

Ecofin Sustainable and Social Impact Term Fund (TEAF)

As of June 30, 2022

Investment strategy

TEAF seeks to provide a high level of total return with an emphasis on current distributions. TEAF provides investors access to a combination of public and direct investments in essential assets that are making an impact on clients and communities.

Fund performance

Equity markets continued to be extremely weak during the second quarter as many of the same market headwinds we discussed at the end of the first quarter persisted throughout the quarter. Those included stubbornly high inflation, tighter global monetary policies, higher interest rates and increasing global geopolitical tensions. However, increasing global and U.S. recession risk was added to the list of headwinds during the quarter as the outlook for economic growth began to slow significantly. In our view, recession risk increased materially as a result of even more hawkish monetary policy from global central banks, higher energy prices and weakening consumer spending and sentiment. The shift from concerns around high inflation to recession risk put further downward pressure on broad equity markets during the quarter. TEAF held in well during the quarter with NAV falling 5.9% and an equity total return of -6.7%, relative to broader equities falling approximately 16.1% (measured by S&P 500).

Listed sustainable infrastructure equities were not immune to broader market headwinds during the quarter and were a slight drag on fund NAV. In addition to broader market headwinds,

companies with exposure to the U.S. renewables sector were under pressure as uncertainty around the U.S. Department of Commerce's (DoC) investigation into the potential circumvention of duties on Chinese panels (AD/CVD) led to a near total halt of solar development in the U.S. President Biden's intervention late in the quarter alleviated the near-term concerns but comprehensive renewables policy remains missing. On a positive note, many companies in the portfolio had a strong start to the year on the back of stronger generation volumes and higher electricity prices, as we had anticipated. This translated to a number of positive earnings revisions for many companies in the portfolio. The other good news is that renewables developers are seeing buoyant demand and have better pricing power as electricity prices in the most recent contracts more than offset equipment cost inflation. Overall, as we mentioned in the first quarter, the heightened policy support globally for energy security is translating into growth opportunities for the companies in the sector despite the DoC headwind mentioned above. We continue to hold a positive outlook for the sector as fundamentals continue to strengthen.

Listed energy infrastructure companies took a breather in the second quarter after a very strong start to the year. Fundamentals remain strong with elevated commodity prices and growing volumes in the U.S., specifically for natural gas infrastructure. The weakness in equity performance during the quarter was largely driven by increasing recession fears and potential demand destruction in a recessionary environment. The portfolio is significantly exposed to natural gas infrastructure and we do not expect a deterioration of fundamentals for the sector even during a recession. This is driven by the need for U.S. natural gas volumes to backfill lost Russian volumes in Europe. Liquefied natural gas (LNG) exports to Europe remain elevated and are essentially running at max capacity utilization at this time and we see the need for more U.S. LNG volumes over the coming years. This is evidenced by the growing number of contracted volumes for new LNG facilities signed during the quarter. Those contracts will support high utilization of not only LNG export facilities but transportation and storage infrastructure in the U.S. over the medium-to-long term.

Our social infrastructure and private sustainable infrastructure investments performed in-line with our expectations during the period. The private investments supported NAV during the quarter providing strong income for TEAF despite the equity market volatility. As intended in our portfolio construction process, the private investments provide uncorrelated returns and income generation.

We continue to progress on transitioning the portfolio to the targeted allocation of 60% direct investments. As of June 30, 2022, TEAF's total direct investment commitments were approximately \$126 million or approximately 50% of the portfolio.

Listed energy infrastructure

- Listed sustainable infrastructure equities were mixed during the quarter as inflation data and tighter monetary policy weighed on the generally rate-sensitive regulated utilities for a majority of the quarter. However, we did see some positive contribution in March as yield curves flattened in many major markets, a common indication of slower economic growth forecasts causing a rotation into defensive sectors such as regulated utilities.
- Generally strong earnings also encouraged sentiment and markets began to appreciate that the policy push towards European energy independence would materially accelerate the already substantial growth opportunity for utilities to develop incremental renewable capacity.
- Overall, the portfolio held in well due to the tactical exposure to names with positive exposure to power prices in Europe, regulated utilities which underperformed at the start of the year and to renewable developers.

Listed sustainable infrastructure

- Listed energy infrastructure equities lagged during the quarter after a strong start to the year. Increased recession concerns weighed on the sector.
- Fundamentals remain extremely strong with elevated commodity prices and stronger volumes supporting positive estimate revisions during the quarter.
- Demand for U.S. LNG remains strong with operating facilities exporting at full capacity and several new long-term contracts announced in recent months. The new contracts will support further buildout of LNG facilities in the U.S. supporting long-term demand for natural gas infrastructure.

Private social impact

- TEAF closed a debt investment during the quarter to fund a new senior living community in Galloway, New Jersey. The ~\$4 million investment will support the development and construction of a 130 assisted living and memory care units.

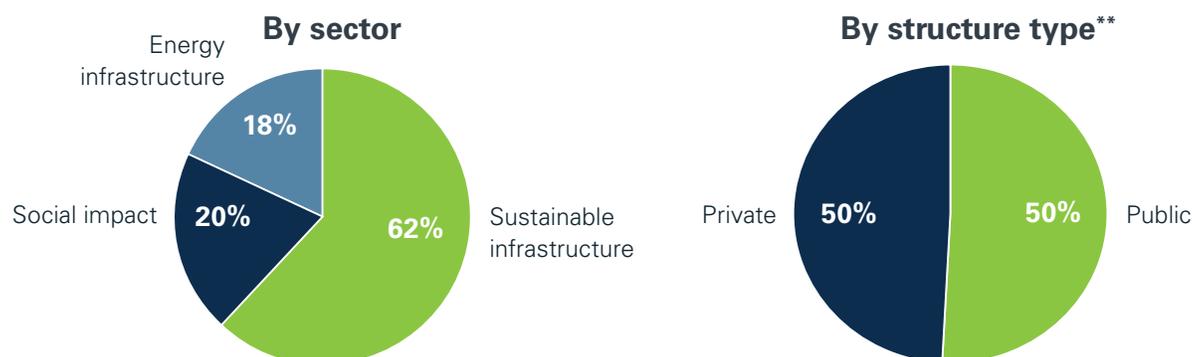
Private energy infrastructure

- TEAF did not make any new direct investments in the private energy infrastructure sector during the quarter.

Private sustainable infrastructure

- TEAF did not invest in any additional private sustainable infrastructure projects in 2Q 2022 as the fund previously reached its targeted allocation.
- Operating assets held at TEAF continue to operate as expected with stable cash flow generation profiles driven by long-term contracts with highly-rated counterparties.
- TEAF expects the last solar project under construction in the portfolio to come online in summer 2022.

Portfolio allocation* as of 6/30/2022 (unaudited)



Due to rounding, totals may not equal 100%

*Percentages based on total investment portfolio

** 'Private' or 'Listed' identifier made at time of investment; 'private' may include securities that are freely tradable but acquired in a private investment in public equity (PIPE) transaction

Performance¹ as of 6/30/2022

	QTD	Calendar YTD	1 year	3 year	Since inception ²
Market price total return	-6.69%	-2.13%	-0.25%	-0.62%	-3.88%
NAV total return	-5.92%	-3.82%	2.02%	0.59%	-0.25%

¹Performance is annualized for periods longer than one year. Source: Bloomberg. Assumes reinvestment of distributions into security. Total return does not reflect brokerage commissions. ²3/26/2019. **Performance data quoted represents past performance; past performance does not guarantee future results. As with any other stock, total return and market value will fluctuate so that an investment, when sold, may be worth more or less than its original cost. Due to market volatility, current performance may be lower or higher than the figures shown. For current performance information, visit www.ecofininvest.com.**

TCA Advisors is the adviser to the Ecofin Essential Assets Income Term Fund, and Ecofin Advisors Limited is the fund's sub-adviser. For additional information, please call 866-362-9331 or email info@tortoiseecofin.com.

All investments involve risk, including possible loss of principal. You should consider the investment objective, risk factors, fees and expenses of the fund carefully before investing. For this and other important information please refer to the fund's most recent prospectus and read it carefully before investing. Past performance is no guarantee of future results.

Closed-end funds, unlike open-end funds, are not continuously offered. After the initial public offering, shares are sold on the open market through a stock exchange. Shares of closed-end funds frequently trade at a market price that is below their net asset value. Leverage creates risks which may adversely affect return, including the likelihood of greater volatility of net asset value and market value.

The fund's ability to achieve its investment objective is directly related to the investment strategies of its adviser and sub-adviser. If expected results are not achieved, the value of the fund's investment could be diminished or even lost entirely, and it could underperform the market or other funds with similar investment objectives. The Investment Committee of the fund's advisor allocates and reallocates assets among the various asset classes and security types in which the fund may invest. Such allocation decisions could cause the fund's investments to be allocated to asset classes and security types that perform poorly or underperform other asset classes and security types or available investments. The fund is non-diversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the fund is more exposed to individual stock volatility than a diversified fund. The fund will have a limited period of existence and will dissolve 12 years from the effective date of the initial registration statement. Its investment policies are not designed to return to common shareholders their original net asset value or purchase price. Investing in specific sectors such as social infrastructure, sustainable infrastructure and energy infrastructure may involve greater risk and volatility than less concentrated investments. Risks include, but are not limited to, risks associated with commodity price volatility, supply and demand, reserve and depletion, operating, regulatory and environmental, renewable energy, gas, water, public infrastructure, and education. Equity securities may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions, and include the possibility of sudden or prolonged market declines. The fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than larger companies. 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 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 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. Investments may be subject to liquidity risk, adversely impacting the fund's ability to sell particular securities at advantageous prices or in a timely manner. Investments in non-U.S. issuers (including Canadian issuers) involve risks 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 also writes call options which may limit the fund's ability to profit from increases in the market value of a security, but cause it to retain the risk of loss should the price of the security decline. 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 does not exceed the cost of the leverage, causing the fund to lose money. 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 S&P 500® Index is an unmanaged, market-value weighted index of stocks that is widely regarded as the standard for measuring large-cap U.S. stock market performance.

The S&P Global Clean Energy Index provides liquid and tradable exposure to 30 companies from around the world that are involved in clean energy related businesses. The index comprises a diversified mix of clean energy production and clean energy equipment & technology companies.

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