Ecofin Sustainable and Social Impact Term Fund **(TEAF)**

As of December 31 2023

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 3.13% and market return was 0.03%. This compares to global infrastructure (measured by S&P Global Infrastructure Index) which returned 10.71%.

The fund's return was primarily driven by listed sustainable infrastructure investments which performed well during the quarter, up 12%. Decarbonization and electrification trends had strong momentum with key drivers such as increasing renewables, manufacturing re-shoring and energy efficiency driving investment. Corporates and consumers continued to replace carbon-emitting energy sources with renewables, ensuring renewables growth at a reasonable rate of return. Energy Infrastructure equities had a strong quarter with higher energy commodity prices. Stronger fundamentals are driving significant free cash flow generation for the sector, which we expect to be returned to investors in the form of debt pay down, dividends and share buybacks in the coming quarters and years.

Most of our private investments have performed in-line with our expectations during the period. Our social infrastructure sleeve completed four investments during the period, and we continued to see momentum in our deal backlog to increase our allocation to senior living, waste transition, and education projects in the near-term. The portfolio of operating solar assets has had mixed performance with some assets suffering from age related and interconnection issues which are all being worked on to reenergize. Other private sustainable assets continued to perform well and as expected during the quarter.

We continue to progress on transitioning the portfolio to the targeted allocation of 60% direct investments. As of December 31, 2023, TEAF's total direct investment commitments were approximately $131 million or approximately 57% of the portfolio.

Please see below for more detail.

Listed Sustainable Infrastructure

After late September's and early October's watershed in the renewables sector with U.S. 10-year bond yields nearing 5%, a recovery emerged later in October for listed infrastructure, particularly the U.S. utilities segment which had performed so poorly year-to-date. Listed sustainable infrastructure performed well during the quarter. Equity markets rallied enthusiastically for most of November and December too with some better news on inflationary pressures encouraging longer term government bond yields quite significantly lower and prompting some expectations for rate cuts early in 2024.

Renewables specialists, especially the U.S. laggards, were revived by the prospect of relief on rates. Pan-European diversified utilities continued to perform well during the quarter. For these large integrated utilities, power prices were declining from 2022's crisis levels but power retail and trading businesses were thriving. European transportation and environmental services, which offer sound pricing models with contractual inflation hedges, performed relatively well too.

We had a stream of strong earnings reports from portfolio holdings during the quarter. Renewables specialists defended returns and, with few exceptions, utilities continued to meet or beat expectations (American Electric Power, Constellation, AES) and reaffirmed or raised forward guidance, growth rates and capex plans. Some companies in the portfolio (Xcel Energy, Alliant Energy and Southern) raised capacity needs, driven by accelerating power demand growth, and sales growth forecasts.

Companies were benefitting from power prices which, although lower than 2022, remain well above pre-Ukraine crisis levels. Additionally, power purchase agreement (PPA) data shows that renewables operators overall are able to pass through the effects of cost inflation to customers while contracted power prices for new projects are adjusting upward to reflect the higher cost of capital and overall equipment costs to maintain project returns.

At present, long-term interest rates are driving equity markets and there is plenty of uncertainty on the medium-term global growth and geopolitical outlook. Many pure renewables and some utility share valuations have de-rated so significantly that they ascribe little value to growth; we believe skepticism regarding both growth and yield at the same time is overly pessimistic. These sectors need a peak in interest rates and bond yields to stabilize the net present value of operating cash flows, the value of growth and to rekindle investor optimism. Nonetheless, with the earnings outlook we're observing, we believe there are compelling investment opportunities at current levels.

Decarbonization and electrification trends had strong momentum with key drivers such as increasing renewables, manufacturing re-shoring and energy efficiency driving investment. Corporates and consumers should continue to replace carbon-emitting energy sources with renewables, ensuring renewables growth at a reasonable rate of return. PPA prices have been increasing in Europe and the U.S. to reflect, and more than offset, higher capital expenditure and financing costs, according to LevelTen Energy. This implies better pricing power and higher internal rates of return today than in 2020. Utilities are forward selling power for the next few years at prices which are significantly higher than those embedded in brokers' forecasts which mostly assume that power prices will revert to historical levels.

Listed Energy Infrastructure

TEAF's listed energy infrastructure delivered another solid quarter in Q4 and outperformed the S&P 500 Index. The sector continued to increase following U.S. production growth that exceeded expectations, and a capital allocation philosophy centered on dividend growth, debt reduction and share buybacks. Mergers and acquisitions (M&A) activity continued in Q4. Energy Transfer closed their acquisition of Crestwood and HF Sinclair closed their purchase of Holly Energy Partners. These buyouts of MLPs continued to result in a diversion of market cap between MLPs and C-Corps. Overall, we maintain a positive 2024 energy outlook due to expectations of continued volume growth, constructive energy demand, and capital allocation that is increasingly focused on shareholders.

Social Infrastructure

TEAF closed four debt investments during the quarter.

- All four debt investments occurred in December of this period.
- Northeast Ohio Classical Academy ("NEOCA") is a new, public charter school in Akron, Ohio, slated to open in fall of 2024. The school will utilize the Hillsdale Classical Curriculum. It will serve 350 students in grades K-5 in its inaugural year, with a plan to grow by one grade each year until it reaches grades K-12. Only grades K-7 are contemplated in this phase of the project, with the building's capacity at 500 students. The school's charter is authorized by St. Aloysius, with an initial charter term of five years. NEOCA's chosen school site is in the very northwest corner of Akron, where there are no schools of choice within five miles. NEOCA will be the first no-cost classical school in the area. The school board and leader/principal are highly experienced with deep ties to the community. The senior secured bond investment will be used to acquire, renovate, and equip an existing building.

- Jacaranda Trace Senior Living ("Jac Trace"), a not-for-profit corporation, is an existing Continuing Care Retirement Community (CCRC) located in Venice, Florida, with a total of 491 living units. There are 436 independent living, 19 assisted living and 36 memory care units. Prior to this financing, 141 of the independent living units were owned independently by the residents of those units. Since the current ownership acquired the property in 2022 (for which Ecofin provided subordinated bond financing), it has planned to acquire those independently-owned units as they become available. The company used existing cash on hand to acquire six villas for renovation and redeployment as part of its standard offering. Since acquisition, the property has continued to perform reasonably well, with occupancy near 90% and on track to meet all debt covenants. The investment will be used for subordinated secured bond financing which will allow for the acquisition of the six villas and the funding of a reserve fund specific to these subordinated bonds.
- Belton Preparatory Academy is an existing charter school located in Belton, South Carolina, that has been operating since 2018 in a temporary location while it seeks its permanent home. Belton Prep offers a classical education curriculum to an underserved population, with great success--as it was recognized as the top academic Title 1 school in the state of South Carolina. The school currently serves approximately 250 students in grades K-6 and is expected to expand to serve K-8 while increasing enrollment over the next 4 years to reach nearly 700 students enrolled. The investment will be used to finish construction and equipping of the building, allowing the school to move in next Fall. This is the third and final scheduled investment.
- Lastly, City View Charter School is an existing charter school located in in Hillsboro, Oregon (outside of Portland), looking to consolidate its operations from two leased facilities into a singular, permanent school campus by the end of 2023. The school has been in operation since 2004, and currently serves approximately 315 students in grades K-8. The school is the authorizer's first and only charter school program. CVCS uses the Expeditionary Learning ("EL") Education instructional learning model, a unique approach to hands-on, project-based education which has helped the school outperform its local school district as well as the state in ELL, Math and Science. The demand for the program is evident, as the school has maintained an average waitlist of 280 students for the past 13 years. The senior secured bond investment will be used to acquire, renovate, and equip an existing building. The school expects to begin using a portion of the building immediately for its middle school, with the remaining students moving in once renovations are complete later in the school year.

There was one realization in the period.

- In November, a senior living project that raised additional equity to pay off a tranche of subordinated debt was realized. The original investment was made in September 2020 to acquire an existing senior living facility as part of a capital stack that included senior bank debt and two tranches of subordinated bonds. The sponsor determined that the property would be better served with additional equity rather than the Series B subordinated debt which had a 16% coupon. In return for allowing the Series B debt to be paid off, the fund received all accrued and capitalized interest as well as a price of $103. The fund still holds Series A subordinated debt and received a consent fee for allowing the Series B payoff. The facility continues to perform as expected.

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 during the period. TEAF's investment in EF WWW Holdings, LLC, the debt funding of World Water Works Holdings, Inc., has continued to timely pay its annualized interest rate of 10.5% and report strong credit covenants. The company has exceeded its operating budget in every year since the investment, driven by strong backlog and revenue growth.

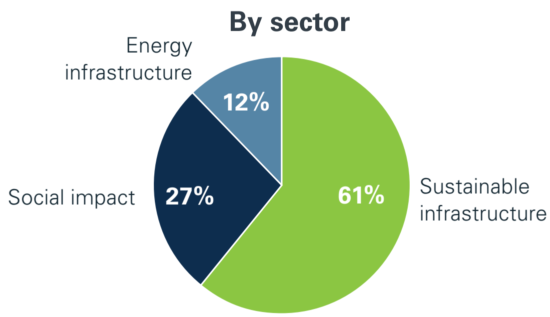
On January 22, 2024, a wind turbine owned by One Energy experienced a blade failure at One Energy's site in Findlay, Ohio. The blade fell directly to the ground below the wind turbine. There were no injuries and no damage beyond One Energy's property. One Energy personnel were on site to immediately secure the scene and perform a full drone inspection of the wind turbine and site. The company has engaged DNV, a third-party engineer, to perform a root cause analysis. The supplier of the failed blade was Goldwind. Goldwind's CEO has also been onsite to assess the situation. Out of an abundance of caution, all wind turbines owned by One Energy have been shut down while a preliminary investigation is underway. The turbine is under warranty and the company maintains business interruption coverage. TEAF is an investor in One Energy's 9.00% convertible preferred stock at the corporate/holdco level. One Energy does not expect this event to have a material effect on its financial performance at this time.

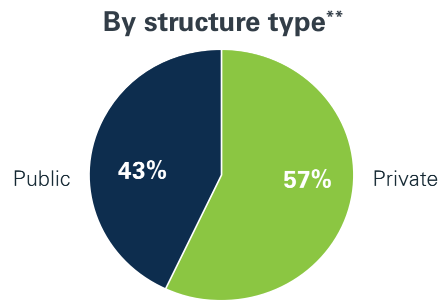
For TEAF's solar asset, Saturn Solar Bermuda 1, Ltd., the construction note has continued to pay its annualized interest rate of 10.0% on time. The payments are supported by cash flow of the now operational solar project since the project completed construction and began full operations in November 2021. The note has remained in place as the owner of the solar facility is seeking to sell the solar project to a new long-term owner/operator.

Energy production at various operating distributed generation ("DG") solar assets in the Renewable Holdco I, LLC portfolio have underperformed expectations, primarily caused by inverter issues and certain communications equipment failures inherent in the age of the assets and have required corrective maintenance attention. Certain of the small rooftop projects in Puerto Rico within the Renewable Holdco I, LLC portfolio are expected to be reenergized in early 2024 after experiencing downtime related to required corrective maintenance. Various third-party inspections and off taker approval are required for these to be reenergized. As such, Ecofin's internal asset management team is taking an active role in monitoring efforts to restore full energy production and returning the portfolio to stable cash flow generation. Energy production at the operating DG solar assets in the Renewable Holdco II, LLC portfolio have continued to generate stable cash flow as expected.

The final solar project under construction, held in Renewable Holdco, LLC, has continued to experience delays due to interconnection redesign, additional permitting and road construction caused by the utility and is expected to be ready for commissioning and commercial operation in H1 2024.

Portfolio allocation* as of 12/31/2023 (unaudited)





Due to rounding, totals may not equal 100%

*Percentages based on total investment portfolio
** 'Private' or 'Public' 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

Performance[1] as of 12/31/2023

	QTD	Calendar YTD	1 year	3 year	Since inception[2]
Market price total return	0.03%	-0.64%	-0.64%	3.92%	-3.50%
NAV total return	3.13%	0.62%	0.62%	3.22%	0.32%

[1]Performance is annualized for periods longer than one year. Source: Bloomberg. Assumes reinvestment of distributions into security. Total return does not reflect brokerage commissions. [2]3/26/2019. ***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 Sustainable and Social Impact Term Fund, and Ecofin Advisors Limited is the fund's sub-adviser. For additional information, please call 866-362-9331 or email info@ecofininvest.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.

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