Tortoise Capital

Tortoise Energy Infrastructure Total Return Fund (TORIX/TORTX/TORCX)

4Q 2024 QUARTERLY COMMENTARY

★★★★

Tortoise Energy Infrastructure Total Return Fund (TORIX/TORTX/TORCX) received a Four-Star Overall Morningstar Rating™ among 94 Energy Limited Partnership Funds (based on a weighted average of the fund's three-, five- and ten-year risk-adjusted return measure, if applicable) as of 12/31/2024.

Investment strategy

The fund focuses on the large and diverse North American pipeline universe, providing access to the sizable pipeline network of one of the world's largest consumers of energy. The fund has the ability and flexibility to access traditional pipeline corporations alongside master limited partnerships (MLPs). We believe these pipeline companies and MLPs have strong business fundamentals and expanded growth opportunities.

The midstream energy sector, as measured by the Alerian Midstream Energy Index, posted a strong gain of 13.4% in the fourth quarter, contrasting sharply with the broader energy sector, represented by the S&P Energy Select Sector Index®, which declined by 2.4%. Midstream management teams exhibited disciplined capital allocation, maintaining robust balance sheets, increasing dividends, strategically repurchasing shares, and investing in high-return capital projects. During the quarter, project opportunities expanded significantly, driven by rising power demand to support the development of data centers fueled by rapid advancements in artificial intelligence. In response to this increased demand, new natural gas pipeline projects were anticipated to address the substantial growth in power needs, with natural gas-fired power generation expected to play a vital role. Meanwhile, the broader energy sector's underperformance reflected lower crude oil demand growth forecasts for 2025, attributed to a weakening Chinese economy and reduced refining margins resulting from high utilization rates and newly added international refining capacity.

U.S. energy supply continues to expand. The Energy Information Administration (EIA) projects U.S. crude oil production to increase from 13.25 million barrels per day (bpd) in the third quarter of 2024 to 13.53 million bpd in the fourth quarter. For the full year, crude oil production is expected to exceed 2023 levels by 2% and grow by an additional 2% in 2025, averaging 13.5 million bpd. This growth is primarily driven by the Permian Basin, which accounts for nearly 50% of domestic crude oil production. Crude oil prices (WTI) averaged slightly above $70 per barrel in the fourth quarter, down from the third quarter's average of $75 per barrel. This decline reflects weaker demand growth in China and the Organization of the Petroleum Exporting Countries Plus (OPEC+) continued ability to supply additional oil to the market. U.S. natural gas production is also projected to rise modestly, with the EIA forecasting an increase from 103.2 billion cubic feet per day (bcf/d) in the third quarter to 103.5 bcf/d in the fourth quarter. Following a warm winter last year, natural gas inventories remain relatively high, prompting producers to curtail output. As a result, natural gas prices closed the fourth quarter at $3.63 per MMBtu, significantly higher than the average of $2.22 per MMBtu during the first nine months of 2024. The EIA anticipates a slight increase in natural gas production in 2025, reaching 103.7 bcf/d. Weather is likely to remain a key driver of natural gas prices. However, the commissioning of new U.S. LNG export facilities recently and into 2025 could increase demand for natural gas, necessitating additional supply to meet rising global needs.

Earnings within the energy infrastructure sector were largely in line with or exceeded estimates, driven by continued volume growth, particularly from increased production in the Permian Basin. Additionally, the growing demand for exports of natural gas, ethane, and propane contributed to performance. Discussions regarding the supply of natural gas to power data centers continued as a key theme during earnings calls for natural gas infrastructure companies. The need for additional natural gas takeaway capacity from the Permian Basin remained evident, as natural gas prices in West Texas were significantly lower than other pricing hubs, frequently dipping into negative territory. Despite increased investments to address natural gas takeaway constraints and rising demand, capital expenditures remain approximately half of pre-2020 levels, enabling companies to distribute substantial free cash flow for shareholder returns. In fact, over $700 million in share buybacks were executed during the third quarter, bringing the year-to-date total to $3.3 billion. This trajectory positions the sector to surpass the $4 billion share repurchase expectation for 2024, underscoring its strong financial performance and commitment to returning capital to shareholders.

Two significant acquisitions occurred in the fourth quarter. First, ONEOK announced its plan to acquire the remaining publicly traded units of EnLink Midstream that it does not already own. Under the terms of the agreement, each EnLink unitholder will receive 0.1412 shares of ONEOK common stock. The transaction is expected to close in the first quarter of 2025. The EnLink assets strategically align with ONEOK's operations, as they are poised to optimize utilization of ONEOK's West Texas crude and natural gas liquids (NGL) pipelines and processing facilities. ONEOK remains committed to repurchasing $2 billion in shares over the next four years and maintaining a 3% to 4% annual dividend growth rate. Second, DT Midstream announced the acquisition of three regulated natural gas transmission pipelines from ONEOK for $1.2 billion. These pipelines, located in the Upper Midwest, span 1,300 miles across seven states and have a combined capacity of 3.7 billion cubic feet per day (bcf/d). The pipelines serve a high-quality, demand-pull customer base. DT Midstream anticipates that the acquisition will be immediately accretive to cash flow, further strengthening its financial position.

The growing power demand driven by artificial intelligence-related data center development continues to be a prominent trend, particularly as natural gas power generation assumes an increasingly critical role. During the quarter, Kinder Morgan announced a final investment decision (FID) on its Mississippi Crossing project, a pipeline designed to transport 1.5 bcf/d of natural gas across Mississippi into Alabama. Scheduled for completion near the end of 2028, the pipeline will draw supply from multiple basins to support LNG exports and power generation needs. Similarly, Energy Transfer reached an FID on the Hugh Brinson Pipeline, which will transport up to 2.2 bcf/d of natural gas from the Permian Basin across Texas to connect with other pipelines for further distribution. Supported by a combination of supply-push and demand-pull counterparties through long-term, fee-based agreements, the project is estimated to cost $2.7 billion and is expected to start operations by the end of 2026. Both Kinder Morgan and Energy Transfer, along with other natural gas pipeline operators, anticipate additional project announcements in 2025, reflecting the sector's higher growth and alignment with rising natural gas demand.

The Fund maintains a strong focus on North American energy infrastructure investment opportunities. Its core holdings consist of companies with robust balance sheets and growing free cash flow, prioritizing shareholder returns through increasing dividends and strategic share repurchases. The Fund also maintains substantial exposure to natural gas infrastructure, positioned to benefit from rising natural gas demand driven by the ongoing LNG buildout and the growing energy needs of data centers. Additionally, the Fund emphasizes investments in companies with strategic assets that facilitate energy transport from the wellhead to the end user—whether to power plants, petrochemical facilities, or export terminals. These companies capitalize on the competitive cost advantages of U.S. energy and expanding international demand. More broadly, the Fund holds significant exposure to the Permian Basin and key natural gas infrastructure connecting the Gulf Coast to the Atlantic Seaboard.

Top five contributors

1. Targa Resources Corp
2. Cheniere Energy Inc.
3. Energy Transfer LP
4. Williams Companies Inc
5. Kinder Morgan Inc

Bottom five contributors

1. Pembina Pipeline Corp
2. Clearway Energy, Inc.
3. Enlink Midstream, LLC
4. Sunoco LP
5. Keyera Corp

Top 10 holdings (as of 12/31/2024)

1.	Cheniere Energy, Inc.	10.0%
2.	Targa Resources Corp.	9.9%
3.	Energy Transfer LP	8.1%
4.	MPLX LP	7.7%
5.	The Williams Companies, Inc.	7.6%
6.	ONEOK, Inc.	7.0%
7.	Kinder Morgan, Inc.	5.0%
8.	Enbridge, Inc.	5.0%
9.	TC Energy Corporation	4.9%
10.	Plains GP Holdings, L.P.	4.8%

Performance (as of 12/31/2024)

	Class	4Q 2024	Calendar YTD	1 year	3 year	5 year	10 year	Since inception*	Expense ratio (gross)
TORIX	Institutional	11.84%	42.91%	42.91%	25.85%	14.62%	6.02%	9.13%	0.93%
TORTX	A Class (excluding load)	11.71%	42.48%	42.48%	25.54%	14.31%	5.72%	8.83%	1.18%
TORTX	A Class (maximum load)	5.57%	34.61%	34.61%	23.18%	13.03%	5.13%	8.38%	1.18%
TORCX	C Class (excluding CDSC)	11.55%	41.54%	41.54%	24.59%	13.48%	4.97%	8.04%	1.93%
TORCX	C Class (including CDSC)	10.55%	40.54%	40.54%	24.59%	13.48%	4.97%	8.04%	1.93%
TNAPT	Tortoise North American Pipeline Index℠	10.06%	38.46%	38.46%	21.78%	14.17%	7.73%	10.08%	
SPXT	S&P 500® Total Return Index	2.41%	25.02%	25.02%	8.94%	14.53%	13.10%	13.79%	
AMEIX	Alerian Midstream Energy Select Total Return Index	11.54%	43.13%	43.13%	25.46%	16.31%	6.90%	N/A	

Note: For periods over one year, performance reflected is for the average annual returns.
*The Institutional and A Class Shares commenced operations on 5/31/2011 and C Class Shares commenced operations on 9/19/2012. Performance shown prior to inception of the C Class Shares is based on the performance of the Institutional Class Shares, adjusted for the higher expenses applicable to C Class Shares. ***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).***

Performance data shown reflecting the A Class (maximum load) reflects a sales charge of 5.50%. Performance data shown "excluding load" does not reflect the deduction of the maximum sales load. Performance data shown for the C Class (including CDSC) reflects a contingent deferred sales charge (CDSC) of 1% for the first 12 months of investment. Performance data shown "excluding CDSC" does not reflect the deduction of the CDSC. If reflected, the load and the CDSC would reduce the performance quoted. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.

Disclosures

TCA Advisors is the adviser to the Tortoise Energy Infrastructure Total Return Fund.

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.

Mutual fund investing involves risk. Principal loss is possible. The fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the fund is more exposed to individual stock volatility than a diversified fund. Investing in specific sectors such as energy infrastructure may involve greater risk and volatility than less concentrated investments. Risks include, but are not limited to, risks associated with companies owning and/or operating pipelines and complementary assets, as well as Master Limited Partnerships (MLPs), MLP affiliates, capital markets, terrorism, natural disasters, climate change, operating, regulatory, environmental, supply and demand, and price volatility risks. The tax benefits received by an investor investing in the fund differs from that of a direct investment in an MLP by an investor. The value of the fund's investment in an MLP will depend largely on the MLP's treatment as a partnership for U.S. federal income tax purposes. If the MLP is deemed to be a corporation then its income would be subject to federal taxation, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. Investments in non-U.S. companies (including Canadian issuers) involve risk not ordinarily associated with investments in securities and instruments of U.S. issuers, including risks related to political, social and economic developments abroad, differences between U.S. and foreign regulatory and accounting requirements, tax risk and market practices, as well as fluctuations in foreign currencies. The fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The fund may also write call options which may limit the fund's ability to profit from increases in the market value of a security, but cause it to retain the risk of loss should the price of the security decline.

The S&P 500® Index is an unmanaged market-value weighted index of stocks, which is widely regarded as the standard for measuring large-cap U.S. stock market performance. The Tortoise North American Pipeline Index℠ is a float-adjusted, capitalization weighted index of North American energy companies primarily engaged in the production of crude oil, condensate, natural gas or natural gas liquids (NGLs). Returns include reinvested distributions and dividends. The S&P Energy Select Sector® Index is a modified market capitalization-based index of S&P 500® companies in the energy sector that develop and produce crude oil and natural gas and provide drilling and other energy related services. Returns include reinvested dividends. The Alerian Midstream Energy Select Index is a composite of North American energy infrastructure companies. The capped, float-adjusted, capitalization-weighted index, whose constituents are engaged in midstream activities involving energy commodities, is disseminated real-time on a price- return basis (AMEI) and on a total-return basis (AMEIX). The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable rate mortgage pass-through securities), asset-backed securities and commercial mortgage-backed securities (agency and non-agency).

The Tortoise North American Pipeline Index℠ (the "Index") is the exclusive property of TIS Advisors, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omission in calculating the Index. "Calculated by S&P Dow Jones Indices" and its related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by TIS Advisors and its affiliates. S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS"), and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). No portion of this publication may be reproduced in any format or by any means including electronically or mechanically, by photocopying, or by any other form or manner whatsoever, without the prior written consent of TIS Advisors.

Natural gas liquid (NGL) is liquid or liquefied hydrocarbons produced in the manufacture, purification and stabilization of natural gas. Their characteristics vary, ranging from those of ethane, butane and propane to heavy oils. NGL's are either distilled with crude oil in refineries, blended with refined petroleum products or used directly depending on their characteristics.

Liquefied Natural Gas (LNG) is natural gas that has been cooled to a liquid state for shipping and storage - the volume in this state is about 600 times smaller than in its gaseous state, able to transport for much longer distances when pipeline transport is not feasible. Liquefied Petroleum Gas (LPG) is a group of hydrocarbon gases, primarily propane, normal butane and isobutane, derived from crude oil refining or natural gas processed. They may be marketed individually or mixed. They can all be liquefied through pressurization for convenience of transportation or storage. Free cash flow is the cash a company produces through its operations, less the cost of total capital expenditures (growth and maintenance). Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-GAAP measure used to provide an approximation of a company's profitability. This measure excludes the potential distortion that accounting and financing rules April have on a company's earnings; therefore, EBITDA is a useful tool when comparing companies that incur large amounts of depreciation expense because it excludes these non-cash items which could understate the company's true performance.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds and separate accounts) with at least a three-year history without adjustment for sales load. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36 - 59 months of total returns, 60% five-year rating/40% three-year rating for 60 - 119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. As of 12/31/2024, TORIX/TORTX/TORCX was rated against the following number of Energy Limited Partnership Funds over the following periods: 94, 92 and 64 for the three-year, five-year and 10-year time periods, respectively. TORIX received four stars for the three-year period. TORCX/TORTX received three stars for the three-year period. TORIX/TORCX/TORTX received three stars for the five-year period and four stars for the 10-year period. Past performance is no guarantee of future results. Nothing contained on this communication constitutes tax, legal or investment advice. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.

Quasar Distributors, LLC, distributor

• NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE