March 2026

Rob Thummel:
All right. Well, hey, thanks everyone for joining us and welcome to the Tortoise Quick Take Podcast series. I'm Rob Thummel, senior portfolio manager. You're used to hearing me, but you probably noticed we have some differences and we're changing up the style a little bit. So first of all, we got a brand new Tortoise World headquarters studio here, which I hope everybody can see. But more importantly, I'm joined by one of our great analysts, Hunter Wilcox. So many of you have heard from James, Matt, Brian and I, collectively, we've been doing this for a hundred years altogether. Hunter just joined us a couple years ago, but up to speed and then some and provides a lot of value-added ideas across all of our tortoise strategy, everything from our Tortoise AI infrastructure strategy, all the way to our bread and butter, TYG, TORIX, and our Tortoise all energy strategy as well.

So Hunter, thanks for joining us. So what we'd like to start with, as all of you know, is we'd like to start by saying, "Hey, how'd the markets do last month?" So why don't you fill in everybody on how energy performance was and how oil did, and then we'll go from there.

Hunter Wilcox:
Sounds good. The month of February was led by energy as the S&P 500 was down about 76 bps and energy by XLE was up about 9.5% and the M&A was up 8.8%. Flipping to year-to-date performance, the story remains the same. Energy is in the weed. The XOE is up about 25%. M&A is up about 17.8, 17.5%. And then the S&P 500 is largely flat up only about 50 bits.

Rob Thummel:
Awesome. So energy's off to a great start. So what do you think is driving the outperformance out of energy?

Hunter Wilcox:
I would honestly say just long story short, higher oil prices. Year to date, oil is up about 17% and this is just largely driven to the geopolitical risk premium. So as this oil tracks up higher and higher, energy equities are going to fall in suit, especially upstream names that are more exposed to the commodity.

Rob Thummel:
Okay. So everybody loves Josh Brown on CNBC, so do I. Josh has been referring to this heavy assets, low obsolescence trade, HALO Trade. What is that?

Hunter Wilcox:
Yeah, so HALO Trade has become a pretty popular trade with investors recently. As everyone knows, AI is in the news. Largely, it's been a tech story, but investors are starting to realize it's now an energy story. People are realizing that data centers need reliable power and you need pipelines to move this energy to power these data centers. So investors are looking at these heavy infrastructure assets that are very critical and hard to replace, and that's what the halo trade is all about. Tortoise has several products that they can offer. Investors' exposure to this theme. If investors want to invest in the pipeline infrastructure, they can invest in TORIX, which gives them exposure to all of North America. Or if they want to get the energy generation theme, investments in utilities and IPPs, the energy generators that actually provide the power for data centers, you can invest in TPZ.

And if you like both of these strategies, the power generation and the energy transfer, you can invest in TYG.

Rob Thummel:
So that's interesting. So heavy asset, low obsolescence, that's something that we've been talking about and the importance of these energy assets and energy infrastructure assets for a long time. In fact, Tortoise was founded on that premise during the tech bubble effectively back in 2000 basically when everybody was running the tech stocks and everybody thought that's the place to be and the valuations were inflated. What did Tortoise do? Well, it started an asset management company focused on really essential assets, pipelines, very, very simple things. And so that's really continued. Okay. So during President Trump's state of the union address, I think he referred to the Ratepair Reduction Act. So I think we've got some companies we're investing in that really can contribute to that. So why don't you share with us some of those companies and what they might be able to do?

Hunter Wilcox:
Yeah. Power affordability has become a really big issue recently. And one of the companies we invest in is Williams, and they have some unique solutions to this problem. They're helping Hyperscalers bring their own power through these deals called behind the meter contracts or projects. And basically what a behind the meter project is a customer, a large load guy like a data center needs to bring their own power. So they generate power locally behind the meter, not in front of the meter. So the power never goes through the grid. It's just all on the data center side. Williams is helping Meta right now do this exact thing. Recently within the past year, they announced their first power project to do it behind a meter deal. The project was called Socrates. It brings about 400 megawatts of power to a metadata center and really helps them out bringing power online ahead of schedule because the interconnection queues are super long.

So Meta wins right now with getting power now. Williams wins because they get a big lucrative contract that's very attractive to cash flows. And then the rate payers also win because this load never touches the grid, so the rate payers never have to subsidize the hyperscaler.

Rob Thummel:
So great explanation on behind the meter power. So I've worked at Tortoise now for 22 years, I think. And I think we've owned Williams almost every single day that I've worked at Tortoise. But tell us, from your perspective, why will we continue to own Williams?

Hunter Wilcox:
Yeah, we're going to continue owning Williams because in the most recent analyst day, they had some pretty big updates on their power projects overall. They were talking about how they now have 1.9 gigawatts of opportunities. They announced three new projects throughout the year. They announced Apollo Aquila and Socrates the younger. This is really driving a lot of growth and they even have another six gigawatts in their backlog. This is some really strong growth that Williams is starting to see. And because they have this new growth aspect, it's really driving up their EBITDA estimates. Previously, they already had a really strong base business being driven by CESI, NESC, Constitution, all these amazing projects that they have on their pipeline. So they had historically been guiding to about five to 7% EBITDA growth. But now with these power project opportunities, they're guiding that's going to be somewhere around 10% plus from 2025 to 2030 for a CAGR.

Rob Thummel:
Okay. So they're taking their pipeline, existing pipeline network, utilizing that, really transforming their business, going into power plants, creating multiple growth opportunities. That makes a lot of sense to us to meet. Then another name that I want you to wrap up with. Well, actually not quite wrap up with quite yet. Why don't you talk about Cheniere because Cheniere reported its results last month or this month per se, and the results were pretty good. Maybe give us a couple things on Cheniere.

Hunter Wilcox:
Yeah, results were pretty good. The stock ran up about five to 6% on the news that day. And largely what I want to say is a lot of it was all about volume growth and capital returns and potential expansion opportunities. On capital returns, they announced that they're going to be doing a $10 billion buyback plan from now to 2030. This will bring their stock share count down from like 210 million to about 175 million by the end of 2030. So investors really love that. And then they also talked about their volume growth. They had a record year of volumes. They delivered about 46, 47 MTPA. And for 2026, they're guiding to about 51, 53 MTPA, another record year. And this record growth is being driven by their execution of Corpus Christi stage three. They brought online four mid-scale trains during 2025, and they announced that even just last month that they have LNG coming out of Trane five.

So they're continuing to execute on these expansion projects and it looks pretty good for Cheniere.

Rob Thummel:
Schneider might be, I mean, the classic way that we want companies that we invest in to basically allocate capital, right? Higher dividends, pay higher dividend, buy back stock, but most importantly starts with high free cash flow that you talked about being able to grow as well. Okay, let's finish up on ... So out of all the names in our universe that we looked at, all the ticker symbols we will look at, I want you to talk about one that I know is under your coverage. WLF, TeraWulf, maybe just quickly what TeraWulf does and how its results work.

Hunter Wilcox:
Yeah. TeraWulf is a pretty interesting one. This kind of fits in our TCAI sleeve. And what they do is they're currently a Bitcoin miner, but they're going through a massive transformational change. They're converting into an AI HPC workload guide where they'll just be running all these training workloads for hyperscalers. So during 2025, they announced that they're signing a lot of these contracts with companies like Core42, which is backed by G42, a UAE company. And then the big one is Fluid Stock, which is backed by Google. They signed about 522 megawatts of HBC workloads. And this is really what transformed their whole entire business because these contracts are going to last anywhere from 10 to 25 years should they exercise all their options. On the existing contract, it's going to generate about $13 billion of revenue throughout the time period. So this was just a massive change.

Transformational is great, 2025 for them. When you kind of look at the financials, they reported a revenue of about 168.5 million. It was a slight missed by 1.5%, but that's not the story because 90% of that still came from crypto mining. Again, the KPI you wanted to pay attention to is the execution of their contracts, not their revenue today, but where they're going tomorrow, and they continue to execute. They said they energized about 18 megawatts of these HPC contracts. And in 2026, they plan on executing another 420 megawatts, and they're doing a great job of executing on this.

Rob Thummel:
Things we'd love to do is find these companies that are transforming. Obviously, AI provides a lot of opportunities for companies and these transformational companies that are seeing AI as an opportunity and transforming those companies different ways are something we're really excited about. Hey, okay. So that's all we've got for this particular podcast. We thank you for listening. And as you can see, we tried to switch it up a little bit on the format. And look, we do these podcasts for you, our clients. So please let us know your feedback. If there's things we can do better at, please let us know. And thank you for listening. And we'll continue this quick take podcast series next month, probably under this new format. So thank you for listening and we look forward to talking to you next time. Thanks, Hunter.

Hunter Wilcox:
Thank you.

Have topics you want covered or other feedback to share? Write us at info@tortoisecapital.com.

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