2019 Report

Making an Impact
We are pleased to introduce our first Tortoise Making an Impact publication. Since Tortoise was founded in 2002, our culture has been key to our success thanks to employees who share high performance standards, continuous innovation, dynamic thinking and an unwavering commitment to put our clients first. We continue to prize our unique culture, which has earned us Best Places to Work recognition from both the Kansas City Business Journal and international money management publication Pensions & Investments.

At Tortoise, we invest in essential assets – those assets and services that are indispensable to the economy and society. With a ‘steady wins’ approach and a long-term perspective, we strive to make a positive impact on clients and communities. We are driven by our mission to create value for our clients through a pioneering investment approach and steadfast commitment to superior quality and service. The core values that guide our actions and behaviors include humility, entrepreneurial spirit and perseverance.

At Tortoise, we make an impact on communities through our service and our investments. Putting the needs of others first is core to our culture and is expressed by our focus on community service, where employees are encouraged to maximize opportunities to make an impact. The Tortoise Foundation supports our passion for giving and serving in our local and global communities to make an impact on future generations. We recognize that we make more of an impact when we gather as a team and support meaningful causes in our community. We have collectively supported such causes as Habitat for Humanity to rehabilitate houses for the homeless; adopting families for Operation Breakthrough to help provide a safe, loving and educational environment for children living in poverty; and encouraging entrepreneurship through our own Tortoise Young Entrepreneurs Scholarship Program, which provides deserving students a boost in their educational endeavors.

We believe there is an energy transition underway globally and a priority to reduce carbon emissions. We have strategically positioned the firm for this transition with the addition of teams specializing in private and listed renewable energy assets and investments globally. Tortoise recently became a signatory to the United Nations-supported Principles for Responsible Investment (PRI), as we recognize the importance of responsible investing and are committed to integrating environmental, social and governance (ESG) considerations into our investment practices and ownership policies.

Additionally, we are committed to making an impact in our workplace. Tortoise employees represent our greatest asset, and we continually listen to them for opportunities to evolve our business to meet their needs and provide an environment that fosters entrepreneurial growth where diversity and new ideas are encouraged and respected.

Our smart, dedicated and energetic staff is motivated by a future where social considerations and the well-being of others are central to our business. Because of our entrepreneurial spirit and our intellectual curiosity, we will continue to find ways to make an impact.

“At Tortoise, serving our clients is our top priority, and serving our staff who take care of our clients is a close second. I want our employees to come in and feel motivated every day. The workplace should be fun, dynamic and enjoyable.”

Kevin Birzer, Tortoise Chief Executive Officer
PRI Signatory

Tortoise is a signatory to the Principles for Responsible Investment (PRI), the leading global network for financial industry participants and investors who are committed to integrating environmental, social and governance (ESG) considerations into their investment practices and ownership policies. The reporting requirements that come with becoming a signatory improve the transparency of our sustainability efforts, promote engagement, and foster and improve alignment of our company goals with respect to sustainability.

“Tortoise recognizes the importance of responsible investment. Our decision to join the PRI supports our objective to establish a framework of sustainable investment practices. This will further enhance our disciplined approach to deliver competitive returns for our clients seeking socially responsible investments.”

Jason Benson, Tortoise PRI Committee Chair
Tortoise aims to make an impact through essential assets and impact investing.

This is reflected in every investment decision we make. Impact investing is gaining momentum, and we see exciting opportunities to provide capital to organizations that are essential to the economy and make a positive impact on our society and environment. We believe our impact investing discipline will deliver competitive returns while managing risk for our investors who appreciate socially responsible investment strategies. Investment opportunities abound in the sustainable and social infrastructure asset universe, serving essential needs in society.
For the past 17 years, Tortoise has been adapting to changes in essential assets investing. Our expertise now spans investments across the entire energy value chain: sustainable energy and related infrastructure including wind, solar and battery storage assets, as well as water infrastructure and treatment facilities, direct lending to social infrastructure projects and index construction.

We strive to make an impact in everything we do and we are dedicated to integrating environmental, social and governance (ESG) considerations into all of our investment processes. We are committed to reporting the impact achieved through our investment strategies on an annual basis.

Our recently launched Teal Energy Deal campaign confirms our participation in the mission to reduce global carbon emissions and shift the source of energy supply to low carbon fossil fuels and renewables. In our view, the quickest and most efficient way to do so is by replacing coal power generation with natural gas paired with renewables. In the U.S., the natural gas and renewables have taken market share from coal, which has led to a 28% decline in CO₂ emissions from power generation since 2005 according to the EIA, as coal consumed for power generation has declined from approximately 50% to 30% currently. Globally, this energy transition and the availability of affordable clean energy will also help to address the energy poverty experienced by one billion people around the world.

Our strategies align with the following UN Sustainable Development Goals to help achieve sustainable energy and water sources:

1. No Poverty
2. Good Health and Well-being
3. Quality Education
4. Clean Water and Sanitation
5. Affordable and Clean Energy
6. Industry, Innovation and Infrastructure
7. Sustainable Cities and Communities
8. Climate Action

Tortoise’s Commitment to ESG Integration

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Over the past several years, Tortoise has harnessed a global team with years of experience in infrastructure, water and the energy transition theme, including listed and private renewable energy infrastructure.

Our Tortoise Ecofin Platform houses a suite of strategies which invest in sustainable infrastructure, water, the transition to cleaner energy and companies affected by the drive to greater energy efficiency through listed and private securities. Tortoise aims to direct investments to areas of long-term need to make an impact and to provide a source of income for investors. Financial risk also lies in ESG issues, as considerable loss of value can happen to an investment when variables such as water resources, climate change, environmental destruction and human rights conditions are not evaluated. As we strive to deliver income and returns to Tortoise’s investors, it is important to consider all ESG factors to help mitigate short and long-term risk.

**ESG integration in the investment process**

<table>
<thead>
<tr>
<th>Environmental</th>
<th>Social</th>
<th>Governance</th>
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<tbody>
<tr>
<td>• Investment in maintenance/ integrity capital</td>
<td>• Community outreach and support</td>
<td>• Alignment of management and controlling unit/shareholders with other shareholder interests</td>
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<td>• Compare each company’s emissions with those of its country’s grid using a proprietary database developed with CarbonAnalytics</td>
<td>• Diversity in board, management and employees</td>
<td>– Minimal conflicts of interest</td>
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<td>• Assess environmental impact in annual reporting</td>
<td>• Commitment to fair labor practices</td>
<td>– Fair management compensation</td>
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<td>• Commitment to reducing emissions</td>
<td>– Employee turnover</td>
<td>– Insider ownership</td>
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<tr>
<td>• Use and reuse of water</td>
<td>– Positive workplace experience</td>
<td>– Investment along like timeframe</td>
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<td>• Application of and commitment to safety standards</td>
<td>– Compliance with OSHA</td>
<td>• Financial and strategic transparency</td>
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<td></td>
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<td>• Board independence</td>
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<td></td>
<td></td>
<td>• Split of CEO and Chairperson role</td>
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<td></td>
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<td>• Ability for share/unit holders to vote on important matters</td>
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Evolution of Tortoise

In anticipation of the energy transition, we began to shift our energy portfolio a few years ago to concentrate our focus on natural gas. A good time frame to start benchmarking this change is the Paris Climate Agreement that went into effect on Nov. 4, 2016. We have continued to diversify our products beyond traditional energy to include more sustainable energy and social infrastructure.

<table>
<thead>
<tr>
<th>2016</th>
<th>2019</th>
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<tr>
<td>Crude oil/refined product pipelines</td>
<td>42.53%</td>
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<tr>
<td>Natural gas pipelines/gathering and processing companies</td>
<td>53.01%</td>
</tr>
<tr>
<td>Oil &amp; gas production</td>
<td>1.94%</td>
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<tr>
<td>Solar and renewables</td>
<td>0.00%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.03%</td>
</tr>
<tr>
<td>Transportation, power and industrial</td>
<td>0.22%</td>
</tr>
<tr>
<td>Water</td>
<td>0.00%</td>
</tr>
<tr>
<td>Social infrastructure</td>
<td>0.00%</td>
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<tr>
<td>Cash and other*</td>
<td>2.28%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100.00%</strong></td>
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</tbody>
</table>

As of 10/31/2019. *Includes accrued interest, automobile manufactures, cyber security, electrical components, automobile parts/equipment, software and services, online retail, licensing/support, internet advertising portals, electronic transaction processing, credit card networks, electronic payment processing/management, merchant payment products/services, financial services market place, payments fintech, water equipment/services, battery manufacturers, clouds systems/services, cloud management software, security cloud, cloud hardware, electric-transmission.

Making an impact on the global water crisis

Tortoise water strategies invest in companies that contribute positively to the environment, society and economy by supplying water and treating wastewater, as well as by investing in water/wastewater infrastructure and technology.

1.5 BILLION people served by water and wastewater services

$4.1 BILLION of capital investment in water infrastructure and technology in 2018

>6.0 TRILLION gallons of water and wastewater treated and distributed

As of 10/31/2019. Tortoise estimates based on company filings and water.org.
Making an impact on the environment
Tortoise’s private clean energy strategies invest in projects that are contributing to the reduction of carbon emissions.

Potential impact of committed capital for projects across the private clean energy platform

91,124 Metric tons of CO₂ avoided

Equivalent to 207,971,552 miles driven

8,352 times around the world

14,502 homes to use electricity

120,123 MWh Total renewable electricity generated

As of 10/31/2019. Based on aggregate megawatt hours of all projects converted to carbon savings.
Source: EPA calculator
Making an impact on the environment
Tortoise’s strategies reflect the transformation in energy use and supply and have resulted in portfolios that are cleaner than their benchmarks.

In 2019, a U.S. $1 million investment in the following strategies would have resulted in:

- **Tortoise Sustainable Listed Infrastructure Strategy**
  - generated 32% less CO₂ per U.S. $1 million invested in the MSCI World Utilities Index
  - A $1 million investment implies ownership of assets avoiding 342 tonnes of CO₂ and 591 round trip flights from New York City to Los Angeles

- **Tortoise Global Renewable Infrastructure Strategy**
  - generated 50% less CO₂ per U.S. $1 million invested in the MSCI World Utilities Index
  - A $1 million investment implies ownership of assets avoiding 540 tonnes of CO₂ annually equivalent to 931 round trip flights from New York City to Los Angeles

- **Tortoise Essential Assets Strategy**
  - generated 59% less CO₂ per U.S. $1 million invested in the MSCI World Utilities Index
  - A $1 million investment implies ownership of assets avoiding 628 tonnes of CO₂ annually equivalent to 1,084 round trip flights New York City to Los Angeles

As of 10/31/2019. Tortoise estimates based on company filings.
Making an impact on society

Tortoise also strives to make an impact in communities. Tortoise provides capital through direct lending for social infrastructure projects supporting the entire life cycle, from schools to educate students to senior living facilities for the aging population.

- Charter schools funded by Tortoise have capacity of around 8,400 and currently educate more than 5,000 students
- Deployed $167 million, which represents more than half of the platform assets, in counties with poverty rates above the national average
- These charter schools have employed more than 440 employees including 265 teachers

- The platform has funded projects that provide living accommodations to 645 seniors with total capacity at 2,143 once all facilities are completed
- Basic living amenities are covered, including three daily meals (in assisted living and memory care units)
- These facilities have employed more than 240 professionals

- Supports environmental concerns by investing in an alternative clean energy facility that uses a gasification process to convert coal into clean fuels without burning it
- Provided financing for the development of a facility offering community-based educational and social services to underserved children
- Provided financing for sustainable utilization of agricultural materials for products benefiting rural communities and consumers
- Funded a project that uses plant-based material instead of wood, reducing deforestation by 6,200 trees/year while also decreasing energy and water usage

As of 10/31/2019.
Tortoise’s investments through our social infrastructure platform are making an impact on communities across the country.

As of 10/31/2019.
As we approach our 17th year in business, we look forward to moving into new headquarters to serve our growing workforce. As part of the move, we also donated many technology items such as Smart Board monitors, televisions, overhead and desktop projectors and speakers to a local special education school.

The building’s sustainability features include:

- Solar panel array on roof (77kW system) supplementing the building’s electricity usage
- Expected to install four electric car charging stations once approved by city
- Energy saving LED fixtures, occupancy and daylight sensors to reduce energy use. “Dark Sky” exterior lighting to reduce light pollution
- Water efficient plumbing and sensor-activated faucets.
- Water filling stations on each floor—nearly 1,500 bottles of water saved in first six weeks of occupancy
- Continuous wall and roof insulation, reflective roof membrane and high performance, solar control coated glass
- Low or no volatile organic compounds (VOC) materials, improving indoor air quality where possible
- Fruit trees and shrubs representing The Giving Grove

Other office features to encourage employee stewardship include:

- Video conferencing capabilities to reduce travel
- Encourage use of tablets to reduce use of paper
- Bicycle racks to encourage bike-to-work
- Site offers walkability to restaurants and shopping to reduce a need to drive

Tortoise’s space was designed in partnership with a team of employees focused on creating a sustainable infrastructure while encouraging a transparent and collaborative teamwork environment.

“\nIt is important to Tortoise that our new headquarters is energy efficient and environmentally-friendly. Our new home will facilitate a work environment that stimulates curiosity and innovation, while striving to reduce our carbon footprint.”

Ryan Holloman, Building Committee Member
Green Team

Tortoise’s employee-led, cross-functional Green Team shares a passion to create a culture focused on reducing product waste, energy consumption and general carbon emissions produced by all our offices. Our sustainability initiatives leverage technology including web-cam conferencing for face-to-face meetings to reduce employee travel expenses and our firm-wide carbon footprint.

Global environmental stewardship initiatives include:

- Encourage use of recycled paper and double-sided printing
- Compartmentalize and recycle food, batteries, electronics, cartridges, paper, cardboard, plastic and aluminum products
- Issue company-branded and personalized reusable cups and water bottles to employees
- Use low energy lights
- Reduce heat/cooling system temperatures and lighting after office hours
- Encourage electronic file delivery and electronic record storage
- Limit non-recyclable garbage
- Encourage minimal use of plastic products
- Tax-free initiative to purchase a bicycle (London office)
At Tortoise, we know what makes our business run... **OUR PEOPLE!**

They are our most essential asset, they are indispensable and they are key to our success. Our team-oriented culture creates a challenging and rewarding environment for our employees to thrive. We value our employees and make business decisions with them in mind. We focus on creating an atmosphere where employees want to come to work each day because of our culture and company growth, which in turn creates opportunity for our employees.

**Best Places to Work Recognition**

Tortoise focuses on creating a work environment where employees can thrive professionally and enjoy coming to work each day. We are honored to have been selected as a best place to work by the Kansas City Business Journal and Pensions and Investments for the past six years. We highly value the feedback we gather from the Best Places to Work employee surveys, which help us ascertain areas we can focus on to improve our benefits and culture.
Diversity and Inclusion

Our company fosters intellectual curiosity and endorses healthy debate. The only way for these tenets to succeed is within a diverse workforce. One where different ideas, viewpoints, opinions and backgrounds are supported in conjunction with a shared vision and core values. Our dynamic leaders ensure Tortoise’s diverse voices are heard and that the broader concerns of our investment community are represented. We continue to strive to increase diversity of employees by enhancing recruiting and mentoring efforts as well as partnering with diverse organizations. 20% of our executive committee and 40% of our closed-end fund board are comprised of female executives. We are proud to say that 31% of our staff is female.

As a board member, I have the opportunity to guide Tortoise in making thoughtful, sustainable and innovative decisions that benefit investors.

Jennifer Paquette,
Tortoise Closed-End Fund Independent Board Member

Rigorous Governance

Tortoise is committed to strong operational and financial performance and environment, social and governance practices. Our Executive Committee is made up of five senior leaders from across the company, representing various job functions. This group sets the strategic plan for the firm taking into account all facets of the business. The Business Management Council is a cross-functional group of leaders from various business functions focused on how to execute on the firm’s goals in the most effective and efficient way. The Tortoise Investments Board of Directors has one independent board member and the Closed-End Fund Board of Directors is majority-led by independent board members.
Professional Development

Leadership Coaching
Tortoise places a high priority on helping employees develop professionally and provides a dedicated and individualized leadership development program that aligns with Tortoise’s business objectives, mission, values and culture.

Teaching Tortoise
The Teaching Tortoise training initiative offers courses designed for newly hired employees but beneficial and available as a refresher to all Tortoise employees.

Courses include:
- An introduction to Tortoise with CEO Kevin Birzer
- Talking Tortoise: Positioning the Tortoise brand
- Global portfolio manager investment panel discussions
- An overview on essential assets

Education Reimbursement
Tortoise reimburses employees for many educational expenses relevant to obtaining an advanced degree, designation, or certificate relative to the business operations of Tortoise. Tortoise has 45 Chartered Financial Analyst charterholders on staff.

“\nAt Tortoise, we believe the more we contribute to our staff’s desire to learn, the more we will impact an employee’s contribution to Tortoise’s success.\n
Mary Meacham, Tortoise Chief People Officer

As of 12/31/2019.
Health and Well-being

Benefits
At Tortoise, the center of our culture is our focus on employees. We invest significantly in our benefits plans to ensure we can provide best-in-class offerings and the highest level of care and coverage.

Tortoise’s holistic benefits offerings include:
• Quality medical and dental care coverage with the majority of costs covered by Tortoise
• High deductible health savings plan with an up-front annual employer contribution and no employee contribution required
• 100% paid premiums for short-term disability, long-term disability and family life insurance
• Paid leave for new parents
• Identity theft protection to help employees protect their personal information
• Flexible work-from-home policy and summer hours, allowing for early Friday afternoon departures
• ‘Dress for your day’ dress code

Wellness Program
Our wellness program ties to our culture objective to foster a workplace that educates and inspires Tortoise employees to live a healthier life and find balance of body and mind.

Our package of wellness offerings include:
• Private on-site lactation area
• Fresh fruit, teas and other healthy snacks
• Fitness subsidy
• Shower and changing facilities as well as bicycle racks to encourage exercising and biking to work
• Office locations are in neighborhoods that encourage walkability to restaurants and shopping
• Participation in walking challenges and support for charitable walks and races
• Annual on-site flu shots
• Free 24-hour confidential employee assistance program
Culture TEAM

Tortoise’s culture is in its DNA and has been from the beginning. It has sustained us and it’s a component of how we’ve survived and flourished through market downturns.

Tortoise is intentional about maintaining and strengthening a culture that inspires and motivates employees and sets Tortoise apart. Tortoise’s Culture TEAM (Tortoise - Experience - Advancement - Motivation) is led by a diverse, cross-functional team focused on fostering a positive workplace and improving employee motivation and retention. The TEAM oversees a variety of company activities to enhance comraderie across the firm, including major league sports ticket giveaways, holiday parties, happy hour events, book club activities and family gatherings. They also recognize and distribute employee anniversary and holiday gifts.
Giving is deeply rooted in our culture.

Our goal is to offer employees opportunities to give back both monetarily and through volunteer work. We believe that those who give back to their communities flourish as employees and as citizens.
The Tortoise Foundation’s vision is to change communities by empowering individuals to create opportunities to help themselves and those around them. The primary focus is to serve disadvantaged individuals and families through organizations where our financial donations and volunteer efforts have a meaningful impact, and specifically where our employees are actively involved. The Foundation’s board is comprised of five associates from across the organization who commit to three-year terms. They review quarterly employee grant requests and select those that provide individuals and communities the opportunity to improve, grow and flourish. The Foundation supports volunteer and charitable events across the organization and its geographies.

Volunteer Efforts

We embrace a culture of community service and encourage our employees to maximize opportunities to make an impact. Our support ranges from homegrown community programs to global causes that will make an impact on future generations. Employees are given two volunteer days of paid time off to make a difference in their local communities.
The Giving Grove
Tortoise employees enjoy annual opportunities to help revitalize communities by planting community fruit and nut tree orchards. Their sweat equity supports The Giving Grove, a non-profit organization that assists Kansas City metropolitan low-income communities improve food security by developing and planting ecological and sustainable tree gardens that transform neighborhoods and provide residents with healthy food choices.

Shoes That Fit
Shoes That Fit tackles one of the most visible signs of poverty by giving kids in need new athletic shoes to attend school with dignity and joy. Tortoise employees purchased more than 100 pair of shoes for children in need.

STL World Food Day
Tortoise St. Louis team members package meals that help feed hungry children and families in local and international communities to commemorate St. Louis World Food Day. With the community’s help, the organization’s goal is to package more than 400,000 meals in a single day.

Shatterproof
Supporting those devastated by addiction is a cause close to Tortoise’s heart. From 5K running races, rappelling off 35-story buildings to mountain bike racing, employees have raised funds for Shatterproof’s important work of changing laws, helping families, transforming treatment and saving lives.
**Big Brothers Big Sisters of Kansas City**

Big Brothers Big Sisters of Kansas City (BBBSKC) helps children reach their full potential through professionally supported, one-to-one friendships with measurable, positive impact. BBBSKC stresses that their 1300+ matches between Kansas City-area “Bigs” and “Littles” can change the future for young people.

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**Happy Kits for Kids**

Tortoise interns help prepare activity kits to bring a little comfort and joy to young patients staying at Children’s Mercy Hospital.

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**Becky’s Warriors**

Team Tortoise enjoyed the 2019 Becky’s Warriors Golf Outing. The event raised over $20k to help Marian Catholic High School (Chicago Heights, IL) families who are fighting a cancer battle.

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**HopeBUILDERS**

A Tortoise team assisted with a ramp project for HopeBUILDERS, a 501c3 nonprofit that exists to help financially challenged elderly, veterans and people with disabilities in the Kansas City Metro area live in safety, comfort and dignity. They do this by providing accessibility solutions (ramps, door widenings, and bathroom modifications) and other critical home repairs. Through these projects, they help residents age in place.
We are pleased to award scholarships to these deserving recipients for their educational pursuits. These students have demonstrated tremendous entrepreneurial spirit, one of Tortoise’s core values and a key component of the firm’s history and future.

Kevin Birzer, Tortoise Chief Executive Officer
At Tortoise, we are committed to providing first class service to our clients, staff and community. As the world around us transforms, we hope to make a significant impact and help shape lasting change for future generations.

Learn more about how Tortoise is making an impact by visiting our website: tortoiseadvisors.com/about/making-an-impact