

High Yield Strategy

4th quarter 2019

Our High Yield philosophy incorporates the use of higher quality tiers of the High Yield universe (BB and B) in an effort to maximize total returns during normal economic periods, but minimize loss of principal during periods of rapid credit deterioration. Within this framework, the average credit quality is shifted according to our assessment of the present state of the economic cycle. We endeavor to enhance returns in favorable economic environments when credit conditions are improving and protect principal by adopting a more defensive average credit quality when the economic cycle is deteriorating.

Highlights

People

The highly experienced senior investment team averages 32 years of investment experience

- Supported by seasoned sector specialists and in-house credit analysts
- Fixed income investing since 1984
- Team members have managed fixed income assets through multiple economic and financial cycles

Philosophy

Our philosophy has remained consistent since inception

- The same investment philosophy has produced sound results since the company was founded
- Our emphasis on liquidity enables us to position portfolios in anticipation of market cycles
- Our conservative philosophy has shown resiliency in times of market stress

Process

Our top-down, bottom-up, repeatable investment process has been refined over decades of market and economic cycles

- Top-down, team-based process sets portfolio parameters and targets relative value and market inefficiencies
- Portfolio managers develop industry strategy based on top-down economic and business cycle trends and credit analyst assessments
- Excess return targeted by actively managing the drivers of performance, primarily sector/industry rotation and credit selection, against the benchmark

Performance

Long-term performance goal

- To produce competitive risk-adjusted returns exceeding the benchmark over multiple market cycles, primarily through security selection and sector/industry rotation
- Successfully navigated volatile markets, including 2008, 2014 - 2016 and 2018

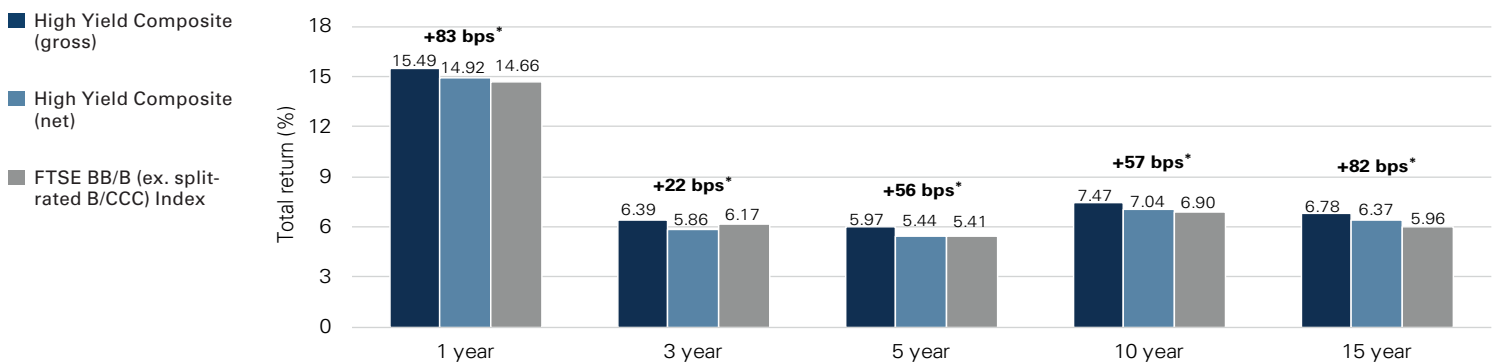
Investment philosophy

We focus on diversification and risk management over all aspects of the investment process. Portfolios are positioned by taking a 6 to 12 month view of the economic and market cycle. Our size and focus on liquid securities helps us rotate sector weightings in a timely manner with minimal transaction costs.

About Tortoise

Tortoise invests in essential assets – those real assets and services that are indispensable to the economy and society. With a steady wins approach and a long-term perspective, Tortoise strives to make a positive impact on clients and communities. The Tortoise credit platform builds upon more than 30 years of experience in fixed income investing.

Performance (%) as of 12/31/2019



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High Yield Composite (gross)	-19.78	36.73	15.19	4.73	14.06	7.75	3.75	0.25	10.67	7.64	-3.13	15.49
High Yield Composite (net)	-20.08	36.30	14.86	4.48	13.78	7.47	3.29	-0.25	10.11	7.10	-3.61	14.92
FTSE BB/B (ex. split-rated B/CCC) Index	-22.97	36.46	13.36	6.83	13.99	5.51	2.84	-3.82	13.10	6.42	-1.93	14.66

Inception: 1/1/1995. Returns less than one year are not annualized. Performance numbers labeled as "gross" do not reflect the deduction of advisory fees. Net of fee returns from 1/1/2015 to the present reflect the deduction of a model management fee; the model management fee employed is at least as large as the highest fee actually charged to any account employing the High Yield strategy. The model management fee currently applied is 0.50%. For all periods prior to 1/1/2015, net of fee returns reflect the deduction of actual management fees. In June 2016, accounts previously managed by Bradford & Marzec transitioned to Tortoise Credit Strategies and are linked to the performance of Tortoise Credit Strategies. The historical composite performance records of these accounts meet the portability requirements set forth by GIPS®. Index returns do not reflect the effect of management fees. Returns are presented in U.S. dollars. It is not possible to invest directly in an index. Please review the disclosure statements located on the back of this fact sheet.

*Data above chart is composite (gross of fees) vs. benchmark. **Past performance is no guarantee of future results.**

Portfolio team**Chief Investment Officer**

Brad Beman, CFA

Investment Grade Credit

Gregory Haendel, CFA

Jason Sharpe, CFA

High Yield and Leveraged Loans

John Heitkemper, CFA

Beth Digati

International Credit

N. Graham Allen, FCMA®, CGMA®

Securitized

Jeffrey Brothers, CFA

Michael Sanchez

Top five industry allocation as of 12/31/2019

	High Yield Composite	FTSE BB/B (ex. split-rated B/CCC) Index
Energy	7.8%	9.8%
Media non-cable and entertainment	7.6%	6.1%
Telecommunications	7.4%	6.4%
Financial-other	7.0%	5.2%
Healthcare	6.7%	5.5%

Rating allocation as of 12/31/2019

	High Yield Composite	FTSE BB/B (ex. split-rated B/CCC) Index
BBB	2.5%	0.0%
BB	49.9%	54.0%
B	42.2%	45.8%
CCC and below	2.6%	0.2%
Cash/equivalent	2.9%	0.0%

Bond quality ratings reflect the middle rating assigned by S&P, Moody's and Fitch. In instances where a rating is unavailable from all three agencies, the lowest rating assigned by any one of these agencies is used. Should this process result in the selection of a rating issued by an agency other than S&P, the rating is converted to the S&P equivalent.

Additional disclosures:

Due to rounding, totals may not equal 100%. The High Yield Composite includes all discretionary accounts without maturity restrictions that are invested primarily in High Yield fixed income securities with no limitations to High Yield exposure. Private wealth and wrap fee clients are not included in this composite. All accounts meeting these criteria, regardless of size, are included in the composite. The High Yield Composite has an inception and creation date of 1/1/1995. On 6/20/2016, the composite name changed from High Yield Separate Account Composite to High Yield Composite. The applicable benchmark for this composite is the FTSE BB/B (excluding split-rated B/CCC) Index, a U.S. dollar-denominated index, which measures the performance of High Yield debt issued by corporations domiciled in the U.S. or Canada. Recognized as a broad measure of the North American High Yield market, the index includes cash-pay, deferred-interest securities and debt issued under Rule 144A in unregistered form. It excludes split-rated B/CCC securities. Tortoise Credit Strategies, LLC ("Tortoise Credit") is a registered investment advisor focused on fixed income related strategies that manages investments for institutional and individual clients. Tortoise Credit claims compliance with the Global Investment Performance Standards (GIPS®). A complete list of composite descriptions and GIPS compliant presentations is available upon request by emailing clientservice@tortoisecredit.com.

Portfolio construction and investment process

Investment Policy & Strategy Committee (IPSC) guides the strategy's portfolio construction process leveraging the top-down approach set by the IPSC and the bottom-up analysis of sector specialist teams. The process emphasizes proactive monitoring procedures to identify risk and adds risk controls to seek to minimize volatility.

Top-down strategy**Investment Policy & Strategy Committee sets policy for:**

- Sector allocation
- Portfolio quality
- Duration
- Yield curve positioning
- Key themes

Sector specialist teams perform:

- Fundamental analysis
- Industry allocation
- Security selection
- Risk monitoring

Bottom-up strategy**Characteristics** as of 12/31/2019

	High Yield Composite	FTSE BB/B (ex. split-rated B/CCC) Index
Average quality	BB-	BB-
Average coupon	5.68%	5.95%
Duration (yrs)	2.83	3.11
Average life (yrs)	4.76	5.82
Yield to maturity	4.91%	5.34%
Current yield	5.52%	5.81%

Risk/reward statistics¹ as of 12/31/2019

Alpha	0.66%
Beta	0.98
Tracking error	1.07%
Information ratio	0.53

Up/down market capture¹ as of 12/31/2019

Up market capture	103.26%
Down market capture	96.00%

¹Source: Morningstar Direct previous 10 years