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March 17, 2020

**Welcome to the Tortoise podcast. Thank you for joining us. Today, Tortoise provides a timely update on trending topics in the market.**

Hello and welcome to a special Tortoise closed end fund podcast. I'm Tortoise Director Greg Murphy and joining me today is Tortoise Managing Director and Closed End Fund CEO Brad Adams. Welcome back Brad and thanks for joining again. We did an update together about a week ago and it is remarkable how volatile the trading has remained both in the broader market and in the Tortoise Funds.

Hey Greg, glad to be back on the podcast with you. Definitely unprecedeted times we are all experiencing, no question.

Brad, as you know, we've fielded an enourmous number of questions from investors over the last week from investors over the last week. Today we are hoping to address some of the FAQs from those calls and provide as much transparency as possible. So with that, let's go ahead and get started. Sounds good.

Perfect, lots of various questions regarding the leverage in the closed end fund. Maybe first things first we can touch on, the leverage for all the Funds has been updated on our webpage, for reference [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com). Can you summarize what investors are going to see when they click on the leverage summary tab for each Fund?

Sure. For TYG, NTG and TTP, in the leverage summary section for each fund we show the actual amount of leverage outstanding as of 3/13/20. This number does not reflect cash on the balance sheet that can be used to redeem leverage in short order. Below the leverage summary we show the 1940 act coverage ratios. These ratios are proforma to include security trades executed last Friday, as well as utilizing cash on the balance sheet to redeem outstanding debt. All 3 funds are passing the 40 act test on a proforma basis as of 3/13/20.

Thanks Brad, on our podcast last week we went through the calculations of all of those coverage numbers that you just mentioned pretty thoroughly. One thing I noticed about the recent update was a small nuance in the disclosure on the calculation of the debt plus preferred stock. In some places I saw 225% in other places I saw 200%. Can you help us understand the nuance difference there?

Absolutely, Lender covenants for the preferred stock require that the funds have 225% coverage on debt plus preferred at month-end. As of 3/13/20 on a proforma basis, TYG and NTG were a bit under the debt and preferred test with TTP over the 225% level. If a fund is not at 225% at month-end, the fund has 30-days to reach that level. The coverage ratio can be increased by the appreciation of the underlying portfolio investments, as well as by reducing outstanding leverage.

Thanks Brad that's helpful.

I know that the debt and the preferred stock is rated by Fitch. Can you just give us an update and tell us a little bit more about the rating agency?

Sure. The private placement debt and preferred stock in TYG, NTG and TTP, is rated by Fitch. There is a basic maintenance requirement tied to the debt rating as well as the preferred rating. We report the maintenance requirement information to Fitch weekly, and they use this information, as well as many other factors, to determine the current ratings they assign to the debt and preferred. Fitch recently updated their ratings on the debt to single A and the preferred to triple BBB. Again, the ratings on the funds are for the benefit of the debt holders and preferred stockholders.

Thanks Brad.

If investors are curious and want to understand current leverage, market prices, and NAV in more of a historical context, what resources do we make available to investors on that front?

We have a significant amount of the historical data for all the funds on the webpage. On the leverage tab for each fund we provide a chart of leverage going back to the IPO of each fund. On the performance tab we have historical market prices and NAVs. For those interested in historical distributions from the fund, those are provided on the Distribution tab as well.

That's helpful to understand and appreciate that. We get a lot of questions about leverage of competing funds. Do you have any comments on leverage levels across the space?

Greg, that's really tough to know, but there are probably some general comments I can make on that. We know there are some out flows from open-end funds and ETFs during this volatility in addition to deleveraging sales from some CEFs we know this has to be driving selling in the space. From everything our portfolio team is talking about, the market prices are extremely decoupled at this point from the underlying fundamentals of the securities we hold in the portfolios.

Brad If investors want to know more about fundamentals in the space, the stress testing our portfolio team is doing on the companies in the funds, and how the markets may have responded during similar market dislocations in the past, what resources do we have available for them from Tortoise?

I always point investors to our Tortoise podcasts. Our team does their best to keep investors really up to date on the market and issues impacting energy. Our PM Brian Kessens posted a great podcast yesterday addressing all the topics you just mentioned. Investors can access the podcasts through our webpage or wherever they get their podcasts.

Thanks Brad, that's helpful. We plan to continue these special closed end fund podcasts as markets and investor interest warrants. With that I think it's time to wrap up for today. I know you're busy, so thanks for stopping by.

Thanks, Greg, and as you said we will be with another update soon. Thanks Brad.

**Thank you for joining us. And stay tuned for our next cast. Have topics you want covered or other feedback to share? Write us at [info@tortoiseadvisors.com](mailto:info@tortoiseadvisors.com).**

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