Tortoise Capital

Tortoise North American Pipeline ETF (TPYP)

3Q 2026 QUARTERLY COMMENTARY

Market Backdrop

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

Midstream performance was pressured in part by growing opposition to data center development, raising questions about the pace of future electricity demand growth and associated natural gas infrastructure investment. Market performance was also shaped by renewed geopolitical tensions between the United States and Iran, reversing the easing of tensions experienced during the second quarter and reigniting concerns over global energy supply disruptions.

Despite the moderation in prices, geopolitical uncertainty remained elevated, reinforcing the strategic importance of the United States as a reliable energy supplier to global markets. Within energy infrastructure, liquefied natural gas (LNG) exporters benefited from their exposure to global energy markets and growing international demand. Refiners were among the strongest beneficiaries of the market environment, as refined product supplies tightened further, inventories declined to historically low levels, and diesel prices reached record highs.

Across the midstream sector, management teams maintained their focus on disciplined capital allocation, while acquisitions and innovative financing arrangements played an increasingly prominent role. Investment priorities continued to emphasize high-return organic growth projects, sustainable dividend increases, opportunistic share repurchases, and financial flexibility, reinforcing the resilience and long-term growth potential of the energy infrastructure business model.

Tortoise North American Pipeline ETF (TPYP) received a Four-Star Overall Morningstar Rating™ among 89 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 9/30/2026.

The Tortoise North American Pipeline ETF 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℠.

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 mmbpd in 2026 and 14.3 mmbpd in 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.

As of March 30, 2026, TPYP, formally known as Tortoise North American Pipeline Fund, has been renamed Tortoise North American Pipeline ETF.

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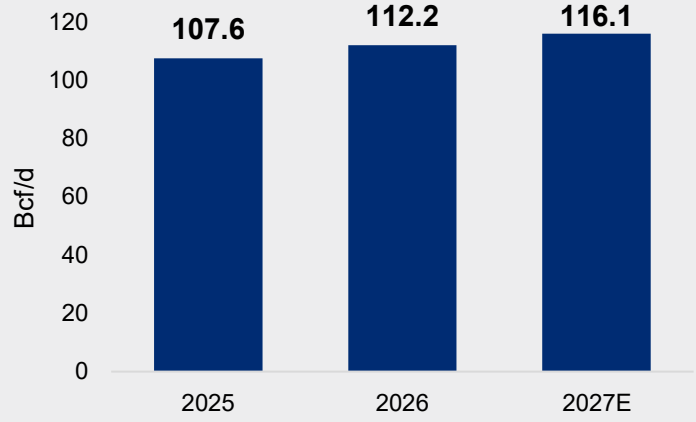
Prices moderated as oil flows through the Strait of Hormuz increased and tensions between the U.S. and Iran eased. Nevertheless, conditions in the region remain far from normal, with continued uncertainty supporting a geopolitical risk premium in crude oil prices. Upstream producers continued to emphasize 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.

Alternative Financing Structures

Midstream companies turned to alternative financing structures during the third quarter, completing three significant transactions involving insurance-backed and institutional capital. ONEOK, Williams Companies, and Enbridge collectively raised more than $16 billion through arrangements designed to provide upfront capital in exchange for a share of future cash flows at predetermined rates of return.

These structures offer an attractive alternative to traditional equity issuance, allowing companies to reduce leverage, preserve operational control, and access capital at competitive costs without diluting existing shareholders. The growing use of these financing arrangements highlights the sector's expanding access to capital and continued emphasis on balance sheet strength, financial flexibility, and disciplined capital allocation.

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Top five contributors

1. Cheniere Energy Inc.
2. Energy Transfer LP
3. Plains All American Pipeline L.P.
4. Venture Global Inc
5. Sunoco LP

Bottom five contributors

1. Enbridge Inc
2. TC Energy Corp.
3. Nisource Inc
4. The Williams Companies, Inc
5. Archrock, Inc.

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

1.	Kinder Morgan Inc.	7.7%
2.	Enbridge Inc.	7.7%
3.	Cheniere Energy Inc.	7.6%
4.	Targa Resources Corp.	7.5%
5.	TC Energy Corp.	7.4%
6.	The Williams Companies, Inc	7.3%
7.	ONEOK Inc	7.0%
8.	Atmos Energy Corp	4.1%
9.	NiSource Inc	4.1%
10.	Energy Transfer LP	3.9%

Fund holdings are subject to change and are not recommendations to buy or sell any security. Reflected as a percentage of long term investments.

Performance (as of 9/30/2026)

	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception[1]
TPYP market price	-4.12%	15.75%	13.13%	22.42%	17.78%	10.20%	9.02%
TPYP NAV	-4.17%	15.54%	12.87%	22.25%	17.78%	10.22%	9.01%
Tortoise North American Pipeline Index℠ (TNAPT)	-4.13%	16.08%	13.57%	23.16%	18.62%	10.88%	9.67%
S&P 500® Total Return Index	2.30%	12.75%	15.74%	22.89%	13.79%	15.33%	14.32%

Source: Bloomberg for TNAPT
[1]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.

As stated in the Prospectus, the total annual operating expenses are 0.40%.

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Disclosures

Tortoise Capital Advisors, LLC (TCA) is the adviser to the Tortoise North American Pipeline ETF. 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. 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® 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℠ 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® 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 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.

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™ 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 9/30/2026, TPYP was rated against 89 Energy Limited Partnership Funds over the three-year period, 89 funds over the five-year period, and 66 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.

Quasar Distributors, LLC, Distributor

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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