

Tortoise Midstream Energy Fund, Inc.
Form N-CSR
January 30, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number **811-22409**

Tortoise Midstream Energy Fund, Inc.
(Exact name of registrant as specified in charter)

11550 Ash Street, Suite 300, Leawood, KS 66211
(Address of principal executive offices) (Zip code)

P. Bradley Adams
Diane Bono
11550 Ash Street, Suite 300, Leawood, KS 66211
(Name and address of agent for service)

913-981-1020
Registrant's telephone number, including area code

Date of fiscal year end: **November 30**

Date of reporting period: **November 30, 2018**

Item 1. Report to Stockholders.

Annual Report | November 30, 2018

2018 Annual Report

Closed-End Funds

*Fund name changed to Tortoise Midstream Energy Fund, Inc. (effective January 7, 2019)

Tortoise

2018 Annual Report to Stockholders

This combined report provides you with a comprehensive review of our funds that span the entire energy value chain.

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TTP and TPZ distribution policies

Tortoise Pipeline & Energy Fund, Inc. (“TTP”) and Tortoise Power and Energy Infrastructure Fund, Inc. (“TPZ”) are relying on exemptive relief permitting them to make long-term capital gain distributions throughout the year. Each of TTP and TPZ, with approval of its Board of Directors (the “Board”), has adopted a distribution policy (the “Policy”) with the purpose of distributing over the course of each year, through periodic distributions as nearly equal as practicable and any required special distributions, an amount closely approximating the total taxable income of TTP and TPZ during such year and, if so determined by the Board, all or a portion of the return of capital paid by portfolio companies to TTP and TPZ during such year. In accordance with its Policy, TTP distributes a fixed amount per common share, currently \$0.4075, each quarter to its common shareholders and TPZ distributes a fixed amount per common share, currently \$0.125, each month to its common shareholders. These amounts are subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of TTP’s and TPZ’s performance, TTP and TPZ expect such distributions to correlate with its performance over time. Each quarterly and monthly distribution to shareholders is expected to be at the fixed amount established by the Board, except for extraordinary distributions in light of TTP’s and TPZ’s performance for the entire calendar year and to enable TTP and TPZ to comply with the distribution requirements imposed by the Internal Revenue Code. The Board may amend, suspend or terminate the Policy without prior notice to shareholders if it deems such action to be in the best interests of TTP, TPZ and their respective shareholders. For example, the Board might take such action if the Policy had the effect of shrinking TTP’s or TPZ’s assets to a level that was determined to be detrimental to TTP or TPZ shareholders. The suspension or termination of the Policy could have the effect of creating a trading discount (if TTP’s or TPZ’s stock is trading at or above net asset value), widening an existing trading discount, or decreasing an existing premium. You should not draw any conclusions about TTP’s or TPZ’s investment performance from the amount of the distribution or from the terms of TTP’s or TPZ’s distribution policy. Each of TTP and TPZ estimates that it has distributed more than its income and net realized capital gains; therefore, a portion of your distribution may be a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in TTP or TPZ is paid back to you. A return of capital distribution does not necessarily reflect TTP’s or TPZ’s investment performance and should not be confused with “yield” or “income.” The amounts and sources of distributions reported are only estimates and are not being provided for tax reporting purposes. The actual amounts and sources of the amounts for tax reporting purposes will depend upon TTP’s and TPZ’s investment experience during the remainder of their fiscal year and may be subject to changes based on tax regulations. TTP and TPZ will send you a Form 1099-DIV for the calendar year that will tell you how to report these distributions for federal income tax purposes.

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Closed-end fund comparison

Name/Ticker	Primary focus	Structure	Total assets (\$ millions)¹	Portfolio mix by asset type²	Portfolio mix by structure²
Tortoise Energy Infrastructure Corp.					
NYSE: TYG Inception: 2/2004 Tortoise MLP Fund, Inc.	Midstream MLPs	C-corp	\$1,885.2		
NYSE: NTG Inception: 7/2010 Tortoise Pipeline & Energy Fund, Inc.	Natural gas infrastructure MLPs	C-corp	\$1,326.4		
NYSE: TTP Inception: 10/2011 Tortoise Energy Independence Fund, Inc.	North American pipeline companies	Regulated investment company	\$201.4		
NYSE: NDP Inception: 7/2012 Tortoise Power and Energy Infrastructure Fund, Inc.	North American oil & gas producers	Regulated investment company	\$143.9		
NYSE: TPZ Inception: 7/2009	Power & energy infrastructure companies (Fixed income & equity)	Regulated investment company	\$184.0		

¹As of 12/31/2018²As of 11/30/2018

(unaudited)

Tortoise

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2018 Annual Report to closed-end fund stockholders

Dear stockholders,

The broader energy sector, as represented by the S&P Energy Select Sector[®] Index, retreated substantially during the last fiscal quarter ending Nov. 30, 2018, returning -10.6%, bringing the full fiscal year performance to -1.6%. Commodity prices were volatile with crude oil prices seeing both the peak and trough for the fiscal year in the last three months. Oversupply concerns including: continued U.S. production growth, increased production from the Organization of the Petroleum Exporting Countries (OPEC), specifically Saudi Arabia in anticipation of the Iranian sanctions, and uncertainty leading up to the OPEC meeting in Vienna on Dec. 5, all contributed to driving oil prices lower. The midstream segment pulled back along with broad energy, as well as from near-term uncertainty around simplification transactions and further evolution of the midstream segment. Closed-end funds focused on midstream energy were not immune to the pressure and the market responded driving market-based returns further into negative territory, resulting in discounted trading to net asset value for most funds.

Upstream

Upstream oil and gas producers experienced a stark reversal in performance during the final quarter with the Tortoise North American Oil and Gas Producers IndexSM returning -20.4%, bringing fiscal year-end performance to -10.4%. Crude oil prices, represented by West Texas Intermediate (WTI), ended the fiscal year at slightly more than \$50 per barrel after approaching \$80 per barrel in early Oct. Crude oil prices began the fiscal year on Dec. 1, 2017 at \$58.36 and steadily increased over the first three fiscal quarters. The last fiscal quarter brought volatility as oil prices fell from a fiscal year high of \$76.41 on Oct. 3 to a low of \$50.22 on Nov. 23, 2018 and ended the fiscal year at \$50.93.

U.S. crude oil production is expected to average 10.9 million barrels per day (MMbbl/d) in 2018 and to increase further to 12.1 MMbbl/d in 2019. This is significant growth from the 9.4 MMbbl/d produced in 2017.¹ The U.S. Energy Information Administration (EIA) forecasts a global liquid fuels production increase of 1.4 MMbbl/d in 2019. Production growth in the U.S. will be offset by declining OPEC production as per the agreed upon cut of 800,000 barrels per day (b/d) at the OPEC meeting in early December as well as the 400,000 b/d cut from other countries including Russia. On the other side of the equation, the EIA expects global liquid fuels consumption to grow by 1.5 MMbbl/d, largely driven by increases in China, U.S. and India.

Natural gas prices increased during the fourth fiscal quarter as inventories were low at the end of injection season followed by cold weather in parts of the country. Weather played a factor in natural gas prices throughout the fiscal year. They opened at \$2.84 per million British thermal units (MMBtu), quickly rose in January to peak at \$6.24 and fell to a fiscal year low of \$2.49 in February. The fiscal year ending Nov. 30, 2018 closed at a price of \$4.61. Natural gas production is expected to average 80.7 billion cubic feet per day (bcf/d) in 2018 and 87.3 bcf/d in 2019². The U.S. continues to export significant amounts of natural gas by pipeline to Mexico and liquefied natural gas (LNG) to the rest of the world, which is benefiting natural gas producers.

Midstream

Performance in the midstream sector declined along with broad energy as represented by the Tortoise North American Pipeline IndexSM return of -6.8% and the Tortoise MLP Index[®] return of -9.4% for the fourth fiscal quarter eliminating all gains, resulting in essentially flat 2018 fiscal year performance for both indexes. Despite market turmoil, midstream companies showed their resilience with nearly 95% of midstream MLPs increasing or maintaining their third quarter distribution over the prior quarter.

As the midstream energy landscape continues to evolve, so does the MLP structure. We expect even higher coverage and lower leverage going forward. Many companies have shifted to self-funding the equity portion of their capex programs, reducing reliance on capital markets access. As a result, we expect dramatically less equity supply issuance in 2019 and beyond as companies focus on return of capital to shareholders in the form of strong yield, distribution growth and stock buybacks. Some companies are also selling non-core assets to arbitrage the valuation gap between private and public midstream assets.

We've deemed 2018 as the year of the transaction, with more than half of MLP companies participating in simplification transactions. These transactions have benefited the sector, leading to improved corporate governance and the removal of incentive distribution rights (IDRs). We expect this trend to continue and by the end of 2019 we anticipate more than 85% of MLPs will have eliminated IDRs.

With significant midstream investment needed to transport the record U.S. energy supply to areas of demand, including export facilities, several pipeline companies are planning to consolidate efforts to efficiently put capital to work. One example is a potential consolidation of two competing

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Permian Basin crude oil export lines. If combined, the project would be owned by six different midstream companies and would ease concerns of over investment in basin takeaway capacity. Our outlook for capital investments remains at approximately \$139 billion for 2018 to 2020 in MLPs, pipelines and related organic projects.

Downstream

Cleaner energy solutions continue to change the energy landscape. The breakdown of electricity generation in the U.S. continues to evolve. The most notable transition is the continued displacement of coal by natural gas. Renewables are also expected to continue to gain market share, primarily through the use of solar energy as the average U.S. solar generation is expected to rise by more than 40% from 2017 to 2019.¹ We anticipate that utilities will continue to find opportunities to include renewable infrastructure into their rate base, the value of the property on which the utility is permitted to earn a rate of return. Petrochemical companies, another downstream end-user of energy, will likely take advantage of higher natural gas liquids (NGL) supplies, increasing their margins.

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Regulatory updates

There were two noteworthy issues on the mid-term ballots in November. First, Colorado's Proposition 112 proposing a 2,500 foot drilling setback from occupied structures, was defeated. We believe that the Colorado energy industry and state legislature will likely work together towards a permanent resolution in the near future, removing any uncertainty regarding the issue. Second, in Nevada, voters approved Question 6, a ballot measure to increase the state's renewable portfolio standard (RPS) to 50% by 2030. The measure will require re-approval in 2020 in order to go into effect. The state hopes to spur investment and advance its leadership in renewable energy.

Capital markets

Capital markets activity slowed further during the last fiscal quarter with MLPs and other pipeline companies raising approximately \$9.5 billion in total capital, with nearly all of the issuance in debt. This brings the total capital raised for the fiscal year to approximately \$43.5 billion, significantly lower than the previous fiscal year. Alternative options for capital and self-funding projects continue to trend higher and we expect the trend to continue in the future.

Merger and acquisition activity among MLPs and other pipeline companies picked up during the last fiscal quarter with more than \$44 billion in announced transactions, bringing the fiscal year's announced transactions to more than \$150 billion. There were two large transactions announced in the fourth fiscal quarter with Western Gas' simplification transaction and strategic deal between Western Gas Partners, LP, Western Gas Equity Partners, LP and Anadarko Petroleum Corporation, valued at approximately \$11.5 billion being the largest. EnLink Midstream, LLC also announced a simplification transaction to acquire EnLink Midstream Partners, LP in a deal valued at approximately \$10 billion.

Concluding thoughts

As we set course in 2019, we see a positive energy backdrop with crude oil supply and demand in balance and natural gas inventories low. With oil prices above the \$40 per barrel break-even price in the U.S., we expect U.S. production growth for crude oil, natural gas and NGLs to meaningfully increase again and likely surpass the record 2018 production. Beyond strong fundamentals and compelling valuations, key catalysts unfolding in the midstream sector include: structure clarity as simplification transactions wind down, increased return of capital to shareholders and improved fund flows into the sector. Because of this favorable backdrop, we are excited about the sector's prospects in 2019.

Sincerely,

The Tortoise Energy Team

The S&P Energy Select Sector[®] Index is a capitalization-weighted index of S&P 500[®] Index companies in the energy sector involved in the development or production of energy products. The Tortoise North American Oil and Gas Producers IndexSM is a float-adjusted, capitalization-weighted index of North American energy companies engaged primarily in the production of crude oil, condensate, natural gas or natural gas liquids (NGLs). The Tortoise North American Pipeline IndexSM is a float adjusted, capitalization-weighted index of energy pipeline companies domiciled in the United States and Canada. The Tortoise MLP Index[®] is a float-adjusted, capitalization-weighted index of energy master limited partnerships.

The Tortoise indices are the exclusive property of Tortoise Index Solutions, LLC, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Tortoise MLP Index[®], Tortoise North American Pipeline IndexSM and Tortoise North American Oil and Gas Producers IndexSM (the "Indices"). The Indices are not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices LLC"). S&P Dow Jones Indices will not be liable for any errors or omission in calculating the Indices. "Calculated by S&P Dow Jones Indices" and its related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by Tortoise Index Solutions, LLC and its affiliates. S&P[®] is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS"), and Dow Jones[®] is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones").

It is not possible to invest directly in an index.

Performance data quoted represents past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost.

1 Energy Information Administration, Short-Term Energy Outlook, December 2018

2 PIRA Natural Gas, December 2018

(unaudited)

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Energy Infrastructure Corp. (TYG)

Fund description

TYG seeks a high level of total return with an emphasis on current distributions paid to stockholders. TYG invests in midstream energy equities, primarily master limited partnerships (MLPs) and their affiliates that transport, gather, process or store natural gas, natural gas liquids (NGLs), crude oil and refined petroleum products.

Fund performance review

The midstream segment pulled back along with broad energy, as well as from near-term uncertainty around simplification transactions and further evolution of the midstream segment. We believe these transactions will benefit the sector with improved corporate governance and the removal of incentive distribution rights (IDRs). Average coverage ratios for the fund's portfolio companies has increased from 1.25x in 3Q2017 to 1.38x in 3Q2018 while average leverage decreased from 3.94x in 3Q2017 to 3.86x in 3Q2018. The fund has paid out more than \$33 per share in cumulative distributions to stockholders since its inception. In addition to the fund's primary allocation to midstream energy entities, the fund's small allocation to solar assets has aided in managing the fund's taxes through the addition of solar investment tax credits, while also gaining exposure to renewable energy, a critical and growing part of the energy value chain. The fund's market-based and NAV-based returns for the fiscal year ending Nov. 30, 2018 were -3.4% and 8.6%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index® was flat for the same period.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2018)	\$2.62
Distributions paid per share (4th quarter 2018)	\$0.6550
Distribution rate (as of 11/30/2018)	11.6%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in February 2004	\$33.0825
Market-based total return	(3.4)%
NAV-based total return	8.6%
Premium (discount) to NAV (as of 11/30/2018)	(3.9)%

Key asset performance drivers

Top five contributors

Energy Transfer Partners, L.P.

Williams Partners L.P.
Plains All American Pipeline, L.P.
Enterprise Products Partners, L.P.

ONEOK, Inc

Company type

Midstream natural gas/natural gas liquids pipeline MLP

Midstream gathering and processing MLP

Midstream crude oil pipeline MLP
Midstream natural gas/natural gas liquids pipeline MLP
Midstream natural gas/natural gas liquids pipeline company

Performance driver

Acquired by its general partner for 11% premium in simplification transaction
Simplification transaction closed in August and was well received by the market

Expected crude oil production growth from Permian Basin

Delivered steady cash flow and healthy project backlog
Natural gas liquid (NGL) volume growth benefitting integrated pipeline network

Bottom five contributors

Buckeye Partners, L.P.

Energy Transfer LP
EQM Midstream Partners, LP
The Williams Companies, Inc.

Company type

Midstream refined product pipeline MLP
Midstream natural gas/natural gas liquids pipeline company
Midstream natural gas/natural gas liquids pipeline company
Midstream gathering and processing C-Corp
Midstream crude oil pipeline MLP

Performance driver

Weaker than expected earnings tied to storage market fundamentals
Traded down due to ownership consolidation following closing of simplification transaction

Regulatory hurdles with Mountain Valley Pipeline build
Acquisition of WPZ closed in August with WMB trading down following the closing of the transaction
Strategic review with lower distribution viewed unfavorably by market

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Enbridge Energy Partners,
L.P.

Unlike the fund return, index return is pre-expenses and taxes.

Performance data quoted represents past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal year.

(unaudited)

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Fund structure and distribution policy

The fund is structured as a corporation and is subject to federal and state income tax on its taxable income. The fund has adopted a distribution policy in which the Board of Directors considers many factors in determining distributions to stockholders. Over the long term, the fund expects to distribute substantially all of its Distributable cash flow ("DCF") to holders of common stock. The fund's Board of Directors reviews the distribution rate quarterly, and may adjust the quarterly distribution throughout the year. Although the level of distributions is independent of the fund's performance in the short term, the fund expects such distributions to correlate with its performance over time.

Distributable cash flow and distributions

DCF is distributions received from investments less expenses. The total distributions received from investments include the amount received as cash distributions from investments, paid-in-kind distributions, and dividend and interest payments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses, leverage costs and current income taxes. Current income taxes include taxes paid on net investment income, in addition to foreign taxes, if any. Taxes incurred from realized gains on the sale of investments, expected tax benefits and deferred taxes are not included in DCF.

Income from investments decreased approximately 3.2% as compared to 3rd quarter 2018 primarily due to the impact of trading and M&A activity within the fund's portfolio. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 1.8% during the quarter due to lower asset-based fees. Overall leverage costs decreased approximately 0.7% as compared to 3rd quarter 2018 due to lower leverage utilization during the quarter. As a result of the changes in income and expenses, DCF decreased approximately 4.0% as compared to 3rd quarter 2018. The fund paid a quarterly distribution of \$0.655 per share, which was equal to the distribution paid in the prior quarter and 4th quarter 2017. The fund has paid cumulative distributions to stockholders of \$33.0825 per share since its inception in Feb. 2004.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles ("GAAP"), recognizes distribution income from MLPs and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from investments in the DCF calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts may not be included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. Net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during the fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses). Income for DCF purposes is reduced by amortizing the cost of certain investments that may not have a residual value after a known time period and by distributions received from investments deemed to be return of principal. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, realized and unrealized gains (losses) on interest rate swap settlements, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income.

"Net Investment Income (Loss), before Income Taxes" on the Statement of Operations is adjusted as follows to reconcile to DCF for YTD and 4th quarter 2018 (in thousands):

	YTD 2018	4th Qtr 2018
Net Investment Loss, before Income Taxes	\$ (50,419)	\$ (8,817)
Adjustments to reconcile to DCF:		
Distributions characterized as return of capital	184,612	44,330
Other	(1,602)	(2,319)
DCF	\$ 132,591	\$ 33,194

Leverage

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The fund's leverage utilization decreased \$43.7 million during 4th quarter 2018 and represented 30.5% of total assets at November 30, 2018. The fund has maintained compliance with its applicable coverage ratios. At year-end, including the impact of interest rate swaps, approximately 77% of the leverage cost was fixed, the weighted-average maturity was 4.1 years and the weighted-average annual rate on leverage was 3.76%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facilities and as leverage and swaps mature or are redeemed. During the quarter, \$10.0 million Senior Notes with a fixed interest rate of 3.15% matured. The fund utilized its credit facilities to facilitate the maturity of the Senior Notes.

Income taxes

During 4th quarter 2018, the fund's deferred tax liability decreased by \$65.7 million to \$189.6 million, primarily as a result of the decrease in value of its investment portfolio. The fund had net realized losses of \$45.2 million during the quarter. To the extent that the fund has taxable income, it will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets, or borrowings.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage, taxes and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions and results and recent tax reform, please visit www.tortoiseadvisors.com.

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TYG Key Financial Data (supplemental unaudited information)
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

	Year Ended November 30,		2017	2018								
	2017	2018	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾					
Total Income from Investments												
Distributions and dividends from investments	\$ 180,342	\$ 177,860	\$ 44,323	\$ 43,107	\$ 44,308	\$ 46,231	\$ 44,214					
Dividends paid in kind	—	2,752	—	910	850	879	113					
Premiums on options written	920	1,274	27	11	—	5	1,258					
Total from investments	181,262	181,886	44,350	44,028	45,158	47,115	45,585					
Operating Expenses Before Leverage												
Costs and Current Taxes												
Advisory fees	24,396	21,466	5,533	5,487	5,091	5,496	5,392					
Other operating expenses	1,764	1,741	443	430	431	442	438					
	26,160	23,207	5,976	5,917	5,522	5,938	5,830					
Distributable cash flow before leverage costs and current taxes	155,102	158,679	38,374	38,111	39,636	41,177	39,755					
Leverage costs ⁽²⁾	25,332	26,088	6,365	6,389	6,532	6,606	6,561					
Current income tax expense ⁽³⁾	—	—	—	—	—	—	—					
Distributable Cash Flow⁽⁴⁾	\$ 129,770	\$ 132,591	\$ 32,009	\$ 31,722	\$ 33,104	\$ 34,571	\$ 33,194					
Net realized gain (loss), net of income taxes, for the period	\$ 119,288	\$ 42,565	\$ 4,981	\$ 7,427	\$ 25,214	\$ 55,082	\$ (45,158)					
As a percent of average total assets⁽⁵⁾												
Total from investments	6.95	% 7.75	% 7.53	% 7.78	% 8.11	% 7.83	% 7.91	%				
Operating expenses before leverage costs and current taxes	1.01	% 1.01	% 1.01	% 1.04	% 0.99	% 0.99	% 1.01	%				
Distributable cash flow before leverage costs and current taxes	5.94	% 6.74	% 6.52	% 6.74	% 7.12	% 6.84	% 6.90	%				
As a percent of average net assets⁽⁵⁾												

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Total from investments	12.82	%	12.81	%	14.12	%	12.90	%	13.80	%	12.84	%	12.90	%
Operating expenses before leverage														
costs and current taxes	1.86	%	1.67	%	1.90	%	1.73	%	1.69	%	1.62	%	1.65	%
Leverage costs and current taxes	1.80	%	1.88	%	2.03	%	1.87	%	2.00	%	1.80	%	1.86	%
Distributable cash flow	9.16	%	9.26	%	10.19	%	9.30	%	10.11	%	9.42	%	9.39	%

Selected Financial Information

Distributions paid on common stock	\$ 128,749		\$ 138,298		\$ 32,299		\$ 33,604		\$ 34,474		\$ 35,089		\$ 35,131	
Distributions paid on common stock per share	2.6200		2.6200		0.6550		0.6550		0.6550		0.6550		0.6550	
Total assets, end of period ⁽⁶⁾	2,235,315		2,136,339		2,235,315		2,212,708		2,328,573		2,461,343		2,136,339	
Average total assets during period ⁽⁶⁾⁽⁷⁾	2,595,980		2,293,998		2,363,776		2,296,522		2,208,894		2,387,915		2,311,256	
Leverage ⁽⁸⁾	690,200		652,100		690,200		667,300		686,800		695,800		652,100	
Leverage as a percent of total assets	30.9	%	30.5	%	30.9	%	30.2	%	29.5	%	28.3	%	30.5	%
Net unrealized depreciation, end of period	(418,421)		(338,892)		(418,421)		(311,939)		(239,363)		(170,043)		(338,892)	
Net assets, end of period	1,181,528		1,260,300		1,181,528		1,315,850		1,396,104		1,499,967		1,260,300	
Average net assets during period ⁽⁹⁾	1,406,724		1,388,683		1,259,521		1,383,798		1,298,263		1,455,299		1,417,581	
Net asset value per common share	23.93		23.50		23.93		25.59		26.49		27.97		23.50	
Market value per share	25.86		22.59		25.86		27.70		28.67		28.12		22.59	
Shares outstanding (000's)	49,379		53,635		49,379		51,416		52,698		53,635		53,635	

(1) Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders, interest rate swap expenses and other recurring leverage expenses.

(3) Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of Distributable Cash Flow ("DCF").

(4) "Net investment income (loss), before income taxes" on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the dividends paid in stock and increased liquidation value, the premium on dividends paid in kind, the net premiums on options written and amortization of debt issuance costs; and decreased by realized and unrealized gains (losses) on interest rate swap settlements, distributions received that are excluded for DCF purposes and amortization on certain investments.

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

(6) Includes deferred issuance and offering costs on senior notes and preferred stock.

(7) Computed by averaging month-end values within each period.

(8) Leverage consists of senior notes, preferred stock and outstanding borrowings under credit facilities.

(9) Computed by averaging daily net assets within each period.

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Tortoise MLP Fund, Inc. (NTG)

Fund description

NTG seeks to provide stockholders with a high level of total return with an emphasis on current distributions. NTG invests primarily in midstream energy equities that own and operate a network of pipeline and energy-related logistical infrastructure assets with an emphasis on those that transport, gather, process and store natural gas and natural gas liquids (NGLs). NTG targets midstream energy equities, including MLPs benefiting from U.S. natural gas production and consumption expansion, with minimal direct commodity exposure.

Fund performance review

The midstream segment pulled back along with broad energy, as well as from near-term uncertainty around simplification transactions and further evolution of the midstream segment. We believe these transactions will benefit the sector, with improved corporate governance and the removal of incentive distribution rights (IDRs). Average coverage ratios for the fund's portfolio companies has increased from 1.25x in 3Q2017 to 1.37x in 3Q2018 while average leverage decreased from 3.96x in 3Q2017 to 3.91x in 3Q2018. The fund's market-based and NAV-based returns for the fiscal year ending Nov. 30, 2018 were -4.1% and 0.8%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index[®] was flat for the same period.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2018)	\$1.69
Distributions paid per share (4th quarter 2018)	\$0.4225
Distribution rate (as of 11/30/2018)	12.3%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in July 2010	\$13.7700
Market-based total return	(4.1)%
NAV-based total return	0.8%
Premium (discount) to NAV (as of 11/30/2018)	(5.2)%

Unlike the fund return, index return is pre-expenses and taxes.

Performance data quoted represents past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal year.

Key asset performance drivers

Top five contributors

Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP
Williams Partners L.P.	Midstream gathering and processing MLP
Plains All American Pipeline, L.P.	Midstream crude oil pipeline MLP
Enterprise Products Partners L.P.	Midstream natural gas/natural gas liquids pipeline MLP
ONEOK, Inc.	Midstream natural gas/natural gas liquids pipeline company

Performance driver

Acquired by its general partner for 11% premium in simplification transaction
Simplification transaction closed in August and was well received by the market
Expected crude oil production growth from Permian Basin
Delivered steady cash flow and healthy project backlog
Natural gas liquid (NGL) volume growth benefitting integrated pipeline network

Bottom five contributors

Company type

Performance driver

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

EQM Midstream Partners, LP	Midstream natural gas/natural gas liquids pipeline company	Regulatory hurdles with Mountain Valley Pipeline build Weaker than expected earnings tied to storage market fundamentals
Buckeye Partners, L.P	Midstream refined product pipeline MLP	Traded down due to ownership consolidation following closing of simplification transaction
Energy Transfer LP	Midstream natural gas/natural gas liquids pipeline company	Acquisition of WPZ closed in August with WMB trading down following the closing of the transaction
The Williams Companies, Inc.	Midstream gathering and processing C-Corp	Parent company activity and equity offering
Dominion Energy Midstream Partners LP	Midstream natural gas/natural gas liquids pipeline MLP	

(unaudited)

Tortoise

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Tortoise

MLP Fund, Inc. (NTG) (continued)

Fund structure and distribution policy

The fund is structured as a corporation and is subject to federal and state income tax on its taxable income. The fund has adopted a distribution policy in which the Board of Directors considers many factors in determining distributions to stockholders. Over the long term, the fund expects to distribute substantially all of its Distributable cash flow ("DCF") to holders of common stock. The fund's Board of Directors reviews the distribution rate quarterly, and may adjust the quarterly distribution throughout the year. Although the level of distributions is independent of the funds' performance in the short term, the fund expects such distributions to correlate with its performance over time.

Distributable cash flow and distributions

DCF is distributions received from investments less expenses. The total distributions received from investments include the amount received as cash distributions from MLPs, paid-in-kind distributions, and dividend and interest payments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses, leverage costs and current income taxes. Current income taxes include taxes paid on net investment income in addition to foreign taxes, if any. Taxes incurred from realized gains on the sale of investments, expected tax benefits and deferred taxes are not included in DCF.

Income from investments increased approximately 3.6% as compared to 3rd quarter 2018 due primarily to increased premiums received on written covered call options. Operating expenses, consisting primarily of fund advisory fees, increased approximately 1.0% during the quarter due to higher asset-based fees. Leverage costs increased approximately 12.2% as compared to 3rd quarter 2018 due to increased leverage utilization as well as higher interest rates during the quarter. As a result of the changes in income and expenses, DCF increased approximately 2.4% as compared to 3rd quarter 2018. The fund paid a quarterly distribution of \$0.4225 per share, which was equal to the distribution paid in the prior quarter and 4th quarter 2017. The fund has paid cumulative distributions to stockholders of \$13.77 per share since its inception in July 2010.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between distributions received from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: the Statement of Operations, in conformity with U.S. generally accepted accounting principles ("GAAP"), recognizes distribution income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; and distributions received from investments in the DCF calculation include the value of dividends paid-in-kind (additional stock or MLP units), whereas such amounts may not be included as income for GAAP purposes, and includes distributions related to direct investments when the purchase price is reduced in lieu of receiving cash distributions. Net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during the fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses). The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, distributions to preferred stockholders, other recurring leverage expenses, as well as taxes paid on net investment income.

"Net Investment Income (Loss), before Income Taxes" on the Statement of Operations is adjusted as follows to reconcile to DCF for YTD and 4th quarter 2018 (in thousands):

	YTD 2018	4th Qtr 2018
Net Investment Loss, before Income Taxes	\$ (28,708)	\$ (5,540)
Adjustments to reconcile to DCF:		
Distributions characterized as return of capital	113,947	28,991
Net premiums on options written	1,254	1,254
Other	(1,106)	126
DCF	\$87,599	\$24,831

Leverage

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

The fund's leverage utilization increased by \$60.1 million during 4th quarter 2018 and represented 34.3% of total assets at November 30, 2018. The fund has maintained compliance with its applicable coverage ratios. At year-end, approximately 75% of the leverage cost was fixed, the weighted-average maturity was 3.7 years and the weighted-average annual rate on leverage was 3.88%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facility and as leverage matures or is redeemed.

Income taxes

During 4th quarter 2018, the fund's deferred tax liability decreased by \$42.4 million to \$68.2 million, primarily as a result of the decrease in value of its investment portfolio. The fund had net realized losses of \$4.2 million during the quarter. As of November 30, 2018, the fund had net operating losses of \$55 million for federal income tax purposes. To the extent that the fund has taxable income in the future that is not offset by net operating losses, it will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets, or borrowings.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage, taxes and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions and results and recent tax reform, please visit www.tortoiseadvisors.com.

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NTG Key Financial Data (supplemental unaudited information)
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

	Year Ended November 30,		2017	2018		2017	2018	
	2017	2018	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾	
Total Income from Investments								
Distributions and dividends from investments	\$ 108,230	\$ 115,952	\$ 26,506	\$ 26,429	\$ 26,236	\$ 31,413	\$ 31,800	
Dividends paid in kind	—	1,879	—	546	621	644	68	
Premiums on options written	571	1,254	32	—	—	—	1,254	
Total from investments	108,801	119,085	26,538	26,975	26,857	32,057	33,196	
Operating Expenses Before Leverage								
Costs and Current Taxes								
Advisory fees, net of fees waived	14,349	12,863	3,279	3,294	3,054	3,251	3,264	
Other operating expenses	1,292	1,319	312	316	321	330	352	
	15,641	14,182	3,591	3,610	3,375	3,581	3,616	
Distributable cash flow before leverage costs and current taxes	93,160	104,903	22,947	23,365	23,482	28,476	29,524	
Leverage costs ⁽²⁾	16,468	17,304	4,147	4,127	4,197	4,231	4,749	
Current income tax expense ⁽³⁾	—	—	—	—	—	—	—	
Distributable Cash Flow⁽⁴⁾	\$ 76,692	\$ 87,599	\$ 18,800	\$ 19,238	\$ 19,285	\$ 24,245	\$ 24,831	
Net realized gain (loss), net of income taxes, for the period	\$ 29,189	\$ 46,530	\$ (1,122)	\$ (575)	\$ 9,963	\$ 41,385	\$ (4,200)	
As a percent of average total assets⁽⁵⁾								
Total from investments	7.14 %	8.11 %	7.69 %	8.01 %	8.29 %	8.60 %	8.60 %	
Operating expenses before leverage costs and current taxes	1.03 %	0.99 %	1.04 %	1.07 %	1.04 %	0.96 %	0.91 %	
Distributable cash flow before leverage costs and current taxes	6.11 %	7.12 %	6.65 %	6.94 %	7.25 %	7.64 %	7.69 %	
As a percent of average net assets⁽⁵⁾								
Total from investments	12.13 %	13.07 %	13.27 %	12.85 %	13.99 %	13.86 %	13.86 %	
Operating expenses before leverage costs and current taxes	1.75 %	1.60 %	1.80 %	1.72 %	1.76 %	1.55 %	1.42 %	
Leverage costs and current taxes	1.85 %	1.95 %	2.07 %	1.97 %	2.19 %	1.83 %	1.87 %	
Distributable cash flow	8.53 %	9.52 %	9.40 %	9.16 %	10.04 %	10.48 %	9.79 %	
Selected Financial Information								
Distributions paid on common stock	\$ 79,670	\$ 86,693	\$ 19,962	\$ 19,962	\$ 19,997	\$ 20,029	\$ 26,700	
Distributions paid on common stock per share	1.69000	1.6900	0.4225	0.4225	0.4225	0.4225	0.4225	
Total assets, end of period ⁽⁶⁾	1,327,977	1,506,745	1,327,977	1,298,112	1,338,664	1,651,973	1,506,745	
Average total assets during period ⁽⁶⁾⁽⁷⁾	1,515,484	1,429,518	1,384,718	1,365,793	1,284,852	1,479,365	1,588,100	
Leverage ⁽⁸⁾	443,800	517,100	443,800	440,400	443,100	457,000	517,100	
Leverage as a percent of total assets	33.4 %	34.3 %	33.4 %	33.9 %	33.1 %	27.7 %	34.3 %	
Net unrealized appreciation, end of period	24,370	23,424	24,370	70,322	114,138	150,762	23,424	
Net assets, end of period	754,085	915,033	754,085	776,371	802,440	1,077,585	915,033	
Average net assets during period ⁽⁹⁾	892,196	887,014	802,165	851,387	761,577	917,409	1,018,300	
Net asset value per common share	15.96	14.48	15.96	16.40	16.93	17.05	14.48	
Market value per common share	15.90	13.72	15.90	17.54	18.40	16.27	13.72	
Shares outstanding (000's)	47,247	63,208	47,247	47,330	47,406	63,208	63,208	

Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is (1) the period from September through November.

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- (2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.
Includes taxes paid on net investment income and foreign taxes, if any. Taxes related to realized gains are excluded from the calculation of
- (3) Distributable Cash Flow ("DCF").
"Net investment income (loss), before income taxes" on the Statement of Operations is adjusted as follows to reconcile to DCF: increased by the return of capital on distributions, the dividends paid in stock and increased liquidation value, the premium on dividends paid in kind and
- (4) amortization of debt issuance costs.
- (5) Annualized for periods less than one full year.
- (6) Includes deferred issuance and offering costs on senior notes and preferred stock.
- (7) Computed by averaging month-end values within each period.
- (8) Leverage consists of senior notes, preferred stock and outstanding borrowings under the credit facility.
- (9) Computed by averaging daily net assets within each period.

Tortoise

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Tortoise

Pipeline & Energy Fund, Inc. (TTP)

Fund description

TTP seeks a high level of total return with an emphasis on current distributions paid to stockholders. TTP invests primarily in equity securities of North American pipeline companies that transport natural gas, natural gas liquids (NGLs), crude oil and refined products and, to a lesser extent, in other energy infrastructure companies.

Fund performance review

The midstream segment pulled back along with broad energy, as well as from near-term uncertainty around simplification transactions and further evolution of the midstream segment. The fund's market-based and NAV-based returns for the fiscal year ending Nov. 30, 2018 were -7.0% and -4.5%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Pipeline IndexSM returned 0.7% for the same period.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2018)	\$1.63
Distributions paid per share (4th quarter 2018)	\$0.4075
Distribution rate (as of 11/30/2018)	11.4%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in October 2011	\$11.7275
Market-based total return	(7.0)%
NAV-based total return	(4.5)%
Premium (discount) to NAV (as of 11/30/2018)	(12.0)%

Please refer to the inside front cover of the report for important information about the fund's distribution policy.

The fund's covered call strategy, which focuses on independent energy companies that are key pipeline transporters, enabled the fund to generate current income. The notional amount of the fund's covered calls averaged approximately 7.5% of total assets, and their out-of-the-money percentage at the time written averaged approximately 5.4% during the fiscal quarter.

Key asset performance drivers

ONEOK, Inc.	Midstream natural gas/natural gas liquids pipeline company	Natural gas liquid (NGL) volume growth benefitting integrated pipeline network
Energy Transfer Partners, L.P	Midstream natural gas/natural gas liquids pipeline MLP	Acquired by its general partner for 11% premium in simplification transaction
Plains GP Holdings, L.P	Midstream crude oil pipeline company	Expected crude oil production growth from Permian Basin
Targa Resources Corp.	Midstream gathering and processing company	Permian Basin wet gas volume growth
Tallgrass Energy LP	Midstream natural gas/natural gas liquids pipeline company	Completion of simplification transaction
Enlink Midstream, LLC	Midstream gathering and processing company	Increased uncertainty following strategic transaction with GIP
SemGroup Corporation	Midstream crude oil pipeline company	Concerns regarding high relative leverage
TransCanada Corporation	Midstream natural gas/natural gas liquids pipeline company	Higher leverage causing need for asset divestitures to fund capital projects
Inter Pipeline Ltd.	Midstream crude oil pipeline company	Concerns about ability to execute propane dehydrogenation (PDH) project

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Energy Transfer LP

Midstream natural gas/natural gas liquids
pipeline company

Traded down due to ownership consolidation following closing of
simplification transaction

Unlike the fund return, index return is pre-expenses.

Performance data quoted represents past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal year.

(unaudited)

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Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company (“RIC”) allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund’s gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC’s. The fund must also distribute at least 90 percent of its investment company income. RIC’s are also subject to excise tax rules which require RIC’s to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which is included on the inside front cover of this report. To summarize, the fund intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the year. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year to meet annual excise distribution requirements. The fund distributes a fixed amount per common share, currently \$0.4075, each quarter to its common shareholders. This amount is subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds’ performance in the short term, the fund expects such distributions to correlate with its performance over time.

Distributable cash flow and distributions

Distributable cash flow (“DCF”) is income from investments less expenses. Income from investments includes the amount received as cash or paid-in-kind distributions from common stock, master limited partnerships (“MLPs”), affiliates of MLPs, and pipeline and other energy companies in which the fund invests, and dividend payments on short-term investments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses and leverage costs.

Income from investments decreased approximately 4.1% as compared to 3rd quarter 2018, primarily due to trading and M&A activity within the fund’s portfolio as well as lower premiums on written covered call options during the quarter. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 5.6% during the quarter, primarily due to lower asset-based fees. Leverage costs increased 1.5% as compared to 3rd quarter 2018 primarily as a result of increased interest rates during the quarter. As a result of the changes in income and expenses, DCF decreased approximately 4.7% as compared to 3rd quarter 2018. In addition, the fund had net realized losses on investments of \$0.6 million during 4th quarter 2018. The fund paid a quarterly distribution of \$0.4075 per share, which was unchanged over the prior quarter and 4th quarter 2017. The fund has paid cumulative distributions to stockholders of \$11.7275 per share since its inception in October 2011.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) the Statement of Operations, in conformity with U.S. generally accepted accounting principles (“GAAP”), recognizes distributions and dividend income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distributions and dividend income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts may not be included as income for GAAP purposes; and (4) net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during the fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses).

“Net Investment Income (Loss)” on the Statement of Operations is adjusted as follows to reconcile to DCF for YTD and 4th quarter 2018 (in thousands):

	YTD 2018	4th Qtr 2018
Net Investment Loss	\$ (1,506)	\$ (340)
Adjustments to reconcile to DCF:		

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Net premiums on options written	4,808	1,154
Distributions characterized as return of capital	10,316	2,465
Dividends paid in stock	1,471	369
Other	221	66
DCF	\$15,310	\$3,714

Leverage

The fund's leverage utilization decreased by \$1.0 million during 4th quarter 2018 and represented 29.7% of total assets at November 30, 2018. The fund has maintained compliance with its applicable coverage ratios. At year-end, approximately 63% of the leverage cost was fixed, the weighted-average maturity was 1.5 years and the weighted-average annual rate on leverage was 3.79%. These rates will vary in the future as a result of changing floating rates, utilization of the fund's credit facility and as leverage matures or is redeemed.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit www.tortoiseadvisors.com.

(unaudited)

Tortoise

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TTP Key Financial Data (supplemental unaudited information)

(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding **Distributable Cash Flow and Selected Financial Information** is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The **Distributable Cash Flow Ratios** include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

	Year Ended November 30,		2017	2018	2017	2018	2017	2018	2017	2018
	2017	2018	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾
Total Income from Investments										
Dividends and distributions from investments, net of foreign taxes withheld	\$ 14,711	\$ 14,738	\$ 3,559	\$ 3,498	\$ 3,875	\$ 3,716	\$ 3,559	\$ 3,498	\$ 3,875	\$ 3,716
Dividends paid in kind	1,194	1,796	329	397	480	497	329	397	480	497
Net premiums on options written	4,503	4,808	967	1,125	1,294	1,235	967	1,125	1,294	1,235
Total from investments	20,408	21,342	4,855	5,020	5,649	5,448	4,855	5,020	5,649	5,448
Operating Expenses Before										
Leverage Costs										
Advisory fees, net of fees waived	3,131	2,845	729	732	683	734	729	732	683	734
Other operating expenses	573	605	132	149	150	159	132	149	150	159
	3,704	3,450	861	881	833	893	861	881	833	893
Distributable cash flow before leverage costs	16,704	17,892	3,994	4,139	4,816	4,555	3,994	4,139	4,816	4,555
Leverage costs ⁽²⁾	2,271	2,582	579	620	636	658	579	620	636	658
Distributable Cash Flow⁽³⁾	\$ 14,433	\$ 15,310	\$ 3,415	\$ 3,519	\$ 4,180	\$ 3,897	\$ 3,415	\$ 3,519	\$ 4,180	\$ 3,897
Net realized gain (loss) on investments and foreign currency translation, for the period	\$ 2,605	\$ (356)	\$ 354	\$ 532	\$ (1,118)	\$ 826	\$ 354	\$ 532	\$ (1,118)	\$ 826
As a percent of average total assets⁽⁴⁾										
Total from investments	7.09 %	8.29 %	7.28 %	7.70 %	9.03 %	8.16 %	7.09 %	7.70 %	9.03 %	8.16 %
Operating expenses before leverage costs	1.29 %	1.34 %	1.29 %	1.35 %	1.33 %	1.34 %	1.29 %	1.35 %	1.33 %	1.34 %
Distributable cash flow before leverage costs	5.80 %	6.95 %	5.99 %	6.35 %	7.70 %	6.82 %	5.80 %	6.35 %	7.70 %	6.82 %
As a percent of average net assets⁽⁴⁾										
Total from investments	9.30 %	11.32 %	9.79 %	10.24 %	12.65 %	11.09 %	9.30 %	10.24 %	12.65 %	11.09 %
Operating expenses before leverage costs	1.69 %	1.83 %	1.74 %	1.80 %	1.87 %	1.82 %	1.69 %	1.80 %	1.87 %	1.82 %
Leverage costs	1.04 %	1.37 %	1.17 %	1.26 %	1.42 %	1.34 %	1.04 %	1.26 %	1.42 %	1.34 %
Distributable cash flow	6.57 %	8.12 %	6.88 %	7.18 %	9.36 %	7.93 %	6.57 %	7.18 %	9.36 %	7.93 %
Selected Financial Information										
Distributions paid on common stock	\$ 16,327	\$ 16,327	\$ 4,082	\$ 4,082	\$ 4,081	\$ 4,082	\$ 4,082	\$ 4,082	\$ 4,081	\$ 4,082
Distributions paid on common stock per share	1.6300	1.6300	0.4075	0.4075	0.4075	0.4075	0.4075	0.4075	0.4075	0.4075
Total assets, end of period ⁽⁵⁾	259,175	235,259	259,175	245,155	258,764	268,532	259,175	245,155	258,764	268,532
Average total assets during period ⁽⁵⁾⁽⁶⁾	288,004	257,585	267,349	264,274	248,147	264,986	267,349	264,274	248,147	264,986
Leverage ⁽⁷⁾	69,300	69,800	69,300	69,800	70,100	70,800	69,300	69,800	70,100	70,800
Leverage as a percent of total assets	26.7 %	29.7 %	26.7 %	28.5 %	27.1 %	26.4 %	26.7 %	28.5 %	27.1 %	26.4 %
Net unrealized depreciation, end of period	(27,789)	(34,897)	(27,789)	(38,233)	(17,798)	(6,280)	(27,789)	(38,233)	(17,798)	(6,280)
Net assets, end of period	188,517	163,202	188,517	173,723	187,444	196,073	188,517	173,723	187,444	196,073
Average net assets during period ⁽⁸⁾	219,359	188,518	198,953	198,872	177,138	194,846	198,953	198,872	177,138	194,846
Net asset value per common share	18.82	16.29	18.82	17.34	18.71	19.58	18.82	17.34	18.71	19.58
Market value per common share	17.01	14.33	17.01	16.93	17.36	17.73	17.01	16.93	17.36	17.73
Shares outstanding (000's)	10,016	10,016	10,016	10,016	10,016	10,016	10,016	10,016	10,016	10,016

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Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is (1) the period from September through November.

(2) Leverage costs include interest expense, distributions to preferred stockholders and other recurring leverage expenses.

"Net investment income (loss)" on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ("DCF"): increased by net premiums on options written, the return of capital on distributions, the dividends paid in stock and increased liquidation value, the premium

(3) on dividends paid in kind and amortization of debt issuance costs.

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

(5) Includes deferred issuance and offering costs on senior notes and preferred stock.

(6) Computed by averaging month-end values within each period.

(7) Leverage consists of senior notes, preferred stock and outstanding borrowings under the revolving credit facility.

(8) Computed by averaging daily net assets within each period.

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Tortoise

Energy Independence Fund, Inc. (NDP)

Fund description

NDP seeks a high level of total return with an emphasis on current distributions paid to stockholders. NDP invests primarily in equity securities of upstream North American energy companies that engage in the exploration and production of crude oil, condensate, natural gas and natural gas liquids that generally have a significant presence in North American oil and gas fields, including shale reservoirs.

Fund performance review

Upstream oil and gas producers experienced a stark reversal in performance as the last fiscal quarter brought volatility with oil prices falling from a fiscal year high of \$76.41 on Oct. 5 to a low of \$50.22 on Nov. 23, 2018 and ending the fiscal year at \$50.93. Weather played a factor in natural gas prices throughout the fiscal year as they opened at \$2.84 per million British thermal units (MMBtu), quickly rose in January to peak at \$6.24 and fell to a fiscal year low of \$2.49 in February and at the fiscal year ending Nov. 30, 2018 the closing price was \$4.61. Natural gas producers performed slightly better than oil producers during the fiscal year. The fund's market-based and NAV-based returns for the fiscal year ending Nov. 30, 2018 were -15.1% and -18.1%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Oil and Gas Producers IndexSM returned -10.4% for the same period.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2018)	\$1.75
Distributions paid per share (4th quarter 2018)	\$0.4375
Distribution rate (as of 11/30/2018)	19.4%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distributions paid per share to stockholders since inception in July 2012	\$10.9375
Market-based total return	(15.1)%
NAV-based total return	(18.1)%
Premium (discount) to NAV (as of 11/30/2018)	(0.2)%

The fund utilizes a covered call strategy, which seeks to generate income while reducing overall volatility. The premium income generated from this strategy helped to lower NAV volatility during the quarter. The notional amount of the fund's covered calls averaged approximately 72.1% of total assets and their out-of-the-money percentage at the time written averaged approximately 9.4% during the fiscal quarter.

Key asset performance drivers

Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Acquired by its general partner for 11% premium in simplification transaction
Plains All American Pipeline, L.P.	Midstream crude oil pipeline MLP	Expected crude oil production growth from Permian Basin
DCP Midstream LP	Midstream gathering and processing MLP	Higher realized natural gas liquids prices and new project announcements
RSP Permian, Inc.	Upstream oil and gas producer	Acquired by Concho Resources Inc. at a premium to existing stock price
Royal Dutch Shell PLC	Upstream oil and gas producer	Diversified asset base, growth potential and increased liquefied natural gas (LNG) demand
Pioneer Natural Resources Company	Upstream liquids producer	Wider Permian basis differentials reducing cash flow
Devon Energy Corporation	Upstream oil and gas producer	Weaker than expected SCOOP/STACK shale plays in central Oklahoma
Continental Resources Inc.	Upstream oil and gas producer	

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Newfield Exploration
Company

Upstream oil and gas producer

Significant exposure to oil prices that dropped sharply during the fourth quarter

Weaker than expected SCOOP/STACK shale plays in central Oklahoma

Poor execution of drilling program resulting in overhaul of management

EQT Corporation

Upstream oil and gas producer

Unlike the fund return, index return is pre-expenses.

Performance data quoted represents past performance: past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal year.

(unaudited)

Tortoise

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Tortoise

Energy Independence Fund, Inc. (NDP) (continued)

Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company (“RIC”) allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund’s gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC’s. The fund must also distribute at least 90 percent of its investment company income. RIC’s are also subject to excise tax rules which require RIC’s to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the year. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year to meet annual excise distribution requirements. Distribution amounts are subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds’ performance in the short term, the fund expects such distributions to correlate with its performance over time.

Distributable cash flow and distributions

Distributable cash flow (“DCF”) is income from investments less expenses. Income from investments includes the amount received as cash or paid-in-kind distributions from investments and dividend payments on short-term investments. Income also includes the premiums received from sales of covered call options, net of amounts paid to buy back out-of-the-money options. The total expenses include current or anticipated operating expenses and leverage costs.

Income from investments decreased approximately 6.3% as compared to 3rd quarter 2018, primarily due to lower income on premiums from covered call options. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 8.7% during the quarter due primarily to lower asset-based fees. Total leverage costs increased approximately 5.2% as compared to 3rd quarter 2018, primarily due to an increase in interest rates during the quarter. As a result of the changes in income and expenses, DCF decreased by approximately 6.8% as compared to 3rd quarter 2018. In addition, the fund had net realized losses on investments of \$2.0 million during 4th quarter 2018.

The fund maintained its quarterly distribution of \$0.4375 per share during 4th quarter 2018, which was equal to the distribution paid in the prior quarter and 4th quarter 2018. The fund has paid cumulative distributions to stockholders of \$10.9375 per share since its inception in July 2012.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) the Statement of Operations, in conformity with U.S. generally accepted accounting principles (“GAAP”), recognizes distributions and dividend income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distributions and dividend income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts may not be included as income for GAAP purposes; and (4) net premiums on options written (premiums received less amounts paid to buy back out-of-the-money options) with expiration dates during fiscal quarter are included in the DCF calculation, whereas GAAP recognizes the net effect of options written as realized and unrealized gains (losses).

“Net Investment Income (Loss)” on the Statement of Operations is adjusted as follows to reconcile to DCF for YTD and 4th quarter 2018 (in thousands):

	YTD 2018	4th Qtr 2018
Net Investment Loss	\$(4,228)	\$(917)
Adjustments to reconcile to DCF:		

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Net premiums on options written	24,820	6,400
Distributions characterized as return of capital	4,527	852
Other	655	151
DCF	\$25,774	\$ 6,486

Leverage

The fund's leverage utilization decreased \$8.1 million as compared to 3rd quarter 2018. The fund utilizes all floating rate leverage that had an interest rate of 3.15% and represented 29.9% of total assets at year-end. The fund has maintained compliance with its applicable coverage ratios. The interest rate on the fund's leverage will vary in the future along with changing floating rates.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit www.tortoiseadvisors.com.

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NDP Key Financial Data (supplemental unaudited information)
(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding **Distributable Cash Flow and Selected Financial Information** is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The **Distributable Cash Flow Ratios** include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

	Year Ended November 30,		2017	2018				
	2017	2018	Q4 ⁽¹⁾	Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾	
Total Income from Investments								
Distributions and dividends from investments, net of foreign taxes withheld	\$ 5,977	\$ 5,122	\$ 1,441	\$ 1,453	\$ 1,363	\$ 1,139	\$ 1,167	
Dividends paid in stock	695	796	135	194	221	229	152	
Net premiums on options written	22,648	24,820	5,720	5,627	5,923	6,870	6,400	
Total from investments	29,320	30,738	7,296	7,274	7,507	8,238	7,719	
Operating Expenses Before Leverage Costs								
Advisory fees, net of fees waived	2,978	2,639	681	693	662	671	613	
Other operating expenses	544	566	125	141	144	147	134	
	3,522	3,205	806	834	806	818	747	
Distributable cash flow before leverage costs	25,798	27,533	6,490	6,440	6,701	7,420	6,972	
Leverage costs ⁽²⁾	1,183	1,759	325	376	435	462	486	
Distributable Cash Flow⁽³⁾	\$24,615	\$25,774	\$6,165	\$6,064	\$6,266	\$6,958	\$6,486	
Net realized gain (loss) on investments and foreign currency translation, for the period	\$ (21,311)	\$ (6,693)	\$ (18,793)	\$ 5,881	\$ (16,976)	\$ 6,433	\$ (2,031)	
As a percent of average total assets⁽⁴⁾								
Total from investments	10.52 %	12.72 %	11.60 %	11.56 %	12.33 %	13.23 %	13.91 %	
Operating expenses before leverage costs	1.26 %	1.33 %	1.28 %	1.32 %	1.32 %	1.31 %	1.35 %	
Distributable cash flow before leverage costs	9.26 %	11.39 %	10.32 %	10.24 %	11.01 %	11.92 %	12.56 %	
As a percent of average net assets⁽⁴⁾								
Total from investments	13.97 %	17.42 %	15.77 %	15.42 %	17.01 %	18.25 %	19.29 %	
Operating expenses before leverage costs	1.68 %	1.82 %	1.74 %	1.77 %	1.83 %	1.81 %	1.87 %	
Leverage costs	0.56 %	1.00 %	0.70 %	0.80 %	0.99 %	1.02 %	1.21 %	
Distributable cash flow	11.73 %	14.60 %	13.33 %	12.85 %	14.19 %	15.42 %	16.21 %	
Selected Financial Information								
Distributions paid on common stock	\$ 25,460	\$ 25,587	\$ 6,380	\$ 6,380	\$ 6,391	\$ 6,402	\$ 6,414	
Distributions paid on common stock per share	1.7500	1.7500	0.4375	0.4375	0.4375	0.4375	0.4375	
Total assets, end of period	255,302	191,285	255,302	236,174	245,593	242,150	191,285	
Average total assets during period ⁽⁵⁾	278,827	241,656	252,191	255,282	241,582	246,956	222,541	
Leverage ⁽⁶⁾	64,500	57,100	64,500	68,000	65,800	65,200	57,100	
Leverage as a percent of total assets	25.3 %	29.9 %	25.3 %	28.8 %	26.8 %	26.9 %	29.9 %	
Net unrealized depreciation, end of period	(19,852)	(50,328)	(19,852)	(41,518)	(4,811)	(15,314)	(50,328)	
Net assets, end of period	187,889	132,488	187,889	166,253	176,262	172,423	132,488	
Average net assets during period ⁽⁷⁾	209,940	176,481	185,583	191,359	175,128	179,054	160,534	
Net asset value per common share	12.88	9.02	12.88	11.38	12.18	11.76	9.02	
Market value per common share	12.39	9.00	12.39	11.80	12.47	12.69	9.00	
Shares outstanding (000's)	14,584	14,696	14,584	14,607	14,633	14,660	14,696	

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Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is (1) the period from September through November.

(2) Leverage costs include interest expense and other recurring leverage expenses.

"Net investment income (loss)" on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ("DCF"): increased by (3) net premiums on options written, the return of capital on distributions the distributions paid in stock and the premium on dividends paid in kind.

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

(5) Computed by averaging month-end values within each period.

(6) Leverage consists of outstanding borrowings under the revolving credit facility.

(7) Computed by averaging daily net assets within each period.

Tortoise

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Tortoise

Power and Energy Infrastructure Fund, Inc. (TPZ)

Fund description

TPZ seeks to provide a high level of current income to stockholders, with a secondary objective of capital appreciation. TPZ seeks to invest primarily in fixed income and dividend-paying equity securities of power and energy infrastructure companies that provide stable and defensive characteristics throughout economic cycles.

Fund performance review

The midstream segment pulled back along with broad energy, as well as from near-term uncertainty around simplification transactions and further evolution of the midstream segment. The fund's market-based and NAV-based returns for the fiscal year ending Nov. 30, 2018 were -6.8% and 0.2%, respectively (including the reinvestment of distributions). Comparatively, the TPZ Benchmark Composite* returned -1.7% for the same period. The fund's fixed income holdings underperformed its midstream energy equity holdings on a total return basis.

Fiscal year-end highlights

Distributions paid per share (fiscal year 2018)	\$1.50
Monthly distributions paid per share (4th quarter 2018)	\$0.1250
Distribution rate (as of 11/30/2018)	8.7%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distribution to stockholders since inception in July 2009	\$15.2750
Market-based total return	(6.8)%
NAV-based total return	0.2%
Premium (discount) to NAV (as of 11/30/2018)	(13.1)%

* The TPZ Benchmark Composite includes the BofA Merrill Lynch U.S. Energy Index (CIEN), the BofA Merrill Lynch U.S. Electricity Index (CUEL) and the Tortoise MLP Index® (TMLP). It is comprised of a blend of 70% fixed income and 30% equity securities issued by companies in the power and energy infrastructure sectors.

Please refer to the inside front cover of the report for important information about the fund's distribution policy.

Key asset performance drivers

Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Acquired by its general partner for 11% premium in simplification transaction
ONEOK, Inc.	Midstream natural gas/natural gas liquids pipeline company	Natural gas liquid (NGL) volume growth benefitting integrated pipeline network
Kinder Morgan Inc.	Midstream natural gas/natural gas liquids pipeline company	Reduced leverage to target levels
Enterprise Products Partners L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Delivered steady cash flow and healthy project backlog
Targa Resources Corp	Midstream gathering and processing company	Permian Basin wet gas volume growth
Energy Transfer LP	Midstream natural gas/natural gas liquids pipeline company	Traded down due to ownership consolidation following closing of simplification transaction
Enbridge Energy Management, LLC	Midstream crude oil pipeline company	Pending acquisition by Enbridge Inc.
Enbridge Inc.	Midstream crude oil pipeline company	Higher leverage leading to divestitures and regulation uncertainty on pipeline project

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Shell Midstream Partners LP	Midstream crude oil pipeline MLP	Dropdown timing uncertainty
Buckeye Partners, L.P.	Midstream refined product pipeline MLP	Weaker than expected earnings tied to storage market fundamentals

Unlike the fund return, index return is pre-expenses.

Performance data quoted represents past performance; past performance does not guarantee future results. Like any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Portfolio composition is subject to change due to ongoing management of the fund. References to specific securities or sectors should not be construed as a recommendation by the fund or its adviser. See Schedule of Investments for portfolio weighting at the end of the fiscal year.

(unaudited)

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Tortoise

Fund structure and distribution policy

The fund is structured to qualify as a Regulated Investment Company (“RIC”) allowing the fund to pass-through to shareholders the income and capital gains earned by the fund, thus avoiding double-taxation. To qualify as a RIC, the fund must meet specific income, diversification and distribution requirements. Regarding income, at least 90 percent of the fund gross income must be from dividends, interest and capital gains. The fund must meet quarterly diversification requirements including the requirement that at least 50 percent of the assets be in cash, cash equivalents or other securities with each single issuer of other securities not greater than 5 percent of total assets. No more than 25 percent of total assets can be invested in any one issuer other than government securities or other RIC’s. The fund must also distribute at least 90 percent of its investment company income. RIC’s are also subject to excise tax rules which require RIC’s to distribute approximately 98 percent of net income and net capital gains to avoid a 4 percent excise tax.

The fund has adopted a distribution policy which is included on the inside front cover of this report. To summarize, the fund intends to distribute an amount closely approximating the total taxable income for the year and, if so determined by the Board, distribute all or a portion of the return of capital paid by portfolio companies during the year. The fund may designate a portion of its distributions as capital gains and may also distribute additional capital gains in the last calendar quarter of the year to meet annual excise distribution requirements. The fund distributes a fixed amount per common share, currently \$0.125, each month to its common shareholders. This amount is subject to change from time to time at the discretion of the Board. Although the level of distributions is independent of the funds’ performance in the short term, the fund expects such distributions to correlate with its performance over time.

Distributable cash flow and distributions

Distributable cash flow (“DCF”) is income from investments less expenses. Income from investments includes the accrued interest from corporate bonds, cash distributions and paid-in-kind distributions from master limited partnerships (“MLPs”) and other equity investments and dividends earned from short-term investments. The total expenses include current or anticipated operating expenses and leverage costs.

Income from investments decreased approximately 2.8% as compared to 3rd quarter 2018. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 2.1% during the quarter due primarily to lower asset-based fees. Total leverage costs increased approximately 4.2% as compared to 3rd quarter 2018, primarily due to an increase in interest rates during the quarter. As a result of the changes in income and expenses, DCF decreased approximately 4.0% as compared to 3rd quarter 2018. In addition, the fund had net realized gains on investments of \$4.0 million during 4th quarter 2018.

The fund paid monthly distributions of \$0.125 per share during 4th quarter 2018, which was unchanged over the prior quarter and 4th quarter 2017. The fund’s Board of Directors has declared monthly distributions of \$0.125 per share to be paid during 1st quarter 2019. The fund has paid cumulative distributions to stockholders of \$15.275 per share since its inception in July 2009.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The difference between income from investments in the DCF calculation and total investment income as reported in the Statement of Operations, is reconciled as follows: (1) U.S. generally accepted accounting principles (“GAAP”), recognizes distribution income from MLPs, common stock and other investments on their ex-dates, whereas the DCF calculation may reflect distribution income on their pay dates; (2) GAAP recognizes that a significant portion of the cash distributions received from MLPs, common stock and other investments are characterized as a return of capital and therefore excluded from investment income, whereas the DCF calculation includes the return of capital; (3) income from investments in the DCF calculation includes the value of dividends paid-in-kind (additional stock or units), whereas such amounts may not be included as income for GAAP purposes; and (4) amortization of premium or discount for all securities is calculated using the yield to worst methodology for GAAP purposes while yield to call is used in calculating amortization for long-dated hybrid securities in the DCF calculation. The treatment of expenses in the DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including fee waiver, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense and realized and unrealized gains (losses) on interest rate swap settlements as leverage costs.

“Net Investment Income (Loss)” on the Statement of Operations is adjusted as follows to reconcile to DCF for YTD and 4th quarter 2018 (in thousands):

	YTD 2018	4th Qtr 2018
Net Investment Income	\$ 1,684	\$ 508

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Adjustments to reconcile to DCF:

Distributions characterized as return of capital	6,733	1,493
Dividends paid in stock	986	246
Other	179	77
DCF	\$ 9,582	\$ 2,324

Leverage

The fund's leverage utilization was substantially unchanged as compared to 3rd quarter 2018 and represented 27.8% of total assets at November 30, 2018. The fund has maintained compliance with its applicable coverage ratios. At year-end, including the impact of interest rate swaps, approximately 17% of the leverage cost was fixed, the weighted-average maturity was 0.6 years and the weighted-average annual rate on leverage was 2.85%. These rates will vary in the future as a result of changing floating rates and as swaps mature or are redeemed.

Please see the Financial Statements and Notes to Financial Statements for additional detail regarding critical accounting policies, results of operations, leverage and other important fund information.

For further information regarding the calculation of distributable cash flow and distributions to stockholders, as well as a discussion of the tax impact on distributions, please visit www.tortoiseadvisors.com.

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Tortoise

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TPZ Key Financial Data (supplemental unaudited information)

(dollar amounts in thousands unless otherwise indicated)

The information presented below regarding Distributable Cash Flow and Selected Financial Information is supplemental non-GAAP financial information, which the fund believes is meaningful to understanding operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and the fund believes they are an important supplemental measure of performance and promote comparisons from period-to-period. This information is supplemental, is not inclusive of required financial disclosures (e.g. Total Expense Ratio), and should be read in conjunction with the full financial statements.

	Year Ended November 30,						
	2017	2018	2017 Q4 ⁽¹⁾	2018 Q1 ⁽¹⁾	Q2 ⁽¹⁾	Q3 ⁽¹⁾	Q4 ⁽¹⁾
Total Income from Investments							
Interest earned on corporate bonds	\$ 5,931	\$ 5,440	\$ 1,424	\$ 1,384	\$ 1,345	\$ 1,342	\$ 1,369
Distributions and dividends from investments, net of foreign taxes withheld	6,672	6,747	1,650	1,653	1,727	1,713	1,654
Dividends paid in kind	810	1,233	218	268	333	348	284
Total from investments	13,413	13,420	3,292	3,305	3,405	3,403	3,307
Operating Expenses Before Leverage Costs							
Advisory fees	2,031	1,898	487	481	463	481	473
Other operating expenses	508	546	115	130	137	142	137
	2,539	2,444	602	611	600	623	610
Distributable cash flow before leverage costs	10,874	10,976	2,690	2,694	2,805	2,780	2,697
Leverage costs ⁽²⁾	1,089	1,394	287	320	343	358	373
Distributable Cash Flow⁽³⁾	\$9,785	\$9,582	\$2,403	\$2,374	\$2,462	\$2,422	\$2,324
Net realized gain (loss) on investments and foreign currency translation, for the period	\$4,325	\$8,973	\$(4,503)	\$1,733	\$2,220	\$1,024	\$3,996
As a percent of average total assets⁽⁴⁾							
Total from investments	6.25 %	6.72 %	6.42 %	6.62 %	6.95 %	6.68 %	6.55 %
Operating expenses before leverage costs	1.18 %	1.22 %	1.17 %	1.22 %	1.23 %	1.22 %	1.21 %
Distributable cash flow before leverage costs	5.07 %	5.50 %	5.25 %	5.40 %	5.72 %	5.46 %	5.34 %
As a percent of average net assets⁽⁴⁾							
Total from investments	8.24 %	9.09 %	8.60 %	8.78 %	9.51 %	9.06 %	8.93 %
Operating expenses before leverage costs	1.56 %	1.66 %	1.57 %	1.62 %	1.68 %	1.66 %	1.65 %
Leverage costs	0.67 %	0.94 %	0.75 %	0.85 %	0.96 %	0.95 %	1.01 %
Distributable cash flow	6.01 %	6.49 %	6.28 %	6.31 %	6.87 %	6.45 %	6.27 %
Selected Financial Information							
Distributions paid on common stock	\$ 10,427	\$ 10,427	\$ 2,607	\$ 2,607	\$ 2,607	\$ 2,606	\$ 2,607
Distributions paid on common stock per share	1.5000	1.5000	0.3750	0.3750	0.3750	0.3750	0.3750
Total assets, end of period	202,291	191,906	202,291	196,676	198,541	206,430	191,906
Average total assets during period ⁽⁵⁾	214,463	199,749	205,567	202,425	194,244	201,985	200,269
Leverage ⁽⁶⁾	53,400	53,400	53,400	49,200	51,200	53,200	53,400
Leverage as a percent of total assets	26.4 %	27.8 %	26.4 %	25.0 %	25.8 %	25.8 %	27.8 %
Net unrealized appreciation, end of period	15,138	3,956	15,138	10,686	14,171	20,917	3,956
Net assets, end of period	148,243	137,325	148,243	143,808	146,649	152,418	137,325
Average net assets during period ⁽⁷⁾	162,708	147,616	153,560	152,650	142,041	149,026	146,848
Net asset value per common share	21.33	19.76	21.33	20.69	21.10	21.93	19.76
Market value per common share	19.94	17.17	19.94	19.02	19.04	19.40	17.17
Shares outstanding (000's)	6,951	6,951	6,951	6,951	6,951	6,951	6,951

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Q1 is the period from December through February. Q2 is the period from March through May. Q3 is the period from June through August. Q4 is (1) the period from September through November.

(2) Leverage costs include interest expense, interest rate swap expenses and other recurring leverage expenses.

"Net investment income (loss)" on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow ("DCF"): increased by the return of capital on distributions, the dividends paid in stock and increased liquidation value and the premium on dividends paid in kind; and (3) decreased by realized and unrealized gains (losses) on interest rate swap settlements.

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

(5) Computed by averaging month-end values within each period.

(6) Leverage consists of outstanding borrowings under the revolving credit facility.

(7) Computed by averaging daily net assets within each period.

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TYG Schedule of Investments

November 30, 2018

	Shares		Fair Value
Master Limited Partnerships — 138.7%			
Crude Oil Pipelines — 24.9%			
United States — 24.9%			
Andeavor Logistics LP	3,435,751	\$	128,222,227
BP Midstream Partners LP	248,258		4,188,113
Enbridge Energy Partners, L.P.	3,901,220		42,406,261
PBF Logistics LP	546,987		10,983,499
Plains All American Pipeline, L.P. ⁽²⁾	4,541,990		104,602,030
Shell Midstream Partners, L.P.	1,247,042		23,494,271
			313,896,401
Natural Gas/Natural Gas Liquids Pipelines — 41.6%			
United States — 41.6%			
Dominion Energy Midstream Partners, LP ⁽²⁾	914,075		16,983,514
Energy Transfer LP ⁽²⁾	14,901,910		217,120,825
Enterprise Products Partners L.P.	5,768,276		151,417,245
EQM Midstream Partners, LP	2,442,717		116,419,892
Spectra Energy Partners, LP ⁽²⁾	612,975		22,220,344
			524,161,820
Natural Gas Gathering/Processing — 27.9%			
United States — 27.9%			
Antero Midstream Partners LP	3,245,530		89,771,360
CNX Midstream Partners LP	2,266,153		41,017,369
DCP Midstream, LP ⁽²⁾	810,912		27,635,881
EnLink Midstream Partners, LP ⁽²⁾	4,469,701		59,134,144
Noble Midstream Partners LP	272,732		9,035,611
Western Gas Equity Partners, LP	350,416		10,155,056
Western Gas Partners, LP ⁽²⁾	2,586,431		114,940,994
			351,690,415
Refined Product Pipelines — 44.3%			
United States — 44.3%			
Buckeye Partners, L.P.	3,050,605		90,175,884
Holly Energy Partners, L.P.	3,011,130		84,703,087
Magellan Midstream Partners, L.P.	2,463,844		149,013,285
MPLX LP ⁽²⁾	3,901,626		129,260,869
NuStar Energy L.P.	1,397,185		33,769,962
Phillips 66 Partners LP	1,530,570		71,783,733
			558,706,820
Total Master Limited Partnerships (Cost \$1,640,840,246)			1,748,455,456
Common Stock — 18.9%			
Marine Transportation — 1.4%			
Monaco — 1.4%			
GasLog Partners LP	778,588		17,915,310
Natural Gas Gathering/Processing — 6.0%			
United States — 6.0%			
Targa Resources Corp. ⁽²⁾	190,400		8,497,552
The Williams Companies, Inc.	2,624,695		66,457,277
			74,954,829
Natural Gas/Natural Gas Liquids Pipelines — 11.5%			
United States — 11.5%			
ONEOK, Inc. ⁽²⁾	734,248		45,104,854
Tallgrass Energy, LP	4,655,166		99,434,346

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Total Common Stock	144,539,200
(Cost \$243,511,622)	237,409,339

See accompanying Notes to Financial Statements.

Tortoise

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TYG Schedule of Investments (continued)

November 30, 2018

	Shares	Fair Value
Preferred Stock — 7.7%		
Crude Oil Pipelines — 0.5%		
United States — 0.5%		
SemGroup Corporation, 7.000% ⁽³⁾⁽⁴⁾⁽⁵⁾	6,277	\$ 5,695,032
Natural Gas/Natural Gas Liquids Pipelines — 5.3%		
United States — 5.3%		
Crestwood Equity Partners LP, 9.25%	7,126,640	67,703,080
Natural Gas Gathering/Processing — 1.9%		
United States — 1.9%		
Targa Resources Corp., 9.500% ⁽³⁾⁽⁴⁾	21,758	23,731,399
Total Preferred Stock (Cost \$91,151,523)		97,129,511
Private Investments — 2.9%		
Natural Gas/Natural Gas Liquids Pipelines — 1.4%		
United States — 1.4%		
MTP Energy KMAA LLC ⁽³⁾⁽⁴⁾	N/A	17,762,716
Renewables — 1.5%		
United States — 1.5%		
Tortoise HoldCo II, LLC ⁽³⁾⁽⁴⁾⁽⁶⁾	N/A	19,073,467
Total Private Investments (Cost \$69,025,995)		36,836,183
Short-Term Investment — 0.0%		
United States Investment Company — 0.0%		
Invesco Government & Agency Portfolio — Institutional Class, 2.11% ⁽⁷⁾ (Cost \$232,244)	232,244	232,244
Total Investments — 168.2% (Cost \$2,044,761,630)		2,120,062,733
Interest Rate Swap Contracts — 0.0%		
\$10,000,000 notional — net unrealized appreciation		108,883
Total Value of Options Written (Premiums received \$493,575)⁽⁹⁾ — (0.1)%^(d)		(921,842)
Other Assets and Liabilities — (1.4)%		(17,287,543)
Deferred Tax Liability — (15.0)%		(189,562,527)
Credit Facility Borrowings — (8.5)%		(107,100,000)
Senior Notes — (30.1)%		(380,000,000)
Mandatory Redeemable Preferred Stock at Liquidation Value — (13.1)%		(165,000,000)
Total Net Assets Applicable to Common Stockholders — 100.0%		\$ 1,260,299,704

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

Restricted securities have a total fair value of \$66,262,614, which represents 5.3% of net assets. See Note 6 to the financial statements for further disclosure.

Securities have been valued by using significant unobservable inputs in accordance with fair value procedures and are categorized as level 3 investments, as more fully described in Note 2 to the financial statements.

(5) Security distributions are paid-in-kind. Cash value of the 7.0% coupon is added to the liquidation preference of the preferred stock.

(6) Deemed to be an affiliate of the fund.

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

(7) Rate indicated is the current yield as of November 30, 2018.

(8) See Schedule of Interest Rate Swap Contracts and Note 12 to the financial statements for further disclosure.

(9) See Schedule of Options Written and Note 12 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

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Tortoise

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NTG Schedule of Investments

November 30, 2018

	Shares	Fair Value
Master Limited Partnerships — 135.5%		
Crude Oil Pipelines — 26.6%		
United States — 26.6%		
Andeavor Logistics LP	2,148,431	\$80,179,445
BP Midstream Partners LP	284,174	4,794,015
Delek Logistics Partners, LP	254,562	7,759,050
Enbridge Energy Partners, L.P.	4,405,772	47,890,742
PBF Logistics LP	541,241	10,868,119
Plains All American Pipeline, L.P.(2)	3,133,427	72,162,824
Shell Midstream Partners, L.P.	1,042,335	19,637,591
		243,291,786
Natural Gas/Natural Gas Liquids Pipelines — 45.4%		
United States — 45.4%		
Dominion Energy Midstream Partners, LP(2)	913,359	16,970,210
Energy Transfer LP(2)	9,858,518	143,638,604
Enterprise Products Partners L.P.	4,175,127	109,597,084
EQT Midstream Partners, LP	2,101,827	100,173,075
Spectra Energy Partners, LP(2)	1,255,770	45,521,662
		415,900,635
Natural Gas Gathering/Processing — 27.4%		
United States — 27.4%		
Antero Midstream Partners LP	1,817,081	50,260,460
CNX Midstream Partners, LP	1,527,376	27,645,506
DCP Midstream, LP(2)	921,907	31,418,591
EnLink Midstream Partners, LP(2)	3,930,870	52,005,410
Noble Midstream Partners LP	73,915	2,448,804
Western Gas Equity Partners, LP	177,973	5,157,658
Western Gas Partners, LP(2)	1,830,761	81,359,019
		250,295,448
Refined Product Pipelines — 36.1%		
United States — 36.1%		
Buckeye Partners, L.P.	1,864,308	55,108,944
Holly Energy Partners, L.P.	2,094,748	58,925,261
Magellan Midstream Partners, L.P.	968,285	58,561,877
MPLX LP(2)	2,433,963	80,637,194
NuStar Energy L.P.	1,550,921	37,485,761
Phillips 66 Partners LP	848,518	39,795,494
		330,514,531
Total Master Limited Partnerships (Cost \$1,260,672,688)		1,240,002,400
Common Stock — 22.1%		
Marine Transportation — 1.3%		
Monaco — 1.3%		
Gaslog Partners, LP	524,765	12,074,843
Natural Gas Gathering/Processing — 8.5%		
United States — 8.5%		
Targa Resources Corp.(2)	306,503	13,679,229
The Williams Companies, Inc.	2,520,370	63,815,768
		77,494,997
Natural Gas/Natural Gas Liquids Pipelines — 12.3%		
United States — 12.3%		

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

ONEOK, Inc.	692,991	42,570,437
Tallgrass Energy, LP	3,265,236	69,745,441
		112,315,878
Total Common Stock (Cost \$210,981,533)		201,885,718

Preferred Stock — 6.9%

Crude Oil Pipelines — 0.4%

United States — 0.4%		
SemGroup Corporation, 7.000% ⁽³⁾ ⁽⁴⁾ ⁽⁵⁾	3,763	3,414,116

Natural Gas Gathering/Processing — 1.4%⁽¹⁾

United States — 1.4%		
Targa Resources Corp., 9.500% ⁽³⁾ ⁽⁴⁾	12,252	13,363,227

Natural Gas/Natural Gas Liquids Pipelines — 5.1%

United States — 5.1%		
Crestwood Equity Partners LP, 9.25%	4,898,611	46,536,805

Total Preferred Stock (Cost \$60,657,823)		63,314,148
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Short-Term Investment — 0.0%

United States Investment Company — 0.0%⁽¹⁾

Invesco Government & Agency Portfolio — Institutional Class, 2.11% ⁽⁶⁾ (Cost \$301,054)	301,054	301,054
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Total Investments — 164.5% (Cost \$1,532,613,098)		1,505,503,320
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Total Value of Options Written (Premiums received \$350,544)⁽⁷⁾ — (0.1)%⁽¹⁾		(653,462)
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Other Assets and Liabilities — (0.5)%		(4,541,451)
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Deferred Tax Liability — (7.4)%		(68,175,433)
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Credit Facility Borrowings — (8.0)%		(73,100,000)
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Senior Notes — (34.1)%		(312,000,000)
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Mandatory Redeemable Preferred Stock at Liquidation Value — (14.4)%		(132,000,000)
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Total Net Assets Applicable to Common Stockholders — 100.0%		\$915,032,974
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(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

Restricted securities have a total fair value of \$16,777,343, which represents 1.8% of net assets. See Note 6 to the financial statements for (3) further disclosure.

Securities have been valued by using significant unobservable inputs in accordance with fair value procedures and are categorized as level 3

(4) investments, as more fully described in Note 2 to the financial statements.

(5) Security distributions are paid-in-kind. Cash value of the 7.0% coupon is added to the liquidation preference of the preferred stock.

(6) Rate indicated is the current yield as of November 30, 2018.

(7) See Schedule of Options Written and Note 12 of the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

Tortoise

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TTP Schedule of Investments

November 30, 2018

	Shares	Fair Value
Common Stock — 94.6%		
Marine Transportation — 1.6%		
Monaco — 1.6%		
GasLog Partners LP	111,052	\$ 2,555,306
Crude Oil Pipelines — 32.4%		
Canada — 16.7%		
Gibson Energy Inc	188,122	3,022,922
Enbridge Inc.	331,690	10,856,214
Inter Pipeline Ltd.	434,018	6,977,477
Pembina Pipeline Corporation	187,888	6,335,290
United States — 15.7%		
Plains GP Holdings, L.P.	878,270	19,436,115
SemGroup Corporation	382,241	6,203,771
		52,831,789
Natural Gas Gathering/Processing — 17.9%		
United States — 17.9%		
EnLink Midstream, LLC	530,288	6,061,192
Targa Resources Corp.	280,249	12,507,513
The Williams Companies, Inc.	423,967	10,734,844
		29,303,549
Natural Gas/Natural Gas Liquids Pipelines — 32.7%		
Canada — 9.1%		
TransCanada Corporation	365,598	14,960,270
United States — 23.6%		
Equitrans Midstream Corporation	158,697	3,542,117
ONEOK, Inc.	335,791	20,627,641
Tallgrass Energy LP	670,935	14,331,172
		53,461,200
Oil and Gas Production — 10.0%		
United States — 10.0%		
Anadarko Petroleum Corporation ⁽²⁾	18,200	962,780
Antero Resources Corporation ⁽²⁾⁽³⁾	55,000	722,150
Cabot Oil & Gas Corporation ⁽²⁾	39,900	1,003,884
Carrizo Oil & Gas, Inc. ⁽²⁾⁽³⁾	21,200	362,732
Cimarex Energy Co. ⁽²⁾	16,200	1,328,076
Concho Resources Inc. ⁽²⁾⁽³⁾	18,100	2,359,154
Continental Resources, Inc. ⁽²⁾⁽³⁾	20,000	914,400
Diamondback Energy, Inc. ⁽²⁾	6,700	739,546
EOG Resources, Inc. ⁽²⁾	19,300	1,993,883
EQT Corporation ⁽²⁾	33,000	617,430
Laredo Petroleum, Inc. ⁽²⁾⁽³⁾	70,700	308,959
Newfield Exploration Company ⁽²⁾⁽³⁾	36,400	616,980
Noble Energy, Inc. ⁽²⁾	32,200	764,428
Parsley Energy, Inc. ⁽²⁾⁽³⁾	27,300	549,549
PDC Energy, Inc. ⁽²⁾⁽³⁾	9,400	319,036
Pioneer Natural Resources Company ⁽²⁾	6,500	960,375
Range Resources Corporation ⁽²⁾	68,800	1,001,040
WPX Energy, Inc. ⁽²⁾⁽³⁾	55,300	771,435
		16,295,837
Total Common Stock		
(Cost \$179,947,241)		154,447,681
Master Limited Partnerships and Related Companies — 42.0%		

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Crude Oil Pipelines — 11.8%

United States — 11.8%

Andeavor Logistics LP	58,053	2,166,538
BP Midstream Partners LP	33,891	571,741
Enbridge Energy Management, L.L.C. ⁽⁴⁾	1,093,321	11,917,198
Genesis Energy L.P.	46,531	1,026,008
PBF Logistics LP	51,049	1,025,064
Shell Midstream Partners, L.P.	132,089	2,488,557
		19,195,106

Natural Gas/Natural Gas Liquids Pipelines — 12.1%

United States — 12.1%

Energy Transfer LP	958,092	13,959,406
Enterprise Products Partners L.P.	145,209	3,811,736
EQM Midstream Partners, LP	40,969	1,952,582
		19,723,724

Natural Gas Gathering/Processing — 2.9%

United States — 2.9%

CNX Midstream Partners LP	60,605	1,096,950
DCP Midstream, LP	6,327	215,624
EnLink Midstream Partners, LP	92,339	1,221,645
Western Gas Partners, LP	50,531	2,245,598
		4,779,817

Refined Product Pipelines — 15.2%

United States — 15.2%

Buckeye Partners, L.P.	130,111	3,846,081
Holly Energy Partners, L.P.	168,476	4,739,230
Magellan Midstream Partners, L.P.	35,211	2,129,561
MPLX LP	245,647	8,138,285
NuStar Energy L.P.	135,021	3,263,458
Phillips 66 Partners LP	56,933	2,670,158
		24,786,773

Total Master Limited Partnerships and Related Companies (Cost \$78,625,459)		68,485,420
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See accompanying Notes to Financial Statements.

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TTP Schedule of Investments (continued)

November 30, 2018

	Shares	Fair Value
Preferred Stock — 7.0%		
Crude Oil Pipelines — 1.6%		
United States — 1.6%		
SemGroup Corporation, 7.000% ⁽⁵⁾⁽⁶⁾⁽⁷⁾	2,877	\$ 2,610,261
Natural Gas Gathering/Processing — 1.4%		
United States — 1.4%		
Targa Resources Corp., 9.500% ⁽⁵⁾⁽⁶⁾	2,108	2,299,190
Oil and Gas Production — 2.2%		
United States — 2.2%		
Hess Corporation, 8.000%, 02/01/2019	60,000	3,599,400
Power — 1.8%		
United States — 1.8%		
Sempra Energy, 6.000%, 01/15/2021	28,811	2,922,300
Total Preferred Stock (Cost \$11,000,689)		11,431,151
Short-Term Investment — 0.1%		
United States Investment Company — 0.1%		
Invesco Government & Agency Portfolio — Institutional Class, 2.11% ⁽⁸⁾ (Cost \$217,864)	217,864	217,864
Total Investments — 143.7%		234,582,116
(Cost \$269,791,253)		
Total Value of Options Written		
(Premiums received \$512,777)⁽⁹⁾ — (0.1)%⁽⁴⁾		(199,782)
Other Assets and Liabilities — (0.9)%		(1,380,643)
Credit Facility Borrowings — (12.1)%		(19,800,000)
Senior Notes — (20.8)%		(34,000,000)
Mandatory Redeemable Preferred Stock		
at Liquidation Value — (9.8)%		(16,000,000)
Total Net Assets Applicable to		
Common Stockholders — 100.0%		\$ 163,201,691

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

(3) Non-income producing security.

Security distributions are paid-in-kind. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by

(4) the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.

Restricted securities have a total fair value of \$4,909,451, which represents 3.0% of net assets. See Note 6 to the financial statements for further

(5) disclosure.

Securities have been valued by using significant unobservable inputs in accordance with fair value procedures and are categorized as level 3

(6) investments, as more fully described in Note 2 to the financial statements.

(7) Security distributions are paid-in-kind. Cash value of the 7.0% coupon is added to the liquidation preference of the preferred stock.

(8) Rate indicated is the current yield as of November 30, 2018.

(9) See Schedule of Options Written and Note 12 to financial statements for further disclosure.

See accompanying Notes to Financial Statements.

NDP Schedule of Investments

November 30, 2018

	Shares	Fair Value
Common Stock — 111.8%		
Marine Transportation — 2.5%		
Monaco — 2.5%		
GasLog Partners LP	145,561	\$ 3,349,359
Natural Gas Gathering/Processing — 0.9%		
United States — 0.9%		
Targa Resources Corp.	26,507	1,183,007
Natural Gas/Natural Gas Liquids Pipelines — 3.3%		
United States — 3.3%		
Equitrans Midstream Corporation	155,760	3,476,563
Tallgrass Energy LP	40,280	860,381
		4,336,944
Oil and Gas Production — 105.1%		
United States — 105.1%		
Anadarko Petroleum Corporation ⁽²⁾	126,800	6,707,720
Antero Resources Corporation ⁽²⁾⁽³⁾	342,600	4,498,338
Cabot Oil & Gas Corporation ⁽²⁾	664,200	16,711,272
Carrizo Oil & Gas, Inc. ⁽²⁾⁽³⁾	251,800	4,308,298
Centennial Resource Development, Inc. ⁽³⁾	117,239	1,819,549
Cimarex Energy Co. ⁽²⁾	42,500	3,484,150
Concho Resources Inc. ⁽²⁾⁽³⁾	78,700	10,257,758
Continental Resources, Inc. ⁽²⁾⁽³⁾	225,200	10,296,144
Devon Energy Corporation ⁽²⁾	278,400	7,525,152
Diamondback Energy, Inc. ⁽²⁾	94,800	10,464,024
EOG Resources, Inc. ⁽²⁾	141,800	14,649,358
EQT Corporation ⁽²⁾	194,700	3,642,837
Laredo Petroleum, Inc. ⁽²⁾⁽³⁾	261,500	1,142,755
Newfield Exploration Company ⁽²⁾⁽³⁾	173,100	2,934,045
Parsley Energy, Inc. ⁽²⁾⁽³⁾	219,800	4,424,574
PDC Energy, Inc. ⁽²⁾⁽³⁾	49,100	1,666,454
Pioneer Natural Resources Company ⁽²⁾	114,400	16,902,600
Range Resources Corporation ⁽²⁾	400,000	5,820,000
SM Energy Company ⁽²⁾	88,100	1,797,240
Whiting Petroleum Corporation ⁽²⁾⁽³⁾	64,400	1,949,388
WPX Energy, Inc. ⁽²⁾⁽³⁾	591,200	8,247,240
		139,248,896
Total Common Stock (Cost \$193,399,071)		148,118,206
Master Limited Partnerships and Related Companies — 30.7%		
Crude Oil Pipelines — 10.6%		
United States — 10.6%		
Andeavor Logistics LP	57,607	2,149,893
BP Midstream Partners LP	70,583	1,190,735
Enbridge Energy Management, L.L.C. ⁽⁴⁾	448,729	4,891,146
PBF Logistics LP	28,352	569,308
Plains All American Pipeline, L.P.	145,422	3,349,069
Shell Midstream Partners, L.P.	97,754	1,841,685
		13,991,836
Natural Gas/Natural Gas Liquids Pipelines — 5.8%		
United States — 5.8%		
Energy Transfer LP	403,316	5,876,314
EQM Midstream Partners, LP	37,698	1,796,687

Edgar Filing: Tortoise Midstream Energy Fund, Inc. - Form N-CSR

Spectra Energy Partners, LP	134	4,857
		7,677,858
Natural Gas Gathering/Processing — 5.1%		
United States — 5.1%		
Antero Midstream Partners LP	75,072	2,076,492
CNX Midstream Partners LP	52,959	958,558
EnLink Midstream Partners, LP	86,700	1,147,041
Noble Midstream Partners LP	25,215	835,373
Western Gas Equity Partners, LP	32,918	953,964
Western Gas Partners, LP	17,480	776,811
		6,748,239
Refined Product Pipelines — 9.2%		
United States — 9.2%		
Buckeye Partners, L.P.	95,406	2,820,201
Holly Energy Partners, L.P.	138,681	3,901,097
Magellan Midstream Partners, L.P.	14,016	847,688
NuStar Energy L.P.	59,614	1,440,870
Phillips 66 Partners LP	68,143	3,195,907
		12,205,763
Total Master Limited Partnerships and Related Companies (Cost \$47,825,791)		40,623,696

See accompanying Notes to Financial Statements.

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NDP Schedule of Investments (continued)
November 30, 2018

	Shares	Fair Value
Preferred Stock — 1.6%		
Natural Gas Gathering/Processing — 1.6%		
United States — 1.6%		
Targa Resources Corp., 9.500% ⁽⁵⁾⁽⁶⁾ (Cost \$1,595,361)	1,997	\$ 2,178,123
Short-Term Investment — 0.2%		
United States Investment Company — 0.2%		
Invesco Government & Agency Portfolio — Institutional Class, 2.11% ⁽⁷⁾ (Cost \$311,985)	311,985	311,985
Total Investments — 144.3% (Cost \$243,132,208)		191,232,010
Total Value of Options Written (Premiums received \$2,406,989)⁽⁸⁾ — (0.6)%^(d)		(835,007)
Other Assets and Liabilities — (0.6)%		(808,769)
Credit Facility Borrowings — (43.1)%		(57,100,000)
Total Net Assets Applicable to Common Stockholders — 100.0%		\$ 132,488,234

(1) Calculated as a percentage of net assets applicable to common stockholders.

(2) All or a portion of the security represents cover for outstanding call option contracts written.

(3) Non-income producing security.

Security distributions are paid-in-kind. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.

Restricted securities have a total fair value of \$2,178,123, which represents 1.6% of net assets. See Note 6 to the financial statements for further disclosure.

Securities have been valued by using significant unobservable inputs in accordance with fair value procedures and are categorized as level 3

(6) investments, as more fully described in Note 2 to the financial statements.

(7) Rate indicated is the current yield as of November 30, 2018.

(8) See Schedule of Options Written and Note 12 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

Tortoise

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TPZ Schedule of Investments

November 30, 2018

	Principal	
	Amount	Fair Value
Corporate Bonds — 70.9%		
Crude Oil Pipelines — 10.8%		
Canada — 5.3%		
Enbridge Inc., 5.500%, 07/15/2077	\$ 8,500,000	\$ 7,286,472
United States — 5.5%		
SemGroup Corp., 6.375%, 03/15/2025	6,000,000	5,670,000
SemGroup Corp., 5.625%, 11/15/2023	2,000,000	1,860,000
		14,816,472
Natural Gas/Natural Gas Liquids Pipelines — 30.0%		
Canada — 5.4%		
TransCanada Corporation, 5.625%, 05/20/2075	7,000,000	6,513,500
TransCanada Corporation, 5.300%, 03/15/2077	1,000,000	886,000
United States — 24.6%		
Cheniere Corp., 7.000%, 06/30/2024	4,000,000	4,310,000
Cheniere Corp., 5.875%, 03/31/2025	2,000,000	2,060,000
Columbia Pipeline Group, Inc., 3.300%, 06/01/2020	2,000,000	1,990,504
Florida Gas Transmission Co., LLC, 5.450%, 07/15/2020 ⁽²⁾	1,500,000	1,537,620
Kinder Morgan, Inc., 6.500%, 09/15/2020	4,000,000	4,173,076
Kinder Morgan, Inc., 4.300%, 03/01/2028	3,000,000	2,884,290
Midcontinent Express Pipeline LLC, 6.700%, 09/15/2019 ⁽²⁾	2,000,000	2,018,518
NGPL PipeCo LLC, 4.875%, 08/15/2027 ⁽²⁾	2,000,000	1,910,000
ONEOK, Inc., 4.250%, 02/01/2022	4,500,000	4,505,607
ONEOK, Inc., 7.500%, 09/01/2023	2,000,000	2,255,896
Ruby Pipeline, LLC, 6.000%, 04/01/2022 ⁽²⁾	1,261,364	1,293,253
Southern Star Central Corp., 5.125%, 07/15/2022 ⁽²⁾	3,000,000	2,947,500
Tallgrass Energy LP, 5.500%, 01/15/2028 ⁽²⁾	2,000,000	1,965,000
		41,250,764
Natural Gas Gathering/Processing — 13.3%		
United States — 13.3%		
Blue Racer Midstream, LLC, 6.125%, 11/15/2022 ⁽²⁾	2,000,000	1,980,000
Blue Racer Midstream, LLC, 6.625%, 07/15/2026 ⁽²⁾	3,900,000	3,841,500
Hess Corporation, 5.625%, 02/15/2026 ⁽²⁾	4,160,000	4,035,200
The Williams Companies, Inc.,		

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7.875%, 09/01/2021	5,000,000	5,473,190
The Williams Companies, Inc., 4.550%, 06/24/2024	3,000,000	3,002,250
		18,332,140
Oil and Gas Production — 3.9%		
United States — 3.9%		
Ascent Resources Utica Holdings, LLC, 10.000%, 04/01/2022 ⁽²⁾	1,302,000	1,376,865
Ascent Resources Utica Holdings, LLC, 7.000%, 11/01/2026 ⁽²⁾	2,000,000	1,875,000
EQT Corporation, 8.125%, 06/01/2019	2,000,000	2,046,862
		5,298,727
Power/Utility — 12.9%		
United States — 12.9%		
The AES Corporation, 5.500%, 04/15/2025	4,000,000	4,030,000
Dominion Resources, Inc., 5.750%, 10/01/2054	4,000,000	4,025,204
Duquesne Light Holdings, Inc., 6.400%, 09/15/2020 ⁽²⁾	3,000,000	3,133,218
Duquesne Light Holdings, Inc., 5.900%, 12/01/2021 ⁽²⁾	2,000,000	2,101,906
NRG Yield Operating LLC, 5.375%, 08/15/2024	2,500,000	2,368,750
NV Energy Inc., 6.250%, 11/15/2020	1,000,000	1,048,370
Pattern Energy Group Inc., 5.875%, 02/01/2024 ⁽²⁾	1,000,000	972,500
		17,679,948
Total Corporate Bonds (Cost \$99,589,087)		97,378,051

See accompanying Notes to Financial Statements.

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TPZ Schedule of Investments (continued)

November 30, 2018

	Shares	Fair Value
Master Limited Partnerships and Related Companies — 37.3%		
Crude Oil Pipelines — 10.0%		
United States — 10.0%		
Andeavor Logistics LP	68,526	\$ 2,557,390
BP Midstream Partners LP	25,000	421,750
Enbridge Energy Management, L.L.C. ⁽³⁾	726,524	7,919,111
PBF Logistics LP	54,940	1,103,195
Shell Midstream Partners, L.P.	89,044	1,677,589
		13,679,035
Natural Gas/Natural Gas Liquids Pipelines — 10.4%		
United States — 10.4%		
Energy Transfer LP	717,787	10,458,155
Enterprise Products Partners L.P.	98,682	2,590,402
EQM Midstream Partners, LP	26,074	1,242,687
		14,291,244
Natural Gas Gathering/Processing — 3.8%		
United States — 3.8%		
CNX Midstream Partners, LP	47,302	856,166
EnLink Midstream Partners, LP	128,687	1,702,529
Western Gas Partners, LP	59,565	2,647,069
		5,205,764
Refined Product Pipelines — 13.1%		
United States — 13.1%		
Buckeye Partners, L.P.	88,546	2,617,420
Holly Energy Partners, L.P.	147,585	4,151,566
Magellan Midstream Partners, L.P.	36,250	2,192,400
MPLX LP	140,992	4,671,065
NuStar Energy L.P.	102,338	2,473,509
Phillips 66 Partners LP	41,654	1,953,573
		18,059,533
Total Master Limited Partnerships and Related Companies (Cost \$47,962,695)		51,235,576
Common Stock — 24.0%		
Crude Oil Pipelines — 4.7%		
United States — 4.7%		
Plains GP Holdings, L.P.	292,549	6,474,109
Marine Transportation — 1.4%		
Monaco — 1.4%		
GasLog Partners LP	86,675	1,994,392
Natural Gas/Natural Gas Liquids Pipelines — 11.8%		
United States — 11.8%		
Equitrans Midstream Corporation	55,724	1,243,760
ONEOK, Inc.	101,008	6,204,921
Tallgrass Energy LP	408,782	8,731,584
		16,180,265
Natural Gas Gathering/Processing — 6.1%		
United States — 6.1%		
EnLink Midstream LLC	125,234	1,431,425
Targa Resources Corp.	154,583	6,899,039
		8,330,464
Total Common Stock (Cost \$30,675,964)		32,979,230

See accompanying Notes to Financial Statements.

Tortoise

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TPZ Schedule of Investments (continued)

November 30, 2018

	Shares	Fair Value
Preferred Stock — 5.9%		
Crude Oil Pipelines — 1.4%		
United States — 1.4%		
SemGroup Corporation, 7.000% ⁽²⁾⁽⁴⁾⁽⁵⁾	2,120	\$ 1,923,446
Natural Gas Gathering/Processing — 1.3%		
United States — 1.3%		
Targa Resources Corp., 9.500% ⁽²⁾⁽⁴⁾	1,685	1,837,825
Power/Utility — 3.2%		
United States — 3.2%		
DTE Energy, 6.500%, 10/01/2019	39,600	2,170,476
Sempra Energy, 6.000%, 01/15/2021	21,189	2,149,200
		4,319,676
Total Preferred Stock (Cost \$7,619,008)		8,080,947
Short-Term Investment — 0.2%		
United States Investment Company — 0.2%		
Invesco Government & Agency Portfolio — Institutional Class, 2.11% ⁽⁶⁾ (Cost \$271,075)	271,075	271,075
Total Investments — 138.3% (Cost \$186,117,829)		189,944,879
Interest Rate Swap Contracts — 0.1%		
\$9,000,000 notional — net unrealized appreciation		128,630
Other Assets and Liabilities — 0.5%		650,919
Credit Facility Borrowings — (38.9)%		(53,400,000)
Total Net Assets Applicable to Common Stockholders — 100.0%		\$ 137,324,428

(1) Calculated as a percentage of net assets applicable to common stockholders.

Restricted securities have a total fair value of \$34,749,351 which represents 25.3% of net assets. See Note 6 to the financial statements for

(2) further disclosure.

Security distributions are paid-in-kind. Rate determined by dividing the cash value of a distribution declared by Enbridge Energy Partners, L.P. by

(3) the average closing price of Enbridge Energy Management, L.L.C. shares for the ten consecutive trading days prior to the ex-dividend date.

Securities have been valued by using significant unobservable inputs in accordance with fair value procedures and are categorized as level 3

(4) investments, as more fully described in Note 2 to the financial statements.

(5) Security distributions are paid-in-kind. Cash value of the 7.0% coupon is added to the liquidation preference of the preferred stock.

(6) Rate indicated is the current yield as of November 30, 2018.

(7) See Schedule of Interest Rate Swap Contracts and Note 12 to the financial statements for further disclosure.

See accompanying Notes to Financial Statements.

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Schedule of Interest Rate Swap Contracts

November 30, 2018

TYG					
Counterparty	Maturity Date	Notional Amount	Fixed Rate Paid by TYG	Floating Rate Received by TYG	Unrealized Appreciation
The Bank of Nova Scotia	09/02/2021	\$ 10,000,000	2.381%	1-month U.S. Dollar LIBOR	\$ 108,883
TPZ					
Counterparty	Maturity Date	Notional Amount	Fixed Rate Paid by TPZ	Floating Rate Received by TPZ	Unrealized Appreciation
Wells Fargo Bank, N.A.	11/29/2019	\$ 6,000,000	1.330%	3-month U.S. Dollar LIBOR	\$ 91,612
Wells Fargo Bank, N.A.	08/06/2020	\$ 3,000,000	2.180%	3-month U.S. Dollar LIBOR	\$ 37,018
		\$ 9,000,000			\$ 128,630

See accompanying Notes to Financial Statements.

Tortoise

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Schedule of Options Written

November 30, 2018

TYG						
Call Options Written	Expiration Date	Strike Price	Contracts	Notional Value	Fair Value	
DCP Midstream, LP	December 2018	\$ 36.50	2,866	\$ 10,460,900	\$ (100,201)	
Dominion Energy Midstream Partners, LP	December 2018	19.00	4,220	8,018,000	(262,278)	
Energy Transfer LP	December 2018	16.00	13,100	20,960,000	(117,900)	
EnLink Midstream Partners, LP	December 2018	14.75	7,077	10,438,575	(81,440)	
MPLX LP	December 2018	35.00	2,990	10,465,000	(67,275)	
Plains All American Pipeline, L.P.	December 2018	24.00	4,360	10,464,000	(152,600)	
Spectra Energy Partners, LP	December 2018	37.50	1,167	4,376,250	(32,388)	
Targa Resources Corp.	December 2018	50.00	1,904	9,520,000	(28,560)	
Western Gas Partners, LP	December 2018	47.00	2,200	10,340,000	(79,200)	
Total Value of Call Options Written (Premiums received \$493,575)				\$ 95,042,725	\$ (921,842)	
NTG						
Call Options Written	Expiration Date	Strike Price	Contracts	Notional Value	Fair Value	
DCP Midstream, LP	December 2018	\$ 36.50	2,034	\$ 7,424,100	\$ (71,112)	
Dominion Energy Midstream Partners, LP	December 2018	19.00	2,980	5,662,000	(185,211)	
Energy Transfer LP	December 2018	16.00	9,300	14,880,000	(83,700)	
Enlink Midstream Partners LP	December 2018	14.75	5,023	7,408,925	(57,803)	
MPLX LP	December 2018	35.00	2,121	7,423,500	(47,723)	
Plains All American Pipeline, L.P.	December 2018	24.00	3,080	7,392,000	(107,800)	
Spectra Energy Partners, LP	December 2018	37.50	833	3,123,750	(23,118)	
Targa Resources Corp	December 2018	50.00	1,353	6,765,000	(20,295)	
Western Gas Partners LP	December 2018	47.00	1,575	7,402,500	(56,700)	
Total Value of Call Options Written (Premiums received \$350,544)				\$ 60,057,675	\$ (653,462)	
TTP						
Call Options Written	Expiration Date	Strike Price	Contracts	Notional Value	Fair Value	
Anadarko Petroleum Corporation	December 2018	\$ 59.50	182	\$ 1,082,900	\$ (5,642)	
Antero Resources Corporation	December 2018	15.15	550	833,250	(4,352)	
Cabot Oil & Gas Corporation	December 2018	27.20	399	1,085,280	(12,828)	
Carrizo Oil & Gas, Inc.	December 2018	18.60	212	394,320	(12,588)	
Cimarex Energy Co.	December 2018	94.00	162	1,522,800	(6,050)	
Concho Resources Inc.	December 2018	146.10	181	2,644,410	(13,576)	
Continental Resources, Inc.	December 2018	50.50	200	1,010,000	(20,000)	
Diamondback Energy, Inc.	December 2018	120.00	67	804,000	(10,385)	
EOG Resources, Inc.	December 2018	110.00	193	2,123,000	(25,090)	
EQT Corporation	December 2018	18.55	330	612,150	(34,756)	
Laredo Petroleum, Inc.	December 2018	5.45	707	385,315	(3,174)	
Newfield Exploration Company	December 2018	20.55	364	748,020	(5,871)	
Noble Energy, Inc.	December 2018	26.65	322	858,130	(6,823)	
Parsley Energy, Inc.	December 2018	23.15	273	631,995	(5,468)	
PDC Energy, Inc.	December 2018	40.75	94	383,050	(3,303)	
Pioneer Natural Resources Company	December 2018	165.00	65	1,072,500	(6,890)	
Range Resources Corporation	December 2018	17.40	685	1,191,900	(8,005)	
WPX Energy, Inc.	December 2018	15.25	553	843,325	(14,981)	
Total Value of Call Options Written (Premiums received \$512,777)				\$ 18,226,345	\$ (199,782)	

See accompanying Notes to Financial Statements.

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Schedule of Options Written (continued)

November 30, 2018

NDP						
Call Options Written	Expiration Date	Strike Price	Contracts	Notional Value	Fair Value	
Anadarko Petroleum Corporation	December 2018	\$ 61.60	1,268	\$ 7,810,880	\$ (16,245)	
Antero Resources Corporation	December 2018	16.00	3,426	5,481,600	(11,146)	
Cabot Oil & Gas Corporation	December 2018	29.00	4,020	11,658,000	(60,300)	
Carrizo Oil & Gas, Inc.	December 2018	19.25	1,648	3,172,400	(68,804)	
Carrizo Oil & Gas, Inc.	December 2018	20.00	870	1,740,000	(26,100)	
Cimarex Energy Co.	December 2018	100.00	422	4,220,000	(23,210)	
Concho Resources Inc.	December 2018	150.00	787	11,805,000	(31,480)	
Continental Resources, Inc.	December 2018	52.50	2,252	11,823,000	(96,836)	
Devon Energy Corporation	December 2018	33.25	2,784	9,256,800	(13,782)	
Diamondback Energy, Inc.	December 2018	126.00	948	11,944,800	(74,993)	
EOG Resources, Inc.	December 2018	115.00	1,418	16,307,000	(60,974)	
EQT Corporation	December 2018	40.00	1,947	7,788,000	(92,482)	
Laredo Petroleum, Inc.	December 2018	6.00	2,615	1,569,000	(13,075)	
Newfield Exploration Company	December 2018	22.00	1,731	3,808,200	(17,310)	
Parsley Energy, Inc.	December 2018	24.25	2,198	5,330,150	(25,393)	
PDC Energy, Inc.	December 2018	44.50	491	2,184,950	(7,440)	
Pioneer Natural Resources Company	December 2018	172.50	761	13,127,250	(32,343)	
Pioneer Natural Resources Company	December 2018	175.00	383	6,702,500	(10,341)	
Range Resources Corporation	December 2018	19.00	4,000	7,600,000	(30,000)	
SM Energy Company	December 2018	24.00	881	2,114,400	(23,109)	
Whiting Petroleum Corporation	December 2018	35.50	644	2,286,200	(33,488)	
WPX Energy, Inc.	December 2018	16.25	5,912	9,607,000	(66,156)	
Total Value of Call Options Written (Premiums received \$2,406,989)				\$ 157,337,130	\$ (835,007)	

See accompanying Notes to Financial Statements.

Tortoise

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Statements of Assets & Liabilities

November 30, 2018

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Assets		
Investments in unaffiliated securities at fair value ⁽¹⁾	\$ 2,100,989,266	\$ 1,505,503,320
Investments in affiliated securities at fair value ⁽²⁾	19,073,467	—
Receivable for Adviser fee waiver	83,181	354,243
Receivable for investments sold	—	—
Receivable for premiums on options written	22,133	—
Unrealized appreciation of interest rate swap contracts, net	108,883	—
Dividends, distributions and interest receivable from investments	431,137	245,428
Current tax asset	14,879,579	467,685
Prepaid expenses and other assets	751,169	174,260
Total assets	2,136,338,815	1,506,744,936
Liabilities		
Call options written, at fair value ⁽³⁾	921,842	653,462
Payable to Adviser	3,612,869	2,504,684
Accrued directors' fees and expenses	10,000	10,500
Payable for investments purchased	23,244,183	—
Accrued expenses and other liabilities	8,303,193	4,179,324
Deferred tax liability	189,562,527	68,175,433
Credit facility borrowings	107,100,000	73,100,000
Senior notes, net ⁽⁴⁾	379,419,108	311,621,135
Mandatory redeemable preferred stock, net ⁽⁵⁾	163,865,389	131,467,424
Total liabilities	876,039,111	591,711,962
Net assets applicable to common stockholders	\$ 1,260,299,704	\$ 915,032,974
Net Assets Applicable to Common Stockholders Consist of:		
Capital stock, \$0.001 par value per share	\$ 53,635	\$ 63,208
Additional paid-in capital	835,712,017	701,715,239
Total distributable earnings (loss)	424,534,052	213,254,527
Net assets applicable to common stockholders	\$ 1,260,299,704	\$ 915,032,974
Capital shares:		
Authorized	100,000,000	100,000,000
Outstanding	53,635,054	63,208,377
Net Asset Value per common share outstanding (net assets applicable to common stock, divided by common shares outstanding)	\$ 23.50	\$ 14.48
(1) Investments in unaffiliated securities at cost	\$ 1,994,023,225	\$ 1,532,613,098
(2) Investments in affiliated securities at cost	\$ 50,738,405	\$ —
(3) Call options written, premiums received	\$ 493,575	\$ 350,544
(4) Deferred debt issuance and offering costs	\$ 580,892	\$ 378,865
(5) Deferred offering costs	\$ 1,134,611	\$ 532,576

See accompanying Notes to Financial Statements.

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Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
\$ 234,582,116	\$ 191,232,010	\$ 189,944,879
—	—	—
—	—	—
—	—	196,612
—	—	—
—	—	128,630
587,625	39,651	1,626,983
—	—	—
89,380	12,876	9,078
235,259,121	191,284,537	191,906,182
199,782	835,007	—
456,420	399,195	313,260
10,500	10,500	10,500
937,674	—	447,278
705,352	451,601	410,716
—	—	—
19,800,000	57,100,000	53,400,000
33,948,978	—	—
15,998,724	—	—
72,057,430	58,796,303	54,581,754
\$ 163,201,691	\$ 132,488,234	\$ 137,324,428
\$ 10,016	\$ 14,696	\$ 6,951
205,805,819	239,075,301	128,974,298
(42,614,144)	(106,601,763)	8,343,179
\$ 163,201,691	\$ 132,488,234	\$ 137,324,428
100,000,000	100,000,000	100,000,000
10,016,413	14,696,260	6,951,333
\$ 16.29	\$ 9.02	\$ 19.76
\$ 269,791,253	\$ 243,132,208	\$ 186,117,829
—	—	—
512,777	2,406,989	—
51,022	—	—
1,276	—	—

See accompanying Notes to Financial Statements.

Tortoise

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Statements of Operations

Year Ended November 30, 2018

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Investment Income		
Distributions from master limited partnerships	\$ 165,622,117	\$ 105,955,632
Dividends and distributions from common stock	8,767,508	7,475,853
Dividends and distributions from preferred stock	3,940,886	3,485,432
Dividends and distributions from private investments	4,965,290	—
Less return of capital on distributions ⁽¹⁾	(184,611,970)	(113,946,449)
Less foreign taxes withheld	—	—
Net dividends and distributions from investments	(1,316,169)	2,970,468
Interest from corporate bonds	—	—
Dividends from money market mutual funds	9,148	38,016
Total Investment Income (loss)	(1,307,021)	3,008,484
Operating Expenses		
Advisory fees	21,994,642	13,626,793
Administrator fees	495,880	446,486
Professional fees	380,129	245,864
Directors' fees	207,994	178,855
Stockholder communication expenses	210,021	145,538
Custodian fees and expenses	97,417	62,176
Fund accounting fees	90,952	78,163
Registration fees	51,238	46,984
Stock transfer agent fees	15,826	12,364
Franchise fees	3,865	—
Other operating expenses	188,589	102,615
Total Operating Expenses	23,736,553	14,945,838
Leverage Expenses		
Interest expense	18,279,169	12,663,355
Distributions to mandatory redeemable preferred stockholders	6,919,999	4,540,533
Amortization of debt issuance costs	428,864	231,333
Other leverage expenses	276,113	99,835
Total Leverage Expenses	25,904,145	17,535,056
Total Expenses	49,640,698	32,480,894
Less fees waived by Adviser (Note 4)	(529,050)	(764,730)
Net Expenses	49,111,648	31,716,164
Net Investment Income (Loss), before Income Taxes	(50,418,669)	(28,707,680)
Deferred tax benefit	24,679,544	5,964,172
Net Investment Income (Loss)	(25,739,125)	(22,743,508)
Realized and Unrealized Gain (Loss) on Investments and Interest Rate Swaps		
Net realized gain (loss) on investments in unaffiliated securities	99,167,112	60,794,841
Net realized gain (loss) on options	1,210,761	1,080,438
Net realized gain (loss) on interest rate swap settlements	(60,499)	—
Net realized loss on foreign currency and translation of other assets and liabilities denominated in foreign currency	—	—
Net realized gain (loss), before income taxes	100,317,374	61,875,279
Current tax (expense) benefit	533,600	(186,036)
Deferred tax expense	(58,286,262)	(15,159,081)
Income tax expense	(57,752,662)	(15,345,117)
Net realized gain (loss)	42,564,712	46,530,162
Net unrealized depreciation of investments in unaffiliated securities	(83,798,472)	(64,036,157)
Net unrealized depreciation of investments in affiliated securities	(22,634,585)	—
Net unrealized appreciation (depreciation) of options	(428,267)	(302,918)
Net unrealized appreciation of interest rate swap contracts	266,585	—
Net unrealized appreciation of other assets and liabilities due to foreign currency translation	—	—

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Net unrealized depreciation, before income taxes	(106,594,739)	(64,339,075)
Deferred tax benefit	186,123,443	63,392,266
Net unrealized appreciation (depreciation)	79,528,704	(946,809)
Net Realized and Unrealized Gain (Loss)	122,093,416	45,583,353
Net Increase (Decrease) in Net Assets Applicable to Common Stockholders Resulting from Operations	\$ 96,354,291	\$ 22,839,845

Return of Capital may be in excess of current year distributions due to prior year adjustments. See Note 2 to the Financial Statements for further (1) disclosure.

See accompanying Notes to Financial Statements.

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Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
\$ 5,421,472	\$ 4,015,190	\$ 4,204,223
9,215,367	985,772	2,210,111
682,083	258,903	457,955
—	—	—
(10,315,607)	(4,526,935)	(6,733,321)
(425,888)	(16,087)	(3,565)
4,577,427	716,843	135,403
—	—	5,439,893
5,081	18,632	4,231
4,582,508	735,475	5,579,527
2,844,494	2,638,486	1,898,410
108,436	100,945	84,933
156,879	148,408	151,621
117,673	117,664	112,086
71,445	52,404	91,526
19,943	17,989	10,392
48,843	47,333	28,552
24,758	25,001	24,835
12,350	11,997	13,605
—	—	—
44,834	44,580	28,109
3,449,655	3,204,807	2,444,069
1,876,808	1,758,968	1,451,464
686,401	—	—
57,013	—	—
18,667	—	—
2,638,889	1,758,968	1,451,464
6,088,544	4,963,775	3,895,533
—	—	—
6,088,544	4,963,775	3,895,533
(1,506,036)	(4,228,300)	1,683,994
—	—	—
(1,506,036)	(4,228,300)	1,683,994
(346,389)	(6,692,831)	8,976,827
(23,411)	10,350,058	—
—	—	30,903
(4,510)	—	(554)
(374,310)	3,657,227	9,007,176
—	—	—
—	—	—
(374,310)	3,657,227	9,007,176
(7,392,596)	(31,965,739)	(11,268,636)
—	—	—
281,675	1,489,446	—
—	—	85,846
2,540	—	234

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(7,108,381)	(30,476,293)	(11,182,556)
<u> </u>	<u> </u>	<u> </u>
(7,108,381)	(30,476,293)	(11,182,556)
(7,482,691)	(26,819,066)	(2,175,380)
\$ (8,988,727)	\$ (31,047,366)	\$ (491,386)

See accompanying Notes to Financial Statements.

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Statements of Changes in Net Assets

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.		
	Year Ended	Year Ended	Year Ended	Year Ended
	November 30,	November 30,	November 30,	November 30,
	2018	2017	2018	2017
Operations				
Net investment income (loss)	\$ (25,739,125)	\$ (31,941,053)	\$ (22,743,508)	\$ (19,766,804)
Net realized gain (loss)	42,564,712	119,288,455	46,530,162	29,188,785
Net unrealized appreciation (depreciation)	79,528,704	(200,775,043)	(946,809)	(83,536,956)
Net increase (decrease) in net assets applicable to common stockholders resulting from operations	96,354,291	(113,427,641)	22,839,845	(74,114,975)
Distributions to Common Stockholders				
From distributable earnings	—	—	—	—
From tax return of capital	(138,297,758)	(128,748,918)	(86,693,300)	(79,670,471)
Total distributions to common stockholders	(138,297,758)	(128,748,918)	(86,693,300)	(79,670,471)
Capital Stock Transactions				
Proceeds from issuance of common shares through offerings	114,529,368	4,639,779	230,973,008	—
Underwriting discounts and offering expenses associated with the issuance of common stock	(349,970)	(91,276)	(8,891,735)	—
Issuance of common shares from reinvestment of distributions to stockholders	6,535,303	6,881,998	2,720,036	3,004,499
Other proceeds	—	180	—	—
Net increase in net assets applicable to common stockholders from capital stock transactions	120,714,701	11,430,681	224,801,309	3,004,499
Total increase (decrease) in net assets applicable to common stockholders	78,771,234	(230,745,878)	160,947,854	(150,780,947)
Net Assets				
Beginning of year	1,181,528,470	1,412,274,348	754,085,120	904,866,067
End of year	\$ 1,260,299,704	\$ 1,181,528,470 *	\$ 915,032,974	\$ 754,085,120 *
Transactions in common shares				
Shares outstanding at beginning of year	49,379,408	48,980,215	47,246,780	47,080,789
Shares issued through offerings	4,013,693	155,743	15,802,094	—
Shares issued through reinvestment of distributions	241,953	243,450	159,503	165,991
Shares outstanding at end of year	53,635,054	49,379,408	63,208,377	47,246,780

Includes undistributed (accumulated) net investment income (loss), net of income taxes of \$(239,156,803), \$(137,388,906), \$990,851, \$(2,914,758) and \$4,655,808 for the Tortoise Energy Infrastructure Corp., Tortoise MLP Fund, Inc., Tortoise Pipeline & Energy Fund, Inc., * Tortoise Energy Independence Fund, Inc. and Tortoise Power and Energy Infrastructure Fund, Inc., respectively.

See accompanying Notes to Financial Statements.

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Tortoise Pipeline & Energy Fund, Inc.		Tortoise Energy Independence Fund, Inc.		Tortoise Power and Energy Infrastructure Fund, Inc.	
Year Ended November 30, 2018	Year Ended November 30, 2017	Year Ended November 30, 2018	Year Ended November 30, 2017	Year Ended November 30, 2018	Year Ended November 30, 2017
\$ (1,506,036)	\$ (458,179)	\$ (4,228,300)	\$ (2,930,061)	\$ 1,683,994	\$ 4,089,792
(374,310)	4,603,749	3,657,227	(9,166,863)	9,007,176	4,185,820
(7,108,381)	(33,840,728)	(30,476,293)	(21,569,273)	(11,182,556)	(15,678,728)
(8,988,727)	(29,695,158)	(31,047,366)	(33,666,197)	(491,386)	(7,403,116)
(428,639)	(3,036,473)	—	—	(10,427,000)	(9,743,950)
(15,898,114)	(13,290,280)	(25,586,654)	(25,460,285)	—	(683,050)
(16,326,753)	(16,326,753)	(25,586,654)	(25,460,285)	(10,427,000)	(10,427,000)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	1,233,701	927,023	—	—
—	—	—	—	—	—
—	—	1,233,701	927,023	—	—
(25,315,480)	(46,021,911)	(55,400,319)	(58,199,459)	(10,918,386)	(17,830,116)
188,517,171	234,539,082	187,888,553	246,088,012	148,242,814	166,072,930
\$ 163,201,691	\$ 188,517,171 *	\$ 132,488,234	\$ 187,888,553 *	\$ 137,324,428	\$ 148,242,814 *
10,016,413	10,016,413	14,583,662	14,516,071	6,951,333	6,951,333
—	—	—	—	—	—
—	—	112,598	67,591	—	—
10,016,413	10,016,413	14,696,260	14,583,662	6,951,333	6,951,333

See accompanying Notes to Financial Statements.

Tortoise

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Statements of Cash Flows

Year Ended November 30, 2018

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Cash Flows From Operating Activities		
Dividends, distributions and interest received from investments	\$ 183,592,531	\$ 117,093,968
Purchases of long-term investments	(496,715,904)	(495,831,848)
Proceeds from sales of long-term investments	417,237,015	198,382,984
Sales (purchases) of short-term investments, net	(24,116)	(138,897)
Call options written, net	1,682,203	1,430,983
Payments on interest rate swap contracts, net	(60,499)	—
Interest received on securities sold, net	—	—
Interest expense paid	(18,241,605)	(11,942,756)
Distributions to mandatory redeemable preferred stockholders	(6,920,000)	(4,470,276)
Other leverage expenses paid	(219,375)	(64,746)
Income taxes paid	(1,331,182)	(119,000)
Operating expenses paid	(23,429,677)	(14,262,633)
Net cash provided by (used in) operating activities	55,569,391	(209,922,221)
Cash Flows From Financing Activities		
Advances (payments) on credit facilities, net	(5,600,000)	23,300,000
Issuance of mandatory redeemable preferred stock	—	87,000,000
Redemption of mandatory redeemable preferred stock	—	(65,000,000)
Issuance of senior notes	—	105,000,000
Maturity of senior notes	(32,500,000)	(77,000,000)
Debt issuance costs	(4,366)	(301,270)
Issuance of common stock	114,529,368	230,973,008
Common stock issuance costs	(231,922)	(8,620,911)
Distributions paid to common stockholders	(131,762,471)	(85,428,606)
Net cash provided by (used in) financing activities	(55,569,391)	209,922,221
Net change in cash	—	—
Cash — beginning of year	—	—
Cash — end of year	\$ —	\$ —

See accompanying Notes to Financial Statements.

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Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
\$ 14,833,259	\$ 5,421,932	\$ 12,971,081
(35,612,984)	(346,466,147)	(61,547,824)
42,469,533	367,138,147	62,968,992
70,190	945	(144,960)
135,843	10,861,101	—
—	—	30,903
—	—	(40,853)
(1,814,628)	(1,641,014)	(1,350,210)
(686,400)	—	—
(20,000)	—	—
(418)	(350)	—
(3,547,642)	(3,274,084)	(2,460,129)
15,826,753	32,040,530	10,427,000
500,000	(7,400,000)	—
—	—	—
—	—	—
—	—	—
—	—	—
(16,326,753)	(24,640,530)	(10,427,000)
(15,826,753)	(32,040,530)	(10,427,000)
—	—	—
—	—	—
\$ —	\$ —	\$ —

See accompanying Notes to Financial Statements.

Tortoise

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Statements of Cash Flows (continued)

Year Ended November 30, 2018

	Tortoise Energy Infrastructure Corp.	Tortoise MLP Fund, Inc.
Reconciliation of net increase in net assets applicable to common stockholders resulting from operations to net cash provided by (used in) operating activities		
Net increase in net assets applicable to common stockholders resulting from operations	\$ 96,354,291	\$ 22,839,845
Adjustments to reconcile net increase in net assets applicable to common stockholders resulting from operations to net cash provided by (used in) operating activities:		
Purchases of long-term investments	(508,462,886)	(494,308,370)
Proceeds from sales of long-term investments	408,626,699	194,635,931
Sales (purchases) of short-term investments, net	(24,116)	(138,897)
Call options written, net	1,704,336	1,430,983
Return of capital on distributions received	184,611,970	113,946,449
Deferred tax benefit	(152,516,725)	(54,197,357)
Net unrealized appreciation	106,594,739	64,339,075
Amortization of market premium, net	—	—
Net realized (gain) loss	(100,377,873)	(61,875,279)
Amortization of debt issuance costs	428,864	231,333
Changes in operating assets and liabilities:		
(Increase) decrease in dividends, distributions and interest receivable from investments	287,582	139,035
(Increase) decrease in current tax asset	(1,864,782)	67,036
(Increase) decrease in receivable for investments sold	8,610,316	3,747,053
Increase in receivable for premiums on options written	(22,133)	—
(Increase) decrease in prepaid expenses and other assets	132,206	256,914
Increase (decrease) in payable for investments purchased	11,746,982	(1,523,478)
Decrease in payable to Adviser, net of fees waived	(123,864)	(18,991)
Increase (decrease) in accrued expenses and other liabilities	(136,215)	506,497
Total adjustments	(40,784,900)	(232,762,066)
Net cash provided by (used in) operating activities	\$55,569,391	\$ (209,922,221)
Non-Cash Financing Activities		
Reinvestment of distributions by common stockholders in additional common shares	\$6,535,303	\$2,720,036

See accompanying Notes to Financial Statements.

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Tortoise Pipeline & Energy Fund, Inc.	Tortoise Energy Independence Fund, Inc.	Tortoise Power and Energy Infrastructure Fund, Inc.
\$ (8,988,727)	\$ (31,047,366)	\$ (491,386)
(36,550,658)	(346,466,147)	(61,995,102)
42,469,533	367,138,147	63,165,604
70,190	945	(144,960)
135,843	10,861,101	—
10,315,607	4,526,935	6,733,321
—	—	—
7,108,381	30,476,293	11,182,556
—	—	438,556
374,310	(3,657,227)	(8,976,273)
57,013	—	—
(64,856)	159,522	178,824
—	—	—