



TNGY: Tortoise Energy Fund

A modern approach to income
from the full value energy chain



Introduction

The U.S. energy sector is evolving.

What was once driven by capital-heavy exploration and production has evolved into a more disciplined, income-oriented sector. Today's energy value chain includes not only traditional oil producers, but also natural gas, liquefied natural gas (LNG) export terminals, utilities, energy credit, and gas infrastructure companies.

These real assets are essential to powering global economic growth, modernizing electrical grids, and meeting the rising demand from emerging technologies like AI and data centers.

TNGY is designed to provide diversified access to this evolving sector. By combining equity and credit exposures with an active, forward-looking strategy, it seeks to capture the potential income, resilience, and inflation mitigation offered by the modern energy sector.



Key Structural Themes

Digitization Drives Demand

Across the global energy sector, long-term trends are reshaping how investors view traditional energy assets. One of the most powerful shifts is the **dramatic rise in electricity demand**—particularly from the growth of data centers and AI infrastructure. For the first time in decades, U.S. electricity use is set to rise meaningfully, driven by digitization and electrification trends that demand stable, scalable power sources.

TNGY addresses this by allocating to natural gas producers and infrastructure, which serve as foundational support for reliable grid power. Holdings in utilities and transmission companies help position the fund for the modernization and resilience of the U.S. power grid.

Global Energy Access and Opportunity

At the same time, global energy access remains an imperative. With more than a billion people lacking access to electricity, the need for scalable, cost-effective energy remains central to economic development.

TNGY includes companies tied to the U.S. LNG export buildout, reflecting the fund's **alignment with rising global demand** for secure, cleaner-burning fuel. LNG terminals, natural gas liquids (NGL) logistics operators, and energy infrastructure facilitators of cross-border energy trade represent core exposures within the portfolio.

Resilience in an Inflationary Environment

Inflation sensitivity is also a critical consideration. Many energy and utility infrastructure companies operate under long-term contracts with inflation-linked pricing mechanisms. Through positions in fee-based energy infrastructure assets and utilities, TNGY provides exposure to cash flows that may **offer stability in periods of persistent inflation**.

The inclusion of energy credit—both investment grade and high-yield—further this objective by adding fixed income stability and yield potential without over-relying on equity beta.



Taken together, these themes are more than theoretical narratives.

They actively inform the portfolio construction and asset selection within TNGY, supporting a diverse, income-seeking strategy that reflects the next phase of energy sector evolution.

Strategic Energy Exposure for Today's Market

TNGY is designed to reflect the realities of today's energy sector: diverse, income-oriented, and responsive to long-term global trends. For advisors seeking exposure to real assets with built-in flexibility, transparent tax treatment, and disciplined portfolio management, TNGY presents a structured approach to energy investing in a changing world.

Where TNGY Fits in a Portfolio

Income-focused Flexibility

TNGY offers a solution across a wide range of portfolio strategies by addressing some of the most common challenges facing investors today. In income-focused portfolios, it seeks to serve as a **consistent, high-yielding component** drawing from both equity and credit exposures, while its real asset underpinnings provide natural inflation sensitivity.

For diversified models, TNGY introduces an energy allocation that spans traditional and emerging infrastructure, avoiding the narrow concentration typical of oil-heavy benchmarks.

A Stabilizing Hybrid for 60/40 Portfolios

In 60/40 portfolios seeking to hedge rate risk and introduce alternative yield sources, TNGY's combination of fixed income and dividend-producing assets may act as a **stabilizing, equity-income hybrid**.

The ETF structure, with 1099 reporting and no K-1s, also makes it an accessible and tax-aware choice for retirement accounts and platforms seeking ETF liquidity and transparency.

These qualities make TNGY a versatile building block for advisors constructing durable, forward-looking allocations.



High-yielding equity + credit exposures

Real asset inflation sensitivity

Diversified beyond oil



Fixed income + dividend yield

Stabilizing hybrid for 60/40 portfolios

Tax-aware, 1099-friendly ETF

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Why TNGY?

Full Energy Value Chain Exposure

- Upstream (E&P), Infrastructure (Pipelines & Terminals), Downstream (Utilities)
- Energy-related credit (investment grade & high yield)
- Combines equities, preferreds, and bonds for risk-adjusted yield

Income-focused with Tax Efficiency

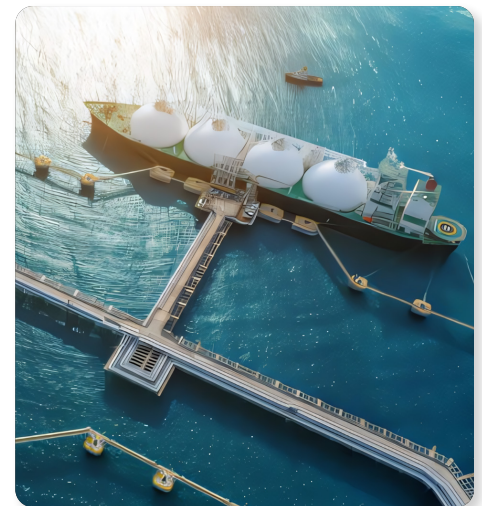
- Distributes a mix of dividends, interest, and Return of Capital (ROC)
- Uses covered calls to enhance yield
- No K-1s, no Unrelated Business Taxable Income (UBTI), and active tax management

Portfolio Flexibility

- Can shift across sectors and asset classes
- Tactical use of fixed income (0%–50%) for downside mitigation
- Non-diversified structure allows high-conviction positions within Registered Investment Company (RIC) limits

Fund Overview

Ticker	TNGY
Fund Type	Actively managed ETF
Objective	Current income and long-term capital appreciation through broad energy investing
Structure	RIC (1099, no K-1s, no UBTI)
Distribution	Quarterly
Expense Ratio	0.85%
Inception	12/30/2010 (converted to ETF on 6/16/2025)



How TNGY Differs

Feature	TNGY	XLE/VDE	AMLPL
Strategy	Active	Passive	Passive
Structure	RIC (1099)	RIC (1099)	C-Corp (K-1)
Focus	Broad Energy	Upstream-heavy	Infrastructure MLPs only
Yield Strategy	Enhanced income	Low dividend	Moderate w/ tax drag
Tax Efficiency	Yes	Yes	No

*See Important Information at the end of this document for Additional Comparison Considerations.

Portfolio Management Team

TNGY is managed by a senior team of portfolio managers with deep expertise across the energy and infrastructure landscape.



Matthew Sallee, CFA

Executive Vice President,
Head of Investments



Robert Thummel

Senior Portfolio Manager



James Mick, CFA

Senior Portfolio Manager



Brian Kessens, CFA

Senior Portfolio Manager

The team includes James Mick, Rob Thummel, Brian Kessens, and Matt Sallee—each bringing years of investment experience through multiple market cycles.

Together, they oversee strategy implementation, security selection, and risk management across the portfolio. Their tenure through the 2008 financial crisis, the 2014 to 2016 oil downturn, and the 2020 energy shock reflects a disciplined approach to navigating both commodity and macro-driven volatility.

This consistent leadership is backed by the broader Tortoise Capital platform, a recognized specialist in listed and private energy and infrastructure strategies.

The team's integrated approach blends top-down macro views with bottom-up security selection, supported by proprietary risk models and sector-specific research.

What is TNGY and how is it different from traditional energy ETFs?

TNGY is an actively managed ETF designed to deliver current income and long-term capital appreciation from a broad mix of energy and utility assets. Unlike passive ETFs that may be heavily tilted toward oil producers, TNGY spans upstream, infrastructure, downstream, and energy credit—offering balanced exposure across the full value chain.

How does TNGY generate income?

The fund distributes a mix of dividends from equities, interest from bonds, and premiums from covered call writing. Its RIC structure allows it to do so without issuing K-1s, enhancing accessibility and tax efficiency for most investors.

Why does TNGY include fixed income in an energy ETF?

Fixed income holdings in energy credit provide potential yield enhancement and downside mitigation, especially during equity drawdowns. These positions also access non-public energy issuers, increasing diversification.

How does TNGY manage tax efficiency?

TNGY is a RIC-structured ETF and uses in-kind redemptions to minimize capital gains. It has not distributed a capital gain since 2014 and currently carries forward over \$275 million in capital loss carryforwards.

Who manages TNGY and what is their track record?

The fund is managed by the Tortoise Capital team, which has overseen energy strategies since 2002. The same portfolio managers have guided this strategy through multiple market cycles, including the 2008 financial crisis, the 2014 oil collapse, and the 2020 COVID-19 shock.



Important Information

Tortoise Capital Advisors, LLC. (TCA) is the adviser to the Tortoise Energy Fund. TCA is an investment manager specializing in listed energy investments and is experienced in managing portfolios of MLP securities and other energy companies for individual, institutional and closed-end fund investors.

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) 994-4437 or visiting etp.tortoisecapital.com/funds/tortoise-essentialenergy-fund. Read it carefully before investing.

Additional Comparison Considerations

Investment objectives and strategies will vary greatly among individual ETFs. Before making an investment decision, it's important to check the fund's prospectus or offering memorandum for factors such as investment objectives, costs and expenses, liquidity, fluctuation of principal or return, and tax features. All investments contain risk and may lose value. References to comparison funds are for illustrative purposes only and are not intended as recommendations to buy or sell any securities. To obtain a prospectus containing important fund information for the products referenced, please view/download a prospectus here: [XLE](#), [VDE](#), [AML](#)

Shares of exchange-traded funds (ETFs) are not individually redeemable and owners of the shares may acquire those shares from the ETF and tender those shares for redemption to the ETF in Creation Units only, see the ETF prospectus for additional information regarding Creation Units. Investors may purchase or sell ETF shares throughout the day through any brokerage account, which will result in typical brokerage commissions.

Investing involves risk. Principal loss is possible. The fund is registered as a non-diversified, open-end management investment company under the 1940 Act.

Accordingly, there are no regulatory limits under the 1940 Act on the number or size of securities that we hold, and we may invest more assets in fewer issuers compared to a diversified fund. An investment in MLP securities involves some risks that differ from the risks involved in an investment in the common stock of a corporation, including risks relating to the ownership structure of MLPs, the risk that MLPs might lose their partnership status for tax purposes and the risk that MLPs will not make distributions to holders (including us) at anticipated levels or with the expected tax character.

We may invest a portion of our assets in fixed income securities rated "investment grade" by nationally recognized statistical rating organizations ("NRSROs") or judged by our investment adviser, Tortoise Capital Advisors, L.L.C. (the "Adviser"), to be of comparable credit quality. Non-investment grade securities are rated Ba1 or lower by Moody's, BB+ or lower by S&P or BB or lower by Fitch or, if unrated, are determined by our Adviser to be of comparable credit quality. Investments in the securities of non U.S. issuers may involve risks not ordinarily associated with investments in securities and instruments of U.S. issuers, including different accounting, auditing and financial standards, less government supervision and regulation, additional tax withholding and taxes, difficulty enforcing rights in foreign countries, less publicly available information, difficulty effecting transactions, higher expenses, and exchange rate risk.

Restricted securities (including Rule 144A securities) are less liquid than freely tradable securities because of statutory and contractual restrictions on resale. This lack of liquidity creates special risks for us. Rule 144A provides an exemption from the registration requirements of the Securities Act of 1933 (the "1933 Act"), for the resale of certain restricted securities to qualified institutional buyers, such as the Fund. We cannot guarantee that our covered call option strategy will be effective. There are several risks associated with transactions in options on securities. For example, the significant differences between the securities and options markets could result in an imperfect correlation between these markets. Certain securities may trade less frequently than those of larger companies that have larger market capitalizations.

Risks include, but are not limited to, risks associated with companies owning and/or operating energy pipelines, as well as master limited partnerships (MLPs), MLP affiliates, capital markets, terrorism, natural disasters, climate change, operating, regulatory, environmental, supply and demand, and price volatility risks. The tax benefits received by an investor investing in the fund differ from that of a direct investment in an MLP by an investor. The value of the fund's investment in an MLP will depend largely on the MLP's treatment as a partnership for U.S. federal income tax purposes. If the MLP is deemed to be a corporation then its income would be subject to federal taxation, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. Investments in non-U.S. companies (including Canadian issuers) involve risk not ordinarily associated with investments in securities and instruments of U.S. issuers, including risks related to political, social and economic developments abroad, differences between U.S. and foreign regulatory and accounting requirements, tax risk and market practices, as well as fluctuations in foreign currencies. The fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. Shares may trade at prices different than net asset value per share. A master limited partnership (MLP) is a limited partnership investment vehicle that is traded on public exchanges. MLPs are traded in units rather than shares and consist of a general partner and limited partners. There are certain tax advantages as well as opportunity for more liquidity.

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. Returns include reinvested dividends. A master limited partnership (MLP) is a limited partnership investment vehicle that is traded on public exchanges. MLPs are traded in units rather than shares and consist of a general partner and limited partners. There are certain tax advantages as well as opportunity for more liquidity. Active share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. Beta is the covariance of manager and benchmark divided by the variance of the benchmark. Beta is a measure of systematic risk, or the sensitivity of a manager to movements in the benchmark. A beta of 1 implies that you can expect the movement of a manager's return series to match that of the benchmark used to measure beta. A 60/40 portfolio is an investment strategy that allocates 60% of the portfolio to stocks and 40% to bonds.

Diversification does not assure a profit or protect against a loss in a declining market. The Fund expects to pay out dividends based on the Fund's distributable cash flow which generally represents dividends and distributions from equity investments, interest from debt securities and net premiums from options, less expenses. To the extent distributions exceed net investment income, they will be classified as return of capital and Fund shareholders would experience a reduction in the basis of their shares, which may increase the capital gain or reduce capital loss realized upon the sale of such shares. There is no guarantee that the Fund can or will pay distributions.

Nothing on this brochure should be considered a solicitation to buy or an offer to sell any shares of the portfolio in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction. Nothing contained in this communication constitutes tax, legal or investment advice. Investors must consult their tax advisor or legal counsel for advice and information concerning their particular situation.

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