TORTOISE ENERGY INDEPENDENCE FUND, INC.
Form N-CSRS
July 21, 2016

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 **811-22690**

Tortoise Energy Independence 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)

Terry Matlack
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: **May 31, 2016**

Item 1. Reports to Stockholders.

Quarterly Report | May 31, 2016

2016 2nd Quarter Report

Closed-End Funds

Tortoise Capital Advisors
2016 2nd 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 is one of the largest managers of energy investments, 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 mix by structure[2]
Tortoise Energy Infrastructure Corp. NYSE: TYG Inception: 2/2004	Midstream MLPs	C-corp	$2,703.4		
Tortoise MLP Fund, Inc. NYSE: NTG Inception: 7/2010	Natural gas infrastructure MLPs	C-corp	$1,541.1		
Tortoise Pipeline & Energy Fund, Inc. NYSE: TTP Inception: 10/2011	North American pipeline companies	Regulated investment company	$283.6		
Tortoise Energy Independence Fund, Inc. NYSE: NDP Inception: 7/2012	North American oil & gas producers	Regulated investment company	$294.4		
Tortoise Power and Energy Infrastructure Fund, Inc. NYSE: TPZ Inception: 7/2009	Power & energy infrastructure companies (Fixed income & equity)	Regulated investment company	$209.2		

[1] As of 6/30/2016

[2] As of 5/31/2016

Tortoise Capital Advisors

Second quarter 2016 report to closed-end fund stockholders

Dear fellow stockholders,

After one of the most volatile times in recent energy history, resulting in significant oil price declines, we saw price improvement during the second fiscal quarter ending May 31, 2016. Driving this increase in oil prices was a continued decline in North American production coupled with strong demand. This further reinforces our thesis that U.S. production is driving oil prices more so than the influence of Organization of the Petroleum Exporting Countries (OPEC). Along with crude oil prices, performance also rebounded with the broad S&P Energy Select Sector® Index returning 18.9% during the second fiscal quarter. This was a strong reversal from first fiscal quarter s return of -15.9%. Energy fixed income improved as well, but did not rebound as much as energy equities.

On the geopolitical front, OPEC met in both Doha and Vienna, but as expected, the meetings were non-events and were overshadowed by supply outages in Nigeria and Canada. Nigeria, Africa s largest oil producing nation, is having ongoing issues with militants attacking pipelines and export facilities. These disruptions brought Nigeria s production to the lowest monthly average since the late 1980s.[1] The Canadian wildfires that started at the beginning of May are contained, but contributed to well over half of the supply outages that month.[1]

Upstream

Upstream oil and gas producers had strong positive results for the second fiscal quarter, with the Tortoise North American Oil and Gas Producers Index℠ returning 38.9%. This was in stark contrast to the first fiscal quarter s double-digit negative returns. The U.S. rig count continued to decline, contributing to slowing crude oil production. Estimates show May production averaged 8.7 million barrels per day (MMbbl/d), which is less than the April 2016 level and significantly below the level reached in April 2015.[1] U.S. production is estimated to average 8.6 MMbbl/d in 2016, down from an average of 9.4 MMbbl/d in 2015.[1] Crude oil prices, represented by West Texas Intermediate (WTI), opened the fiscal quarter at $33.75 per barrel and continued to climb, ending the quarter at $49.10 per barrel, indicating some balancing of the supply/demand equation.

We are encouraged to see management teams continuing to focus on increasing capital efficiency in the upstream sector. Before mid-2015, companies focused more on growth as well as exploration and production activities. More recently, many companies have turned their efforts to maximizing existing strategic assets. As such, capex budgets have continued to fall and we expect this trend to continue. As expected, we saw rising bankruptcies, especially with smaller producers that could not thrive in a low-price environment. These bankruptcies equated to a reduction of nearly 650,000 barrels per day of production, which has been instrumental in balancing the supply/demand equation. We anticipate that many of those companies will continue to produce to some extent as they restructure. The shale oil and gas producers who recognized the potential of U.S. shale early, and who acquired acreage at very low costs should still be able to prosper in the current price environment.

While we have seen a decrease in production, there has been a wide variety of results among the premier oil and gas basins. The Permian basin has flourished and remained strong while the Eagle Ford had the largest drop in production. Production in the Bakken has also declined, and production in the Marcellus remained essentially flat.

Natural gas inventories continued to be higher than average in 2016, which led to lower prices during the period. It will take time to work through the high inventories that were not depleted during the warm winter, and the overall oversupply caused by increased production over the past few years. Prices opened the fiscal quarter at $1.62 per million British thermal units (MMBtu), increasing to end the quarter at $2.09 per MMBtu. At the end of May, natural gas inventories were more than 30% higher than they were the same week last year and are expected to be at the highest levels on record in October 2016.[1] Natural gas production growth is expected to rise only slightly through the rest of 2016, due to low prices and fewer rigs in operation. However, we expect to see production pick back up in 2017 as prices rise and increases in liquefied natural gas (LNGs) exports lead to expected production growth increases.[1]

Midstream

The midstream sector faced technical pressure during the energy market decline, which weighed heavily on performance earlier this year. However, MLPs, as represented by the Tortoise MLP Index®, bounced back during the second fiscal quarter returning 26.4%, with upstream MLPs outpacing their midstream counterparts. Broader pipeline companies also had a nice recovery, as reflected by the 17.2% return of the Tortoise North American Pipeline Index℠ during the quarter.

Performance within the midstream sector was positive across the board, with gathering and processing companies significantly outperforming other sub-sectors due to their greater correlation to rising commodity prices, especially to natural gas liquids (NGLs). Crude oil and natural gas MLP and other pipeline companies also experienced positive performance as market sentiment focused more on underlying fundamentals. Additionally, refined product MLP and other pipeline companies continued to perform well due to strong demand in the low price environment.

Our long-term outlook for the midstream sector remains positive. MLP and other pipeline companies have shown signs of stabilization and we have seen a decrease in counterparty risk, mainly due to oil price improvements. These oil price increases have been leading to contracts being more in-line with producers ability to generate revenue, compared to the last six to eight months when producers were locked into contracts that made it nearly impossible to generate revenue, thus prompting contract renegotiations with pipeline companies. For many midstream companies, the priority centers on better capital efficiency. Companies are striving to ensure that their assets are fully optimized, which should lead to better returns for companies and ultimately investors. Growth opportunities still exist as our projection for capital investments in MLP, pipeline and related organic projects remains at $120 billion for 2016 to 2018.

Even with the positive momentum achieved during the fiscal quarter, some headwinds remained. The Energy Transfer Equity/Williams Companies deal lacked resolution until after the end of the fiscal quarter, and weighed on the space. The other chief concern within the midstream sector revolved around sustainability of distributions. Distribution coverage remained healthy and cuts within the sector

(unaudited)

have not been widespread. However, we do expect some companies to cut their distributions in order to protect their credit ratings. The key issue is the ratings agencies and their threat of a downgrade of some companies from investment grade to high yield rather than a coverage outlook issue. This threat could force otherwise stable midstream companies to elect to temporarily reduce distributions in defense of their investment grade credit ratings. The market anticipated a cut for Plains All American Pipeline L.P., which has been the most vocal on this topic. Going through a simplification exercise to lower the cost of capital and eliminate incentive distribution rights (IDRs) seems logical for the company at this point.

Downstream

Energy companies in the downstream segment of the energy value chain, including refiners and petrochemical companies, have still been producing strong free cash flows at historically high levels although these levels have compressed slightly since the peak in 2015. Refiner margins, though still attractive, have continued to narrow with higher crude oil prices. On May 30, the average price for regular gasoline increased to $2.34 per gallon, although still a decrease of $0.44 from the same week last year.[1] Gasoline prices are expected to head lower for the rest of 2016. On the demand side, gasoline consumption is expected to increase by 1.8% in 2016, which will be the highest annual average consumption increase on record.[1]

While the price of ethane, a petrochemical feedstock, has increased, demand from petrochemicals has also continued to rise, stemming from new facilities coming online. Even though the price of ethane has increased, demand for the end product has also increased, essentially neutralizing that potential headwind. The U.S. still provides some of the lowest priced ethane in the world, thus making the U.S. well positioned for exporting. Ethylene prices tend to move in tandem with crude oil prices, so we believe prices will continue to move higher. Power and utility companies did not participate as much in the recent rebound compared to other energy sectors since they are defensive by nature and their performance had not been impacted as greatly by lower commodity prices.

Capital markets

Capital markets became cautiously optimistic and more constructive with companies focusing on operating their core assets and divesting non-strategic business activities. Within the midstream sector, there were a few equity and debt MLP transactions, with the debt transactions being particularly well received by the market.

Exploration and productions companies are continuing to raise capital, totaling just over $13 billion for the fiscal quarter, mostly in debt. MLP and other pipeline companies raised close to $15 billion during the second fiscal quarter, with approximately $10 billion in equity and $5 billion in debt.

There were no IPOs in the energy sector during the second fiscal quarter. Merger and acquisition activity among MLP and pipeline companies picked up compared to the first fiscal quarter, highlighting the value of pipeline assets, with announced transactions totaling nearly $16 billion. The largest of these was TransCanada Corporation s acquisition of Columbia Pipeline Group, Inc. in a deal valued at approximately $12 billion.

Concluding thoughts

Coming into mid-year, it is encouraging to see improvement in the price of oil, which has helped performance across the energy value chain, particularly in the upstream segment, that is more closely tied to commodity prices. The market seemed to echo our long-term belief that midstream fundamentals remain solid, causing a significant performance bounce back in that segment of the value chain. Now that the economy has had some time to start to work off the oversupply in the market, combined with companies becoming more capital efficient, we expect that we will see more lasting improvements throughout the second half of this year and into 2017.

We anticipate that OPEC will continue to wield less influence than in recent decades. The non-events of the two most recent OPEC meetings reinforce our belief that the U.S. is becoming a significantly more relevant player in the global energy landscape. We continue to believe that 2016 will be a milestone year for U.S. energy exports, as the U.S. becomes a sustainable, long-term supplier of low-cost energy to the rest of the world.

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, June 2016

(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 May 31, 2016 were 17.5% and 20.6%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index® returned 26.4% for the same period. The fund s positive performance reflects improving oil prices, which boosted performance across the energy value chain, including midstream MLPs, a decrease in counterparty risk with producers and more accommodative capital markets.

2nd fiscal quarter highlights

Distributions paid per share	$0.6550
Distribution rate (as of 5/31/2016)	9.4%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	1.6%
Cumulative distribution to stockholders since inception in February 2004	$26.5325
Market-based total return	17.5%
NAV-based total return	20.6%
Premium (discount) to NAV (as of 5/31/2016)	(2.8)%

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

Top five contributors	Company type	Performance driver
Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Market gained confidence in sustainability of distributions
ONEOK Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Improved cash flows after contract restructuring and improved natural gas liquids (NGLs) outlook
Western Gas Partners, LP	Midstream gathering and processing MLP	Steady cash flows and growing distributions
Enterprise Products Partners L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Steady cash flows and growing distributions as well as improved NGLs outlook
MPLX LP	Midstream gathering and processing MLP	Steady cash flows and growing distributions as well as improved NGLs outlook

Bottom five detractors	Company type	Performance driver

Columbia Pipeline Partners LP	Midstream natural gas/natural gas liquids pipeline MLP	Pending acquisition of the general partner created uncertainty regarding future growth
Phillips 66 Partners LP	Midstream refined product pipeline MLP	Low yield high growth names, such as this, were out of favor
Shell Midstream Partners, L.P.	Midstream crude oil pipeline MLP	Low yield high growth names, such as this, were out of favor
Spectra Energy Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Lagged after strong 2015 performance
Dominion Midstream Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Low yield high growth names, such as this, were out of favor

(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. 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 decreased approximately 5.4% as compared to 1st quarter 2016 due primarily to net sales of investments at the end of 1st quarter 2016, partially offset by increased distribution rates on investments. Operating expenses, consisting primarily of fund advisory fees, increased 6.8% during the quarter due to higher asset-based fees. Overall leverage costs decreased 15.9% during the quarter due to lower average leverage outstanding as compared to 1st quarter 2016.

As a result of the changes in income and expenses, DCF decreased approximately 5.0% as compared to 1st quarter 2016. The fund paid a quarterly distribution of $0.655 per share, which was unchanged over the prior quarter and an increase of 1.6% over the 2nd quarter 2015 distribution. The fund has paid cumulative distributions to stockholders of $26.5325 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. 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 Loss, before Income Taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 2nd quarter 2016 (in thousands):

	2016 YTD	**2nd Qtr 2016**
Net Investment Loss, before Income Taxes	$ (38,290)	$ (27,624)
Adjustments to reconcile to DCF:		
Distributions characterized as return of capital	100,119	59,733
Amortization of debt issuance costs	2,636	121
Interest rate swap expenses	(441)	(219)
Premium on redemption of senior notes	900	
Premium on redemption of MRP stock	800	
DCF	$ 65,724	$ 32,011

Leverage

The fund s leverage utilization increased by $14.3 million during 2nd quarter 2016 for normal working capital purposes and represented 27.2% of total assets at May 31, 2016, above the long-term target level of 25% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, including the impact of interest rate swaps, approximately 84% of the leverage cost was fixed, the weighted-average maturity was 5.3 years and the weighted-average annual rate on leverage was 3.55%. 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.

Income taxes

During 2nd quarter 2016, the fund s deferred tax liability increased by $108 million to $428 million, primarily as a result of the increase in value of its investment portfolio. The fund had net realized gains of $74 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.

	2015			2016	
	Q2[1]	**Q3[1]**	**Q4[1]**	**Q1[1]**	**Q2[1]**
Total Income from Investments					
Distributions and dividends from investments	$ 51,585	$ 52,919	$ 51,564	$ 47,200	$ 44,670
Operating Expenses Before Leverage Costs and Current Taxes					
Advisory fees	9,545	8,661	7,081	5,321	5,719
Other operating expenses	511	500	512	466	461
	10,056	9,161	7,593	5,787	6,180
Distributable cash flow before leverage costs and current taxes	41,529	43,758	43,971	41,413	38,490
Leverage costs[2]	8,778	8,394	8,193	7,700	6,479
Current income tax expense[3]					
Distributable Cash Flow[4]	$ 32,751	$ 35,364	$35,778	$ 33,713	$ 32,011
As a percent of average total assets[5]					
Total from investments	4.94 %	5.59 %	6.83 %	7.67 %	7.28 %
Operating expenses before leverage costs and current taxes	0.96 %	0.97 %	1.01 %	0.94 %	1.01 %
Distributable cash flow before leverage costs and current taxes	3.98 %	4.62 %	5.82 %	6.73 %	6.27 %
As a percent of average net assets[5]					
Total from investments	9.34 %	10.90 %	13.38 %	16.09 %	13.54 %
Operating expenses before leverage costs and current taxes	1.82 %	1.89 %	1.97 %	1.97 %	1.87 %
Leverage costs and current taxes	1.59 %	1.73 %	2.13 %	2.62 %	1.96 %
Distributable cash flow	5.93 %	7.28 %	9.28 %	11.50 %	9.71 %
Selected Financial Information					
Distributions paid on common stock	$ 30,971	$ 31,211	$ 31,450	$ 31,682	$ 31,682
Distributions paid on common stock per share	0.6450	0.6500	0.6550	0.6550	0.6550
Distribution coverage percentage for period[6]	105.7 %	113.3 %	113.8 %	106.4 %	101.0 %
Net realized gain, net of income taxes, for the period	63,392	43,938	72,015	41,667	47,833
Total assets, end of period	4,102,516	3,445,452	2,793,933	2,213,663	2,587,793
Average total assets during period[7]	4,146,279	3,759,151	3,028,322	2,475,404	2,442,341
Leverage[8]	1,000,700	1,000,400	906,000	689,700	704,000
Leverage as a percent of total assets	24.4 %	29.0 %	32.4 %	31.2 %	27.2 %
Net unrealized appreciation (depreciation), end of period	561,565	138,802	(244,207)	(483,386)	(269,349)
Net assets, end of period	2,172,676	1,754,876	1,405,733	1,176,897	1,390,531
Average net assets during period[9]	2,191,147	1,925,521	1,545,634	1,179,868	1,312,506
Net asset value per common share	45.25	36.55	29.28	24.33	28.71
Market value per share	42.02	35.88	26.57	24.26	27.90
Shares outstanding (000 s)	48,017	48,017	48,017	48,370	48,434

(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 value of paid-in-kind distributions, the premium on redemptions of senior notes and MRP stock and amortization of debt issuance costs; and decreased by realized and unrealized gains (losses) on interest rate swap settlements and current

taxes paid on net investment income.

(5) Annualized.

(6) Distributable Cash Flow divided by distributions paid.

(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 master limited partnerships (MLPs) and their affiliates 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 MLPs benefiting from U.S. natural gas production and consumption expansion with minimal direct commodity exposure.

Fund performance review

The fund s market-based and NAV-based returns for the fiscal quarter ending May 31, 2016 were 16.5% and 20.8%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise MLP Index® returned 26.4% for the same period. The fund s positive performance reflects improving oil prices, which boosted performance across the energy value chain, including midstream MLPs, a decrease in counterparty risk with producers and more accommodative capital markets.

2nd fiscal quarter highlights

Distributions paid per share	$0.4225
Distribution rate (as of 5/31/2016)	9.5%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution increase	0.0%
Cumulative distribution to stockholders since inception in July 2010	$9.5450
Market-based total return	16.5%
NAV-based total return	20.8%
Premium (discount) to NAV (as of 5/31/2016)	(6.3)%

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

Energy Transfer Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Market gained confidence in sustainability of distributions
DCP Midstream Partners, LP	Midstream gathering and processing MLP	Improving commodity prices and a positive outlook for natural gas liquid demand
ONEOK Partners, L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Improved cash flows after contract restructuring and improved natural gas liquids (NGLs) outlook
Enterprise Products Partners L.P.	Midstream natural gas/natural gas liquids pipeline MLP	Steady cash flows and growing distributions as well as improved NGLs outlook
Enlink Midstream Partners, LP	Midstream gathering and processing MLP	Benefitted from growth potential of a recent acquisition of midstream assets in the Sooner Trend Anadarko Basin Canadian and Kingfisher (STACK) region

Columbia Pipeline Partners LP	Midstream natural gas/natural gas liquids pipeline MLP	Pending acquisition of the general partner created uncertainty regarding future growth
Phillips 66 Partners LP	Midstream refined product pipeline MLP	Low yield high growth names, such as this, were out of favor
Shell Midstream Partners, L.P.	Midstream crude oil pipeline MLP	Low yield high growth names, such as this, were out of favor
Spectra Energy Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Lagged after strong 2015 performance
Dominion Midstream Partners, LP	Midstream natural gas/natural gas liquids pipeline MLP	Low yield high growth names, such as this, were out of favor

(unaudited)

Tortoise
MLP Fund, Inc. (NTG) (continued)

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 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 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 decreased approximately 3.1% as compared to 1st quarter 2016 due primarily to the impact of trading activity, partially offset by increased distribution rates on investments. Operating expenses, consisting primarily of fund advisory fees, increased 13.7% during the quarter due to higher asset-based fees. Leverage costs declined 1.7% during the quarter due to lower average leverage outstanding as compared to 1st quarter 2016.

As a result of the changes in income and expenses, DCF decreased approximately 6.1% as compared to 1st quarter 2016. The fund paid a quarterly distribution of $0.4225 per share, which was equal to the distribution paid in the prior quarter and 2nd quarter 2015. The fund has paid cumulative distributions to stockholders of $9.545 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 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 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 Loss, before Income Taxes on the Statement of Operations is adjusted as follows to reconcile to DCF for fiscal year-to-date and 2nd quarter 2016 (in thousands):

	2016 YTD	2nd Qtr 2016
Net Investment Loss, before Income Taxes	$ (17,629)	$ (11,197)
Adjustments to reconcile to DCF:		
Distributions characterized as return of capital	55,850	29,939
Amortization of debt issuance costs	213	92
Premium on redemption of senior notes	450	
DCF	$ 38,884	$ 18,834

Leverage

The fund s leverage utilization increased by $8.3 million during 2nd quarter 2016 and represented 29.7% of total assets at May 31, 2016, above the long-term target level of 25% of total assets. The fund has maintained compliance with its applicable coverage ratios. At quarter-end, approximately 77% of the leverage cost was fixed, the weighted-average maturity was 3.4 years and the weighted-average annual rate on leverage was 3.57%. 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 2nd quarter 2016, the fund s deferred tax liability increased by $91 million to $135 million, primarily as a result of the increase in value of its investment portfolio. The fund had net realized gains of $34 million during the quarter. As of Nov. 30, 2015, the fund had net operating losses of $154 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, please visit www.tortoiseadvisors.com.

(unaudited)

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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.

	2015			2016	
	Q2(1)	Q3(1)	Q4(1)	Q1(1)	Q2(1)
Total Income from Investments					
Distributions and dividends from investments	$ 28,125	$ 28,405	$ 28,420	$ 27,259	$ 26,411
Operating Expenses Before Leverage Costs and Current Taxes					
Advisory fees, net of fees waived	4,739	4,280	3,581	2,868	3,292
Other operating expenses	357	351	341	323	336
	5,096	4,631	3,922	3,191	3,628
Distributable cash flow before leverage costs and current taxes	23,029	23,774	24,498	24,068	22,783
Leverage costs(2)	4,078	4,083	4,055	4,018	3,949
Current income tax expense(3)					
Distributable Cash Flow(4)	$ 18,951	$ 19,691	$ 20,443	$ 20,050	$ 18,834
As a percent of average total assets(5)					
Total from investments	5.28 %	5.88 %	7.18 %	8.15 %	7.55 %
Operating expenses before leverage costs and current taxes	0.96 %	0.96 %	0.99 %	0.95 %	1.04 %
Distributable cash flow before leverage costs and current taxes	4.32 %	4.92 %	6.19 %	7.20 %	6.51 %
As a percent of average net assets(5)					
Total from investments	8.72 %	9.88 %	11.95 %	14.47 %	12.42 %
Operating expenses before leverage costs and current taxes	1.58 %	1.61 %	1.65 %	1.69 %	1.71 %
Leverage costs and current taxes	1.26 %	1.42 %	1.71 %	2.13 %	1.86 %
Distributable cash flow	5.88 %	6.85 %	8.59 %	10.65 %	8.85 %
Selected Financial Information					
Distributions paid on common stock	$ 19,857	$ 19,858	$ 19,857	$ 19,858	$ 19,857
Distributions paid on common stock per share	0.4225	0.4225	0.4225	0.4225	0.4225
Distribution coverage percentage for period(6)	95.4 %	99.2 %	103.0 %	101.0 %	94.8 %
Net realized gain (loss), net of income taxes, for the period	25,818	24,577	3,706	(13,779)	21,730
Total assets, end of period	2,092,962	1,779,889	1,483,910	1,254,081	1,483,491
Average total assets during period(7)	2,112,176	1,917,824	1,586,800	1,345,702	1,390,807
Leverage(8)	512,700	512,900	500,800	431,600	439,900
Leverage as a percent of total assets	24.5 %	28.8 %	33.7 %	34.4 %	29.7 %
Net unrealized appreciation (depreciation), end of period	400,459	189,257	29,106	(52,047)	90,594
Net assets, end of period	1,268,819	1,057,341	876,409	757,055	893,988
Average net assets during period(9)	1,279,060	1,140,652	953,931	757,446	845,912
Net asset value per common share	27.00	22.50	18.65	16.11	19.02
Market value per common share	24.26	19.85	16.18	15.64	17.82
Shares outstanding (000 s)	47,000	47,000	47,000	47,000	47,000

(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) 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 value of paid-in-kind distributions, the premium on redemption of senior notes and amortization of debt issuance costs; and decreased by current taxes paid on net investment income.
(5) Annualized.
(6) Distributable Cash Flow divided by distributions paid.

(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

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 fund s market-based and NAV-based returns for the fiscal quarter ending May 31, 2016 were 41.4% and 43.0%, respectively (including the reinvestment of distributions). Comparatively, the Tortoise North American Pipeline Index^{SM} returned 17.2% for the same period. The fund s positive performance reflects improving oil prices, which boosted performance across the energy value chain, including midstream MLPs and other pipeline companies, a decrease in counterparty risk with producers and more accommodative capital markets.

2nd fiscal quarter highlights

Distributions paid per share	$ 0.4075
Distribution rate (as of 5/31/2016)	9.4%
Quarter-over-quarter distribution increase	0.0%
Year-over-year distribution decrease	(9.4)% *
Cumulative distribution to stockholders since inception in October 2011	$ 7.6525
Market-based total return	41.4%
NAV-based total return	43.0%
Premium (discount) to NAV (as of 5/31/2016)	(14.1)%

*Reflects the elimination of the capital gain component of the distribution. See Distributable cash flow and distributions on next page for additional information.

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. In higher-volatility environments, we typically extend the out-of-the-money covered calls and try to generate the same monthly income. The notional amount of the fund s covered calls averaged approximately 11.4% of total assets, and their out-of-the-money percentage at the time written averaged approximately 9.0% during the fiscal quarter.

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, Inc.	Midstream natural gas/natural gas liquids pipeline company	Improved cash flows after contract restructuring and improved natural gas liquids (NGLs) outlook
Targa Resources Corp.	Midstream gathering and processing company	Benefitted from a combination of a completed rollup transaction and preferred issuance that

		solved capital market needs
Enbridge Energy Management, L.L.C.	Midstream crude oil pipeline company	Steady cash flows and improved commodity price outlook
The Williams Companies, Inc.	Midstream gathering and processing company	Improved NGLs demand outlook and moving closer to a merger resolution
Columbia Pipeline Group, Inc.	Midstream natural gas/natural gas liquids pipeline company	Announced acquisition by TransCanada Corporation

Phillips 66 Partners LP	Midstream refined product pipeline MLP	Low yield high growth names, such as this, were out of favor
Columbia Pipeline Partners LP	Midstream natural gas/natural gas liquids pipeline MLP	Pending acquisition of the general partner created uncertainty regarding future growth
Shell Midstream Partners, L.P.	Midstream crude oil pipeline MLP	Low yield high growth names, such as this, were out of favor
Williams Partners L.P.	Midstream gathering and processing MLP	Concern around Chesapeake counterparty risk and levered balance sheet
Valero Energy Partners LP	Midstream refined product pipeline MLP	Low yield high growth names, such as this, were out of favor

(unaudited)

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.

Distributions received from investments decreased approximately 0.5% as compared to 1st quarter 2015, primarily due to lower net premiums on options written during the quarter offset slightly by increased distribution rates on investments. Operating expenses, consisting primarily of fund advisory fees, increased by 13.3% during the quarter due to higher asset-based fees. Leverage costs declined 5.0% during the quarter due to lower average leverage outstanding as compared to 1st quarter 2016. As a result of the changes in income and expenses, DCF declined by 2.2% as compared to 1st quarter 2016. In addition, the fund had net realized losses on investments of $6.7 million during 2nd quarter 2016.

The fund paid a quarterly distribution of $0.4075 per share, which was unchanged over the prior quarter and a decrease of 9.4% from the 2nd quarter 2015 distribution. The fund eliminated the capital gain component of the distribution in 1st quarter 2016 because it does not anticipate the same level of capital gains following market declines over the past 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 if necessary to meet minimum annual distribution requirements and to avoid being subject to excise taxes. The fund s distribution policy is described on the inside front cover of this report. The fund has paid cumulative distributions to stockholders of $7.6525 per share since its inception in Oct. 2011.

The Key Financial Data table discloses the calculation of DCF and should be read in conjunction with this discussion. The