PROSPECTUS

22,000,000 Shares
First Trust New Opportunities MLP & Energy Fund

Common Shares
$20.00 per Share

The Fund. First Trust New Opportunities MLP & Energy Fund (the "Fund") is a newly organized, non-diversified, closed-end management investment company.

Investment Objective. The Fund's investment objective is to seek a high level of total return with an emphasis on current distributions paid to common shareholders. There can be no assurance that the Fund will meet its investment objective.

Investment Strategy. The Fund will seek to provide its common shareholders with a vehicle to invest in a portfolio of cash-generating securities, with a focus on investing in publicly traded master limited partnerships ("MLPs") and MLP-related entities (as defined in this prospectus) in the energy sector and energy utilities industries (each as defined in this prospectus) that are weighted towards non-cyclical, fee-for-service revenues. Under normal market conditions, the Fund will invest at least 85% of its "Managed Assets" in equity and debt securities of MLPs, MLP-related entities and other energy sector and energy utilities companies that the Fund's Sub-Advisor (as defined below) believes offer opportunities for growth and income. Under normal market conditions, the Fund will invest at least 65% of its Managed Assets in equity securities issued by energy sector MLPs and energy sector and energy utilities MLP-related entities. To generate additional income, the Fund currently expects to write (or sell) covered call options on up to 35% of its Managed Assets. "Managed Assets" means the average daily gross asset value of the Fund (which includes assets attributable to the Fund's preferred shares of beneficial interest ("Preferred Shares"), if any, and the principal amount of any borrowings and issuance of notes (collectively, "Borrowings")), minus the sum of the Fund's accrued and unpaid dividends on any outstanding Preferred Shares and accrued liabilities (other than the principal amount of any Borrowings). For purposes of determining Managed Assets, the liquidation preference of the Preferred Shares, if any, is not treated as a liability. See "The Fund's Investments—Investment Objective and Policies."

***No Prior History.* Because the Fund is newly organized, its common shares of beneficial interest ("Common Shares") have no history of public trading. Shares of closed-end investment companies frequently trade at a discount from their net asset value. This risk may be greater for investors expecting to sell their shares in a relatively short period of time after completion of the public offering.**

The Fund's Common Shares have been approved for listing on the New York Stock Exchange, subject to notice of issuance, under the symbol "FPL."

Tax Status. Due to the nature of the Fund's MLP investments, under current law, the Fund is not eligible to elect to be treated as a "regulated investment company" under the Internal Revenue Code of 1986, as amended, as is common for most investment companies. Rather, the Fund has elected to be treated as a regular corporation for federal income tax purposes and, as such, unlike most investment companies, it will be subject to corporate income tax to the extent the Fund recognizes taxable income. See "Tax Matters."

(continued on following page)

Investing in the Fund's Common Shares involves certain risks, including those described in the "Risks" section beginning on page 35 of this prospectus.

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

	Per Share	Total (1)
Public offering price	$20.00	$440,000,000
Sales load (2)	$ 0.90	$ 19,800,000
Estimated offering costs (3)	$ 0.04	$ 880,000
Proceeds, after expenses, to the Fund	$19.06	$419,320,000

(notes on following page)

The underwriters expect to deliver the Common Shares to purchasers on or about March 31, 2014.

Morgan Stanley **Ameriprise Financial Services, Inc.**

Oppenheimer & Co.

BB&T Capital Markets	**Comerica Securities**	**Henley & Company LLC**
J.J.B. Hilliard, W.L. Lyons, LLC	**Janney Montgomery Scott**	**J.P. Turner & Company, LLC**
Ladenburg Thalmann & Co. Inc.	**Maxim Group LLC**	**MLV & Co.**
Newbridge Securities Corporation	**Pershing LLC**	**Southwest Securities**
The GMS Group, LLC	**Wedbush Securities Inc.**	**Wunderlich Securities**

The date of this prospectus is March 26, 2014.

(notes from previous page)

(1) The Fund has granted the underwriters an option to purchase up to 3,196,360 additional Common Shares at the public offering price, less the sales load, within 45 days of the date of this prospectus solely to cover over-allotments, if any. If such option is exercised in full, the total public offering price, sales load, estimated offering costs and proceeds, after expenses, to the Fund will be $503,927,200, $22,676,724, $1,007,854 and $480,242,622, respectively. See "Underwriters."

(2) The Advisor and Sub-Advisor (and not the Fund) have agreed to pay, from their own assets, upfront structuring and syndication fees to Morgan Stanley & Co. LLC, and upfront fees to Ameriprise Financial Services, Inc., Oppenheimer & Co. Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, J.J.B. Hilliard, W.L. Lyons, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., Pershing LLC and Southwest Securities, Inc. in connection with the offering. See "Underwriters—Additional Compensation to be paid by the Advisor and Sub-Advisor."

(3) Total expenses of the offering of the Common Shares of the Fund paid by the Fund (other than the sales load) are estimated to be $880,000, which represents 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price. The Advisor and Sub-Advisor have agreed to pay: (i) all organizational expenses; and (ii) all offering costs of the Fund (other than the sales load) that exceed 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price.

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Investment Advisor and Sub-Advisor. First Trust Advisors L.P. ("First Trust Advisors" or the "Advisor") will be the Fund's investment advisor and Energy Income Partners, LLC ("Energy Income Partners" or the "Sub-Advisor") will be the Fund's sub-advisor. See "Management of the Fund" in this prospectus and "Investment Advisor" and "Sub-Advisor" in the Fund's Statement of Additional Information (the "SAI").

Distributions. The Fund intends to pay monthly distributions to shareholders out of legally available funds. Distributions, if any, will be determined by the Fund's Board of Trustees. The Fund expects to declare its initial distribution approximately 45-60 days following the completion of this offering and pay such initial distribution approximately 60-90 days after the completion of this offering, depending on market conditions. There is no assurance the Fund will make this distribution or continue to pay regular distributions or that it will do so at a particular rate. See "Distributions" and "Tax Matters."

Leverage. The Fund currently intends to seek to enhance the level of its current distributions through the use of leverage. The Fund may utilize leverage through the issuance of Preferred Shares in an amount up to 50% of its total assets and/or through Borrowings in an amount up to 33-1/3% of its total assets. The Fund initially anticipates that it will utilize leverage, through Borrowings, in an aggregate amount of approximately 25% of the Fund's Managed Assets. The cost associated with any issuance and use of leverage will be borne by the holders of the Common Shares ("Common Shareholders"). Through the use of leverage, the Fund will seek to obtain a higher return for the Common Shareholders than if the Fund did not use leverage. The use of leverage is a speculative technique and investors should note that there are special risks and costs associated with the leveraging of the Common Shares. There can be no assurance that a leveraging strategy will be successful during any period in which it is employed. See "Leverage Program," "Risks—Leverage Risk" and "Description of Shares."

You should read this prospectus, which contains important information about the Fund, before deciding whether to invest in the Common Shares, and retain it for future reference. This prospectus sets forth concisely the information about the Fund that a prospective investor ought to know before investing. The SAI, dated March 26, 2014, as it may be supplemented, containing additional information about the Fund, has been filed with the Securities and Exchange Commission (the "SEC") and is incorporated by reference in its entirety into this prospectus. You may request a free copy of the SAI, the table of contents of which is on page 67 of this prospectus, annual and semi-annual reports to shareholders, when available, and other information about the Fund, and make shareholder inquiries by calling (800) 988-5891; by writing to the Fund at 120 East Liberty Drive, Wheaton, Illinois 60187; or from the Fund's or Advisor's website (http://www.ftportfolios.com). Please note that the information contained in the Fund's, Advisor's or Sub-Advisor's website, whether currently posted or posted in the future, is not part of this prospectus or the documents incorporated by reference in this prospectus. You also may obtain a copy of the SAI (and other information regarding the Fund) from the SEC's website (http://www.sec.gov).

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

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You should rely only on the information contained or incorporated by reference in this prospectus. Neither the Fund nor the underwriters have authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the Fund nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

Cautionary Notice Regarding Forward-Looking Statements

This prospectus and the SAI, including documents incorporated by reference, contain "forward-looking statements." Forward-looking statements can be identified by the words "may," "will," "intend," "expect," "believe," "estimate," "continue," "plan," "anticipate," and similar terms and the negative of such terms. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect the Fund's actual results are the performance of the portfolio of securities held by the Fund, the conditions in the U.S. and international financial, energy, energy utilities, and other markets, the price at which the Common Shares will trade in the public markets and other factors which may be discussed in the Fund's periodic filings with the SEC.

Although we believe that the expectations expressed in these forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in these forward-looking statements. The Fund's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the "Risks" section of this prospectus. All forward-looking statements contained or incorporated by reference in this prospectus are made as of the date of this prospectus. We do not intend, and we undertake no obligation, to update any forward-looking statement. The forward-looking statements contained in this prospectus are excluded from the safe harbor protection provided by Section 27A of the Securities Act of 1933, as amended.

Currently known risk factors that could cause actual results to differ materially from the Fund's expectations include, but are not limited to, the factors described in the "Risks" section of this prospectus. The Fund urges you to review carefully that section for a more detailed discussion of the risks of an investment in the Fund's securities.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information that you should consider before investing in the Common Shares (as defined below). You should carefully read the entire prospectus and the Fund's Statement of Additional Information ("SAI"), particularly the section entitled "Risks."

The Fund . . . . First Trust New Opportunities MLP & Energy Fund (the "Fund") is a newly organized, non-diversified, closed-end management investment company. See "The Fund."

The Offering . . . . The Fund is offering 22,000,000 common shares of beneficial interest ("Common Shares") at $20.00 per share through a group of underwriters (the "Underwriters") led by Morgan Stanley & Co. LLC and Ameriprise Financial Services, Inc. You must purchase at least 100 Common Shares ($2,000) in this offering. The Fund has given the Underwriters an option to purchase up to 3,196,360 additional Common Shares within 45 days from the date of this prospectus solely to cover over-allotments, if any. The Advisor (as defined below) and the Sub-Advisor (as defined below) have agreed to pay: (i) all organizational expenses; and (ii) all offering costs of the Fund (other than the sales load) that exceed 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price.

Who May Want to Invest . . . . . Investors should consider their financial situations and needs, other investments, investment goals and experience, time horizons, liquidity needs and risk tolerance before investing in the Fund. An investment in the Fund is not appropriate for all investors, and the Fund is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle. The Fund may be an appropriate investment for long-term investors who are seeking:

- a high level of total return with an emphasis on current distributions
- a vehicle to invest in a portfolio containing publicly traded master limited partnerships ("MLPs"), MLP-related entities and other energy sector and energy utilities companies
- a structure that allows for tax filing simplification: one Form 1099
- a management team with extensive experience and resources in this asset class
- an anticipated monthly distribution to shareholders
- exchange-traded liquidity

Investing in the Common Shares involves certain risks, including those described in the "Risks" section beginning on page 35 of this prospectus.

Investment Advisor and Sub-Advisor . . . . First Trust Advisors L.P. ("First Trust Advisors" or the "Advisor") will be the Fund's investment advisor, responsible for supervising the Fund's Sub-Advisor (as defined below), monitoring the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical and bookkeeping and other administrative services. The Advisor, in consultation with the Sub-Advisor, will also be responsible for determining the Fund's overall investment strategy and overseeing its implementation. Energy Income Partners, LLC ("Energy Income Partners" or the "Sub-Advisor") will be the Fund's sub-advisor and is primarily responsible for the day-to-day supervision and investment strategy of, and making investment decisions for, the Fund.

First Trust Advisors, a registered investment advisor, is an Illinois limited partnership formed in 1991. First Trust Advisors serves as investment advisor or portfolio supervisor to investment portfolios with approximately $86 billion in assets which it managed or supervised as of February 28, 2014.

Energy Income Partners, a registered investment advisor, is a Delaware limited liability company which provides professional asset management services in the area of energy-related MLPs, and other high-payout securities. Founded in 2003, Energy Income Partners serves as investment advisor to investment portfolios with approximately $4.17 billion of assets which it managed as of February 28, 2014.

Investment Opportunities . . . .

The Sub-Advisor believes that the expansion of energy production in North America has created a need to expand and rebuild energy infrastructure. This expansion is coinciding with investors' renewed demand for equity income not tied to the economic or financial cycle, resulting in the creation of new MLPs and other high dividend paying energy sector companies in North America that provide investors with an attractive alternative to fixed income with the opportunity for growth, while providing the energy sector with a means to finance this infrastructure build out. See "The Fund's Investments—Investment Opportunities."

Investment Philosophy and Process . . . .

Investment Philosophy. The Sub-Advisor believes that the non-cyclical assets that best support a high-payout ratio are those with steady, fee-for-service businesses with relatively low sustaining capital obligations. In the energy sector and energy utilities industries, such fee-for-service assets are comprised of interstate pipelines, intrastate pipelines with long-term contracts, power generation assets, storage and terminal facilities with long-term contracts and regulated power transmission and distribution assets. By contrast, the Sub-Advisor will seek to limit the cyclical energy exposure of the portfolio. The Sub-Advisor believes that portfolio investments in oil and gas exploration, development and production are less well suited for the Fund because the cash flows from these investments are cyclical in nature, being driven by commodity prices, and because oil and gas assets are resource assets that diminish in value over time due to depletion, extraction or removal.

The Sub-Advisor believes that a professionally managed portfolio of consistently high dividend paying MLPs, MLP-related entities and other energy sector and energy utilities companies in non-cyclical segments offer an attractive balance of growth and income. See "—Investment Objective and Policies" and "The Fund's Investments—Portfolio Composition."

The Sub-Advisor believes the use of rigorous investment research and analytical tools, along with conservative portfolio construction used to identify appropriate non-cyclical energy sector and energy utilities company investments, provides a value added service to the individual investor making an investment in the Common Shares of the Fund. See "The Fund's Investments—Investment Philosophy and Process—Capital Discipline."

Investment Process. The Sub-Advisor utilizes a three step investment process for the Fund. The first step is for the Sub-Advisor to define a universe of companies in the energy sector and energy utilities industries that have high dividend payout ratios and/or are involved in the energy infrastructure business. In general, the Sub-Advisor will seek energy sector and energy utilities companies weighted towards:

- regulated monopoly or monopoly-like assets (*i.e.*, companies that own unique assets that provide for a sustainable competitive advantage due to control of location);
- non-cyclical cash flows (*i.e.*, companies that have most or all of their assets in businesses whose revenues tend not to fluctuate with commodity prices and tend to be less sensitive to changes in the economic cycle);
- fee-for-service revenues (*i.e.*, companies that have most or all of their assets in businesses whose revenues are not tied to changes in commodity prices and/or volumes actually shipped through or stored in their facilities); and
- cost escalators (*i.e.*, companies that have most or all of their assets in businesses whose revenues and/or margins can be adjusted to compensate for changes in the company's costs).

The second step is for the Sub-Advisor to identify, among this universe, companies that pass a quality threshold established by the Sub-Advisor. The Sub-Advisor utilizes both quantitative aspects to measuring quality, such as the stability of cash flows, returns on invested capital, financial leverage and earnings coverage of dividends, as well as qualitative aspects, such as the confidence that the Sub-Advisor has in the company's

management team and the quality of its assets. In its assessment of quality, the Sub-Advisor will not set aside a company's failure to qualify on quality criteria in instances even where it believes that the company has a low valuation.

The third step of the Sub-Advisor's investment process is portfolio construction, where the Sub-Advisor determines the portfolio weighting of companies that have made it through the first two steps. As part of this portfolio construction, the Sub-Advisor will balance each position's expected rate of return against risks, limitations on position sizes and Fund portfolio limitations.

Investment Objective and Policies . . . .

The Fund's investment objective is to seek a high level of total return with an emphasis on current distributions paid to holders of Common Shares ("Common Shareholders"). For purposes of the Fund's investment objective, total return includes capital appreciation of, and all distributions received from, securities in which the Fund invests regardless of the tax character of the distributions. The Fund will seek to provide its Common Shareholders with a vehicle to invest in a portfolio of cash-generating securities, with a focus on investing in MLPs and MLP-related entities in the energy sector and energy utilities industries that are weighted towards non-cyclical, fee-for-service revenues, rather than companies that primarily operate price or volume driven assets that are cyclical in nature. These investments in which the Sub-Advisor intends to invest are represented by assets comprised of interstate pipelines, intrastate pipelines with long-term contacts, power generation assets, storage and terminal facilities with long-term contracts and regulated power transmission and distribution assets. There can be no assurance that the Fund's investment objective will be achieved.

As used in this prospectus, unless the context requires otherwise, MLPs are those MLPs in the energy sector. The Fund considers investments in "MLP-related entities" to include investments that offer economic exposure to publicly traded MLPs and private investments that have MLP characteristics, but are not publicly traded. These MLP-related entity investments generally take the form of securities of entities holding primarily general partner or managing member interests in MLPs and securities that represent indirect investments in MLPs, including I-Shares and collective investment vehicles (*i.e.*, exchange-traded funds and other registered funds) that primarily hold MLP interests. The Fund considers investments in the "energy sector" to include companies that derive more than 50% of their revenues or operating income from transporting, processing, storing, distributing, marketing, exploring, developing, managing or producing natural gas, natural gas liquids ("NGLs") (including propane), crude oil, refined petroleum products, coal or electricity, or from supplying energy-related products and services, or any such other companies within the energy sector as classified under the Global Industry Classification Standards developed by MSCI, Inc. and Standard & Poor's ("GICS"). The Fund considers investments in "energy utilities" to include companies that derive more than 50% of their revenues or operating income from providing products, services or equipment for the generation, transmission, distribution or sale of electricity or gas and such other companies within the electric, gas, independent power producers and multi-utilities industries as classified under GICS.

Under normal market conditions, as a non-fundamental policy, the Fund will invest at least 85% of its Managed Assets (as defined below) in equity and debt securities of MLPs, MLP-related entities and other energy sector and energy utilities companies that the Fund's Sub-Advisor believes offer opportunities for growth and income.

The Fund has adopted the following additional non-fundamental investment policies:

- Under normal market conditions, the Fund will invest at least 65% of its Managed Assets in equity securities issued by energy sector MLPs and energy sector and energy utilities MLP-related entities. Equity securities currently consist of common units and subordinated units of MLPs, I-Shares, which represent an ownership interest of an MLP issued by an affiliated party, and common stock of MLP-related entities, such as general partners or other affiliates of the MLPs, and convertible securities that are in the money (*i.e.*, the conversion price is less than

the price of the underlying stock) and immediately convertible into equity securities of such entities. MLP common units are typically listed and traded on U.S. securities exchanges, including the NYSE and the NASDAQ Stock Market ("NASDAQ"). The Fund will purchase MLP common units through open market transactions, but may also acquire MLP common units through direct placements and initial public offerings. See "Risks—Risks Associated with an Investment in Initial Public Offerings."

- The Fund may invest up to 20% of its Managed Assets in unregistered or otherwise restricted securities. The term "restricted securities" refers to securities that have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), and continue to be subject to restrictions on resale, securities held by control persons of the issuer and securities that are subject to contractual restrictions on their resale. The types of unregistered or otherwise restricted securities that the Fund may purchase consist of MLP common units, MLP subordinated units and securities of public and private energy sector and energy utilities companies. See "Special Risk Considerations—Restricted Securities" below.
- The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs, MLP-related entities and other energy sector and energy utilities companies, including certain below investment grade securities, which are commonly referred to as "high yield" or "junk" bonds. Below investment grade debt securities in which the Fund may invest will be rated at least "B3" by Moody's Investors Service, Inc. ("Moody's") and at least "B-" by Standard & Poor's Ratings Group ("S&P") at the time of purchase, or comparably rated by another nationally recognized statistical rating organization ("NRSRO") or, if unrated, determined to be of comparable quality by the Sub-Advisor. Below investment grade securities are considered speculative with respect to an issuer's capacity to pay interest and repay principal. See "Special Risk Considerations—Below Investment Grade Securities."
- The Fund will not invest more than 15% of its Managed Assets in any single issuer.
- The Fund will not engage in short sales, except in connection with the execution of its covered call options strategy and except to the extent the Fund engages in derivative investments to seek to hedge against interest rate risk in connection with the Fund's use of leverage or market risks associated with the Fund's portfolio.
- The Fund may invest up to 30% of its Managed Assets in non-U.S. securities and may hedge the currency risk of the non-U.S. securities using Strategic Transactions (as defined below). Non-U.S. securities are securities issued or guaranteed by companies organized under the laws of countries other than the United States and securities issued or guaranteed by foreign governments, their agencies or instrumentalities and supra-national governmental entities. Currently, the Sub-Advisor expects a majority of the Fund's investments in non-U.S. securities to be securities of Canadian issuers. See "Special Risk Considerations—Non-U.S. Securities Risk" below and "Other Investment Policies and Techniques—Strategic Transactions" in the SAI.

"Managed Assets" means the average daily gross asset value of the Fund (which includes assets attributable to the Fund's preferred shares of beneficial interest ("Preferred Shares"), if any, and the principal amount of any borrowings and issuance of notes (collectively, "Borrowings")), minus the sum of the Fund's accrued and unpaid dividends on any outstanding Preferred Shares and accrued liabilities (other than the principal amount of any Borrowings). For purposes of determining Managed Assets, the liquidation preference of the Preferred Shares, if any, is not treated as a liability.

To generate additional income, the Fund currently expects to write (or sell) covered call options on up to 35% of its Managed Assets. See "Hedging and Strategic Transactions" below.

The Fund currently expects that its investments in "Canadian Income Equities" will be, under normal market conditions, between 10% and 20% of its Managed Assets. Canadian Income Equities are the successor companies to Canadian income trusts, which are qualified income trusts designated by the Canada Revenue Agency that derive income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil or products thereof), or the marketing of any mineral or natural resources.

Unless otherwise stated, all investment restrictions apply at the time of purchase and the Fund will not be required to reduce a position due solely to market value fluctuations.

The Fund's investment objective and the investment restrictions listed in the SAI are considered fundamental and may not be changed without approval by holders of a "majority of the outstanding voting securities" of the Fund, as defined in the Investment Company Act of 1940, as amended (the "1940 Act"), which includes Common Shares and Preferred Shares, if any, voting together as a single class, and the holders of the outstanding Preferred Shares, if any, voting as a single class. The remainder of the Fund's investment policies, including its investment strategy, are considered non-fundamental and may be changed by the Board of Trustees without the approval of the holders of a "majority of the outstanding voting securities" of the Fund provided that the holders of the voting securities of the Fund receive at least 60 days prior notice of any change. See "The Fund's Investments" and "Risks" in this prospectus and "Investment Policies and Techniques" in the Fund's SAI.

Distributions . . . . The Fund intends to pay out substantially all of its distributable cash flow ("DCF"), generally consisting of (i) cash and paid in kind distributions from MLPs or their affiliates, dividends from common stocks, interest from debt instruments and income from other investments held by the Fund less (ii) current or accrued operating expenses of the Fund, including taxes on Fund taxable income and leverage costs. Dividends to Common Shareholders relating to in kind dividends or distributions received by the Fund on its investments, including I-Shares, which represent an ownership interest of an MLP issued by an affiliated party, will be paid in cash or additional Common Shares of the Fund. See "The Fund's Investments—Portfolio Composition—MLP I-Shares." Unless a shareholder elects to receive distributions in cash, distributions will be used to purchase additional Common Shares of the Fund. See "Dividend Reinvestment Plan."

Due to the tax treatment under current law of cash distributions in excess of income made by MLPs in which the Fund may invest, a portion of distributions the Fund anticipates making to Common Shareholders likely will consist of a return of capital. To the extent that distributions exceed the Fund's earnings and profits, such distributions are generally not treated as taxable income for the investor. Instead, the Fund's Common Shareholders will experience a reduction in the basis of their shares, which may increase the capital gain, or reduce capital loss, realized upon the sale of such shares. Section 19(a) of the 1940 Act and Rule 19a-1 thereunder requires the Fund to provide a written statement accompanying payment from any source other than income that adequately discloses the source or sources of such payment. Thus, if the Fund's capital was the source of a distribution and the payment amounted to a return of capital, the Fund would be required to provide a written notice to that effect. A "return of capital" represents the return of a shareholder's original investment in the Fund's Common Shares, and should not be confused with a dividend from profits and earnings. Upon the sale of Common Shares, Common Shareholders generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the Common Shareholder and the shareholder's federal income tax basis in Common Shares sold, as adjusted to reflect return of capital. Accordingly, Common Shareholders should carefully read any written disclosure accompanying a distribution and should not assume that the source of payment is the Fund's income. See "Tax Matters."

Under normal market conditions, the Fund intends to make payment of substantially all DCF to Common Shareholders on an annual basis. The Fund's initial distribution is expected to be declared approximately 45 to 60 days after the completion of this

offering and paid approximately 60 to 90 days after the completion of this offering, depending on market conditions. Subsequent distributions will be paid each month out of DCF, if any. There is no assurance that the Fund will make regular distributions.

Hedging and Strategic Transactions . . . . The Fund may, but is not required to, enter into various hedging and strategic transactions to seek to reduce the risks of the Fund including, without limitation, interest rate, currency, credit and equity security price risk, to reduce interest rate risks arising from any use of leverage, to facilitate portfolio management or for other purposes to the extent the Sub-Advisor determines that the use of such hedging and strategic transactions is consistent with the Fund's investment objective and policies and applicable regulatory requirements. Collectively, these transactions referred to above are "Strategic Transactions." Certain Strategic Transactions may be considered a form of economic leverage on the Fund's portfolio and may be subject to the risks associated with the use of leverage. See "Risks—Leverage Risk" below.

The Fund currently expects to write (or sell) covered call options on up to 35% of its Managed Assets. Such call options would give the option holders the right, but not the obligation, to purchase common equity at a specified price (the "strike price") on one or more future dates (each, an "exercise date"). The price of the option is determined from trading activity in the broad options market, and generally reflects the relationship between the market price for the underlying common equity and the strike price, as well as the time remaining until the expiration date. The Fund will write call options only if they are "covered." In the case of a call option on a common stock or other security, the option is "covered" if the Fund owns the security underlying the call or has an absolute and immediate right to acquire that security without additional cash consideration (or, if additional cash consideration is required, cash or other assets determined to be liquid by the Sub-Advisor (in accordance with procedures approved by the Board of Trustees) in such amount are segregated by the Fund's custodian) upon conversion or exchange of other securities held by the Fund. See "Risks—Covered Call Options Risk" below.

In addition to writing (selling) covered call options, the Fund currently expects to enter into interest rate swaps as a principal part of its investment strategy. In an interest rate swap, the Fund exchanges with another party their respective commitments to pay or receive interest (*e.g.*, an exchange of fixed rate payments for floating rate payments). Interest rate swaps will allow the Sub-Advisor to potentially manage the interest rate profile of the Fund's portfolio. See "Risks—Interest Rate Swaps Risk."

See "The Fund's Investments—Investment Practices—Strategic Transactions" in this prospectus below and "Other Investment Policies and Techniques—Strategic Transactions" in the SAI for more information about Strategic Transactions and their associated risks.

Tax Matters . . . . *Fund Status.* The Fund will be taxed as a regular corporation for federal income tax purposes and as such is obligated to pay federal and applicable state, local and foreign corporate taxes on its taxable income. This differs from most investment companies, which elect to be treated as "regulated investment companies" under the Internal Revenue Code of 1986, as amended (the "Code"), in order to avoid paying entity level income taxes. Under current law, the Fund is not eligible to elect treatment as a regulated investment company due to its expected investment of a substantial portion of its Managed Assets in MLPs invested in energy assets. As a result, the Fund is obligated to pay taxes on its taxable income as opposed to most other investment companies which are not so obligated. Due to the entity-level income taxes payable by the Fund, Common Shareholders of the Fund will likely receive lower distributions than if they invested directly in the same MLPs in which the Fund invests. However, as discussed below, the Fund expects that a portion of the distributions it receives from MLPs will likely be treated as a return of capital. For purposes of computing net asset value, the Fund accrues deferred income taxes for its future tax liability associated with that portion of MLP distributions considered to be a return of capital as well as capital appreciation of its investments. The Fund relies to some extent on information provided by MLPs, which is usually not timely, to estimate deferred tax liability for purposes of

financial statement reporting and determining the Fund's net asset value. From time to time the Fund will modify its estimates and/or assumptions regarding its deferred tax liability as new information becomes available. The taxation of Fund distributions is discussed further under "Tax Matters."

Fund Assets.

- *Investments in MLPs.* The Fund will invest primarily in MLPs and MLP-related entities. For purposes of this prospectus, an MLP is a limited partnership or a limited liability company that is treated as a partnership for federal income tax purposes. The benefit the Fund derives from its investment in MLPs is largely dependent on MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP generally has no income tax liability on MLP qualified income at the entity level. As a limited partner in the MLPs in which it invests, the Fund is allocated its pro rata share of income, gains, losses, deductions and expenses from the MLPs. A significant portion of MLP income has historically been offset by non-cash tax deductions such as depreciation and depletion. The Fund will incur a current tax liability on its income allocation from an MLP not offset by tax deductions. The Fund's tax basis in its MLP units would be increased by the income allocated from an MLP, and then reduced by all distributions from the MLP (including any distributions in excess of allocated income), which would either increase the Fund's taxable gain or reduce the Fund's loss recognized upon the sale of such MLP units. The percentage of an MLP's distribution which is offset by tax deductions will fluctuate over time for various reasons. A significant slowdown in acquisition or investment activity by MLPs held by the Fund could result in a reduction of accelerated depreciation or other deductions generated by these activities, which may result in increased current tax liability to the Fund. Certain energy related deductions are also not allowed for alternative minimum tax purposes, which may cause the Fund to be subject to the alternative minimum tax depending upon the nature of the assets of the MLPs. A reduction in the percentage of income offset by tax deductions or an increase in sales of the Fund's MLP holdings that result in capital gains will reduce that portion of the Fund's distribution from an MLP treated as a return of capital and increase that portion treated as income, and may result in reduced Fund distributions and lower after-tax distributions to the Fund's Common Shareholders.
- *Investments in Other Securities.* The Fund may also invest in equity and debt securities of companies that are organized and/or taxed as corporations. Interest and dividend payments received by the Fund with respect to such securities generally are included in the Fund's corporate taxable income in the year in which they are received, although the Fund may qualify for the dividends-received deduction with respect to dividends on certain of the equity securities owned by the Fund.

Shareholder Tax Aspects.

- *Current Distributions on Shares.* Common Shareholders of the Fund hold Common Shares of a Massachusetts business trust which has elected for federal income tax purposes to be taxed as a corporation. There is a significant difference, for federal income tax purposes, between owning common shares of a taxable entity treated as a corporation for federal income tax purposes (such as the Fund) versus owning partnership interests in the MLPs in which the Fund invests. Common Shareholders of the Fund will be subject to potential income tax only if the Fund pays out distributions to Common Shareholders. Depending on the nature of the distribution made by the Fund, the tax character of such distribution to Common Shareholders will vary. Distributions made from current and accumulated earnings and profits of the Fund will be taxable to Common Shareholders as dividend income. Certain qualified dividend income received by individual shareholders would be taxed at long-term capital gains rates, which reach a maximum of 23.8% (including a 3.8% tax on net investment income above a certain threshold). Distributions that are in an amount greater than the

Fund's current and accumulated earnings and profits will represent a return of capital to the extent of a Common Shareholder's basis in its Common Shares, and such distributions would correspondingly reduce the Common Shareholder's basis in its Common Shares. A reduction in the Common Shareholder's basis would potentially increase the Common Shareholder's gain (or reduce the Common Shareholder's loss) recognized upon the sale of the Common Shares. Additionally, distributions that exceed a Common Shareholder's tax basis in its Common Shares will generally be taxed as gain. The past performance of MLPs indicates that a significant portion of the Fund's distributions to Common Shareholders will likely represent a return of capital. However, there can be no guarantee that the Fund's expectation regarding the tax character of its distributions will be realized or that the Fund will make regular distributions. See "Distributions" and "Tax Matters."

- *Sale of Shares*. Common Shareholders generally will recognize a gain or loss upon the sale of their Common Shares. Such gain or loss is equal to the difference between the Common Shareholder's federal income tax basis in its Common Shares sold (as adjusted to reflect return of capital) and the sale proceeds received by the Common Shareholder upon the disposition of Common Shares. As a general rule, the sale of a capital asset, like Common Shares, held for more than a year will result in a long-term capital gain or loss. See "Tax Matters."

Benefits in Comparison with Direct Investments in MLPs . . . . The Fund seeks to provide a method for investing in MLPs, MLP-related entities and other energy sector and energy utilities companies. Some of the benefits of investing in the Fund as opposed to directly investing in MLPs include:

- The Fund provides, through a single investment vehicle, an investment in a portfolio of a number of MLPs, MLP-related entities and other energy sector and energy utilities companies;
- Direct investors in MLPs receive a partnership statement (a Form K-1 statement) from each MLP they own and may be required to file income tax returns in each state in which the MLPs operate. Common Shareholders will receive a single Form 1099 and will only be required to file income tax returns in states in which they would ordinarily file; and
- Income received by tax-exempt investors, including employee benefit plans and IRA accounts, from MLPs is generally treated as unrelated business taxable income ("UBTI"), whereas distributions these investors receive from an entity treated for federal income tax purposes as a corporation (such as the Fund) will generally not be treated as UBTI, unless the stock is debt-financed.

Leverage Program . . . . Pursuant to the provisions of the 1940 Act, the Fund may borrow or issue notes in an amount up to 33-1/3% of its total assets or may issue Preferred Shares in an amount up to 50% of the Fund's total assets (including the proceeds from leverage).

Subject to market conditions, within approximately three months after completion of this offering, the Fund intends to establish a structural leverage program. The Fund initially anticipates that it will utilize leverage, through Borrowings, in an aggregate amount of approximately 25% of the Fund's Managed Assets. It is expected that these Borrowings will be made pursuant to a revolving credit facility established with a bank or other financial institution. The Fund will not be required to reduce leverage to the extent the above percentage limitation is exceeded as a result of a decline in the value of the Fund's assets.

Certain types of Borrowings may result in the Fund being subject to covenants in credit agreements relating to asset coverage and portfolio composition requirements. Borrowings may be at a fixed or floating rate and generally will be based upon short-term rates. So long as the rate of return, net of applicable Fund expenses, on the Fund's portfolio investments purchased with leverage exceeds the then-current interest rate or

dividend rate and other costs on the Preferred Shares and/or Borrowings, the Fund will generate more return or income than will be needed to pay such dividends or interest payments and other costs. In this event, the excess will be available to pay higher dividends to Common Shareholders. Preferred Shares, if issued, may pay dividends based on short-term rates, which may be reset frequently.

The use of leverage will leverage your investment in the Common Shares. When leverage is employed, the net asset value ("NAV") and market price of the Common Shares and the yield to Common Shareholders will be more volatile. Leverage creates a greater risk of loss, as well as potential for more gain, for the Common Shares than if leverage is not used. There is no assurance that a leverage strategy will be utilized by the Fund or that, if utilized, will be successful. See "Risks—Leverage Risk."

If the Fund uses leverage, associated costs, if any, will be borne immediately by the Common Shareholders and result in a reduction of the NAV of the Common Shares. Costs associated with any Borrowings may include legal fees, audit fees, structuring fees, commitment fees, and a usage (borrowing) fee. During periods when the Fund is using leverage, the fees paid to the Advisor and the Sub-Advisor will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund's Managed Assets, which includes the assets obtained through leverage.

Certain of the Strategic Transactions in which the Fund may invest may, in certain circumstances, give rise to a form of financial leverage. See "Leverage Program" and "The Fund's Investments—Investment Practices—Strategic Transactions" below.

Custodian, Administrator, Fund Accountant and Transfer Agent . . . . The Fund has retained The Bank of New York Mellon as custodian and BNY Mellon Investment Servicing (US) Inc. as administrator, fund accountant and transfer agent for the Fund. The Advisor and the Board of Trustees will be responsible for overseeing the activities of the custodian, administrator, fund accountant and transfer agent. See "Custodian, Administrator, Fund Accountant and Transfer Agent."

Listing . . . . The Fund's Common Shares have been approved for listing on the New York Stock Exchange ("NYSE"), subject to notice of issuance, under the symbol "FPL."

Closed-End Structure . . . . Closed-end funds differ from open-end management investment companies (commonly referred to as mutual funds) in that closed-end funds generally list their shares for trading on a securities exchange and do not redeem their shares at the option of the shareholder. By comparison, mutual funds issue securities redeemable at NAV at the option of the shareholder and typically engage in a continuous offering of their shares. Mutual funds are subject to continuous asset in-flows and out-flows that can complicate portfolio management, whereas closed-end funds generally can stay more fully invested in securities consistent with the closed-end fund's investment objective and policies. In addition, in comparison to open-end funds, closed-end funds have greater flexibility in their ability to make certain types of investments, including investments in illiquid securities.

Shares of closed-end investment companies listed for trading on a securities exchange frequently trade at a discount from NAV, but in some cases trade at a premium. The market price may be affected by NAV, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for the shares, stability of dividends or distributions, trading volume of the shares, general market and economic conditions and other factors beyond the control of the closed-end fund. The foregoing factors may result in the market price of the Common Shares of the Fund being greater than, less than or equal to, NAV.

The Board of Trustees has reviewed the structure of the Fund in light of its investment objective and policies and has determined that the closed-end structure is appropriate. As described in this prospectus, however, the Board of Trustees may review periodically the trading range and activity of the Common Shares with respect to their NAV and may take certain actions to seek to reduce or eliminate any such discount.

Such actions may include open-market repurchases or tender offers for the Common Shares at or near NAV or the possible conversion of the Fund to an open-end investment company. There can be no assurance that the Board of Trustees will decide to undertake any of these actions or that, if undertaken, such actions would result in the Common Shares trading at a price equal to or close to NAV per Common Share. Investors should assume that it is highly unlikely that the Board of Trustees would vote to convert the Fund to an open-end investment company. See "Structure of the Fund; Common Share Repurchases and Change in Fund Structure."

Special Risk Considerations. . . . .

Risk is inherent in all investing. The following discussion summarizes the principal risks that you should consider before deciding whether to invest in the Fund. For additional information about the risks associated with investing in the Fund, see "Risks." For purposes of the "Special Risk Considerations" and "Risks" sections of this prospectus, the MLPs, MLP-related entities and other energy sector and energy utilities companies in which the Fund may invest are collectively referred to as "Energy Portfolio Companies."

No Operating History. The Fund is a newly organized, non-diversified, closed-end management investment company with no operating history. It is designed for long-term investing and not as a vehicle for trading.

Investment and Market Risk. An investment in the Common Shares is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in Common Shares represents an indirect investment in the securities owned by the Fund, a significant portion of which will be traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of the securities in which the Fund invests will affect the value of the Common Shares. Your Common Shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions. The Fund has been designed primarily as a long-term investment vehicle and is not intended to be used as a short-term trading vehicle. An investment in the Common Shares should not be considered a complete investment program. Each Common Shareholder should take into account the Fund's investment objective as well as the Common Shareholder's other investments when considering an investment in the Fund.

Market Discount from Net Asset Value. Shares of closed-end investment companies like the Fund frequently trade at a discount from their NAV. This characteristic is a risk separate and distinct from the risk that the Fund's NAV could decrease as a result of its investment activities and may be greater for investors expecting to sell their Common Shares in a relatively short period following completion of this offering. The NAV per Common Share will be reduced immediately following this offering as a result of the payment of certain offering costs. Although the value of the Fund's net assets will generally be considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of the Common Shares will depend entirely upon whether the market price of the Common Shares at the time of sale is above or below the investor's purchase price for the Common Shares. Because the market price of the Common Shares will be affected by factors such as NAV, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for the Common Shares, stability of dividends or distributions, trading volume of the Common Shares, general market and economic conditions, and other factors beyond the control of the Fund, the Fund cannot predict whether the Common Shares will trade at, below or above NAV or at, below or above the initial public offering price.

Management Risk and Reliance on Key Personnel. The Fund is subject to management risk because it is an actively managed portfolio. The Advisor and Sub-Advisor will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

In addition, the implementation of the Fund's investment strategy depends upon the continued contributions of certain key employees of the Advisor and Sub-Advisor, some of whom have unique talents and experience and would be difficult to replace. The loss or interruption of the services of a key member of the portfolio management team could have a negative impact on the Fund during the transitional period that would be required for a successor to assume the responsibilities of the position.

Potential Conflicts of Interest Risk. First Trust Advisors, Energy Income Partners and the portfolio managers have interests which may conflict with the interests of the Fund. In particular, First Trust Advisors and Energy Income Partners currently manage and may in the future manage and/or advise other investment funds or accounts with the same or substantially similar investment objective and strategies as the Fund. As a result, First Trust Advisors, Energy Income Partners and the Fund's portfolio managers must allocate their time and investment ideas across multiple funds and accounts. First Trust Advisors, Energy Income Partners and the Fund's portfolio managers may identify a limited investment opportunity that may be suitable for multiple funds and accounts, and the opportunity may be allocated among these several funds and accounts, which may limit the Fund's ability to take full advantage of the investment opportunity. Additionally, transaction orders may be aggregated for multiple accounts for purposes of execution, which may cause the price or brokerage costs to be less favorable to the Fund than if similar transactions were not being executed concurrently for other accounts. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and accounts. For example, a portfolio manager may determine that it would be in the interest of another account to sell a security that the Fund holds, potentially resulting in a decrease in the market value of the security held by the Fund.

The portfolio managers may also engage in cross trades between funds and accounts, may select brokers or dealers to execute securities transactions based in part on brokerage and research services provided to First Trust Advisors or Energy Income Partners which may not benefit all funds and accounts equally and may receive different amounts of financial or other benefits for managing different funds and accounts. Finally, First Trust Advisors or its affiliates may provide more services to some types of funds and accounts than others.

There is no guarantee that the policies and procedures adopted by First Trust Advisors, Energy Income Partners and the Fund will be able to identify or mitigate the conflicts of interest that arise between the Fund and any other investment funds or accounts that First Trust Advisors and/or Energy Income Partners may manage or advise from time to time. For further information on potential conflicts of interest and the terms of each of the investment management agreement between First Trust Advisors and the Fund (the "Investment Management Agreement") and the sub-advisory agreement among First Trust Advisors, Energy Income Partners and the Fund (the "Sub-Advisory Agreement"), see "Investment Advisor" and "Sub-Advisor" in the SAI.

MLP Risks. An investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. The Fund is not responsible for operating MLPs and similar entities and cannot control or monitor their compliance with applicable tax, securities and other laws and regulations necessary for the profitability of such investments. Holders of MLP units could potentially become subject to liability for all of the obligations of an MLP, if a court determines that the rights of the unitholders to take certain action under the limited partnership agreement would constitute "control" of the business of that MLP, or if a court or governmental agency determines that the MLP is conducting business in a state without complying with the limited partnership statute of that state.

Furthermore, the structures and terms of the MLPs and other entities described in this prospectus may not be indicative of the structure and terms of every entity in which the Fund invests. Although the energy sector has grown significantly in recent years, such market trends may not continue due to economic conditions, which are not predictable, or other factors. In addition, certain conflicts of interest exist between common unit holders and the general partner, including those arising from incentive distribution payments. Conflicts of interest may arise from incentive distribution payments paid to the general partner, or referral of business opportunities by the general partner or one of its affiliates to an entity other than the MLP. Holders of general partner or managing member interests typically receive incentive distribution rights, which provide them with an increasing share of the entity's aggregate cash distributions upon the payment of per common unit quarterly distributions that exceed specified threshold levels above an established minimum amount ("minimum quarterly distribution" or "MQD"). Due to the incentive distribution rights, general partners of MLPs have higher distribution growth prospects than their underlying MLPs, but quarterly incentive distribution payments would also decline at a greater rate than the decline rate in quarterly distributions to common and subordinated unit holders in the event of a reduction in the MLP's quarterly distribution. The ability of the limited partners or members to remove the general partner or managing member without cause is typically very limited. In addition, some MLPs permit the holder of incentive distribution rights to reset, under specified circumstances, the incentive distribution levels and receive compensation in exchange for the distribution rights given up in the reset.

The MLPs in which the Fund intends to invest will primarily be in the energy sector. See "—Investment Concentration Risk."

Investment Concentration Risk. The Fund's investments will be concentrated in the group of industries that are part of the energy sector, with a particular focus on energy sector MLPs and MLP-related entities. The Fund will additionally invest in MLP-related entities and other companies in the energy sector and energy utilities industries. Although the Fund intends to invest in Energy Portfolio Companies that are weighted towards non-cyclical, fee-for-service revenues, these companies may nonetheless have segments of their respective businesses that are exposed to cyclical assets and, therefore, risks associated with such cyclical assets are also discussed below in addition to those risks associated with non-cyclical, fee-for-service revenues. Certain risks inherent in investing in the business of the types of securities that the Fund may invest include the following:

- *Commodity Pricing Risk.* Energy Portfolio Companies may be directly affected by energy commodity prices, especially those Energy Portfolio Companies which own the underlying energy commodity. Commodity prices fluctuate for several reasons, including changes in market and economic conditions, the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Volatility of commodity prices which leads to a reduction in production or supply may also impact the performance of Energy Portfolio Companies that are solely involved in the transportation, processing, storing, distribution or marketing of commodities. Volatility of commodity prices may also make it more difficult for Energy Portfolio Companies to raise capital to the extent the market perceives that their performance may be directly tied to commodity prices.

- *Supply and Demand Risk.* A decrease in the production of natural gas, NGLs, crude oil, coal or other energy commodities or a decrease in the volume of such commodities available for transportation, processing, storage or distribution may adversely impact the financial performance of Energy Portfolio Companies. Production declines and volume decreases could be caused by various factors, including catastrophic events affecting production, depletion of resources, labor difficulties, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, import supply disruption, increased competition from alternative energy sources or depressed commodity prices.

Alternatively, a sustained decline in demand for such commodities could also impact the financial performance of Energy Portfolio Companies. Factors which could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel economy, consumer shifts to the use of alternative fuel sources, an increase in commodity prices, or weather.

- *Lack of Diversification of Customers and Suppliers.* Certain Energy Portfolio Companies depend upon a limited number of customers for substantially all of their revenue. Similarly, certain Energy Portfolio Companies depend upon a limited number of suppliers of goods or services to continue their operations. The loss of any such customers or suppliers could materially adversely affect such Energy Portfolio Companies' results of operations and cash flow, and their ability to make distributions to unit holders, such as the Fund, would therefore be materially adversely affected.
- *Depletion and Exploration Risk.* Energy Portfolio Companies also engaged in the production (exploration, development, management or production) of natural gas, NGLs (including propane), crude oil, refined petroleum products or coal are subject to the risk that their commodity reserves naturally deplete over time. Reserves are generally increased through expansion of their existing business, through exploration of new sources or development of existing sources, through acquisitions or by securing long-term contracts to acquire additional reserves, each of which entails risk. The financial performance of these issuers may be adversely affected if they are unable to acquire, cost-effectively, additional reserves at a rate at least equal to the rate of natural decline. A failure to maintain or increase reserves could reduce the amount and change the characterization of cash distributions paid by these Energy Portfolio Companies.
- *Regulatory Risk.* The energy sector and energy utilities industries are highly regulated. Energy Portfolio Companies are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Such regulation can change rapidly or over time in both scope and intensity. For example, a particular by-product or process may be declared hazardous (sometimes retroactively) by a regulatory agency which could unexpectedly increase production costs. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of Energy Portfolio Companies.
- *Interest Rate Risk.* Rising interest rates could adversely impact the financial performance of Energy Portfolio Companies. Rising interest rates may increase an Energy Portfolio Company's cost of capital, which would increase operating costs and may reduce an Energy Portfolio Company's ability to execute acquisitions or expansion projects in a cost-effective manner. Rising interest rates may also impact the price of MLP units, MLP-related entity securities and energy sector and energy utilities company shares as the yields on alternative investments increase.
- *Acquisition or Reinvestment Risk.* The ability of Energy Portfolio Companies to grow and to increase distributions to their equityholders can be dependent in part on their ability to make acquisitions or find organic projects that result in an increase in adjusted operating cash flow. In the event that Energy Portfolio Companies are unable to make such accretive acquisitions/projects either because they are unable to identify attractive acquisition/project candidates or negotiate acceptable purchase contracts or because they are unable to raise financing on economically acceptable terms or because they are outbid by competitors, their future growth and ability to raise distributions may be hindered. Furthermore,

even if Energy Portfolio Companies do consummate acquisitions/projects that they believe will be accretive, the acquisitions/projects may in fact turn out to result in a decrease in adjusted operating cash flow. Any acquisition/project involves risks, including among other things: mistaken assumptions about revenues and costs, including synergies; the assumption of unknown liabilities; limitations on rights to indemnity from the seller; the diversion of management's attention from other business concerns; unforeseen difficulties operating in new product areas or new geographic areas; and customer or key employee losses at the acquired businesses.

- *Affiliated Party Risk.* Certain Energy Portfolio Companies may be dependent on their parents or sponsors for a majority of their revenues. Any failure by the parents or sponsors of such entities to satisfy their payments or obligations would impact the Energy Portfolio Company's revenues and cash flows and ability to make distributions.

- *Weather Risk.* Weather plays a role in the seasonality of some Energy Portfolio Companies' cash flows. Energy Portfolio Companies in the propane industry, for example, rely on the winter season to generate almost all of their earnings. In an unusually warm winter season, propane Energy Portfolio Companies experience decreased demand for their product. Although most Energy Portfolio Companies can reasonably predict seasonal weather demand based on normal weather patterns, extreme weather conditions, such as the hurricanes that severely damaged cities along the Gulf Coast in recent years, demonstrate that no amount of preparation can protect an Energy Portfolio Company from the unpredictability of the weather. Further, climate change may result in increases in the frequency and severity of adverse weather events. The damage done by extreme weather also may serve to increase many Energy Portfolio Companies' insurance premiums.

- *Catastrophe Risk.* The operations of Energy Portfolio Companies are subject to many hazards inherent in transporting, processing, storing, distributing or marketing natural gas, NGLs, crude oil, refined petroleum products or other hydrocarbons, or in exploring, managing or producing such commodities or products, including: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters and acts of terrorism; inadvertent damage from construction and farm equipment; leaks of natural gas, NGLs, crude oil, refined petroleum products or other hydrocarbons; and explosions. These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. Not all Energy Portfolio Companies are fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect their operations and financial condition.

- *Terrorism/Market Disruption Risk.* The terrorist attacks in the United States on September 11, 2001 had a disruptive effect on the securities markets. U.S. military and related action throughout the world, as well as the continuing threat of terrorist attacks, could have significant adverse effects on the U.S. economy and the stock market. Uncertainty surrounding retaliatory military strikes or a sustained military campaign may affect Energy Portfolio Company operations in unpredictable ways, including disruptions of fuel supplies and markets, and transmission and distribution facilities could be direct targets, or indirect casualties, of an act of terror. Since the September 11th attacks, the U.S. government has issued warnings that energy assets, specifically the U.S. pipeline infrastructure, may be the future target of terrorist organizations. In addition, changes in the insurance markets attributable to the September 11th attacks have made certain types of insurance more difficult, if not impossible, to obtain and have generally resulted in increased premium costs.

- *Technology Risk.* Some Energy Portfolio Companies are focused on developing new technologies and are strongly influenced by technological changes. Technology development efforts by Energy Portfolio Companies may not result in viable methods or products. Energy Portfolio Companies may bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Some Energy Portfolio Companies may be in the early stages of operations and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in Energy Portfolio Companies may be considerably more volatile than that in more established segments of the economy.
- *Industry Specific Risk.* Energy Portfolio Companies are also subject to risks that are specific to the industry they serve.
  - Midstream MLPs and other Energy Portfolio Companies that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others.
  - Propane companies are subject to earnings variability based upon weather conditions in the markets they serve, fluctuating commodity prices, increased use of alternative fuels, increased governmental or environmental regulation, and accidents or catastrophic events, among others.
  - Energy Portfolio Companies with coal assets are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including, fluctuating commodity prices, the level of their customers' coal stockpiles, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, transportation issues, declines in domestic or foreign production, mining accidents or catastrophic events, health claims and economic conditions, among others. Energy Portfolio Companies with coal assets are also subject to supply variability based on geological conditions that reduce the productivity of mining operations, the availability of regulatory permits for mining activities and the availability of coal that meets the standards of the Clean Air Act.
  - Energy Portfolio Companies that own interstate pipelines are subject to regulation by the Federal Energy Regulatory Commission ("FERC") with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such a company could have a material adverse effect on its business, financial condition, results of operations and cash flows and its ability to pay cash distributions or dividends. In addition, FERC has a tax allowance policy, which permits such companies to include in their cost of service an income tax allowance to the extent that their owners have an actual or potential tax liability on the income generated by them. If FERC's income tax allowance policy were to change in the future to disallow a material portion of the income tax allowance taken by such interstate pipeline companies, it would adversely impact the maximum tariff rates that such companies are permitted to charge for their transportation services, which in turn could adversely affect such companies' financial condition and ability to pay distributions to shareholders.
  - Marine shipping (or "tanker") companies are exposed to many of the same risks as other Energy Portfolio Companies. In addition, the highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which may adversely affect a tanker company's earnings. Fluctuations in

charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products. Historically, the tanker markets have been volatile because many conditions and factors can affect the supply and demand for tanker capacity. Changes in demand for transportation of oil over longer distances and supply of tankers to carry that oil may materially affect revenues, profitability and cash flows of tanker companies. The successful operation of vessels in the charter market depends upon, among other things, obtaining profitable spot charters and minimizing time spent waiting for charters and traveling unladen to pick up cargo. The value of tanker vessels may fluctuate and could adversely affect the value of tanker company securities. Declining tanker values could affect the ability of tanker companies to raise cash by limiting their ability to refinance their vessels, thereby adversely impacting tanker company liquidity. Tanker company vessels are at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes, boycotts and government requisitioning of vessels. These sorts of events could interfere with shipping lanes and result in market disruptions and a significant loss of tanker company earnings.

Energy Utilities Companies Risk. A variety of factors may adversely affect the business or operations of companies in the energy utilities industries, including: high interest costs in connection with capital construction and improvement programs; difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets; governmental regulation of rates charged to customers (including the potential that costs incurred by the utility change more rapidly than the rate the utility is permitted to charge its customers); costs associated with compliance with and changes in environmental and other regulations; effects of economic slowdowns and surplus capacity; increased competition from other providers of utilities services; inexperience with and potential losses resulting from a developing deregulatory environment; costs associated with reduced availability of certain types of fuel, occasionally reduced availability and high costs of natural gas for resale and the effects of energy conservation policies; the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of nuclear facilities for electric generation, including, among other considerations, the problems associated with the use of radioactive minerals and the disposal of radioactive wastes; technological innovations that may render existing plants, equipment or products obsolete; potential impact of terrorist activities; the impact of natural or man-made disasters; regulation by various governmental authorities, including the imposition of special tariffs; and changes in tax laws, regulatory policies and accounting standards. See “Risks—Energy Utilities Companies Risk.”

Cash Flow Risk. A substantial portion of the cash flow received by the Fund will be derived from its investment in equity securities of Energy Portfolio Companies. The amount of cash an Energy Portfolio Company has available for distributions and the tax character of such distributions is dependent upon the amount of cash generated by the Energy Portfolio Company’s operations. Cash available for distribution varies from month to month and is largely dependent on factors affecting the Energy Portfolio Company’s operations and factors affecting the energy industry in general. In addition to the risk factors described above, other factors which may reduce the amount of cash an entity has available for distribution include increased operating costs, capital expenditures, acquisition costs, expansion, construction or exploration costs and borrowing costs.

MLP and Deferred Tax Risk. Much of the benefit the Fund derives from its investments in equity securities of MLPs is a result of MLPs generally being treated as partnerships for United States federal income tax purposes. Partnerships do not pay United States

federal income tax at the partnership level. Rather, each partner of a partnership, in computing its United States federal income tax liability, will include its allocable share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, a change in the business of a given MLP, or a change in the types of income earned by a given MLP could result in an MLP being treated as a corporation for United States federal income tax purposes, which would result in such MLP being required to pay United States federal income tax on its taxable income. The classification of an MLP as a corporation for United States federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and causing any such distributions received by the Fund to be taxed as dividend income to the extent of the MLP's current or accumulated earnings and profits. Thus, if any of the MLPs owned by the Fund were treated as a corporation for United States federal income tax purposes, the value and after-tax return to the Fund with respect to its investment in such MLPs would be materially reduced, which could cause a substantial decline in the value of the Common Shares.

As a limited partner in the MLPs in which it may invest, the Fund is allocated its pro rata share of income, gains, losses, deductions and expenses from the MLPs. A significant portion of MLP income has historically been offset by non-cash tax deductions such as depreciation and depletion. The Fund will incur a current tax liability on its income allocation from an MLP not offset by tax deductions. The Fund's tax basis in its MLP units would be increased by the income allocated from an MLP, and then reduced by all distributions from the MLP (including any distributions in excess of allocated income), which would either increase the Fund's taxable gain or reduce the Fund's loss recognized upon the sale of such MLP units. The percentage of an MLP's distribution which is offset by tax deductions will fluctuate over time for various reasons. A significant slowdown in acquisition or investment activity by MLPs held by the Fund could result in a reduction of accelerated depreciation or other deductions generated by these activities, which may result in an increased current tax liability to the Fund. Certain energy related deductions are also not allowed for alternative minimum tax purposes, which may cause the Fund to be subject to the alternative minimum tax depending upon the nature of the assets of the MLPs. A reduction in the percentage of the income offset by tax deductions or an increase in sales of the Fund's MLP holdings that result in capital gains will reduce that portion of the Fund's distribution from an MLP treated as a return of capital and increase that portion treated as income, and may result in reduced Fund distributions and lower after-tax distributions to the Fund's Common Shareholders.

The Fund will accrue deferred income taxes for its future tax liability associated with the difference between the Fund's tax basis in an MLP security and the fair market value of the MLP security. Upon the Fund's sale of an MLP security, the Fund may be liable for previously deferred taxes. The Fund will rely to some extent on information provided by MLPs, which may not necessarily be timely, to estimate its deferred tax liability for purposes of financial statement reporting and determining its net asset value. From time to time, the Fund will modify its estimates or assumptions regarding its deferred tax liability as new information becomes available.

Tax Law Change Risk. Changes in tax laws or regulations, or interpretations thereof in the future, could adversely affect the Fund or the Energy Portfolio Companies in which the Fund invests. Any such changes could negatively impact the Fund and its Common Shareholders.

Non-U.S. Securities Risk. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in currency exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; withholding taxes; greater price volatility and illiquidity; different trading and settlement practices; less governmental supervision; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements. Because the Fund intends to invest in

securities denominated or quoted in non-U.S. currencies, changes in the non-U.S. currency/United States dollar exchange rate may affect the value of the Fund's securities and the unrealized appreciation or depreciation of investments.

Delay in Investing the Proceeds. Although the Fund currently intends to invest the proceeds from the sale of the Common Shares as soon as practicable, such investments may be delayed if suitable investments are unavailable at the time. The trading market and volumes for Energy Portfolio Company shares may at times be less liquid than the market for other securities. Prior to the time the proceeds of the offering are invested, such proceeds may be invested in cash, cash equivalents or other securities, pending investment in Energy Portfolio Company securities. As a result, the return and yield on the Common Shares in the year following the issuance of Common Shares may be lower than when the Fund is fully invested in accordance with its objective and policies. See "Use of Proceeds."

Equity Securities Risk. MLP units and other equity securities are sensitive to general movements in the stock market and a drop in the stock market may depress the price of securities to which the Fund has exposure. MLP units and other equity securities prices fluctuate for several reasons including changes in the financial condition of a particular issuer (generally measured in terms of distributable cash flow in the case of MLPs), investors' perceptions of MLPs and other Energy Portfolio Companies, the general condition of the relevant stock market, such as the current market volatility, or when political or economic events affecting the issuers occur. In addition, the price of equity securities may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

Certain of the Energy Portfolio Companies in which the Fund may invest may have comparatively smaller capitalizations. Investing in securities of smaller Energy Portfolio Companies presents some unique investment risks. These companies may have limited product lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger Energy Portfolio Companies and may be more vulnerable to adverse general market or economic developments. Stocks of smaller Energy Portfolio Companies may be less liquid than those of larger Energy Portfolio Companies and may experience greater price fluctuations than larger Energy Portfolio Companies. In addition, small-cap securities may not be widely followed by the investment community, which may result in reduced demand.

MLP subordinated units in which the Fund may invest will generally convert to common units at a one-to-one ratio. The purchase or sale price is generally tied to the common unit price less a discount. The size of the discount varies depending on the likelihood of conversion, the length of time remaining to conversion, the size of the block purchased and other factors.

Risks Associated with an Investment in Initial Public Offerings. Securities purchased in initial public offerings ("IPOs") are often subject to the general risks associated with investments in companies with small market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in an IPO may be highly volatile. At any particular time or from time to time, the Fund may not be able to invest in IPOs, or to invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be available to the Fund. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. The Fund's investment performance during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to do so. IPO securities may be volatile, and the Fund cannot predict whether investments in IPOs will be successful.

Canadian Income Equities Risk. The Fund currently expects that its investments in Canadian Income Equities will be, under normal market conditions, between 10% to 20% of its Managed Assets. Canadian Income Equities share many of the risks inherent in investing in equity securities and are also subject to the risks specific to the energy

sector and energy utilities industries described above. In many circumstances, the Canadian Income Equities in which the Fund may invest have limited operating histories. The value of Canadian Income Equities in which the Fund may invest are influenced by factors that are not within the Fund's control, including the financial performance of the respective issuers, interest rates, exchange rates, commodity prices (which will vary and are determined by supply and demand factors, including weather and general economic and political conditions), the hedging policies employed by such issuers, issues relating to the regulation of the energy industry and operational risks relating to the energy industry. The Canadian tax treatment of certain income that allowed income to flow through to investors and be taxed only at the individual level changed beginning in 2011. In general, Canada now imposes a withholding tax on the distributions as if the distributions were dividends. The distribution tax could have a material impact on the current market value of Canadian Income Equities and could limit cash distributions to the Fund.

Debt Securities Risk. Debt securities in which the Fund invests are subject to many of the risks described elsewhere in this section. In addition, they are subject to credit risk, interest rate risk, and, depending on their quality, other special risks. An issuer of a debt security may be unable to make interest payments and repay principal. The Fund could lose money if the issuer of a debt obligation is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of a security by rating agencies may further decrease its value. Certain debt instruments, particularly below investment grade securities, may contain call or redemption provisions which would allow the issuer thereof to prepay principal prior to the debt instrument's stated maturity. This is known as prepayment risk. Prepayment risk is greater during a falling interest rate environment as issuers can reduce their cost of capital by refinancing higher yielding debt instruments with lower yielding debt instruments. An issuer may also elect to refinance its debt instruments with lower yielding debt instruments if the credit standing of the issuer improves. To the extent debt securities in its portfolio are called or redeemed, the Fund may be forced to reinvest in lower yielding securities. Debt securities have reinvestment risk, which is the risk that income from the Fund's portfolio will decline if and when the Fund invests the proceeds from matured, traded or called fixed income instruments at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the Fund's Common Share price or its overall return.

Below Investment Grade Securities Risk. The Fund may invest up to 20% of its Managed Assets in debt securities of Energy Portfolio Companies, including certain below investment grade securities. Below investment grade debt securities are commonly referred to as "high yield" or "junk" bonds. Below investment grade securities are considered speculative with respect to an issuer's capacity to pay interest and repay principal. They involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher rated debt instruments. Below investment grade securities may also be more susceptible to real or perceived adverse economic and competitive industry conditions than higher rated debt instruments. The Fund does not intend to invest in securities issued by a partnership or company in bankruptcy reorganization, subject to a public or private debt restructuring or otherwise in default or in significant risk of default in the payment of interest and principal ("distressed securities"). In the event any security held by the Fund becomes distressed, the Fund may be required to incur extraordinary expenses in order to attempt to protect and/or recover its investment. In such situations, there can be no assurance as to when or if the Fund will recover any of its investment in such distressed securities, or the value thereof.

Leverage Risk. The use of leverage by the Fund can magnify the effect of any losses. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, the Common Shares' return will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of

leverage, the return to the Common Shares will be less than if leverage had not been used. Leverage involves risks and special considerations for Common Shareholders including:

- the likelihood of greater volatility of NAV and market price of the Common Shares than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on Borrowings and short-term debt or in the dividend rates on any Preferred Shares that the Fund may pay will reduce the return to the Common Shareholders or will result in fluctuations in the dividends paid on the Common Shares;
- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Common Shares than if the Fund were not leveraged, which may result in a greater decline in the market price of the Common Shares; and
- when the Fund uses certain types of leverage, the investment advisory fee payable to the Advisor and the sub-advisory fee payable by the Advisor to the Sub-Advisor will be higher than if the Fund did not use leverage because the definition of "Managed Assets" includes the proceeds of leverage.

There is no assurance that a leveraging strategy will be successful. The Fund may continue to use leverage if the benefits to the Fund's shareholders of maintaining the leveraged position are believed by the Fund's Board of Trustees to outweigh any current reduced return. See also "Other Investment Policies and Techniques—Strategic Transactions" in the SAI for more information about Strategic Transactions in which the Fund may enter that give rise to a form of financial leverage and the associated risks.

Covered Call Options Risk. There are various risks associated with the Fund writing (or selling) covered call options. As the writer (seller) of a call option, the Fund would receive cash (the premium) from the purchaser of the option, and the purchaser would have the right to receive from the Fund any appreciation in the underlying security over the strike price upon exercise. In effect, the Fund would forgo, during the life of the option, the opportunity to profit from increases in the market value of the portfolio security covering the option above the sum of the premium and the strike price of the call option but would retain the risk of loss should the price of the underlying security decline. Therefore, the writing (or selling) of covered call options may limit the Fund's ability to benefit from the full upside potential of its investment strategies.

The value of call options written by the Fund, which will be priced daily, are determined by trading activity in the broad options market and will be affected by, among other factors, changes in the value of the underlying security in relation to the strike price, changes in dividend rates of the underlying security, changes in interest rates, changes in actual or perceived volatility of the stock market and the underlying security, and the time remaining until the expiration date. The value of call options written by the Fund may be adversely affected if the market for the option is reduced or becomes illiquid.

There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts, suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) inadequate facilities of an exchange or The Options Clearing Corporation ("OCC") to handle current trading volume; or (vi) the decision of one or more exchanges at some future date to discontinue the trading of options (or a particular class or series of options) for economic or other reasons. If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange would continue to be exercisable in

accordance with their terms. To the extent that the Fund utilizes unlisted (or "over-the-counter") options, the Fund's ability to terminate these options may be more limited than with exchange-traded options and may involve enhanced risk that counterparties participating in such transactions will not fulfill their obligations.

The hours of trading for options may not conform to the hours during which the securities held by the Fund are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. Additionally, the exercise price of an option may be adjusted downward before the option's expiration as a result of the occurrence of certain corporate events affecting the underlying security, such as extraordinary dividends, stock splits, mergers or other extraordinary distributions or events. A reduction in the exercise price of options might reduce the Fund's capital appreciation potential on underlying securities held by the Fund.

The Fund's covered call options transactions will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which the options are traded. These limitations govern the maximum number of options in each class that may be written by a single investor or group of investors acting in concert, regardless of whether the options are written on the same or different exchanges, boards of trade or other trading facilities or are written in one or more accounts or through one or more brokers. Thus, the number of covered call options that the Fund may write may be affected by options written by other investment advisory clients of the Advisor, Sub-Advisor or their affiliates. An exchange, board of trade or other trading facility may order the liquidation of positions found to be in excess of these limits, and it may impose other sanctions.

Interest Rate Swaps Risk. The use of interest rate swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on market conditions in general, the Fund's use of swaps could enhance or harm the overall performance of the Common Shares. For example, the Fund may utilize interest rate swaps in connection with the Fund's use of leverage. To the extent there is a decline in interest rates, the value of the interest rate swap could decline, and could result in a decline in the net asset value of the Common Shares. In addition, if short-term interest rates are lower than the Fund's fixed rate of payment on the interest rate swap, the swap will reduce Common Share net earnings. If, on the other hand, short-term interest rates are higher than the fixed rate of payment on the interest rate swap, the swap will enhance Common Share net earnings.

Interest rate swaps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Fund is contractually obligated to make. If the counterparty defaults, the Fund would not be able to use the anticipated net receipts under the swap to offset any declines in the value of the Fund's portfolio assets being hedged or the increase in the Fund's cost of leverage.

Depending on whether the Fund would be entitled to receive net payments from the counterparty on the swap, which in turn would depend on the general state of market interest rates at that point in time, such a default could negatively impact the performance of the Common Shares. In addition, at the time an interest rate swap transaction reaches its scheduled termination date, there is a risk that the Fund would not be able to obtain a replacement transaction or that the terms of the replacement would not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the performance of the Common Shares. If the Fund fails to maintain any required asset coverage ratios in connection with any use by the Fund of leverage, the Fund may be required to redeem or prepay some or all of the leverage. Such redemption or prepayment would likely result in the Fund seeking to terminate early all or a portion of any swap transactions. Early termination of a swap could result in a termination payment by or to the Fund. The Fund intends to maintain, in a

segregated account, cash or liquid securities having a value at least equal to the amount required to make payment on each of the Fund's swap transactions if the Fund were to exit its positions in such transactions immediately and was required to mark to market.

Competition Risk. A number of alternatives as vehicles for investment in a portfolio of Energy Portfolio Companies currently exist, including other publicly-traded investment companies, structured notes and private funds. In addition, recent tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact the Fund's ability to meet its investment objective, which in turn could adversely impact the Fund's ability to make distributions.

Restricted Securities Risk. The Fund may invest in unregistered or otherwise restricted securities. The term "restricted securities" refers to securities that have not been registered under the 1933 Act and continue to be subject to restrictions on resale, securities held by control persons of the issuer and securities that are subject to contractual restrictions on their resale. As a result, restricted securities may be more difficult to value and the Fund may have difficulty disposing of such assets either in a timely manner or for a reasonable price. Absent an exemption from registration, the Fund will be required to hold the securities until they are registered by the issuer. In order to dispose of an unregistered security, the Fund, where it has contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that the Fund could sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the securities. The Fund would, in either case, bear market risks during that period.

Liquidity Risk. Although common units of MLPs, I-Shares of MLP-related entities, and common stock of certain other Energy Portfolio Companies trade on the NYSE, NYSE MKT, and NASDAQ, certain securities may trade less frequently, particularly those of issuers with smaller capitalizations. Securities with limited trading volumes may display volatile or erratic price movements. Larger purchases or sales of these securities by the Fund in a short period of time may result in abnormal movements in the market price of these securities. This may affect the timing or size of Fund transactions and may limit the Fund's ability to make alternative investments. If the Fund requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with the Fund's investment portfolio, Strategic Transactions or leverage restrictions, the Fund may have difficulty selling these investments in a timely manner, be forced to sell them for less than it otherwise would have been able to realize, or both. The reported value of some of the Fund's relatively illiquid types of investments and, at times, the Fund's high quality, generally liquid asset classes, may not necessarily reflect the current market price for the asset. If the Fund was forced to sell certain of its assets in the current market, there can be no assurance that the Fund will be able to sell them for the prices at which the Fund has recorded them and the Fund may be forced to sell them at significantly lower prices. See "The Fund's Investments—Investment Philosophy and Process."

Valuation Risk. Market prices generally will not be available for subordinated units, direct ownership of general partner interests, restricted securities or unregistered securities of certain Energy Portfolio Companies, and the value of such investments will ordinarily be determined based on fair valuations determined pursuant to procedures adopted by the Board of Trustees. The value of these securities typically requires more reliance on the judgment of the Sub-Advisor than that required for securities for which there is an active trading market. In addition, the Fund will rely on information provided by certain MLPs, which is usually not timely, to calculate taxable income allocable to the MLP units held in the Fund's portfolio and to determine the tax character of distributions to Common Shareholders. From time to time the Fund will modify its estimates and/or assumptions as new information becomes available. To the extent the Fund modifies its estimates and/or assumptions, the NAV of the Fund would likely fluctuate. See "Net Asset Value."

Interest Rate Risk. Interest rate risk is the risk that securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of the securities in which the Fund invests generally will fall. The Fund's investment in such securities means that the NAV and market price of the Common Shares will tend to decline if market interest rates rise. Interest rates are at or near historic lows, and as a result, they are likely to rise over time.

Recent Market and Economic Developments. Over the past several years global financial markets experienced periods of unprecedented turmoil, which contributed to severe market volatility and caused severe liquidity strains in the credit markets. Volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund. Recently, markets have witnessed more stabilized economic activity as expectations for an economic recovery increased. However, a return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of Energy Portfolio Companies to sustain their historical distribution levels, which in turn, may adversely affect the Fund. Energy Portfolio Companies that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the energy sector is dependent on several factors, including the continued recovery of the financial sector, the general economy and the commodity markets. The Advisor and Sub-Advisor do not know how long the financial markets will continue to be affected by these recent events and cannot predict the effects of these or similar events in the future on the U.S. economy and securities in the Fund's portfolio.

Non-Diversification. The Fund is a non-diversified investment company under the 1940 Act and will not be treated as a regulated investment company under the Code. Accordingly, while Section 12(d)(3) of the 1940 Act prohibits the Fund from making certain investments, there are no diversification-specific regulatory requirements under the 1940 Act or the Code on the minimum number or size of securities held by the Fund. As of December 31, 2013, there were approximately 101 publicly traded MLPs with a market capitalization of approximately $440 billion. The Fund intends to select its MLP investments from this small pool of issuers.

Anti-Takeover Provisions. The Fund's Declaration of Trust includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then current market price of the Common Shares. See "Certain Provisions in the Declaration of Trust and By-Laws."

Inflation Risk. Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline.

Secondary Market for the Fund's Common Shares. The issuance of Common Shares through the Fund's dividend reinvestment plan may have an adverse effect on the secondary market for the Common Shares. The increase in the number of outstanding Common Shares resulting from issuances pursuant to the Fund's dividend reinvestment plan and the discount to the market price at which such Common Shares may be issued, may put downward pressure on the market price for the Common Shares. Common Shares will not be issued pursuant to the dividend reinvestment plan at any time when Common Shares are trading at a lower price than the Fund's NAV per Common Share. When the Fund's Common Shares are trading at a premium, the Fund may also issue Common Shares that may be sold through private transactions effected on the NYSE or through broker-dealers. The increase in the number of outstanding Common Shares resulting from these offerings may put downward pressure on the market price for Common Shares.

SUMMARY OF FUND EXPENSES

The purpose of the table and example below is to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. The expenses shown in the table assume that the Fund issues 22,000,000 Common Shares. The table assumes the use of leverage in the form of bank loan facilities in an amount equal to 25% of the Fund's Managed Assets, and shows Fund expenses as a percentage of net assets attributable to Common Shares. The "Other expenses" shown in the table are based on estimated amounts for the current fiscal year.

Shareholder Transaction Expenses	
Sales load paid by Common Shareholders (as a percentage of offering price)	4.50%
Offering expenses borne by Common Shareholders (as a percentage of offering price)	0.20%[1][2]
Dividend reinvestment plan fees	None[3]

Annual Expenses	**Percentage of Net Assets Attributable to Common Shares (Assumes Borrowings Are Used)**
Management fees[4]	1.33%
Interest on borrowed funds[5]	0.48%
Current income tax expenses	0.00%
Deferred income tax expenses[6]	0.00%
Other expenses	0.20%
Total annual expenses	2.01%

Example

Common Shareholders would pay the following expenses on a $1,000 investment, assuming (i) a 5% annual return, (ii) a sales load of $45 and estimated offering expenses of $2, (iii) the Fund issues 22,000,000 Common Shares, (iv) total annual expenses of 2.01% of net assets attributable to the Common Shares in years one through ten and (v) reinvestment of all dividends and distributions at net asset value.

1 Year	3 Years	5 Years	10 Years
$66	$107	$150	$270

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

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(1) The Advisor and the Sub-Advisor have agreed to pay: (i) all organizational expenses; and (ii) all offering costs of the Fund (other than the sales load) that exceed 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price. Assuming the Fund issues 22,000,000 Common Shares ($440,000,000), the Fund's offering costs are estimated to be $880,000. The Fund, and therefore Common Shareholders, will bear $880,000 or approximately $0.04 per Common Share of such estimated expenses, and the Advisor and the Sub-Advisor will bear any expenses above that amount.

(2) The Advisor and the Sub-Advisor (and not the Fund) will pay certain qualifying Underwriters structuring, syndication and other fees. See "Underwriters."

(3) You will pay brokerage charges if you direct BNY Mellon Investment Servicing (US) Inc., as agent for the Common Shareholders, to sell your Common Shares held in a dividend reinvestment account.

(4) Represents the aggregate fee payable to the Advisor, including the amount payable by the Advisor to the Sub-Advisor.

(5) Interest on borrowed funds is based upon assumed borrowings of $139,773,000 at an annual interest rate of 1.44%.

(6) As of the date of this prospectus, the Fund has not commenced operations. Because it cannot be predicted whether the Fund will incur a benefit or liability in the future, a deferred income tax expense of 0.00% has been assumed.

THE FUND

The Fund is a newly organized, non-diversified, closed-end management investment company registered under the 1940 Act. The Fund was organized on October 15, 2013, as a Massachusetts business trust pursuant to a Declaration of Trust (the "Declaration of Trust"). As a newly organized entity, the Fund has no operating history. The Fund's principal office is located at 187 Danbury Road, Wilton, Connecticut 06897, and its telephone number is (630) 765-8000. Investment in the Fund involves certain risks and special considerations. See "Risks."

USE OF PROCEEDS

The net proceeds of the offering of Common Shares will be approximately $419,320,000 ($480,242,622 if the Underwriters exercise the over-allotment option in full) after payment of the estimated offering costs. The Advisor and the Sub-Advisor have agreed to pay: (i) all organizational expenses; and (ii) all offering costs of the Fund (other than the sales load) that exceed 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price. The Fund will invest the net proceeds of the offering in accordance with the Fund's investment objective and policies as stated below. The Fund expects it will be able to invest substantially all of the net proceeds in securities that meet the Fund's investment objective and policies within 45 to 60 days after the completion of the offering. Pending such investment, it is anticipated that the proceeds will be invested in cash or cash equivalents.

THE FUND'S INVESTMENTS

Investment Objective and Policies

The Fund's investment objective is to seek a high level of total return with an emphasis on current distributions paid to Common Shareholders. For purposes of the Fund's investment objective, total return includes capital appreciation of, and all distributions received from, securities in which the Fund invests regardless of the tax character of the distributions. The Fund will seek to provide its Common Shareholders with a vehicle to invest in a portfolio of cash-generating securities, with a focus on investing in MLPs and MLP-related entities in the energy sector and energy utilities industries that are weighted towards non-cyclical, fee-for-service revenues, rather than companies that primarily operate price or volume driven assets that are cyclical in nature. These investments in which the Sub-Advisor intends to invest are represented by assets comprised of interstate pipelines, intrastate pipelines with long-term contacts, power generation assets, storage and terminal facilities with long-term contracts and regulated power transmission and distribution assets. Due to the tax treatment under current law of cash distributions in excess of income made by MLPs to their investors (such as the Fund), the Fund believes that a portion of the distributions it receives from MLP investments may be tax deferred, thereby increasing cash available for distribution by the Fund to its Common Shareholders. There can be no assurance that the Fund will achieve its investment objective.

As used in this prospectus, unless the context requires otherwise, MLPs are those MLPs in the energy sector. The Fund considers investments in "MLP-related entities" to include investments that offer economic exposure to publicly traded MLPs and private investments that have MLP characteristics, but are not publicly traded. These MLP-related entity investments generally take the form of securities of entities holding primarily general partner or managing member interests in MLPs and securities that represent indirect investments in MLPs, including I-Shares and collective investment vehicles (*i.e.*, exchange-traded funds and other registered funds) that primarily hold MLP interests. The Fund considers investments in the "energy sector" to include companies that derive more than 50% of their revenues or operating income from transporting, processing, storing, distributing, marketing, exploring, developing, managing or producing natural gas, NGLs (including propane), crude oil, refined petroleum products, coal or electricity, or from supplying energy-related products and services, or any such other companies within the energy sector as classified under GICS. The Fund considers investments in "energy utilities" to include companies that derive more than 50% of their revenues or operating income from providing products, services or equipment for the generation, transmission, distribution or sale of electricity or gas and such other companies within the electric, gas, independent power producers and multi-utilities industries as classified under GICS.

The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members, due to a variety of factors, including significant non-cash deductions, such as depreciation and depletion. If cash distributions from an MLP exceed the taxable income reported in a particular tax year, a portion of the excess cash distribution would not be treated as income to the Fund in that tax year but would rather be treated as a return of capital for federal income tax purposes to the extent of the Fund's basis in its MLP units. The Fund's tax basis in its MLP units is the amount paid for the units, increased by the Fund's allocable share of net income and gains and the MLP's debt, if any, and capital contributions to the MLP, and decreased for any distributions received by the Fund, by the Fund's allocable share of net losses and by reductions in the Fund's allocable share of the MLP's debt, if any. Thus, although cash distributions in excess of taxable income and net tax losses may create a temporary economic benefit to the Fund, they will

increase the amount of gain (or decrease the amount of loss) on the sale of an interest in an MLP. The Fund expects to distribute cash in excess of its earnings and profits to Common Shareholders, which will likely be treated as a return of capital to the extent of the Common Shareholders' basis in the Common Shares. See "Distributions" and "Tax Matters."

The Fund's investment objective and investment restrictions listed in the SAI are considered fundamental and may not be changed without the approval of the holders of a "majority of the outstanding voting securities" of the Fund, which includes Common Shares and Preferred Shares, if any, voting together as a single class, and the holders of the outstanding Preferred Shares, if any, voting as a single class. The remainder of the Fund's investment policies, including its investment strategy, are considered non-fundamental and may be changed by the Board of Trustees without the approval of the holders of a "majority of the outstanding voting securities," provided that the holders of the voting securities of the Fund receive at least 60 days prior written notice of any change. When used with respect to particular shares of the Fund, a "majority of the outstanding voting securities" means (i) 67% or more of the shares present at a meeting, if the holders of more than 50% of the shares are present or represented by proxy, or (ii) more than 50% of the shares, whichever is less (a "Majority Shareholder Vote").

Under normal market conditions, the Fund, as a non-fundamental policy, will invest at least 85% of its Managed Assets in equity and debt securities of MLPs, MLP-related entities and other energy sector and energy utilities companies that the Fund's Sub-Advisor believes offer opportunities for growth and income.

The Fund has adopted the following additional non-fundamental policies:

- Under normal market conditions, the Fund will invest at least 65% of its Managed Assets in equity securities issued by energy sector MLPs and energy sector and energy utilities MLP-related entities. Equity securities currently consist of common units and subordinated units of MLPs, I-Shares, which represent an ownership interest of an MLP issued by an affiliated party, and common stock of MLP-related entities, such as general partners or other affiliates of the MLPs, and convertible securities that are in the money (*i.e.*, the conversion price is less than the price of the underlying stock) and immediately convertible into equity securities of such entities. MLP common units are typically listed and traded on U.S. securities exchanges, including the NYSE and NASDAQ. The Fund will purchase MLP common units through open market transactions, but may also acquire MLP common units through direct placements and initial public offerings. See "Risks—Risks Associated with an Investment in Initial Public Offerings."

- The Fund may invest up to 20% of its Managed Assets in unregistered or otherwise restricted securities. The term "restricted securities" refers to securities that have not been registered under the 1933 Act and continue to be subject to restrictions on resale, securities held by control persons of the issuer and securities that are subject to contractual restrictions on their resale. The types of unregistered or otherwise restricted securities that the Fund may purchase consist of MLP common units, MLP subordinated units and securities of public and private energy sector and energy utilities companies. See "Risks—Restricted Securities."

- The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs, MLP related entities and other energy sector and energy utilities companies, including certain securities rated below investment grade. Below investment grade debt securities in which the Fund may invest will be rated at least "B3" by Moody's and at least "B-" by S&P at the time of purchase, or comparably rated by another NRSRO or, if unrated, determined to be of comparable quality by the Sub-Advisor. Below investment grade securities are considered speculative with respect to an issuer's capacity to pay interest and repay principal. See "Risks—Below Investment Grade Securities Risk."

- The Fund will not invest more than 15% of its Managed Assets in any single issuer.

- The Fund will not engage in short sales, except in connection with the execution of its covered call options strategy and except to the extent the Fund engages in derivative investments to seek to hedge against interest rate risk in connection with the Fund's use of leverage or market risks associated with the Fund's portfolio.

- The Fund may invest up to 30% of its Managed Assets in non-U.S. securities and may hedge the currency risk of the non-U.S. securities using Strategic Transactions. Non-U.S. securities are securities issued or guaranteed by companies organized under the laws of countries other than the United States and securities issued or guaranteed by foreign governments, their agencies or instrumentalities and supra-national governmental entities. Currently, the Sub-Advisor expects a majority of the Fund's investments in non-U.S. securities to be securities of Canadian issuers. See "Risks—Non-U.S. Securities Risk" below and "Other Investment Policies and Techniques—Strategic Transactions" in the SAI.

To generate additional income, the Fund currently expects to write (or sell) covered call options on up to 35% of its Managed Assets. See "—Investment Practices—Strategic Transactions."

The Fund currently expects that its investments in Canadian Income Equities will be, under normal market conditions, between 10% to 20% of its Managed Assets.

Unless otherwise stated, all investment restrictions apply at the time of purchase and the Fund will not be required to reduce a position due solely to market value fluctuations.

For a more complete discussion of the Fund's portfolio composition, see "—Portfolio Composition."

Investment Opportunities

The Sub-Advisor believes that the expansion of energy production in North America has created a need to expand and rebuild energy infrastructure. This expansion is coinciding with investors' renewed demand for equity income not tied to the economic or financial cycle, resulting in the creation of new MLPs and other high dividend paying energy sector companies in North America that provide investors with an attractive alternative to fixed income with the opportunity for growth, while providing the energy sector with a means to finance this infrastructure build out. Much of the opportunities in higher payout energy infrastructure are in the form of MLPs. The Sub-Advisor believes that this investment opportunity is difficult for many large investors to take advantage of, which has left these securities largely in the hands of retail investors. Non-taxable investors, such as pension funds and endowments, have not historically owned significant portions of these securities because MLPs can generate a substantial amount of "unrelated business taxable income," or UBTI, which can be disadvantageous to such institutions. In addition, for tax years beginning on or before October 22, 2004, MLPs represented non-qualifying income for mutual funds. Prior to the rapid growth of these asset classes over the last few years, MLPs were considered too small for most large investor allocations. As a result, the Sub-Advisor believes the combination of the lack of institutional investment and the growth in size of these asset classes has made this an attractive investment universe.

The Sub-Advisor also believes certain investments in energy sector companies are characterized by non-cyclical fee-for-service revenues (unlike oil and gas exploration, development and production and petroleum refining). Also, unlike certain other segments of the energy sector, the sustaining capital requirements for pipelines, storage and other infrastructure is low. The Sub-Advisor believes that these two characteristics make energy infrastructure assets a good match for investors who desire steady income that has the ability to grow.

Much of the pipeline and storage infrastructure currently owned by MLPs, MLP-related entities and other energy sector and energy utilities companies was built many years ago by the major oil companies and pipeline and power utilities. Over the years, these assets have been sold off to fund projects with higher risk such as oil drilling, unregulated power generation or energy trading. The result is that MLPs now own a significant portion of those legacy assets.

As oil and gas production in the U.S. continues to rise, new technologies have made long known resources economic, even at lower prices. The resulting higher margins for oil and gas drilling have made the oil and gas production companies more willing to guarantee solid returns for long-term contracts to pipeline owners as an incentive to add capacity so they can deliver their oil and gas to market more quickly. In essence, certain MLPs, MLP-related entities and other energy sector and energy utilities infrastructure companies have an increased ability to "lock-in" the attractive economics of today's energy industry.

Investment Philosophy and Process

Investment Philosophy. The Sub-Advisor believes that the non-cyclical assets that best support a high-payout ratio are those with steady, fee-for-service businesses with relatively low sustaining capital obligations. In the energy sector and energy utilities industries, such fee-for-service assets are comprised of interstate pipelines, intrastate pipelines with long-term contracts, power generation assets, storage and terminal facilities with long-term contracts and regulated power transmission and distribution assets. By contrast, the Sub-Advisor will seek to limit the cyclical energy exposure of the portfolio. The Sub-Advisor believes that portfolio investments in oil and gas exploration, development and production are less well suited for the Fund because the cash flows from these investments are cyclical in nature, being driven by commodity prices, and because oil and gas assets are resource assets that diminish in value over time due to depletion, extraction or removal.

The Sub-Advisor believes that a professionally managed portfolio of consistently high dividend paying MLPs, MLP-related entities and other energy sector and energy utilities companies, including Canadian Income Equities, in non-cyclical segments offers an attractive balance of growth and income. The Sub-Advisor believes the use of rigorous investment research and analytical tools, along with conservative portfolio construction used to identify appropriate non-cyclical energy sector and energy utilities company investments, provides a value added service to the individual investor making an investment in the Common Shares of the Fund.

The Sub-Advisor seeks securities that offer a combination of quality, growth and yield intended to result in superior total returns over the long run. The Sub-Advisor's securities selection process includes a comparison of quantitative, qualitative, and relative value factors. While the Sub-Advisor maintains an active dialogue with several research analysts in the energy sector and energy utilities industries, the Sub-Advisor's primary emphasis is placed on proprietary analysis and valuation models conducted

and maintained by its in-house investment analysts. To determine whether a company meets its criteria, the Sub-Advisor generally considers, among other things, a proven track record, a strong record of distribution or dividend growth, solid ratios of debt to cash flow, coverage ratios with respect to distributions to unit holders, incentive structure, and management team.

Investment Process. The Sub-Advisor utilizes a three step investment process for the Fund. The first step is for the Sub-Advisor to define a universe of companies in the energy sector and energy utilities industries that have high dividend payout ratios and/or are involved in the energy infrastructure business. In general, the Sub-Advisor will seek energy sector and energy utilities companies weighted towards:

- regulated monopoly or monopoly-like assets (*i.e.*, companies that own unique assets that provide for a sustainable competitive advantage due to control of location);
- non-cyclical cash flows (*i.e.*, companies that have most or all of their assets in businesses whose revenues tend not to fluctuate with commodity prices and tend to be less sensitive to changes in the economic cycle);
- fee-for-service revenues (*i.e.*, companies that have most or all of their assets in businesses whose revenues are not tied to changes in commodity prices and/or volumes actually shipped through or stored in their facilities); and
- cost escalators (*i.e.*, companies that have most or all of their assets in businesses whose revenues and/or margins can be adjusted to compensate for changes in the company's costs).

The second step is for the Sub-Advisor to identify, among this universe, companies that pass a quality threshold established by the Sub-Advisor. The Sub-Advisor utilizes both quantitative aspects to measuring quality, such as the stability of cash flows, returns on invested capital, financial leverage and earnings coverage of dividends, as well as qualitative aspects, such as the confidence that the Sub-Advisor has in the company's management team and the quality of its assets. In its assessment of quality, the Sub-Advisor will not set aside a company's failure to qualify on quality criteria in instances even where it believes that the company has a low valuation.

The third step of the Sub-Advisor's investment process is portfolio construction, where the Sub-Advisor determines the portfolio weighting of companies that have made it through the first two steps. As part of this portfolio construction, the Sub-Advisor will balance each position's expected rate of return against risks, limitations on position sizes and Fund portfolio limitations.

A more detailed description of investment policies and restrictions and more detailed information about portfolio investments is contained in the Fund's SAI.

Capital Discipline. The Sub-Advisor believes that successful investing in the energy sector and energy utilities industries requires strict capital spending discipline because the sector is capital intensive, mature and has low rates of overall growth. The Sub-Advisor believes there is a high correlation between rates of return and the portion of cash flow reinvested in the business - the lower the level of reinvestment, the higher the return. Capital spending discipline can result from careful prudent management or an agreement with shareholders to pay out most available free cash flow. The Sub-Advisor believes that companies paying out a large portion of their available free cash flow in the form of monthly or quarterly distributions or dividends—MLPs in the U.S., Canadian Income Equities in Canada, and pipeline companies and energy utilities in the U.S. and Canada—have a built-in capital spending discipline and provide an attractive investment universe from which to construct a portfolio. While growth opportunities are still available to these companies, they must go to the capital markets and justify to yield-sensitive shareholders the issuance of more equity and debt in order to fund those opportunities. The Sub-Advisor believes that this transparency tends to discourage acquisitions and new construction that would be dilutive to the dividend paying capability on existing shares and tends to encourage expenditures that are accretive. A high-payout ratio, however, brings with it an income obligation that the Sub-Advisor believes is matched by an expectation on the part of shareholders that such dividends will be steady. Retail investors that make up the bulk of the shareholder base of these securities have sold their shares when dividends or distributions have been cut or eliminated.

Sub-Advisor Strengths. The Sub-Advisor has many years of experience investing in the energy sector. Combined, the four principals of Energy Income Partners have over 75 years of work experience in the energy sector, investment research, commodity trading and portfolio management. The Sub-Advisor believes that investment success in energy sector companies that operate infrastructure assets such as pipelines and storage facilities requires a working knowledge of the entire energy sector. In essence, it is the businesses the pipelines connect to, much more than the pipe itself, that determines financial success. That means knowledge of the oil and gas segment, refining and marketing, petrochemicals and natural gas processing and storage. It also means understanding price and cost competitiveness of competing fuels such as coal and nuclear as well as the impact of imports and global markets in the North American energy industry.

In addition, the Sub-Advisor believes that the attractive characteristics of the energy infrastructure business can be materially enhanced by a rigorous application of investment research and portfolio construction tools. There is generally less research coverage of these companies than in other sectors of comparable size whose securities are owned by institutional investors. In addition, the Sub-Advisor believes that retail investors today are enjoying bond like yields from MLPs, MLP-related entities and energy sector and energy utilities companies and, as such, hold them as bond substitutes and pay little attention to the growth rates of the dividends and distributions. The Sub-Advisor believes this creates an opportunity to outperform the sector using such investment research and portfolio construction tools. Since the companies in this asset class are affected by virtually every phase of the energy business (even if they are not directly invested in every phase), the Sub-Advisor believes it is necessary to have a strong working knowledge of the business including oil and gas production and gathering, transportation, refining and marketing, gas liquids processing and fractionation, petrochemical demand and cost structure as well as the regulatory framework that regulates the industry.

Portfolio Composition

The Fund's portfolio will be composed principally of the following investments. A more detailed description of the Fund's investment policies and restrictions and more detailed information about the Fund's portfolio investments are contained in the SAI.

Master Limited Partnerships. For purposes of this prospectus, an "MLP" is a limited partnership or a limited liability company that is treated as a partnership for federal income tax purposes, the interests in which (known as units) are traded on securities exchanges or over-the-counter. If publicly traded, to be treated as a partnership for U.S. federal income tax purposes, the entity must receive at least 90% of its income from qualifying sources as set forth in the Code. These qualifying sources include interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, gain from the sale or disposition of a capital asset held for the production of income described in the foregoing and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, mining, refining, marketing and transportation (including pipelines), of oil and gas, minerals, geothermal energy, fertilizer, timber or carbon dioxide.

MLPs typically are structured as limited partnerships and have two classes of interests—general partner interests and limited partner interests. Both classes of owners are governed by the terms of a limited partnership agreement establishing their respective rights with regard to the income and liabilities of the MLP. The general partner typically controls the operations and management of the MLP through an equity interest in the MLP (typically up to 2% of total equity) and will be eligible to receive incentive distributions that increase based on specified profit targets attained by the MLP. Limited partners own the remainder of the MLP and have a limited role in the MLP's operations and management. Likewise, limited partners receive periodic distributions (usually quarterly) on a pre-tax basis until the unitholder sells its ownership interest in the MLP. MLPs often have two classes of limited partner interests—common units and subordinated units. Common units and general partner interests generally accrue arrearage rights to the extent certain distribution payment schedules are not met, but the subordinated units generally do not accrue such arrearages. The general partner of the MLP is typically owned by an energy company, an investment fund, the direct management of the MLP or is an entity owned by one or more of such parties. The general partner interest may be held by either a private or publicly traded corporation or other entity. In many cases, the general partner owns common units, subordinated units and incentive distribution rights ("IDRs") of the MLP in addition to its general partner interest in the MLP.

MLPs are typically structured such that common units and general partner interests have first priority to receive quarterly cash distributions up to the MQD. Common units also accrue arrearages in distributions to the extent the MQD is not paid. Once common units have been paid, subordinated units receive distributions of up to the MQD; however, subordinated units do not accrue arrearages. Distributable cash in excess of the MQD paid to both common and subordinated units is distributed to both common and subordinated units generally on a pro rata basis. Whenever a distribution is paid to either common unitholders or subordinated unitholders, the general partner is paid a proportional distribution. The holders of IDRs (usually the general partner) are eligible to receive incentive distributions if the general partner operates the business of the MLP in a manner which results in distributions paid per unit surpassing specified target levels. As cash distributions to the limited partners increase, the IDRs receive an increasingly higher percentage of the incremental cash distributions. A common arrangement provides that the IDRs can reach a tier where the holder of the IDR receives 48% of every incremental dollar paid to partners. These IDRs encourage the general partner to streamline costs, increase capital expenditures and acquire assets in order to increase the MLP's cash flow and raise the quarterly cash distribution in order to reach higher tiers. Such results benefit all security holders of the MLP.

MLPs structured as limited liability companies also issue common and subordinated units. However, rights afforded to interest holders in a limited liability company (called "members") vary from those granted under the limited partnership ownership structure, in that limited liability company members typically have broader voting rights than limited partners in a limited partnership. Limited liability company common units represent an equity ownership interest in an MLP, entitling the holders to a share of the MLP's assets through distributions and/or capital appreciation. Limited liability company MLPs generally have only one class of equity, but in cases where there are subordinated classes, common unitholders generally have preferential distribution rights relative to rights held by subordinated unitholders, as well as arrearage rights if certain distribution payment schedules are

not met. In the event of liquidation, limited liability company common unitholders have a right to the MLP's remaining assets after bondholders, other debt holders and preferred unitholders, if any, have been paid in full. Limited liability company common units may trade on a national securities exchange or over-the-counter. In contrast to limited partnerships, limited liability companies have no general or limited partner and often there are no incentive distribution rights, like those that most limited partnerships have, which entitle management or other unitholders to increased percentages of cash distributions as distributions reach higher target levels. In addition, limited liability company common unitholders typically have voting rights with respect to the limited liability company, whereas limited partnership common unitholders generally have limited voting rights.

MLPs currently operate primarily within the energy sector and includes the following MLPs:

- Midstream MLPs: Midstream MLPs are engaged in the treating, gathering, compression, processing, transportation, transmission, fractionation, storage and terminalling of natural gas, natural gas liquids (including propane, ethane, butane and natural gasoline), crude oil, refined petroleum products (including gasoline, diesel fuel and jet fuel), other hydrocarbon by-products and other energy resources and their by-products in a form that is usable by wholesale power generation, utility, petrochemical, industrial and gasoline customers, including pipelines, gas processing plants, liquefied natural gas facilities and other energy infrastructure. Midstream MLPs may also operate ancillary businesses including the marketing of the products and logistical services.

- Pipeline MLPs: Pipeline MLPs are common carrier transporters of natural gas, natural gas liquids, crude oil or refined petroleum products. Pipeline MLPs derive revenue from capacity and transportation fees. Historically, pipeline output has been less exposed to cyclical economic forces due to its low cost structure and government-regulated nature. In addition, most pipeline MLPs have limited direct commodity price exposure because they do not own the product being shipped.

- Processing MLPs: Processing MLPs are gatherers and processors of natural gas as well as providers of transportation, fractionation and storage of natural gas liquids. Processing MLPs derive revenue from providing services to natural gas producers, which require treatment or processing before their natural gas commodity can be marketed to utilities and other end user markets. Revenue for the processor is fee based, although it is not uncommon to have some participation in the prices of the natural gas and natural gas liquids commodities for a portion of revenue.

- Upstream MLPs: Upstream MLPs are businesses engaged in the exploration, extraction, production and acquisition of natural gas, natural gas liquids and crude oil, from onshore and offshore geological reservoirs. An Upstream MLP's cash flow and distributions are driven by the amount of oil, natural gas, natural gas liquids, crude oil and coal produced and the demand for and price of such commodities. As the underlying reserves of an Upstream MLP are produced, its reserve base is depleted. Upstream MLPs may seek to maintain or expand their reserves and production through the acquisition of reserves from other companies, and the exploration and development of existing resources.

- Downstream MLPs: Downstream MLPs are businesses engaged in refining, marketing and other "end-customer" distribution activities relating to refined energy sources, such as: customer-ready natural gas, propane and gasoline; the production and manufacturing of petrochemicals including olefins, polyolefins, ethylene and similar co-products as well as intermediates and derivatives; and the generation, transmission and distribution of power and electricity.

- Propane MLPs: Propane MLPs are engaged in the distribution of propane to homeowners for space and water heating and to commercial, industrial and agricultural customers. Propane serves household energy needs, largely for homes beyond the geographic reach of natural gas distribution pipelines. Volumes are weather dependent and a majority of annual cash flow is earned during the winter heating season. Propane MLPs have utility type functions similar to electricity and natural gas.

- Coal MLPs: Coal MLPs are engaged in the owning, leasing, managing, and production and sale of various grades of steam and metallurgical coal. The primary use of steam coal is for electrical generation, as a fuel for steam-powered generators by electrical utilities. The primary use of metallurgical coal is in the production of steel.

- Marine transportation MLPs: Marine transportation MLPs provide transportation and distribution services for energy-related products through the ownership and operation of several types of vessels, such as crude oil tankers, refined product tankers, liquefied natural gas tankers, tank barges and tugboats. Marine transportation plays an important role in domestic and international trade of crude oil, refined petroleum products, natural gas liquids and liquefied natural gas and is expected to benefit from future global economic growth and development. Marine shipping MLPs derive revenue from charging customers for the transportation of these products utilizing the MLPs' vessels. Transportation services are typically provided pursuant to a charter or contract, the terms of which vary depending on, for example, the length of use of a particular vessel, the amount of cargo transported, the number of voyages made, the parties operating a vessel or other factors.

- Natural resources MLPs: Natural resources MLPs include MLPs principally engaged in owning or developing non-energy natural resources, including timber and minerals.

- Services MLPs: Services MLPs are engaged in the provision of services to energy-related businesses, such as oilfield services companies, which provide services to the petroleum exploration and production industry but do not produce or distribute petroleum themselves, gas compression companies and producers and providers of sand used in hydraulic fracturing.

The Fund will generally seek to invest in MLPs with stable cash flows and other characteristics consistent with its investment objective. See "—Investment Philosophy and Process" above. Consistent with its investment objective, the Fund may invest in the equity securities issued by MLPs and MLP-related entities, including common units and subordinated units of MLPs, I-Shares of MLP-related entities and common stock of MLP-related entities, such as general partners or other affiliates of the MLPs.

MLP Common Units. MLP common units represent a limited partnership interest in an MLP and may be listed and traded on U.S. securities exchanges or over-the-counter, with their value fluctuating predominantly based on prevailing market conditions (such as changes in interest rates) and the success of an MLP. The Fund intends to purchase common units in market transactions but may also purchase securities directly from the MLP or other parties in private placements. Unlike owners of common stock of a corporation, owners of common units typically have limited voting rights and, in most instances, have no ability to annually elect directors. MLPs generally distribute all available cash flow (cash flow from operations less maintenance capital expenditures) in the form of quarterly distributions. Common unit holders have first priority to receive quarterly cash distributions up to the MQD and have arrearage rights. In the event of liquidation, common unit holders have preference over subordinated unit holders, but not debt holders or preferred unit holders, to the remaining assets of the MLP. MLPs also issue different classes of common units that may have different voting, trading, and distribution rights. MLPs also may issue new classes of units, such as class B units, that contain distinct structural modifications. For example, a new class of equity could be used to issue securities that do not receive a distribution for some specified period before converting into standard common units.

MLP Subordinated Units. MLP subordinated units are typically issued by MLPs to their original sponsors, such as their founders, management teams, corporate general partners of MLPs, entities that sell assets to MLPs, and institutional investors. The Fund may purchase subordinated units directly from these persons. Subordinated units have similar limited voting rights as common units and are generally not listed on an exchange nor publicly traded. Once the MQD on the common units, including any arrearages, has been paid, subordinated units will generally receive cash distributions up to the MQD prior to any incentive payments to the MLP's general partner. Unlike common units, subordinated units do not have arrearage rights. In the event of liquidation, common units and general partner interests have priority over subordinated units. Subordinated units are typically converted into common units on a one-to-one basis after certain time periods and/or performance targets have been satisfied. Subordinated units are generally valued based on the price of the common units, discounted to reflect the timing or likelihood of their conversion to common units and other factors.

MLP I-Shares. I-Shares represent an ownership interest issued by an affiliated party of an MLP. The MLP affiliate uses the proceeds from the sale of I-Shares to purchase limited partnership interests in the MLP in the form of i-units. I-units have similar features as MLP common units in terms of voting rights, liquidation preference and distributions. However, rather than receiving cash, the MLP affiliate holding i-units receives distributions in the form of additional i-units in an amount equal to the cash distributions received by the holders of MLP common units. Similarly, holders of I-Shares will receive additional I-Shares, in the same proportion as the MLP affiliates' receipt of i-units, rather than cash distributions. I-Shares themselves have limited voting rights which are similar to those applicable to MLP common units. The MLP affiliate issuing the I-Shares is structured as a corporation for federal income tax purposes. As a result, I-Shares holders, such as the Fund, will receive a Form 1099 rather than a Form K-1 statement. I-Shares are typically listed and traded on the NYSE and the NYSE MKT.

Energy Utilities Companies. Electric utilities and gas utilities (also called local distribution companies or "LDCs") deliver electricity and natural gas, respectively, to residential, industrial and commercial customers within specific geographic regions and are generally subject to the rules and regulations of federal and/or state agencies. Pursuant to their regulation, electric and gas utilities generate profits based on formulas as prescribed by the regulating agency or agencies and, as such, are less sensitive to movements in commodity prices and other macroeconomic factors than non-regulated entities. However, LDCs do generally generate less profits and cash flows during certain periods of abnormal weather conditions (*i.e.*, warmer winters or cooler summers than typical) as the amount of electricity or gas they distribute is negatively affected by such weather events. Additionally, electric and gas utilities may own certain non-regulated businesses, including electric generation, oil and gas exploration and production, gas gathering and processing, and commodity marketing businesses. Electric and gas utilities are either owned by public investors or are public systems owned by local governments. Independent power producers sell the electricity that they generate to electric utilities and other load-serving entities (such as municipalities and electric cooperatives) by way of bilateral contracts or open power exchanges. The electric utilities and other load-serving entities, in turn, generally sell this electricity to industrial, commercial and residential customers. In the independent power producer industry, electricity is generated from a number of energy sources, including natural gas, coal, water, waste products such as biomass (*e.g.*, wood, wood waste, agricultural waste), landfill gas, geothermal, solar and wind. Growth in electricity demand, environmental concerns, increasing electricity rates, technological advances and other concerns have prompted government policies that encourage the supply of electricity from independent power producers.

Canadian Income Equities. Canadian Income Equities are the successor companies to income trusts, which are qualified income trusts designated by the Canada Revenue Agency that derive income and gains from the exploration, development, mining or production, processing, refining, transportation (including pipelines transporting gas, oil or products thereof), or the marketing of any mineral or natural resources. The Fund currently expects that its investments in Canadian Income Equities will be, under normal market conditions, between 10% to 20% of its Managed Assets.

Debt Securities. The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs, MLP-related entities and other energy sector and energy utilities companies, including certain securities rated below investment grade. The debt securities in which the Fund may invest may provide for fixed or variable principal payments and various types of interest rate and reset terms including, fixed rate, adjustable rate, zero coupon, contingent, deferred, payment-in-kind and auction rate features. Certain debt securities are "perpetual" in that they have no maturity date. Certain debt securities are zero coupon bonds. A zero coupon bond is a bond that does not pay interest either for the entire life of the obligation or for an initial period after the issuance of the obligation. To the extent that the Fund invests in below investment grade debt securities, such securities will be rated, at the time of investment, at least "B–" by S&P or "B3" by Moody's or a comparable rating by another NRSRO or, if unrated, determined to be of comparable quality by the Sub-Advisor. If a security satisfies the Fund's minimum rating criteria at the time of purchase and is subsequently downgraded below such rating, the Fund will not be required to dispose of such security. If a downgrade occurs, the Sub-Advisor will consider what action, including the sale of such security, is in the best interest of the Fund and its Common Shareholders. In light of the risks of below investment grade securities, the Sub-Advisor, in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's operating history, financial resources and its sensitivity to economic conditions and trends, the market support for the facility financed by the issue (if applicable), the perceived ability and integrity of the issuer's management and regulatory matters.

Short-Term Debt Securities; Temporary Defensive Position; Invest-Up Period. During the period in which the net proceeds of the offering of Common Shares offered hereby are being invested, or during periods in which the Sub-Advisor determines that it is temporarily unable to follow the Fund's investment strategy or that it is impractical to do so, the Fund may deviate from its investment strategy and invest all or any portion of its net assets in cash, cash equivalents or other short-term debt securities. The Sub-Advisor's determination that it is temporarily unable to follow the Fund's investment strategy or that it is impractical to do so will generally occur only in situations in which a market disruption event has occurred and where trading in the securities selected through application of the Fund's investment strategy is extremely limited or absent. In such a case, shares of the Fund may be adversely affected and the Fund may not pursue or achieve its investment objective.

Investment Practices

Strategic Transactions. The Fund may, but is not required to, enter into various Strategic Transactions to seek to reduce the risks of the Fund including, without limitation, interest rate, currency, credit and equity security price risk, to reduce interest rate risks arising from any use of leverage, to facilitate portfolio management or for other purposes to the extent the Sub-Advisor determines that the use of Strategic Transactions is consistent with the Fund's investment objective and policies and applicable regulatory requirements. Certain Strategic Transactions may be considered a form of economic leverage on the Fund's portfolio and may be subject to the risks associated with the use of leverage. See "Leverage Program" and "Risks—Leverage Risk" below. Strategic Transactions are generally accepted under modern portfolio management theory and are regularly used by many investment companies and other institutional investors. Although the Sub-Advisor may seek to use such practices to further the Fund's investment objective, no assurance can be given that these practices, if used, will achieve this result.

Strategic Transactions have risks, including the imperfect correlation between the value of such instruments and the underlying assets, the possible default of the other party to the transactions or illiquidity of the derivative investments. Furthermore, the ability to successfully use Strategic Transactions depends on the Sub-Advisor's ability to predict pertinent market movements, which cannot be assured. Thus, the use of Strategic Transactions may result in losses greater than if they had not been used, may require the Fund to sell or purchase portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation the Fund can realize on an investment, or may cause the Fund to hold a security that it might otherwise sell. Additionally, amounts paid by the Fund as premiums and cash or other assets held in margin accounts with respect to Strategic Transactions are not otherwise available to the Fund for investment purposes.

To generate additional income, the Fund currently expects to write (or sell) covered call options on up to 35% of its Managed Assets. Such call options would give the option holders the right, but not the obligation, to purchase common equity at a specified price (the "strike price") on one or more future dates (each, an "exercise date"). The price of the option is determined from trading activity in the broad options market, and generally reflects the relationship between the current market price for the underlying common equity and the strike price, as well as the time remaining until the expiration date. The Fund will write call options only if they are "covered." In the case of a call option on a common stock or other security, the option will be "covered" if the Fund owns the security underlying the call or has an absolute and immediate right to acquire that security without additional cash consideration (or, if additional cash consideration is required, cash or other assets determined to be liquid by the Sub-Advisor (in accordance with procedures approved by the Board of Trustees) in such amount are segregated by the Fund's custodian) upon

conversion or exchange of other securities held by the Fund. If an option written by the Fund expires unexercised, the Fund will realize on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund will realize a capital loss equal to the premium paid at the time the option expires. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price, and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires. The Fund may sell put or call options it has previously purchased, which could result in a net gain or loss depending on whether the amount realized on the sale is more or less than the premium and other transaction costs paid on the put or call option purchased. See "Risks—Covered Call Options Risk" and "Tax Matters" below.

In addition to writing (selling) covered call options, the Fund currently expects to enter into interest rate swaps as a principal part of its investment strategy. In an interest rate swap, the Fund exchanges with another party their respective commitments to pay or receive interest (*e.g.*, an exchange of an obligation to make fixed rate payments for an obligation to make floating rate payments). For example, if the Fund holds a debt instrument with an interest rate that is reset only once each year, it may swap the right to receive interest at this fixed rate for the right to receive interest at a rate that is reset every week. This would enable the Fund to offset a decline in the value of the debt instrument due to rising interest rates but would also limit its ability to benefit from falling interest rates. Conversely, if the Fund holds a debt instrument with an interest rate that is reset every week and it would like to lock in what it believes to be a high interest rate for one year, it may swap the right to receive interest at this variable weekly rate for the right to receive interest at a rate that is fixed for one year. Such a swap would protect the Fund from a reduction in yield due to falling interest rates and may permit the Fund to enhance its income through the positive differential between one week and one year interest rates, but would preclude it from taking full advantage of rising interest rates. Interest rate swaps will allow the Sub-Advisor to potentially manage the interest rate profile of the Fund's portfolio. See "Risks—Interest Rate Swaps Risk" below. See also "Other Investment Policies and Techniques—Strategic Transactions" in the SAI for a more complete discussion of Strategic Transactions and their risks.

Portfolio Turnover. The Fund's annual portfolio turnover rate may vary greatly from year to year. Although the Fund cannot accurately predict its annual portfolio turnover rate, it is not expected to exceed 20% under normal circumstances, but may be higher or lower in certain periods. Portfolio turnover rate is not considered a limiting factor in the execution of investment decisions for the Fund. A higher turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by the Fund. High portfolio turnover may result in the Fund's recognition of gains that will be taxable as ordinary income, reducing the funds available to pay distributions to the Fund's Common Shareholders. In addition, high portfolio turnover may increase the Fund's current and accumulated earnings and profits, resulting in a greater portion of the Fund's distributions being treated as taxable dividends for federal income tax purposes. See "Tax Matters."

LEVERAGE PROGRAM

The Fund currently intends to seek to enhance the level of its current distributions through the use of leverage. The Fund may utilize leverage through the issuance of Preferred Shares and/or through Borrowings. These forms of leverage are known as structural leverage. The Fund initially anticipates that, under normal market conditions, it will employ structural leverage through Borrowings pursuant to a revolving credit facility established with a bank or other financial institution. Each form of structural leverage that may be used by the Fund is referred to herein as a "Leverage Instrument." The Fund is also permitted to employ portfolio leverage through the use of other portfolio techniques that have the economic effect of leverage. "Effective leverage" is the combination of the amount of structural leverage plus the amount of portfolio leverage. The Fund may, in the future, employ portfolio leverage through the use of Strategic Transactions and/or reverse repurchase agreements, which will not be considered Borrowings for purposes of the 1940 Act so long as the Fund has covered its commitments with respect to such Strategic Transactions and reverse repurchase agreements by segregating liquid assets, entering into offsetting transactions or owning positions covering its obligations. Based upon current market conditions, it is expected that the Fund's initial use of leverage, through the use of Borrowings, will be approximately 25% of Managed Assets. The Fund anticipates that its effective leverage will vary from time to time, based upon changes in market conditions and variations in the value of the portfolio's holdings; however, the Fund's effective leverage will not exceed 50% of the Fund's Managed Assets. The Fund will not be required to reduce leverage to the extent the above percentage limitation is exceeded as a result of a decline in the value of the Fund's assets.

The Fund's Declaration of Trust authorizes the Fund, without prior approval of the Common Shareholders, to borrow money. In this connection, the Fund may enter into reverse repurchase agreements, issue notes or other evidence of indebtedness (including bank borrowings) and may secure any such Borrowings by mortgaging, pledging or otherwise subjecting as security the Fund's assets. Certain types of Borrowings may result in the Fund being subject to covenants in credit agreements relating to asset coverage and portfolio composition requirements. Generally, covenants to which the Fund may be subject include affirmative covenants, negative covenants, financial covenants, and investment covenants. An example of an affirmative covenant would be one that requires the Fund to send its annual audited financial report to the lender. An example of a negative covenant would be one that prohibits the Fund from making any amendments to its fundamental policies. An example of a financial covenant is one that

would require the Fund to maintain a 3:1 asset coverage ratio. An example of an investment covenant is one that would require the Fund to limit its investment in a particular asset class. The terms of such Borrowings may also contain provisions which limit certain activities of the Fund, including the payment of dividends to Common Shareholders in certain circumstances, and the Fund may be required to maintain minimum average balances with the lender or to pay a commitment or other fee to maintain a line of credit. Any such requirements will increase the cost of Borrowing over the stated interest rate. Furthermore, the Fund may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for the debt securities or Preferred Shares issued by the Fund. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed by the 1940 Act as described below. It is not anticipated that these covenants or guidelines will impede the Sub-Advisor from managing the Fund's portfolio in accordance with the Fund's investment objective and policies. Any Borrowing will likely be ranked senior or equal to all other existing and future Borrowings of the Fund.

Under the requirements of the 1940 Act, the Fund, immediately after any Borrowing, must have an "asset coverage" of at least 300% (33-1/3% of total assets). With respect to such Borrowing, asset coverage means the ratio which the value of the total assets of the Fund, less all liabilities and indebtedness not represented by senior securities (as defined in the 1940 Act), bears to the aggregate amount of such borrowing represented by senior securities issued by the Fund. Also under the 1940 Act, the Fund is not permitted to issue Preferred Shares unless immediately after such issuance the value of the Fund's total assets is at least 200% of the liquidation value of the outstanding Preferred Shares (*i.e.*, the liquidation value may not exceed 50% of the Fund's total assets). In addition, the Fund is not permitted to declare any cash dividend or other distribution on its Common Shares unless, at the time of such declaration, the value of the Fund's total assets is at least 200% of such liquidation value. If Preferred Shares are issued, the Fund intends, to the extent possible, to purchase or redeem Preferred Shares from time to time to the extent necessary in order to maintain asset coverage of any Preferred Shares of at least 200%. In addition, as a condition to obtaining ratings on Preferred Shares the Fund may issue in the future, the terms of any Preferred Shares issued are expected to include asset coverage maintenance provisions which will require the redemption of the Preferred Shares in the event of non-compliance by the Fund and also may prohibit dividends and other distributions on the Common Shares in such circumstances. In order to meet redemption requirements, the Fund may have to liquidate portfolio securities. Such liquidations and redemptions would cause the Fund to incur related transaction costs and could result in capital losses to the Fund. Under current conditions, it is unlikely that the Fund will issue Preferred Shares.

The rights of lenders to the Fund to receive interest on and repayment of principal of any Borrowings will be senior to those of the Common Shareholders. Further, the 1940 Act grants, in certain circumstances, to the lenders to the Fund certain voting rights in the event of default in the payment of interest on or repayment of principal. If the Fund has Preferred Shares outstanding, two of the Fund's Trustees will be elected by the holders of Preferred Shares as a class. The remaining Trustees of the Fund will be elected by holders of Common Shares and Preferred Shares voting together as a single class. In the event the Fund failed to pay dividends on Preferred Shares for two years, holders of Preferred Shares would be entitled to elect a majority of the Trustees of the Fund.

Any use of leverage by the Fund will be consistent with the provisions of the 1940 Act. Preferred Shares, if issued, would have complete priority over the Common Shares as to distribution of assets. The use of leverage would leverage the Common Shares. Although the timing and other terms of the offering of Leverage Instruments and the terms of the Leverage Instruments would be determined by the Fund's Board of Trustees, the Fund expects to invest the proceeds derived from any leverage offering in securities consistent with the Fund's investment objective and policies. If Preferred Shares are issued, they may pay dividends based on short-term interest rates. The adjustment period for Preferred Shares dividends could be as short as one day or as long as a year or more. Under current conditions, it is unlikely that the Fund will issue Preferred Shares. So long as the Fund's portfolio is invested in securities that provide a higher rate of return than the dividend rate or interest rate of the Leverage Instruments, after taking expenses into consideration, the leverage will cause Common Shareholders to receive a higher rate of return than if the Fund were not leveraged. Conversely, if the total return derived from securities purchased with funds received from the use of leverage is less than the cost of leverage, the Fund's return will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders as dividends and other distributions will be reduced. In the latter case, the Sub-Advisor in its best judgment nevertheless may determine to maintain the Fund's leveraged position if it expects that the benefits to the Common Shareholders of maintaining the leveraged position will outweigh the current reduced return. Under normal market conditions, the Fund anticipates that it will be able to invest the proceeds from leverage at a higher rate of return than the costs of leverage, which would enhance returns to Common Shareholders. The Fund also may borrow money as a temporary measure for extraordinary or emergency purposes, including the payment of dividends and the settlement of securities transactions which otherwise might require untimely dispositions of Fund securities.

A reverse repurchase agreement, although structured as a sale and repurchase obligation, acts as a financing under which the Fund will effectively pledge its securities as collateral to secure a short-term loan. Generally, the other party to the agreement makes the loan in an amount equal to a percentage of the market value of the pledged collateral. At the maturity of the reverse repurchase agreement, the Fund will be required to repay the loan and correspondingly receive back its collateral. While used as collateral, the securities continue to pay principal and interest which are for the benefit of the Fund. The use by the Fund of reverse repurchase agreements effects a form of economic leverage because the proceeds derived from such reverse repurchase agreements

may be invested in additional securities. See “The Fund’s Investments—Investment Practices—Strategic Transactions” in this prospectus and “Other Investment Policies and Techniques—Strategic Transactions” in the SAI for more information about Strategic Transactions in which the Fund may enter that give rise to a form of financial leverage and the associated risks.

The use of leverage involves special considerations. Leverage creates risk for the Common Shareholders, including the likelihood of greater volatility of NAV and market price of the Common Shares, and the risk that fluctuations in interest rates on reverse repurchase agreements, Borrowings and debt or in the dividend rates on any Preferred Shares may affect the return to the Common Shareholders or will result in fluctuations in the dividends paid on the Common Shares. The fees paid to the Advisor (and by the Advisor to the Sub-Advisor) will be calculated on the basis of the Managed Assets, including proceeds from reverse repurchase agreements, if any, Borrowings for leverage and the issuance of Preferred Shares, if any. During periods in which the Fund is utilizing leverage, the investment advisory fee payable to the Advisor and the Sub-Advisor will be higher than if the Fund did not utilize a leveraged capital structure. See “Risks—Leverage Risk.”

Assuming that the leverage will represent approximately 25% of the Fund’s Managed Assets and pay dividends or interest with respect to that leverage at an annual combined average rate of 1.44%, the return generated by the Fund’s portfolio (net of estimated expenses) must exceed 0.36% in order to cover the dividend or interest payments specifically related to the leverage. Of course, these numbers are merely estimates used for illustration. Actual dividend or interest rates on the leverage will vary frequently and may be significantly higher or lower than the rate estimated above.

The following table is furnished in response to requirements of the SEC. It is designed to illustrate the effect of leverage on Common Share total return, assuming investment portfolio total returns (comprised of income and changes in the value of securities held in the Fund’s portfolio) of (10)%, (5)%, 0%, 5% and 10%. These assumed investment portfolio returns are hypothetical figures and are not necessarily indicative of the investment portfolio returns experienced or expected to be experienced by the Fund. See “Risks.”

The table further reflects the issuance of leverage representing 25% of the Fund’s Managed Assets, and the Fund’s currently projected annual dividend or interest on its leverage of 1.44%.

Assumed Portfolio Total Return (Net of Expenses)	(10)%	(5)%	0%	5%	10%
Common Share Total Return	(13.81)%	(7.15)%	(0.48)%	6.19%	12.85%

Common Share total return is composed of two elements: the Common Share dividends paid by the Fund (the amount of which is largely determined by the net investment income of the Fund after paying dividends or interest on its leverage) and gains or losses on the value of the securities the Fund owns. As required by SEC rules, the table above assumes that the Fund is more likely to suffer capital losses than to enjoy capital appreciation.

RISKS

Risk is inherent in all investing. The following discussion summarizes the principal risks that you should consider before deciding whether to invest in the Fund.

No Operating History

The Fund is a newly organized, non-diversified, closed-end management investment company with no operating history. It is designed for long-term investing and not as a vehicle for trading.

Investment and Market Risk

An investment in the Common Shares is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in Common Shares represents an indirect investment in the securities owned by the Fund, a significant portion of which will be traded on a national securities exchange or in the over-the-counter markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. The value of the securities in which the Fund invests will affect the value of the Common Shares. Your Common Shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions. The Fund has been designed primarily as a long-term investment vehicle and is not intended to be used as a short-term trading vehicle. An investment in the Common Shares should not be considered a complete investment program. Each Common Shareholder should take into account the Fund’s investment objective as well as the Common Shareholder’s other investments when considering an investment in the Fund.

Market Discount from Net Asset Value

Shares of closed-end investment companies like the Fund frequently trade at a discount from their NAV. This characteristic is a risk separate and distinct from the risk that the Fund's NAV could decrease as a result of its investment activities and may be greater for investors expecting to sell their Common Shares in a relatively short period following completion of this offering. The NAV per Common Share will be reduced immediately following this offering as a result of the payment of certain offering costs. Although the value of the Fund's net assets will generally be considered by market participants in determining whether to purchase or sell shares, whether investors will realize gains or losses upon the sale of the Common Shares will depend entirely upon whether the market price of the Common Shares at the time of sale is above or below the investor's purchase price for the Common Shares. Because the market price of the Common Shares will be affected by factors such as NAV, dividend or distribution levels (which are dependent, in part, on expenses), supply of and demand for the Common Shares, stability of dividends or distributions, trading volume of the Common Shares, general market and economic conditions, and other factors beyond the control of the Fund, the Fund cannot predict whether the Common Shares will trade at, below or above NAV or at, below or above the initial public offering price.

Management Risk and Reliance on Key Personnel

The Fund is subject to management risk because it is an actively managed portfolio. The Advisor and Sub-Advisor will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

In addition, the implementation of the Fund's investment strategy depends upon the continued contributions of certain key employees of the Advisor and Sub-Advisor, some of whom have unique talents and experience and would be difficult to replace. The loss or interruption of the services of a key member of the portfolio management team could have a negative impact on the Fund during the transitional period that would be required for a successor to assume the responsibilities of the position.

Potential Conflicts of Interest Risk

First Trust Advisors, Energy Income Partners and the portfolio managers have interests which may conflict with the interests of the Fund. In particular, First Trust Advisors and Energy Income Partners currently manage and may in the future manage and/or advise other investment funds or accounts with the same or substantially similar investment objective and strategies as the Fund. As a result, First Trust Advisors, Energy Income Partners and the Fund's portfolio managers must allocate their time and investment ideas across multiple funds and accounts. First Trust Advisors, Energy Income Partners and the Fund's portfolio managers may identify a limited investment opportunity that may be suitable for multiple funds and accounts, and the opportunity may be allocated among these several funds and accounts, which may limit the Fund's ability to take full advantage of the investment opportunity. Additionally, transaction orders may be aggregated for multiple accounts for purposes of execution, which may cause the price or brokerage costs to be less favorable to the Fund than if similar transactions were not being executed concurrently for other accounts. At times, a portfolio manager may determine that an investment opportunity may be appropriate for only some of the funds and accounts for which he or she exercises investment responsibility, or may decide that certain of the funds and accounts should take differing positions with respect to a particular security. In these cases, the portfolio manager may place separate transactions for one or more funds or accounts which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other funds and accounts. For example, a portfolio manager may determine that it would be in the interest of another account to sell a security that the Fund holds, potentially resulting in a decrease in the market value of the security held by the Fund.

The portfolio managers may also engage in cross trades between funds and accounts, may select brokers or dealers to execute securities transactions based in part on brokerage and research services provided to First Trust Advisors or Energy Income Partners which may not benefit all funds and accounts equally and may receive different amounts of financial or other benefits for managing different funds and accounts. Finally, First Trust Advisors or its affiliates may provide more services to some types of funds and accounts than others.

There is no guarantee that the policies and procedures adopted by First Trust Advisors, Energy Income Partners and the Fund will be able to identify or mitigate the conflicts of interest that arise between the Fund and any other investment funds or accounts that First Trust Advisors and/or Energy Income Partners may manage or advise from time to time. For further information on potential conflicts of interest and the terms of each of the Investment Management Agreement and the Sub-Advisory Agreement, see "Investment Advisor" and "Sub-Advisor" in the SAI.

MLP Risks

An investment in MLP units involves risks which differ from an investment in common stock of a corporation. Holders of MLP units have limited control and voting rights on matters affecting the partnership. The Fund is not responsible for operating MLPs and similar entities and cannot control or monitor their compliance with applicable tax, securities and other laws and regulations necessary for the profitability of such investments. Holders of MLP units could potentially become subject to liability

for all of the obligations of an MLP, if a court determines that the rights of the unitholders to take certain action under the limited partnership agreement would constitute "control" of the business of that MLP, or if a court or governmental agency determines that the MLP is conducting business in a state without complying with the limited partnership statute of that state.

Furthermore, the structures and terms of the MLPs and other entities described in this prospectus may not be indicative of the structure and terms of every entity in which the Fund invests. Although the energy sector has grown significantly in recent years, such market trends may not continue due to economic conditions, which are not predictable, or other factors. In addition, certain conflicts of interest exist between common unit holders and the general partner, including those arising from incentive distribution payments. Conflicts of interest may arise from incentive distribution payments paid to the general partner, or referral of business opportunities by the general partner or one of its affiliates to an entity other than the MLP. Holders of general partner or managing member interests typically receive incentive distribution rights, which provide them with an increasing share of the entity's aggregate cash distributions upon the payment of per common unit quarterly distributions that exceed specified threshold levels above the MQD. Due to the incentive distribution rights, general partners of MLPs have higher distribution growth prospects than their underlying MLPs, but quarterly incentive distribution payments would also decline at a greater rate than the decline rate in quarterly distributions to common and subordinated unit holders in the event of a reduction in the MLP's quarterly distribution. The ability of the limited partners or members to remove the general partner or managing member without cause is typically very limited. In addition, some MLPs permit the holder of incentive distribution rights to reset, under specified circumstances, the incentive distribution levels and receive compensation in exchange for the distribution rights given up in the reset.

The MLPs in which the Fund intends to invest will primarily be in the energy sector. See "—Investment Concentration Risk."

Investment Concentration Risk

The Fund's investments will be concentrated in the group of industries that are part of the energy sector, with a particular focus on energy sector MLPs and MLP-related entities. The Fund will additionally invest in MLP-related entities and other companies in the energy sector and energy utilities industries. Although the Fund intends to invest in Energy Portfolio Companies that are weighted towards non-cyclical, fee-for-service revenues, these companies may nonetheless have segments of their respective businesses that are exposed to cyclical assets and, therefore, risks associated with such cyclical assets are also discussed below in addition to those risks associated with non-cyclical, fee-for-service revenues. Certain risks inherent in investing in the business of the types of securities that the Fund may invest include the following:

- *Commodity Pricing Risk*. Energy Portfolio Companies may be directly affected by energy commodity prices, especially those Energy Portfolio Companies which own the underlying energy commodity. Commodity prices fluctuate for several reasons, including changes in market and economic conditions, the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation and taxation and the availability of local, intrastate and interstate transportation systems. Volatility of commodity prices which leads to a reduction in production or supply may also impact the performance of Energy Portfolio Companies that are solely involved in the transportation, processing, storing, distribution or marketing of commodities. Volatility of commodity prices may also make it more difficult for Energy Portfolio Companies to raise capital to the extent the market perceives that their performance may be directly tied to commodity prices.

- *Supply and Demand Risk*. A decrease in the production of natural gas, NGLs, crude oil, coal or other energy commodities or a decrease in the volume of such commodities available for transportation, processing, storage or distribution may adversely impact the financial performance of Energy Portfolio Companies. Production declines and volume decreases could be caused by various factors, including catastrophic events affecting production, depletion of resources, labor difficulties, environmental proceedings, increased regulations, equipment failures and unexpected maintenance problems, import supply disruption, increased competition from alternative energy sources or depressed commodity prices. Alternatively, a sustained decline in demand for such commodities could also impact the financial performance of Energy Portfolio Companies. Factors which could lead to a decline in demand include economic recession or other adverse economic conditions, higher fuel taxes or governmental regulations, increases in fuel economy, consumer shifts to the use of alternative fuel sources, an increase in commodity prices, or weather.

- *Lack of Diversification of Customers and Suppliers.* Certain Energy Portfolio Companies depend upon a limited number of customers for substantially all of their revenue. Similarly, certain Energy Portfolio Companies depend upon a limited number of suppliers of goods or services to continue their operations. The loss of any such customers or suppliers could materially adversely affect such Energy Portfolio Companies' results of operations and cash flow, and their ability to make distributions to unit holders, such as the Fund, would therefore be materially adversely affected.

- *Depletion and Exploration Risk*. Energy Portfolio Companies also engaged in the production (exploration, development, management or production) of natural gas, NGLs (including propane), crude oil, refined petroleum products or coal are subject to the risk that their commodity reserves naturally deplete over time. Reserves are generally increased through expansion of their existing business, through exploration of new sources or development of existing sources, through

acquisitions or by securing long-term contracts to acquire additional reserves, each of which entails risk. The financial performance of these issuers may be adversely affected if they are unable to acquire, cost-effectively, additional reserves at a rate at least equal to the rate of natural decline. A failure to maintain or increase reserves could reduce the amount and change the characterization of cash distributions paid by these Energy Portfolio Companies.

- *Regulatory Risk*. The energy sector and energy utilities industries are highly regulated. Energy Portfolio Companies are subject to significant regulation of nearly every aspect of their operations by federal, state and local governmental agencies. Such regulation can change rapidly or over time in both scope and intensity. For example, a particular by-product or process may be declared hazardous (sometimes retroactively) by a regulatory agency which could unexpectedly increase production costs. Various governmental authorities have the power to enforce compliance with these regulations and the permits issued under them, and violators are subject to administrative, civil and criminal penalties, including civil fines, injunctions or both. Stricter laws, regulations or enforcement policies could be enacted in the future which would likely increase compliance costs and may adversely affect the financial performance of Energy Portfolio Companies.

  Specifically, the operations of wells, gathering systems, pipelines, refineries and other facilities are subject to stringent and complex federal, state and local environmental laws and regulations. These include, for example:

  - the federal Clean Air Act and comparable state laws and regulations that impose obligations related to air emissions;

  - the federal Clean Water Act and comparable state laws and regulations that impose obligations related to discharges of pollutants into regulated bodies of water;

  - the Resource Conservation and Recovery Act ("RCRA") and comparable state laws and regulations that impose requirements for the handling and disposal of waste from facilities; and

  - the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA," also known as "Superfund") and comparable state laws and regulations that regulate the cleanup of hazardous substances that may have been released at properties currently or previously owned or operated by Energy Portfolio Companies or at locations to which they have sent waste for disposal.

  Failure to comply with these laws and regulations may trigger a variety of administrative, civil and criminal enforcement measures, including the assessment of monetary penalties, the imposition of remedial requirements, and the issuance of orders enjoining future operations. Certain environmental statutes, including RCRA, CERCLA, the federal Oil Pollution Act and analogous state laws and regulations, impose strict, joint and several liability for costs required to clean up and restore sites where hazardous substances have been disposed of or otherwise released. Moreover, it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the release of hazardous substances or other waste products into the environment.

  There is an inherent risk that Energy Portfolio Companies may incur environmental costs and liabilities due to the nature of their businesses and the substances they handle. For example, an accidental release from wells or gathering pipelines could subject them to substantial liabilities for environmental cleanup and restoration costs, claims made by neighboring landowners and other third parties for personal injury and property damage, and fines or penalties for related violations of environmental laws or regulations. Moreover, the possibility exists that stricter laws, regulations or enforcement policies could significantly increase the compliance costs of Energy Portfolio Companies. For example, hydraulic fracturing, a technique used in the completion of certain oil and gas wells, has become a subject of increasing regulatory scrutiny and may be subject in the future to more stringent, and more costly to comply with, requirements. Similarly, the implementation of more stringent environmental requirements could significantly increase the cost of any remediation that may become necessary. Energy Portfolio Companies may not be able to recover these costs from insurance.

  Voluntary initiatives and mandatory controls have been adopted or are being discussed both in the United States and worldwide to reduce emissions of "greenhouse gases" such as carbon dioxide, a by-product of burning fossil fuels, and methane, the major constituent of natural gas, which many scientists and policymakers believe contribute to global climate change. These measures and future measures could result in increased costs to certain companies in which the Fund may invest to operate and maintain facilities and administer and manage a greenhouse gas emissions program and may reduce demand for fuels that generate greenhouse gases and that are managed or produced by companies in which the Fund may invest.

  In the wake of a Supreme Court decision holding that the United States Environmental Protection Agency (the "EPA") has some legal authority to deal with climate change under the Clean Air Act, the EPA and the Department of Transportation jointly wrote regulations to cut gasoline use and control greenhouse gas emissions from cars and trucks. The EPA has also

taken action to require certain entities to measure and report greenhouse gas emissions and certain facilities may be required to control emissions of greenhouse gases pursuant to EPA air permitting and other regulatory programs. These measures, and other programs addressing greenhouse gas emissions, could reduce demand for energy or raise prices, which may adversely affect the total return of certain of the Fund's investments.

- *Interest Rate Risk*. Rising interest rates could adversely impact the financial performance of Energy Portfolio Companies. Rising interest rates may increase an Energy Portfolio Company's cost of capital, which would increase operating costs and may reduce an Energy Portfolio Company's ability to execute acquisitions or expansion projects in a cost-effective manner. Rising interest rates may also impact the price of MLP units, MLP-related entity securities and energy sector and energy utilities company shares as the yields on alternative investments increase.

- *Acquisition or Reinvestment Risk*. The ability of Energy Portfolio Companies to grow and to increase distributions to their equityholders can be dependent in part on their ability to make acquisitions or find organic projects that result in an increase in adjusted operating cash flow. In the event that Energy Portfolio Companies are unable to make such accretive acquisitions/projects either because they are unable to identify attractive acquisition/project candidates or negotiate acceptable purchase contracts or because they are unable to raise financing on economically acceptable terms or because they are outbid by competitors, their future growth and ability to raise distributions may be hindered. Furthermore, even if Energy Portfolio Companies do consummate acquisitions/projects that they believe will be accretive, the acquisitions/projects may in fact turn out to result in a decrease in adjusted operating cash flow. Any acquisition/project involves risks, including among other things: mistaken assumptions about revenues and costs, including synergies; the assumption of unknown liabilities; limitations on rights to indemnity from the seller; the diversion of management's attention from other business concerns; unforeseen difficulties operating in new product areas or new geographic areas; and customer or key employee losses at the acquired businesses.

- *Affiliated Party Risk*. Certain Energy Portfolio Companies are dependent on their parents or sponsors for a majority of their revenues. Any failure by the parents or sponsors of such entities to satisfy their payments or obligations would impact the Energy Portfolio Company's revenues and cash flows and ability to make distributions.

- *Weather Risk.* Weather plays a role in the seasonality of some Energy Portfolio Companies' cash flows. Energy Portfolio Companies in the propane industry, for example, rely on the winter season to generate almost all of their earnings. In an unusually warm winter season, propane Energy Portfolio Companies experience decreased demand for their product. Although most Energy Portfolio Companies can reasonably predict seasonal weather demand based on normal weather patterns, extreme weather conditions, such as the hurricanes that severely damaged cities along the Gulf Coast in recent years, demonstrate that no amount of preparation can protect an Energy Portfolio Company from the unpredictability of the weather. Further, climate change may result in increases in the frequency and severity of adverse weather events. The damage done by extreme weather also may serve to increase many Energy Portfolio Companies' insurance premiums.

- *Catastrophe Risk*. The operations of Energy Portfolio Companies are subject to many hazards inherent in transporting, processing, storing, distributing or marketing natural gas, NGLs, crude oil, refined petroleum products or other hydrocarbons, or in exploring, managing or producing such commodities or products, including: damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters and acts of terrorism; inadvertent damage from construction and farm equipment; leaks of natural gas, NGLs, crude oil, refined petroleum products or other hydrocarbons; and explosions. These risks could result in substantial losses due to personal injury and/or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations. Not all Energy Portfolio Companies are fully insured against all risks inherent to their businesses. If a significant accident or event occurs that is not fully insured, it could adversely affect their operations and financial condition.

- *Terrorism/Market Disruption Risk*. The terrorist attacks in the United States on September 11, 2001 had a disruptive effect on the securities markets. U.S. military and related action throughout the world, as well as the continuing threat of terrorist attacks, could have significant adverse effects on the U.S. economy and the stock market. Uncertainty surrounding retaliatory military strikes or a sustained military campaign may affect energy sector and Energy Portfolio Company operations in unpredictable ways, including disruptions of fuel supplies and markets, and transmission and distribution facilities could be direct targets, or indirect casualties, of an act of terror. Since the September 11th attacks, the U.S. government has issued warnings that energy assets, specifically the U.S. pipeline infrastructure, may be the future target of terrorist organizations. In addition, changes in the insurance markets attributable to the September 11th attacks have made certain types of insurance more difficult, if not impossible, to obtain and have generally resulted in increased premium costs.

- *Technology Risk.* Some Energy Portfolio Companies are focused on developing new technologies and are strongly influenced by technological changes. Technology development efforts by Energy Portfolio Companies may not result in

viable methods or products. Energy Portfolio Companies may bear high research and development costs, which can limit their ability to maintain operations during periods of organizational growth or instability. Some Energy Portfolio Companies may be in the early stages of operations and may have limited operating histories and smaller market capitalizations on average than companies in other sectors. As a result of these and other factors, the value of investments in Energy Portfolio Companies may be considerably more volatile than that in more established segments of the economy.

Industry Specific Risk

Energy Portfolio Companies are also subject to risks that are specific to the industry they serve.

- Midstream MLPs and other Energy Portfolio Companies that provide crude oil, refined product and natural gas services are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including fluctuating commodity prices, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, declines in domestic or foreign production, accidents or catastrophic events, and economic conditions, among others.

- Propane companies are subject to earnings variability based upon weather conditions in the markets they serve, fluctuating commodity prices, increased use of alternative fuels, increased governmental or environmental regulation, and accidents or catastrophic events, among others.

- Energy Portfolio Companies with coal assets are subject to supply and demand fluctuations in the markets they serve which will be impacted by a wide range of factors including, fluctuating commodity prices, the level of their customers' coal stockpiles, weather, increased conservation or use of alternative fuel sources, increased governmental or environmental regulation, depletion, rising interest rates, transportation issues, declines in domestic or foreign production, mining accidents or catastrophic events, health claims and economic conditions, among others. Energy Portfolio Companies with coal assets are also subject to supply variability based on geological conditions that reduce the productivity of mining operations, the availability of regulatory permits for mining activities and the availability of coal that meets the standards of the Clean Air Act.

- Energy Portfolio Companies that own interstate pipelines are subject to regulation by FERC with respect to the tariff rates they may charge for transportation services. An adverse determination by FERC with respect to the tariff rates of such a company could have a material adverse effect on its business, financial condition, results of operations and cash flows and its ability to pay cash distributions or dividends. In addition, FERC has a tax allowance policy, which permits such companies to include in their cost of service an income tax allowance to the extent that their owners have an actual or potential tax liability on the income generated by them. If FERC's income tax allowance policy were to change in the future to disallow a material portion of the income tax allowance taken by such interstate pipeline companies, it would adversely impact the maximum tariff rates that such companies are permitted to charge for their transportation services, which in turn could adversely affect such companies' financial condition and ability to pay distributions to shareholders.

- Marine shipping (or "tanker") companies are exposed to many of the same risks as other Energy Portfolio Companies. In addition, the highly cyclical nature of the industry may lead to volatile changes in charter rates and vessel values, which may adversely affect a tanker company's earnings. Fluctuations in charter rates and vessel values result from changes in the supply and demand for tanker capacity and changes in the supply and demand for oil and oil products. Historically, the tanker markets have been volatile because many conditions and factors can affect the supply and demand for tanker capacity. Changes in demand for transportation of oil over longer distances and supply of tankers to carry that oil may materially affect revenues, profitability and cash flows of tanker companies. The successful operation of vessels in the charter market depends upon, among other things, obtaining profitable spot charters and minimizing time spent waiting for charters and traveling unladen to pick up cargo. The value of tanker vessels may fluctuate and could adversely affect the value of tanker company securities. Declining tanker values could affect the ability of tanker companies to raise cash by limiting their ability to refinance their vessels, thereby adversely impacting tanker company liquidity. Tanker company vessels are at risk of damage or loss because of events such as mechanical failure, collision, human error, war, terrorism, piracy, cargo loss and bad weather. In addition, changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes, boycotts and government requisitioning of vessels. These sorts of events could interfere with shipping lanes and result in market disruptions and a significant loss of tanker company earnings.

Energy Utilities Companies Risk

Risks that are intrinsic to energy utilities companies include difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs during an inflationary period, restrictions on operations and increased cost and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants,

equipment or products obsolete, the potential impact of natural or man-made disasters, increased costs and reduced availability of certain types of fuel, occasional reduced availability and high costs of natural gas and other fuels, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of nuclear facilities for electric generation, including, among other considerations, the problems associated with the use of radioactive materials, the disposal of radioactive wastes, shutdown of facilities or release of radiation resulting from catastrophic events, disallowance of costs by regulators which may reduce profitability, and changes in market structure that increase competition.

There are substantial differences among the regulatory practices and policies of various jurisdictions, and any given regulatory agency may make major shifts in policy from time to time. There is no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by certain energy utilities companies. Additionally, existing and possible future regulatory legislation may make it even more difficult for energy utilities companies to obtain adequate relief. Certain energy utilities companies may own or operate nuclear generating facilities. Governmental authorities may from time to time review existing policies and impose additional requirements governing the licensing, construction and operation of nuclear power plants. Prolonged changes in climatic conditions can also have a significant impact on both the revenues of an electric and gas utility as well as the expenses of a utility, particularly a hydro-based electric utility.

Energy utilities companies in the United States and in foreign countries are generally subject to regulation. In the United States, most energy utilities companies are regulated by state and/or federal authorities. Such regulation is intended to ensure appropriate standards of service and adequate capacity to meet public demand. Generally, prices are also regulated in the United States and in foreign countries with the intention of protecting the public while ensuring that the rate of return earned by energy utilities companies is sufficient to allow them to attract capital in order to grow and continue to provide appropriate services. There is no assurance that such pricing policies or rates of return will continue in the future.

The nature of regulation of the energy utilities industry continues to evolve both in the United States and in foreign countries. In recent years, changes in regulation in the United States increasingly have allowed certain energy utilities companies to provide services and products outside their traditional geographic areas and lines of business, creating new areas of competition within the industry. In some instances, energy utilities companies are operating on an unregulated basis. Because of trends toward deregulation and the evolution of independent power producers, non-regulated providers of utility services have become a significant part of their respective industry sectors. The emergence of competition and deregulation may result in certain energy utilities companies being forced to defend their core business from increased competition, thus becoming less profitable. Reduced profitability, as well as new uses of funds (such as for expansion, operations or stock buybacks) could result in cuts in dividend payout rates.

Foreign energy utilities companies are also subject to regulation, although such regulations may or may not be comparable to those in the United States. Foreign energy utilities companies may be more heavily regulated by their respective governments than energy utilities companies in the United States and, as in the United States, generally are required to seek government approval for rate increases. In addition, many foreign energy utilities companies use fuels that may cause more pollution than those used in the United States, which may require such energy utilities companies to invest in pollution control equipment to meet any proposed pollution restrictions. Foreign regulatory systems vary from country to country and may evolve in ways different from regulation in the United States.

Although many foreign energy utilities companies currently are government-owned, thereby limiting current investment opportunities for the Fund, foreign governments may seek global investors through the privatization of their utility industries. Privatization, which refers to the trend toward investor ownership of assets rather than government ownership, may be more likely to occur in newer, faster-growing economies than in mature economies. There is no assurance that such developments will occur or that investment opportunities in foreign markets will increase or that regulatory structures will remain stable over time.

The revenues of domestic and foreign energy utilities companies generally reflect the economic growth and development in the geographic areas in which they do business.

Certain segments of the energy utilities industry, and individual energy utilities companies within such segments, may not perform as well as the energy utilities industry as a whole. Many energy utilities companies have historically been subject to risks of increases in fuel and other operating costs, high interest costs on borrowings needed for capital improvement programs and costs associated with compliance with and changes in environmental and other governmental regulations. In particular, regulatory changes with respect to nuclear and conventionally fueled power generating and transmission facilities could increase costs or impair the ability of energy utilities companies to operate and utilize such facilities, thus reducing the companies' earnings or resulting in losses. Rates of return on investment of certain energy utilities companies are subject to review by government regulators. Changes in regulatory policies or accounting standards may negatively affect the earnings or dividends of energy utilities companies. Costs incurred by energy utilities companies, such as fuel and purchased power costs, often are subject to

immediate market action resulting from such things as political or military forces operating in geographic regions where oil production is concentrated or global or regional weather conditions, such as droughts, while the rates of return of energy utilities companies generally are subject to review and limitation by state and/or national public utility commissions, which results ordinarily in a lag or an absence of correlation between costs and return. It is also possible that costs may not be offset by return. Energy utilities companies have, in recent years, been affected by increased competition, which could adversely affect the profitability or viability of such companies. Electric utilities may also be subject to increasing economic pressures due to deregulation of generation, transmission and other aspects of their business.

Cash Flow Risk

A substantial portion of the cash flow received by the Fund will be derived from its investment in equity securities of Energy Portfolio Companies. The amount of cash an Energy Portfolio Company has available for distributions and the tax character of such distributions is dependent upon the amount of cash generated by the Energy Portfolio Company's operations. Cash available for distribution varies from month to month and is largely dependent on factors affecting the Energy Portfolio Company's operations and factors affecting the energy industry in general. In addition to the risk factors described above, other factors which may reduce the amount of cash an entity has available for distribution include increased operating costs, capital expenditures, acquisition costs, expansion, construction or exploration costs and borrowing costs.

MLP and Deferred Tax Risk

Much of the benefit the Fund derives from its investments in equity securities of MLPs is a result of MLPs generally being treated as partnerships for United States federal income tax purposes. Partnerships do not pay United States federal income tax at the partnership level. Rather, each partner of a partnership, in computing its United States federal income tax liability, will include its allocable share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law, a change in the business of a given MLP, or a change in the types of income earned by a given MLP could result in an MLP being treated as a corporation for United States federal income tax purposes, which would result in such MLP being required to pay United States federal income tax on its taxable income. The classification of an MLP as a corporation for United States federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP and causing any such distributions received by the Fund to be taxed as dividend income to the extent of the MLP's current or accumulated earnings and profits. Thus, if any of the MLPs owned by the Fund were treated as a corporation for United States federal income tax purposes, the value and after-tax return to the Fund with respect to its investment in such MLPs would be materially reduced, which could cause a substantial decline in the value of the Common Shares.

In addition, the potential tax benefit to the Fund of investing in MLPs will depend in part on the particular MLP securities selected, and whether any distributions paid by such MLPs will be treated as a return of capital (as opposed to currently taxable income). The Fund will rely on the Sub-Advisor to select MLP securities that provide distributions in excess of allocable taxable income. If the Sub-Advisor fails to do so, a greater portion of the distributions received by the Fund may be comprised of taxable income (which would reduce the ability of the Fund to make distributions to Common Shareholders that are treated as a return of capital for United States federal income tax purposes). In such case, the Fund may have more corporate income tax expense than expected, which will result in less cash available to distribute to Common Shareholders. Also, in connection with managing the Fund's portfolio in order to seek to maximize the potential tax benefits discussed above, the Sub-Advisor may be forced to sell securities at times or prices that may be disadvantageous to the Fund.

The Fund will be treated as a regular corporation, or a "C" corporation, for United States federal income tax purposes and, as a result, unlike most investment companies, will be subject to corporate income tax to the extent the Fund recognizes taxable income. Any taxes paid by the Fund will reduce the amount available to pay distributions to Common Shareholders, and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs.

As a limited partner in the MLPs in which it may invest, the Fund is allocated its pro rata share of income, gains, losses, deductions and expenses from the MLPs. A significant portion of MLP income has historically been offset by non-cash tax deductions such as depreciation and depletion. The Fund will incur a current tax liability on its income allocation from an MLP not offset by tax deductions. The Fund's tax basis in its MLP units would be increased by the income allocated from an MLP, and then reduced by all distributions from the MLP (including any distributions in excess of allocated income), which would either increase the Fund's taxable gain or reduce the Fund's loss recognized upon the sale of such MLP units. The percentage of an MLP's distribution which is offset by tax deductions will fluctuate over time for various reasons. A significant slowdown in acquisition or investment activity by MLPs held by the Fund could result in a reduction of accelerated depreciation or other deductions generated by these activities, which may result in an increased current tax liability to the Fund. Certain energy related deductions are also not allowed for alternative minimum tax purposes, which may cause the Fund to be subject to the alternative minimum tax depending upon the nature of the assets of the MLPs. A reduction in the percentage of the income offset by tax deductions or an increase in sales of the Fund's MLP holdings that result in capital gains will reduce that portion of the Fund's distribution from an MLP treated as a return of capital and increase that portion treated as income, and may result in reduced Fund distributions and lower after-tax distributions to the Fund's Common Shareholders.

The Fund will accrue deferred income taxes for its future tax liability associated with the difference between the Fund's tax basis in an MLP security and the fair market value of the MLP security. Upon the Fund's sale of an MLP security, the Fund may be liable for previously deferred taxes. The Fund will rely to some extent on information provided by MLPs, which may not necessarily be timely, to estimate its deferred tax liability for purposes of financial statement reporting and determining its net asset value. From time to time, the Fund will modify its estimates or assumptions regarding its deferred tax liability as new information becomes available.

Because of the Fund's status as a corporation for United States federal income tax purposes and its investments in equity securities of MLPs, the Fund's earnings and profits may be calculated using accounting methods that are different from those used for calculating taxable income. Because of these differences, the Fund may make distributions out of its current or accumulated earnings and profits, which will be treated as taxable dividends, in excess of its taxable income. See "Tax Matters."

Tax Law Change Risk

Changes in tax laws or regulations, or interpretations thereof in the future, could adversely affect the Fund or the Energy Portfolio Companies in which it invests. Any such changes could negatively impact the Fund and its Common Shareholders. For example, if as a result of a change in the tax laws, MLPs are required to be treated as corporations rather than partnerships for tax purposes, MLPs would be subject to entity level tax at corporate tax rates and any distributions received by the Fund from an MLP would be treated as dividend income to the extent it was attributable to the MLP's current or accumulated earnings and profits. Such treatment would negatively impact the amount and tax characterization of distributions received by the Fund and its Common Shareholders. In addition, there have been proposals in Congress to eliminate certain tax incentives widely used by oil and gas companies and to impose new fees on certain energy producers. The elimination of such tax incentives and imposition of such fees could adversely affect Energy Portfolio Companies and/or the energy sector generally.

Non-U.S. Securities Risk

Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in currency exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; greater price volatility and illiquidity; different trading and settlement practices; less governmental supervision; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements. Because the Fund intends to invest in securities denominated or quoted in non-U.S. currencies, changes in the non-U.S. currency/United States dollar exchange rate may affect the value of the Fund's securities and the unrealized appreciation or depreciation of investments.

Delay in Investing the Proceeds

Although the Fund currently intends to invest the proceeds from the sale of the Common Shares as soon as practicable, such investments may be delayed if suitable investments are unavailable at the time. The trading market and volumes for Energy Portfolio Company shares may at times be less liquid than the market for other securities. Prior to the time the proceeds of the offering are invested, such proceeds may be invested in cash, cash equivalents or other securities, pending investment in Energy Portfolio Company securities. As a result, return and yield on the Common Shares in the year following the issuance of Common Shares may be lower than when the Fund is fully invested in accordance with its objective and policies. See "Use of Proceeds."

Equity Securities Risk

MLP units and other equity securities are sensitive to general movements in the stock market and a drop in the stock market may depress the price of securities to which the Fund has exposure. MLP units and other equity securities prices fluctuate for several reasons including changes in the financial condition of a particular issuer (generally measured in terms of distributable cash flow in the case of MLPs), investors' perceptions of MLPs and other Energy Portfolio Companies, the general condition of the relevant stock market, such as the current market volatility, or when political or economic events affecting the issuers occur. In addition, the price of equity securities may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase.

Certain of the Energy Portfolio Companies in which the Fund may invest may have comparatively smaller capitalizations. Investing in securities of smaller Energy Portfolio Companies presents some unique investment risks. These companies may have limited product lines and markets, as well as shorter operating histories, less experienced management and more limited financial resources than larger Energy Portfolio Companies and may be more vulnerable to adverse general market or economic developments. Stocks of smaller Energy Portfolio Companies may be less liquid than those of larger Energy Portfolio Companies and may experience greater price fluctuations than larger Energy Portfolio Companies. In addition, small-cap securities may not be widely followed by the investment community, which may result in reduced demand.

MLP subordinated units in which the Fund may invest will generally convert to common units at a one-to-one ratio. The purchase or sale price is generally tied to the common unit price less a discount. The size of the discount varies depending on the likelihood of conversion, the length of time remaining to conversion, the size of the block purchased and other factors.

Risks Associated with an Investment in Initial Public Offerings.

Securities purchased in IPOs are often subject to the general risks associated with investments in companies with small market capitalizations, and typically to a heightened degree. Securities issued in IPOs have no trading history, and information about the companies may be available for very limited periods. In addition, the prices of securities sold in an IPO may be highly volatile. At any particular time or from time to time, the Fund may not be able to invest in IPOs, or to invest to the extent desired, because, for example, only a small portion (if any) of the securities being offered in an IPO may be available to the Fund. In addition, under certain market conditions, a relatively small number of companies may issue securities in IPOs. The Fund's investment performance during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when it is able to do so. IPO securities may be volatile, and the Fund cannot predict whether investments in IPOs will be successful.

Canadian Income Equities Risk

The Fund currently expects that its investments in Canadian Income Equities will be, under normal market conditions, between 10% to 20% of its Managed Assets. Canadian Income Equities share many of the risks inherent in investing in equity securities and are also subject to the risks specific to the energy sector and energy utilities industries described above. In many circumstances, the Canadian Income Equities in which the Fund may invest may have limited operating histories. The value of Canadian Income Equities in which the Trust may invest are influenced by factors that are not within the Fund's control, including the financial performance of the respective issuers, interest rates, exchange rates, commodity prices (which will vary and are determined by supply and demand factors, including weather and general economic and political conditions), the hedging policies employed by such issuers, issues relating to the regulation of the energy industry and operational risks relating to the energy industry.

The Canadian tax treatment of certain income that allowed income to flow through to investors and be taxed only at the individual level changed beginning in 2011. In general, Canada now imposes a withholding tax on the distributions as if they were dividends. The distribution tax could have a material impact on the market value of Canadian Income Equities and could limit tax distributions to the Fund.

Debt Securities Risk

Debt securities in which the Fund invests are subject to many of the risks described elsewhere in this section. In addition, they are subject to credit risk, interest rate risk, and, depending on their quality, other special risks. An issuer of a debt security may be unable to make interest payments and repay principal. The Fund could lose money if the issuer of a debt obligation is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. The downgrade of a security by rating agencies may further decrease its value. Certain debt instruments, particularly below investment grade securities, may contain call or redemption provisions which would allow the issuer thereof to prepay principal prior to the debt instrument's stated maturity. This is known as prepayment risk. Prepayment risk is greater during a falling interest rate environment as issuers can reduce their cost of capital by refinancing higher yielding debt instruments with lower yielding debt instruments. An issuer may also elect to refinance its debt instruments with lower yielding debt instruments if the credit standing of the issuer improves. To the extent debt securities in its portfolio are called or redeemed, the Fund may be forced to reinvest in lower yielding securities. Debt securities have reinvestment risk, which is the risk that income from the Fund's portfolio will decline if and when the Fund invests the proceeds from matured, traded or called fixed income instruments at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the Fund's Common Share price or its overall return.

Below Investment Grade Securities Risk

The Fund may invest up to 20% of its Managed Assets in debt securities of Energy Portfolio Companies, including certain below investment grade securities. Below investment grade securities are rated "Ba1" or lower by Moody's, "BB+" or lower by S&P, or comparably rated by another NRSRO or, if unrated, determined to be of comparable quality by the Sub-Advisor. Below investment grade securities, also sometimes referred to as "high yield" or "junk" bonds, generally pay a premium above the yields of U.S. government securities or debt securities of investment grade issuers because they are subject to greater risks than these securities. These risks, which reflect their speculative character, include the following:

- greater yield and price volatility;
- greater credit risk and risk of default;
- potentially greater sensitivity to general economic or industry conditions;
- potential lack of attractive resale opportunities (illiquidity); and
- additional expenses to seek recovery from issuers who default.

In addition, the prices of these below investment grade securities are more sensitive to negative developments, such as a decline in the issuer's revenues, downturns in profitability in the relevant industry or a general economic downturn, than are the prices of higher grade securities. Below investment grade securities tend to be less liquid than investment grade securities and the market for below investment grade securities could contract further under adverse market or economic conditions. In such a scenario, it may be more difficult for the Fund to sell these securities in a timely manner or for as high a price as could be realized if such securities were more widely traded. The market value of below investment grade securities may be more volatile than the market value of investment grade securities and generally tends to reflect the market's perception of the creditworthiness of the issuer and short-term market developments to a greater extent than investment grade securities, which primarily reflect fluctuations in general levels of interest rates. In the event of a default by a below investment grade security held in the Fund's portfolio in the payment of principal or interest, the Fund may incur additional expense to the extent it is required to seek recovery of such principal or interest.

The Fund does not intend to invest in securities issued by a partnership or company in bankruptcy reorganization, subject to a public or private debt restructuring or otherwise in default or in significant risk of default in the payment of interest and principal ("distressed securities"). In the event any security held by the Fund becomes distressed, the Fund may be required to incur extraordinary expenses in order to attempt to protect and/or recover its investment. In such situations, there can be no assurance as to when or if the Fund will recover any of its investment in such distressed securities, or the value thereof.

Ratings are relative and subjective and not absolute standards of quality. Securities ratings are based largely on an issuer's historical financial condition and the rating agencies' analyses at the time of rating. Consequently, the rating assigned to any particular security or instrument is not necessarily a reflection of an issuer's current financial condition. Subsequent to its purchase by the Fund, the security or instrument may cease to be rated or its rating may be reduced. In addition, it is possible that NRSROs might not change their ratings of a particular security or instrument to reflect subsequent events on a timely basis. Moreover, such ratings do not assess the risk of a decline in market value. None of these events will require the sale of such securities or instruments by the Fund, although the Sub-Advisor will consider these events in determining whether the Fund should continue to hold the securities.

The market for below investment grade and comparable unrated securities has experienced periods of significantly adverse price and liquidity several times, particularly at or around times of economic recession. Past market recessions have adversely affected the value of such securities as well as the ability of certain issuers of such securities to repay principal and pay interest thereon or to refinance such securities. The market for these securities may react in a similar fashion in the future.

For a further description of below investment grade securities and the risks associated therewith, see "Other Investment Policies and Techniques" in the SAI. For a description of the ratings categories of certain NRSROs, see Appendix A to the SAI.

Leverage Risk

Leverage Instruments will have seniority over the Common Shares and may be secured by the assets of the Fund. The use of leverage by the Fund can magnify the effect of any losses. If the income and gains earned on the securities and investments purchased with leverage proceeds are greater than the cost of the leverage, the Common Shares' return will be greater than if leverage had not been used. Conversely, if the income and gains from the securities and investments purchased with such proceeds do not cover the cost of leverage, the return to the Common Shares will be less than if leverage had not been used. Leverage involves risks and special considerations for Common Shareholders including:

- the likelihood of greater volatility of NAV and market price of the Common Shares than a comparable portfolio without leverage;
- the risk that fluctuations in interest rates on Borrowings and short-term debt or in the dividend rates on any Preferred Shares that the Fund may pay will reduce the return to the Common Shareholders or will result in fluctuations in the dividends paid on the Common Shares;
- the effect of leverage in a declining market, which is likely to cause a greater decline in the NAV of the Common Shares than if the Fund were not leveraged, which may result in a greater decline in the market price of the Common Shares; and
- when the Fund uses certain types of leverage, the investment advisory fee payable to the Advisor and the sub-advisory fee payable by the Advisor to the Sub-Advisor will be higher than if the Fund did not use leverage because the definition of "Managed Assets" includes the proceeds of leverage.

There is no assurance that a leveraging strategy will be successful. The Fund may continue to use leverage if the benefits to the Fund's shareholders of maintaining the leveraged position are believed by the Fund's Board of Trustees to outweigh any current reduced return. See also "Other Investment Policies and Techniques—Strategic Transactions" in the SAI for more information about Strategic Transactions in which the Fund may enter that give rise to a form of financial leverage and the associated risks.

The funds borrowed pursuant to a leverage borrowing program (such as a credit line), or obtained through the issuance of Preferred Shares, constitute a substantial lien and burden by reason of their prior claim against the income of the Fund and against the net assets of the Fund in liquidation. The rights of lenders to receive payments of interest on and repayments of principal on any Borrowings made by the Fund under a leverage borrowing program are senior to the rights of Common Shareholders and the holders of Preferred Shares, with respect to the payment of dividends or upon liquidation. The Fund may not be permitted to declare dividends or other distributions, including dividends and distributions with respect to Common Shares or Preferred Shares or purchase Common Shares or Preferred Shares, unless at the time thereof the Fund meets certain asset coverage requirements and no event of default exists under any leverage program. In addition, the Fund may not be permitted to pay dividends on Common Shares unless all dividends on the Preferred Shares and/or accrued interest on Borrowings have been paid, or set aside for payment. In an event of default under a leverage borrowing program, the lenders have the right to cause a liquidation of collateral (*i.e.*, sell securities and other assets of the Fund) and, if any such default is not cured, the lenders may be able to control the liquidation as well. Certain types of leverage may result in the Fund being subject to covenants relating to asset coverage and Fund composition requirements. Generally, covenants to which the Fund may be subject include affirmative covenants, negative covenants, financial covenants, and investment covenants. See “Leverage Program.”

The Fund also may be subject to certain restrictions on investments imposed by guidelines of one or more rating agencies, which may issue ratings for the Preferred Shares or other leverage securities issued by the Fund. These guidelines may impose asset coverage or Fund composition requirements that are more stringent than those imposed by the 1940 Act. The Sub-Advisor does not believe that these covenants or guidelines will impede it from managing the Fund’s portfolio in accordance with the Fund’s investment objective and policies. While the Fund may from time to time consider reducing leverage in response to actual or anticipated changes in interest rates in an effort to mitigate the increased volatility of current income and NAV associated with leverage, there can be no assurance that the Fund will actually reduce leverage in the future or that any reduction, if undertaken, will benefit the Common Shareholders. Changes in the future direction of interest rates are very difficult to predict accurately. If the Fund were to reduce leverage based on a prediction about future changes to interest rates, and that prediction turned out to be incorrect, the reduction in leverage would likely operate to reduce the income and/or total returns to Common Shareholders relative to the circumstance if the Fund had not reduced leverage. The Fund may decide that this risk outweighs the likelihood of achieving the desired reduction to volatility in income and Common Share price if the prediction were to turn out to be correct, and determine not to reduce leverage as described above.

In addition to the structural forms of leverage that the Fund may utilize, the Fund may employ portfolio leverage through the use of various portfolio techniques, such as reverse repurchase agreements, that have the economic effect of leverage. The use by the Fund of leverage through reverse repurchase agreements involves additional risks, including the risk that the market value of the securities acquired with the proceeds of the reverse repurchase agreement may decline below the repurchase price of the securities the Fund has sold but is obligated to repurchase. Also, reverse repurchase agreements involve the risk that the market value of the securities retained in lieu of sale by the Fund in connection with the reverse repurchase agreement may decline in price. If the buyer of securities under a reverse repurchase agreement files for bankruptcy or becomes insolvent, such buyer or its trustee or receiver may receive an extension of time to determine whether to enforce the Fund’s obligation to repurchase the securities, and the Fund’s use of the proceeds of the reverse repurchase agreement may effectively be restricted pending such decision. The use by the Fund of leverage through reverse repurchase agreements also would involve the risk that the Fund will be required to sell securities at inopportune times or prices in order to repay leverage and the risk that the counterparty may be unable to return the securities to the Fund.

Covered Call Options Risk

There are various risks associated with the Fund writing (or selling) covered call options. As the writer (seller) of a call option, the Fund would receive cash (the premium) from the purchaser of the option, and the purchaser would have the right to receive from the Fund any appreciation in the underlying security over the strike price upon exercise. In effect, the Fund would forgo, during the life of the option, the opportunity to profit from increases in the market value of the portfolio security covering the option above the sum of the premium and the strike price of the call option but would retain the risk of loss should the price of the underlying security decline. Therefore, the writing (or selling) of covered call options may limit the Fund’s ability to benefit from the full upside potential of its investment strategies.

The value of call options written by the Fund, which will be priced daily, are determined by trading activity in the broad options market and will be affected by, among other factors, changes in the value of the underlying security in relation to the strike price, changes in dividend rates of the underlying security, changes in interest rates, changes in actual or perceived volatility of the stock market and the underlying security, and the time remaining until the expiration date. The value of call options written by the Fund may be adversely affected if the market for the option is reduced or becomes illiquid.

There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. Reasons for the absence of a liquid secondary market on an exchange include the following: (i) insufficient trading interest in certain options; (ii) restrictions may be imposed by an exchange on opening transactions or closing transactions or both; (iii) trading halts,

suspensions or other restrictions may be imposed with respect to particular classes or series of options; (iv) unusual or unforeseen circumstances may interrupt normal operations on an exchange; (v) inadequate facilities of an exchange or the OCC to handle current trading volume; or (vi) the decision of one or more exchanges at some future date to discontinue the trading of options (or a particular class or series of options) for economic or other reasons. If trading were discontinued, the secondary market on that exchange (or in that class or series of options) would cease to exist. However, outstanding options on that exchange would continue to be exercisable in accordance with their terms. To the extent that the Fund utilizes unlisted (or "over-the-counter") options, the Fund's ability to terminate these options may be more limited than with exchange-traded options and may involve enhanced risk that counterparties participating in such transactions will not fulfill their obligations.

The hours of trading for options may not conform to the hours during which the securities held by the Fund are traded. To the extent that the options markets close before the markets for the underlying securities, significant price and rate movements can take place in the underlying markets that cannot be reflected in the options markets. Additionally, the exercise price of an option may be adjusted downward before the option's expiration as a result of the occurrence of certain corporate events affecting the underlying security, such as extraordinary dividends, stock splits, mergers or other extraordinary distributions or events. A reduction in the exercise price of options might reduce the Fund's capital appreciation potential on underlying securities held by the Fund.

The Fund's covered call options transactions will be subject to limitations established by each of the exchanges, boards of trade or other trading facilities on which the options are traded. These limitations govern the maximum number of options in each class that may be written by a single investor or group of investors acting in concert, regardless of whether the options are written on the same or different exchanges, boards of trade or other trading facilities or are written in one or more accounts or through one or more brokers. Thus, the number of covered call options that the Fund may write may be affected by options written by other investment advisory clients of the Advisor, Sub-Advisor or their affiliates. An exchange, board of trade or other trading facility may order the liquidation of positions found to be in excess of these limits, and it may impose other sanctions.

Interest Rate Swaps Risk

The use of interest rate swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on market conditions in general, the Fund's use of swaps could enhance or harm the overall performance of the Common Shares. For example, the Fund may utilize interest rate swaps in connection with the Fund's use of leverage. To the extent there is a decline in interest rates, the value of the interest rate swap could decline, and could result in a decline in the net asset value of the Common Shares. In addition, if short-term interest rates are lower than the Fund's fixed rate of payment on the interest rate swap, the swap will reduce Common Share net earnings. If, on the other hand, short-term interest rates are higher than the fixed rate of payment on the interest rate swap, the swap will enhance Common Share net earnings.

Interest rate swaps do not involve the delivery of securities or other underlying assets or principal. Accordingly, the risk of loss with respect to interest rate swaps is limited to the net amount of interest payments that the Fund is contractually obligated to make. If the counterparty defaults, the Fund would not be able to use the anticipated net receipts under the swap to offset any declines in the value of the Fund's portfolio assets being hedged or the increase in the Fund's cost of leverage.

Depending on whether the Fund would be entitled to receive net payments from the counterparty on the swap, which in turn would depend on the general state of market interest rates at that point in time, such a default could negatively impact the performance of the Common Shares. In addition, at the time an interest rate swap transaction reaches its scheduled termination date, there is a risk that the Fund would not be able to obtain a replacement transaction or that the terms of the replacement would not be as favorable as on the expiring transaction. If this occurs, it could have a negative impact on the performance of the Common Shares. If the Fund fails to maintain any required asset coverage ratios in connection with any use by the Fund of leverage, the Fund may be required to redeem or prepay some or all of the leverage. Such redemption or prepayment would likely result in the Fund seeking to terminate early all or a portion of any swap transactions. Early termination of a swap could result in a termination payment by or to the Fund. The Fund intends to maintain, in a segregated account, cash or liquid securities having a value at least equal to the amount required to make payment on each of the Fund's swap transactions if the Fund were to exit its positions in such transactions immediately and was required to mark to market.

Competition Risk

A number of alternatives as vehicles for investment in a portfolio of Energy Portfolio Companies currently exist, including other publicly-traded investment companies, structured notes and private funds. In addition, recent tax law changes have increased the ability of regulated investment companies or other institutions to invest in MLPs. These competitive conditions may adversely impact the Fund's ability to meet its investment objective, which in turn could adversely impact the Fund's ability to make distributions.

Restricted Securities Risk

The Fund may invest in unregistered or otherwise restricted securities. The term "restricted securities" refers to securities that have not been registered under the 1933 Act and continue to be subject to restrictions on resale, securities held by control persons of the issuer and securities that are subject to contractual restrictions on their resale. As a result, restricted securities may be more difficult to value and the Fund may have difficulty disposing of such assets either in a timely manner or for a reasonable price. Absent an exemption from registration, the Fund will be required to hold the securities until they are registered by the issuer. In order to dispose of an unregistered security, the Fund, where it has contractual rights to do so, may have to cause such security to be registered. A considerable period may elapse between the time the decision is made to sell the security and the time the security is registered so that the Fund could sell it. Contractual restrictions on the resale of securities vary in length and scope and are generally the result of a negotiation between the issuer and acquirer of the securities. The Fund would, in either case, bear market risks during that period.

Liquidity Risk

Although common units of MLPs, I-Shares of MLP-related entities, and common stock of certain other Energy Portfolio Companies trade on the NYSE, NYSE MKT, and NASDAQ, certain securities may trade less frequently, particularly those of issuers with smaller capitalizations. Securities with limited trading volumes may display volatile or erratic price movements. Larger purchases or sales of these securities by the Fund in a short period of time may result in abnormal movements in the market price of these securities. This may affect the timing or size of Fund transactions and may limit the Fund's ability to make alternative investments. If the Fund requires significant amounts of cash on short notice in excess of normal cash requirements or is required to post or return collateral in connection with the Fund's investment portfolio, Strategic Transactions or leverage restrictions, the Fund may have difficulty selling these investments in a timely manner, be forced to sell them for less than it otherwise would have been able to realize, or both. The reported value of some of the Fund's relatively illiquid types of investments and, at times, the Fund's high quality, generally liquid asset classes, may not necessarily reflect the current market price for the asset. If the Fund was forced to sell certain of its assets in the current market, there can be no assurance that the Fund will be able to sell them for the prices at which the Fund has recorded them and the Fund may be forced to sell them at significantly lower prices. See "The Fund's Investments—Investment Philosophy and Process."

Valuation Risk

Market prices generally will not be available for subordinated units, direct ownership of general partner interests, restricted securities or unregistered securities of certain Energy Portfolio Companies, and the value of such investments will ordinarily be determined based on fair valuations determined pursuant to procedures adopted by the Board of Trustees. The value of these securities typically requires more reliance on the judgment of the Sub-Advisor than that required for securities for which there is an active trading market. In addition, the Fund will rely on information provided by certain MLPs, which is usually not timely, to determine the tax character of distributions to Common Shareholders. From time to time the Fund will modify its estimates and/or assumptions as new information becomes available. To the extent the Fund modifies its estimates and/or assumptions, the NAV of the Fund would likely fluctuate. See "Net Asset Value."

Interest Rate Risk

Interest rate risk is the risk that securities will decline in value because of changes in market interest rates. When market interest rates rise, the market value of the securities in which the Fund invests generally will fall. The Fund's investment in such securities means that the NAV and market price of the Common Shares will tend to decline if market interest rates rise. Interest rates are at or near historic lows, and as a result, they are likely to rise over time.

Recent Market and Economic Developments

Over the past several years global financial markets experienced periods of unprecedented turmoil, which contributed to severe market volatility and caused severe liquidity strains in the credit markets. Volatile financial markets can expose the Fund to greater market and liquidity risk and potential difficulty in valuing portfolio instruments held by the Fund. Recently, markets have witnessed more stabilized economic activity as expectations for an economic recovery increased. However, a return to unfavorable economic conditions or sustained economic slowdown may place downward pressure on oil and natural gas prices and may adversely affect the ability of Energy Portfolio Companies to sustain their historical distribution levels, which in turn, may adversely affect the Fund. Energy Portfolio Companies that have historically relied heavily on outside capital to fund their growth have been impacted by the contraction in the capital markets. The continued recovery of the energy sector is dependent on several factors, including the continued recovery of the financial sector, the general economy and the commodity markets. The Advisor and Sub-Advisor do not know how long the financial markets will continue to be affected by these recent events and cannot predict the effects of these or similar events in the future on the U.S. economy and securities in the Fund's portfolio.

Non-Diversification

The Fund is a non-diversified investment company under the 1940 Act and will not be treated as a regulated investment company under the Code. Accordingly, while Section 12(d)(3) of the 1940 Act prohibits the Fund from making certain investments, there are no diversification-specific regulatory requirements under the 1940 Act or the Code on the minimum number or size of securities held by the Fund. As of December 31, 2013, there were approximately 101 publicly traded MLPs with a market capitalization of approximately $440 billion.

Anti-Takeover Provisions

The Fund's Declaration of Trust includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then current market price of the Common Shares. See "Certain Provisions in the Declaration of Trust and By-Laws."

Inflation Risk

Inflation risk is the risk that the value of assets or income from investment will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline.

Secondary Market for the Fund's Common Shares

The issuance of Common Shares through the Fund's dividend reinvestment plan may have an adverse effect on the secondary market for the Common Shares. The increase in the number of outstanding Common Shares resulting from issuances pursuant to the Fund's dividend reinvestment plan and the discount to the market price at which such Common Shares may be issued, may put downward pressure on the market price for the Common Shares. Common Shares will not be issued pursuant to the dividend reinvestment plan at any time when Common Shares are trading at a lower price than the Fund's NAV per Common Share. When the Fund's Common Shares are trading at a premium, the Fund may also issue Common Shares that may be sold through private transactions effected on the NYSE or through broker-dealers. The increase in the number of outstanding Common Shares resulting from these offerings may put downward pressure on the market price for Common Shares.

MANAGEMENT OF THE FUND

Trustees and Officers

General oversight of the duties performed by the Advisor and the Sub-Advisor is the responsibility of the Board of Trustees. There are five Trustees of the Fund, one of whom is an "interested person" (as defined in the 1940 Act) and four of whom are not "interested persons." The names and business addresses of the Trustees and executive officers of the Fund and their principal occupations and other affiliations during the past five years are set forth under "Management of the Fund" in the SAI.

Investment Advisor

First Trust Advisors is the investment advisor to the Fund. First Trust Advisors serves as investment advisor or portfolio supervisor to investment portfolios with approximately $86 billion in assets which it managed or supervised as of February 28, 2014. It is located at 120 East Liberty Drive, Wheaton, Illinois 60187.

First Trust Advisors is responsible for supervising the Sub-Advisor, monitoring the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and other administrative services.

First Trust Advisors is an Illinois limited partnership formed in 1991 and an investment advisor registered with the SEC under the Advisers Act. First Trust Advisors is a limited partnership with one limited partner, Grace Partners of DuPage L.P. ("Grace Partners"), and one general partner, The Charger Corporation. Grace Partners is a limited partnership with one general partner, The Charger Corporation, and a number of limited partners. Grace Partners' and The Charger Corporation's primary business is investment advisory and broker-dealer services through their ownership interests. The Charger Corporation is an Illinois corporation controlled by James A. Bowen, Chief Executive Officer of the Advisor. First Trust Advisors is controlled by Grace Partners and The Charger Corporation.

For additional information concerning First Trust Advisors, including a description of the services provided, see the SAI under "Investment Advisor."

Sub-Advisor

Energy Income Partners serves as the Fund's Sub-Advisor. In this capacity, Energy Income Partners is primarily responsible for the day-to-day supervision and investment strategy of, and making investment decisions for, the Fund.

Energy Income Partners, located at 49 Riverside Avenue, Westport, Connecticut 06880, is a registered investment advisor and serves as investment advisor to investment portfolios with approximately $4.17 billion of assets as of February 28, 2014.

Energy Income Partners is a Delaware limited liability company and an SEC-registered investment advisor, founded in October 2003 by James J. Murchie to provide professional asset management services in the area of energy-related MLPs and other high-payout securities in the energy infrastructure sector. In addition to serving as sub-advisor to the Fund, Energy Income Partners serves as the investment manager to three unregistered investment companies and one private registered investment company for high net worth individuals and institutions. Energy Income Partners also serves as the sub-adviser to four other registered investment companies advised by First Trust Advisors. Energy Income Partners mainly focuses on portfolio companies that operate infrastructure assets such as pipelines, storage and terminals that receive fee-based or regulated income from their customers.

First Trust Capital Partners, LLC, an affiliate of the Advisor, owns, through a wholly-owned subsidiary, a 15% ownership interest in each of the Sub-Advisor and EIP Partners, LLC, a Delaware limited liability company and affiliate of the Sub-Advisor. In addition, it is anticipated that an affiliate of the Advisor and Eva Pao, an employee of the Sub-Advisor, each will purchase preferred equity interests in the Sub-Advisor concurrently with the closing of the offering contemplated by this prospectus. The preferred equity interests are non-voting and do not share in the profits or losses of the Sub-Advisor. The Sub-Advisor may buy back any or all of such preferred equity interests at any time and such affiliate and Ms. Pao each may sell back to the Sub-Advisor up to 50% of its respective preferred equity interests on or after the 18-month anniversary of the issuance of such preferred equity interests and any or all of its respective preferred equity interests after the 36-month anniversary of the issuance of such preferred equity interests.

James J. Murchie is the Founder, Chief Executive Officer, co-portfolio manager and a Principal of Energy Income Partners. After founding Energy Income Partners in October 2003, Mr. Murchie and the Energy Income Partners investment team joined Pequot Capital Management Inc. ("Pequot Capital") in December 2004. In August 2006, Mr. Murchie and the Energy Income Partners investment team left Pequot Capital and re-established Energy Income Partners. Prior to founding Energy Income Partners, Mr. Murchie was a Portfolio Manager at Lawhill Capital Partners, LLC ("Lawhill Capital"), a long/short equity hedge fund investing in commodities and equities in the energy and basic industry sectors. Before Lawhill Capital, Mr. Murchie was a Managing Director at Tiger Management, LLC, where his primary responsibility was managing a portfolio of investments in commodities and related equities. Mr. Murchie was also a Principal at Sanford C. Bernstein. He began his career at British Petroleum, PLC. Mr. Murchie holds a BA from Rice University and an MA from Harvard University.

Eva Pao is a Principal of Energy Income Partners and is co-portfolio manager for all its funds. She has been with EIP since inception in 2003. From 2005 to mid-2006, Ms. Pao joined Pequot Capital Management during EIP's affiliation with Pequot. Prior to Harvard Business School, Ms. Pao was a Manager at Enron Corp where she managed a portfolio in Canadian oil and gas equities for Enron's internal hedge fund that specialized in energy-related equities and managed a natural gas trading book. Ms. Pao holds degrees from Rice University and Harvard Business School.

Linda Longville is the Research Director and a Principal of Energy Income Partners. Ms. Longville has been with Energy Income Partners since its inception in 2003, including the time the Energy Income Partners investment team spent at Pequot Capital between December 2004 and July 2006. From April 2001 through September 2003, she was a research analyst for Lawhill Capital. Prior to Lawhill Capital, Ms. Longville held positions in finance and business development at British Petroleum, PLC and Advanced Satellite Communications, Inc. She has a BAS from Miami University (Ohio) and an MA from Case Western Reserve University.

Saul Ballesteros is the Head of Trading and Operations and a Principal of Energy Income Partners. Mr. Ballesteros joined Energy Income Partners in 2006 after six years as a proprietary trader at FPL Group and Mirant Corp. From 1994 through 1999, he was with Enron's internal hedge fund in various positions of increased responsibility, and, from 1991 through 1994, Mr. Ballesteros was a manager of financial planning at IBM. Mr. Ballesteros holds a BS from Duke University and an MBA from Northwestern University.

For additional information concerning Energy Income Partners, including a description of the services provided and additional information about the Fund's portfolio managers, including the portfolio managers' compensation, other accounts managed by the portfolio managers and the portfolio managers' ownership of Fund shares, see "Sub-Advisor" in the SAI.

Investment Management Agreement

Pursuant to the Investment Management Agreement, the Fund has agreed to pay for the services and facilities provided by First Trust Advisors an annual management fee, payable on a monthly basis, equal to 1.00% of the Fund's Managed Assets.

In addition to the management fee of First Trust Advisors, the Fund pays all other costs and expenses of its operations, including compensation of its trustees (other than those affiliated with First Trust Advisors), custodian, transfer agency, administrative, accounting and dividend disbursing expenses, legal fees, leverage expenses, expenses of independent auditors, expenses of repurchasing shares, expenses of preparing, printing and distributing shareholder reports, notices, proxy statements and reports to governmental agencies, and taxes, if any.

The Sub-Advisor will receive a portfolio management fee equal to 0.50% of the Fund's Managed Assets. The Sub-Advisor's fee is paid by the Advisor out of the Advisor's management fee.

Because the fee paid to the Advisor (and by the Advisor to the Sub-Advisor) will be calculated on the basis of the Fund's Managed Assets, which include the proceeds of leverage, the dollar amount of the Advisor's fees from the Fund (and Sub-Advisor's fees from the Advisor) will be higher (and the Advisor and Sub-Advisor will be benefited to that extent) when leverage is utilized. In this regard, if the Fund uses leverage in the amount equal to 25% of the Fund's Managed Assets (after their issuance), the Fund's management fee would be 1.33% of net assets attributable to Common Shares. See "Summary of Fund Expenses."

A discussion regarding the basis for approval by the Board of Trustees of the Investment Management Agreement and the Sub-Advisory Agreement will be available in the Fund's Semi-Annual Report to Shareholders for the period ended April 30, 2014.

NET ASSET VALUE

The Fund will determine the NAV of its Common Shares daily as of the close of regular session trading on the NYSE (normally 4:00 p.m. eastern time). NAV is computed by dividing the value of all assets of the Fund (including option premiums, accrued interest and dividends), less all Fund liabilities (including accrued expenses, dividends payable, current and deferred income taxes, any Borrowings of the Fund and liabilities under reverse repurchase agreements, and the market value of written call options) and the liquidation value of any outstanding Preferred Shares, by the total number of shares outstanding. The Fund will rely to some extent on information provided by the MLPs, which is usually not timely, to estimate taxable income allocable to the MLP units held in the Fund's portfolio. From time to time the Fund will modify its estimates and/or assumptions as new information becomes available. To the extent the Fund modifies its estimates and/or assumptions, the NAV of the Fund would likely fluctuate.

For purposes of determining the NAV of the Fund, readily marketable portfolio securities listed on any exchange other than NASDAQ are valued, except as indicated below, at the last sale price on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the most recent bid and asked prices on such day. Securities admitted to trade on NASDAQ are valued at the NASDAQ Official Closing Price as determined by NASDAQ. Portfolio securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined at the close of the exchange representing the principal market for such securities.

Equity securities traded in the over-the-counter market, but excluding securities admitted to trading on NASDAQ, will be valued at the closing bid prices. Fixed-income securities with a remaining maturity of 60 days or more will be valued by the Fund using a pricing service. When price quotes are not available, fair market value is based on prices of comparable securities. Fixed-income securities maturing within 60 days are valued by the Fund on an amortized cost basis. In the event that market quotations are not readily available, a pricing service does not provide a valuation for a particular asset, or the valuations are deemed unreliable, or if events occurring after the close of the principal markets for particular securities (*e.g.*, domestic debt and foreign securities), but before the Fund values its assets, would call into doubt whether the market quotations or pricing service valuations represent fair value, the Fund may use a fair value method in good faith to value the Fund's securities and investments. The use of fair value pricing by the Fund will be governed by valuation procedures approved by the Fund's Board of Trustees, and in accordance with the provisions of the 1940 Act.

When applicable, fair value of securities of an issuer is determined by the Board or a committee of the Board. In fair valuing the Fund's investments, such as unregistered securities of MLPs, MLP-related entities and private energy companies, consideration is given to several factors, which may include, among others, the following:

- the fundamental business data relating to the issuer;
- an evaluation of the forces which influence the market in which the securities of the issuer are purchased and sold;
- the type, size and cost of the security;

- the financial statements of the issuer;
- the credit quality and cash flow of the issuer, based on the Sub-Advisor's or external analysis;
- the information as to any transactions in or offers for the security;
- the price and extent of public trading in similar securities (or equity securities) of the issuer, or comparable companies;
- the coupon payments;
- the quality, value and saleability of collateral, if any, securing the security;
- the business prospects of the issuer, including any ability to obtain money or resources from a parent or affiliate and an assessment of the issuer's management;
- the prospects for the issuer's industry, and multiples (of earnings and/or cash flow) being paid for similar businesses in that industry;
- the issuer's competitive position within the industry;
- the issuer's ability to access additional liquidity through public and private markets; and
- other relevant factors.

Any derivative transaction that the Fund enters into may, depending on the applicable market environment, have a positive or negative value for purposes of calculating NAV. Any option transaction that the Fund enters into may, depending on the applicable market environment, have no value or a positive value. Exchange-traded options and futures contracts are valued at the closing price in the market where such contracts are principally traded.

DISTRIBUTIONS

The Fund intends to make monthly distributions of its DCF to Common Shareholders. Due to the tax treatment under current law of cash distributions made by MLPs in which the Fund invests, a portion of the distributions the Fund anticipates making to Common Shareholders likely will consist of a return of capital. To the extent that distributions exceed the Fund's earnings and profits, such distributions are generally not treated as taxable income for the investor. Instead, the Common Shareholders will experience a reduction in the basis of their shares, which may increase the capital gain or reduce capital loss realized upon the sale of such shares. Section 19(a) of the 1940 Act and Rule 19a-1 thereunder requires the Fund to provide a written statement accompanying payment of a distribution from any source other than income that adequately discloses the source or sources of payment. Thus, if the Fund's capital was the source of a distribution and the payment amounted to a return of capital, the Fund would be required to provide a written notice to that effect. A "return of capital" represents the return of a shareholder's original investment in the Fund's Common Shares, and should not be confused with a dividend from profits and earnings. Upon the sale of Common Shares, Common Shareholders generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the Common Shareholder and the shareholder's federal income tax basis in Common Shares sold, as adjusted to reflect return of capital. Accordingly, Common Shareholders should carefully review any written disclosure accompanying a distribution and should not assume that the source of payment is the Fund's income. See "Tax Matters."

Under normal market conditions, the Fund intends to make payment of substantially all DCF to holders of Common Shares on an annual basis. The Fund's initial distribution is expected to be declared approximately 45 to 60 days after the completion of this offering and paid approximately 60 to 90 days after the completion of this offering, depending on market conditions. Subsequent distributions will be paid each month out of DCF, if any. Distributions to Common Shareholders will be recorded on the ex-date and are determined based on U.S. generally accepted accounting principles, which may differ from their ultimate characterization for federal income tax purposes. There is no assurance that the Fund will make regular distributions.

Distributions made from current and accumulated earnings and profits of the Fund will be taxable to shareholders as dividend income. Distributions that are in an amount greater than the Fund's current and accumulated earnings and profits will represent a return of capital to the extent of a shareholder's basis in the Common Shares, and such distributions will correspondingly increase the realized gain upon the sale of the Common Shares. Additionally, distributions not paid from current and accumulated earnings and profits that exceed a shareholder's tax basis in the Common Shares will be taxed as a capital gain. Unless a shareholder elects to receive cash distributions, distributions will automatically be reinvested into additional Common Shares pursuant to the Fund's Dividend Reinvestment Plan. Shareholders will be taxed upon the reinvested amounts as if they actually received the distribution in cash and then reinvested it in Common Shares.

Distributions by the Fund, whether paid in cash or in additional Common Shares, will be taken into account in measuring the performance of the Fund with respect to its investment objective.

DIVIDEND REINVESTMENT PLAN

If your Common Shares are registered directly with the Fund or if you hold your Common Shares with a brokerage firm that participates in the Fund's dividend reinvestment plan (the "Plan"), unless you elect to receive cash distributions, all dividends and distributions on your Common Shares will be automatically reinvested by the Plan Agent, BNY Mellon Investment Servicing (US) Inc., in additional Common Shares under the Plan. If you elect to receive cash distributions, you will receive all distributions in cash paid by check mailed directly to you by BNY Mellon Investment Servicing (US) Inc., as dividend paying agent.

You are automatically enrolled in the Plan when you become a shareholder of the Fund. As a participant in the Plan, the number of Common Shares you will receive will be determined as follows:

(1)If the Common Shares are trading at or above NAV at the time of valuation, the Fund will issue new shares at a price equal to the greater of (i) NAV per Common Share on that date or (ii) 95% of the market price on that date.

(2)If Common Shares are trading below NAV at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and will purchase Common Shares in the open market, on the NYSE or elsewhere, for the participants' accounts. It is possible that the market price for the Common Shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price at the time of valuation, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in Common Shares issued by the Fund. The Plan Agent will use all dividends and distributions received in cash to purchase Common Shares in the open market within 30 days of the valuation date except where temporary curtailment or suspension of purchases is necessary to comply with federal securities laws. Interest will not be paid on any uninvested cash payments.

You may elect to opt-out of or withdraw from the Plan at any time by giving written notice to the Plan Agent, or by telephone at (800) 331-1710, in accordance with such reasonable requirements as the Plan Agent and Fund may agree upon. If you withdraw or the Plan is terminated, you will receive a whole share in your account under the Plan and you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. Common Shares in your account will be held by the Plan Agent in non-certificated form. The Plan Agent will forward to each participant any proxy solicitation material and will vote any shares so held only in accordance with proxies returned to the Fund. Any proxy you receive will include all Common Shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in Common Shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open-market purchases.

Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due upon receiving dividends and distributions. See "Tax Matters."

If you hold your Common Shares with a brokerage firm that does not participate in the Plan, you will not be able to participate in the Plan and any dividend reinvestment may be effected on different terms than those described above. Consult your financial advisor for more information.

Neither the Fund nor the Plan Agent shall be liable with respect to the Plan for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability: (i) arising out of failure to terminate any participant's account upon such participant's death prior to receipt of notice in writing of such death; and (ii) with respect to the prices at which Common Shares are purchased and sold for the participant's account and the times such purchases and sales are made.

The Fund reserves the right to amend or terminate the Plan if in the judgment of the Board of Trustees the change is warranted. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from BNY Mellon Investment Servicing (US) Inc., 301 Bellevue Parkway, Wilmington, Delaware 19809.

DESCRIPTION OF SHARES

Common Shares

The Declaration of Trust authorizes the issuance of an unlimited number of Common Shares. The Common Shares being offered have a par value of $0.01 per share and, subject to the rights of the holders of Preferred Shares, if issued, have equal rights to the payment of dividends and the distribution of assets upon liquidation. The Common Shares being offered will, when issued, be fully paid and non-assessable, subject to matters discussed in "Certain Provisions in the Declaration of Trust and By-Laws," and currently have no preemptive or conversion rights (except as may otherwise be determined by the Board of Trustees in its sole discretion) or rights to cumulative voting.

The Fund's Common Shares have been approved for listing on the NYSE, subject to notice of issuance, under the symbol "FPL." The Fund intends to hold annual meetings of shareholders so long as the Common Shares are listed on a national securities exchange and such meetings are required as a condition to such listing.

The NAV of the Common Shares will be reduced immediately following the offering by the amount of the sales load and offering expenses paid by the Fund. The Advisor and the Sub-Advisor have agreed to pay: (i) all organizational expenses; and (ii) all offering costs of the Fund (other than sales load) that exceed 0.20% (or $0.04 per Common Share) of the Fund's aggregate offering price. See "Use of Proceeds."

Unlike open-end funds, closed-end funds like the Fund do not continuously offer shares and do not provide daily redemptions. Rather, if a shareholder determines to buy additional Common Shares or sell shares already held, the shareholder may conveniently do so by trading on the exchange through a broker or otherwise. Shares of closed-end investment companies may frequently trade on an exchange at prices lower than NAV. Shares of closed-end investment companies like the Fund have during some periods traded at prices higher than NAV and during other periods have traded at prices lower than NAV. Because the market value of the Common Shares may be influenced by such factors as dividend levels (which are in turn affected by expenses), dividend stability, portfolio credit quality, NAV, relative demand for and supply of such shares in the market, general market and economic conditions, and other factors beyond the control of the Fund, the Fund cannot assure you that Common Shares will trade at a price equal to or higher than NAV in the future. The Common Shares are designed primarily for long-term investors, and investors in the Common Shares should not view the Fund as a vehicle for trading purposes.

Preferred Shares

The Declaration of Trust provides that the Fund's Board of Trustees may authorize and issue Preferred Shares with rights as determined by the Board of Trustees, by action of the Board of Trustees without the approval of the Common Shareholders. Common Shareholders have no preemptive right to purchase any Preferred Shares that might be issued.

The Fund may elect to issue Preferred Shares as part of its leverage strategy. The Fund currently has the ability to issue leverage through Borrowings in an amount up to 33-1/3% of the Fund's total assets. The Board of Trustees also reserves the right to authorize the Fund to issue Preferred Shares to the extent permitted by the 1940 Act, which currently limits the aggregate liquidation preference of all outstanding Preferred Shares plus the principal amount of any outstanding leverage consisting of debt to 50% of the value of the Fund's total assets. Although the terms of any Preferred Shares, including dividend rate, liquidation preference and redemption provisions, will be determined by the Board of Trustees, subject to applicable law and the Declaration of Trust, the Preferred Shares may be structured to carry a relatively short-term dividend rate reflecting interest rates on short-term bonds, by providing for the periodic redetermination of the dividend rate at relatively short intervals. The Fund also believes that it is likely that the liquidation preference, voting rights and redemption provisions of the Preferred Shares will be similar to those stated below.

Liquidation Preference. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Fund, the holders of Preferred Shares will be entitled to receive a preferential liquidating distribution, which is expected to equal the original purchase price per Preferred Share plus accrued and unpaid dividends, whether or not declared, before any distribution of assets is made to Common Shareholders. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Preferred Shares will not be entitled to any further participation in any distribution of assets by the Fund.

Voting Rights. The 1940 Act requires that the holders of any Preferred Shares, voting separately as a single class, have the right to elect at least two trustees at all times. The remaining trustees will be elected by holders of Common Shares and Preferred Shares, voting together as a single class. In addition, subject to the prior rights, if any, of the holders of any other class of senior securities outstanding, the holders of any Preferred Shares have the right to elect a majority of the trustees of the Fund at any time that two years of dividends on any Preferred Shares are unpaid. The 1940 Act also requires that, in addition to any approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class, would be required to: (i) adopt any plan of reorganization that would adversely affect the Preferred Shares; and (ii) take any action requiring a vote of security holders under Section 13(a) of the 1940 Act, including, among other things, changes in the

Fund's subclassification as a closed-end investment company or changes in its fundamental investment restrictions. See "Certain Provisions in the Declaration of Trust and By-Laws." As a result of these voting rights, the Fund's ability to take any such actions may be impeded to the extent that there are any Preferred Shares outstanding. The Board of Trustees presently intends that, except as otherwise indicated in this prospectus and except as otherwise required by applicable law or the Declaration of Trust, holders of Preferred Shares will have equal voting rights with Common Shareholders (one vote per share, unless otherwise required by the 1940 Act) and will vote together with Common Shareholders as a single class.

The affirmative vote of the holders of a majority of the outstanding Preferred Shares, voting as a separate class, will be required to amend, alter or repeal any of the preferences, rights or powers of holders of Preferred Shares so as to affect materially and adversely such preferences, rights or powers, or to increase or decrease the authorized number of Preferred Shares. The class vote of holders of Preferred Shares described above will in each case be in addition to any other vote required to authorize the action in question.

Redemption, Purchase and Sale of Preferred Shares by the Fund. The terms of any Preferred Shares issued are expected to provide that: (i) they are redeemable by the Fund in whole or in part at the original purchase price per share plus accrued dividends per share; (ii) the Fund may tender for or purchase Preferred Shares; and (iii) the Fund may subsequently resell any shares so tendered for or purchased. Any redemption or purchase of Preferred Shares by the Fund will reduce any leverage applicable to the Common Shares, while any resale of shares by the Fund will increase that leverage.

The discussion above describes the possible offering of Preferred Shares by the Fund. If the Board of Trustees determines to proceed with such an offering, the terms of the Preferred Shares may be the same as, or different from, the terms described above, subject to applicable law and the Fund's Declaration of Trust. The Board of Trustees, without the approval of the Common Shareholders, may authorize an offering of Preferred Shares or may determine not to authorize such an offering, and may fix the terms of the Preferred Shares to be offered.

CERTAIN PROVISIONS IN THE DECLARATION OF TRUST AND BY-LAWS

Under Massachusetts law, shareholders, in certain circumstances, could be held personally liable for the obligations of the Fund. However, the Declaration of Trust contains an express disclaimer of shareholder liability for debts or obligations of the Fund and requires that notice of such limited liability be given in each agreement, obligation or instrument entered into or executed by the Fund or the Board of Trustees. The Declaration of Trust further provides for indemnification out of the assets and property of the Fund for all loss and expense of any shareholder of the Fund held personally liable for the obligations of the Fund solely by reason of being a shareholder. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Fund would be unable to meet its obligations. The Fund believes that the likelihood of such circumstances is remote.

The Declaration of Trust generally requires a Common Shareholder vote only on those matters where the 1940 Act or the Fund's listing with an exchange require a Common Shareholder vote, but otherwise permits the Board of Trustees to take action without seeking the consent of Common Shareholders. For example, the Declaration of Trust gives the Board of Trustees broad authority to approve most reorganizations between the Fund and another entity, such as another closed-end fund, and the sale of all or substantially all of its assets without Common Shareholder approval if the 1940 Act would not require such approval. The Declaration of Trust further provides that the Board of Trustees may amend the Declaration of Trust in any respect without Common Shareholder approval. The Declaration of Trust, however, prohibits amendments that impair the exemption from personal liability granted in the Declaration of Trust to persons who are or have been shareholders, trustees, officers or employees of the Fund or that limit the rights to indemnification or insurance provided in the Declaration of Trust with respect to actions or omissions of persons entitled to indemnification under the Declaration of Trust prior to the amendment. The By-Laws may be amended only by action of the trustees. The Declaration of Trust and By-Laws include provisions that could limit the ability of other entities or persons to acquire control of the Fund or to convert the Fund to open-end status.

The number of trustees is currently five, but by action of two-thirds of the trustees, the number of trustees may from time to time be increased or decreased. Under the By-Laws, the Board of Trustees is divided into three classes of trustees serving staggered three-year terms, with the terms of one class expiring at each annual meeting of shareholders. If the Fund issues Preferred Shares, the Fund may establish a separate class for the trustees elected by the holders of the Preferred Shares. Subject to applicable provisions of the 1940 Act, vacancies on the Board of Trustees may be filled by a majority action of the remaining trustees. Removal of a trustee requires either (a) a vote of two-thirds of the outstanding shares (or if the trustee was elected or appointed with respect to a particular class, two-thirds of the outstanding shares of such class), or (b) the action of at least two-thirds of the remaining trustees. Such provisions may work to delay a change in the majority of the Board of Trustees. The provisions of the Declaration of Trust relating to the election and removal of trustees may be amended only by a vote of two-thirds of the trustees then in office.

Generally, the Declaration of Trust requires a vote by holders of at least two-thirds of the Common Shares and Preferred Shares, if any, voting together as a single class, except as described below and in the Declaration of Trust, to authorize: (1) a conversion of the Fund from a closed-end to an open-end investment company, if required pursuant to the provisions of the 1940 Act; (2) a merger or consolidation of the Fund with any corporation, association, trust or other organization, including a series or class of such other organization (only in the limited circumstances where a vote by shareholders is otherwise required under the 1940 Act or the Declaration of Trust); (3) a sale, lease or exchange of all or substantially all of the Fund's assets (only in the limited circumstances where a vote by shareholders is otherwise required under the 1940 Act or the Declaration of Trust); or (4) certain transactions, such as a sale, lease or exchange of all or substantially all of the assets of the Fund, a merger or consolidation of the Fund, or the issuance of securities of the Fund, in which a principal shareholder (as defined in the Declaration of Trust) is a party to the transaction. However, with respect to (1) above, if there are Preferred Shares outstanding, the affirmative vote of the holders of two-thirds of the Preferred Shares voting as a separate class shall also be required. With respect to (2) above, except as otherwise may be required, if the transaction constitutes a plan of reorganization which adversely affects Preferred Shares, if any, then an affirmative vote of two-thirds of the Preferred Shares voting together as a separate class is required as well. With respect to (1) through (3), if such transaction has already been authorized by the affirmative vote of two-thirds of the trustees, then the affirmative vote of the majority of the outstanding voting securities, as defined in the 1940 Act (a "Majority Shareholder Vote"), is required, provided that when only a particular class is affected, only the required vote of the particular class will be required. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the Fund's shares otherwise required by law or any agreement between the Fund and any national securities exchange. See the SAI under "Certain Provisions in the Declaration of Trust and By-Laws."

The provisions of the Declaration of Trust described above could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then-current market price of the Common Shares by discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. The overall effect of these provisions is to render more difficult the accomplishment of a merger or the assumption of control by a third party. They provide, however, the advantage of potentially requiring persons seeking control of the Fund to negotiate with its management regarding the price to be paid and facilitating the continuity of the Fund's investment objective and policies. The Board of Trustees of the Fund has considered the foregoing anti-takeover provisions and concluded that they are in the best interests of the Fund.

The Declaration of Trust also provides that prior to bringing a derivative action, a demand must first be made on the Board of Trustees by at least three unrelated shareholders that hold shares representing at least 5% of the voting power of the Fund or affected class. The Declaration of Trust details various information, certifications, undertakings and acknowledgements that must be included in the demand. Following receipt of the demand, the trustees who are considered independent for the purposes of considering the demand have a period of 90 days, which may be extended by an additional 60 days, to consider the demand. If a majority of the trustees who are considered independent for the purposes of considering the demand determine that maintaining the suit would not be in the best interests of the Fund, the Board of Trustees is required to reject the demand and the complaining shareholders may not proceed with the derivative action unless the shareholders are able to sustain the burden of proof to a court that the decision of the Board of Trustees not to pursue the requested action was not a good faith exercise of their business judgment on behalf of the Fund. If a demand is rejected, the complaining shareholders will be responsible for the costs and expenses (including attorneys' fees) incurred by the Fund in connection with the consideration of the demand under a number of circumstances. If a derivative action is brought in violation of the Declaration of Trust, the shareholders bringing the action may be responsible for the Fund's costs, including attorney's fees. The Declaration of Trust also includes a forum selection clause requiring that any shareholder litigation be brought in certain courts in Illinois and further provides that any shareholder bringing an action against the Fund waive the right to trial by jury to the fullest extent permitted by law.

Reference should be made to the Declaration of Trust on file with the SEC for the full text of these provisions.

STRUCTURE OF THE FUND; COMMON SHARE REPURCHASES AND CHANGE IN FUND STRUCTURE

Closed-End Structure

Closed-end funds differ from open-end management investment companies (commonly referred to as mutual funds) in that closed-end funds generally list their shares for trading on a securities exchange and do not redeem their shares at the option of the shareholder. By comparison, mutual funds issue securities redeemable at NAV at the option of the shareholder and typically engage in a continuous offering of their shares. Mutual funds are subject to continuous asset in-flows and out-flows, whereas closed-end funds generally can stay more fully invested in securities consistent with the closed-end fund's investment objective and policies. In addition, in comparison to open-end funds, closed-end funds have greater flexibility in their ability to make certain types of investments, including investments in illiquid securities.

However, shares of closed-end investment companies listed for trading on a securities exchange frequently trade at a discount from NAV, but in some cases trade at a premium. The market price may be affected by trading volume of the shares, general market and economic conditions and other factors beyond the control of the closed-end fund. The foregoing factors may result in the market price of the Common Shares being greater than, less than or equal to NAV. The Board of Trustees has reviewed the structure of the Fund in light of its investment objective and policies and has determined that the closed-end structure is in the best interests of the shareholders. As described below, however, the Board of Trustees will review periodically the trading range and activity of the Fund's shares with respect to its NAV, and the Board may take certain actions to seek to reduce or eliminate any such discount. Such actions may include open-market repurchases or tender offers for the Common Shares at or near NAV or the possible conversion of the Fund to an open-end fund. There can be no assurance that the Board will decide to undertake any of these actions or that, if undertaken, such actions would result in the Common Shares trading at a price equal to or close to their NAV. In addition, as noted above, the Board of Trustees has determined in connection with this initial offering of Common Shares of the Fund that the closed-end structure is appropriate, given the Fund's investment objective and policies. Investors should assume, therefore, that it is highly unlikely that the Board would vote to propose to shareholders that the Fund convert to an open-end investment company.

Repurchase of Common Shares and Tender Offers

Shares of closed-end funds frequently trade at a discount to their NAV. Because of this possibility and the recognition that any such discount may not be in the interest of Common Shareholders, the Board of Trustees might consider from time to time engaging in open-market repurchases, tender offers for shares or other programs intended to reduce the discount. The Fund cannot guarantee or assure, however, that the Board of Trustees will decide to engage in any of these actions. After any consideration of potential actions to seek to reduce any significant market discount, the Board of Trustees may, subject to its fiduciary obligations and compliance with applicable state and federal laws and the requirements of the principal stock exchange on which the Common Shares are listed, authorize the commencement of a share repurchase program or tender offer. The size and timing of any such share repurchase program or tender offer will be determined by the Board of Trustees in light of the market discount of the Common Shares, trading volume of the Common Shares, information presented to the Board of Trustees regarding the potential impact of any such share repurchase program or tender offer, and general market and economic conditions. There can be no assurance that the Fund will in fact effect repurchases of or tender offers for any of its Common Shares. The Fund may, subject to its investment limitation with respect to borrowings, incur debt to finance such repurchases or a tender offer or for other valid purposes. Interest on any such borrowings would increase the Fund's expenses and reduce the Fund's net income.

There can be no assurance that repurchases of Common Shares or tender offers, if any, will cause the Common Shares to trade at a price equal to or in excess of their NAV. Nevertheless, the possibility that a portion of the Fund's outstanding Common Shares may be the subject of repurchases or tender offers may reduce the spread between market price and NAV that might otherwise exist. In the opinion of the Fund, sellers may be less inclined to accept a significant discount in the sale of their Common Shares if they have a reasonable expectation of being able to receive a price of NAV for a portion of their Common Shares in conjunction with an announced repurchase program or tender offer for the Common Shares.

Although repurchases or tender offers may have a favorable effect on the market price of the Common Shares, the acquisition of Common Shares by the Fund will decrease the Managed Assets of the Fund and therefore will have the effect of increasing the Fund's expense ratio and decreasing the asset coverage with respect to any borrowings or Preferred Shares outstanding. Because of the nature of the Fund's investment objective, policies and portfolio, the Advisor does not anticipate that repurchases of Common Shares or tender offers should interfere with the ability of the Fund to manage its investments in order to seek its investment objective, and does not anticipate any material difficulty in borrowing money or disposing of portfolio securities to consummate repurchases of or tender offers for Common Shares, although no assurance can be given that this will be the case.

Conversion to Open-End Fund

The Fund may be converted to an open-end investment company at any time if approved by the holders of two-thirds of the Fund's shares outstanding and entitled to vote, provided that, unless otherwise required by law, if there are Preferred Shares outstanding, the affirmative vote of the holders of two-thirds of the Preferred Shares voting as a separate class shall also be required; provided, however, that such votes shall be by Majority Shareholder Vote if the action in question was previously approved by the affirmative vote of two-thirds of the Board of Trustees. Such affirmative vote or consent shall be in addition to the vote or consent of the holders of the shares otherwise required by law or any agreement between the Fund and any national securities exchange. In the event of conversion, the Common Shares would cease to be listed on the NYSE or other national securities exchange. Any Preferred Shares or borrowings would need to be redeemed or repaid upon conversion to an open-end investment company. The Board of Trustees believes, however, that the closed-end structure is appropriate, given the Fund's investment objective and policies. Investors should assume, therefore, that it is highly unlikely that the Board of Trustees would vote to propose to shareholders that the Fund convert to an open-end investment company. Shareholders of an open-end investment company may require the company to redeem their shares at any time (except in certain circumstances as authorized by or under the 1940 Act) at their NAV, less such redemption charge or contingent deferred sales charge, if any, as might be in effect at the time

of a redemption. The Fund would expect to pay all such redemption requests in cash, but would intend to reserve the right to pay redemption requests in a combination of cash or securities. If such partial payment in securities were made, investors may incur brokerage costs in converting such securities to cash. If the Fund were converted to an open-end fund, it is possible that new Common Shares would be sold at NAV plus a sales load.

TAX MATTERS

The following discussion of federal income tax matters is based on the advice of Chapman and Cutler LLP, counsel to the Fund.

Matters Addressed

This section and the discussion in the SAI provide a general summary of the material U.S. federal income tax consequences to the persons who purchase, own and dispose of the Common Shares. It does not address all U.S. federal income tax consequences that may apply to investment in the Common Shares. Unless otherwise indicated, this discussion is limited to taxpayers who are U.S. persons, as defined herein. The discussion that follows is based on the provisions of the Code, on Treasury regulations promulgated thereunder as in effect on the date hereof and on existing judicial and administrative interpretations thereof. These authorities are subject to change and to differing interpretations, which could apply retroactively. Potential investors should consult their own tax advisors in determining the federal, state, local, foreign and any other tax consequences to them of the purchase, ownership and disposition of the Common Shares. This discussion does not address all tax consequences that may be applicable to a U.S. person that is a beneficial owner of Common Shares, nor does it address, unless specifically indicated, the tax consequences to, among others, (i) persons that may be subject to special treatment under U.S. federal income tax law, including, but not limited to, banks, insurance companies, thrift institutions, regulated investment companies, real estate investment trusts, tax-exempt organizations, partnerships and other pass-through entities, United States expatriates, and dealers in securities or currencies, (ii) persons that will hold Common Shares as part of a position in a "straddle" or as part of a "hedging," "conversion" or other integrated investment transaction for U.S. federal income tax purposes and traders that have elected the mark-to-market method of accounting, (iii) persons whose functional currency is not the U.S. dollar or (iv) persons that do not hold Common Shares as capital assets within the meaning of Section 1221 of the Code.

For purposes of this discussion, a "U.S. person" is (i) an individual citizen or resident of the United States, (ii) a corporation or partnership organized in or under the laws of the United States or any state thereof or the District of Columbia (other than a partnership that is not treated as a U.S. person under any applicable Treasury regulations), (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all the substantial decisions of such trust. Notwithstanding clause (iv) above, to the extent provided in regulations, certain trusts in existence on August 20, 1996 and treated as U.S. persons prior to such date that elect to continue to be so treated also shall be considered U.S. persons.

Tax Characterization of the Fund for U.S. Federal Income Tax Purposes

The Fund will be treated as a regular C corporation for U.S. federal income tax purposes. Thus, the Fund will be subject to U.S. corporate income tax on its U.S. taxable income. Such taxable income would generally include all of the Fund's net income from the MLPs. The current U.S. federal maximum graduated income tax rate for corporations is 35%. The United States also imposes a 20% alternative minimum tax on the recalculated alternative minimum taxable income of an entity treated as a corporation, with a corporation paying the higher of the regular tax or the alternative minimum tax. Any such U.S. corporate income tax or alternative minimum tax could materially reduce cash available to make payments on the Common Shares. The Fund will also be obligated to pay state income tax on its taxable income.

The MLPs in which the Fund intends to invest are generally treated as partnerships for U.S. federal income tax purposes. As a partner in the MLPs, the Fund will be required to report its allocable share of MLP income, gain, loss, deduction and expense, whether or not any cash is distributed from the MLPs.

The Fund intends to invest in energy MLPs, so the Fund anticipates that the majority of the Fund's items of income, gain, loss, deduction and expense will be related to energy ventures. However, some items are likely to relate to the temporary investment of the Fund's capital, which may be unrelated to energy ventures.

Although the Fund intends to hold the interests in the MLPs for investment, the Fund is likely to sell interests in a particular MLP from time to time. On any such sale, the Fund generally will recognize gain or loss based upon the difference between the consideration received for tax purposes on the sale and the Fund's tax basis in the interest sold. The consideration received is generally the amount paid by the purchaser plus any debt of the MLP allocated to the Fund that will shift to the purchaser on the sale. The Fund's tax basis in an MLP is the amount paid for the interest, increased by the Fund's allocable share of net income and

gains and the MLP's debt, if any, and capital contributions to the MLP, and decreased for any distributions received by the Fund, by reductions in the Fund's allocable share of the MLP's debt, if any, and by the Fund's allocable share of net losses. Thus, although cash distributions in excess of taxable income and net tax losses may create a temporary economic benefit to the Fund, they will increase the amount of gain (or decrease the amount of loss) on the sale of an interest in an MLP. No favorable U.S. federal income tax rate applies to long-term capital gains for entities treated as corporations for U.S. federal income tax purposes, such as the Fund. Thus, the Fund will be subject to U.S. federal income tax on its long-term capital gains, like ordinary income, at rates of up to 35%.

The Fund may have income that is sourced to other countries and taxed in other countries. Because of the differences in the way countries calculate taxable income, the Fund may have net taxable income in other countries in years in which the Fund has net losses for U.S. tax purposes. Similarly, the Fund may have net taxable income for U.S. tax purposes in years in which the Fund has net losses in one or more other countries. This mismatch may cause the Fund to not be able to use foreign taxes paid as credit against U.S. taxes in all circumstances.

In calculating the Fund's alternative minimum taxable income, certain percentage depletion deductions and intangible drilling costs may be treated as items of tax preference. Items of tax preference increase alternative minimum taxable income and increase the likelihood that the Fund may be subject to the alternative minimum tax.

The Fund is not treated as a regulated investment company for U.S. federal income tax purposes. In order to qualify as a regulated investment company, the income and assets of the company must meet certain minimum threshold tests. Because the Fund invests a substantial portion of its Managed Assets in MLPs that invest in energy ventures, the Fund does not meet such tests under current law. In contrast to the tax rules that will apply to the Fund, a regulated investment company generally does not pay corporate income tax. Thus, the regulated investment company taxation rules have no application to the Fund or Common Shareholders of the Fund.

Taxation of the Shareholders

Distributions. The Fund's distributions will be treated as dividends to Common Shareholders to the extent of the Fund's current or accumulated earnings and profits as determined for U.S. federal income tax purposes.

The portion of the Fund's distributions treated as a dividend for U.S. federal income tax purposes should be treated as qualified dividend income for U.S. federal income tax purposes, subject to certain holding period and other requirements. Certain qualified dividend income received by individual shareholders would be taxed at long-term capital gains rates, which reach a maximum of 20%. Corporations are generally subject to tax on dividends at a maximum 35% rate, but corporations may be eligible to exclude 70% of the dividends if certain holding period requirements are met.

If a Fund distribution exceeds the Fund's current and accumulated earnings and profits, the distribution will be treated as a non-taxable adjustment to the basis of the Common Shares to the extent of such basis, and then as capital gain to the extent the distribution exceeds the basis of the Common Shares. Such gain will be long-term capital gain if the holding period for the Common Shares is more than one year. Individuals are currently subject to a maximum tax rate of 23.8% (including a 3.8% tax on net investment income above a certain threshold). Corporations are taxed on capital gains at their ordinary income rates.

A corporation's earnings and profits are generally calculated by making certain adjustments to the corporation's reported taxable income. Based upon the historic performance of similar MLPs, the Fund anticipates that the distributed cash from the MLPs in its portfolio will exceed the Fund's earnings and profits derived from its investments in the MLPs in its portfolio. Thus, the Fund anticipates that only a portion of its distributions will be treated as dividends to its Common Shareholders for U.S. federal income tax purposes.

Special rules apply to the calculation of earnings and profits for corporations invested in energy ventures. The Fund's earnings and profits will be calculated using (i) straight-line depreciation rather than a percentage depletion method and (ii) five-year and ten-year amortization of drilling costs and exploration and development costs, respectively. Thus, these deductions may be significantly lower for purposes of calculating earnings and profits than they are for purposes of calculating taxable income. Because of these differences, the Fund may make distributions out of earnings and profits, treated as dividends, in years in which Fund distributions exceed the Fund's taxable income.

A Common Shareholder participating in the Fund's automatic dividend reinvestment plan will be taxed upon the reinvested amount as if actually received by the participating Common Shareholder and the participating Common Shareholder reinvested such amount in additional Fund Common Shares.

The Fund will notify Common Shareholders annually as to the U.S. federal income tax status of Fund distributions to them.

Distributions from the Fund after June 30, 2014 may be subject to a U.S. withholding tax of 30% in the case of distributions to (i) certain non-U.S. financial institutions that either (A) have not entered into an agreement with the U.S. Treasury to collect and disclose certain information or (B) are not resident for tax purposes in a jurisdiction that has entered into an agreement with the IRS to collect and provide the information otherwise required and (ii) certain other non-U.S. entities that do not provide certain certifications and information about the entity's U.S. owners.

Sale of Shares. Upon the sale of Common Shares, a Common Shareholder will generally recognize capital gain or loss measured by the difference between the amount received on the sale and the Common Shareholder's tax basis of Common Shares sold. As discussed above, such tax basis may be less than the price paid for the Common Shares as a result of prior Fund distributions in excess of the Fund's earnings and profits. Such capital gain or loss will generally be long-term capital gain or loss, if such Common Shares were capital assets held for more than one year. The U.S. federal income tax treatment of long-term capital gains is described above. The deductibility of capital losses is subject to limitations. In addition, the gross proceeds from dispositions of interests in the Fund after December 31, 2016 may be subject to a U.S. withholding tax of 30% in the case of payments to (i) certain non-U.S. financial institutions that either (A) have not entered into an agreement with the U.S. Treasury to collect and disclose certain information or (B) are not resident for tax purposes in a jurisdiction that has entered into an agreement with the IRS to collect and provide the information otherwise required and (ii) certain other non-U.S. entities that do not provide certain certifications and information about the entity's U.S. owners.

Medicare Tax. Under the "Health Care and Education Reconciliation Act of 2010," income from the Fund may also be subject to a new 3.8% "Medicare tax" imposed for taxable years beginning after 2012. This tax will generally apply to the net investment income (such as interest and dividends, including dividends paid with respect to the Common Shares) and gains of a shareholder who is an individual if such shareholder's adjusted gross income exceeds certain threshold amounts, which are $250,000 in the case of a married couple filing joint returns and $200,000 in the case of single individuals.

Information Reporting and Withholding. The Fund will be required to report annually to the Internal Revenue Service (the "IRS"), and to each Common Shareholder, the amount of distributions and consideration paid in redemptions, and the amount withheld for U.S. federal income taxes, if any, for each calendar year, except as to exempt holders (including certain corporations, tax-exempt organizations, qualified pension and profit-sharing trusts, and individual retirement accounts). Each Common Shareholder (other than Common Shareholders who are not subject to the reporting requirements without supplying any documentation) that is a U.S. person will be required to provide the Fund, under penalties of perjury, an IRS Form W-9 or an equivalent form containing the Common Shareholder's name, address, correct federal taxpayer identification number and a statement that the Common Shareholder is not subject to backup withholding. Should a non-exempt Common Shareholder fail to provide the required certification, backup withholding will apply. The current backup withholding rate is 28%. Backup withholding is not an additional tax. Any such withholding will be allowed as a credit against the Common Shareholder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Tax Consequences of Certain Investments

U.S. Federal Income Taxation of MLPs. MLPs are generally intended to be taxed as partnerships for U.S. federal income tax purposes. As a partnership, an MLP is treated as a pass-through entity for U.S. federal income tax purposes. This means that the U.S. federal income items of the MLP, though calculated and determined at the partnership level, are allocated among the partners in the MLP and are included directly in the calculation of the taxable income of the partners whether or not cash flow is distributed from the MLP. The MLP files an information return, but normally pays no U.S. federal income tax.

MLPs are often publicly traded. Publicly traded partnerships are generally treated as corporations for federal income tax purposes. However, if an MLP satisfies certain income character requirements, the MLP will generally continue to be treated as partnership for federal income tax purposes. Under these requirements, an MLP must receive at least 90% of its gross income from certain "qualifying income" sources.

Qualifying income for this purpose generally includes interest, dividends, real property rents, real property gains, and income and gain from the exploration, development, mining or production, processing, refining, transportation or marketing of any mineral or natural resource (including fertilizer, geothermal energy, and timber). As discussed above, the Fund intends to invest in energy MLPs that derive income from such sources, so the income of the MLPs in the Fund's portfolio should qualify as qualifying income.

As discussed above, the tax items of an MLP are allocated through to the partners of the MLP whether or not an MLP makes any distributions of cash. In part because estimated tax payments are payable quarterly, partnerships often make quarterly cash distributions. A distribution from a partnership will generally be treated as a non-taxable adjustment to the basis of the Fund's interest in the partnership to the extent of such basis, and then as gain to the extent of the excess distribution. The gain will generally be capital gain, but a variety of rules could potentially recharacterize the gain as ordinary income. The Fund's initial tax

basis is the price paid for the MLP interest plus any debt of the MLP allocated to the Fund. The tax basis is decreased for distributions received by the Fund, by reductions in the Fund's allocable share of the MLP's debt, if any, and by the Fund's allocable share of net losses, and increased for capital contributions and the Fund's allocable share of net income and gains.

When interests in a partnership are sold, the difference between (i) the sum of the sales price and the Fund's share of debt of the partnership that will be allocated to the purchaser and (ii) the Fund's adjusted tax basis will be taxable gain or loss, as the case may be.

The Fund should receive a Form K-1 from each MLP, showing its share of each item of MLP income, gain, loss, deductions and expense. The Fund will use that information to calculate its taxable income and its earnings and profits.

Because the Fund will be taxed as a corporation, the Fund will report the tax items of the MLPs and any gain or loss on the sale of interests in the MLPs on its own tax returns. The Fund's Common Shareholders will be viewed for federal income tax purposes as having income or loss on their investment in the Fund rather than in the underlying MLPs. Common Shareholders will receive a Form 1099 from the Fund based upon the distributions made (or deemed to have been made) to the Common Shareholders rather than based upon the income, gain, loss or deductions of the MLPs in which the Fund invests.

Other Investments. The Fund may attempt to generate premiums from the sale of call options. These premiums typically will result in short-term capital gains to the Fund. Transactions involving the disposition of the Fund's underlying securities (whether pursuant to the exercise of a call option, put option or otherwise) will give rise to capital gains or losses. Because the Fund does not have control over the exercise of the call options it writes, such exercises or other required sales of the underlying stocks may cause the Fund to realize capital gains or losses at inopportune times.

Certain of the Fund's investment practices may be subject to special and complex federal income tax provisions that may, among other things, (i) disallow, suspend or otherwise limit the allowance of certain losses or deductions, (ii) convert an ordinary loss or a deduction into a capital loss (the deductibility of which is more limited) or (iii) cause the Fund to recognize income or gain without a corresponding receipt of cash. The Fund will monitor its transactions and may make certain tax elections in order to mitigate the effect of these provisions, if possible.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the Underwriters named below, for whom Morgan Stanley & Co. LLC and Ameriprise Financial Services, Inc. are acting as representatives (collectively, the "Representatives"), have severally agreed to purchase, and the Fund has agreed to sell to them, the number of Common Shares indicated below.

Underwriter	Number of Shares
Morgan Stanley & Co. LLC	13,400,000
Ameriprise Financial Services, Inc.	2,900,000
Oppenheimer & Co. Inc.	1,015,000
BB&T Capital Markets, a division of BB&T Securities, LLC	310,000
Comerica Securities, Inc.	210,000
Henley & Company LLC	47,000
J.J.B. Hilliard, W.L. Lyons, LLC	420,000
Janney Montgomery Scott LLC	284,000
J. P. Turner & Company, L.L.C.	95,000
Ladenburg Thalmann & Co. Inc.	860,000
Maxim Group LLC	70,000
MLV & Co. LLC	147,000
Newbridge Securities Corporation	35,000
Pershing LLC	810,000
Southwest Securities, Inc.	305,000
The GMS Group, LLC	98,000
Wedbush Securities Inc.	117,000
Wunderlich Securities, Inc.	45,000
Aegis Capital Corp.	27,000
Andrew Garrett, Inc.	3,500
B. C. Ziegler & Company	70,000
ViewTrade Securities, Inc.	1,700
Capitol Securities Management Incorporated	2,600
D.A. Davidson & Co.	180,100
Dominick & Dominick LLC	29,000
Feltl and Company	37,000
Gilford Securities Incorporated	450
Huntleigh Securities Corporation	58,000
Muriel Siebert & Co., Inc.	850
Regal Securities, Inc.	7,000
Revere Securities Corp.	10,500
Ridgeway & Conger, Inc.	3,300
Source Capital Group, Inc.	35,000
Synovus Securities, Inc.	85,000
Wayne Hummer Investments L.L.C.	45,000
Western International Securities, Inc.	12,000
Westminster Financial Securities, Inc.	35,000
J.V.B. Financial Group, LLC	189,000
Total	22,000,000

The Underwriters are offering the Common Shares subject to their acceptance of the shares from the Fund and subject to prior sale. The underwriting agreement provides that the obligations of the several Underwriters to pay for and accept delivery of the Common Shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The Underwriters are obligated to take and pay for all of the Common Shares offered by this prospectus if any such shares are taken. However, the Underwriters are not required to take or pay for the Common Shares covered by the Underwriters' over-allotment option described below.

The Underwriters initially propose to offer part of the Common Shares directly to the public at the public offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $0.60 per Common Share under the public offering price. The underwriting discounts and commissions (sales load) of $0.90 per Common Share are equal to 4.50% of the public offering price. Investors must pay for any Common Shares purchased on or before March 31, 2014.

The Fund has granted to the Underwriters an option, exercisable for 45 days from the date of this prospectus, to purchase up to 3,196,360 additional Common Shares at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The Underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the Common Shares offered by this prospectus. To the extent the option is exercised, each Underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional Common Shares as the number listed next to the Underwriter's name in the preceding table bears to the total number of Common Shares listed next to the names of all Underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions (sales load), estimated offering expenses and proceeds, after expenses, to the Fund. These amounts are shown assuming both no exercise and full exercise of the Underwriters' option to purchase up to an additional 3,196,360 Common Shares.

		Total	
	Per Share	**No Exercise**	**Full Exercise**
Public offering price	$ 20.00	$ 440,000,000	$ 503,927,200
Sales load	$ 0.90	$ 19,800,000	$ 22,676,724
Estimated offering expenses	$ 0.04	$ 880,000	$ 1,007,854
Proceeds, after expenses, to the Fund	$ 19.06	$ 419,320,000	$ 480,242,622

Offering expenses paid by the Fund (other than the sales load) will not exceed $0.04 per Common Share sold by the Fund in this offering. If the offering expenses referred to in the preceding sentence exceed this amount, the Advisor and the Sub-Advisor will pay the excess. See "Summary of Fund Expenses."

The fees to certain Underwriters described below under "—Additional Compensation to Be Paid by the Advisor and Sub-Advisor" are not reimbursable to the Advisor or the Sub-Advisor by the Fund, and are therefore not reflected in expenses payable by the Fund.

The Underwriters have informed the Fund that they do not intend sales to discretionary accounts to exceed 5% of the total number of Common Shares offered by them.

The Fund's Common Shares have been approved for listing on the NYSE, subject to notice of issuance, under the symbol "FPL."

The Fund has agreed that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the period ending 180 days after the date of this prospectus (the "restricted period"):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares;
- file any registration statement with the SEC relating to the offering of any Common Shares or any securities convertible into or exercisable or exchangeable for Common Shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Shares;

whether any such transaction described above is to be settled by delivery of Common Shares or such other securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of Common Shares to the Underwriters; or
- any Common Shares issued pursuant to the Plan.

The restricted period described in the preceding paragraph will be extended if:

- during the last 17 days of the restricted period, the Fund issues an earnings release or a material news event relating to the Fund occurs, or
- prior to the expiration of the restricted period, the Fund announces that it will release earnings results during the 16-day period beginning on the last day of the restricted period or provides notification to the Representatives of any earnings release or material news or material event that may give rise to an extension of the initial restricted period,

in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

The Representatives, in their sole discretion, may release the Common Shares and other securities subject to the lock-up agreements described above in whole or in part at any time with or without notice.

In order to facilitate the offering of Common Shares, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Common Shares. Specifically, the Underwriters may sell more Common Shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of Common Shares available for purchase by the Underwriters under the over-allotment option. The Underwriters can close out a covered short sale by exercising the over-allotment option or purchasing Common Shares in the open market. In determining the source of Common Shares to close out a covered short sale, the Underwriters will consider, among other things, the open-market price of the Common Shares compared to the price available under the over-allotment option. The Underwriters may also sell Common Shares in excess of the over-allotment option, creating a naked short position. The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating the offering, the Underwriters may bid for, and purchase, Common Shares in the open market to stabilize the price of the Common Shares. Finally, the underwriting syndicate may also reclaim selling concessions allowed to an Underwriter or a dealer for distributing the Common Shares in the offering. These activities may raise or maintain the market price of the Common Shares above independent market levels or prevent or retard a decline in the market price of the Common Shares. The Underwriters are not required to engage in these activities, and may end any of these activities at any time.

The Fund, the Advisor, the Sub-Advisor and the Underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the 1933 Act.

A prospectus in electronic format may be made available on websites maintained by one or more Underwriters, or selling group members, if any, participating in this offering. The Representatives may agree to allocate a number of Common Shares to Underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the Representatives to Underwriters that may make Internet distributions on the same basis as other allocations.

Prior to this offering, there has been no public market for the Common Shares. The initial public offering price for the Common Shares was determined by negotiation among the Fund, the Advisor, the Sub-Advisor and the Representatives. There can be no assurance, however, that the price at which the Common Shares trade after this offering will not be lower than the price at which they are sold by the Underwriters or that an active trading market in the Common Shares will develop and continue after this offering.

In connection with the requirements for listing the Common Shares on the NYSE, the Underwriters have undertaken to sell lots of 100 or more shares to a minimum of 400 beneficial owners in the United States. The minimum investment requirement is 100 Common Shares.

Prior to the public offering of Common Shares, an affiliate of the Advisor purchased Common Shares from the Fund in an amount satisfying the net worth requirements of Section 14(a) of the 1940 Act.

The Fund anticipates that the Representatives and certain other Underwriters may from time to time act as brokers and dealers in connection with the execution of its portfolio transactions after they have ceased to act as Underwriters and, subject to certain restrictions, may act as such brokers while they act as Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters or their respective affiliates from time to time have provided in the past, and may provide in the future, investment banking, securities trading, hedging, brokerage activities, commercial lending and financial advisory services to the Fund, its affiliates and the Advisor, the Sub-Advisor and their affiliates in the ordinary course of business, for which they have received, and may receive, customary fees and expenses.

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the Common Shares, or the possession, circulation or distribution of this prospectus or any other material relating to the Fund or the Common Shares where action for that purpose is required. Accordingly, the Common Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with the Common Shares may be distributed or published, in or from any country or jurisdiction except in compliance with the applicable rules and regulations of any such country or jurisdiction.

The principal business address of Morgan Stanley & Co. LLC is 1585 Broadway, New York, New York 10036. The principal business address of Ameriprise Financial Services, Inc. is 707 2nd Avenue South, Minneapolis, Minnesota 55402.

Additional Compensation to Be Paid by the Advisor and Sub-Advisor

The Advisor and the Sub-Advisor (and not the Fund) have agreed to pay Morgan Stanley & Co. LLC, from their own assets, upfront structuring and syndication fees in the amount of $6,084,286 for advice relating to the design and structuring of the Fund, including without limitation, views from an investor market, distribution and syndication perspective on (i) diversification, proportion and concentration approaches for the Fund's investments in light of current market conditions, (ii) marketing issues with respect to the Fund's investment policies and proposed investments, (iii) the proportion of the Fund's assets to invest in the Fund's strategies, (iv) the overall marketing and positioning thesis for the offering of the Common Shares, (v) securing participants in the Fund's initial public offering, (vi) preparation of marketing and diligence materials for Underwriters, (vii) conveying information and market updates to the Underwriters, and (viii) coordinating syndicate orders in this offering. If the over-allotment option is not exercised, the upfront structuring and syndication fees paid to Morgan Stanley & Co. LLC will not exceed 1.3828% of the total public offering price of the Common Shares. These services provided by Morgan Stanley & Co. LLC to the Advisor and the Sub-Advisor are unrelated to their respective functions of advising the Fund as to its investments in securities or use of investment strategies and investment techniques. These fees are not reimbursable to the Advisor or the Sub-Advisor by the Fund.

The Advisor and the Sub-Advisor (and not the Fund) have agreed to pay each of Ameriprise Financial Services, Inc., Oppenheimer & Co. Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, J.J.B. Hilliard, W.L. Lyons, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., Pershing LLC and Southwest Securities, Inc., from their own assets, an upfront fee for services relating to the sale and distribution of the Common Shares in the amount of $809,691, $283,005, $52,050, $70,500, $48,000, $241,413, $228,098 and $51,365, respectively. If the over-allotment option is not exercised, the upfront fee paid to each of Ameriprise Financial Services, Inc., Oppenheimer & Co. Inc., BB&T Capital Markets, a division of BB&T Securities, LLC, J.J.B. Hilliard, W.L. Lyons, LLC, Janney Montgomery Scott LLC, Ladenburg Thalmann & Co. Inc., Pershing LLC and Southwest Securities, Inc. will not exceed 0.1840%, 0.0643%, 0.0118%, 0.0160%, 0.0109%, 0.0549%, 0.0518% and 0.0117%, respectively, of the total public offering price of the Common Shares. These services provided by these Underwriters to the Advisor and the Sub-Advisor are unrelated to their respective functions of advising the Fund as to its investments in securities or use of investment strategies and investment techniques. These fees are not reimbursable to the Advisor or the Sub-Advisor by the Fund.

The amount of these structuring, syndication and other fees are calculated based on the total respective sales of Common Shares by the Underwriter receiving the fees, including those Common Shares included in the Underwriters' over-allotment option, and will be paid regardless of whether some or all of the over-allotment option is exercised.

Total underwriting compensation determined in accordance with Financial Industry Regulatory Authority, Inc. ("FINRA") rules is summarized as follows. The sales load the Fund will pay of $0.90 per share is equal to 4.50% of the total public offering price of the Common Shares. The Fund has agreed to reimburse the Underwriters for the reasonable fees and disbursements of counsel to the Underwriters in connection with the review by FINRA of the terms of the sale of the Common Shares in an amount not to exceed $30,000 in the aggregate, which amount will not exceed 0.0068% of the total public offering price of the Common Shares if the over-allotment option is not exercised. The sum total of all compensation to the Underwriters in connection with this public offering of the Common Shares, including sales load, expense reimbursement and all forms of syndication, structuring and other fee payments to the Underwriters, will not exceed 6.2951% of the total public offering price of the Common Shares.

CUSTODIAN, ADMINISTRATOR, FUND ACCOUNTANT AND TRANSFER AGENT

The custodian of the assets of the Fund is The Bank of New York Mellon, One Wall Street, New York, New York 10286. The Fund's transfer, shareholder services and dividend paying agent is BNY Mellon Investment Servicing (US) Inc., 301 Bellevue Parkway, Wilmington, Delaware 19809. Pursuant to an administration and accounting services agreement, BNY Mellon Investment Servicing (US) Inc. also provides certain administrative and accounting services to the Fund, including maintaining the Fund's books of account, records of the Fund's securities transactions, and certain other books and records; acting as liaison with the Fund's independent registered public accounting firm by providing such accountant with various audit-related information with respect to the Fund; and providing other continuous accounting and administrative services. As compensation for these services, the Fund has agreed to pay BNY Mellon Investment Servicing (US) Inc. an annual fee, calculated daily and payable on a monthly basis, of 0.095% of the Fund's first $200 million of average Managed Assets, subject to decrease with respect to additional Fund Managed Assets.

LEGAL OPINIONS

Certain legal matters in connection with the Common Shares will be passed upon for the Fund by Chapman and Cutler LLP, Chicago, Illinois. Weil, Gotshal & Manges LLP, New York, New York, advised the Underwriters in connection with the offering of the Common Shares. Chapman and Cutler LLP and Weil, Gotshal & Manges LLP may rely as to certain matters of Massachusetts law on the opinion of Bingham McCutchen LLP.

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22,000,000 Shares

First Trust New Opportunities MLP & Energy Fund

Common Shares
$20.00 per Share

PROSPECTUS

March 26, 2014

Morgan Stanley
Ameriprise Financial Services, Inc.
Oppenheimer & Co.
BB&T Capital Markets
Comerica Securities
Henley & Company LLC
J.J.B. Hilliard, W.L. Lyons, LLC
Janney Montgomery Scott
J.P. Turner & Company, LLC
Ladenburg Thalmann & Co. Inc.
Maxim Group LLC
MLV & Co.
Newbridge Securities Corporation
Pershing LLC
Southwest Securities
The GMS Group, LLC
Wedbush Securities Inc.
Wunderlich Securities

Until April 20, 2014 (25 days after the date of this prospectus), all dealers that buy, sell or trade the Common Shares, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as Underwriters and with respect to their unsold allotments or subscriptions.