TORTOISE MLP FUND, INC.
Form N-CSRS
July 24, 2012

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 MLP 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)

David J. Schulte
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: May 31, 2012

Item 1. Reports to Stockholders.

Company at a Glance

Tortoise MLP Fund, Inc. (NYSE: NTG) offers a closed-end fund strategy of investing in energy infrastructure MLPs and their affiliates, with an emphasis on natural gas infrastructure MLPs.

Investment Focus

NTG seeks to provide stockholders with a high level of total return with an emphasis on current distributions. The fund focuses primarily on midstream energy infrastructure MLPs that engage in the business of transporting, gathering and processing and storing natural gas and natural gas liquids (NGLs).

Under normal circumstances, we invest at least 80 percent of NTG s total assets in MLP equity securities with at least 70 percent of total assets in natural gas infrastructure MLP equity securities. Of the total assets in the fund, we may invest as much as 50 percent in restricted securities, primarily through direct investments in securities of listed companies. We do not invest in privately held companies and limit our investment in any one security to 10 percent.

About Energy Infrastructure Master Limited Partnerships

MLPs are limited partnerships whose units trade on public exchanges such as the New York Stock Exchange (NYSE), the NYSE Alternext US and NASDAQ. Buying MLP units makes an investor a limited partner in the MLP. There are currently more than 80 MLPs in the market, mostly in industries related to energy and natural resources.

We primarily invest in MLPs and their affiliates in the energy infrastructure sector, with an emphasis on natural gas infrastructure MLPs. Energy infrastructure MLPs are engaged in the transportation, storage and processing of crude oil, natural gas and refined products from production points to the end users. Natural gas infrastructure MLPs are companies in which over 50 percent of their revenue, cash flow or assets are related to the operation of natural gas or NGL infrastructure assets. Our investments are primarily in midstream (mostly pipeline) operations, which typically produce steady cash flows with less exposure to commodity prices than many alternative investments in the broader energy industry. With the growth potential of this sector along with our disciplined investment approach, we endeavor to generate a predictable and increasing distribution stream for our investors.

An NTG Investment Versus a Direct Investment in MLPs

We provide our stockholders an alternative to investing directly in MLPs and their affiliates. A direct MLP investment potentially offers an attractive distribution with a significant portion treated as return of capital, and a historically low correlation to returns on stocks and bonds. However, the tax characteristics of a direct MLP investment are generally undesirable for tax-exempt investors such as retirement plans. We are structured as a C Corporation accruing federal and state income taxes based on taxable earnings and profits. Because of this innovative structure, pioneered by Tortoise Capital Advisors, institutions and retirement accounts are able to join individual stockholders as investors in MLPs.

Additional features include:

- ♦ The opportunity for tax deferred distributions and distribution growth;
- ♦ Simplified tax reporting (investors receive a single 1099) compared to directly owning MLP units;
- ♦ Appropriate for retirement and other tax exempt accounts;
- ♦ Potential diversification of overall investment portfolio; and
- ♦ Professional securities selection and active management by an experienced adviser.

June 15, 2012

Dear Fellow Stockholders,

Macro uncertainty dominated the last month of our second fiscal quarter ended May 31, 2012, with European turmoil taking center stage. This volatility reversed the year s earlier broader market gains, with shorter-term market noise not allowing time for investors to differentiate quality. As a result, equity markets, including the energy sector as a whole, were down in the month of May, as evidenced by the S&P 500® and S&P 500 Energy® total return of negative 6.0 percent and negative 10.2 percent, respectively.

The short-term market environment also impacted master limited partnerships (MLPs) across the board. However, midstream MLPs have demonstrated their resiliency across several cycles and we continue to believe their businesses remain strong, anchored in predictable distributions.

Master Limited Partnership Sector Review

The Tortoise MLP Index® posted a total return of negative 9.1 percent and positive 1.7 percent for the three months and six months ended May 31, 2012, respectively. Pipeline MLPs performed well on a relative basis, as evidenced by the Tortoise Long-Haul Pipeline MLP Index s total return of negative 8.0 percent and positive 4.8 percent, respectively, for the same periods.

We remain confident in our distribution growth expectations for midstream MLPs of 6 to 8 percent for 2012, as heightened activity in both M&A and internal growth projects continue. We just witnessed three years of more than $100 billion of acquisitions and internal growth projects, and we anticipate another $100 billion over the next three years. M&A activity remains elevated in 2012 with over $22 billion fiscal year-to-date. We believe the two largest announced transactions this year, Energy Transfer s bid of approximately $5 billion for Sunoco and Williams Partners $2.5 billion acquisition of Caiman Energy, validate the expanding liquids growth story in the U.S.

Also driving activity are significant internal growth projects as the continued emergence of the shale plays is highlighting the natural gas production growth potential. This production growth is presenting numerous opportunities for MLPs to build out supporting pipeline, processing and fractionation infrastructure. Demand for relatively low cost and clean natural gas continues to rise, driven by power companies switching from coal to natural gas-fired generation and industries, such as the steel industry, increasing their usage of natural gas.

It is noteworthy that in April, for the first time ever, U.S. power plants produced the same amount of electricity from both natural gas and coal, with each accounting for approximately 32 percent of net electricity generation. We expect continued coal-fired plant retirements, driven by both the lower cost as well as lower relative carbon footprint of natural gas as compared to coal.

Fund Performance Review

Our total assets decreased from $1.7 billion on Feb. 29, 2012, to $1.5 billion as of our second fiscal quarter end, resulting primarily from market depreciation of our investments. Our market-based total return was negative 5.7 percent and positive 2.0 percent (including the reinvestment of distributions) for the three months and six months ended May 31, 2012, respectively.

We paid a distribution of $0.4125 per common share ($1.65 annualized) to our stockholders on June 1, 2012, the same as our prior quarterly distribution. This distribution represented an annualized yield of 6.7 percent based on our fiscal quarter closing price of $24.51. Our distribution coverage (distributable cash flow divided by distributions) for the second fiscal quarter was 99.6 percent. For tax purposes, we currently expect 90 to 100 percent of NTG s 2012 distributions to be characterized as return of capital, with the remainder characterized as qualified dividend income, or QDI. A final determination of the characterization will be made in January 2013.

We ended the second fiscal quarter with leverage (including bank debt, senior notes and preferred stock) at 22.8 percent of total assets, which had a weighted average maturity of 5.7 years, a weighted average cost of 3.8 percent, and over 87 percent at fixed rates.

Additional information about our financial performance is available in the Key Financial Data and Management s Discussion of this report.

Conclusion

We continue to believe that natural gas infrastructure MLPs play a key role in supporting the growing demand for domestic and abundant natural gas. We will continue to monitor the impact of the overall macroeconomic environment, but continue to believe these assets, critical to our energy needs, are attractive to investors in both growth periods and uncertain environments.

Sincerely,

The Managing Directors
Tortoise Capital Advisors, L.L.C.
The adviser to Tortoise MLP Fund, Inc.

H. Kevin Birzer   Zachary A. Hamel   Kenneth P. Malvey

Terry Matlack   David J. Schulte

(Unaudited)

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 we believe is meaningful to understanding our operating performance. The Distributable Cash Flow Ratios include the functional equivalent of EBITDA for non-investment companies, and we believe 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 our full financial statements.

	2011			2012	
	Q2[(1)]	Q3[(1)]	Q4[(1)]	Q1[(1)]	Q2[(1)]
Total Income from Investments					
Distributions received from master limited partnerships	$24,035	$24,081	$24,030	$24,217	$23,945
Dividends paid in stock	1,538	1,511	1,543	1,635	1,749
Other income	80				
Total from investments	25,653	25,592	25,573	25,852	25,694
Operating Expenses Before Leverage Costs and Current Taxes					
Advisory fees, net of expense reimbursement	2,885	2,789	2,825	3,107	3,094
Other operating expenses	381	352	359	286	286
	3,266	3,141	3,184	3,393	3,380
Distributable cash flow before leverage costs and current taxes	22,387	22,451	22,389	22,459	22,314
Leverage costs[(2)]	3,412	3,438	3,372	3,401	3,400
Current income tax expense	7	7	2		
Distributable Cash Flow[(3)]	$18,968	$19,006	$19,015	$19,058	$18,914
As a percent of average total assets[(4)]					
Total from investments	6.15%	6.47%	6.67%	6.24%	6.18
Operating expenses before leverage costs and current taxes	0.78%	0.79%	0.83%	0.82%	0.81
Distributable cash flow before leverage costs and current taxes	5.37%	5.68%	5.84%	5.42%	5.37
As a percent of average net assets[(4)]					
Total from investments	8.64%	9.06%	9.31%	8.75%	8.79
Operating expenses before leverage costs and current taxes	1.10%	1.11%	1.16%	1.15%	1.16
Leverage costs and current taxes	1.15%	1.22%	1.23%	1.15%	1.16
Distributable cash flow	6.39%	6.73%	6.92%	6.45%	6.47
Selected Financial Information					
Distributions paid on common stock	$18,502	$18,693	$18,883	$18,954	$18,997
Distributions paid on common stock per share	0.4075	0.4100	0.4125	0.4125	0.4125
Distribution coverage percentage for period[(5)]	102.5%	101.7%	100.7%	100.5%	99.6
Net realized gain (loss), net of income taxes, for the period	6,453	1,228	1,691	(5,314)	(6,034
Total assets, end of period	1,580,414	1,521,935	1,566,608	1,731,580	1,530,564
Average total assets during period[(6)]	1,656,212	1,568,210	1,537,375	1,664,967	1,652,84
Leverage[(7)]	347,300	345,000	355,100	355,700	349,200
Leverage as a percent of total assets	22.0 %	22.7 %	22.7 %	20.5 %	22.8
Net unrealized appreciation, end of period	106,542	77,527	121,871	237,227	137,300
Net assets, end of period	1,140,822	1,095,414	1,127,592	1,214,853	1,085,81
Average net assets during period[(8)]	1,177,775	1,120,242	1,101,261	1,188,060	1,162,876
Net asset value per common share	25.13	24.03	24.54	26.44	23.58
Market value per common share	25.70	24.41	24.84	26.45	24.51
Shares outstanding	45,404,188	45,593,328	45,949,783	45,949,783	46,052,5

(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 and other recurring leverage expenses.

(3) Net investment loss, before income taxes on the Statement of Operations is adjusted as follows to reconcile to Distributable Cash Flow (DCF): increased by the return of capital on MLP distributions, the value of paid-in-kind distributions, implied distributions included in direct placement discounts, and amortization of debt issuance costs; and decreased by current taxes paid on net investment income.

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

(5) *Distributable Cash Flow divided by distributions paid.*
(6) *Computed by averaging month-end values within each period.*
(7) *Leverage consists of long-term debt obligations, preferred stock and short-term borrowings.*
(8) *Computed by averaging daily values for the period.*

Management s Discussion *(Unaudited)*

The information contained in this section should be read in conjunction with our Financial Statements and the Notes thereto. In addition, this report contains certain forward-looking statements. These statements include the plans and objectives of management for future operations and financial objectives and can be identified by the use of forward-looking terminology such as may, will, expect, intend, anticipate, estimate, or continue or the negative thereof or other variations thereon or comparabl terminology. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause actual results and conditions to differ materially from those projected in these forward-looking statements are set forth in the Risk Factors section of our public filings with the SEC.

Overview

Tortoise MLP Fund, Inc. s (NTG) primary investment objective is to provide a high level of total return with an emphasis on current distributions paid to stockholders. We seek to provide our stockholders with an efficient vehicle to invest in a portfolio consisting primarily of energy infrastructure master limited partnerships (MLPs) and their affiliates, with an emphasis on natural gas infrastructure. Energy infrastructure MLPs own and operate a network of pipeline and energy-related logistical assets that transport, store, gather and process natural gas, natural gas liquids (NGLs), crude oil, refined petroleum products, and other resources or distribute, market, explore, develop or produce such commodities. Natural gas infrastructure MLPs are defined as companies engaged in such activities with over 50 percent of their revenue, cash flow or assets related to natural gas or NGL infrastructure assets.

While we are a registered investment company under the Investment Company Act of 1940, as amended (the 1940 Act), we are not a regulated investment company for federal tax purposes. Our distributions do not generate unrelated business taxable income (UBTI) and our stock may therefore be suitable for holding by pension funds, IRAs and mutual funds, as well as taxable accounts. We invest primarily in MLPs through private and public market purchases. MLPs are publicly traded partnerships whose equity interests are traded in the form of units on public exchanges, such as the NYSE or NASDAQ. Tortoise Capital Advisors, L.L.C. serves as our investment adviser.

Company Update

Total assets decreased approximately $201 million during the 2nd quarter primarily as a result of lower market values of our MLP investments. Distribution increases from our MLP investments were in-line with our expectations, asset-based expenses decreased slightly while other operating expenses were unchanged from the previous quarter. Total leverage as a percent of total assets increased and we maintained our quarterly distribution of $0.4125 per share. Additional information on these events and results of our operations are discussed in more detail below.

Critical Accounting Policies

The financial statements are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management s most difficult, complex, or subjective judgments. Our critical accounting policies are those applicable to the valuation of investments and certain revenue recognition matters as discussed in Note 2 in the Notes to Financial Statements.

Determining Distributions to Stockholders

Our portfolio generates cash flow from which we pay distributions to stockholders. Our Board of Directors has adopted a policy of declaring what it believes to be sustainable distributions. In determining distributions, our Board of Directors considers a number of current and anticipated factors, including, among others, distributable cash flow, realized and unrealized gains, leverage amounts and rates, current and deferred taxes payable, and potential volatility in returns from our investments and the overall market. Over the long term, we expect to distribute substantially all of our DCF to holders of common stock. Our Board of Directors reviews the distribution rate quarterly, and may adjust the quarterly distribution throughout the year.

Determining DCF

DCF is distributions received from investments, less expenses. The total distributions received from our investments include the amount we receive as cash distributions from MLPs, paid-in-kind distributions, and dividend and interest payments. 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 of the Company, 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.

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 common stock on their ex-dates, whereas the DCF calculation reflects distribution income on their pay dates; GAAP recognizes that a significant portion of the cash distributions received from MLPs 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. The treatment of expenses in the

Management s Discussion *(Unaudited)*
(Continued)
DCF calculation also differs from what is reported in the Statement of Operations. In addition to the total operating expenses, including expense reimbursement, as disclosed in the Statement of Operations, the DCF calculation reflects interest expense, distributions to preferred stockholders, other recurring leverage expenses, as well as current taxes paid on net investment income. A reconciliation of Net Investment Loss, before Income Taxes to DCF is included below.

Distributions Received from Investments

Our ability to generate cash is dependent on the ability of our portfolio of investments to generate cash flow from their operations. In order to maintain and grow distributions to our stockholders, we evaluate each holding based upon its contribution to our investment income, our expectation for its growth rate, and its risk relative to other potential investments.

We concentrate on MLPs we believe can expect an increasing demand for services from economic and population growth. We seek well-managed businesses with hard assets and stable recurring revenue streams. Our focus remains primarily on investing in fee-based service providers that operate long-haul, interstate pipelines. We further diversify among issuers, geographies and energy commodities to seek a distribution payment which approximates an investment directly in energy infrastructure MLPs. In addition, many crude/ refined products and natural gas liquids pipeline companies are regulated and currently benefit from a tariff inflation escalation index of PPI + 2.65 percent. Over the long-term, we believe MLPs distributions will outpace inflation and interest rate increases, and produce positive real returns.

Total distributions received from our investments for the 2nd quarter 2012 was approximately $25.7 million, representing an increase of 0.2 percent as compared to 2nd quarter 2011 and a decrease of 0.6 percent as compared to 1st quarter 2012. On an annualized basis, total distributions for the quarter equate to 6.18 percent of our average total assets for the quarter. These changes reflect increases in per share distribution rates on our MLP investments offset by the impact of trading activity wherein certain investments with higher current yields and lower expected future growth were sold and replaced with investments that had lower current yields and higher expected future growth.

Expenses

We incur two types of expenses: (1) operating expenses, consisting primarily of the advisory fee, and (2) leverage costs. On a percentage basis, operating expenses before leverage costs were an annualized 0.81 percent of average total assets for the 2nd quarter 2012, a slight decrease as compared to the 1st quarter 2012 and a slight increase as compared to 2nd quarter 2011. While the contractual advisory fee is 0.95 percent of average monthly managed assets, the Adviser waived an amount equal to 0.25 percent of average monthly managed assets through July 27, 2011. In addition, the Adviser has agreed to waive an amount equal to 0.20 percent of average monthly managed assets from July 28, 2011 through December 31, 2012, with further reductions in the fee waiver of 0.05 percent of average managed assets per calendar year through 2015.

Leverage costs consist of two major components: (1) the direct interest expense on our senior notes and short-term credit facility, and (2) distributions to preferred stockholders. Other leverage expenses include rating agency fees and commitment fees. Total leverage costs for DCF purposes were relatively unchanged as compared to the 1st quarter 2012.

The weighted average annual rate of our leverage at May 31, 2012 was 3.77 percent including balances on our bank credit facility which accrue interest at a variable rate equal to one-month LIBOR plus 1.25 percent. Our weighted average rate may vary in future periods as a result of changes in LIBOR, the utilization of our credit facility, and as our leverage matures or is redeemed. Additional information on our leverage is included in the Liquidity and Capital Resources discussion below.

Distributable Cash Flow

For 2nd quarter 2012, our DCF was approximately $18.9 million, a decrease of 0.3 percent as compared to 2nd quarter 2011 and a decrease of 0.8 percent as compared to 1st quarter 2012. The changes are the net result of changes in distributions and expenses as outlined above. We declared a distribution of $19.0 million, or $0.4125 per share, during the quarter. This represents an increase of $0.005 per share as compared to 2nd quarter 2011 and is unchanged from 1st quarter 2012.

Our distribution coverage ratio was 99.6 percent for 2nd quarter 2012, compared to a coverage ratio of 100.5 percent for 1st quarter 2012. Our goal is to pay what we believe to be sustainable distributions with any increases safely covered by earned DCF. A distribution coverage ratio of greater than 100 percent provides flexibility for on-going management of the portfolio, changes in leverage costs and other expenses. An on-going distribution coverage ratio of less than 100 percent will, over time, erode the earning power of a portfolio and may lead to lower distributions or portfolio managers taking on more risk than they otherwise would.

Net investment loss before income taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for 2012 YTD and 2nd quarter 2012 (in thousands):

	2012 YTD	**2nd Qtr 2012**
Net Investment Loss, before Income Taxes	$(16,070)	$(10,589)
Adjustments to reconcile to DCF:		
Dividends paid in stock	3,384	1,749
Distributions characterized as return of capital	50,465	27,657
Amortization of debt issuance costs	193	97
DCF	$ 37,972	$ 18,914

Liquidity and Capital Resources

We had total assets of $1.531 billion at quarter-end. Our total assets reflect the value of our investments, which are itemized in the Schedule of Investments. It also reflects cash, interest and dividends receivable and any expenses that may have been prepaid. During 2nd quarter 2012, total assets decreased $201 million. This change was primarily the result of a $195 million decrease

Management s Discussion *(Unaudited)*
(Continued)
in the value of our investments as reflected by the change in net realized and unrealized gains on investments (excluding return of capital on distributions), net sales of approximately $5 million and a decrease in receivables of approximately $1 million.

Total leverage outstanding at May 31, 2012 was $349.2 million, a decrease of $6.5 million as compared to February 29, 2012. Outstanding leverage is comprised of $255 million in senior notes, $90 million in preferred shares and $4.2 million outstanding under the credit facility, with 87.3 percent of leverage with fixed rates and a weighted average maturity of 5.7 years. Total leverage represented 22.8 percent of total assets at May 31, 2012, as compared to 20.5 percent as of February 29, 2012 and 22.0 percent as of May 31, 2011. Our leverage as a percent of total assets remains below our long-term target level of 25 percent, allowing the opportunity to add leverage when compelling investment opportunities arise. Temporary increases to up to 30 percent of our total assets may be permitted, provided that such leverage is consistent with the limits set forth in the 1940 Act, and that such leverage is expected to be reduced over time in an orderly fashion to reach our long-term target. Our leverage ratio is impacted by increases or decreases in MLP values, issuance of equity and/or the sale of securities where proceeds are used to reduce leverage.

Our longer-term leverage (excluding our bank credit facility) of $345 million is comprised of 74 percent private placement debt and 26 percent private placement preferred equity with a weighted average rate of 3.76 percent and remaining weighted average laddered maturity of approximately 5.8 years.

We use leverage to acquire MLPs consistent with our investment philosophy. The terms of our leverage are governed by regulatory and contractual asset coverage requirements that arise from the use of leverage. Additional information on our leverage and asset coverage requirements is discussed in Note 9 and Note 10 in the Notes to Financial Statements. Our coverage ratios are updated each week on our Web site at www.tortoiseadvisors.com.

Subsequent to quarter-end, we entered into an amendment to our bank credit facility that extends the facility through June 17, 2013. Terms of the amendment provide for an unsecured revolving credit facility of $60,000,000. During the extension, outstanding balances generally will accrue interest at a variable annual rate equal to one-month LIBOR plus 1.25 percent and unused portions of the credit facility will accrue a non-usage fee equal to an annual rate of 0.20 percent.

Taxation of our Distributions and Deferred Taxes

We invest in partnerships that generally have cash distributions in excess of their income for accounting and tax purposes. Accordingly, the distributions include a return of capital component for accounting and tax purposes. Distributions declared and paid by us in a year generally differ from taxable income for that year, as such distributions may include the distribution of current year taxable income or return of capital.

The taxability of the distribution you receive depends on whether we have annual earnings and profits (E&P). E&P is primarily comprised of the taxable income from MLPs with certain specified adjustments as reported on annual K-1s, fund operating expenses and net realized gains. If we have E&P, it is first allocated to the preferred shares and then to the common shares.

In the event we have E&P allocated to our common shares, all or a portion of our distribution will be taxable at the 15 percent Qualified Dividend Income (QDI) rate, assuming various holding requirements are met by the stockholder. The 15 percent QDI rate is currently effective through 2012. The portion of our distribution that is taxable may vary for either of two reasons. First, the characterization of the distributions we receive from MLPs could change annually based upon the K-1 allocations and result in less return of capital and more in the form of income. Second, we could sell an MLP investment and realize a gain or loss at any time. It is for these reasons that we inform you of the tax treatment after the close of each year as the ultimate characterization of our distributions is undeterminable until the year is over.

The portion of our distribution that is not income is treated as a return of capital. A holder of our common stock will reduce their cost basis for income tax purposes by the amount designated as return of capital. For tax purposes, the distribution to common stockholders for the fiscal year ended 2011 was 100 percent return of capital. A holder of our common stock would reduce their cost basis for income tax purposes by an amount equal to the total distributions they received in 2011. This information is reported to stockholders on Form 1099-DIV and is available on our Web site at www.tortoiseadvisors.com. For book purposes, the source of the distribution to common stockholders for the fiscal year ended 2011 was 100 percent return of capital. We currently estimate that 90 to 100 percent of 2012 distributions will be characterized as return of capital for tax purposes, with the remaining percentage, if any, characterized as qualified dividend income. A final determination of the characterization will be made in January 2013.

The unrealized gain or loss we have in the portfolio is reflected in the Statement of Assets and Liabilities. At May 31, 2012, our investments are valued at approximately $1.528 billion, with an adjusted cost of $1.311 billion. The $217 million difference reflects unrealized gain that would be realized for financial statement purposes if those investments were sold at those values. The Statement of Assets and Liabilities also reflects either a net deferred tax liability or net deferred tax asset depending upon unrealized gains (losses) on investments, realized gains (losses) on investments, capital loss carryforwards and net operating losses. At May 31, 2012, the balance sheet reflects a net deferred tax liability of approximately $71 million or $1.54 per share. Accordingly, our net asset value per share represents the amount which would be available for distribution to stockholders after payment of taxes. Details of our deferred taxes are disclosed in Note 5 in our Notes to Financial Statements.

As of November 30, 2011, we had approximately $29 million in capital loss carryforwards and $234 million in net operating losses. To the extent we have taxable income that is not offset by either capital loss carryforwards or net operating losses, we will owe federal and state income taxes. Tax payments can be funded from investment earnings, fund assets or borrowings. Details of our taxes are disclosed in Note 5 in our Notes to Financial Statements.

Schedule of Investments
May 31, 2012
(Unaudited)

	Shares	Fair Value
Master Limited Partnerships and Related Companies 140.7%(1)		
Natural Gas/Natural Gas Liquids Pipelines 85.4%(1)		
United States 85.4%(1)		
Boardwalk Pipeline Partners, LP	3,523,800	$ 91,442,610
El Paso Pipeline Partners, L.P.	3,720,900	122,082,729
Energy Transfer Equity, L.P.	446,621	16,225,741
Energy Transfer Partners, L.P.	2,893,600	125,553,304
Enterprise Products Partners L.P.	2,725,400	132,890,504
Inergy Midstream, L.P.	812,700	16,944,795
ONEOK Partners, L.P.	1,534,797	83,799,916
Regency Energy Partners LP	4,520,433	97,279,718
Spectra Energy Partners, LP	2,704,180	84,289,291
TC PipeLines, LP	858,200	35,186,200
Williams Partners L.P.	2,289,800	121,130,420
		926,825,228
Natural Gas Gathering/Processing 28.8%(1)		
United States 28.8%(1)		
Chesapeake Midstream Partners, L.P.	1,140,000	28,534,200
Copano Energy, L.L.C.	1,646,300	44,120,840
Crestwood Midstream Partners LP(2)	1,465,050	37,007,163
DCP Midstream Partners, LP	1,259,900	49,551,867
MarkWest Energy Partners, L.P.	1,050,400	50,356,176
Targa Resources Partners LP	1,465,300	57,469,066
Western Gas Partners LP	1,040,131	45,859,376
		312,898,688
Crude/Refined Products Pipelines 26.5%(1)		
United States 26.5%(1)		
Buckeye Partners, L.P.	1,055,828	50,172,946
Enbridge Energy Partners, L.P.	1,728,900	50,553,036
Holly Energy Partners, L.P.	735,300	41,595,921
Kinder Morgan Management, LLC(2)	871,055	61,871,042
NuStar Energy L.P.	631,500	32,970,615
Plains All American Pipeline, L.P.	646,400	50,761,792
		287,925,352
Total Master Limited Partnerships and Related Companies (Cost $1,310,787,221)		1,527,649,268
Short-Term Investment 0.0%(1)		
United States Investment Company 0.0%(1)		
Fidelity Institutional Money Market Portfolio Class I, 0.19%(3) (Cost $140,075)	140,075	140,075
Total Investments 140.7%(1) (Cost $1,310,927,296)		1,527,789,343