



**Disclosure Brochure**  
**November 3, 2011**

## **Tortoise Capital Advisors, L.L.C.**

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**This brochure provides information about the qualifications and business practices of Tortoise Capital Advisors, L.L.C. If you have any questions about the contents of this brochure, please contact us at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to [jpark@tortoiseadvisors.com](mailto:jpark@tortoiseadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Tortoise Capital Advisors, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration as a registered investment adviser does not imply a certain level of skill or training.**

**Item 2. Material Changes**

Due to recent changes in securities regulations, investment advisers are now required to deliver disclosure information in this new narrative format. This Disclosure Brochure incorporates features and information provided previously within the Form ADV Part II. This Disclosure Brochure provides an update from the Disclosure Brochure dated May 25, 2011. The changes made from the May 25, 2011 Disclosure Brochure include additional affiliations and an additional wrap fee program in which we participate, changes to reflect the withdrawal of the business development company client's election to be regulated as a business development company and to reflect an additional strategy related to one of our closed-end funds and the update of our assets under management.



## Disclosure Brochure • November 3, 2011

### Table of Contents

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Item	Page
Item 1	Cover Page ..... 1
Item 2	Material Changes ..... 2
Item 3	Table of Contents ..... 3
Item 4	Advisory Business ..... 4
Item 5	Fees & Compensation ..... 4
	Separately Managed Accounts ..... 4
	Tortoise Funds ..... 5
Item 6	Performance-Based Fees & Side-by-Side Management ..... 5
Item 7	Types of Clients ..... 5
Item 8	Methods of Analysis, Investment Strategies & Risk of Loss ..... 5
	Material Risks ..... 6
Item 9	Disciplinary Information ..... 7
Item 10	Other Financial Industry Activities & Affiliations ..... 7
	Investment Advisers ..... 7
	Investment Companies ..... 7
	Broker/Dealer ..... 7
Item 11	Code of Ethics, Participation or Interest in Client Transactions & Personal Trading ..... 7
	Code of Ethics ..... 7
	Participation or Interest in Client Transactions ..... 8
Item 12	Brokerage Practices ..... 9
Item 13	Review of Accounts ..... 10
Item 14	Client Referrals & Other Compensation ..... 10
Item 15	Custody ..... 10
Item 16	Investment Discretion ..... 11
Item 17	Voting Client Securities ..... 11
Item 18	Financial Information ..... 12
	Privacy Notice ..... 13

#### **Item 4. Advisory Business**

Tortoise Capital Advisors, L.L.C. ("Tortoise," "we" or "us") was founded in 2002 by an experienced team of investment professionals. We provide energy infrastructure investment management services to individual and institutional investors.

Our professionals pioneered and refined a distinct strategy of investing primarily in diverse midstream oil and gas pipeline companies.

Our "yield, growth and quality" objectives determine every investment decision we make. We seek to further diversify our clients' investments among issuers, geographies and energy commodities to achieve a stable distribution yield that performs competitively when compared to other business models with similar risk characteristics.

We typically provide advice on clients' investments in midstream companies that transport, store, process and distribute crude oil, refined petroleum products (gasoline, diesel and jet fuel) and natural gas. Our investment advice is generally limited to investments in securities of energy infrastructure companies. Our day-to-day operations are managed by our five Managing Directors, H. Kevin Birzer, Zachary A. Hamel, Kenneth P. Malvey, Terry Matlack and David J. Schulte. Our Investment Committee is comprised of these five Managing Directors.

We also serve as investment adviser to our affiliated registered closed-end funds and an open-end fund. These funds primarily invest in master limited partnerships ("MLPs") and pipeline companies in the energy infrastructure sector.

Tortoise is wholly-owned by Tortoise Holdings, LLC ("THLLC"). Montage Investments, LLC ("Montage"), a registered investment adviser, owns a majority interest in THLLC. Montage is wholly-owned by Mariner Holdings, LLC, an independent investment firm with affiliates focused on wealth and asset management ("MHLLC"). The Bicknell Family Holding Company, LLC holds a controlling interest in MHLLC and the Bicknell Family Management Company Trust holds a controlling interest in the Bicknell Family Holding Company, LLC. Thirteen senior employees, including our five founding managing directors, hold the remaining interests in THLLC.

We generally seek to manage client accounts to reflect our model portfolio applicable to that account. When changes are made to our model portfolios, we trade all client accounts to align them with the applicable model portfolio (except where specific instructions provided by the client require otherwise). Although clients typically grant full discretion with respect to security selection, clients may impose restrictions on investing in certain securities or types of securities.

We provide investment management services to clients in wrap fee programs sponsored by Morgan Stanley Smith Barney, a division of Citigroup Global Markets, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and RBC Capital Markets, LLC. Our services to wrap fee clients are similar to the investment management services provided to our other clients. We receive a portion of the wrap fee for our services.

As of October 31, 2011, we managed approximately \$7.2 billion of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

#### **Item 5. Fees & Compensation**

##### *Separately Managed Accounts*

Our annual investment management fees for separately managed accounts generally range up to 1.00% of assets under management. Fees are negotiable based upon the size of the account, relationship and/or the nature and level of services we provide. The fees are based upon the aggregate fair value of the client's portfolio as defined in the Investment Management Agreement ("IMA") with the client.

We also may on occasion charge separately managed accounts a performance-based fee.

The specific manner in which we charge fees is established in the client's IMA. We generally are compensated on a quarterly basis in arrears. Clients may elect to be invoiced directly for fees or authorize us to directly disburse fees from their client account. Management fees are prorated for account contributions and withdrawals made during the applicable period. We charge a prorated fee to accounts initiated or terminated during the applicable period. Upon termination of any account, any earned, unpaid fees will be due and payable.

Clients may also incur charges imposed directly by the custodian of the client's account and fees and expenses imposed directly by any mutual funds held in or for the client's account. Clients will incur transaction charges imposed by the broker-dealer executing securities transactions for the client's account. For further discussion concerning our brokerage practices, please see Item 12 of this Disclosure Brochure. All management fees paid to us are separate and distinct from the fees and expenses charged directly by the client's custodian, the broker-dealer and mutual funds. The fees and expenses imposed by mutual funds are described in each fund's prospectus, and will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. We generally do not invest in mutual funds for clients with the exception of money market funds for cash balances. The client should review both the fees charged by the funds and the fees we charge

to fully understand the total amount of fees to be paid by the client and to thereby evaluate the investment management services being provided. We will not receive any portion of these commissions, fees, and costs.

#### *Tortoise Funds*

We are the investment adviser to six non-diversified, closed-end management investment companies (the "Tortoise Closed-End Funds") and a diversified open-end management investment company (together with the Tortoise Closed-End Funds, the "Tortoise Funds") which are registered under the Investment Company Act of 1940 (the "1940 Act"). We charge advisory fees to the Tortoise Funds based on a percentage of their assets (average monthly managed assets for the closed-end funds and average daily net assets for the open-end fund) at annual rates of 0.85% to 1.00%. We may enter into fee waiver or expense reimbursement agreements from time to time with one or more of the Tortoise Funds.

We continue to manage a client that was formerly regulated as a business development company, now focusing on the transformation of its securities portfolio.

Our fees may be higher than fees charged by other advisers providing similar services. We only charge performance-based fees consistent with Securities and Exchange Commission ("SEC") and Financial Industry Regulatory Authority ("FINRA") rules and regulations, including Rule 205-3 under the Investment Advisers Act of 1940 ("Advisers Act").

#### **Item 6. Performance-Based Fees & Side-By-Side Management**

We charge the majority of accounts we manage an asset-based fee. However, we do manage a small number of accounts that pay a performance-based fee. Conflicts of interest may arise from our management of these accounts when we have a financial incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. It is our policy to allocate trades in a fair and equitable manner. We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

#### **Item 7. Types of Clients**

We provide portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, investment companies, charitable institutions, foundations, endowments, private investment funds, trusts and other corporations and business entities. Generally, we do not accept accounts below \$500,000, although we may do so under certain circumstances.

#### **Item 8. Methods of Analysis, Investment Strategies & Risk of Loss**

Our security analysis methods include fundamental, technical and cyclical analysis.

The main sources of information we use include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, SEC filings, management presentations and interviews, and company press releases.

Our primary investment strategy is long-term purchases. However, our investment strategies may include short-term purchases and trading where appropriate, as indicated by our fundamental analysis. We may employ other strategies for investment company clients involving leveraging and hedging, or writing (selling) covered call options on selected equity securities in the client's portfolio. These other strategies may include currency hedging transactions and interest rate transactions such as swaps, caps and floors. The Tortoise Funds' prospectuses further describe those funds' investment strategies.

We utilize a three-prong approach to portfolio construction consisting of qualitative analysis, quantitative analysis and relative value. Although we intend to use research provided by broker-dealers and investment firms, we rely primarily on internal research.

- 1. Qualitative Analysis:** We use proprietary risk models to select companies with high quality assets, effective management, and stable cash flows.
- 2. Quantitative Analysis:** We employ proprietary financial models to understand growth prospects, liquidity position and sensitivities to key drivers.
- 3. Relative Value:** We use proprietary valuation models to determine portfolio weightings.

We evaluate companies operating in the entire energy value chain to gain a better understanding of the impact on our respective investments in relation to supply and demand. We have primary coverage (including comprehensive investment models) on all MLPs in the investment universe, as well as pipeline c-corporations and a majority of the large energy and power companies. We have secondary coverage (listening to conference calls, evaluating operations and news releases and understanding assets) on other upstream and downstream companies in the energy value chain that impact our midstream companies. We attend industry conferences, company analyst days as well as third party provided conferences to gain valuable insight into the companies we invest in and the entire energy value chain. In addition, we meet with portfolio companies on a regular basis and conduct site visits to understand assets and speak with various levels of management, including field personnel.

***Investing in securities involves risk of loss that clients should be prepared to bear.***

***Material Risks***

The material risks related to our significant investment strategies and methods of analysis include:

- Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, other publicly-available sources of information about these securities, are providing accurate data. Furthermore, we rely on the assumption that management is providing accurate information and a fair representation of the business when discussing their company with the public and through individual meetings with us. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.
- We purchase securities with the idea of holding them in clients' accounts for the long-term unless and until the fundamental analysis on, or the relative value of, the company changes. We do this because we believe a short-term tactical strategy exposes clients to unnecessary costs and promotes market timing and sector/stock pricing. If short-term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a long-term purchase approach. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.
- We purchase securities because our fundamental-based risk, financial and valuation models indicate a security meets our investment thresholds. Should there be a significant supply and demand imbalance in the trading of a security due to net investment outflows or other technical reasons, a security may decline sharply in value or the time to purchase a security to its model weight may be extended over a long period of time.

The risks of investing in energy infrastructure companies include:

- Processing and upstream companies may be directly affected by energy commodity prices.
- The profitability of energy infrastructure companies, particularly processing and pipeline companies, may be materially impacted by the volume of natural gas or other energy commodities available for transporting, processing, storing or distributing.
- A sustained decline in demand for crude oil, natural gas and refined petroleum products could adversely

affect energy infrastructure companies' revenues and cash flows.

- A portion of any one energy infrastructure company's assets could be dedicated to natural gas reserves and other commodities that naturally deplete over time, which could have a material adverse impact on a company's ability to make distributions.
- Some energy infrastructure companies may be subject to construction risk, acquisition risk or other risk factors arising from their specific business strategies.
- The profitability of energy infrastructure companies could be adversely affected by changes in the regulatory environment.
- Extreme weather patterns, such as hurricane Ivan in 2004 and hurricane Katrina in 2005, could result in significant volatility in the supply of energy and power and could adversely impact the value of energy infrastructure companies' securities.
- Demand may also be adversely impacted by consumer sentiment with respect to global warming and/or by any state or federal legislation intended to promote the use of alternative energy sources such as bio-fuels, solar and wind.
- A rising interest rate environment could adversely impact the performance of energy infrastructure companies.
- Since the September 11, 2001 attacks, the U.S. government has issued public warnings indicating that energy assets, specifically those related to pipeline infrastructure, production facilities and transmission and distribution facilities, might be specific targets of terrorist activity. The continued threat of terrorism and related military activity likely will increase volatility for prices in natural gas and oil and could affect the market for products of energy infrastructure companies.
- Holders of MLP units are subject to certain risks inherent in the partnership structure of MLPs including (1) tax risks, (2) limited ability to elect or remove management, (3) limited voting rights, except with respect to extraordinary transactions, and (4) conflicts of interest of the general partner, including those arising from incentive distribution payments.
- Energy infrastructure companies may be unable to obtain new debt or equity financing on acceptable terms. If funding is not available when needed, or is available only on unfavorable terms, energy infrastructure companies may not be able to meet their obligations as they come due. Also, without adequate funding, energy infrastructure companies may not be able to execute their growth strategies, complete future acquisitions, take advantage of other business opportunities or respond to competitive pressures, any of which could have a material adverse effect on their revenues and results of operations.

- Energy infrastructure companies also are subject to risks specific to the industry they serve.

Prospective purchasers should carefully review the risks and other information of any Tortoise Fund in which they may consider investing.

## **Item 9. Disciplinary Information**

Not applicable.

## **Item 10. Other Financial Industry Activities and Affiliations**

We have relationships and arrangements that are material to our advisory business or to our clients with related persons that are an investment adviser, an investment company, or a broker-dealer.

### *Investment Advisers*

We are wholly-owned by THLLC, a holding company, which is majority owned by Montage, a registered investment adviser. We are under common control with the following additional SEC-registered investment advisers:

- Mariner Wealth Advisors, LLC ("MWA")
- Nuance Investments, LLC
- Convergence Investment Partners, LLC
- The Nations Group Advisors, LLC
- Ascent Investment Partners, LLC
- 440 Investment Group, LLC
- Palmer Square Capital Management LLC
- Tactical Investment Managers

We also are an affiliate of Confluence Investment Management, LLC ("Confluence"), an SEC-registered investment adviser. David Schulte, one of our Managing Directors, serves as a director of Confluence.

Either Montage or MWA may recommend our services to manage a portion of their clients' assets. Any of our clients recommended by MWA may incur additional fees charged by MWA. In addition, we pay a fee to Montage with respect to our clients recommended by Montage. Clients are advised that a conflict of interest exists to the extent either Montage or MWA recommends our services.

We may have clients that are also clients of MWA or other related persons. These clients, as clients of our related person(s), may be solicited by our related persons (but not by us) to invest in investment-related limited partnerships or limited liability companies for which one of our related persons serves as the general partner or manager.

We own an economic interest in the general partner of a hedge fund. We have no voting rights on any matter, except with respect to the timing and amount of

distributions to members, liquidation of the general partner, admission of new members and additional capital contributions. The investment manager for the fund, TCP Fund Management, LLC ("TCP"), a Kansas registered investment adviser, is not a related person of us. Our clients may be solicited to invest in the hedge fund by TCP employees (but not by us). We entered into a Support Services Agreement with TCP under which we provide it certain support services, including providing TCP with investment research and access to information services, among other things, for a fee. We also entered into an Investment Policies and Procedures Agreement with TCP which governs the use by TCP of research and analysis provided by us. We do not make any investment decisions relating to the hedge fund and have no control over or responsibility for the investment decisions made by TCP for the hedge fund.

### *Investment Companies*

We serve as the investment adviser for the Tortoise Funds. Certain of our employees serve as officers of the Tortoise Closed-End Funds and H. Kevin Birzer serves as a director of each of the Tortoise Closed-End Funds.

### *Broker/Dealer*

We are under common control with Montage Securities, LLC (CRD No. 154327) ("Montage Securities"), a broker/dealer registered with the SEC and various state jurisdictions, member of the Financial Industry Regulatory Authority (FINRA), Securities Investment Protection Corporation (SIPC), and Municipal Securities Rulemaking Board (MSRB). Registered representatives of Montage Securities will provide certain marketing services for our registered funds. However, no securities transactions for our clients will be executed through Montage Securities.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

We have adopted a Code of Ethics ("Code") for all of our supervised persons describing our high standard of business conduct, and fiduciary duty to our clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, and personal securities trading procedures, among other things. All of our supervised persons must acknowledge the terms of the Code at least annually.

We permit our employees to engage in personal securities transactions. Personal securities transactions by an employee may raise an actual or potential conflict of interest if an employee trades in a security that is considered for purchase or sale by a client. Our Code is

designed to ensure that our employees who are responsible for developing or implementing our investment advice or who provide the investment advice to clients are not able to act thereon to the disadvantage of clients. The Code further prohibits our employees from using any material non-public information in securities trading.

Under the Code, our employees are prohibited from using knowledge of portfolio transactions made or contemplated for any client to profit by the market effect of such transactions or otherwise engage in fraudulent conduct in connection with the purchase or sale of a security sold or acquired by a client. Further, employees are prohibited from taking advantage of an opportunity of any client for personal benefit, or taking any action inconsistent with our fiduciary obligations. Our employees must avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility.

Employees must pre-clear in writing with our Chief Compliance Officer ("CCO") any transactions in securities that we may be contemplating for purchase or sale by our clients, or any security related to or connected with such security. Employees may not purchase or sell any securities which we are considering for client accounts until either the client's transactions have been completed or consideration of the transactions are abandoned. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

Employees are required to report their securities holdings and securities transactions by providing duplicate brokerage confirmations and statements to the CCO. Employee trading is monitored under the Code, and to reasonably prevent conflicts of interest between us and our clients. Clients or prospective clients may request a copy of our Code by contacting Jennifer Park at 913-981-1020 or at 866-362-9331 (toll-free) or via e-mail to [jpark@tortoiseadvisors.com](mailto:jpark@tortoiseadvisors.com).

#### *Participation or Interest in Client Transactions*

We may from time to time recommend our clients invest in securities of issuers for which our Tortoise Funds or other related persons may invest.

Conflicts of interest may arise from the fact that we carry on substantial investment activities for separately managed account clients and Tortoise Fund clients. We may have financial incentives to favor certain clients over others. Our client accounts may compete for specific trades. We may give advice and recommend securities to, or buy or sell securities for, certain accounts, which advice or securities recommended may differ from advice given to, or securities recommended or bought or sold for, other

client accounts, even though they may have the same or similar investment objectives.

Situations may occur when certain clients could be disadvantaged because of the investment activities we conduct for our other client accounts. Such situations may be based on, among other things: (1) legal or internal restrictions on the combined size of positions that may be taken for client accounts, thereby limiting the size of such accounts' positions; (2) the difficulty of liquidating an investment for client accounts where the market cannot absorb the sale of the combined position; or (3) limits on co-investing in private placement securities under the 1940 Act.

We have adopted order aggregation and trade allocation policies and procedures designed to ensure that all clients are treated fairly.

Our Tortoise Fund clients' investment opportunities may be limited by our or our affiliates' affiliations with energy infrastructure companies. To the extent that we source and structure private investments, certain of our advisory affiliates may become aware of actions planned by such companies, such as acquisitions, that may not be announced to the public. It is possible that our clients could be precluded from investing in or selling securities of or related to companies about which we have material, non-public information; however, it is our intention to ensure that any material, non-public information available to certain of our advisory affiliates is not shared with the advisory affiliates responsible for the purchase and sale of publicly-traded company securities or swaps related to such securities, or to confirm prior to receipt of any material non-public information that the information will shortly be made public.

We do not affect any principal or agency cross securities transactions for client accounts, nor do we effect cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is generally defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.



## Item 12. Brokerage Practices

Subject to applicable investment policies and restrictions, clients grant us full discretion with respect to both security and broker-dealer selection. We select broker-dealers on the basis of their ability to execute transactions at the most favorable prices and lowest overall execution costs. We also take into consideration other relevant factors, such as:

- the reliability, integrity and financial condition of the broker-dealer, the size of and difficulty in executing the order;
- the quality of execution and custodial services; and
- the provision of valuable research services that can be reasonably expected to enhance the investment return of the clients' portfolios.

If broker-dealers are selected on the basis of their research services, we may negotiate commissions that may be higher than for "execution only" transactions, but are nevertheless deemed reasonable in light of the value of such services provided, viewed in terms of either a particular transaction or our overall responsibilities for accounts over which we exercise investment discretion. Research paid for through commissions by some accounts may be of value to and used for other accounts we manage. We receive research from some of the brokers with whom we place trades on behalf of clients, however, we have no arrangements or understandings with such brokers regarding receipt of research in return for commissions. In the event a client directs the use of a specific broker-dealer, the execution costs for the client may be higher than could be obtained by using a broker-dealer we select. Such higher costs may result from the disparity of commission rates or prices among broker-dealers, our more limited ability to negotiate lower commission rates or prices and the inability of the client to benefit from volume discounts we may obtain from aggregating orders placed with other broker-dealers.

It is our policy to allocate trades in a fair and equitable manner. We attempt (except where specific instructions provided by the client or other restrictions require otherwise) to manage every account to reflect the model portfolio selected for the client. When changes are made to the model portfolios, we trade adjust accounts to align them with the revised model portfolio. This realignment may require the trading of one or more investments on behalf of many client portfolios. We generally combine all of the trade orders into one or more 'block' orders for all of the securities that need to be purchased or sold. Each account participates at the average unit or share price for all the transactions in a security in the applicable block order, with transaction costs allocated pursuant to the applicable broker-dealer fee schedule for the particular account.

Due to the limited trading volume in some of the model portfolio securities, it is likely that we may not always be

able to completely fill a block order in one trading session. When block orders are only partially filled during a trading session, we will promptly allocate fills to accounts after the close of the trading session based upon such factors as cash balances in accounts, actual account weighting versus the applicable model weight, commissions, risk profiles, the number of accounts that may be completely filled in that trading session and other matters relevant to particular accounts in filling the orders. In subsequent trading sessions, we generally will allocate fills continuing to consider these factors until the order is completely filled. It is possible that it may take several weeks or even several months to completely fill an order, depending upon the securities involved and market conditions. Our policy is to allocate fills so that accounts are neither preferred nor disadvantaged over time.

In the event that a trading program encompasses both leveraged funds and unleveraged accounts, we will generally alternate trading days between leveraged funds and unleveraged accounts in order to prevent smaller unleveraged accounts from being disadvantaged by competing for allocations with larger leveraged funds accounts.

If we make a trading error, we will correct the error and bear any costs of correcting the error so that the client is not disadvantaged and is made whole. We will take into consideration the suitability of a trade error in connection with the resolution of the error. Unsuitable trades will always be resolved in the client's favor and the client's being made whole, and suitable trade errors will be resolved on a case-by-case basis. To the extent that resolution of a suitable trade error results in the purchase of securities in a client's account that increase in value, the increased value results in an increase in the amount of the fee payable to us.

We may recommend that clients establish accounts with preferred custodians to maintain custody of clients' assets and to effect trades for their accounts. We are independently owned and operated and not affiliated with these preferred custodians. These preferred custodians provide us with access to their institutional trading and custody services, which are typically not available to their retail investors. These services provided by the preferred custodians are not contingent upon our committing to the preferred custodians any specific amount of business (assets in custody or trading). The preferred custodians' services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For our client accounts maintained in a preferred custodian's custody, the preferred custodian generally does not charge separately for custody but may be compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the preferred custodian or that settle into

preferred custodian accounts. We have negotiated a discounted trading commission on behalf of our clients with a certain preferred custodian with the expectation that aggregate client assets custodied at such institution remain above a certain threshold.

These preferred custodians also make available to us other services intended to help us manage and further develop our business. These services may include publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. The preferred custodians may discount or waive fees they would otherwise charge for some of these services. While as a fiduciary we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at preferred custodians may be based in part on their benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the preferred custodians, which may create a potential conflict of interest. We do not have any contractual arrangements with these preferred custodians to direct client transactions to the preferred custodians in return for these products and services.

#### **Item 13. Review of Accounts**

Portfolios are actively managed and securities are continuously monitored by members of the investment management team. Potential investments are ranked based on a proprietary model which includes an assessment of quantitative and valuation metrics as well as various subjective criteria. This ranking is used to create and maintain an approved list of securities. The investment management team meets at least weekly to review portfolio strategy and to add or delete companies from the list of approved securities. Portfolio summaries, statistics, and performance results are generated and reviewed at least monthly. While primary responsibility for monitoring, review, and analysis of individual securities is spread among various individual members of the investment management team, all portfolio management decisions and reviews are based on a team approach.

Separately managed account clients are normally provided reports by their custodian not less frequently than quarterly, including (1) a portfolio schedule, (2) transaction report, (3) performance evaluation, and (4) summary portfolio statistics. We may also provide information as agreed to with the client. The Tortoise Funds issue and file reports as required under the 1940 Act and the Securities Exchange Act of 1934, as applicable.

#### **Item 14. Client Referrals & Other Compensation**

We do not receive economic benefits from non-clients in connection with giving advice to clients.

We have an agreement with an unaffiliated solicitor that provides certain services to us, such as research, client services and client solicitation services. Under this agreement, we compensate the solicitor quarterly with a percentage of the aggregate investment management fees we receive during such quarter from clients introduced by the solicitor. There is no increase in the investment management fees payable to us by clients as a result of the compensation paid to the solicitor under this solicitation agreement. We have terminated a referral agreement with an unaffiliated solicitor, however, we remain obligated to compensate the solicitor annually with a percentage of assets under management of clients who were solicited by the solicitor. The annual compensation paid to the solicitor increases our fee to such client by 0.04%. We may enter into solicitation agreements with other independent contractors for client referrals. For such referrals, we expect we would compensate the independent contractor with a percentage of fees relating to such referrals based on the level of services performed. Any such compensation would be paid pursuant to a written agreement that is in compliance with the federal regulations, and in each state where state law requires. Each prospective client so solicited is given a copy of our written disclosure statement and a separate written disclosure statement of the solicitor prior to or at the time of entering into any IMA.

Under a written solicitation agreement with our affiliate, Montage, we compensate Montage with a percentage of the fees we receive from separately managed account clients solicited by Montage. There is no increase in the investment management fees payable to us by the solicited persons as a result of the compensation paid to the solicitor under this solicitation agreement.

At-will employees may receive additional compensation based on fee revenue we receive from separately managed account clients for which the employee materially assisted or led the sales effort. This compensation is not a factor in determining, nor does it adversely affect, the fee we charge for our investment management services.

#### **Item 15. Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16. Investment Discretion

We usually receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the investment objectives for the particular client account.

We observe the client's investment policies, limitations and restrictions when selecting the identity and amount of securities to be bought or sold. Various securities and/or tax laws, as well as internal compliance policies, may impose additional restrictions on the investments that may be made. Our investment discretion with respect to the Tortoise Funds' securities is also limited by such funds' objectives and policies, as well as federal securities and tax laws.

Clients must provide any investment guidelines and restrictions to us in writing.

## Item 17. Voting Client Securities

We will vote proxies on behalf of a client if the client has delegated to us the authority to vote proxies on its behalf in the client's IMA or other written instrument. Clients for whom we do not have any authority to vote proxies retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. In the event we receive any proxies intended for clients who have not delegated proxy voting responsibilities to us, we will promptly forward such proxies to the client for the client to vote. When requested by the client, we may provide advice to the client regarding proposals submitted to the client for voting. In the event an employee determines that we have a conflict of interest due to, for example, a relationship with a company or an affiliate of a company, or for any other reason which could influence the advice given, the employee will advise our CCO, who will advise our Investment Committee. The Investment Committee will decide whether we should either (1) disclose the conflict to the client to enable the client to evaluate the advice in light of the conflict, or (2) disclose the conflict to the client and decline to provide the advice.

With respect to the Tortoise Funds or in cases where the client has delegated proxy voting responsibility and authority to us, we have adopted and implemented the policies and procedures summarized below, which we believe are reasonably designed to ensure that proxies are voted in the best interests of our clients. In pursuing this policy, proxies should be voted in a manner that is intended to maximize value to the client. In situations where we accept such delegation and agree to vote proxies, we will do so in accordance with these policies and procedures. We may delegate our responsibilities under these policies and procedures to a third party, however, no such delegation will relieve us of our

responsibilities. We will retain final authority and fiduciary responsibility for such proxy voting.

- a. Because of the unique nature of MLPs, we will evaluate each proxy of an MLP on a case-by-case basis. Because proxies of MLPs are expected to relate only to extraordinary measures, we do not believe it is prudent to adopt pre-established voting guidelines.
- b. In the event requests for proxies are received with respect to the voting of equity securities other than MLP equity units, on routine matters, such as election of directors or approval of auditors, the proxies usually will be voted with management unless we determine we have a conflict or determine there are other reasons not to vote with management. On non-routine matters, such as amendments to governing instruments, proposals relating to compensation and stock option and equity compensation plans, corporate governance proposals and shareholder proposals, we will vote, or abstain from voting if deemed appropriate, on a case-by-case basis in a manner we believe to be in the best economic interest of our clients and investment company clients' shareholders. In the event requests for proxies are received with respect to debt securities, we will vote on a case-by-case basis in a manner we believe to be in the best economic interest of our clients and Tortoise Funds clients' shareholders.
- c. Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for monitoring our proxy voting actions and ensuring that (i) proxies are received and forwarded to the appropriate decision makers, and (ii) proxies are voted in a timely manner upon receipt of voting instructions. We are not responsible for voting proxies we do not receive, but will make reasonable efforts to obtain missing proxies.
- d. Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for identifying and monitoring potential conflicts of interest that could affect the proxy voting process, including (i) significant client relationships; (ii) other potential material business relationships; and (iii) material personal and family relationships.
- e. All decisions regarding proxy voting shall be determined by our Investment Committee, or one of our Managing Directors designated by the Investment Committee, and shall be executed by one of our Managing Directors or, if the proxy may be voted electronically, electronically voted by a Managing Director or his designee.
- f. We may determine not to vote a particular proxy, if the costs and burdens exceed the benefits of voting (e.g., when securities are subject to loan or to share blocking restrictions).

If we identify a material conflict, we may (i) disclose the potential conflict to the client and obtain consent; or (ii) establish an ethical wall or other informational barriers between the person(s) that are involved in the conflict and the persons making the voting decisions.

Our Investment Committee, or one of our Managing Directors designated by the Investment Committee, is responsible for maintaining proxy voting policies and procedures, proxy statements (or the ability to access them), records of votes cast and abstentions, and any records we prepared that were material to a proxy voting decision or that memorialized a decision.

A copy of our Proxy Voting Policies and Procedures will be provided to clients and prospective clients upon request.

Clients may also obtain information from us about how we voted any proxies on behalf of their account(s) upon request by contacting Jennifer Park at 913-981-1020 **or** at 866-362-9331 (toll-free) or via e-mail to [jpark@tortoiseadvisors.com](mailto:jpark@tortoiseadvisors.com).

#### **Item 18. Financial Information**

Not applicable.

## FACTS

### WHAT DOES TORTOISE CAPITAL ADVISORS, L.L.C. DO WITH YOUR PERSONAL INFORMATION?

#### WHY?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

■ Social Security number; ■ name; ■ address; ■ assets; ■ income; ■ account balances; ■ account transactions; ■ transaction history; ■ transaction or loss history; ■ investment experience; ■ risk tolerance; ■ retirement assets; ■ checking account information; ■ employment information; ■ wire transfer instructions.

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share clients' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their clients' personal information; the reasons Tortoise Capital Advisors, L.L.C. ("Tortoise") chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Tortoise Capital Advisors, L.L.C. share?	Can you limit this sharing?
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes. Tortoise may share personal information described above for business purposes with a non-affiliated third party if the entity is under contract to perform transaction processing or servicing on behalf of Tortoise and otherwise as permitted by law. Any such contract entered by Tortoise will include provisions designed to ensure that the third party will uphold and maintain privacy standards when handling personal information. Tortoise may also disclose personal information to regulatory authorities as required by applicable law.	No.
<b>For our marketing purposes—</b> to offer our products and services to you	Yes. Tortoise shares personal information with a non-affiliated third party solicitor that is subject to a non-disclosure agreement for the purpose of auditing payments to the solicitor under a written solicitation agreement between the solicitor and Tortoise.	No.
<b>For joint marketing with other financial companies</b>	No.	We don't share.
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes. Tortoise shares personal information with affiliates as permitted by law.	No.
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	No.	We don't share.
<b>For nonaffiliates to market to you</b>	No.	We don't share.

#### QUESTIONS?

Call (913) 981-1020 or go to [www.tortoiseadvisors.com](http://www.tortoiseadvisors.com)

<b>Who is providing this notice?</b>	Tortoise Capital Advisors, L.L.C.
<b>How does Tortoise Capital Advisors, L.L.C. protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Tortoise limits access to personal information to individuals who need to know that information in order to provide our services to you.</p>
<b>How does Tortoise Capital Advisors, L.L.C. collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ Seek advice about your investments; ■ Direct us to buy securities;</li> <li>■ Direct us to sell your securities; ■ Enter into an investment advisory contract; ■ Give us your contact information.</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ Tortoise may share personal information described above for business purposes as permitted by law with our affiliates. Our affiliates include financial companies such as investment advisers. Tortoise does not share with affiliates so that they can market their services or products to you.</li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ Tortoise may share personal information described above for business purposes with non-affiliated third parties performing transaction processing or servicing on behalf of Tortoise and otherwise as permitted by law. Such companies may include broker-dealers, banks, investment advisers, mutual fund companies and insurance companies. Tortoise may also share personal information with parties who provide technical support for our hardware and software systems and our legal and accounting professionals. Tortoise does not share with non-affiliates so that they can market their services or products to you.</li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ Tortoise doesn't jointly market.</li> </ul>