

Ecofin Sustainable and Social Impact Term Fund (TEAF)

As of September 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

TEAF's NAV return for the quarter was -4.8% and market return was 6.1%, compared to broader equities (measured by S&P 500 Index), which returned -4.8% and global infrastructure (measured by S&P Global Infrastructure Index) which returned -9.6%.

The fund's negative return was primarily driven by listed sustainable infrastructure investments which were down just over 13% for the period. As highlighted below, this weakness was primarily driven by macroeconomic and geopolitical factors. We remain constructive on the sector long term as positive legislation, highlighted by the Inflation Reduction Act (IRA), is expected to spur sustainable investments across the globe. Listed energy infrastructure contributed positively to performance in the third quarter, up over 5%, as the return of capital flexibility driven by strong cash flow generation outweighed demand concerns resulting from Federal Reserve policy actions.

We continue to be pleased with the performance of our private investments across sectors. Our private energy investments have taken advantage of unique structured offerings with positive risk and reward balances. The private sustainable investments have provided stable cash flows

with flexible exit opportunities over the long term. We have also seen a strong recovery in social infrastructure projects after Covid-19 interruptions eased, with strong realized returns and new investment opportunities providing a path towards our 60% direct investment target. All of our private investment sleeves continue to provide uncorrelated returns and income generation.

We continue to progress on transitioning the portfolio to the targeted allocation of 60% direct investments. As of September 30, 2022, TEAF's total direct investment commitments were approximately \$115 million or approximately 50% of the portfolio.

Listed sustainable infrastructure

- The third quarter was quite volatile due to mixed developments at the macro and sector levels.
- The MSCI World Index and this strategy's sectors made a strong advance until mid-August when central bankers' prioritisation of inflation control in the face of economic weakness caused an abrupt change in tone and sent bond yields much higher.
- Geopolitics, domestic politics (Italy, UK) and interest rates monopolised much of the news flow during the quarter, as did energy affordability and the U.S.'s significant new climate legislation in the IRA. This is a positive game changer for the entire clean energy value chain as the measures will underpin volume growth while securing the returns.
- Power prices, until September's pullbacks (from successive new record highs in Europe), continued to rise and especially significantly in Europe where governments prepared for a full or partial cut-off of Russian gas supplies and a rationing of gas over the winter (at least), leading to sharply rising natural gas prices. Such context is supportive for renewables given their lower cost, but is creating uncertainties about potential windfall taxes across the European sector.
- Against this mixed backdrop, the majority of companies in the portfolio reported fundamentally a solid second quarter with positive earnings revisions, unlike the broader market. While the macro context is likely to remain volatile, we expect solid third quarter earnings and outlook from our portfolio holdings.

Listed energy infrastructure

- Listed energy infrastructure slightly outperformed broader indices for the quarter.
- After a very strong start to the quarter, energy infrastructure stocks faced pressure in September as economic data released in late August and early September came in stronger than expected, leading to fears of stronger federal reserve tightening ahead.
- Despite continued stock market and commodity price volatility resulting from macroeconomic uncertainty, fundamentals remain very strong, driving significant free cash flow generation for the sector.
- Return of capital to shareholders via debt pay down, dividends and share buybacks, is expected to drive equity performance in the coming quarters and years.

Social infrastructure

- TEAF closed three debt investments during the quarter.
- In July, the team completed a debt investment in an existing charter school in Phoenix, AZ that currently educates K-8 students. This expansion will allow the charter school to grow from its current capacity of 135 students to 210.
- In August, the team completed a debt investment in a new start charter school located near Orlando, FL that is looking to replicate its existing, successful programs already operating in the Miami-Dade area where they serve 3,300 students. The new school is expected to initially serve grades K-5 with capacity for 600 students, starting in the 2023-24 school year.
- In September, the team completed a debt investment in a charter school in Charlotte, NC that offers a unique model of an open enrollment charter school with a focus on high-performing gifted students. The school opened in Fall 2021 in temporary space serving grades K-3 and is enrolled at full capacity with a waiting list of over 400 students.

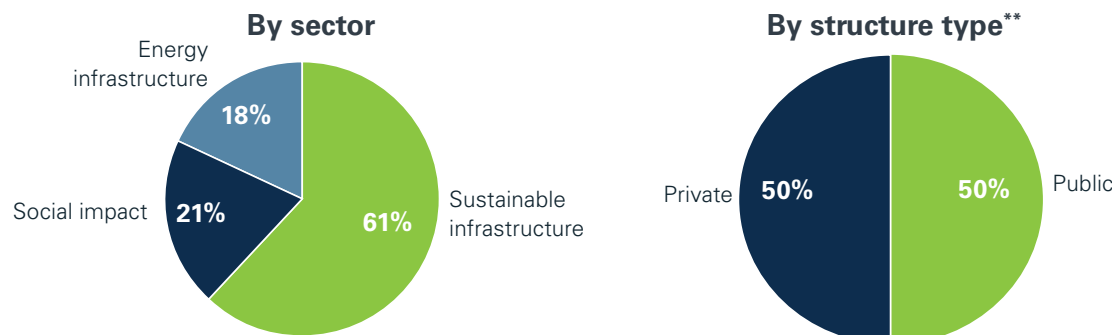
Private energy infrastructure

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

Private sustainable infrastructure

- TEAF did not invest in any additional private sustainable infrastructure projects in 3Q 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.
- Five small rooftop projects in Puerto Rico, while largely unaffected by recent hurricane activity in the area, have experienced downtime related to required corrective maintenance and expect to be reenergized during 4Q 2022.
- TEAF expects the last solar project under construction in the portfolio to come online in summer 2023, after experiencing interconnection delays by the utility.

Portfolio allocation* as of 9/30/2022 (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 9/30/2022

	QTD	Calendar YTD	1 year	3 year	Since inception ²
Market price total return	-6.13%	-8.13%	-1.91%	-0.62%	-5.32%
NAV total return	-4.79%	-8.43%	-5.98%	0.59%	-1.62%

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 Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities. The MSCI World Index, a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and does not offer exposure to emerging markets.

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