

Tortoise Energy ETF (TNGY)

1Q 2026 QUARTERLY COMMENTARY

Market Backdrop

The broader energy sector rose 38% based on the S&P Energy Select Sector Index, while both the midstream energy and utilities sector increased 23% and 8%, respectively, in the first quarter, as measured by the Alerian Midstream Energy Index and the S&P Utility Select Sector Index. Performance across the sector was driven primarily by escalating geopolitical tensions between the United States and Iran.

Crude oil prices reflected this uncertainty. West Texas Intermediate (WTI) crude oil began the year near \$57 per barrel, rose to \$71 by early March, and ultimately surged above \$100 by quarter-end as disruptions to maritime flows through the Strait of Hormuz became increasingly evident. The United States was further reinforced as a reliable and strategically critical energy supplier to global markets against this backdrop.

Within energy infrastructure, liquefied natural gas (LNG) exporters were the primary beneficiaries, reflecting their direct leverage to global pricing and export demand. Upstream producers also participated meaningfully in the rally, while refiners delivered strong performance as U.S. refining margins expanded sharply, rising approximately 180%.

Across the sector, management teams maintained a consistent focus on disciplined capital allocation. Investment priorities remained centered on high-return organic projects, sustainable dividend growth, opportunistic share repurchases, and continued balance sheet strength, reinforcing the durability of the business model despite heightened macro volatility.

More broadly, the shift from efficiency to resilience is increasingly shaping global capital allocation and reinforcing the strategic importance of energy infrastructure. As geopolitical tensions persist, nations are prioritizing domestic capacity, allied production corridors, and secure access to energy and critical inputs. At the same time, global trade is becoming more regionalized, moving away from lowest-cost optimization toward trusted supply chains, Western Hemisphere manufacturing, and built-in redundancy.

This transition is driving investment toward hard, long-lived assets that enable reliability and control, such as pipelines, power generation, and related infrastructure. Energy infrastructure sits at the center of this evolution, serving as the backbone that connects supply with demand in a more fragmented and security-focused global system. Importantly, this structural shift is now being reinforced by another, durable demand driver: the rapid growth in AI and data center power needs. In turn, this increases the need for reliable, dispatchable energy and further elevates the role of infrastructure in supporting long-term economic and industrial resilience.



Tortoise Energy ETF (TNGY) received a Four-Star Overall Morningstar Rating™ among 67 Energy Equity Funds (based on a weighted average of the fund's three-, five-, and ten-year risk-adjusted return measure, if applicable) as of 3/31/2026.

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Commodity Trends

U.S. energy supply growth is moderating, though producers may eventually choose to add production following higher crude oil prices. The U.S. Energy Information Administration (EIA) projects domestic crude production will increase modestly from 13.2 million barrels per day (mmb/d) in 2024 to 13.6 mmb/d in 2025, before leveling at 13.5 mmb/d in 2026 and rising to 13.9 mmb/d in 2027.

The Permian Basin is expected to remain the dominant growth engine, accounting for nearly half of total U.S. output. WTI prices averaged \$72 per barrel in the first quarter, approximately \$13 higher than the fourth quarter average. The increase reflects ongoing disruptions to global energy flows, including constrained transit through the Strait of Hormuz and Ukrainian strikes on Russian energy infrastructure, both of which reinforced the geopolitical risk premium embedded in oil markets.

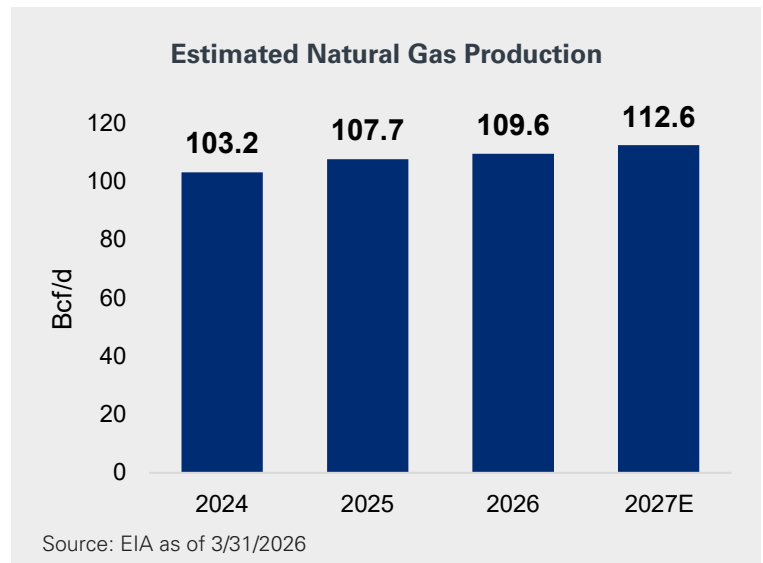
U.S. natural gas supply is expected to expand gradually, rising from 103.2 billion cubic feet per day (bcf/d) in 2024 to 107.7 bcf/d in 2025, 109.6 bcf/d in 2026, and 112.6 bcf/d in 2027. First-quarter prices averaged a moderate \$3.47 per million British Thermal units (MMBtu), as a cold January was offset by a warmer March. While weather remains the primary driver of near-term price volatility, the longer-term demand outlook continues to strengthen.

However, demand growth is increasingly underpinned by two durable forces. First, the phased start-up of new U.S. LNG export capacity over the next several years is expected to materially increase natural gas consumption by linking domestic supply more directly to global markets. Second, accelerating power demand from AI and data centers is emerging as a meaningful incremental driver, as these facilities require reliable, always-on electricity. These factors reinforce natural gas' role as the primary source of dispatchable generation. As U.S. supply becomes more connected to both global LNG markets and domestic power demand, incremental production will be required to meet rising consumption, supporting a constructive backdrop for energy infrastructure investment.

Earnings, M&A and Project Developments

Earnings across the energy complex largely aligned with expectations, supported by disciplined supply dynamics and continued efficiency gains in drilling and completions. Refining margins remained firm driven by healthy global demand and a constrained supply backdrop following disruptions to Russian refining capacity tied to the Ukraine conflict. Capital allocation stayed conservative and shareholder-oriented, with a focus on dividends, selective buybacks, balance sheet strength, and strategic bolt-on acquisitions. At the same time, companies are increasingly repositioning their portfolios to capture incremental demand from rising electricity consumption linked to the rapid expansion of AI-driven data centers.

First quarter results across the energy infrastructure sector were largely in line with expectations, with no material surprises to alter the broader industry narrative. Management teams generally introduced 2026 guidance that was both in line with expectations and appropriately conservative. The results reinforced the resilience of the midstream business model, as modest volume growth helped offset commodity price volatility, leaving forward expectations largely intact.



Project activity remained healthy, particularly in natural gas pipelines, though the threshold for new project announcements appears to be rising. This reflects the increasing importance of stakeholder alignment and regulatory approval. Strengthening demand also continues to support expectations for sustained capital investment into 2026 and 2027. With most projects structured around multi-year construction timelines, companies remain well positioned to fund growth without near-term balance sheet strain—all while maintaining the flexibility to return capital to shareholders. Additionally, capital returns remained a key theme during the quarter. The sector executed more than \$1.2 billion of share repurchases, bringing year-to-date 2025 buybacks to nearly \$5 billion and underscoring management confidence in the durability and visibility of underlying cash flows.

Utilities benefited from a favorable operating backdrop, supported by rising electricity demand, accelerating capital deployment, and a constructive regulatory environment. Load growth continues to be driven by the rapid buildout of AI-focused data centers, alongside ongoing electrification across residential and commercial markets—reinforcing visibility into a multi-year investment cycle. In response, utilities are prioritizing grid modernization and incremental capacity additions while maintaining balance sheet discipline and delivering steady dividend growth. Independent power producers also saw fundamentals improve, aided by firmer power prices and the potential for long-term agreements with data center customers through power purchase agreements. That said, timelines to finalize these contracts have lengthened, reflecting a higher threshold for alignment across key stakeholders, including local communities and regulators.

Portfolio Positioning

The Tortoise Energy ETF (TNGY) actively targets investment opportunities across the energy value chain, with a primary focus on companies exhibiting strong and growing free cash flow profiles. Priority is given to businesses operating at or below their target leverage and committed to enhancing shareholder returns through increasing dividends and strategic share repurchases. These investments span producers, pipelines, and refiners. For producers, the ETF prioritizes low-cost operators capable of expanding production through improved drilling and completion efficiencies. In the pipeline sector, the emphasis lies on owning export infrastructure, such as LNG, liquefied petroleum gas (LPG), and crude oil facilities, and ensuring the capacity to transport energy commodities to export hubs. These companies are well-positioned to capitalize on the cost advantages of U.S. energy and rising global demand. In refining, the ETF focuses on Gulf Coast operators with robust export potential. Additionally, the fund targets companies likely to benefit from the growing demand for power driven by the expansion of data centers, particularly those positioned to capitalize on increased natural gas consumption. Geographically, the fund maintains substantial exposure to Permian and Marcellus shale basins, recognized as the lowest-cost U.S. regions for crude oil and natural gas production, respectively.

Top five contributors

1. Cheniere Energy Inc.
2. Targa Resources Corp.
3. EQT Corp
4. Williams Companies Inc
5. Plains GP Holdings, L.P.

Bottom five contributors

1. Constellation Energy Corp
2. Fermi LLC
3. Vistra Corp.
4. Expand Energy Corp
5. Tallgrass Energy Partners

Top 10 holdings (as of 3/31/2026)

1. MPLX LP	7.4%
2. Marathon Petroleum Corp	7.4%
3. Valero Energy Corp	7.3%
4. EQT Corp	6.7%
5. Cheniere Energy, Inc.	6.5%
6. Constellation Energy	6.5%
7. Energy Transfer LP	5.5%
8. Williams Companies Inc	5.2%
9. ONEOK Inc	4.3%
10. Plains GP Holdings LP	4.2%

Performance (as of 3/31/2026)

Total return	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception of Predecessor Fund*
Market price	16.64%	16.64%	15.86%	20.23%	18.36%	10.68%	7.39%
NAV	17.89%	17.89%	16.06%	20.30%	18.41%	10.70%	7.41%
S&P 500 Total Return Index	-4.33%	-4.33%	17.80%	18.32%	12.06%	14.16%	13.48%

*Inception: 12/27/2010. The Tortoise Energy ETF ("TNGY") has assumed the performance history of Tortoise Energy Infrastructure and Income Fund ("INFIX;" or the "Predecessor Fund"). The Predecessor Fund and the ETF have certain differences; the ETF will have the ability to invest more broadly across the energy sector; may invest to a greater degree in debt securities; and will be non-diversified, so will generally invest a greater portion of its assets in the securities of one or more issuers and will invest overall in a smaller number of issuers than a diversified fund. Thus, the Predecessor Fund's past performance is not indicative of how the Fund will, or is expected to, perform in the future.

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. Performance data current to the most recent month-end may be obtained by visiting <https://tortoiseinvest.com/etf/tortoise-energy-fund/#performance>. 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 0.85%.

Disclosures

Tortoise Capital Advisors, LLC. (TCA) is the adviser to the Tortoise Energy 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 [etp.tortoiseacapital.com/funds/tortoise-energy-fund](http://tortoiseacapital.com/funds/tortoise-energy-fund). Read it carefully before investing.

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. 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 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). The S&P Utilities Select Sector Index is a modified capitalization-weighted index. The Index is intended to track the movements of companies that are constituents of the S&P 500 in the utility sector (as defined by the Global Industry Classification Standard). 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. Free cash flow is the cash a company produces through its operations, less the cost of total capital expenditures (growth and maintenance).

The fund's strategy of concentrating its assets in the power and energy infrastructure industries means that the performance of the fund will be closely tied to the performance of these particular market sectors.

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.

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.

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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 3/31/2026, TNGY was rated against 67 Energy Equity Funds over the three-year period, 62 funds over the five-year period, and 57 over the 10-year period. TNGY received four stars for the three-year period, three stars for the five-year period and five stars for the ten-year period. Past performance is no guarantee of future results..

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