Tortoise Tax-Advantaged Social Infrastructure Fund FAQ

Frequently Asked Questions

Q: What is the Tortoise Tax-Advantaged Social Infrastructure Fund?

A: Tortoise invests in assets and services that serve essential needs in society and can also serve essential client needs, such as diversification and income. The Tortoise direct lending platform falls in what we believe is the sweet spot where essential assets and income intersect by providing capital for social infrastructure projects related to 501(c)(3) organizations, nonprofits and other entities authorized to issue private activity and tax-exempt bonds. Tortoise's direct lending strategy, which historically has been structured within a private offering, is now available in a registered fund. Tortoise Tax-Advantaged Social Infrastructure Fund's objective is to seek to generate attractive total return with an emphasis on tax-advantaged income.

Q: What are some examples of social infrastructure projects?

A:
- Education: PreK-12, post-secondary and job training (including private, parochial, charter, vo-tech (vocational and technical), community/junior colleges and small private colleges and universities)
- Healthcare: Hospitals/medical care (including rehab, psychiatric, substance-abuse) and long-term care facilities (including the entire continuum from independent living to assisted living to skilled nursing, palliative care and hospice)
- Housing: Seniors, students, affordable (including apartments, multi-family and single family), military and mobile-home parks
- Industrial Infrastructure/Project Finance: Industrial plants/projects (including solid waste disposal, recycling and waste-to-energy)
- General nonprofit/human services providers

Q: What is the current market opportunity?

A: We believe there are three trends driving the market opportunity:

The changing landscape of public finance:

- Post 2008 – fewer sources of capital for 501(c)(3) organizations, nonprofits and other entities authorized to issue private activity and tax-exempt bonds focused on education, healthcare, housing, human service providers and social services by investing in directly originated securities
- Dodd-Frank – changes in risk-based capital rules have precluded many smaller, regional banks from lending to these entities
- Broker dealers – tightening profit margins, fewer broker/dealers and more onerous risk-based capital rules have reduced traditional financiers
- Void in the market – deal size is too small for larger investment banks

Aging population creating need for:

- Senior living facilities for individuals looking for inclusive maintenance-free lifestyle
- Rural hospitals to assist the elderly choosing to remain in their own homes
- Long-term care facilities for residents in need of critical care

Underfunded education system creating need for:

- Charter schools for underserved neighborhoods
- Community/junior colleges for more affordable college education
- Vocational/technical schools for individuals wanting to learn a trade/skill

Q: Why an interval fund?

A: Tortoise has a history of thoughtful product structuring to fill market voids that we believe satisfy investor needs. This passion is driven by the desire to provide all investors access to investment strategies that could benefit their portfolios. By utilizing a closed-end interval fund structure, Tortoise strives to capture the illiquidity premium of investing in private securities that typically only qualified purchasers can access while offering quarterly liquidity through investments in public municipal securities.

Q: What is an interval fund?

A: An interval fund is a continuously offered closed-end fund, designed to be a hybrid between open-end and closed-end funds. Compared to other registered fund structures, interval funds are less liquid and are generally a more suitable solution for longer-term investors. Investors can subscribe daily, but only have the option to redeem at certain periods. However, this structure provides far more liquidity than a private fund offers qualified purchasers.

Q: What is the liquidity of an interval fund?

A: Interval funds must make periodic offers to repurchase shares. This fund will offer to repurchase between 5% and 25% of its outstanding common shares at NAV on a quarterly basis. This fund currently expects to offer quarterly liquidity of up to 5% of its outstanding common shares at NAV each quarter.

Q: What percentage of the fund will have directly originated securities?

A: Generally speaking approximately 65% - 85% of the fund's portfolio is expected to be invested in directly originated securities. The remainder will be invested in public municipal securities to provide portfolio liquidity.

Q: What percentage of the fund will be invested in tax-exempt securities?

A: The fund seeks to achieve its investment objective by investing at least 80% of its total assets in the social infrastructure sector. We anticipate that a significant majority of our municipal investments will be tax-exempt at the federal level.

Q: How will the investment team attempt to mitigate credit risk?

A: The team attempts to mitigate credit risk in multiple ways, but primarily focuses on the following factors:

- Invest alongside proven operators
- Implement tight covenants that help guide management's decision making
- Structure securities where entities are incentivized to improve operations in an effort for on-time repayment
- Maintain a strict surveillance process in an effort to identify potential issues as early as possible
- Take as much collateral as possible
- Force bond amortization so that our credit improves over time

Q: How will the team attempt to mitigate credit risk in specific segments?

A:
- **All segments**: vet the developers and management thoroughly through extensive background checks and several rounds of interviews
- **Charter schools:** intercept the payment from the state to the school
- **Senior living facilities:** focus on facilities where the majority of revenue comes from private pay, rather than government reimbursement
- **Start-up projects:** require independent feasibility consultants conduct a detailed analysis of the project

The closed-end interval fund has adopted, pursuant to Rule 23c-3 under the 1940 Act, a fundamental policy, which cannot be changed without shareholder approval, requiring the fund to offer to repurchase at least 5% and up to 25% of its common shares at NAV on a regular schedule. Although the policy permits repurchases of between 5% and 25% of the fund's outstanding common shares, for each quarterly repurchase offer, the fund currently expects to offer to repurchase 5% of the fund's outstanding common shares at NAV subject to approval of the Board. It is possible that a repurchase offer may be oversubscribed, in which case shareholders may only have a portion of their shares repurchased. Subject to the above, quarterly repurchase offers and liquidity are limited.

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 adviser 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.

Amortization is the paying off of debt in regular installments over a period of time. 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.

Nothing contained on this communication constitutes tax, legal or investment advice. Investors must consult their tax adviser or legal counsel for advice and information concerning their particular situation.

Tortoise Credit Strategies, LLC is the adviser to the Tortoise Tax-Advantaged Social Infrastructure Fund and is a registered investment adviser specializing in fixed income and direct lending investments. The team's investment philosophy is deeply rooted in an investment decision process refined over many economic and financial cycles, which emphasizes top-down macro views, business fundamentals, bottom-up credit analysis as well as a disciplined focus on managing risk.

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