Tortoise North American Pipeline Fund (TPYP)

1Q 2025 QUARTERLY COMMENTARY

A New Era of Demand Is Powering Performance

The global energy transformation is no longer theoretical—it's accelerating. As artificial intelligence-driven data centers emerge as the next major industrial energy consumer, natural gas has become a critical enabler of this digital age. Simultaneously, the U.S. is solidifying its position as a global energy powerhouse, with its growing natural gas exports is positioning midstream infrastructure as a strategic gateway to global energy security.

Midstream Tracks Broader Energy Strength

Amid this backdrop, midstream energy stocks delivered solid performance in 1Q25. The Alerian Midstream Energy Index rose **6.3%**, in line with the broader energy sector's **10.2%** gain, represented by the S&P Energy Select Sector Index®. Midstream management teams highlighted expanding pipeline infrastructure opportunities, particularly in the transportation of natural gas. Increasing U.S. liquefied natural gas (LNG) exports, rising power demand from AI-driven data centers, and onshoring trends continue to drive upward revisions in natural gas demand forecasts.

In response, new pipeline projects were actively discussed, supported by continued engagement with data center developers. Capital allocation strategies remained focused on dividend growth, opportunistic share repurchases and maintaining strong balance sheets. Broader energy sector outperformance was driven by major integrated oil companies' disciplined approach to production growth and capital deployment, prioritizing dividend increases, share repurchases, and low leverage. Meanwhile, crude oil prices remained flat for the quarter, as the impact of potential sanctions on certain exporters was counterbalanced by the Organization of Petroleum Exporting Countries' Plus (OPEC+) measured approach to increasing supply.

The Tortoise North American Pipeline Fund 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℠.

Tortoise Capital provides research-driven indices that can be used as a realistic basis for exchange-traded products and thought leadership in the universe of essential assets. Its indices are intended to fill a void in the market and provide benchmarks and investable asset class universes for use by investment professionals, research analysts and industry executives to analyze relative performance as well as to provide a basis for passively managed exchange-traded products.

+6.3% Midstream Energy Index return. **+10.2%** S&P Energy Select Sector Index return

U.S. Production Outlook: Strength from the Permian to the Gulf Coast

The U.S. energy supply continues to expand, led by increased crude oil and natural gas production. The Energy Information Administration (EIA) forecasts U.S. crude oil output rising from 13.50 million barrels per day (bpd) in 1Q25 to 13.81 million bpd by 1Q26. For the full year, production is projected to surpass 2024 levels by 2.6% and grow an additional 1.1% in 2026, averaging 13.76 million bpd. The Permian Basin remains the primary driver, accounting for nearly half of domestic crude oil production.

Crude oil prices (WTI) averaged $71.43 per barrel in 1Q25, consistent with $70.29 per barrel in 4Q24, reflecting the balancing act between OPEC+'s supply strategy and the potential impact of stricter sanctions on major oil exporters, including Iran, Venezuela, and Russia.

U.S. natural gas production is also expected to rise modestly, from 105 billion cubic feet per day (bcf/d) in 1Q25 to 106.2 bcf/d by 1Q26, as projected by the EIA. A colder-than-expected winter reduced inventories and higher prices, with natural gas prices averaging $4.06 per metric million British thermal unit (MMbtu) in 1Q25—a significant increase from $2.98 per MMBtu in 4Q24. The EIA anticipates natural gas production to grow to 105.2 bcf/d in 2025, up from 103.2 bcf/d in 2024.

While weather remains a key price factor, the commissioning of new U.S. LNG export facilities in late 2024 could further elevate demand, necessitating additional supply to meet rising global energy needs.

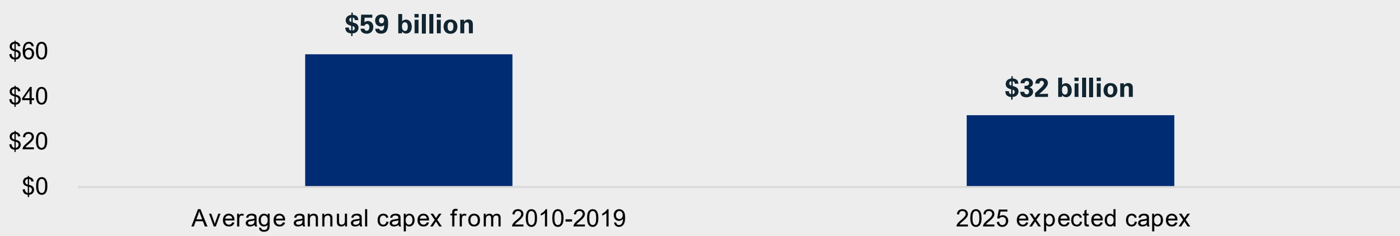
Capital Discipline & Growth: A Differentiated Sector Model

Fourth-quarter earnings for the energy infrastructure sector largely met expectations, supported by sustained volume growth, particularly for natural gas liquids. Companies raised capital expenditure budgets to capture rising opportunities driven by LNG exports, AI-driven power demand, and growing volumes of natural gas liquids to transport to the Gulf Coast.

Despite increased spending, capex remains well below pre-2020 levels, allowing companies to direct significant free cash flow toward shareholder returns. Importantly, new projects are not expected to require equity market financing. In line with disciplined financial management, companies executed over $580 million in share buybacks during 4Q24, bringing 2024 total repurchases to $4.0 billion, meeting expectations.

CapEx rising but still below pre-2020 levels

$4.0B in share repurchases for 2024



No equity capital market access needed with significant cash flow to allocate toward shareholders in 2025

Strategic Activity: M&A Quiet, but Infrastructure IPOs Signal Growth

M&A activity in early 2025 was relatively subdued. Kinder Morgan acquired a North Dakota gathering and processing system for $640 million. The system is backed by long-term contracts and is complementary to Kinder's existing Bakken natural gas assets.

The first quarter also saw the IPO of Venture Global (VG), a low-cost LNG exporter operating two facilities in Louisiana—Calcasieu Pass (started production in 2022) and Plaquemines (began operations at the end of 2024). VG plans to expand both sites, positioning itself among the world's leading LNG exporters.

AI & Energy Infrastructure: New Projects Gain Traction

New project announcements tied to increasing power demand from AI-driven data center development attracted significant interest, though progress during the quarter was gradual.

Energy Transfer (ET) secured a natural gas contract with Texas data center developer, committing to adding 450 million cubic feet per day (MMcf/d) of capacity in the second half of 2026. Williams Companies (WMB) began procuring long-lead equipment for an integrated data center and power generation infrastructure project. Meanwhile, Canadian pipeline company Pembina (PPL CN) announced a joint venture to develop natural gas-fired power generation in Alberta, targeting co-located data center customers.

Capital Discipline and Production Gains Fuel Outperformance

Earnings across the broader energy sector largely met expectations, with producers highlighting their ability to expand production while reducing capital expenditures—a testament to ongoing operational efficiency. These gains are driven by advances such as extended drilling laterals, simultaneous drilling and multi-well completions, and more precise targeting of high-yield shale formations. The combination of disciplined capital deployment, low leverage, and a commitment to returning capital to shareholders through dividends and buybacks contributed to the sector's outperformance.

TPYP's outperformance was led by Williams and Cheniere, supported by strong natural gas infrastructure and export demand, while New Fortress Energy and Gibson Energy were relative underperformers.

Top five contributors

1. Williams Companies Inc
2. Cheniere Energy Inc.
3. National Fuel Gas Co
4. Targa Resources Corp
5. Atmos Energy Corp

Bottom five contributors

1. New Fortress Energy Inc.
2. Energy Transfer LP
3. Gibson Energy Inc.
4. Kinetik Holdings Inc
5. DT Midstream Inc

Top 10 holdings (as of 3/31/2025)

1.	Kinder Morgan Inc.	7.7%
2.	Oneok Inc.	7.7%
3.	The Williams Companies, Inc	7.6%
4.	Enbridge Inc.	7.5%
5.	Cheniere Energy Inc.	7.4%
6.	TC Energy Corp.	7.1%
7.	Targo Resources Corp.	4.1%
8.	Atmos Energy Corp.	4.0%
9.	Enterprise Products Partners	4.0%
10.	Pembina Pipeline Corp.	4.0%

Performance (as of 3/31/2025)

	QTD	Calendar YTD	1 year	3 year	5 year	Since inception[1]
TPYP market price	7.73%	7.73%	35.62%	16.43%	27.91%	8.85%
TPYP NAV	7.43%	7.43%	35.54%	16.40%	27.78%	8.84%
Tortoise North American Pipeline Index℠ (TNAPT)	7.65%	7.65%	36.62%	17.25%	28.77%	9.49%
S&P 500® Total Return Index	-4.27%	-4.27%	8.25%	9.06%	18.59%	12.83%

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%. 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.

Disclosures

TIS Advisors is the adviser to the Tortoise North American Pipeline Fund and is a registered investment advisor providing research-driven indices that can be used as a realistic basis for exchange-traded products and thought leadership in the universe of essential assets. Its indices are intended to fill a void in the market and provide benchmarks and investable asset class universes for use by investment professionals, research analysts and industry executives to analyze relative performance as well as to provide a basis for passively managed exchange-traded products. 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.

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 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 pipelines 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 energy pipelines, as well as Master Limited Partnerships (MLPs), 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. Investments in non-U.S. companies (including Canadian issuers) involve risk not ordinarily associated with investments in securities and instruments of U.S. issuers, including risks related to political, social and economic developments abroad, differences between U.S. and foreign regulatory and accounting requirements, tax risk and market practices, as well as fluctuations in foreign currencies. The fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. The fund is not actively managed and therefore the fund generally will not sell a security due to current or projected underperformance of a security, industry or sector, unless that security is removed from the index or the selling of the security is otherwise required upon a rebalancing of the index. There is no guarantee that the fund will achieve a high degree of correlation to the index and therefore achieve its investment objective. Shares may trade at prices different than net asset value per share.

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 Tortoise North American Pipeline Index℠ (an "Index") is the exclusive property of TIS Advisors, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC) to calculate and maintain the Index. The Index is not sponsored by S&P Dow Jones Indices or its affiliates or its third party licensors (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices will not be liable for any errors or omission in calculating the Index. "Calculated by S&P Dow Jones Indices" and its related stylized mark(s) are service marks of S&P Dow Jones Indices and have been licensed for use by TIS Advisors and its affiliates. S&P® is a registered trademark of Standard & Poor's Financial Services LLC ("SPFS"), and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). No portion of this publication may be reproduced in any format or by any means including electronically or mechanically, by photocopying, or by any other form or manner whatsoever, without the prior written consent of TIS Advisors. Index returns do not include advisory fees, brokerage commissions, or other expenses. One cannot invest directly in an index.

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.

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).

Capital expenditures (capex) is funds used by a company to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment.

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