$704,480
Roy V. Armes	92,024	$3,672,770	102,218	$3,667,342
Ginger M. Jones	—	—	2,525	91,531
Brenda S. Harmon	—	—	16,323	$573,747
Stephen Zamansky	13,397	$523,005	15,914	$557,449

(1)

These amounts represent the fair market value of our common stock on the vesting date or distribution date multiplied by the number of shares that vested or were distributed.

2016 PENSION BENEFITS TABLE

This table shows the actuarial present value of accumulated benefits payable to, and the number of years of service credited to Mr. Armes, who was the only named executive officer with a benefit under our now frozen defined benefit plan. Mr. Armes had a cash balance plan benefit under the Spectrum Retirement Plan, and a related supplementary benefit under the Non-Qualified Supplementary Benefit Plan.

Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
(a)	(b)	(c)	(d)	(e)
Roy V. Armes	Spectrum Retirement Plan	9	$45,800	$0
	Non-Qualified Supplementary Benefit Plan – DB Account	9	$175,042	$0

For purposes of the amounts reflected above under column (d), we have used the same assumptions that we use for financial reporting purposes under generally accepted accounting principles, except that we have assumed that the retirement age for Mr. Armes was his normal retirement age of 65. Mr. Armes has retired on August 31, 2016. His actual benefit under the qualified and non-qualified plans will be determined under the provisions of those plans as they apply to all participants. See Note 10 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the twelve months ended December 31, 2016, for details as to our valuation method and the material assumptions applied in quantifying the present value of the current accrued benefit. See also our discussion of pension and postretirement benefits under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" beginning on page 28 of the Company's Form 10-K for the year ended December 31, 2016.

Mr. Armes's benefit under the Spectrum Retirement Plan may be paid in the form of an annuity, or in a lump sum, as he elects. A participant may receive the amount of his or her benefit in a lump sum payment upon termination of employment, subject to any Code Section 409A provisions. Payment of the benefit in an annuity form may not generally commence until the participant has reached age 55. The amount payable is not reduced by Social Security benefits payable to the participant.

2016 NON-QUALIFIED DEFERRED COMPENSATION TABLE

This table shows certain information for 2016 for each of our named executive officers under our non-qualified deferred compensation plans and programs. As noted above, Mr. Armes was the only named executive officer who had a benefit under the Non-Qualified Supplementary Plan that is related to the now frozen defined benefit (cash balance) plan.

Name	Executive Contributions ($)(1)	Company Contributions ($)(2)	Aggregate Earnings ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at 12/31/16 ($)(4)
Bradley E. Hughes Non-Qualified Supplementary Benefit Plan	—	$126,605	$3,746	—	$329,800
Roy V. Armes					
Non-Qualified Supplementary Benefit Plan	—	$126,104	$18,097	—	$1,145,231
Deferred Restricted Stock Units	—	—	$130,557	—	$3,507,572
Ginger M. Jones					
Non-Qualified Supplementary Benefit Plan	—	$82,715	$298.00	—	$104,957
Brenda S. Harmon					
Non-Qualified Supplementary Benefit Plan	—	$61,620	$8,365	—	$292,793
Stephen Zamansky					
Non-Qualified Supplementary Benefit Plan	—	$62,313	$1,873	—	$159,983

(1) The amounts reported as Executive Contributions are fully reported in the 2016 Summary Compensation Table.

(2) The amounts reported as Company Contributions include amounts with respect to both base salary and annual incentive compensation earned by each named executive officer for 2016. These amounts include contributions made in 2017 with respect to 2016. All of these amounts are reported as All Other Compensation in the 2016 Summary Compensation Table.

(3) None of the amounts reported as Aggregate Earnings are reported in the 2016 Summary Compensation Table.

(4) The Aggregate Balance at December 31, 2016, includes deferred compensation which was reported in the Summary Compensation Table for this year and prior year proxies. The amounts are $376,316 for Mr. Hughes, $1,190,104 for Mr. Armes, $94,061 for Ms. Jones, $204,367 for Ms. Harmon, and $113,993 for Mr. Zamansky.

For more information about our non-qualified deferred compensation programs, see "Compensation Discussion and Analysis" beginning on page 11.

Non-Qualified Supplementary Benefit Plan

The Non-Qualified Supplementary Benefit Plan is a non-elective deferred compensation plan. The named executive officers participate in the Non-Qualified Supplementary Benefit Plan only to the extent that full participation in our qualified 401(k) plan (the Spectrum Investment Savings Plan) is restricted by limits under the Internal Revenue Code. Mr. Armes has an accrued benefit under the frozen cash balance plan.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

We are generally obligated to provide our named executive officers with certain payments or other forms of compensation upon a termination of employment or a change in control. The forms of such termination can involve voluntary termination, retirement, involuntary termination without cause, for cause termination, termination following a change in control, and the disability or death of the executive. The disclosure below describes the circumstances under which we may be obligated to provide our named executive officers (other than Mr. Armes) with payments or compensation. Additionally, the tables below reflect the estimated amounts of payments or compensation each of our named executive officers (other than Mr. Armes) may receive under particular circumstances in the event of termination of such named executive officer's employment.

Payments to Mr. Armes

We were a party to an employment agreement with Mr. Armes. The initial term of employment for Mr. Armes was for three years beginning January 1, 2007, which term was automatically extended for one additional year commencing each January 1 after the commencement of the initial term. The employment agreement contains non-competition and non-solicitation provisions that extend for two years after any termination of employment. Certain compensation awards granted to Mr. Armes were also governed by the applicable compensation plans and award agreements. Below is a description of the payments or compensation Mr. Armes is entitled to as a result of his employment with us terminating on August 31, 2016.

Payments Made Upon Retirement

Mr. Armes received his then current base salary, to the extent unpaid through his termination date, plus the prorated portion of our annual and long-term incentive compensation programs based upon actual performance through the end of the applicable measurement period(s) to be distributed in accordance with the terms of the plans. Additionally, all outstanding stock options (or similar equity awards) will remain outstanding and exercisable in accordance with their terms. The vesting and distribution of restricted stock units will be in accordance with the terms of the grants. He will also receive any accrued and vested retirement benefits, including under the Company's Non-Qualified Supplementary Benefit Plan.

Payments to Other Named Executive Officers

Payments Made Upon Retirement, Death, or Disability

Upon (i) retirement by a named executive officer who is eligible to retire or (ii) death or disability, named executive officers receive the following:

Prorated incentive (annual and long-term) compensation through the date of termination based upon actual performance through the end of the applicable measurement period(s) to be distributed in accordance with the terms of the plans;

Accrued and vested retirement benefits;

Upon death or disability, stock options fully vest and are exercisable for twelve (12) months; upon retirement, stock options continue to vest in accordance with the terms of the plans and are exercisable for five years from the date of retirement; and

Unvested restricted stock unit awards vest upon retirement, death, or disability and are distributable in accordance with participant elections under the terms of the plan.

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Payments Made Upon Voluntary or Involuntary Termination Without Cause

Upon voluntary or involuntary termination without cause, named executive officers are entitled to payment of any earned and unpaid base pay as of the date of termination and vested benefits in accordance with the terms of the applicable plans.

Notionally earned performance units and cash under long-term compensation plans and annual incentive plans for completed performance periods vest in full upon certification by the Compensation Committee.

Vested stock options at the date of termination are exercisable for thirty (30) days for voluntary termination; ninety (90) days for involuntary termination without cause.

Payments Made Upon Termination for Cause

Upon termination for cause, named executive officers are entitled to payment of any earned and unpaid base pay as of the date of termination and vested benefits in accordance with the terms of the applicable plans. All unpaid notionally earned annual and long-term compensation, stock options, and unvested restricted stock units are immediately forfeited.

Payments Made in Connection with a Change in Control

Following a change in control or a qualified pre-change in control termination such as when the Company is party to a definitive agreement the consummation of which would result in a change in control, named executive officers are entitled to receive the following payments and benefits:

Benefits upon closing of the change in control or a qualified termination under a potential change in control.

Payment of notionally earned and unpaid annual and long-term incentive compensation;

Prorated target for annual or long-term incentive compensation that is not notionally earned;

If the time-based restricted stock units or stock option awards are not assumed by the successor upon the change in control, the restricted stock units and stock options vest upon the change in control. Stock options remain exercisable for 90 days following termination. Restricted stock units and stock options may be converted to cash if the acquiring company does not assume responsibility for the obligation; and

Upon a qualified termination under a potential change in control only, accelerated vesting of all then unvested time-based restricted stock units and stock option awards with payment of restricted stock units in accordance with the participant elections under terms of the plan and stock options are exercisable for 90 days following termination.

Additional benefits upon a termination without cause or a voluntary termination due to good reason within two years after a change in control.

Prorated annual incentive compensation from the date of the beginning of the performance period through the date of termination for awards or programs in which the executive participates at target levels;

If the time-based restricted stock units or stock option awards are assumed by the successor upon the change in control, accelerated vesting of all then unvested time-based restricted stock units and stock option awards with payment in accordance with the terms of the applicable plans (stock options will be subject to exercise for 90 days following termination);

Three times the sum of the chief executive officer's base pay plus target annual incentive compensation at the greater of the amount at termination or immediately prior to the change in control; two times the sum for all other named executive officers.

24 months' continuation of life, accident, and health benefits followed by retiree medical and life insurance coverage to the extent eligible, subject to mitigation;

Outplacement services for 12 months, in an amount up to 15% of the named executive officer's base salary; and

If the parachute payments on an after-tax basis exceed 110% of the parachute payments that would have been received calculated without a reduction to the "Section 280G safe harbor limit," the payments are not cut back to the "Section 280G safe harbor limit," otherwise they are cut back. In any event, there is no tax gross-up for excise taxes.

All post-termination payments are conditioned upon the execution by the executive at the time of termination of a release of all claims against the Company.

Tabular Disclosure

Except as otherwise indicated, the amounts shown in the tables below assume that a named executive officer was terminated and, as applicable, a change in control occurred as of December 31, 2016, and that the price of our Common Stock equals $38.85, which was the closing price of our Common Stock on December 30, 2016, as reported on the New York Stock Exchange. Actual amounts that we may pay to any named executive officer upon termination of employment, however, can only be determined at the time of such named executive officer's actual separation from Cooper Tire & Rubber Company.

Bradley E. Hughes

The following table shows the potential payments upon termination under various circumstances for Bradley E. Hughes, Chief Executive Officer and President.

Benefits and Payments Upon Termination	Retirement on 12/31/16 (A)	Termination by Death on 12/31/16	Termination by Disability on 12/31/16	Termination Without Cause or for Good Reason on 12/31/16	Termination for Cause or Without Good Reason on 12/31/16	Termination Subsequent to a Change in Control on 12/31/16
Compensation:						
Base Salary[(1)]	$ —					
Annual Incentive Compensation[(2)]	$ —	1,074,789	1,074,789	1,074,789	1,074,789	1,074,789
Cash Severance - Base Salary and Average Annual Incentive Compensation Multiple[(3)]	$ —					5,362,200
Long-Term Incentive - Performance-Based Stock Units and Cash[(4)]	$ —	2,366,982	2,366,982	1,090,655		2,366,982
Stock Options[(5)]	$ —	869,566	869,566	869,566		869,566
Restricted Stock Units[(6)]	$ —	1,943,432	1,943,432			1,943,432
Benefits and Perquisites:						
Pension Plan and Non-Qualified Supplementary Benefit Plan[(7)(B)]	$ —	329,800	329,800	329,800	329,800	329,800
Executive Deferred Compensation Plan	$ —					
Life, Accident, and Health Insurance[(8)]	$ —					37,917
Retiree Medical and Life Insurance[(9)]	$ —					
Excise Tax Gross-Up[(10)]	$ —					

Outplacement Services[11]	$ —					135,000
Total	$ —	6,584,569	6,584,569	3,364,810	1,404,589	12,119,686

(A) Not eligible for retirement at 12/31/16.

(B) Not eligible to participate in Pension Plan.

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Roy V. Armes

The following table shows the potential payments upon termination under various circumstances for Roy V. Armes, Former Chairman, Chief Executive Officer, and President.

Benefits and Payments Upon Termination	Retirement on 12/31/16 (A)	Termination by Death on 12/31/16	Termination by Disability on 12/31/16	Termination Without Cause or for Good Reason on 12/31/16	Termination for Cause or Without Good Reason on 12/31/16	Termination Subsequent to a Change in Control on 12/31/16
Compensation:						
Base Salary(1)	$—					
Annual Incentive Compensation(2)	$1,657,558					
Cash Severance - Base Salary and Average Annual Incentive Compensation Multiple(3)	$—					
Long-Term Incentive - Performance-Based Stock Units and Cash(4)	$10,038,170					
Stock Options(5)	$749,726					
Restricted Stock Units(6)	$6,595,875					
Benefits and Perquisites:						
Pension Plan and Non-Qualified Supplementary Benefit Plan(7)	$1,320,273					
Executive Deferred Compensation Plan	$—					
Life, Accident, and Health Insurance(8)	$—					
Retiree Medical and Life Insurance(9)	$—					

Excise Tax Gross-Up[10]	$—
Outplacement Services[11]	$—
Total	$20,361,602

(A) Mr. Armes retired on 8/31/16.

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Ginger M. Jones

The following table shows the potential payments upon termination under various circumstances for Ginger M. Jones, Senior Vice President and Chief Financial Officer.

Benefits and Payments Upon Termination	Retirement on 12/31/16 (A)	Termination by Death on 12/31/16	Termination by Disability on 12/31/16	Termination Without Cause or for Good Reason on 12/31/16	Termination for Cause or Without Good Reason on 12/31/16	Termination Subsequent to a Change in Control on 12/31/16
Compensation:						
Base Salary[1]	$ —					
Annual Incentive Compensation[2]	$ —	584,041	584,041	584,041	584,041	584,041
Cash Severance - Base Salary and Average Annual Incentive Compensation Multiple[3]	$ —					1,721,885
Long-Term Incentive - Performance-Based Stock Units and Cash[4]	$ —	1,004,890	1,004,890			1,004,890
Stock Options[5]	$ —					
Restricted Stock Units[6]	$ —	1,098,484	1,098,484			1,098,484
Benefits and Perquisites:						
Pension Plan and Non-Qualified Supplementary Benefit Plan[7](B)	$ —	104,957	104.957	104,957	104,957	104,957
Executive Deferred Compensation Plan	$ —					
Life, Accident, and Health Insurance[8]	$ —					35,803
Retiree Medical and Life Insurance[9]	$ —					
Excise Tax Gross-Up[10]	$ —					
Outplacement Services[11]	$ —					76,500
Total	$ —	2,792,372	2,792,372	688,998	688,998	4,626,560

(A) Not eligible for retirement at 12/31/16.

(B) Not eligible to participate in Pension Plan.

Brenda S. Harmon

The following table shows the potential payments upon termination under various circumstances for Brenda S. Harmon, Senior Vice President and Chief Human Resources Officer.

Benefits and Payments Upon Termination	Retirement on 12/31/16 (A)	Termination by Death on 12/31/16	Termination by Disability on 12/31/16	Termination Without Cause or for Good Reason on 12/31/16	Termination for Cause or Without Good Reason on 12/31/16	Termination Subsequent to a Change in Control on 12/31/16
Compensation:						
Base Salary[1]	$—					
Annual Incentive Compensation[2]	$432,306	432,306	432,306	432,306	432,306	432,306
Cash Severance - Base Salary and Average Annual Incentive Compensation Multiple[3]	$—					1,418,092
Long-Term Incentive - Performance-Based Stock Units and Cash[4]	$1,514,021	1,514,021	1,514,021	1,514,021		1,514,021
Stock Options[5]	$836,410	836,410	836,410	836,410		836,410
Restricted Stock Units[6]	$369,969	369,969	369,969			369,969
Benefits and Perquisites:						
Pension Plan and Non-Qualified Supplementary Benefit Plan[7][B]	$292,793	292,793	292,793	292,793	292,793	292,793
Executive Deferred Compensation Plan	$—					
Life, Accident, and Health Insurance[8]	$—					29,168
Retiree Medical and Life Insurance[9]	$—					
Excise Tax Gross-Up[10]	$—					

Outplacement Services[11]	$—					64,459
Total	$3,445,499	3,445,499	3,445,499	3,075,530	725,099	4,957,218

(A) Eligible for retirement at 12/31/16.

(B) Not eligible to participate in Pension Plan.

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Stephen Zamansky

The following table shows the potential payments upon termination under various circumstances for Stephen Zamansky, Senior Vice President, General Counsel and Secretary.

Benefits and Payments Upon Termination	Retirement on 12/31/16 (A)	Termination by Death on 12/31/16	Termination by Disability on 12/31/16	Termination Without Cause or for Good Reason on 12/31/16	Termination for Cause or Without Good Reason on 12/31/16	Termination Subsequent to a Change in Control on 12/31/16
Compensation:						
Base Salary[1]	$ —					
Annual Incentive Compensation[2]	$ —	436,454	436,454	436,454	436,454	436,454
Cash Severance - Base Salary and Average Annual Incentive Compensation Multiple[3]	$ —					1,431,706
Long-Term Incentive - Performance-Based Stock Units and Cash[4]	$ —	1,474,452	1,474,452	729,651		1,474,452
Stock Options[5]	$ —	107,818	107,818	107,818		107,818
Restricted Stock Units[6]	$ —	372,183	372,183			372,183
Benefits and Perquisites:						
Pension Plan and Non-Qualified Supplementary Benefit Plan[7][B]	$ —	159,983	159,983	159,983	159,983	159,983
Executive Deferred Compensation Plan	$ —					
Life, Accident, and Health Insurance[8]	$ —					24,018
Retiree Medical and Life Insurance[9]	$ —					
Excise Tax Gross-Up[10]	$ —					
Outplacement Services[11]	$ —					65,078
Total	$ —	2,550,890	2,550,890	1,433,906	596,437	4,071,692

(A) Not eligible for retirement at 12/31/16.

(B) Not eligible to participate in Pension Plan.

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Footnotes for Tabular Disclosure

(1) As of December 31, 2016, the amount of base salary payable to the named executive officers for services rendered during 2016 has been paid.

(2) Amounts shown are actual amounts payable in early 2017, if any, based upon achieved performance metrics established for 2016 although the payments could be different for a termination during the year under the various listed terminations.

(3) Mr. Hughes would receive three (3) times the sum of base salary as of the end of 2016 plus target annual cash incentive compensation for termination due to change in control. Other named executive officers would receive two (2) times the sum of the same amount. Any required reduction due to a Section 280G related excise tax "Cap" for other named executives due to a change in control adjusts the cash severance.

(4) Amounts shown are based on the performance-based stock units and performance-based cash earned as of December 31, 2016, as part of the 2014-2016, the 2015-2017, and the 2016-2018 long-term incentive programs' performance-based grants. Units were valued at the closing price of our common stock at December 31, 2016.

(5) Total in-the-money/intrinsic dollar value of vested and non-vested stock options for change in control. Total in-the-money/intrinsic dollar value of vested and non-vested stock options for retirement, disability, or death with specific periods for exercise.

(6) Total dollar value of vested and non-vested restricted stock units for retirement, disability, death, and change in control. Total dollar value of only vested restricted stock units for termination with cause or without good reason. When restricted units become vested, the grantee shall receive shares of common stock equal to the number of restricted units granted in addition to dividend equivalents earned. The common stock is to be delivered on the date specified by the grantee in their restricted stock award agreement.

(7) All vested Non-Qualified Supplementary Benefit Plan retirement plus investment savings benefits are payable to all participants upon termination.

(8) Present value of 24 months' coverage of Company-provided life, accident, and health benefits.

(9) The amount shown reflects the total amount payable for outplacement assistance for Ms. Harmon, Ms. Jones, and Messrs. Hughes and Zamansky, which is equal to 15% of current base salary.

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2016 DIRECTOR COMPENSATION TABLE

Name (a)	Fees Earned or Paid in Cash ($)(1) (b)	Stock Awards ($)(2) (c)	Option Awards ($)(3) (d)	Total ($) (h)
Thomas P. Capo	$128,750	$125,000	—	$253,750
Steven M. Chapman	$100,000	$125,000	—	$225,000
Susan F. Davis	$75,000	$125,000	—	$200,000
John J. Holland	$120,000	$125,000	—	$245,000
John F. Meier*	$115,000	$125,000	—	$240,000
Gary S. Michel	$100,000	$125,000	—	$225,000
John H. Shuey	$100,000	$125,000	—	$225,000
Robert D. Welding	$112,000	$125,000	—	$237,000

(1) The amounts listed under "Fees Earned or Paid in Cash" represent the compensation amounts discussed in the narration below. The non-employee Directors deferred the following amounts of fees reported in column (b) initially into phantom stock units under our Directors' deferral plan, as described below: Mr. Capo, $0; Mr. Chapman, $100,000; Ms. Davis, $0; Mr. Holland, $60,000; Mr. Meier, $28,750; Mr. Michel, $0; Mr. Shuey, $0; and Mr. Welding, $0.

(2) These amounts are the aggregate grant date fair value computed in accordance with FASB ASC 718. See Note 9 to our Consolidated Financial Statements in our Annual Report on Form 10-K for the twelve months ended December 31, 2016, for details as to the assumptions used to determine the fair value of the phantom stock awards. The non-employee Directors had phantom stock awards outstanding as of December 31, 2016, for the following number of shares: Mr. Capo, 50,598; Mr. Chapman, 104,546; Ms. Davis, 3,820; Mr. Holland, 106,192; Mr. Meier, 94,239; Mr. Michel, 3,820; Mr. Shuey, 19,377; and Mr. Welding, 66,275. Each non-employee Director received an annual grant of phantom stock awards of: 3,785.6 units on May 6, 2016. The entire grant date fair value (including amounts reported for 2016) of the phantom stock awards issued to each of the non-employee Directors in 2016 was $125,000.

**Mr. Meier resigned from the Board on January 10, 2017.*

Our Board of Directors makes compensation decisions for our non-employee Directors upon the recommendation of the Nominating and Governance Committee. Except as noted in the footnotes above, our non-employee Directors received the following compensation on an annual basis for the period January 1, 2016 through December 31, 2016

Each non-employee Director received an annual retainer of $100,000. There were no fees for attendance at meetings of the Board of Directors and meetings of the Committees of the Board of Directors;

The non-executive Chairman of the Board received an additional annual fee of $125,000 for serving in that capacity, beginning on September 1, 2016 when Mr. Capo was appointed to such position.

The Lead Director received an additional annual fee of $20,000 for serving in that capacity; this position was suspended upon Mr. Capo’s appointment as the non-executive chairman of the Board on September 1, 2016.

The Chair of the Audit Committee received an additional annual fee of $20,000 for serving in that capacity;

The Chair of the Compensation Committee received an additional annual fee of $15,000 for serving in that capacity; and