Tortoise Capital

Tortoise AI Infrastructure ETF (TCAI)

2Q 2026 QUARTERLY COMMENTARY

Market Overview

During the second quarter of 2026, TCAI generated returns of 61.43% (market price) and 61.42% (NAV), significantly outperforming the S&P 500's 15.20% return for the quarter.

Performance (as of 6/30/2026)

Total return	QTD	Calendar YTD	Since Inception*
Market price	61.43%	88.35%	120.79%
NAV	61.42%	88.98%	120.98%
S&P 500® Total Return Index	15.20%	10.21%	19.81%

*Inception: 8/4/2025.

The performance data quoted represents past performance. Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. NAV prices are used to calculate market price performance prior to the date when the fund first traded on the New York Stock Exchange. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. Market performance does not represent the returns you would receive if you traded shares at other times. For the fund's most recent month end performance, please call (855) 994-4437.

As stated in the Prospectus, the total annual operating expenses are 0.65%.

Past performance is no guarantee of future results.

Performance

Stocks associated with artificial intelligence delivered strong performance during the second quarter of 2026, supported by a robust fundamental backdrop. TCAI invests in the companies that enable artificial intelligence—the businesses that are benefiting from the rapid increase in hyperscaler capital spending and building the infrastructure required for next-generation AI models and applications.

Strong gains across AI infrastructure, including memory and storage, networking, power equipment, cooling systems, and electricity generation, reflect continued demand for the critical technologies that support the expanding AI ecosystem.

AI Capital Spending Trends

As illustrated in the chart below, hyperscaler capital expenditures continue to rise. The aggregate capital expenditures of Amazon, Meta, Google, Oracle, and Microsoft are forecast to exceed $400 billion in 2025 and rise above $1 trillion annually as early as 2028. These estimates are 23% higher than last quarter's forecast, underscoring the accelerating pace of AI infrastructure investment.

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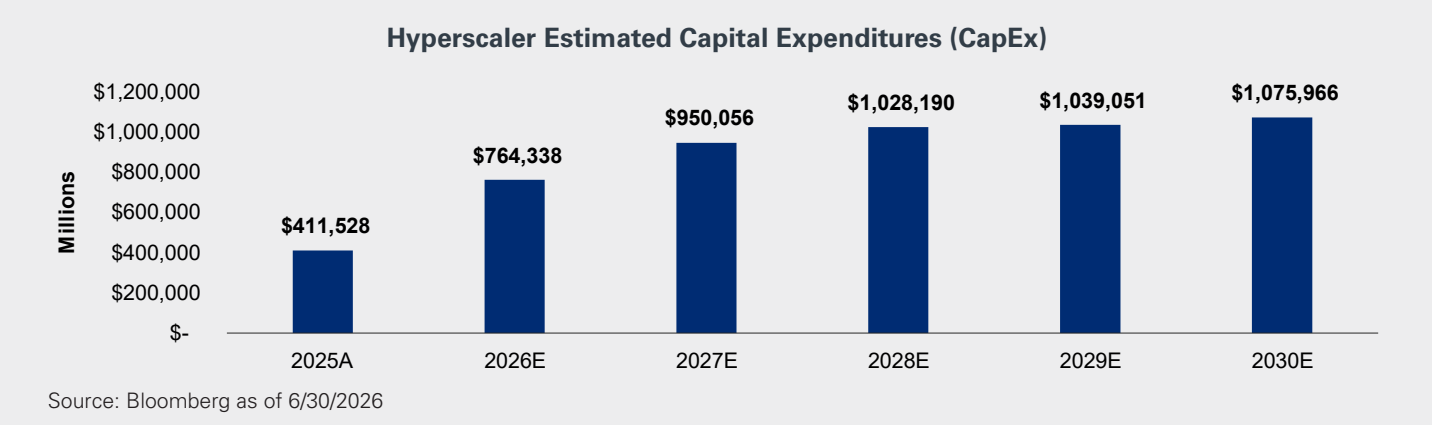
As agentic AI and other advanced AI applications develop, we expect hyperscaler capital expenditures to increase further, benefiting the AI infrastructure companies that enable AI — including data centers, power generation, natural gas infrastructure, cooling, connectivity, storage, and computing.

We believe annual hyperscaler capital expenditures could exceed $1 trillion sooner than expected and, over time, potentially rise to $3 to $4 trillion annually as AI adoption expands across the global economy.



Source: Bloomberg as of 6/30/2026

Data Centers

Data centers represented approximately 17% of the TCAI portfolio during the second quarter. Demand for data center capacity remains exceptionally strong, allowing operators to increase rental rates and secure longer lease terms. The market continues to be undersupplied as hyperscalers race to deploy the computing infrastructure needed to support increasingly sophisticated AI models and applications. As a result, customers are willing to commit to long-term contracts to ensure access to critical computing capacity.

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The scale of data center development also continues to expand. During the second quarter, several new multi-gigawatt data center campuses were announced by hyperscalers, including projects from Google in Utah, Georgia, Kansas, and the United Kingdom. These developments underscore the unprecedented investment cycle underway as hyperscalers build the infrastructure required to support the next generation of artificial intelligence.

Energy

Energy represented approximately 23% of the TCAI portfolio during the second quarter. Low-cost natural gas remains the primary fuel used to generate the electricity required to power AI data centers, reinforcing our view that abundant and reliable energy is a critical enabler of artificial intelligence.

During the second quarter of 2026, the shortage of natural gas turbines became even more pronounced. This was evidenced by GE Vernova's 20% increase in customer slot reservation agreements for its gas turbines, highlighting strong demand for new power generation capacity. GE Vernova also expanded its EBITDA margin by nearly 4 percentage points. This reflects the favorable pricing environment created by the shortage of natural gas turbines needed to support AI-driven electricity demand.

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The urgency to secure available power also continued to reshape the data center industry. Bitcoin mining companies increasingly transformed portions of their existing infrastructure into AI data centers, leveraging sites with immediate access to electricity. During the quarter, Cipher Digital announced a multi-year lease with an investment-grade hyperscale customer for its Black Pearl data center campus, illustrating the significant value of power-ready infrastructure. As hyperscalers seek to accelerate AI deployment, access to electricity has become one of the most valuable assets in the digital infrastructure ecosystem.

These developments reinforce our long-held investment thesis that **electricity is the new oil**.

These developments reinforce our long-held investment thesis that **electricity is the new oil**. As AI adoption accelerates, companies that produce natural gas, generate electricity, manufacture power equipment, and own energy infrastructure should remain among the primary beneficiaries of this multi-year investment cycle.

Digital Infrastructure

Digital infrastructure represented approximately 60% of the TCAI portfolio during the second quarter. This segment includes memory, data storage, networking equipment, liquid cooling systems, optical connectivity, and other critical components that enable AI computing.

Digital infrastructure, particularly memory and data storage, was the largest contributor to TCAI's strong second-quarter performance. Companies across AI infrastructure continue to benefit from accelerating hyperscaler capital expenditures as cloud providers invest aggressively to build the computing infrastructure required for next-generation AI models and applications.

The memory and storage market remained significantly undersupplied during the quarter, resulting in strong pricing and margin expansion. Industry leader Micron exemplified this favorable backdrop. In its fiscal first quarter of 2026, Micron increased earnings per share by 175% year over year, reflecting both robust demand and improved pricing. The strength of the memory market continued throughout the year, culminating in approximately 85% gross margins during Micron's fiscal third quarter of 2026, underscoring the exceptional profitability created by the current supply-demand imbalance.

We continue to believe that memory and data storage are among the most attractive segments of AI infrastructure. As AI models become larger and more complex, the need to store, access, and move massive amounts of data continue to increase, creating a favorable long-term outlook for the infrastructure supporting AI.

Portfolio Positioning

AI does not run on code alone. It runs on infrastructure. TCAI invests in the critical infrastructure that enables artificial intelligence and supports its potential to become the next industrial revolution.

Nearly 60% of TCAI's portfolio is invested in digital infrastructure, including memory and storage devices, network switches, servers, connectivity equipment, and liquid-cooling systems. Approximately 17% is allocated to data centers, which house the computing, storage, networking, and cooling infrastructure required to support advanced AI applications.

The portfolio also has approximately 23% allocated to energy infrastructure. These investments include electricity-generation assets, the fuel-supply infrastructure needed to produce reliable power, and bitcoin miners that are converting their existing power capacity and facilities into AI-focused data-center operations.

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Top five contributors

1. Micron Technology Inc
2. Dell Technologies Inc
3. Seagate Technology Holdings PLC
4. Western Digital Corp
5. Sandisk Corp

Bottom five contributors

1. EQT Corp
2. Primoris Services Corp
3. Applied Digital Corp
4. Constellation Energy Corp
5. Hewlett Packard Enterprise

Top 10 holdings (as of 6/30/2026)

1.	Micron Technology Inc	5.7%
2.	Vertiv Holdings Co	5.6%
3.	Dell Technologies	4.9%
4.	Sandisk Corp	4.5%
5.	Ciena Corp	4.2%
6.	Western Digital Corp	3.7%
7.	Seagate Technology Holdings	3.6%
8.	Quanta Services Inc	3.5%
9.	MYR Group Inc	3.4%
10.	Credo Technology Group	3.4%

Fund holdings are subject to change at any time and should not be considered a recommendation to buy or sell any security.

Disclosures

Tortoise Capital Advisors, LLC. (TCA) is the adviser to the Tortoise AI Infrastructure ETF.

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) 994-4437 or visiting https://tortoisecapital.com/etf/tortoise-ai-infrastructure-etf/. Read it carefully before investing.

Past performance is no guarantee of future results. Current performance may be lower or higher than the performance data quoted. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than original cost. Returns less than one year are not annualized. NAV prices are used to calculate market price performance prior to the date when the fund first traded on the New York Stock Exchange. Market performance is determined using the bid/ask midpoint at 4:00pm Eastern time, when the NAV is typically calculated. Market performance does not represent the returns you would receive if you traded shares at other times. For the fund's most recent month end performance, please call (855) 994-4437.

As stated in the Prospectus, the total annual operating expenses are 0.65%. The adviser has agreed to pay all expenses incurred by the fund except for the advisory fee, interest, taxes, brokerage expenses and other fees, charges, taxes, levies or expenses (such as stamp taxes) incurred in connection with the execution of portfolio transactions or in connection with creation and redemption transactions.

Investing involves risk. Principal loss is possible. Because the fund is "non-diversified" and may invest a greater percentage of its assets in the securities of a single issuer, a decline in the value of an investment in a single issuer could cause the fund's overall value to decline to a greater degree than if the fund held a more diversified portfolio. The fund's strategy of emphasizing investments in AI infrastructure companies means that the performance of the fund will be closely tied to the performance of one or more industries that are expected to benefit from the growth of AI-capable data centers and related technology and energy infrastructure. Investing in companies that are expected to benefit from the same macro theme means that some of the fund's investments may be similarly affected by certain market, economic, political, or social developments. Companies in the energy infrastructure sector are subject to many risks that can negatively impact the revenues and viability of companies in this sector, including, but not limited to risks associated with companies owning and/or operating pipelines, gathering and processing assets, power infrastructure, propane assets, as well as capital markets, terrorism, natural disasters, climate change, operating, regulatory, environmental, supply and demand, and price volatility risks. Companies in the technology infrastructure sector are subject to many risks that can negatively impact the revenues and viability of companies in this sector, including, but not limited to risks associated with emerging technology that renders existing products or services obsolete, reliance on outdated technology, intellectual property theft, supply chain disruption, vulnerabilities to third-party vendors and suppliers, business interruption, difficulty in retaining skilled talent, and regulatory compliance. Companies in the industrial sector face a variety of risks, including commodity price volatility, supply chain disruptions, potential obsolescence of technologies, economic downturns, and increasing competition.

Investment advisers, including the Adviser, must rely in part on digital and network technologies (collectively "cyber networks") to conduct their businesses. Derivatives include instruments and contracts that are based on and valued in relation to one or more underlying securities, financial benchmarks, indices, or other reference obligations or measures of value. If the fund writes a covered call option, during the option's life the fund gives up the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss should the price of the underlying security decline. Investments in securities of foreign companies involve risks not ordinarily associated with investments in securities and instruments of U.S. issuers, including risks relating to political, social and economic developments abroad, differences between U.S. and foreign regulatory and accounting requirements, tax risks, and market practices, as well as fluctuations in foreign currencies.

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The fund may be exposed to liquidity risk when trading volume, lack of a market maker, or legal restrictions impair the fund's ability to sell particular securities or close call option positions at an advantageous price or in a timely manner. Illiquid investments may include restricted securities that cannot be sold immediately because of statutory and contractual restrictions on resale. Mid-cap and small-cap companies may not have the management experience, financial resources, product or business diversification and competitive strengths of large cap companies.

Shares of exchange-traded funds (ETFs) are not individually redeemable and owners of the shares may acquire those shares from the ETF and tender those shares for redemption to the ETF in Creation Units only, see the ETF prospectus for additional information regarding Creation Units. Investors may purchase or sell ETF shares throughout the day through any brokerage account, which will result in typical brokerage commissions.

There is no guarantee the fund will pay distributions in the future and distributions, if any, may be less than the current distribution.

The S&P 500® Total Return Index is a total return index that reflects both changes in the prices of stocks in the S&P 500 Index as well as the reinvestment of the dividend income from its underlying stocks. A master limited partnership (MLP) is a limited partnership investment vehicle that is traded on public exchanges. MLPs are traded in units rather than shares and consist of a general partner and limited partners. There are certain tax advantages as well as opportunity for more liquidity. The compound annual growth rate is the rate of return that an investment would need to have every year in order to grow from its beginning balance to its ending balance, over a given time interval. The CAGR assumes that any profits were reinvested at the end of each period of the investment's life span.

The S&P 500® Index is an unmanaged, market-value weighted index of stocks that is widely regarded as the standard for measuring large-cap U.S. stock market performance.

Nothing on this communication should be considered a solicitation to buy or an offer to sell any shares of the portfolio in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction. Nothing contained in 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.

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