Tortoise

Tortoise MLP & Energy Infrastructure Fund (MLPPX)

4Q 2019 QUARTERLY COMMENTARY

Investment strategy

Under normal market conditions, the fund will invest at least 80% of its total assets in equity and debt securities of MLPs focused on the energy infrastructure sector, and in equity and debt securities of other companies focused on the energy infrastructure sector. Asset allocation is flexible and can shift as opportunities and valuations change.

Market overview

Master Limited Partnerships (MLPs), as represented by the Alerian MLP Index returned -4.08% for the quarter and 6.56% for the one-year period ending December 31, 2019. In comparison, the S&P 500® Index returned 9.07% and 31.49% for the quarter and one-year, respectively. Our long-term outlook is bullish as we believe the industry is much healthier than investor sentiment indicates, and energy securities should benefit if value investing begins to outperform.

Attractive valuation levels, increasing free cash flow, and the resumption of distribution growth are important catalysts while the challenging political and regulatory environment remains an impediment to future returns. Given the current outlook, we are confident that long-term returns will be strong.

Asset allocation

The fund's equity allocation of 70.7% at quarter-end is in-line with the fund's average equity allocation since inception of 71.4%. Our positive outlook remains unchanged and longer-term, we expect the fund's positioning to reflect our view that the fundamentals for the energy industry have recovered and continue to improve. Bonds issued by energy infrastructure companies should experience moderate returns moving forward, whereas we believe the equities issued by these same companies remain significantly discounted

Fund attribution commentary

MLPPX returned 1.94% versus the Index's -4.08% return for the fourth quarter. In a negative market, the fund outperformed the Index with lower volatility.

- The equity portion of the portfolio, which consists of MLPs and energy infrastructure equities, returned 2.45% for the quarter. Energy infrastructure equities outpaced MLPs during the period. The portfolio remained weighted towards higher quality, lower yielding names and away from companies hindered by negative sentiment related to low natural gas and natural gas liquids (NGL) prices. For the year, the equity portion of the portfolio returned 17.45%, driven by strong performance from larger-cap, higher quality midstream entities.
- For the quarter, the fixed income portion of the fund returned 2.67%, in-line with the Bloomberg Barclays U.S. High Yield Energy Bond Index's return of 2.76%. Despite similar credit metrics, a valuation gap remains between smaller high-yield issues and larger investment grade issues. At quarter-end, approximately 84% of the fixed income holdings were high-yield bonds. We believe high yield bonds are a safer and less volatile part of the capital structure versus equities. For the one-year period, the fixed income portion of the portfolio returned 13.63%.

Performance attribution of asset classes will not equate to the total return performance of the Fund. Relative performance in a particular asset class due to asset allocation or stock selection over a short period is no indication or guarantee of fund performance over longer time horizons.

Portfolio positioning

In the first half of 2019, most of the midstream space participated in the recovery from the selloff in fourth quarter of 2018. However, the breadth of the recovery narrowed during the second half of the year. As 2019 progressed, the portfolio increased its defensive positioning resulting in a concentration of what we believe to be higher quality, stable cash flow companies. These large-cap, diversified names were defensive during the third and fourth quarters. Gathering & processing companies were challenged due to continued weakness in commodity prices and ended the year as the worst performing sector for the quarter and the year. Additionally, during the quarter, the fund maintained a hedging strategy of selling covered calls in an effort to mitigate volatility and generate cash.

Heading into 2020, a theme in the portfolio is our continued preference for natural gas infrastructure compared to oil infrastructure. Natural gas is cheap, abundant, and markedly cleaner than oil or coal when used as a fuel for electricity generation. As the country and the world move towards greater electrification, we believe natural gas will be the largest source of energy to fuel economic growth. As a percent of fuels consumed for electricity generation, natural gas has more than doubled over the last decade to a total of 42% today.[1] Other themes in our portfolio include a preference for midstream infrastructure that is integrated from the wellhead to the end user and for meaningful exposure to rising export markets. These companies, which generally reside in the diversified infrastructure sector, benefit from touching volumes multiple times across the value chain.

The fixed income portfolio is tilted towards midstream holdings with improving leverage metrics and demonstrated financial support from their parent/sponsor. Midstream companies do not have meaningful customer concentration and thus should allay investor concerns about smaller exploration and production company bankruptcies. The fixed income portfolio remains weighted towards non-investment grade holdings with shorter maturities. As the energy/midstream recovery continues to unfold, high yield bonds should provide a better hedge against higher rates.

By investing across the capital structure of energy infrastructure companies, the fund seeks to deliver returns in line with MLPs, with high correlation to the Alerian MLP Index, but with significantly less volatility. With nearly a decade of track record since inception, the fund has more than achieved these goals with returns in excess of the benchmark with less volatility.

[1]U.S. Energy Information Administration, January 2020

Portfolio as of 12/31/2019 (unaudited)

Security type

C-corps/LLCs	47%
Bonds	27%
MLPs	26%

Security breakdown

Natural gas pipelines	34%
Gathering and processing	26%
Refined product pipelines	13%
Crude oil pipelines	12%
Refining	9%
Other	6%

Fund holdings are subject to change and are not recommendations to buy or sell any security.

Top 10 holdings (as of 12/31/2019)

1. Enbridge, Inc.	6.2%	6. TC Energy Corporation	4.5%
2. ONEOK, Inc.	5.7%	7. Enterprise Products Partners L.P.	4.5%
3. The Williams Companies, Inc.	5.2%	8. PBF Holding Co LLC (fixed income)	4.3%
4. Plains GP Holdings, L.P.	5.2%	9. Phillips 66 Partners LP	4.3%
5. Magellan Midstream Partners, L.P.	4.6%	10. MPLX LP	4.2%

Performance (as of 12/31/2019)

	Class	4Q 2019	1 year	3 year	5 year	Since inception	Standard Deviation*
MLPPX	Institutional	1.94%	14.71%	-2.49%	-4.89%	3.84%	15.78%
AMZX	Alerian MLP Index	-4.08%	6.56%	-4.45%	-7.00%	2.41%	21.08%

The Fund's gross expense ratio is 0.91%.

Performance for periods over one year is annualized. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 855-TCA-Fund (855-822-3863).

*Since 9/9/2010. Standard deviation is a measure of daily volatility, which shows how much variation exists from the average return.

The 30-Day SEC Yield was 4.90%.

The 30-Day SEC Yield reflects annualization of the Fund's total net investment income per share for the 30-day period ended on the last day of the month.

Free cash flow: is the cash a company produces through its operations, less the cost of total capital expenditures (growth and maintenance).

Correlation: a measure of the degree to which two variables move in relation to each other.

Disclosures

Investing in MLPs using mutual funds allows the investor to delay paying taxes on any distributed income until the investment is sold, potentially enabling any gains to qualify as long term (which are taxed at a lower rate than short-term capital gains).

Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Additionally, investing in MLPs involves material income tax risks and certain other risks. Actual results, performance or events may be affected by, without limitation: (1) general economic conditions (2) performance of financial markets (3) interest rate levels (4) changes in laws and regulations and (5) changes in the policies of governments and/or regulatory authorities. MLPs may have additional expenses, as some MLPs pay incentive distribution fees to their general partners. The value of MLPs depends largely on the MLPs being treated as partnerships for U.S. federal income tax purposes. If MLPs were subject to U.S. federal income taxation, distributions generally would be taxed as dividend income. As a result, after-tax returns could be reduced, which could cause a decline in the value of MLPs. If MLPs are unable to maintain partnership status because of tax law changes, the MLPs would be taxed as corporations and there could be a decrease in the value of the MLP securities. The Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, floatadjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX). The S&P 500 Index is widely regarded as a standard for measuring U.S. stock market performance. The Bloomberg Barclays U.S. High Yield Energy Bond Index covers the energy component of dollar-denominated, fixed rate, non-investment grade debt. Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144As, and pay-in-kind bonds are also included.

The fund is non-diversified, which means that the fund may invest in the securities of relatively few issuers. Investments in securities of a limited number of issuers or primarily of the energy infrastructure sector exposes the fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers. The fund may invest in derivatives, (futures and options), high yield debt (also known as junk bonds) and exchange traded funds ("ETFs"). These investments involve significant risks and losses may occur. Derivatives may be more sensitive to changes in market conditions and may amplify risks. The fund may invest in the debt securities of MLPs and generally, fixed income securities decrease in value when interest rates rise. High yield securities are below investment grade quality and may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. Certain transactions including the use of derivatives may give rise to a form of leverage which may increase the risk of loss and cause fluctuations in the market value of the fund's portfolio to have disproportionately large effects or cause the NAV of the fund generally to decline faster than it would otherwise. The fund intends to elect to be treated and to qualify each year, as a "regulated investment company" under the U.S. Internal Revenue Code of 1986 (the "Code"). To maintain qualification for federal income tax purposes as a regulated investment company under the Code, the fund must meet certain source-of-income, asset diversification and annual distribution requirements. If for any taxable year the fund fails to qualify for the special federal income tax treatment afforded to regulated investment companies, all taxable income will be subject to federal income tax and possibly state and local income tax at regular corporate rates (without any deduction for distributions to shareholders) and any income available for distribution will be reduced.

The fund's investment objective, risks, charges and expenses must be considered carefully before investing. The summary and statutory prospectus contains this and other important information about the fund and may be obtained by calling 855-TCA-FUND (855-822-3863) or visiting www.tortoiseadvisors.com. Read it carefully before investing.

Note: This commentary contains forward-looking statements about various economic trends and strategies. You are cautioned that such forward-looking statements are subject to significant business, economic and competitive uncertainties and actual results could be materially different. There are no guarantees associated with any forecast; the opinions stated here are subject to change at any time and are the opinion of Tortoise. The data is obtained from sources we deem reliable; it is not guaranteed as to its accuracy. Past performance does not guarantee future results. Investing in MLPs may require tax filings in multiple jurisdictions. This report is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities.

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