Tortoise Essential Energy Fund

2Q 2025 QUARTERLY COMMENTARY

Midstream Delivers Stability Amid Broader Sector Volatility

The midstream energy sector, as measured by the Alerian Midstream Energy Index, declined 1.2% during the second quarter but outperformed the broader energy sector, which fell 8.6% as measured by the S&P Energy Select Sector Index.

Midstream management teams continue to identify growing opportunities for pipeline infrastructure, particularly in natural gas transportation. These developments are underpinned by the sustained expansion of U.S. liquefied natural gas (LNG) exports, increasing electricity demand from AI-powered data centers, and the ongoing reshoring of industrial activity—all of which are contributing to upward revisions in long-term natural gas demand forecasts. In response, companies advanced new pipeline project discussions, supported by continued collaboration with data center developers and utility partners.

Capital allocation strategies remained disciplined, with a focus on organic investments, dividend growth, opportunistic share repurchases, and the preservation of strong balance sheets. On the global front, management teams reported steady demand for U.S. energy exports, although the destination mix may shift due to evolving tariff considerations.

Commodity Price Pressure and Supply Outlook

The broader energy sector underperformed during the quarter, largely due to a decline in commodity prices. Both crude oil and natural gas prices saw downward price movement. The Organization of Petroleum Exporting Countries Plus (OPEC+) accelerated the return of crude supply to the market—reversing over 2 million barrels per day of previously curtailed production from 2023. The increase more than offset the impact of ongoing geopolitical tensions in the Middle East and placed downward pressure on oil prices.

Natural gas markets faced their own challenges. Milder spring weather tempered demand as U.S. production reached near record highs. Despite lower prices, producers remained focused on capital discipline, moderating production levels and prioritizing shareholder returns through dividends, share repurchases, and conservative balance sheet management.

According to the Energy Information Administration (EIA), U.S. crude oil output is projected to rise from 13.2 million barrels per day (bpd) in 2024 to 13.4 million bpd in 2025, before leveling off in 2026. The Permian Basin continues to be the central engine of growth, accounting for nearly half of total domestic output. West Texas Intermediate (WTI) crude prices averaged $63.81 per barrel, down from $71.43 in the first. This decline reflects increased OPEC+ supply and ongoing volatility surrounding countries such as Iran, Venezuela, and Russia.

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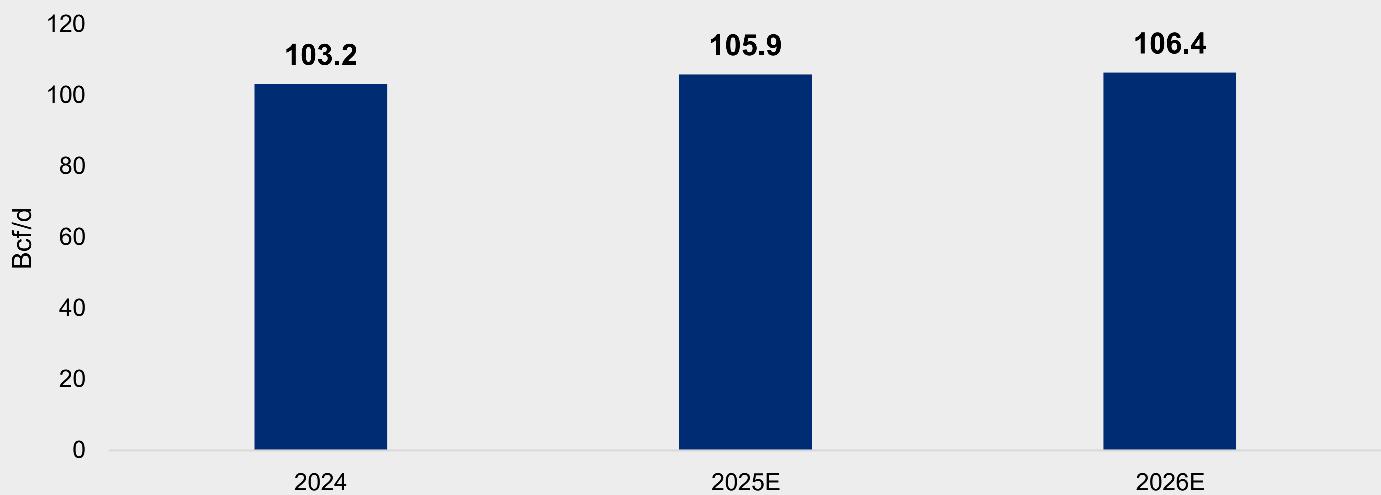
Natural gas production is expected to increase from 103.2 billion cubic feet per day (Bcf/d) in 2024 to 105.9 Bcf/d in 2025 and 106.4 Bcf/d in 2026. A mild spring contributed to elevated inventories and lower prices, which averaged $3.52 per MMBtu in the second quarter, down from $3.87 in the first. While weather remains a key variable of price volatility, the phased commissioning of new U.S. LNG export terminals throughout 2025 is expected to lift demand materially and require additional supply to meet growing global energy needs.



Estimates are based on predictions and subject to change.

Infrastructure Activity & Earnings Trends

First-quarter earnings across the energy infrastructure sector broadly aligned with expectations and 2025 guidance remained largely intact, supported by steady volume growth especially for natural gas. A core emerging from the quarter was the growing pipeline of natural gas infrastructure investments. Several companies reported reaching final investment decisions or making commercial progress on long-haul pipeline projects and related processing expansions. These developments are driven by robust and rising demand for natural gas, fueled by the continued buildout of U.S. LNG export capacity and increasing power requirements from data centers.

$700 million in share repurchases during the first quarter alone.

Infrastructure constraints in the Permian Basin remained acute. Regional price differentials persisted, with West Texas natural gas averaging just $1.20 per MMBtu, significantly below other U.S. pricing hubs. Despite the uptick in project announcements, capital spending remains well below pre-2020 levels, allowing companies to allocate substantial free cash flow toward shareholder returns. The sector executed approximately $700 million in share repurchases during the first quarter alone.

Strategic M&A Highlights Core Focus and Portfolio Optimization

M&A continued at a steady pace in the second quarter with an emphasis on core business optimization.

1. **Genesis Energy** sold its soda ash business for $1.4 billion to simplify its capital structure and focus on the midstream energy space.
2. **Phillips 66** acquired EPIC NGL for $2.2 billion to enhance its Permian NGL value chain.

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3. **Plains All-American** sold its Canadian NGL business to Keyera Corp for $3.75 billion. This resulted in Plains becoming a premier midstream crude oil "pure play" and Keyera receiving assets highly complementary to its existing Canadian footprint.

Fund Positioning and Strategy

The Fund maintains a disciplined focus on North American energy and power infrastructure investment opportunities. Core holdings include companies with strong balance sheets, high-quality assets, and a consistent track record of dividend growth. These businesses appear well positioned to benefit from the dual tailwinds of rising energy and electricity demand.

The strategy maintains significant exposure to both natural gas and power infrastructure. Within natural gas, the Fund is deliberately positioned to capitalize on increasing demand, supported by the continued buildout of LNG export capacity and the growing energy requirements of AI-powered data centers. On the power side, the Fund is poised to benefit from broad-based electricity demand growth, fueled by the proliferation of data centers and the structural momentum of domestic industrial onshoring.

Portfolio companies are expected to benefit from the competitive cost advantage of U.S. energy, a constructive regulatory environment, and a robust pipeline of capital deployment opportunities. Geographically, the Fund holds meaningful exposure to the Permian Basin and gas-focused production regions such as the Marcellus and Haynesville—areas that offer long-term volume growth and ongoing infrastructure development. Additional emphasis is placed on regions where tightening power reserve margins are creating favorable supply-demand dynamics due to sustained load growth.

Targeted exposure to the Permian, Marcellus, and Haynesville supports long-term volume growth.

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Top five contributors

1. Constellation Energy Corp (Power)
2. Vistra Energy Corp. (Power)
3. Clearway Energy, Inc.
4. Sempra Energy
5. Williams Companies Inc (Natural Gas Pipelines)

Bottom five contributors

1. Targa Resources Corp. (Natural Gas Pipelines)
2. ONEOK Inc (Natural Gas Pipelines)
3. New Fortress Energy Inc (Natural Gas Pipelines)
4. Cheniere Energy Inc. (Natural Gas Pipelines)
5. Kinder Morgan Inc (Natural Gas Pipelines)

Top 10 holdings (as of 6/30/2025)

1.	Constellation Energy	7.8%
2.	Energy Transfer LP	7.1%
3.	Vistra Corp	6.8%
4.	Clearway Energy Inc	6.2%
5.	Williams Companies Inc	5.1%
6.	TC Energy Corp	5.1%
7.	Enterprise Products Partners, L.P.	4.5%
8.	MPLX LP	4.5%
9.	Hess Midstream LP	4.2%
10.	Sempra	4.2%

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

Total return	QTD	Calendar YTD	1 year	3 year	5 year	10 year	Since inception*
Market price	0.29%	4.23%	36.45%	27.38%	26.49%	6.61%	7.87%
NAV	0.09%	3.71%	18.70%	20.67%	18.61%	4.28%	7.47%
S&P 500 Energy Index	-8.56%	0.77%	-3.96%	9.74%	22.54%	5.49%	6.70%

*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 Essential Energy Fund ("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 adviser to the Tortoise Essential Energy Fund. TCA is an investment manager specializing in listed energy investments and is experienced in managing portfolios of MLP securities and other energy companies for individual, institutional and closed-end fund investors.

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-essential-energy-fund. 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 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.

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.

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.

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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