Tortoise Tax-Advantaged Social Infrastructure Fund (TSIFX)

4Q 2019 QUARTERLY COMMENTARY

Fund update

The fund returned 0.02% to investors in the fourth quarter, which was comprised of 1.32% through distributions and -1.30% in NAV performance. The income-oriented strategy continues to manifest itself in a return profile that demonstrates distributions as the primary source of return. 2019 performance was 4.11%, of which 4.82% was derived from income.

The NAV decline in December was attributed to several loans experiencing a decline in value as the operator of the projects is running slightly behind the original schedule. We view this as a temporary decline that will be recaptured over time as they achieve the underwritten targets.

Platform update

Through 2019, the broader social infrastructure platform has invested in 46 facilities totaling more than $295 million, with an average deal size of $6.4 million per facility. As the platform continues to grow, Tortoise is prepared to add personnel to the already strong team in multiple areas, including origination, credit research, and surveillance analysis.

Making an impact

Social infrastructure is an essential asset whose worth extends beyond basic economic function. At Tortoise, we structure investments that seek to improve the quality of life for residents in their respective communities. As part of our portfolio management process, we gather statistics, which demonstrate the impact that these investments can make.

Through 2019, the investments the Tortoise social infrastructure platform has closed have provided education to more than 8000 students, 79% of whom belong to underserved minority groups and 92% of which participate in the National School Lunch Program. Additionally, 2780 seniors have been provided housing through independent and assisted living facilities or memory care units. Finally, the platform has structured a debt investment in a sustainable packaging project in Vonore, TN. The proceeds will be used to convert and equip a facility designed to produce biodegradable paper and molded fiber packaging products from locally-sourced high-yield conservation crops and agricultural biomass. This will reduce the use of plastic and Styrofoam and limit landfill waste.

Market update

Market volatility rose during the third quarter, with two Federal Open Market Committee (FOMC) rate cuts, trade war uncertainty, a global manufacturing slowdown, and a subsequent relief rally. After a relatively benign July, market fears escalated in August as data showed declining manufacturing activity in Europe and the rest of the world, inflation expectations eased, and the trade war between the U.S. and China escalated. The U.S. Treasury yield curve inverted between the 2-year and 10-year maturities for the first time since 2007 and interest rate volatility spiked to levels not seen since early 2016. Sentiment shifted in September after the Fed lowered their target rate to a range of 1.75% to 2.0% and messaged that they would continue to 'act appropriately" to sustain the economic expansion. With the stimulative language from the Fed and a de-escalation of the tone surrounding the trade war, market sentiment improved and the 10yr Treasury rebounded from a low of 1.46% in early September to close the period at 1.67%. The curve returned to a positive slope, and stocks returned to levels near all-time highs. Going forward, interest rates are likely to remain volatile, sensitive to market sentiment and influenced by global central bank policy in our opinion. We believe a low duration, income-oriented approach bodes well for the strategy in this environment.

Investment highlights

- Investment objective is to seek to generate attractive total return with an emphasis on tax-advantaged income
- Exposure to social purpose providers and 501(c)(3) organizations focusing on social infrastructure
- Focus on directly originated credit securities
- Seeks to capitalize on market inefficiencies where there is capital dislocation

Key reasons to invest

- Compelling market opportunity potential
- Attractive after-tax return potential, including tax-advantaged income
- Seeks diversification through generally uncorrelated alternative assets
- Shorter expected duration in a rising interest rate environment
- Experienced team

Structure highlights

- Seeks to capture illiquidity premium of private investments
- Provides transparency of registered fund
- Daily mark-to-market valuations
- Low minimum investment
- 1099 tax treatment
- Scalability to clients

Deal summaries

Deal 1: St. James Christian Academy

The first new deal is St. James Christian Academy, a successful existing private school located in Fort Pierce, FL that is acquiring and renovating one of the facilities it is currently leasing. This location, known as the "Synergy School of Tomorrow Campus," will house grades seven through twelve. St. James Christian Academy currently enrolls nearly 700 students and is expected to grow to more than 1,000 students within three years as a result of this investment. More than 90% of students at this school receive full scholarships from the state of Florida's Step Up For Students program, which provides students with disabilities and those from lower income families the option to attend private schools that can better serve their needs.

This investment will allow St. James Christian Academy to take ownership of the property, which was formerly a for-profit university campus. The school will also convert more of the facility into educational space, expanding its reach within the community. The 75,000 square foot building includes multiple specialty classrooms, including a culinary lab, cosmetology area and pharmacy/medical tech labs. This acquisition includes all furniture and equipment within the facility, allowing St. James Christian Academy to provide a more diverse offering of educational programs.

Investment details

Series A

- **Investment type:** debt; senior secured bonds
- **Investment size:** $4.46 MM
- **Coupon/tax status:** 8.75% / tax-exempt
- **Maturity date:** October 1, 2029 with optional put on January 31, 2024
- **Yield to worst:** 9.0%

Series B

- **Investment type:** debt; senior secured bonds
- **Investment size:** $0.4 MM
- **Coupon/tax status:** 12% / taxable
- **Maturity date:** October 1, 2029 with optional put on January 31, 2024
- **Yield to worst:** 11.9%

Deal 2: Fort Collins Montessori School

The second is Fort Collins Montessori School (FCMS), an existing charter school located in Fort Collins, CO that will use the funding to construct a new campus not far from its current locations. FCMS currently enrolls 151 students in prekindergarten through sixth grade. Once completed, the school will relocate all operations to the new single-site campus, which has a projected capacity of 310 students. FCMS currently operates out of two leased campuses and has not only reached capacity at each site, but has had to turn away more than 100 students each year. The newly constructed campus includes the permanent building, which totals 15,757 square feet, and two modulars totaling 2,880 square feet. The design will allow for 12 classrooms, which is more than adequate to serve the current and projected student populations.

FCMS fully embraces the Montessori curriculum, including having the AMI (Association Montessori

International) designation. The school pays for ongoing regular training for staff and teachers to maintain this accreditation. FCMS is the only public Montessori-focused school within the Poudre School District, which spans the entire city of Fort Collins. Even with its differentiated curriculum, FCMS has consistently outperformed the state's median test scores.

Investment details

Series 2019

- **Investment type:** debt; senior secured bonds
- **Investment size:** $5.70 MM
- **Coupon/tax status:** 7.3% / tax-exempt
- **Maturity date:** Dec. 1, 2029 with optional put on Jan. 31, 2024
- **Yield to worst:** 8.4%

Follow-on investments

Follow-on investment 1: La Sonora at Dove Mountain

The first follow-on investment was to continue funding the construction of La Sonora at Dove Mountain, a 142 unit senior living facility in Marana, AZ, outside of Tucson that offers independent living, assisted living, and memory care. This project is being funded in phases, and this was the third planned funding phase. One more phased funding is scheduled to support completion of construction and ramp up of the project. The project is currently proceeding on time and within budget, with an expected opening date in the summer of 2020.

Investment details

Series A
- **Investment type:** debt; senior secured bonds
- **Investment size:** $5.80 MM
- **Coupon/tax status:** 6.4% / tax-exempt
- **Maturity date:** February 1, 2026 with a tender option at year five
- **Yield to worst:** 6.4%

Series B
- **Investment type:** debt; subordinated bonds
- **Investment size:** $0.82 MM
- **Coupon/tax status:** 9.65% / tax-exempt
- **Maturity date:** February 1, 2026 with a tender option at year five
- **Yield to worst:** 9.6%

Follow-on investment 2: Athenian Academy

The next follow-on investment funded the second of a series of three scheduled investments into Athenian Academy, a charter school project located in Fort Myers, FL, and is being used to continue construction of the school campus. Athenian Academy opened its doors in fall 2018 at a leased location, serving students in kindergarten through eighth grade. It moved into its current location, which was funded with the first round of investment, in fall 2019. This round of investment proceeds is being used to fund construction of a 68,950 square foot building on ten acres of land that will include an airnasium, soccer field and playground.

Investment details

Series A
- **Investment type:** debt; senior secured bonds
- **Investment size:** $6.50 MM
- **Coupon/tax status: 8.5%** / tax-exempt
- **Maturity date:** July 1, 2049
- **Yield to worst:** 8.5%

Follow-on investment 3: MaST Community Charter School III

The final follow-on investment was for the second and final phase of construction for MaST Community Charter School III, located in Philadelphia, PA. Investment proceeds are being used to complete the renovation of the building and grounds with upgrades to accommodate more students, as well as building a gym. MaST opened in fall 2019 with an enrollment of 900 students in kindergarten through fifth grade, which was its maximum capacity during its first year. Its strategic plan includes growing the charter school to serve students in kindergarten through ninth grade by the 2023-2024 school year, with an enrollment of 1,300 students.

Investment details

Series A
- **Investment type:** debt; senior secured bonds
- **Investment size:** $5.50 MM
- **Coupon/tax status:** 6.5% / tax-exempt
- **Maturity date:** June 15, 2054
- **Yield to worst:** 6.5%

Market outlook

Risk-on is a term that accurately describes broad market sentiment during the fourth quarter of 2019. U.S. Treasury yields maintained their trend higher off the lows of early-September, credit spreads compressed further, and the S&P 500 continued its ascension of repeatedly setting record highs. The tone was largely set by the Phase One Trade Agreement with China coming to fruition. Additionally, stimulative efforts from the FOMC proved supportive as the Fed performed more than $400 billion in open market operations to maintain liquidity in short-term funding markets and also implemented the third rate cut of 2019 during its October session. In the accompanying statement, rationale for the cut was attributed to weak business fixed investment and low inflation expectations as rationale. The 10-year U.S. Treasury yield declined form 2.69% to 1.92% during the year and fixed income investors were rewarded for duration. After a year of above average returns for both equities and fixed income, a repeat of this outcome is unlikely to persist in 2020. After the stimulative activities of 2019, investor focus is likely to turn towards fundamentals with the desire being an observed improvement in business sentiment and fundamentals. We maintain that an uncorrelated, income-oriented strategy with cash flows driven by acyclical sectors serves as a diversifying source of alpha in broad portfolios.

Our outlook for each sector within social infrastructure remains positive. As campaigns for 2020 elections have intensified, school choice in general, and charter schools specifically, have received increased media attention. In this politically charged atmosphere, it is worth noting that a recent national poll indicated that a significant majority of voters support some form of school of choice (69%) with the overwhelming majority of african-american voters indicating it is an "important priority." In some faster-growing states, a number of school district superintendents have acknowledged they would be unable to meet increasing enrollment without the growth of charter public schools. New issues of public, tax-exempt bonds for charter public schools were hit an all-time high in 2019 with par value in excess of $3.1 billion. This included more than $450 million of higher risk, single-investor projects. Volume in the fourth quarter alone was approximately $1.3 billion in par value completed across 40 separate offerings. It is worth noting that chartering laws across the nation do not require school districts or municipalities to provide school buildings for charters, making access to facilities one of the greatest challenges faced by charter school leaders. With less than 10% of charter schools having ever accessed the public tax-exempt bond market, and resistance to purchasing bonds for early-stage charter schools by many of the large, high-yield bond funds, Tortoise believes the unmet demand for private, single-investor capital for charter school facilities to be at least as large as today's public market for charter school bonds. Tortoise will continue to seek out high-quality and high potential charter schools and selectively invest.

According to the National Investment Center for Seniors Housing and Care (NIC) which is particularly focused on for-profit communities, the national market occupancy for senior housing increased to 88.0% in the fourth quarter of 2019, up from 87.9% in third quarter and up from the low of 87.7% in the second quarter of 2019 which was its lowest level in 8 years. While demand for senior housing remains strong across the country, we continue to see variation in occupancy across regional markets. San Jose, CA and New York City recorded the highest occupancy rates (95.7% and 91.3%, respectively), while Atlanta (82.7%) and Houston (82.5%) recorded the lowest. This variation by region highlights the importance of performing ample due diligence on each new deal and accounting for regional dynamics which could affect the performance of the investment.

Regardless of whether you're a for-profit or non-profit senior living provider, the local variation between market supply/demand seems to be widening while national construction continues to slow, which should help markets with oversupply over the long term.

We remain bullish in the senior living space, with demographic trends in our favor. NIC estimates that 881,000 additional units of senior housing inventory would be needed to serve seniors between 2019 and 2030. If you consider the typical senior living facility size of approximately 100 units, that's 8,810 different projects.

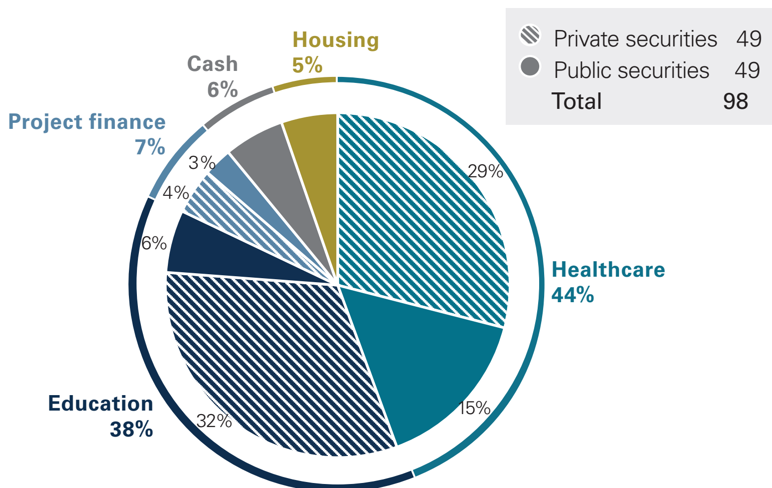
Performance (as of 12/31/2019)

	4Q 2019	1 year	Since inception*
TSIFX | Tortoise Tax-Advantaged Social Infrastructure Fund	0.02%	4.10%	3.33%

Note: For periods over one year, performance reflected is for the average annual returns. *The fund commenced operations on 3/26/2018.

Performance data shown is net of fees and reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling 855-TCA-Fund (855-822-3863) or visiting www.tortoiseadvisors.com.

Portfolio allocation[4] (as of 12/31/2019)



*Weighting is based on market value.

Portfolio statistics
(as of 12/31/2019)

Duration[1]	1.47 yrs
Gross yield to worst[2]	6.42%
Gross current yield[2]	6.85%
30-Day SEC Yield (unsubsidized)[3]	5.33%
30-Day SEC Yield (subsidized)[3]	5.39%

Distribution
(as of 12/31/2019)

Distribution rate[5]	5.29%

Fees
(as of 12/31/2019)

Gross expense ratio[6]	2.18%
Net expense ratio[6,7]	1.71%

[1] Effective duration is a measure of the price sensitivity of bonds with embedded options (e.g., callable bonds), to changes in benchmark yields. This measure of duration takes into account the fact that expected cash flows will fluctuate as interest rates change. Effective duration can be estimated using modified duration for bonds without option features.

[2] *Does not reflect the deduction of management fees and other fund expenses up to the expense cap. If management fees and expenses had been included, returns would be reduced. Yield to worst is the lowest yield an investor can expect to receive on a fixed income instrument under the assumption of a full recovery. In such a scenario, full consideration is given to all provisions available to both the issuer and debt holder, such as prepayments, amortization, calls, puts and maturity.*

[3] Reflects the deduction of management fees and other fund expenses up to the expense cap.

[4] Weighting is based on market value.

[5] Distribution rate is not performance and is calculated by annualizing the daily distribution per share for the preceding 3-month period and dividing it by the net asset value as of the reported date. This calculation does not include any non-income items such as loan proceeds or borrowings.

[6] Reflects the issuance of leverage representing 5.00% of the fund's total assets immediately after the incurrence of leverage, net of expenses, and the fund's currently projected annual interest on its leverage of 2.50%. The fund's actual interest costs associated with leverage may differ from these estimates.

[7] The advisor has contractually agreed to reimburse expenses of the fund so that certain of the fund's expenses will not exceed 0.25% of managed assets (annualized) through February 29, 2020. Under the advisory agreement, the advisor receives compensation of 1.25% of our daily managed assets for the services rendered on an annual basis. The adviser has voluntarily agreed to waive 0.40% of its 1.25% management fee thereby reducing the management fee to an annualized rate of 0.85% of the fund's average managed assets effective from Jan. 1, 2020 until March 31, 2020. 1.50% is the current expense cap, assuming no leverage in the fund. If the fund were to utilize leverage, the expense cap would be 1.63%. Net expense ratio is as of the most recent prospectus and is applicable to investors.

Tortoise Capital Advisors, L.L.C. is the adviser to the Tortoise Tax-Advantaged Social Infrastructure Fund.

Before investing in the fund, investors should consider their investment goals, time horizons and risk tolerance. The fund's investment objective, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contain this and other important information about the fund. Copies of the fund's prospectus may be obtained by visiting www.tortoiseadvisors.com or calling 855-TCA-FUND. Read it carefully before investing.

Investing involves risks. Principal loss is possible. The fund is suitable only for investors who can bear the risks associated with the limited liquidity of the fund and should be viewed as a long-term investment. The fund will ordinarily accrue and pay distributions from its net investment income, if any, once a quarter; however, the amount of distributions that the fund may pay, if any, is uncertain. There currently is no secondary market for the fund's shares and the advisor does not expect that a secondary market will develop. Limited liquidity is provided to shareholders only through the fund's quarterly Repurchase Offers for no less than 5% of the fund's shares outstanding at net asset value. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly Repurchase Offer. The fund invests in Municipal-Related Securities. Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal bonds to make payments of principal and/or interest. Changes related to taxation, legislation or the rights of municipal security holders can significantly affect municipal bonds. Because the fund concentrates its investments in Municipal-Related Securities the fund may be subject to increased volatility. Investments in debt securities typically decrease in value when interest rates rise. This risk is usually greater for longer-term debt securities. Investment by the fund in lower-rated and non-rated securities presents a greater risk of loss to principal and interest than higher-rated securities. The fund may invest in derivative securities, which derive their performance from the performance of an underlying asset, index, interest rate or currency exchange rate. Derivatives can be volatile and involve various types and degrees of risks. Depending on the characteristics of the particular derivative, it could become illiquid. The fund may utilize leverage, which is a speculative technique that may adversely affect common shareholders if the return on investments acquired with borrowed fund or other leverage proceeds do not exceed the cost of the leverage, causing the fund to lose money.

Basis point (bp) is a unit equal to 1/100th of 1% and is used to denote the change in a financial instrument.

Yield to worst is the lowest yield an investor can expect when investing in a callable bond.

Duration is a commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration. The municipal investments in the portfolio may be tax-exempt at the federal level, but taxes may still be applicable at the state and/or local level.

Diversification does not assure a profit nor protect against loss in a declining market.

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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