TORTOISE ENERGY INFRASTRUCTURE CORP
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Quarterly Report | August 31, 2017

2017 3rd Quarter Report

Closed-End Funds

Tortoise Capital Advisors
2017 3rd Quarter Report to Stockholders

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

Tortoise Capital Advisors specializes in essential assets investing, including closed-end funds, open end funds, private funds and separate accounts.

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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.

Closed-end fund comparison

Name/Ticker	Primary focus	Structure	Total assets ($ millions)[1]	Portfolio mix by asset type[2]	Portfolio by structu
Tortoise Energy Infrastructure Corp. NYSE: TYG Inception: 2/2004	Midstream MLPs	C-corp	$2,450.7		
Tortoise MLP Fund, Inc. NYSE: NTG Inception: 7/2010	Natural gas infrastructure MLPs	C-corp	$1,420.4		
Tortoise Pipeline & Energy Fund, Inc. NYSE: TTP Inception: 10/2011	North American pipeline companies	Regulated investment company	$278.3		
Tortoise Energy Independence Fund, Inc. NYSE: NDP Inception: 7/2012	North American oil & gas producers	Regulated investment company	$257.3		
Tortoise Power and Energy Infrastructure Fund, Inc. NYSE: TPZ Inception: 7/2009	Power & energy infrastructure companies (Fixed income & equity)	Regulated investment company	$209.6		

1 As of 9/30/2017
2 As a percentage of total long-term investments as of 8/31/2017

Tortoise Capital Advisors

Third quarter 2017 report to closed-end fund stockholders

Dear fellow stockholders,

Crude oil prices stabilized throughout the third fiscal quarter ending August 31, 2017 as inventories meaningfully declined through the period. On the supply side, production curtailment compliance among the Organization of Petroleum Exporting Countries (OPEC) was high and U.S. rig counts leveled off near the end of the period. The summer driving season resulted in strong demand for refined products. Nonetheless, the broad energy sector, as measured by the S&P Energy Select Sector® Index, returned -3.0% for the fiscal quarter as sentiment across energy remained poor following doubt about sustained supply and demand balance. Notably, while Hurricane Harvey wreaked havoc on the Houston area at the end of August resulting in community devastation, energy assets proved remarkably durable during the storm, incurring minimal downtime and little physical damage.

Upstream

Upstream oil and gas producers, as represented by the Tortoise North American Oil and Gas Producers Index℠ returned -7.2% for the fiscal quarter. Crude oil prices were relatively stable; however, there were basin-specific headwinds. For example, some Permian producers reported a lower-than-expected crude oil production percentage relative to natural gas production percentage and this surprised investors. We think the change in percentage resulted from an increase in the absolute level of natural gas production and not from a decline in crude oil production, and believe fears of a sharp decline in the crude oil cut are unfounded.

We believe that the Permian basin will remain a key, growing oil supply basin. In fact, 50% of the U.S. oil rig count is operating in the Permian basin. The Energy Information Administration forecasts 2018 production to grow by 500,000 barrels per day with the largest contribution of growth coming from the Permian[1]. Longer term, we believe the Permian will remain the lowest cost oil basin in the U.S. Some parts of the Permian can even produce oil at a lower cost than some OPEC countries, which positions it as one of the low cost suppliers of crude oil to the rest of the world. We expect higher absolute volumes of oil, natural gas and natural gas liquids, driving a need for additional energy infrastructure to gather, process and transport the higher volumes. More broadly, U.S. crude oil production is expected to average 9.3 million barrels per day (MMbbl/d)[1] in 2017. The 2018 forecast is for 9.8 MMbbl/d. If reached, it would be a record high[1].

As mentioned previously, prices were steadier as inventories declined. Specifically, crude oil prices started the fiscal quarter with West Texas Intermediate (WTI) at $48.36 per barrel, and ended at $47.23 per barrel.

Natural gas prices were relatively flat during the fiscal quarter, opening at $2.93 per million British thermal units (MMBtu) and closing at $2.89. Because of new export capabilities largely through LNG as well as an increase in domestic consumption, we believe the demand outlook is strong. On the supply side, we think increased takeaway capacity coming online over the next year will enable significant production growth, with expected production to average 72.4 billion cubic feet per day in 2017, rising to 78.6 in 2018[2].

Midstream

Midstream fundamentals remained steady during the third fiscal quarter, supported by strong second quarter earnings reports. More than half of the companies in the Tortoise North American Pipeline Index℠ surpassed expectations. In addition, average EBITDA growth on a year-over-year basis was 21% for midstream companies[3]. We believe these positive fundamental results were misrepresented in the markets as stock performance lagged.

Pipeline companies returned 1.7% over the fiscal quarter, as measured by the Tortoise North American Pipeline Index℠. MLPs were worse, returning -3.4% for the fiscal quarter, as represented by the Tortoise MLP Index®. Company-specific issues weighed on MLPs casting doubt on the entire midstream segment. Most notable to the market, Plains All American Pipeline, L.P. (PAA) revised down 2017 and 2018 guidance despite an in-line quarter. In conjunction, Plains announced a reevaluation of its distribution policy to enhance distribution coverage and leverage metrics.

Despite the aforementioned, performance varied among pipeline companies based on the commodities transported. Local gas distribution companies were strong performers during the period as interest rates remained low. Our long-term outlook for the midstream sector remains positive with a projection for capital investments in MLPs, pipeline and related organic projects at approximately $125 billion for 2017 to 2019, driving an expected 5% to 7% distribution growth over the next twelve months.

Downstream

Hurricane Harvey most acutely impacted the refining sector in Houston and Corpus Christi. The expectation was for capacity to potentially remain offline for weeks, yet operational impact on key assets was minimal. As expected, refining margins widened as gasoline prices increased due to production being taken offline.

Even with international and state level rhetoric toward electric vehicles, we don t expect electric vehicles to materially displace refined product demand in the near future. Even assuming exponential electric vehicle sales growth, the vast majority of automobiles will continue to be powered by the internal combustion engine over the next decade. We do believe renewables will continue to play an increasing role in electricity generation, as solar generation is expected to increase by more than 50% from the end of 2016 to the end of 2018[1].

(unaudited)

Capital markets

In general, debt markets were more supportive than equity. This trend was seen as MLPs and other pipeline companies raised more than $13 billion, with about two thirds raised through debt offerings. There were no midstream MLP initial public offerings during the fiscal quarter.

Merger and acquisition activity among MLPs and other pipeline companies continued to slow totaling approximately $7 billion, about half of the total activity during the second fiscal quarter. Andeavor Logistics LP had the largest announced transaction of the fiscal quarter, in a deal valued at about $2.4 billion.

Concluding thoughts

The favorable crude oil inventory trend took center stage in the fiscal quarter. We think better supply and demand balance and price stability should lead to improved energy sector investor sentiment. We believe macro improvements, growing U.S. crude oil and natural gas production, and solid midstream fundamentals lead to compelling investment opportunities across the energy value chain. As we celebrate our 15 year anniversary we are appreciative that you have placed your trust in us. Thank you for your continued confidence.

Sincerely,

The Managing Directors
Tortoise Capital Advisors, L.L.C.

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 Index℠ 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 Index℠ 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.

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It is not possible to invest directly in an index.

Performance data quoted represent 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, September 2017
2 Bentek, June 2017
3 Company filings
(unaudited)

Tortoise
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 primarily in equity securities of 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 fund s market-based and NAV-based returns for the fiscal quarter ending August 31, 2017 were -8.2% and -5.6%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index® returned -3.4% for the same period. Despite solid company business fundamentals, pipeline equity performance lagged due to fickle capital markets and isolated, company-specific issues resulting in doubts over distribution growth. During the fiscal quarter the fund acquired an approximately 33 megawatt commercial and industrial (C&I) solar portfolio. We view renewable energy as an increasingly critical component of the energy value chain and we believe that our proactive approach to managing taxes through solar investment tax credits will be accretive to our stockholders.

Third fiscal quarter highlights

Distributions paid per share	$0.6550
Distribution rate (as of 8/31/2017)	9.2%
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	$29.8075
Market-based total return	(8.2)%
NAV-based total return	(5.6)%
Premium (discount) to NAV (as of 8/31/2017)	8.3%

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

Performance data quoted represent 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 quarter.

Key asset performance drivers

ONEOK Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Acquisition by parent company ONEOK, Inc.
EQT Midstream Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Parent s acquisition of Rice Energy Inc. will potentially generate enhanced growth
ONEOK, Inc.	Midstream natural gas/natural gas liquids pipeline company	Improved outlook for ethane recoveries and higher natural gas liquids (NGL) prices
MPLX LP	Midstream gathering and processing MLP	Greater strategic clarity on dropdowns and incentive distribution rights restructuring
Spectra Energy Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Growing Northeast natural gas production supported infrastructure buildout
Plains All American Pipeline, L.P.	Midstream crude oil pipeline MLP	Reduced distribution on weaker supply & logistics outlook
Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Concerns about equity funding for project backlog

Buckeye Partners, L.P.	Midstream refined product pipeline MLP	Equity overhang around VTTI acquisition
Magellan Midstream Partners, L.P.	Midstream refined product pipeline MLP	Large weight in declining market
Western Gas Partners, LP	Midstream gathering and processing MLP	Concerns about Colorado drilling and regulatory outlook

(unaudited)

Distributable cash flow and distributions

Distributable cash flow (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.

Distributions received from investments increased approximately 2.0% as compared to 2nd quarter 2017 due primarily to the impact of increased distribution rates on the fund s investments. Operating expenses, consisting primarily of fund advisory fees, decreased approximately 8.4% during the quarter due to lower asset-based fees. Overall leverage costs increased slightly as compared to 2nd quarter 2017 due primarily to an increase in interest rates during the quarter.

As a result of the changes in income and expenses, DCF increased approximately 4.3% as compared to 2nd quarter 2017. The fund paid a quarterly distribution of $0.655 per share, which was equal to the distribution paid in the prior quarter and 3rd quarter 2016. The fund has paid cumulative distributions to stockholders of $29.8075 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 are not 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, 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 3rd quarter 2017 (in thousands):

	YTD 2017	3rd Qtr 2017
Net Investment Loss, before Income Taxes	$ (42,426)	$ (6,339)
Adjustments to reconcile to DCF:		
Distributions characterized as return of capital	139,512	39,105
Net premiums on options written	892	414
Amortization of debt issuance costs	350	118
Interest rate swap expenses	(567)	(180)
DCF	$ 97,761	$ 33,118

Leverage

The fund s leverage utilization was relatively unchanged during 3rd quarter 2017 and represented 28.4% of total assets at August 31, 2017. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, including the impact of interest rate swaps, approximately 78% of the leverage cost was fixed, the weighted-average maturity was 4.5 years and the weighted-average annual rate on leverage was 3.49%. 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. Subsequent to quarter end, the fund issued $25 million Senior Notes with a fixed interest rate of 3.33%. The notes were issued to replace $25 million of maturing Senior Notes with a fixed interest rate of 2.75%.

Income taxes

During 3rd quarter 2017, the fund s deferred tax liability decreased by $76.4 million to $405.4 million, primarily as a result of the decrease in value of its investment portfolio. The fund had net realized gains of $35.4 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, please visit www.tortoiseadvisors.com.

(unaudited)

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.

	2016		2017		
	Q3[1]	**Q4[1]**	**Q1[1]**	**Q2[1]**	**Q3[1]**
Total Income from Investments					
Distributions and dividends from investments	$ 45,694	$ 44,714	$ 46,007	$ 44,556	$ 45,456
Premiums on options written				478	415
Total from investments	45,694	44,714	46,007	45,034	45,871
Operating Expenses Before Leverage					
Costs and Current Taxes					
Advisory fees	6,215	6,067	6,380	6,533	5,950
Other operating expenses	459	229	437	443	441
	6,674	6,296	6,817	6,976	6,391
Distributable cash flow before leverage costs and current taxes	39,020	38,418	39,190	38,058	39,480
Leverage costs[2]	6,433	6,467	6,286	6,319	6,362
Current income tax expense[3]					
Distributable Cash Flow[4]	$32,587	$31,951	$32,904	$31,739	$33,118
As a percent of average total assets[5]					
Total from investments	6.85%	6.90%	6.83%	6.49%	7.13%
Operating expenses before leverage costs and current taxes	1.00%	0.97%	1.01%	1.01%	0.99%
Distributable cash flow before leverage costs and current taxes	5.85%	5.93%	5.82%	5.48%	6.14%
As a percent of average net assets[5]					
Total from investments	12.45%	12.58%	12.32%	11.88%	13.48%
Operating expenses before leverage costs and current taxes	1.82%	1.77%	1.83%	1.84%	1.88%
Leverage costs and current taxes	1.75%	1.82%	1.68%	1.67%	1.87%
Distributable cash flow	8.88%	8.99%	8.81%	8.37%	9.73%
Selected Financial Information					
Distributions paid on common stock	$ 31,961	$ 32,045	$ 32,082	$ 32,115	$ 32,299
Distributions paid on common stock per share	0.6550	0.6550	0.6550	0.6550	0.6550
Distribution coverage percentage for period[6]	102.0%	99.7%	102.6%	98.8%	102.5%
Net realized gain, net of income taxes, for the period	13,034	15,215	71,641	7,226	35,440
Total assets, end of period[7]	2,628,678	2,593,722	2,842,641	2,596,302	2,467,104
Average total assets during period[7][8]	2,654,126	2,607,027	2,733,122	2,751,522	2,552,438
Leverage[9]	720,200	716,800	701,900	700,700	700,000
Leverage as a percent of total assets	27.4%	27.6%	24.7%	27.0%	28.4%
Net unrealized depreciation, end of period	(204,786)	(217,646)	(109,826)	(223,262)	(330,549)
Net assets, end of period	1,443,397	1,412,274	1,556,125	1,400,652	1,296,782
Average net assets during period[10]	1,460,638	1,429,146	1,513,999	1,504,136	1,349,973
Net asset value per common share	29.54	28.83			