Chickasaw Capital Management

JULY 12, 2023

MIDSTREAM UPDATE

SECOND QUARTER 2023

Solid Total Return Quarter; Further De-Coupling from Crude Oil

Midstream delivered another strong total return this quarter as the Alerian MLP Total Return Index (AMZX) rose 5.4%, despite WTI crude oil registering a -6.65% decline, the index's second positive returning quarter in a row versus WTI's second negative returning quarter in a row. Year-to-date (YTD), the AMZX has risen 9.7% versus WTI declining -12.0%. We'll offer some new thoughts later in this newsletter on the historical narrative that Midstream needs crude oil "to work" for the sector to generate positive returns. Spoiler alert: we believe there are several reasons Midstream can continue to de-couple going forward.

In case you missed our mid-quarter earnings review from May, we'll review the highlights here as it relates to our portfolio:

- Sixteen of twenty names beat consensus earnings before interest, taxes, depreciation and amortization (EBITDA) expectations by 5.6% on a weighted average basis, one had no estimates[1], and the three that missed, missed by an average of ~1%;
- EBITDA increased 2.4% quarter over quarter (Q/Q) and 15.9% year over year (Y/Y), weighted average;
- Distributable cash flow per unit (DCF/u) increased 8.1% Q/Q and 14.5% Y/Y, weighted average.

Our expectations for the upcoming quarter are fairly balanced. Second quarter results are typically a seasonal low point for most Midstream companies due mostly to the transition of the seasons when demand, particularly for natural gas, is strongest in the winter. Additionally, given the aforementioned poor performance of WTI in Q2 and its knock-on negative effect on natural gas liquids (NGLs) prices, this could also lead to fewer tailwinds for commodity-linked volumes quarter over quarter (Q/Q). We've seen a plethora of analyst estimate updates these past few weeks and expect more going into earnings, which could hopefully dampen any volatility around beats (misses).

But this does not mean companies are without other tools to positively manage their business, returns to unitholders, and sentiment around their equity prices. As we mentioned in the mid-quarter update, there was some investor dissatisfaction (mostly from short-term owners/hedge funds) that there were few full-year "guidance" raises, even though the quarterly results were strong. We attributed this incongruence to management teams not getting too far in front of expectations with seven months remaining in the year. We believe we could see some full-year guidance raises this earnings season, which could allow investors to focus more long-term—something that was missing during April/May's investor myopia. Likewise, we heard from several management teams who were active in repurchasing their units during May's volatility, and therefore, expect at least consistency with Q1's $1 billion of repurchase activity. Between the potential for guidance raises and the continuing increase of capital returns through distributions, dividends, and buybacks, we believe the set up for positive total returns remains strong going forward.

[1] DCP Midstream LP (DCP) was in a pending merger with Phillips 66 Corp (PSX), which closed on June 14, 2023.

MLP COMPOSITE

Annualized Return

Trailing as of 6/30/23	Net	Net of Maximum 3% Wrap Fee Return	Alerian MLP Total Return	S&P 500 Total Return
Month-to-Date	5.69%	5.44%	4.14%	6.61%
Quarter-to-Date	4.24%	3.71%	5.38%	8.74%
Year-to-Date	6.96%	5.89%	9.70%	16.89%
1 Year	27.89%	25.27%	30.51%	19.59%
3 Year	30.91%	28.25%	30.70%	14.60%
5 Year	4.84%	2.64%	6.16%	12.31%
10 Year	2.98%	0.76%	0.90%	12.86%
15 Year	8.32%	5.97%	6.36%	10.88%
Inception	7.46%	5.14%	6.55%	9.47%

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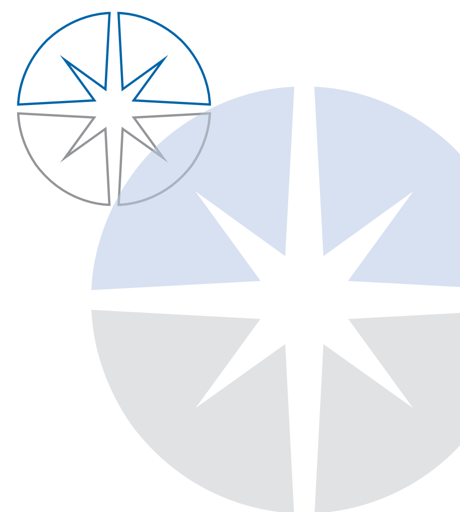


Further De-Coupling from WTI—Too Early to Call It?

Most investors and potential investors we've engaged with for the past dozen-and-a-half years have started with the investment premise that Midstream would perform admirably in rising commodity environments, while providing better downside protection should commodity prices fall. That has not always been the case or the experience recently. But, the YTD divergence in total returns of the AMZX and WTI could be an indicator that we're breaking with recent history, and we believe all the factors are in place to resume a less correlated total return performance to commodities and Energy equities.

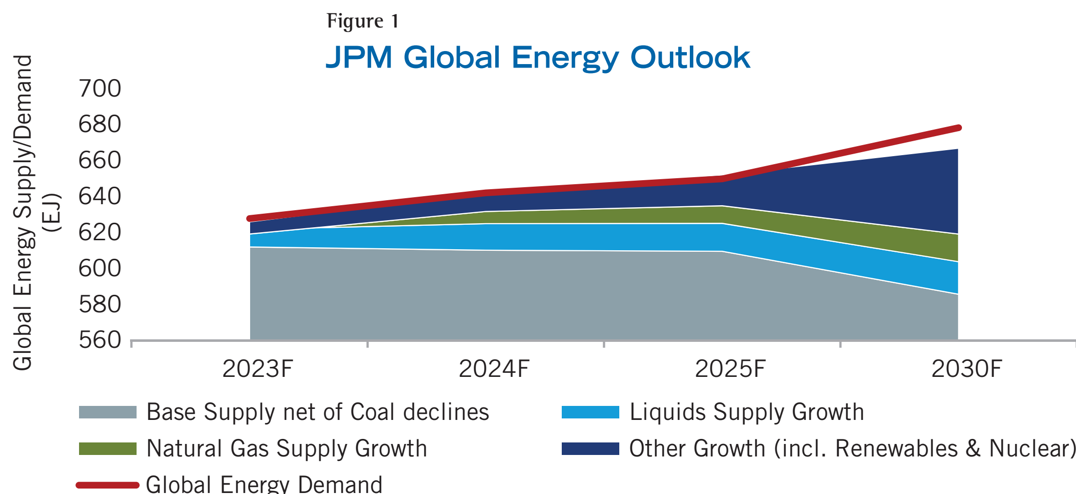
At any point in the past 5+ years, if someone would have told us WTI would be down 12% YTD, we would have a hard time arguing against this negative macro factor weighing on Midstream equities as well, despite cash flow consistency and other positive characteristics of the Midstream operating model. To wit, the 54% correlation YTD[2] has been around historical norms, but focusing on this similar pattern would've prevented one from seeing what's going on under the surface, and why we think a divergence is at hand. We believe the reasons why that narrative might have changed are becoming more evident, which would have Midstream equities be less sensitive to technicals as they have in the past, and, if so, we could be re-entering a period of less sensitivity between equity prices and the oil price similar to what existed in the 2000s.

As it pertains to the commodity itself, there is reason to believe the Organization of the Petroleum Exporting Countries plus Russia (OPEC+) is seeking to curtail extreme price volatility, and, at a minimum, raise the floor on the price of oil allowing for more consistent production forecasts within those countries. Our collective read from all manner of analysts and intelligence reports is OPEC+ is resolute on avoiding repeats of price declines experienced similar to 2014 and 2020 because low prices disincentivize their own production as much as global players outside their organization. Therefore, if forecasting is more difficult for OPEC+, given the large reliance on petroleum revenues these member countries retain, this is an untenable scenario. Various price scenarios for the bottom end of the range continue to be put forth depending on each analyst's perspective, but we think the median of the low end is ~$65 per barrel versus June 30th's close of $70.64.

When thinking about the high end of the long-term range, we think it's logical to assume $100 per barrel, not based on any explicit models or forecasts but based on geopolitics. China remains the incremental buyer (with India increasingly right behind them) in the marketplace and is enacting their own measures to keep the ceiling at or around that $100 target.

However, we remain capacity short from a production capability standpoint, and swings above $100 could be beyond China's control. As seen in Figure 1 below, JP Morgan estimates, even after accounting for a blue-sky scenario in renewables supply growth, global demand will still exceed global supply of all energy by 16% in 2030[3]. Given that hydrocarbons remain the most readily accessible form of energy, the potential for spikes remains ever present. Patrick Pouyanne, CEO of TotalEnergies SE (TOT), remarked recently, "If we don't invest enough, the [oil] price will not be $75 per barrel, it will be $150 or $200 and all consumers will be super unhappy and our life will be a nightmare"[4]. Companies and countries prefer not to have nightmares—as do equity holders!

Figure 1



Source: JP Morgan, "Global Energy Outlook", May 18, 2023.

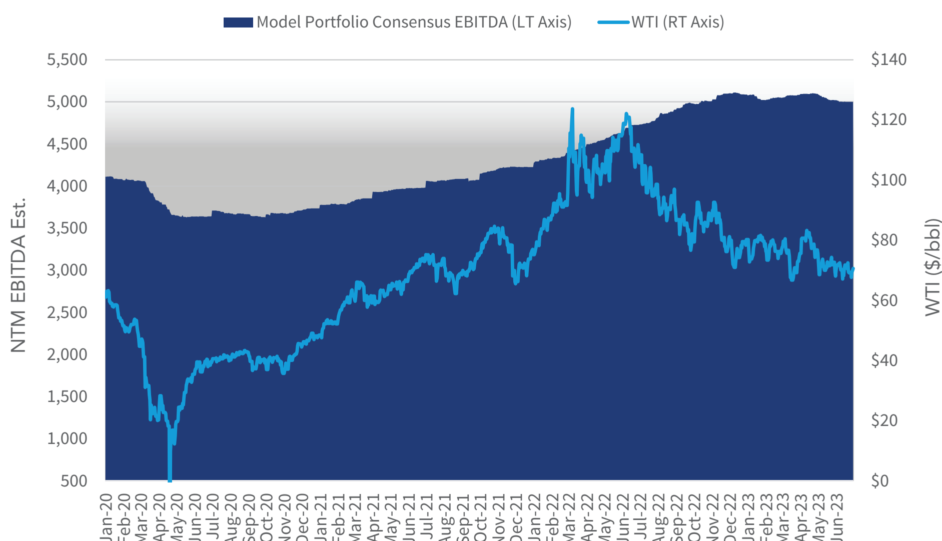
[2] Bloomberg LP 6/30/23.
[3] JP Morgan, "Global Energy Outlook", May 18, 2023.
[4] CNBC, "'Life is like it is': TotalEnergies CEO defends strategy despite calls to cut fossil fuel production", July 6, 2023.

The summary of the crude specific discussion is that the top end of the crude oil forecast is debatable, but we believe there is more confidence around the bottom end of the range. That is positive for all energy equities including Midstream.

As it pertains to Midstream equities de-coupling from WTI, we remind our readers of the consistency of cash flow with little sensitivity to commodity prices as shown in Figure 2.

Figure 2

NTM EBITDA vs. WTI Evolution



Source: Bloomberg, LP at 6/30/23. All figures shown for current model portfolio weights and holdings. EBITDA is the consensus estimate at each point in time for the weighted sum of each portfolio holding for the next twelve months (NTM).

Historically, Midstream sold off during sharp oil price declines for exogenous and endogenous reasons. Factors relatively outside its control included being part of broader energy investment portfolios that were liquidated or sold "short" during downward spikes; uncertainty regarding upstream producer health[5]; and spillover from commodity sensitive MLPs which entangled Midstream companies organized as MLPs that were thought of as being similar. Today, exploration and production (E&P) customers are debt free or have very low leverage so their balance sheets are less susceptible to commodity price volatility. This newfound corporate vitality for E&Ps has increased many of their credit ratings, which incidentally only makes the pipelines receiving the volumes more creditworthy and valuable. Lastly, the commodity sensitive MLP companies have all but disappeared, which is a positive for the remaining companies utilizing the MLP tax election.

The primary factor under Midstream companies' control was elevated debt leverage typically measured by debt/EBITDA. Increased capital expenditures needed to complete the re-plumbing of existing infrastructure, new connections, and export delivery points for U.S. hydrocarbons led to term and bank debt balances remaining elevated for longer than credit rating agency analysts and investors expected. It was a painful process to expedite the de-leveraging process for several companies, but with the majority of large project expansions now complete, we do not forecast elevated capital expenditures that could affect balance sheet leverage significantly. We believe debt/EBITDA leverage should remain below historical averages, and, for our portfolio, in the current, bottom quartile of its historical ranking.

Summarizing, we think that a fissure in the more recent Midstream/crude oil relationship could be developing, thus being another factor potentially setting up Midstream for strong relative total returns similar to what we witnessed from 2000 to 2011. We expect a tighter range for crude oil which should lead to lower energy equity volatility. It also stands to reason that if the floor has

[5] After a decade of producers seeking contract relief in bankruptcy processes, and this being a perpetual "short" thesis, we are not aware of a final decision where the sanctity of the Midstream contract did not survive "as is", or was not reworked in favor of the Midstream service provider.

been raised for the WTI price, Midstream companies that can make higher profits during periods of commodity strength should see their equity returns keep pace with earnings growth even if there is no change in valuation, like what we saw in 2022's ~33% total return. We also believe companies will keep debt/EBITDA leverage low, thus minimizing this topic as an existential thesis, which was a tedious exercise in disproving a negative for both corporates and long-term investors from 2015 to 2020.

Midstream Relative to the Market YTD

The crisis that engulfed many banks in Q1 and Q2 required the Fed to inject nearly $100 billion of liquidity into the system just as they are trying to withdraw liquidity through interest rate policy. Equity markets in turn rushed for names with the highest liquidity, and then placed themes on them with the latest being the recent discovery (tongue firmly in cheek) of artificial intelligence ("AI") technology. Human investors will conjure up any theory they can to play along with how computers may be driving markets, and, make no mistake, programmatic trading followed the Fed liquidity program to follow their own signals and push the "S&P 7" to dramatic heights[6]. Ironically, these programmatic trading arms are in and of themselves AI (though not the coveted theme of "generative AI"). So, are they just buying these names because they're excited about themselves?

We turn back to you, the rational investor, whether you are new to investing or have the scars to prove your experience. Does chasing over-valued market beta feel like a good second half strategy or should you be continuing to actively allocate to other asset classes which have suffered in this mini (hopefully!) bubble? For instance, YTD through June 30th, the S&P 500 price to earnings ratio (P/E) has risen from 17x to 20x while consensus earnings per share (EPS) have declined from $59 to $53[7]. Conversely, the AMZX's price to distributable cash flow remains near historical lows at 5.9x, though has behaved somewhat "rationally" rising ~8%, essentially in-line with the YTD total return.

Midstream Potpourri

Several notable events occurred during Q2:23 that bear some mentioning.

M & A

Company consolidation was topical during the quarter, when, on May 14th, ONEOK Inc (OKE) offered to acquire Magellan Midstream Partners LP (MMP) in cash and stock for $18.8 billion of total enterprise value (EV), representing a 22% premium to the previous MMP closing price. Most market participants were surprised by the deal between these Tulsa neighbors; however, once the S-4 filing was released it was evident that talks between the two companies had been going on as far back as 2019. We see merits and detractions from the proposed combination, which is likely how the market appears to be viewing the deal as well given the spread between MMP's trading price and proposed offer price was a 5.8% discount as of 6/30/23. We continue to monitor the potential ramifications of both a "yes" and a "no" vote, and are happy to hear from our investors if they have thoughts they'd like to share.

As to the broader topic of further Midstream M&A, we don't foresee an upcoming wave of deals, although there were some smaller consolidation announcements that also occurred during the quarter. One of the reasons why we don't expect more large deals gets back to valuation. With many companies trading near historically low trading multiples they either do not want to sell too cheaply, or, if they were to be the acquirer, risk dilution to their cost of capital from an "expensive" deal or a market re-rating due to sentiment. Lastly, as we've said in the past, our process has always focused on fundamental investing, and any proposed combinations would merely be "sweeteners" to the thesis.

Mountain Valley Pipeline (MVP)

On June 2nd, as part of the broader agreement to raise the United States debt ceiling limit, the completion of MVP was secured allowing a sweeping Federal mandate to overcome any further potential challenges from lower courts. Long time readers may remember this pipeline's completion was originally scheduled for 2018 but has been held up until now for various, politically motivated reasons.

Its approval is positive in a variety of ways. First, we believe this restores a semblance of rationality and, hopefully, balance to the overall permitting processes for all infrastructure assets, not just energy. Continuing to harp on our "capacity short" theme, the U.S. needs to get beyond emotional politics and understand there are bigger issues at hand for keeping the U.S. energy secure. Secondly, this is modestly positive for gas growth out of the Marcellus Shale; by providing an additional outline to the Gulf, MVP helps to underscore the long-lived resource base of America's largest natural gas-focused basin. Lastly, it remains unfortunate that U.S. customers who need this cleaner, less expensive source of energy to the north of the pipeline have to watch the gas flow south, where it is more likely to reach international customers through liquefied natural gas (LNG) exports, rather than be consumed domestically as an economic competitive advantage.

[6] You'd have to be living under a rock to not know that ~80% of the S&P 500's YTD total return is driven by seven large capitalization technology stocks.
[7] Bloomberg LP.

CHICKASAW CAPITAL MANAGEMENT

INVESTMENT TEAM

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Bryan F. Bulawa – Principal
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As a we are writing this newsletter, on July 10th, the Fourth Circuit Court of Appeals issued a stay on MVP construction for the section of the pipeline that crosses through the Jefferson National Forest. The stay was issued to allow the Court to hear the opposition's argument regarding the recent legislation passed by Congress to allow the resumption of construction. However, the legislation specified that all appeals were to be heard in the DC Circuit Court and not the Fourth Circuit Court. While we would expect an appeal from MVP, potentially to the Supreme Court, this ruling could negatively affect the timing of completion for the pipeline. While the Federal mandate would appear to hold, clearly this remains an unresolved situation.

LNG

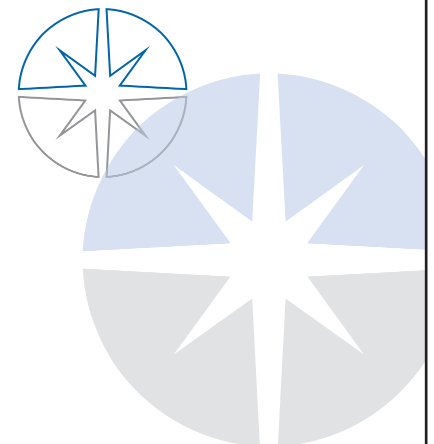
Speaking of LNG growth, there was an important announcement as well as encouraging trends for growth in the near-term that occurred in Q2. On June 21st, Cheniere Energy Inc (LNG) signed a 1.75 million tonnes per annum (MTPA) agreement with the Norwegian energy giant Equinor ASA to deliver LNG cargoes for a 15-year term that will commence at the end of this decade. A few important points from this deal are that this expands the current relationship with Equinor; the start and completion date imply this contract extends into the 2040s; and while the term is slightly shorter than typical 20-year terms, we expect LNG received better economics for a relatively shorter term.

From a macro standpoint, it also shows the willingness of some European buyers to be competitive for LNG cargoes as they understand the role gas needs to play for a longer energy transition in a marketplace where Asia remains the strongest international contractor, particularly China, which is on track to be the largest importer of LNG in 2023. New contracts there continue to be executed for terms of at least 20 years as China clearly sees access to LNG cargoes as part of a broader energy security play[8].

Conclusion

Thank you to our investors. Witnessing how Midstream continued to perform positively when crude price volatility may have suggested otherwise gives us confidence that the sector maintains its quite attractive risk-adjusted total return profile. We remained active in seeing clients and prospects during the quarter, and do reach out if you'd like to have a fulsome in person discussion in the coming months.

Geoffrey Mavar   Matt Mead   Robert Walker   Bryan Bulawa



[8] Bloomberg, LP "China Is Buying Gas Like There's Still an Energy Crisis", July 1, 2023.

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The Alerian MLP Index is a composite of the most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, capitalization-weighted methodology, is disseminated real-time on a price-return basis (NYSE: AMZ), and the corresponding total-return index is disseminated daily (NYSE: AMZX). Relevant data points such as dividend yield are also published daily. For index values, constituents, and announcements regarding constituent changes, please visit www.alerian.com.

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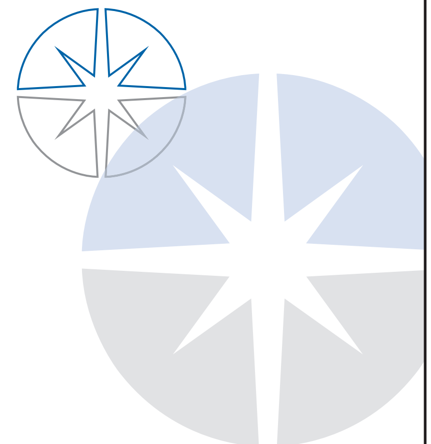
S&P 500 Total Return Index tracks the total return of the S&P 500 Index, an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. Dividends are reinvested. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.



Cash Flow is a revenue or expense stream that changes a cash account over a given period. Cash inflows usually arise from one of three activities - financing, operations or investing – although this also occurs as a result of donations or gifts in the case of personal finance. Cash outflows result from expenses or investments. This holds true for both business and personal finance. Cash flow can be attributed to a specific project, or to a business as a whole. Cash flow can be used as an indication of a company's financial strength.

Correlation measures the extent of linear association of two variables.

Distributable Cash Flow (DCF) is calculated as net income plus depreciation and other noncash items, less maintenance capital expenditure requirements. Distributable cash flow (DCF) data is CCM calculated consensus of Wall Street estimates. The estimated consensus weighted average distributable cash flow (DCF) per unit growth rate for the AMZ and our Model Portfolio incorporates market expectations by using the average annual growth rate using rolling-forward 24-month data. DCF growth rate is not a forecast of the portfolio's future performance. DCF growth rate for the portfolio's holdings does not guarantee a corresponding increase in the market value of the holding or the portfolio.

Distributions are quarterly payments, similar to dividends, made to Limited Partner (LP) and General Partner (GP) investors. These amounts are set by the GP and are supported by an MLP's operating cash flows.

EBITDA is earnings before interest rates taxes depreciation and amortization.

Enterprise Value (EV) measures a company's total value, often used as a more comprehensive alternative to market capitalization. EV includes in its calculation the market capitalization of a company but also short-term and long-term debt and any cash or cash equivalents on the company's balance sheet.

Growth Capital Expenditures or Growth CapEx or GCX refers to the aggregate of all capital expenditures undertake to further growth prospects and/or expand operations and excludes any maintenance and regulatory capital expenditures.

Net Debt to EBITDA Ratio is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant. If a company has more cash than debt, the ratio can be negative.

OPEC+ is a loosely affiliated entity consisting of the countries that are members of the Organization of the Petroleum Exporting Countries (OPEC), plus several of the world's major non-OPEC oil-exporting nations, most notably Russia, with the goal of exerting a degree of control over the price of crude oil.

Price-to-earnings ratio (P/E ratio) is the ratio for valuing a company that measures its current share price relative to its earnings per share (EPS). The price-to-earnings ratio is also sometimes known as the price multiple or the earnings multiple.

West Texas Intermediate (WTI), also known as Texas light sweet, is a grade of crude oil used as a benchmark in oil pricing. This grade is described as light because of its relatively low density, and sweet because of its low sulfur content. It is the underlying commodity of Chicago Mercantile Exchange's oil futures contracts.

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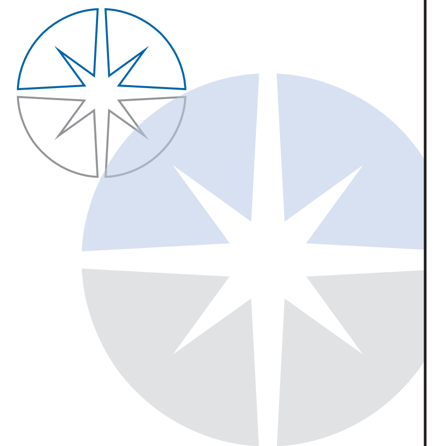

CHICKASAW CAPITAL MANAGEMENT

Chickasaw MLP SMA Composite | October 31, 2006 – June 30, 2023

6/30/23	ANNUALIZED RETURN (%)			
	Net-of-Fees Return	Net of Maximum 3% Wrap Fee Return	Alerian MLP Total Return	S&P 500 Total Return
Month-to-Date	5.69	5.44	4.14	6.61
Quarter-to-Date	4.24	3.71	5.38	8.74
Year-to-Date	6.96	5.89	9.70	16.89
1 Year	27.89	25.27	30.51	19.59
3 Year	30.91	28.25	30.70	14.60
5 Year	4.84	2.64	6.16	12.31
10 Year	2.98	0.76	0.90	12.86
15 Year	8.32	5.97	6.36	10.88
Inception*	7.46	5.14	6.55	9.47

Year	Net-of-Fees Return (%)	Net of Maximum 3% Wrap Fee Return (%)	Alerian MLP Total Return (%)	S&P 500 Total Return (%)	Number of Portfolios	Annual Composite Dispersion (%)	Composite 3-Year Ex-Post Standard Deviation (%)	Alerian MLP 3-Year Ex-Post Standard Deviation (%)	S&P 500 3-Year Ex-Post Standard Deviation (%)	Total Composite Assets (USD mil)	Total Firm Assets (USD mil)	Bundled Fee Assets as a % of Total Composite Assets
2023 YTD	6.96	5.89	9.70	16.89	234	NA	NA	NA	NA	655	1907	43.85
2022	33.97	31.19	30.92	-18.11	239	0.64	45.61	48.39	20.87	682	2032	40.42
2021	44.33	41.39	40.17	28.71	249	1.19	44.36	46.86	17.17	749	2053	28.56
2020	-31.14	-32.68	-28.69	18.40	257	2.36	44.61	47.18	18.53	713	1881	22.54
2019	9.00	6.73	6.56	31.49	546	0.89	18.87	17.70	11.93	1812	3472	17.94
2018	-21.08	-22.79	-12.42	-4.38	707	1.02	20.70	18.10	10.80	1968	3513	18.60
2017	-8.40	-10.36	-6.52	21.83	817	0.72	21.93	19.06	9.92	2272	4915	20.55
2016	25.61	22.89	18.31	11.96	891	2.02	23.37	19.95	10.59	2490	5015	19.53
2015	-31.46	-33.02	-32.59	1.38	421	1.57	20.39	18.50	10.47	1187	3108	9.14
2014	21.71	19.03	4.80	13.69	251	1.38	14.91	13.54	8.97	1292	3054	4.74
2013	46.64	43.39	27.58	32.39	166	3.23	13.04	13.43	11.94	988	1933	2.86
2012	15.87	13.23	4.80	16.00	118	2.17	13.17	13.37	15.09	563	949	NA
2011	22.30	19.48	13.88	2.11	98	2.05	18.82	17.19	18.71	406	690	NA
2010	43.59	40.60	35.85	15.06	76	4.45	NA	NA	NA	170	393	NA
2009	111.65	106.81	76.41	26.46	18	NA	NA	NA	NA	37	289	NA
2008	-59.75	-60.54	-36.92	-37.00	3	NA	NA	NA	NA	0.7	224	NA
2007	4.83	2.74	12.72	5.49	1	NA	NA	NA	NA	0.5	346	NA
2006*	5.84	5.32	6.03	3.33	1	NA	NA	NA	NA	0.4	334	NA

*2006 performance is for the period from inception date of 10/31/2006 through 12/31/2006

Firm and Composite Information: Chickasaw Capital Management, LLC ("CCM") is an independent investment adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. CCM manages a variety of equity, fixed income, and balanced assets for wealthy families and institutions with a focus on master limited partnerships ("MLPs"). The Chickasaw MLP SMA Composite (the "Composite") consists of fee-based, discretionary accounts that invest in MLPs, MLP affiliates, successors to MLPs, and other companies that have the economic characteristics of MLPs, in each case that trade on U.S. stock exchanges. The Composite's inception date is October 31, 2006. The Composite was created in August 2009 and prior results contain historical data. All historical performance was constructed in accordance with the composite construction policies set forth within the firm's policies and procedures. A list of CCM's composite descriptions as available upon request. All underlying accounts were treated on a consistent basis with respect to composite inclusion. As of 5/31/2015, the minimum account size for inclusion into the Composite is $75,000. Accounts will not be removed from the Composite if they fall below the minimum due to market fluctuations or client withdrawals.

Benchmark: The benchmark is the return of the Alerian MLP Total Return Index ("Alerian") and the S&P 500 Total Return Index ("S&P 500"). The Alerian is a market-capitalization weighted index composed of the most prominent energy Master Limited Partnerships. The S&P 500 is a market-capitalization weighted, broad-based securities market index containing the 500 most widely held companies chosen with respect to market size, liquidity, and industry. The index information is included merely to show the general trend in the markets for the periods indicated and is not intended to imply that a client's investment portfolio will be similar to the index either in composition or risk. The volatility of the S&P 500 and the Alerian may be materially different from that of the strategy depicted, and the holdings in the strategy may differ significantly from the securities that comprise the S&P 500 and the Alerian. The S&P 500 and the Alerian are unmanaged and are not assessed a management fee and other expenses typically associated with a managed account or an investment fund. Investments cannot be made directly in a broad-based securities index.

Performance Calculations: Valuations and returns are computed and stated in U.S. Dollars. The performance shown is for the stated time period only; due to market volatility, each account's current performance may be different. Returns are calculated using a time-weighted rate of return ("TWR") calculation methodology. TWR is computed by calculating a simple rate of return between each period, and linking them. Results reflect the reinvestment of dividends and other earnings. As of 6/30/13, the Composite contains portfolios with "bundled" and "non-bundled" fees. "Bundled" fees include investment management fees as well as other sponsor platform fees that include but are not limited to transaction costs, custodial fees, advisory, and other administrative fees. Pure gross performance is calculated gross of all investment management fees; gross of custodial fees in "non-bundled" portfolios; gross of all "bundled" fees charged by the platform sponsor; net of transaction costs on "non-bundled" portfolios; and net of withholding taxes. Net-of-fee returns are presented net of actual investment management fees; net of trading expenses; net of actual "bundled" fees; net of withholding taxes; and gross of custodial fees for "non-bundled" portfolios. Net of wrap fee returns are calculated by subtracting 1/12th of 3.00% from the monthly pure gross return. 3% represents the maximum wrap fee that a sponsor may charge clients seeking investment management services in the designated strategy. Actual fees may vary depending on the individual sponsor's wrap fee. The standard management fee for the MLP strategy is 1.50% per annum. Additional information regarding CCM's fees is included in its Part 2 of Form ADV. Dispersion is calculated using the asset-weighted standard deviation of all accounts included in the Composite for the entire year. Dispersion is not presented for periods less than one year or when there were five or fewer portfolios in the Composite for the entire year. Three-year ex-post standard deviation is not presented prior to 2011 as this was not required. The calculations for dispersion and three-year ex-post standard deviation use net returns. Differences in account size, timing of funding or transactions in securities and other market conditions may cause the performance of any account to differ from that of other accounts managed by CCM and/or that of the Composite. Differences in the methodology used to calculate performance might also lead to different performance results than those shown. Additional information regarding CCM's policies and procedures for valuing investments, calculating performance, and preparing GIPS reports is available upon request.

GIPS Compliance Statement: Chickasaw Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. CCM has been independently verified for the periods 1/1/2006 – 12/31/2021. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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