

Tortoise North American
Pipeline IndexSM (TNAP/TNAPT)
Index Methodology Guide

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Company background

About Tortoise Index Solutions

Tortoise Index Solutions 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.

Index introduction

The Tortoise North American Pipeline IndexSM is a float-adjusted, capitalization weighted index of pipeline companies that are organized and have their principal place of business in the United States or Canada. A pipeline company is defined as a company that either 1) has been assigned a standard industrial classification (“SIC”) system code that indicates the company operates in the energy pipeline industry or 2) has at least 50% of its assets, cash flow or revenue associated with the operation or ownership of energy pipelines. Pipeline companies engage in the business of transporting natural gas, crude oil and refined products, storing, gathering and processing such gas, oil and products and local gas distribution.

Index detail

The Index level is calculated on both a price-return and a total-return basis. The real-time Index level for the price-return version of the Index is available from major market data providers under the ticker “TNAP.” The real-time total return Index level is available under the ticker “TNAPT.”

The Index is independently calculated by S&P Dow Jones Indices with a base level of 100 as of December 31, 1999.

Security data

Reference documentation

The following documents are used to calculate shares outstanding

- Press releases
- Annual reports pursuant to Sections 13 and 15(d) of the Securities and Exchange Act of 1934 (10-K, 20-F) and Parts 4, 5 and 6 of National Instrument 51-102 (AIF)
- Quarterly reports pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934 (10-Q, 6-K) and Parts 4 and 5 of National Instrument 51-102 (IFS)
- Certain registration statements pursuant to Rules 415 and 462 of the Securities Act of 1933 (S-1, S-3)
- Prospectuses and prospectus supplements pursuant to Rule 424(b)
- Proxy statements pursuant to Section 14(a) of the Securities Exchange Act of 1934 (DEF 14A)
- Current reports pursuant to Sections 13 and 15(d) of the Securities Exchange Act of 1934 (8-K, 6-K)

Shares outstanding

The shares counted for index calculation are shares outstanding, and are essentially “basic shares” as defined by The Financial Accounting Standards Board (FASB) in Generally Accepted Accounting Principles (GAAP). This count is float-adjusted to reflect only available shares.

Changes in a company’s shares outstanding (and float changes), to include those due to mergers and acquisitions, greater than 5% are applied on a weekly basis by the index calculation agent. All other de minimis changes are accumulated and implemented with quarterly share rebalancing and annual float updates.

Constituent eligibility criteria

Index constituents may include the following equity securities of North American pipeline companies: 1) common stock; 2) interests in master limited partnerships (“MLPs”); 3) interests in pipeline companies structured as limited liability companies (“LLCs”); and 4) equity securities of MLP affiliates, including MLP I-Shares (indirect ownership interests in MLPs issued by MLP affiliates) and common shares of corporations that own, directly or indirectly, MLP general partner interests (collectively referred to herein as “MLP Affiliates”).

Index eligibility To be eligible for inclusion in the Tortoise North American Pipeline IndexSM, a company must be publicly traded and meet the following eligibility requirements:

Pipeline companies either 1) have been assigned a SIC system code that indicates the company operates in the energy pipeline industry or 2) has at least 50% of its assets, cash flow or revenue associated with the operation or ownership of energy pipelines. Pipeline companies engage in the business of transporting natural gas, crude oil and refined products, storing, gathering and processing such gas, oil and products and local gas distribution.

Market capitalization Companies must have a total equity market capitalization of at least US \$200 million at the time of inclusion in the Index. In order to remain in the Index, a company must maintain an average equity market capitalization of at least US \$175 million for a minimum of 20 trading days prior to the rebalance reference dates.

Domicile A pipeline company must be organized and have its principal place of business in the United States or Canada and be listed on the New York Stock Exchange, NASDAQ, NYSE MKT or Toronto Stock Exchange.

Other MLPs must pay a distribution greater than or equal to their minimum quarterly distribution (MQD) at the time of inclusion in the Index.

Index construction and maintenance

Index calculation equations

The index is calculated by S&P Dow Jones Indices using the following equations:

[Initial Divisor] = [Base Date Index Market Capitalization] / Base date index value (not necessarily 100)

[Index Value] = [Index Market Capitalization] / Divisor

[Post-Rebalance Divisor] = [Post-Rebalance Index Market Capitalization] / [Pre-Rebalance Index Value]

For a more detailed explanation of these equations please refer to the Capitalization Weighted Indices section of the S&P Dow Jones Indices’ Index Mathematics Methodology which can be found at <http://us.spindices.com/>.

Index rebalancings

The Index is rebalanced quarterly on the third Friday of each March, June, September and December, and rebalances are effective at the open of the next trading day. In the event major US exchanges are closed on the third Friday of March, June, September or December, the rebalancing will take place after the market close on the immediately preceding trading day. Reference dates for rebalancing are nine calendar days prior to the rebalance dates. Underlying constituent shares and constituent caps will be applicable as of the reference dates. As such, due to market fluctuations between reference dates and rebalance dates, constituent caps may not hold on the rebalance dates.

Corporate actions (such as stock splits, stock dividends, spin-offs and rights offerings) are applied after the close of trading on the day prior to the ex-date. Share changes resulting from exchange offers are made on the ex-date.

At rebalance reference dates, MLPs can make up no more than 20% of the overall Index, and no individual constituent may exceed 7.5%. Should a constituent exceed 7.5% at the reference date as a result of market cap, the weight in excess of 7.5% will be reallocated across the index to all other constituents with weights below the 7.5% threshold, pro rata based on their market cap. Additionally, affiliated MLP families in aggregate may not comprise more than 15% of the Index at the reference date. Should affiliated MLP families in aggregate comprise more than 15% of the index at the reference date, the affiliated names will be adjusted based on their pro-rata market capitalizations and capped at a combined weight of 15%, with excess weight reallocated across the index to all other constituents pro rata based on their market cap.

Additions

No companies will be added to the Index between rebalance dates.

Deletions

Between rebalance dates, a constituent can be deleted from the Index due to corporate events such as mergers, acquisitions, bankruptcies, takeovers, or delistings.

Security Limits

A minimum of 30 securities will be in the index. Should the number of securities that meet the index inclusion criteria fall below 30, the index may include additional securities to maintain an investible and diversified index.

Industry classifications

Constituents will be reviewed annually, at the December rebalance, to determine the appropriate pipeline classification.

Treatment of dividends and distributions

The price return index does not account for cash dividends or cash distributions. The total return index accounts for cash dividends or cash distributions by reinvesting them across the Index after market close on the ex-date. Stock dividends are treated as corporate actions and result in offsetting adjustments to price and units outstanding.

Base date

The base date for the Index is December 31, 1999, with a base value of 100.

Index dissemination

The real-time Index level for the price return version of the Index is available from major market data providers under the ticker "TNAP." The real-time total return Index level is available under the ticker "TNAPT." For index values, constituents and announcements regarding constituent changes, please visit www.tortoiseindexsolutions.com

The Index is calculated daily throughout the year. The Index is not calculated on days when U.S. and Canada exchanges are officially closed.

In situations where an exchange is forced to close early due to unforeseen events, such as computer or electric power failures, weather conditions or other events, the closing price of the Index will be calculated based on (1) the closing prices published by the exchange, or (2) if no closing price is available, the last regular trade reported for each stock before the exchange is closed. In all cases, the prices will be from the exchange listing included in the Index.

If an exchange fails to open due to unforeseen circumstances, the Index will use the prior day's closing prices. If all exchanges fail to open, the Index may not be published for that day.

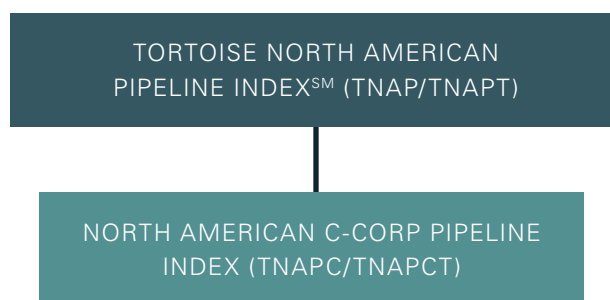
Index hierarchy

Tortoise North American Pipeline IndexSM

The Index will be calculated on both a price-return (Ticker: TNAP) and total-return basis (Ticker: TNAPT). The price-return index will be available in real-time while the total-return index will be priced at the end of each trading day.

Tortoise North American C-corp Pipeline Index

The sub-index (Ticker: TNAPC) will follow the methodology of the Tortoise North American Pipeline Index (the "TNAP Index") in all respects, including for corporate action treatment, but will include only those companies structured as corporations.



Index Committee

The Index Committee oversees the integrity of the rules and provides clarifying guidance on the rules-based methodology where required, although every effort is made to ensure the rules are clear and non-discretionary; approves quarterly rebalances and directs public announcement relating to the indices.

Members

Appointment of members: The Index Committee will consist of between three to five voting members, one of whom will act as Chair.

No remuneration: For their particular work on the Index Committee, Index Committee members will not receive a salary or other financial remuneration (or any benefit in kind).

Meetings, quorum and voting

Tortoise Index Solutions shall provide at least 5 business days advance written notice to each Index Committee member.

“*Quorum*” is defined as:

- The Chair; and
- at least one other Index Committee member.

Voting: Each Index Committee member shall be entitled to one vote at each Index Committee meeting.

All motions or matters before the Index Committee may be carried by simple majority.

Confidentiality

Matters discussed or handled by the Index Committee will be considered confidential until such time as they are made public. Without limiting the generality of the foregoing, the minutes of the Index Committee are confidential information and may not be discussed with anyone outside of the Index Committee without the prior written approval of the Chair and the Chief Compliance Officer of Tortoise Index Solutions.

Decisions by the Index Committee regarding rules, ambiguous cases or discretionary additions or deletions from indices may be made public via such mechanic (internet or otherwise) as the Company decides from time to time.

Conflicts of interest

Any Index Committee member who has a conflict of interest with respect to an issue before the Index Committee must excuse him/herself from participating or voting in relation to that issue. In participating in the Index Committee’s activities, all Index Committee members will aim to observe the highest standards of market practice, avoid appearances of impropriety, and remain mindful of their regulatory responsibilities surrounding issues such as market abuse, dealing ahead and insider trading.

Disclaimer

This data is provided for informational purposes only and is not intended for trading purposes. This document shall not constitute an offering of any security, product or service. The addition, removal or inclusion of a security in the Index is not a recommendation to buy, sell or hold that security, nor is it investment advice. It is not possible to invest directly in an Index. Index performance does not reflect the deduction of any fees and expenses. Past performance is not a guarantee of future returns.

The information contained in this document is current as of the publication date. Tortoise Index Solutions, LLC makes no representations with respect to the accuracy or completeness of these materials and will not accept responsibility for damages, direct or indirect, resulting from an error or omission in this document. The methodology involves rebalancing and maintenance of the Index that is made periodically during each year and may not, therefore, reflect real time information.

The Tortoise North American Pipeline IndexSM (the “Index”) is the exclusive property of Tortoise Index Solutions, LLC, which has contracted with S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices) 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 LLC”). 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 Tortoise Index Solutions, LLC 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 Tortoise Index Solutions, LLC.