

# Tortoise North American Pipeline Fund (TPYP)

## 4Q 2025 QUARTERLY COMMENTARY

### Market Backdrop

The midstream energy sector declined 1.4% during the fourth quarter, as measured by the Alerian Midstream Energy Index, while the broader energy sector advanced 1.5% based on the S&P Energy Select Sector Index. Data center power demand remained a defining theme, creating incremental opportunities for midstream companies, particularly in natural gas transportation, as growing U.S. liquefied natural gas (LNG) exports and continued industrial reshoring supported higher long-term natural gas demand forecasts.

Management teams advanced new pipeline discussions through ongoing engagement with data center developers and utility partners, while maintaining disciplined capital allocation frameworks focused on organic investment, dividend growth, opportunistic share repurchases, and balance sheet strength. The broader energy sector modestly outperformed despite weaker commodity pricing, with West Texas Intermediate (WTI) crude oil ending the quarter \$4 lower at \$58 per barrel. Oil prices were supported by the Organization of Petroleum Exporting Countries Plus' (OPEC+) pause in returning additional supply, alongside reduced Russian exports stemming from sanctions and infrastructure attacks. Upstream producers continued to emphasize capital discipline, guiding modest production growth levels while prioritizing shareholder returns through dividends and buybacks.

### Commodity Trends

U.S. energy supply growth is moderating amid a lower crude oil price environment. The Energy Information Administration projects U.S. crude output will rise modestly from 13.2 million barrels per day (bpd) in 2024 to 13.6 million bpd in 2025, before easing to 13.5 million barrels per day in 2026, with the Permian Basin continuing to account for nearly half of total production.

WTI prices averaged approximately \$59 per barrel during the fourth quarter, nearly \$6 below the third-quarter average, reflecting OPEC+'s continued return of previously curtailed supply. This dynamic more than offset elevated geopolitical risk tied to tighter sanctions on Russia and Ukrainian strikes on Russian energy infrastructure.

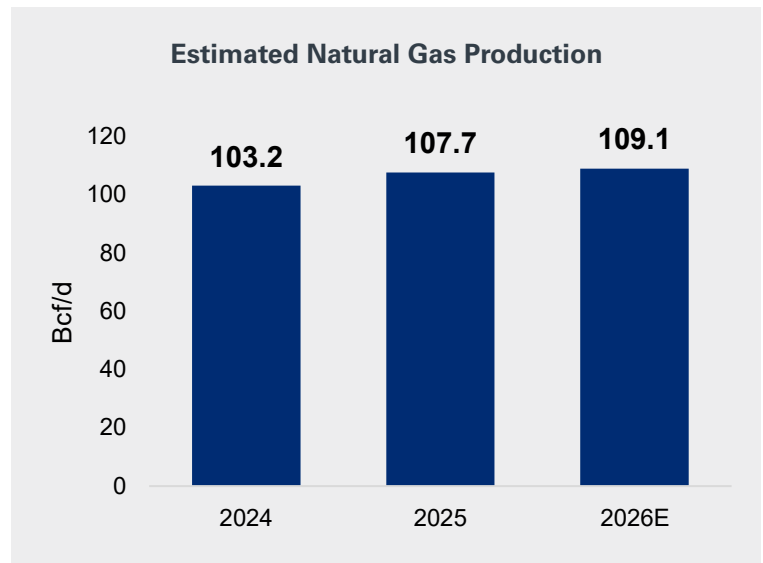


Tortoise North American Pipeline Fund (TPYP) received a Four-Star Overall Morningstar Rating™ among 91 Energy Limited Partnership Funds (based on a weighted average of the fund's three-, five- and ten-year risk-adjusted return measure, if applicable) as of 12/31/2025.

The Tortoise North American Pipeline Fund is an exchange traded fund that uses a passive management approach and seeks to track the total return performance of the Tortoise North American Pipeline Index<sup>SM</sup>.

Rising data center power demand and expanding U.S. LNG exports continue to reinforce the long-term growth outlook for natural gas infrastructure.

U.S. natural gas production is also expected to rise gradually, increasing from 103.2 billion cubic feet per day (Bcf/d) in 2024 to 107.7 Bcf/d in 2025 and 109.1 Bcf/d in 2026. A cold December, combined with disciplined production activity, tightened inventories and pushed spot prices higher, with fourth-quarter prices averaging nearly \$4.00 per million British thermal units (MMBtu) compared with \$3.08 in the third quarter. While weather remains the primary driver of near-term volatility, longer-term demand growth is increasingly supported by the phased start-up of new U.S. LNG export terminals over the next two years, which is expected to materially lift natural gas consumption and necessitate additional supply to meet both domestic and global demand.



### Earnings, M&A and Project Developments

Fourth-quarter earnings across the energy infrastructure sector were largely in line with expectations, with no material surprises to alter the broader industry outlook. Management teams generally reaffirmed guidance, maintaining 2025 outlooks while deferring formal 2026 guidance. Results reinforced the resilience of the midstream business model, as modest volume growth helped offset commodity price headwinds and left forward expectations largely unchanged.

Project activity remained robust, particularly in natural gas pipelines, reflecting steadily rising demand and supporting expectations for continued capital investment into 2026. With most new projects structured around multi-year construction timelines, companies are positioned to fund growth without near-term balance sheet strain while preserving flexibility for shareholder returns. Notably, the sector executed more than \$1.2 billion in share repurchases during the quarter, underscoring management confidence in the durability of cash flows.

Mergers and acquisitions (M&A) activity remained steady in the fourth quarter, with transactions focused on natural gas infrastructure that complements existing footprints and advances portfolio optimization objectives. These deals are expected to generate returns well in excess of the cost of capital. Targa Resources announced the acquisition of Permian Basin gathering and processing assets from EnCap Flatrock Midstream for \$1.25 billion. The assets deepen Targa's leading Permian position and are expected to generate approximately \$200 million annual free cash flow, implying returns in excess of 15%. Separately, Antero Midstream announced the acquisition of natural gas gathering pipelines contiguous to its Marcellus Shale system, alongside the divestiture of its Ohio Utica Shale gathering assets, for a net purchase price of \$700 million. The transaction is expected to be immediately accretive, increasing free cash flow after dividends by more than 15%.

Disciplined capital allocation and resilient cash flows remain defining strengths of the midstream business model.

Fourth-quarter project announcements highlighted the sector's role in supporting rising natural gas demand and continued refined products consumption. Energy Transfer announced it is upsizing its Desert Southwest pipeline project from 1.5 Bcf/d to 2.3 Bcf/d to meet incremental customer demand in Arizona, with only a modest increase in capital investment of approximately \$300 million, bringing total project cost to \$5.6 billion. Williams announced it is reviving two pipeline projects in the Northeast after receiving key permits. Both the Northeast Supply Enhancement (NESE) project and the Constitution pipeline project are now back after both were canceled several years ago due to regulatory permitting challenges. Finally, Kinder Morgan and Phillips 66 announced they received significant shipper interest for a refined product pipeline connecting Midwest refinery supply to Phoenix and California. The Western Gateway Pipeline will combine new pipeline construction with existing infrastructure, targeting completion by 2029.

Earnings across the broader energy complex generally met expectations, supported by disciplined supply management and ongoing improvements in drilling and completion productivity. Refining margins remained strong, particularly for diesel, driven by solid global demand and tighter supply following disruptions at Russian refining facilities related to the conflict in Ukraine. Capital allocation continued to reflect a conservative posture, with an emphasis on dividend returns, targeted share repurchases, balance sheet durability, and strategic acquisitions of complementary assets. Concurrently, many companies are repositioning their portfolios to capture incremental demand from rising electricity consumption associated with the rapid expansion of AI-driven data centers.

### Top five contributors

1. Targa Resources Corp.
2. MPLX LP
3. TC Energy Corp.
4. Enterprise Products Partners L.P.
5. ONEOK Inc

### Bottom five contributors

1. Cheniere Energy Inc.
2. Venture Global Inc
3. The Williams Companies, Inc
4. National Fuel Gas Co
5. Enbridge Inc

### Top 10 holdings (as of 12/31/2025)

1. Kinder Morgan Inc.	7.7%
2. TC Energy Corp.	7.7%
3. Enbridge Inc.	7.6%
4. The Williams Companies, Inc	7.4%
5. Cheniere Energy Inc.	7.2%
6. ONEOK Inc	6.8%
7. NiSource Inc	4.0%
8. Targa Resources Corp.	4.0%
9. Atmos Energy Corp.	4.0%
10. Energy Transfer LP	4.0%

### Performance (as of 12/31/2025)

	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception <sup>1</sup>
TPYP market price	-2.26%	7.56%	7.56%	17.77%	20.66%	12.27%	8.18%
TPYP NAV	-2.32%	7.46%	7.46%	17.81%	20.67%	12.06%	8.18%
Tortoise North American Pipeline Index <sup>SM</sup> (TNAPT)	-2.16%	8.22%	8.22%	18.69%	21.57%	12.76%	8.84%
S&P 500 <sup>®</sup> Total Return Index	2.66%	17.88%	17.88%	23.01%	14.42%	14.82%	14.10%

Source: Bloomberg for TNAPT

<sup>1</sup>The fund commenced operations on 6/29/2015.

**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 (844) TR-INDEX or (844) 874-6339.**

## Disclosures

Tortoise Capital Advisors, LLC (TCA) is the adviser to the Tortoise North American Pipeline Fund. Exchange Traded Concepts, LLC serves as sub-adviser to the 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 844-TR-INDEX (844-874-6339) or visiting [www.tortoisecapital.com](http://www.tortoisecapital.com). Read it carefully before investing.***

Investing involves risk. Principal loss is possible. The fund is registered as a non-diversified, open-end management investment company under the 1940 Act. Accordingly, there are no regulatory limits under the 1940 Act on the number or size of securities that we hold, and we may invest more assets in fewer issuers compared to a diversified fund. An investment in MLP securities involves some risks that differ from the risks involved in an investment in the common stock of a corporation, including risks relating to the ownership structure of MLPs, the risk that MLPs might lose their partnership status for tax purposes and the risk that MLPs will not make distributions to holders (including us) at anticipated levels or with the expected tax character.

We may invest a portion of our assets in fixed income securities rated "investment grade" by nationally recognized statistical rating organizations ("NRSROs") or judged by our investment adviser, Tortoise Capital Advisors, L.L.C. (the "Adviser"), to be of comparable credit quality. Non-investment grade securities are rated Ba1 or lower by Moody's, BB+ or lower by S&P or BB or lower by Fitch or, if unrated, are determined by our Adviser to be of comparable credit quality. Investments in the securities of non-U.S. issuers may involve risks not ordinarily associated with investments in securities and instruments of U.S. issuers, including different accounting, auditing and financial standards, less government supervision and regulation, additional tax withholding and taxes, difficulty enforcing rights in foreign countries, less publicly available information, difficulty effecting transactions, higher expenses, and exchange rate risk.

Restricted securities (including Rule 144A securities) are less liquid than freely tradable securities because of statutory and contractual restrictions on resale. This lack of liquidity creates special risks for us. Rule 144A provides an exemption from the registration requirements of the Securities Act of 1933 (the "1933 Act"), for the resale of certain restricted securities to qualified institutional buyers, such as the fund. We cannot guarantee that our covered call option strategy will be effective. There are several risks associated with transactions in options on securities. For example, the significant differences between the securities and options markets could result in an imperfect correlation between these markets. Certain securities may trade less frequently than those of larger companies that have larger market capitalizations.

**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<sup>®</sup> 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<sup>SM</sup> 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<sup>®</sup> Index is a modified market capitalization-based index of S&P 500<sup>®</sup> 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 Index is a broad-based composite of North American energy infrastructure companies. The capped, float-adjusted, 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 (AMNA) and on a total-return basis (AMNAX).

Free Cash Flow is the cash a company produces through its operations, less the cost of total capital expenditures (growth and maintenance). EBITDA, or earnings before interest, taxes, depreciation, and amortization, is a measure of a company's overall financial performance.

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The Morningstar Rating<sup>™</sup> 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<sup>™</sup> 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<sup>™</sup> 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 12/31/2025, TPYP was rated against 91 Energy Limited Partnership Funds over the three-year period, 90 funds over the five-year period, and 65 over the 10-year period. TPYP received three stars for the three-year period, two stars for the five-year period, and five stars for the 10-year period. Past performance is no guarantee of future results.

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