Tortoise Capital

Tortoise Electrification Infrastructure ETF (TPZ)

Electricity is the New Oil™

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 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.

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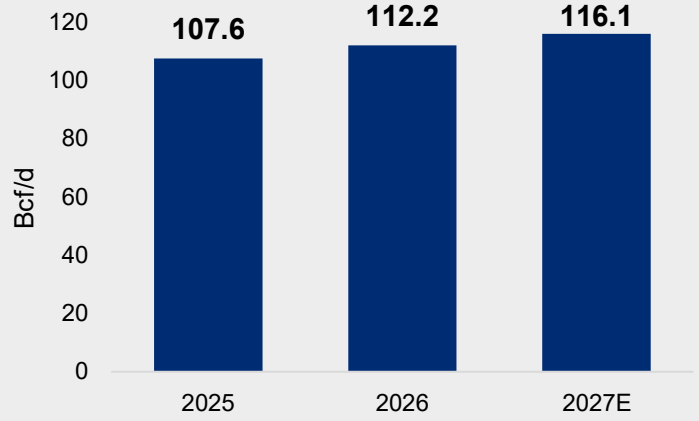
Prices moderated as oil flows through the Strait of Hormuz increased and tensions between the U.S. and Iran eased. Nevertheless, conditions in the region remain far from normal, with continued uncertainty supporting a geopolitical risk premium in crude oil prices. Upstream producers continued to emphasize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



Source: EIA as of 9/30/2026

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. Energy Transfer LP
3. Constellation Energy Corp
4. MPLX LP
5. Western Midstream Partners LP

Bottom five contributors

1. MasTec Inc
2. NRG Energy Inc.
3. Entergy Corporation
4. DT Midstream Inc
5. TC Energy Corp.

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

1.	Targa Resources Corp	8.7%
2.	Energy Transfer LP	8.0%
3.	Cheniere Energy Inc	7.9%
4.	Entergy Corp	6.1%
5.	Williams Companies Inc	5.7%
6.	TC Energy Corp	5.1%
7.	MPLX LP	4.8%
8.	Constellation Energy	4.6%
9.	ONEOK Inc	3.9%
10.	Centerpoint Energy Inc	3.5%

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)

Total return	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception of Predecessor Fund*
Market price	-8.12%	0.41%	-1.65%	20.51%	16.00%	6.20%	7.39%
NAV	-8.68%	-0.03%	-1.83%	14.00%	11.63%	4.80%	7.02%
S&P 500® Energy Index	17.23%	40.27%	42.42%	14.47%	23.26%	10.15%	8.79%

*7/28/2009.

On December 5, 2024, the stockholders of Tortoise Pipeline & Energy Fund, Inc., Tortoise Energy Independence Fund, Inc. and Tortoise Power and Energy Infrastructure Fund, Inc., each a Maryland corporation that is registered as a closed-end management investment company (the "Target Funds"), approved an Agreement and Plan of Merger (the "Plan") by and between the Target Funds, and the Trust, on behalf of the Fund, pursuant to which each Target Fund would be merged with and into a wholly-owned subsidiary of the Fund (the "Mergers"). As a result of the Mergers, the Fund has assumed the performance history of Tortoise Electrification Infrastructure ETF ("TPZ", formerly known as Tortoise Power and Energy Infrastructure Fund, or the "Predecessor Fund". The Predecessor Fund and the ETF have certain differences, including investment policies and practices and the Predecessor Fund was a closed-end fund that utilized leverage while the Fund is an exchange-traded fund that does not utilize leverage. Thus, the Predecessor Fund's past performance is not indicative of how the Fund will, or is expected to, perform in the future.

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 (855) 994-4437.

As stated in the Prospectus, the total annual operating expenses are 0.85%. The adviser has agreed to pay all expenses incurred by the fund except for the advisory fee, interest, taxes, brokerage expenses and other fees, charges, taxes, levies or expenses (such as stamp taxes) incurred in connection with the execution of portfolio transactions or in connection with creation and redemption transactions.

Index returns are for illustrative purposes only. Unlike the fund return, index return is pre-expenses and taxes. Index performance returns do not reflect any management fees, transaction costs or expenses.

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Disclosures

Tortoise Capital Advisors, LLC (TCA) is the advisor to the Tortoise Electrification Infrastructure 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 tortoisecapital.com/etf/tortoise-electrification-infrastructure-etf/. Read it carefully before investing.

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.

Widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Fund's investments. Investment advisers, including the Adviser, must rely in part on digital and network technologies (collectively "cyber networks") to conduct their businesses.

Covered Call Option Risk: We cannot guarantee that our covered call option strategy will be effective. The use of options also may require us to sell portfolio securities at inopportune times or for prices other than current market values, may limit the amount of appreciation we can realize on an investment, or may cause us to hold a security we might otherwise sell.

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.

Nothing on this communication should be considered a solicitation to buy or an offer to sell any shares of the fund in any jurisdiction where the offer or solicitation would be nlawful under the securities laws of such jurisdiction. Nothing contained in this communication constitutes tax, legal or investment advice. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.

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 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 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). The S&P 500® Energy Index comprises those companies included in the S&P 500® that are classified as members of the GICS® energy sector.

Natural gas liquid (NGL) is liquid or liquefied hydrocarbons produced in the manufacture, purification and stabilization of natural gas. Their characteristics vary, ranging from those of ethane, butane and propane to heavy oils. NGL's are either distilled with crude oil in refineries, blended with refined petroleum products or used directly depending on their characteristics. Liquefied Natural Gas (LNG) is natural gas that has been cooled to a liquid state for shipping and storage - the volume in this state is about 600 times smaller than in its gaseous state, able to transport for much longer distances when pipeline transport is not feasible. Free cash flow is the cash a company produces through its operations, less the cost of total capital expenditures (growth and maintenance). Capital expenditures (CapEx) are funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

Quasar Distributors, LLC, Distributor

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