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Welcome to the TortoiseEcofin QuickTake podcast. Thank you for joining us as we provide timely updates on the market.

Hello. I am Tortoise Managing Director and Portfolio Manager Rob Thummel with this week's Tortoise QuickTake podcast.

We are one day away from the 2020 U.S. presidential election. It has been 287 days since the first confirmed COVID-19 case. These events influenced the stock market last week resulting in the S&P 500 Index falling by 5.6% and Alerian Midstream Index declining by slightly more than 6%.

Several of the largest energy companies reported third quarter earnings last week as well. Here are the highlights. Starting with midstream, and midstream reported results were really strong. A couple of key themes stood out. First, resiliency. Resilient cash flows confirm the essential nature of the assets that a business operates. Two of the largest midstream energy infrastructure operators Enterprise Products Partners and TransCanada delivered resilient results last week. Enterprise Products reported better than expected EBITDA. Third quarter 2020 EBITDA and earnings were higher than the third quarter of 2019, despite the pandemic. Enterprise benefited from increased transportation of energy products tied to the petrochemical sector which uses ethylene and propylene to manufacture personal protective equipment amongst a lot of other products. EPD repurchased another \$174 million of its stock and has approximately \$1.6 billion of remaining available capacity under its approved buyback program.

In the case of TransCanada, third quarter 2020 results were comparable to 2019 with natural gas volumes transported on pipelines during the third quarter being similar to volumes transported over the same period last year. TransCanada's dividend is forecasted to increase by 8% - 10% in 2021 - one of the few energy infrastructure companies that will be able to grow its dividend next year. Also note that we believe this forecast for TransCanada will remain in place even if permit for TransCanada's Keystone XL project is revoked.

A second theme during earnings season was comeback. The comeback related to the return of Bakken oil and gas volumes onto ONEOK's pipeline network. Management suggested that Bakken transportation volumes exceeded pre-pandemic levels. With a glimpse into 2021, ONEOK expects double digit earnings growth in 2021 supported by a backlog of Bakken oil and gas wells that will be drilled requiring transportation outlets as long as oil prices remain above \$35 per barrel. This assumes all existing pipelines in the Bakken including the Dakota Access Pipeline remain operational.

Not all energy infrastructure companies are experiencing resilient cash flows during the pandemic. As a result of less mobility, petroleum products pipeline operator Magellan Midstream experienced a 13% decline in aggregate transportation volumes of gasoline, diesel, and jet fuel and a similar decline in cash flow when compared to the same period last year. However, Magellan was prepared to weather a storm like this and Magellan entered the pandemic with low relative debt and significant distribution coverage. As a result, Magellan maintained its current distribution which represents an 11.6% current yield and confirmed its current distribution through 2021. The company has bought back \$250 million of its units in 2020 leaving approximately \$500 million of units available to repurchase under the buyback program authorized by Magellan's board. Magellan will spend less on growth projects in 2021 and that will increase the free cash flow and potentially accelerate the buyback program.

The other notable energy companies reporting earnings last week were from the European and U.S. integrated oil and gas companies including Exxon, Chevron, BP, and Royal Dutch Shell. Related to the U.S.-based integrations, Exxon and Chevron, investors were interested in dividend sustainability and investment in the energy transition. Both companies maintained quarterly dividends despite lower cash flow due to weak commodity prices. Chevron generated free cash flow to cover 75% of its dividend payment. On the other hand, Exxon generated negative free cash flow essentially borrowing to cover its entire third quarter dividend. Both companies introduced 2021 capital expenditure forecasts with Exxon's 2021 capex expected to be 50% lower than its original 2020 capital budget while Chevron's 2021 capital spending is expected to be 30% below its original 2020 forecast. Exxon management specifically stated that global capital investment and the level of global capital investment in oil and gas is not sufficient to replace production to meet global energy demand so they expect inventories will fall resulting in higher commodity prices. Related to the energy transition, Exxon and Chevron have invested minimal amounts. However, the European integrations have fully embraced the energy transition. You might recall the

historic announcement last quarter when BP stated that it would transition from an international oil company to an integrated energy company. Last week, BP updated investors on its progress discussing its 20 gigawatt renewables infrastructure backlog that includes near-term opportunities such as offshore wind in the U.S. and solar generation facilities in China. If BP reaches its 25 gigawatt of renewables infrastructure target by 2025, it will be a one of the top five operators of wind and solar generation in the world.

Speaking of the energy transition, we interviewed NextEra Energy's CFO, Rebecca Kujawa, last week as part of the TortoiseEcofin Evolving Opportunities in Global Energy Disruption Educational Series on our website. Highlights from this interview include the following. NextEra recently surpassed Exxon as the largest listed energy company in the world. NextEra is a utility in transition that is reducing carbon emissions by transitioning to cleaner forms of energy to generate electricity. But NextEra is unique in that it has taken an additional step by investing in renewable infrastructure specifically wind and solar generation across the U.S. In fact, NextEra has amassed enough renewable infrastructure to qualify as the world's largest owner and operator of solar and wind generation in the world. NextEra is not your mother or father's utility from 15 years ago it has transformed into a dynamic, growth-oriented company that is leading the way as the world demands more energy and less carbon emissions. NextEra forecasts an annual growth rate in renewable generation of 15% over the next decade. The company plans to maintain its market share and leading role in renewable infrastructure. In fact, its backlog of new solar and wind generation projects is larger than the entire renewable capacity of all but two other wind and solar operators in the world. So, NextEra is great example of a company leading the energy transition in the U.S.

Those are the highlights from last week. Thanks for listening. We will talk to you next week.

Thank you for joining us. And stay tuned for our next episode. Have topics you want covered or other feedback to share? Write us at info@tortoiseecofin.com.

The S&P 500[®] Index is a market-value weighted index of equity securities.

The Alerian Midstream Energy Index is a broad-based composite of North American energy infrastructure companies. The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return (AMNA), total-return (AMNAX), net total-return (AMNAN), and adjusted net total-return (AMNTR) basis.

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