Ecofin Tax-Advantaged Social Impact Fund (TSIFX)

1Q 2022 QUARTERLY COMMENTARY

Fund Update

For the 12 months ended March 31, 2022, TSIFX was the top performing fund in the high yield muni category, up 5.50%. In comparison to the Morningstar category of 81 high yield municipal funds, TSIFX has beaten the comparative average by nearly 900 basis points.

You, the shareholder, have benefited from:

- Generally tax exempt, directly originated credits that are essential to our economic system
- Short duration loans with premium calls embedded. As the loans become seasoned, the borrowers refinance creating premium income to the fund
- Sectors of the economy that provide a social impact – charter schools, senior living facilities, and waste transition

The fund returned -1.05% during the first quarter of 2022. Income remains the core component of return generation, with the income stream producing a positive return of 0.90% during the quarter, offsetting a price decline of 1.95%. We believe that the fund's focus on essential assets will continue to provide a downside hedge while generating an income stream above that of traditional bond market sectors. The fund ended the quarter with an effective duration of 1.3 years and a gross yield of 5.94%. The distribution rate as of March 31, 2022 was 3.50%.

Performance data shown is net of fees and reflects fee waivers in effect, but does not adjust for tax-advantaged income from investments. 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.ecofininvest.com.

Market Update

Volatility returned with a vengeance in the first quarter of 2022. Inflation continued to soar to new 40-year highs with the most recent 7.9% print in February. The Federal Reserve (Fed) clearly messaged that it was going to raise rates faster than previously thought, and Russia shocked the world when it invaded Ukraine, marking the first major military conflict Europe has seen in decades. These factors pushed stocks and bonds lower during the first quarter. U.S. equities had their first quarterly loss in two years, and bonds had their worst quarter in over 40 years.

With global economies still adjusting to COVID's impact on supply chains and the shift in consumer spending, Russia's invasion of Ukraine at the end of February was the equivalent of adding fuel to an already raging inflation fire. Commodity and rates accelerated higher from existing uptrends as the West imposed strict sanctions on Russia's economy and central bank. Simultaneously, the prospect of sooner-than-expected interest rate hikes weighed on the sectors with the highest valuations, specifically growth-oriented

Investment highlights

- Investment objective is to seek to effect social impact through investments with tax advantaged income and attractive total return
- Exposure to social purpose providers in the fields of education, healthcare, and waste transition
- Focus on directly originated credit securities backed by real infrastructure assets
- Seeks to capitalize on market inefficiencies where there is capital dislocation

Key reasons to invest

- Attractive after-tax return potential, including tax-advantaged income
- Diversification through generally uncorrelated alternative assets
- Shorter effective 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

technology stocks and long duration bonds. Though, on March 16th, the Fed's 25 basis point (bp) raise was no worse than markets feared, the accompanying statement and Chair Powell's press conference were more hawkish than anticipated. At the start of Q1, markets were pricing in three 25bps rate hikes for 2022 and now are expecting between eight and nine 25bps rate hikes.

Turning now to fixed income performance, the first quarter of 2022 was the worst quarter for fixed income in over 40 years as investors fled in the face of high inflation and rapidly rising rates. The Bloomberg Barclays Corporate Investment Grade, High Yield, Municipal, and U.S. Aggregate Indices returned -7.69%, -4.84%, -6.23%, and -5.93% respectively. Furthermore, according to the Bloomberg U.S. Treasury Total Return Index, U.S. government bonds' -5.60% return during the quarter was the worst performance since record-keeping began in 1973.

In March, the 2-yr Treasury yield gained as much as 102bps before ending the month +90bps, its highest gain since May 1984. In the final week of March, both the 2-yr/10-yr and 5-yr/30-yr spreads inverted. Since inversion is often associated with a recession, many pundits have been citing the 3m/10-yr spread as a potential saving grace, which typically trends in the same direction as the 2-yr/10-yr, and currently sits near three-year wides of 233bps. However, this could simply be a reflection of how far the Fed is behind the curve on raising rates. Regardless, inversion it is not a good timing signal as there is often a lag between 12 and 24 months before market tops, and we see the onset of a recession, according to JPM research.

The first quarter of 2022 was the most volatile quarter for markets since the depths of the pandemic in 2020. Until there is a definitive peak in inflation, the Fed is likely to continue to aggressively raise interest rates, and over time, higher rates will become a drag on economic growth. Also, as the war in Ukraine continues to drag on, there is a greater chance for a global economic slowdown. Thus, the markets should expect continued volatility across asset classes as the headwinds of inflation, geopolitical unrest, and rising interest rates persist.

On a positive note, while the underperformance in investment-grade debt reflected the impact of rising Treasury yields, the relative outperformance of high-yield corporate bonds serve as a reminder of the still-positive outlook for the U.S. economy and corporate America. The U.S. unemployment rate dropped from 3.8% in February to 3.6% in March, and though still not matching headline inflation, wages continue to rise. Interest rates are rising but still remain below levels where most economists forecast that they will begin to slow the economy, and consumer and corporate balance sheets remain healthy. Also, there was some positive news in late March as peace talks developed after Ukraine stalled the Russian advance and fears of the conflict extending to other countries beyond Ukraine faded.

Regardless, municipals investors must be wary of future interest rate increases which will hurt longer duration strategies. We hope the positive performance across our social impact strategies over the last year highlights the defensive characteristics of shorter call structures along with shorter duration profiles and also demonstrates how our strategies are better insulated from interest rate risk and will continue to provide a total return advantage over longer duration bonds.

Education

The public bond market for new issuance of K-12 charter school and private school revenue bonds in Q1 2022 was $532,995,000, a 6.1% decrease from the same period in 2021.[1] One of the primary factors driving the 28.4% market growth for K-12 charter school and private school bonds in 2021 were more than $60 billion in municipal bond fund inflows, the most ever in a single year. Robust new issuance in Q1 2022, despite municipal bond fund outflows exceeding $30 billion and an increase of 96 bps in the 30-yr Municipal Market Data tax-exempt bond benchmark, is a clear indicator that schools' demand for reliable facility finance remains high, even in the face of significant market headwinds.[2]

Q1 2022 provided students, parents and schools with a degree of stability and normalcy not seen since widespread lockdowns were put into place in March 2020. Fears the COVID-19 Omicron variant would surge, overwhelm schools and then force a return to remote learning proved to unfounded. In January, more than 60% of the nation's K-12 school districts mandated the use of masks for all students & teachers. By the end of March, that number had fallen to less than 5%. Schools not offering in-person instruction peaked at 7,463 on January 10th, falling to 345 by March 28, 2022.[3]

Not all of the news from the K-12 sector was as positive. The Brookings Institution reported in March that "schools have faced severe staff shortages, high rates of absenteeism and quarantines, and rolling school closures. Furthermore, students and educators continue to struggle with mental health challenges, higher rates of violence and misbehavior, and concerns about lost instructional time."[4] A recent working paper published by the Annenberg Institute stated drops in academic achievement "are significantly larger than estimated impacts from other large-school disruptions, such as after Hurricane Katrina." It also noted, "income-based (academic achievement) gaps have indeed expanded substantively during the COVID-19 pandemic."[5]

While achieving the unprecedented highs of 2021 seems unlikely, Ecofin believes the market for K-12 charter school and private school revenue bonds will remain strong. Rising interest rates and the likelihood of resulting municipal bond fund outflows should increase the number and quality of school facility funding opportunities available to investors highly focused on this segment of the market.

Senior Living

In the first quarter of 2022, the senior living industry continued its occupancy rebound after having established a "bottom" in occupancy deterioration about a year ago. Statistically, nationwide occupancy for independent living and assisted living is 83.1% and 77.9%, respectively. Occupancy has increased 1.4% for independent and 3.7% for assisted living from pandemic lows.[6] Moreover, absorption is robust after Q3 2021 set the highest level ever recorded at more than 4 times the pace of absorption pre-pandemic. While there's clearly ground to cover, it's revitalizing to see the industry making strides to get back to pre-pandemic levels of 89.7% and 84.6% for independent and assisted living, respectively.

According to a recent NIC Lending Trends Report, construction lending dramatically increased in the third quarter of 2021, up 45% quarter over quarter on a same store basis. After over a year of slowing construction starts, this shows a significant reversal and renewed developer optimism especially in the face of rising construction costs and material shortages. That said, the pandemic related slowdown in new construction should help existing communities regain occupancy with the lowest inventory growth recorded since 2013.

From now until 2030, an average of 10,000 baby boomers will turn 65 every day.[7] With the combination of occupancy on the rise, we remain confident in the senior living industry's ability to rebound and prepare for the upcoming "Silver Tsunami" as the population continues to age.

Waste Transition

While the number of new projects under development in the waste transition sector continues to grow, bringing these projects to a financial closing remained challenging during the first quarter of 2022, largely due to continuing inflationary pressures and supply chain constraints. The result is an unusually large number of projects being delayed as developers re-evaluate elevated project construction budgets and their impact on pro-forma operating profitability.

The inflationary and supply chain impacts are three-fold. First, an increase in raw material prices for items such as steel has ballooned cost estimates for these capital-intensive projects. Second, the availability of critical equipment and systems components has been limited by supply-chain constraints, which has caused both price increases and delivery-time delays. Third, contractors that guarantee on-time and on-budget construction are demanding higher premiums to offset against the potential for further price inflation and delivery-time delays. The combination of these issues - inflation, scarcity, and uncertainty - are leading to project cost increases of 25% or more in many cases.

In addition, development of renewable fuels projects during the first quarter of 2022 was also adversely impacted by declining fuel credit prices, which generate a substantial portion of the pro-forma revenues for renewable fuels projects. In particular, projects being developed to produce renewable natural gas, renewable diesel, and sustainable aviation fuel saw significant declines in Federal Renewable Identification Number (or RIN) pricing and California Low Carbon Fuel Standard (or LCFS) pricing.

Regarding RIN pricing, D3 RINs, which support projects that convert cellulosic waste into renewable fuels, declined from $3.72 at end of the fourth quarter of 2021 to $3.30 at the end of the first quarter of 2022, a decline of more than 11%. During the same period, LCFS credits declined from $150 to $121, a decline of more than 19%. Fuel credit prices are expected to stabilize as the U.S. economy continues to recover toward full capacity, which would include higher demand for transportation fuels, and therefore higher demand for offset credits.

Finally, a milestone achievement in terms of recycling efforts occurred in early March 2022, when 175 member-states of the United Nations Environment Assembly signed a resolution to establish a legally-binding treaty on the design, production, and disposal of petroleum-based plastics by the end of 2024. The so-called Global Plastics Treaty is intended to dramatically reduce the amount of plastics waste for a more circular economy, and is being hailed as the most significant multilateral agreement since the Paris Agreement on Climate Change in 2015. Absent any coordinated effort, the production of plastics is expected to double by 2040, after already doubling since 2000.

Despite the challenging environment in terms of rising construction costs and lower fuel credit prices, the number of new projects planned or under development in the waste transition sector continues to grow and is at all-time high levels in many sub-sectors, as the demand for renewable or recycled content remains strong.

Conclusion

Our opportunities for investing are expanding for many reasons, primarily as our sectors continue to see robust growth and competing financing providers are forced to scale back allocations. Not only has the fund continued to invest in solid projects, but the fund has delivered returns to investors that are outpacing competing strategies.

We hope that you are encouraged by our relative outperformance and continue to place your faith in the fund.

[1] EMMA & MuniOS

[2] Bloomberg

[3] https://about.burbio.com/school-mask-policies-by-state/

[4] https://www.brookings.edu/blog/brown-center-chalkboard/2022/03/03/the-pandemic-has-had-devastating-impacts-on-learning-what-will-it-take-to-help-students-catch-up/

[5] https://edworkingpapers.com/sites/default/files/ai22-521.pdf

[6] NIC

[7] census.gov

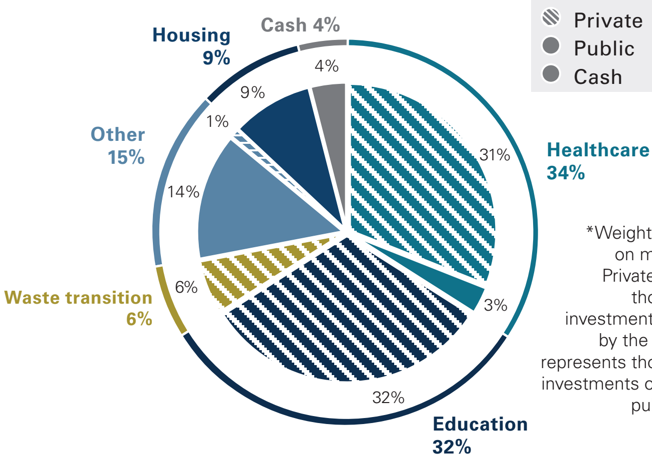
Performance (as of 3/31/2022)

		as of 3/31/2022		as of 3/31/2022		
		1 Month	Calendar YTD	1 year	3 year	Since inception[1]
TSIFX	Ecofin Tax-Advantaged Social Impact Fund	0.46%	-1.05%	5.50%	2.91%	3.08%

Note: For periods over one year, performance reflected is for the average annual returns. [1]The fund commenced operations on 3/26/2018. [2]The adviser 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 Feb. 28, 2022. Under the advisory agreement, the adviser receives compensation of 1.25% of our daily managed assets for the services rendered on an annual basis. Net expense ratio is as of the most recent prospectus and is applicable to investors.

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.ecofininvest.com.

Portfolio allocation* (as of 3/31/2022)



Private	70%
Public	26%
Cash	4%

*Weighting is based on market value. Private represents those portfolio investments originated by the fund. Public represents those portfolio investments originated by public entities.

Portfolio statistics (as of 3/31/2022)

Effective duration[1]	1.30yrs
Yield to worst[2]	5.94%
Gross current yield[3]	4.87%
30-Day SEC Yield (unsubsidized)[4]	3.71%
30-Day SEC Yield (subsidized)[4]	3.80%

Distribution (as of 3/31/2022)

Distribution rate[5]	3.50%

Fees (as of 3/31/2021)

Gross expense ratio	1.62%
Net expense ratio[6]	1.50%

[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. This calculation includes non-income items such as loan proceeds, borrowings and/or return of capital.

[3]The gross current yield of a bond or other debt instrument is calculated by dividing the annual coupon amount by the current market price. This measure does not reflect fees or expenses

[4]Reflects the deduction of management fees and other fund expenses up to the expense cap. Subsidized yield reflects fee waivers and/or expense reimbursements recorded by the fund during the period. Without waivers and/or reimbursements, yields would be reduced.

[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]The adviser 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 Feb. 28, 2023. Under the advisory agreement, the adviser receives compensation of 1.25% of our daily managed assets for the services rendered on an annual basis.

TCA Advisors is the adviser and Ecofin Advisors, LLC is the sub-adviser to the Ecofin Tax-Advantaged Social Impact 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.ecofininvest.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.

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.

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

Cash yield is the simplest way to evaluate the performance of a real estate investment. It utilizes a formula to calculate the return on investment by taking the property's annual net cash flow and divide by the investment's down payment, and is expressed as a percentage.

Par value, also known as nominal value, is the face value of a bond or the stock value stated in the corporate charter.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable rate mortgage pass-through securities), asset-backed securities and commercial mortgage-backed securities (agency and non-agency). The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, High Yield, fixed-rate corporate bond market. Securities are classified as High Yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on the indices' EM country definition, are excluded. The U.S. Corporate High Yield Index is a component of the U.S. Universal and Global High Yield Indices. The Bloomberg Barclays U.S. Municipal Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed tax exempt bond market. The index includes state and local general obligation, revenue, insured and pre-refunded bonds.

The Barclays U.S. Treasury Index measures U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury. Treasury bills are excluded by the maturity constraint, but are part of a separate Short Treasury Index. Separate trading of registered interest and principal securities are excluded from the index because their inclusion would result in double counting. The Barclays U.S. Treasury Index is a component of the U.S. Aggregate, U.S. Universal, Global Aggregate and Global Treasury Indices.

A basis point is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

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.

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

Morningstar Percentile Rankings are based on the Fund's total return (excluding sales charge) relative to all the funds in the same Morningstar category, where 1 is the highest and 100 is the lowest percentile rank.

For the 12 months and 3 year periods ended March 31, 2022, TSIFX had a percentile rank of 1% and 28% out of 79 and 73 municipal funds in the high yield municipal fund category, based on total return.

Quasar Distributors, LLC, distributor

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