Tortoise Capital

Tortoise Energy Infrastructure Corp. (TYG)

3Q 2026 QUARTERLY COMMENTARY

Market Backdrop

The broader energy sector gained 17.2% during the third quarter, based on the S&P Energy Select Sector Index, while midstream energy declined 2.8% and utilities fell 12.4%, as measured by the Alerian Midstream Energy Index and S&P Utility Select Sector Index, respectively.

Market performance was shaped by renewed geopolitical tensions between the United States and Iran, rising interest rates, and uncertainty surrounding electricity demand growth.

Despite the moderation in prices, geopolitical uncertainty remained elevated, reinforcing the strategic importance of the United States as a reliable global energy supplier. Within energy infrastructure, liquefied natural gas (LNG) exporters benefited from growing global demand, while refiners benefited from tight refined product supplies and elevated refining margins.

Midstream performance was pressured in part by growing opposition to data center development, raising concerns about the timing of electricity demand growth and associated natural gas infrastructure investment. Utilities faced additional headwinds from rising interest rates, which weighed on valuations given the sector's capital intensity and significant financing requirements.

Despite these pressures, the long-term electricity demand outlook remained constructive, supported by AI, data centers, and broader electrification. Across energy infrastructure, management teams maintained their focus on disciplined capital allocation, with acquisitions playing an increasingly prominent role. Investment priorities continued to emphasize high-return organic growth projects, sustainable dividend increases, opportunistic share repurchases, and balance sheet strength. Despite near-term market pressures, the underlying need for additional energy infrastructure remained substantial, supporting constructive long-term fundamentals.

Commodity Trends

Oil

The outlook for U.S. crude oil production growth improved as oil prices remained elevated. The US Energy Information Administration (EIA) projects domestic production will increase from 13.6 million barrels per day (mmbpd) in 2025 to 13.9 mmbpdin 2026 and 14.3 mmbpd 2027. The Permian Basin is expected to remain the primary driver of incremental supply, accounting for nearly half of total U.S. production.

West Texas Intermediate (WTI) crude oil began the quarter at $70 per barrel, climbed to $105 in mid-September as the conflict between the United States and Iran intensified, and retreated to $90 by quarter-end as tanker traffic through the Strait of Hormuz began to recover. WTI averaged $85 per barrel during the third quarter, approximately $8 below the second-quarter average.

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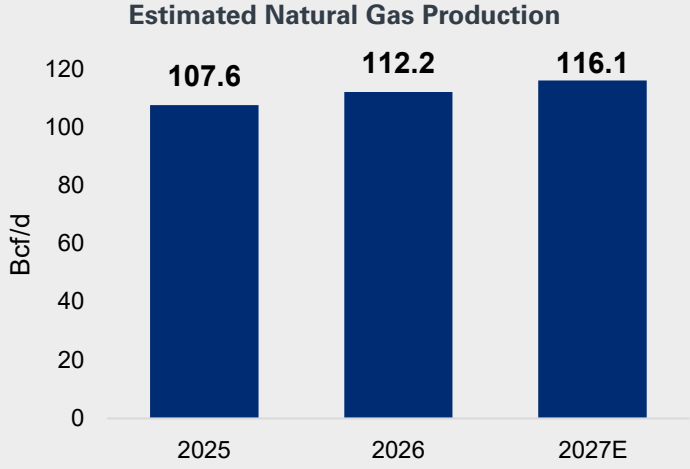
Prices moderated as oil flows through the Strait of Hormuz increased and tensions between the U.S. and Iran eased. Nevertheless, conditions in the region remain far from normal, with continued uncertainty supporting a geopolitical risk premium in crude oil prices. Upstream producers continued to emphasize capital discipline despite higher spot crude oil prices, viewing the recent rally as driven primarily by geopolitical risk rather than a sustained improvement in long-term fundamentals.

Natural Gas

U.S. natural gas production is expected to expand steadily, increasing from 107.6 billion cubic feet per day (Bcf/d) in 2025 to 112.2 Bcf/d in 2026 and 116.1 Bcf/d in 2027. Third-quarter natural gas prices averaged $2.90 per million British thermal units (MMBtu), largely unchanged from the second quarter.



Source: EIA as of 9/30/2026

While weather remains a primary driver of near-term price movements, the long-term demand outlook continues to strengthen. Continued contracting for U.S. LNG exports reinforces confidence in the next wave of export capacity and deepens the connection between domestic production and growing global demand.

Meanwhile, accelerating electricity consumption from AI, data centers, and broader electrification is increasing the need for reliable, dispatchable power generation, with natural gas positioned to supply a significant share of incremental demand. Together, these structural demand drivers are expected to require additional natural gas production and infrastructure investment, supporting a constructive long-term outlook for energy infrastructure.

Earnings, M&A and Project Developments

Earnings and Organic Growth

Second-quarter earnings across the energy infrastructure sector were generally better than expected, with many companies raising full-year guidance or indicating performance was tracking ahead of initial expectations. Strong operating results reflected favorable natural gas market conditions, continued volume growth, and opportunities created by commodity price volatility.

Management teams also expressed growing confidence in the outlook for 2027, supported by expanding natural gas demand from LNG exports and power generation. Capital expenditure expectations continued to increase as companies announced new investment opportunities, including behind-the-meter power generation, natural gas processing facilities, and pipeline expansions designed to serve growing electricity demand from data centers and broader electrification.

Importantly, much of this incremental investment is supported by long-term contracts and multi-year construction schedules, providing visibility into future cash flows while preserving financial flexibility. Companies continued to balance investment in organic growth with shareholder returns and balance sheet discipline. Share repurchases totaled approximately $800 million during the second quarter, bringing year-to-date buybacks to $1.7 billion, reinforcing the industry's commitment to returning excess capital to shareholders.

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M&A Activity

Midstream merger and acquisition (M&A) activity accelerated during the third quarter, with four significant transactions totaling approximately $13 billion in announced value. The acquisitions were concentrated in natural gas gathering and processing and crude oil transportation assets across the Haynesville, Permian, and Rocky Mountain regions.

Notably, all four transactions involved publicly traded midstream companies acquiring complementary assets to expand their existing footprints, strengthen operating efficiencies, and enhance connectivity to key production basins and demand markets. The increase in activity highlights the industry's ongoing focus on disciplined capital allocation and the strategic value of consolidation, as midstream companies seek to capture operating synergies and position their businesses for long-term volume growth.

Power and Utilities

Second-quarter earnings across the power sector were generally favorable, with regulated utilities and independent power producers continuing to highlight a constructive long-term outlook supported by accelerating electricity demand.

Regulated utilities delivered steady earnings growth while expanding capital investment plans for transmission, distribution, and new generation capacity. Independent power producers benefited from healthy wholesale electricity markets, favorable contracting opportunities, and the increasing strategic value of existing dispatchable generation assets, particularly natural gas-fired and nuclear power plants.

The central theme across earnings season remained the growing demand for electricity from AI, data centers, electrification, and domestic manufacturing. Management teams highlighted continued progress in converting customer inquiries into long-term power supply agreements and infrastructure development commitments, providing greater visibility into future demand growth.

At the same time, growing concerns around electricity affordability, permitting delays, and community opposition to data center development introduced greater scrutiny of the pace and timing of new electricity demand. While these challenges could delay individual projects, the underlying need for reliable power generation and supporting infrastructure remains substantial.

Companies across the sector continued to emphasize disciplined capital allocation, with regulated utilities expanding long-term investment plans to support rate base growth and independent power producers pursuing attractive generation investments, long-term contracting opportunities, and shareholder returns.

Collectively, second-quarter results reinforced the favorable long-term fundamentals for North American power infrastructure, while highlighting the importance of disciplined investment and execution as the industry works to meet a rapidly evolving electricity demand outlook.

Portfolio Positioning

The Fund remains focused on high-quality North American energy and power infrastructure companies with strong balance sheets, durable free cash flow, and disciplined capital allocation.

The portfolio is positioned to benefit from two powerful long-term themes: growing demand for natural gas, driven by expanding U.S. LNG exports and AI-related power needs, and accelerating electricity demand supported by data centers, electrification, and domestic manufacturing.

We continue to emphasize strategically located infrastructure serving the Permian Basin, Marcellus, and Haynesville, along with power markets where tightening reserve margins are creating attractive investment opportunities.

We believe our portfolio is well positioned to benefit from the competitive advantages of U.S. energy, an improving regulatory backdrop, and a robust pipeline of high-return infrastructure investments.

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Top five contributors

1. Cheniere Energy Inc.
2. KH Homer City, LP
3. Plains GP Holdings, L.P.
4. Energy Transfer LP
5. Constellation Energy Corp

Bottom five contributors

1. MasTec Inc
2. Entergy Corporation
3. Sempra Energy
4. The Williams Companies, Inc.
5. NRG Energy Inc.

Top 10 holdings (as of 9/30/2026)

1.	Targa Resources Corp.	9.9%
2.	The Williams Companies, Inc.	7.9%
3.	Cheniere Energy, Inc.	7.6%
4.	MPLX LP	6.4%
5.	ONEOK, Inc.	5.5%
6.	Entergy Corporation	5.2%
7.	Energy Transfer LP	4.8%
8.	Plains GP Holdings, L.P.	4.3%
9.	KH Homer City, LP	3.9%
10.	Western Midstream Partners, LP	3.8%

Fund holdings are subject to change and are not recommendations to buy or sell any security. Reflected as a percentage of long-term investments. Percentages are based on total investment portfolio.

Performance (as of 9/30/2026)

Total return	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception*
Market price	-7.56%	2.99%	0.78%	22.16%	18.21%	-2.32%	3.67%
NAV	-9.51%	2.65%	-1.38%	18.68%	14.19%	-1.46%	4.19%

*2/24/2004.

Performance is annualized for periods longer than one year. Assumes reinvestment of distributions through the Fund's dividend reinvestment plan. Total return does not reflect brokerage commissions.

Performance data quoted represents past performance; past performance does not guarantee future results. As with any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Due to market volatility, current performance may be lower or higher than the figures shown. For current performance information, visit www.tortoisecapital.com.

Important Information

Tortoise Capital Advisors, L.L.C. is the adviser to Tortoise Energy Infrastructure Corp. For additional information, please call 866-362-9331 or email info@tortoisecapital.com.

All investments involve risk, including possible loss of principal. You should consider the investment objective, risks, charges and expenses of the fund carefully before investing. For this and other important information please refer to the fund's most recent prospectus supplement including its accompanying prospectus and read them carefully before investing.

Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares are sold on the open market through a stock exchange. Shares of closed-end funds frequently trade at a market price that is below their net asset value.

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 MLP, 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 differ 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. The fund invests in small and mid-cap companies, which involves additional risks such as limited liquidity and greater volatility than larger companies.

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