# Tortoise Energy Infrastructure and Income Fund (INFIX/INFRX/INFFX)

## 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.

### Investment strategy

Under normal market conditions, the fund will invest at least 80% of its total assets in equity and debt securities of other companies focused in the energy infrastructure sector and in equity and debt securities of MLPs focused in the energy infrastructure sector. Asset allocation is flexible and can shift as opportunities and valuations change.

***Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 855-822-3863.***

**+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.

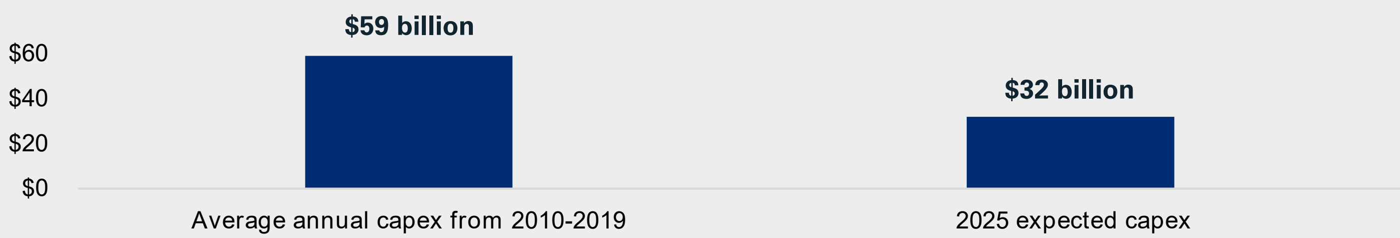
### Capital Discipline & Growth: A Differentiated Sector Model

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.

## Fund Commentary: Strength in Portfolio Construction and Positioning

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.

The Fund is positioned to benefit from these dynamics through a diversified allocation across the energy value chain. It emphasizes companies generating strong and growing free cash flow, with a particular focus on those operating within leverage targets and demonstrating a clear commitment to shareholder returns via dividend growth and share repurchases.

Investments span upstream, midstream, and downstream segments:

- **In upstream**, the Fund targets low-cost operators capable of expanding production through improved drilling and completion efficiencies.
- **In midstream**, the emphasis lies on owning U.S. export infrastructure—such as LNG, LPG, and crude oil facilities—and ensuring the capacity to transport energy commodities to export hubs.
- **In downstream**, the Fund favors Gulf Coast operators with strong export capabilities.

Additionally, the Fund targets investing in companies poised to benefit from rising electricity demand driven by AI and data center growth, particularly those with exposure to natural gas infrastructure. Geographically, the portfolio maintains significant exposure to the Permian and Marcellus basins, two of the most cost-effective regions for U.S. oil and natural gas production.

Top contributors included Targa and MPLX, supported by rising NGL volumes, strong Gulf Coast infrastructure demand, and exposure to AI-driven energy consumption trends. Venture Global and Energy Transfer were among the weakest performers with project delays and cautious sentiment around LNG expansion and export timelines.

## Top five contributors

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

## Bottom five contributors

1. Venture Global Inc
2. Sempra Energy
3. Vistra Energy Corp.
4. New Fortress Energy Inc
5. Energy Transfer LP

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

| | | |
|---|---|---|
| 1. | MPLX LP | 8.0% |
| 2. | Cheniere Energy, Inc. | 6.6% |
| 3. | EQT Corporation | 5.9% |
| 4. | The Williams Companies, Inc. | 5.1% |
| 5. | Energy Transfer LP | 5.1% |
| 6. | Targa Resources Corp. | 4.9% |
| 7. | ONEOK, Inc. | 4.9% |
| 8. | Plains GP Holdings, L.P. | 4.8% |
| 9. | Enterprise Products Partners L.P. | 4.6% |
| 10. | Exxon Mobil Corp | 3.6% |

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 3/31/2025)

| | Class | 1Q 2025 | Calendar YTD | 1 year | 3 year | 5 year | 10 year | Since inception | Standard deviation[1] | Expense ratio |
|---|---|---|---|---|---|---|---|---|---|---|
| INFIX | Institutional | 5.59% | 5.59% | 21.38% | 14.51% | 27.36% | 4.25% | 6.82% | 18.73% | 1.12% |
| INFRX | A Class (excluding load) | 5.53% | 5.53% | 21.14% | 14.26% | 27.09% | 4.01% | 6.57% | 18.76% | 1.37% |
| INFRX | A Class (maximum load) | -0.26% | -0.26% | 14.48% | 12.12% | 25.69% | 3.42% | 6.15% | N/A | 1.37% |
| INFFX | C Class (excluding CDSC) | 5.29% | 5.29% | 20.10% | 13.36% | 26.13% | 3.21% | 5.83% | 18.76% | 2.12% |
| INFFX | C Class (including CDSC) | 4.29% | 4.29% | 19.10% | 13.36% | 26.13% | 3.21% | 5.83% | N/A | 2.12% |
| | Alerian MLP Index | 12.58% | 12.58% | 22.99% | 25.00% | 40.21% | 5.47% | 6.99%[2] | 26.88% | |
| | S&P 500® Total Return Index | -4.27% | -4.27% | 8.25% | 9.06% | 18.59% | 12.50% | 13.19% | 17.24% | |

***Performance for periods over one year is annualized. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 855-TCA-Fund (855-822-3863). Performance data shown reflecting the A Class (maximum load) reflects a sales charge of 5.50%. Performance data shown "excluding load" does not reflect the deduction of the maximum sales load. Performance data shown for the C Class (including CDSC) reflects a contingent deferred sales charge (CDSC) of 1% for the first 12 months of investment. Performance data shown "excluding CDSC" does not reflect the deduction of the CDSC. If reflected, the load and the CDSC would reduce the performance quoted. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced.***

The returns for A and C Class Shares prior to their inception date are those of Institutional Class Shares that have been recalculated to apply the estimated fees and expenses, net of any fee and expense waivers.

[1]Alerian MLP Index performance and Standard Deviation are calculated from inception of Institutional Class Shares: 12/27/2010. Standard deviation is a measure of daily volatility, which shows how much variation exists from the average return.

The 30-Day SEC Yield was 3.68%, 3.24%, and 2.70% for the Institutional, A and C Class Shares, respectively.

The 30-Day SEC Yield reflects annualization of the Fund's total net investment income per share for the 30-day period ended on the last day of the month.

## Disclosures

Investing in MLPs using mutual funds allows the investor to delay paying taxes on any distributed income until the investment is sold, potentially enabling any gains to qualify as long term (which are taxed at a lower rate than short-term capital gains).

Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Additionally, investing in MLPs involves material income tax risks and certain other risks. Actual results, performance or events may be affected by, without limitation: (1) general economic conditions (2) performance of financial markets (3) interest rate levels (4) changes in laws and regulations and (5) changes in the policies of governments and/or regulatory authorities. MLPs may have additional expenses, as some MLPs pay incentive distribution fees to their general partners. The value of MLPs depends largely on the MLPs being treated as partnerships for U.S. federal income tax purposes. If MLPs were subject to U.S. federal income taxation, distributions generally would be taxed as dividend income. As a result, after-tax returns could be reduced, which could cause a decline in the value of MLPs. If MLPs are unable to maintain partnership status because of tax law changes, the MLPs would be taxed as corporations and there could be a decrease in the value of the MLP securities.

The fund is non-diversified, which means that the fund may invest in the securities of relatively few issuers. Investments in securities of a limited number of issuers or primarily of the energy infrastructure sector exposes the fund to greater market risk and potential losses than if its assets were diversified among the securities of a greater number of issuers. The fund may invest in derivatives, (futures and options), high yield debt (also known as junk bonds) and exchange traded funds ("ETFs"). These investments involve significant risks and losses may occur. Derivatives may be more sensitive to changes in market conditions and may amplify risks. The fund may invest in the debt securities of MLPs and generally, fixed income securities decrease in value when interest rates rise. High yield securities are below investment grade quality and may be considered speculative with respect to the issuer's continuing ability to make principal and interest payments. Certain transactions including the use of derivatives may give rise to a form of leverage which may increase the risk of loss and cause fluctuations in the market value of the fund's portfolio to have disproportionately large effects or cause the NAV of the fund generally to decline faster than it would otherwise.

The fund intends to elect to be treated and to qualify each year, as a "regulated investment company" under the U.S. Internal Revenue Code of 1986 (the "Code"). To maintain qualification for federal income tax purposes as a regulated investment company under the Code, the Fund must meet certain source-of-income, asset diversification and annual distribution requirements. If for any taxable year the Fund fails to qualify for the special federal income tax treatment afforded to regulated investment companies, all taxable income will be subject to federal income tax and possibly state and local income tax at regular corporate rates (without any deduction for distributions to shareholders) and any income available for distribution will be reduced.

TCA Advisors is the adviser to the Tortoise Energy Infrastructure & Income Fund.

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 MLP Index is the leading gauge of energy infrastructure MLPs. 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 (AMZ) and on a total-return basis (AMZX). Indices are unmanaged and it is not possible to invest directly in them.

The Tortoise North American Pipeline Index℠ (the "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.

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 it's 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).

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.

**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-TCA-FUND (855-822-3863) or visiting www.tortoisecapital.com. Read it carefully before investing.**

Note: This commentary contains forward-looking statements about various economic trends and strategies. You are cautioned that such forward-looking statements are subject to significant business, economic and competitive uncertainties and actual results could be materially different. There are no guarantees associated with any forecast; the opinions stated here are subject to change at any time and are the opinion of Tortoise Capital. The data is obtained from sources we deem reliable; it is not guaranteed as to its accuracy. Past performance does not guarantee future results. Investing in MLPs may require tax filings in multiple jurisdictions. This report is for informational purposes only and is not an offer to sell or a solicitation of an offer to buy any securities.

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