Chickasaw Capital Management

OCTOBER 16, 2017

MLP UPDATE

THIRD QUARTER 2017

MLP and midstream energy companies continue to get little respect or interest from investors who seem to find comfort in the broader stock market, which continued to hit record highs. MLP price performance has suffered from misconceptions about the importance of the oil price and difficult conditions in marketing that are irrelevant to the excellent prospects of the segment.

The broader stock market has continued to climb a wall of worry, so much so that, paradoxically, investors appear less worried about risks and valuations than they did in past years. Strategists continue to forecast earnings gains over the coming year, though we find it ironic that energy earnings are forecast to contribute disproportionally to overall gains (What? Energy earnings gains are part of the reason non-energy shares should rise?).

In contrast, with energy shares, very much including Midstream energy shares, it's just the worry without the climbing part. Perhaps the disconnect here is partly the result of investors acting as if interest rates are not going to rise except modestly. Perhaps the prospect of a significantly lower corporate tax rate is quite enticing, as it should be. Perhaps investors simply want to be invested in securities that are outperforming, a very understandable thought process, and yet one that ignores valuation and future opportunity. Perhaps there are few other places, attractive or not, to invest large sums of capital. In any case, we are not here to bash the choices investors are making, but to logically make the case as to the attractive valuation on current cash flow, and the seemingly lower risk and excellent long-term growth opportunities that exist in Midstream Energy companies. We do not pretend to know when Midstream Energy shares will outperform, but we remain confident that they will in future periods.

It's not about the oil price anymore; MLPs do not need a higher oil price to perform. It's about the volume of oil, natural gas, ethane and propane to be gathered, processed and transported to market.

It has been true over most of the past three years of down and difficult markets for energy shares and MLPs that MLPs and Midstream Energy company share prices have correlated fairly highly with the price of oil. For most investors, it was a simple thought process: Oil prices are weak, oil is in surplus supply and there is little visibility to this changing. Prior to

Overall Morningstar Rating™

within Energy Limited Partnership category based on risk-adjusted performance ending 6/30/17

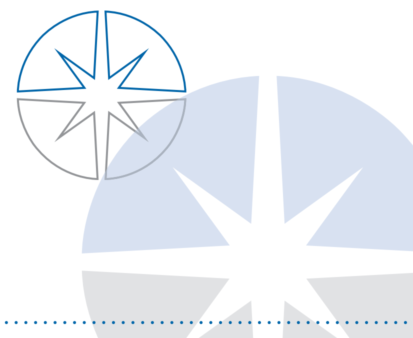
Morningstar, Inc. is a leading provider of independent investment research in North America, Europe, Australia, and Asia. Morningstar rates separate accounts from one to five stars based on how well they have performed in comparison to similar funds. The Overall Morningstar Rating for a separate account is derived from a weighted average of the performance figures associated with its three-, five- and 10-year (if applicable) Morningstar Rating™ metrics. Within each Morningstar Category, the top 10% of separate accounts receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars, and the bottom 10% receive one star.

MLP COMPOSITE

Annualized Return

Trailing as of 9/30/17	Net	Alerian MLP Total Return	S&P 500 Total Return
Month-to-Date	1.67%	0.69%	2.06%
Quarter-to-Date	-2.73%	-3.05%	4.48%
1 Year	-3.50%	-3.70%	18.61%
3 Year	-9.86%	-12.93%	10.81%
5 Year	7.16%	-0.57%	14.22%
10 Year	8.73%	6.49%	7.44%
Inception	9.58%	7.36%	7.97%

Please note *Additional Information* on final page.



this most recent prolonged period, such oil price weakness has in fact impacted MLPs, but then the impact abruptly ended. No long-term harm, no foul. However, the last three years of choppy oil markets have continued to weigh on MLPs.

We've articulated this before but it's important to present that looking at the Alerian MLP Index (AMZ), by our calculations, 75% of revenues are sourced by fees with minimum volume guarantees from credit-worthy customers. Another 13% of revenues result from volumes that are fee-based though not guaranteed, but a large proportion of these volumes flow and likely will continue to move or grow. Thus, 88% of revenues in the AMZ are fee-based and represent fairly stable cash flow for the large proportion of Midstream companies (please reach out to your Chickasaw representative for further information regarding calculations for our portfolio). Few other competitive industries can make this claim.

However, overhanging the Midstream marketplace have been company-specific issues. Most notably, certain high-profile companies which did suffer sharp declines in their supply and logistics businesses, or faced other difficulties tied to the oil price, the overbuilding of assets ahead of market requirements (because of the sharp decline in the oil price and reduced drilling) or the need for equity capital in a market that was suddenly hesitant to supply this capital at affordable cost even for strong commercially-secured projects. There were also a limited number of distribution cuts, or resets, to strengthen balance sheets, as the rating agencies became more demanding. These felt more like disappointments in fundamentals to investors rather than accurately seeing the companies were deciding to strengthen their balance sheets due to the high cost of capital or pressure from the rating agencies.

Few appear to recognize that all MLPs are not alike and only approximately 25% of underlying cash flow in the AMZ comes from crude oil with the majority of the remainder coming from assets related to natural gas and Natural Gas Liquids (NGLs). Tens of billions of dollars of projects have recently been built and additional tens of billions of dollars of projects are currently being built to 1) deliver natural gas and NGLs domestically to several dozen combined-cycle natural gas fired electric generation facilities currently being built or soon to be built and internationally through LNG exportation. This is also evidenced by the quite large U.S. market share of chemical plant construction projects currently underway in the world.

Therefore, the natural gas marketplace, and the markets for NGLs such as ethane, propane and butane are much more important to Midstream energy companies than oil, although this is seemingly misunderstood by investors. We do not intend, in this quarter's Letter to Investors, to repeat the details of the substantial opportunities created for Midstream energy companies in these businesses by the hundreds of billions of dollars being spent by the chemical industry and by electric utilities. We have covered this topic numerous times in previous letters. Still, it is important to point out that domestic and foreign chemical companies have concluded that U.S. sourced ethane and propane should be low-cost and in plentiful supply. This is evidenced by the large proportion of chemical plant construction projects currently underway in the world are located in the United States. Some of the balance, including plant conversions overseas, will utilize U.S. sourced ethane that will be exported.

What does all this mean?

There are several major conclusions to be made at this point. As with the oil price, natural gas, ethane and propane prices are historically low. However, with the drastically reduced cost structure of the domestic exploration and production industry, producers can profitably produce incrementally massive quantities of natural gas, ethane, propane and butane. It is these volumes, and not the price of these products, which matter to the Midstream energy companies. Much of this wave of new asset additions by the chemical industry and the electric utilities is in its early stages, and this story appears to have substantial and very profitable 'legs' going forward to potentially benefit Midstream Energy companies. This is a key component of cash flow growth analysis for these companies, and there is good visibility to the first wave of all these projects, which we believe will sustain growth over the next four years. Chemical companies and utilities are already considering a next wave of follow-on projects.

We should note here a couple of other related points, one a positive and one a negative. A number of assets including already built NGL pipelines, will likely benefit as these Gulf Coast ethylene crackers begin operation over the next couple of years. Similarly, companies with existing assets at Mont Belvieu, TX, with its numerous fractionators and salt dome storage caverns will benefit from these assets and their ability to supply incremental product to customers and for export. Enterprise Products LP (EPD, $26.33) and Targa Resources Inc (TRGP, $45.69) are two well-positioned companies likely to significantly benefit from their existing assets. Enterprise currently has $9 billion of assets under construction to meet the requirements of customers and $6 billion of these will be placed in service by the end of 2018. With no incentive distribution rights (IDRs), Enterprise has a low

cost of capital and should generate strong returns. We will also mention with the Marcellus Basin supplying 23% of the U.S. natural gas supply, but likely a much greater portion in the future, there are and will likely be dislocations for pipelines which were built to move natural gas from the Southwest to the Northeast. In any changing and growing marketplace, there are always these types of adjustment issues. Companies need to adapt to changing markets and it is no different for Midstream energy companies. Most have and are doing so, albeit at a cost of some lost contracts and volume for certain companies.

Domestic oil producers have become incredibly efficient and low cost, benefitting midstream energy companies.

The oil marketplace needs to be addressed in a similar manner as natural gas and NGLs, where lower prices have been matched by reduced costs through major efficiency gains over the past several years and become even more competitive on a world-wide basis. The energy headlines each day remain focused on the oil price, on the storage overhang (which continues to shrink), on the economic challenges of this lower price to the exporting countries of the world in the Organization of Petroleum Exporting Countries (OPEC), Russia and certain other countries. With almost certainty, these countries now receive only half the revenues they enjoyed only three years ago (and the oil consuming countries have never sent a "thank you" note to the U.S. shale producers who have added 4.5 million barrels (mm bbls) per day of production to the market and brought the oil price down to a level it otherwise would not have reached).

Many oil companies invested vast sums in the past on the expectation of receiving greater revenue and returns on their investments. This is what happens with commodity businesses. More efficient producers in any industry are the ones who benefit. The United States is benefitting from producing incremental oil supplies, along with natural gas and NGLs, from new basins and reconfigured older basins, utilizing new technology highlighted by advances in horizontal drilling, hydraulic fracturing and better well-completion techniques. Although technology is typically quite transferrable, producers in the United States are benefitting to the significant exclusion of much of the rest of the world. At worst, the U.S. has a significant head start. Some countries (and New York State) have even outlawed hydraulic fracturing. Mineral rights in the U.S. are owned by the land holders and not the government, in contrast to most other countries. The free market in the U.S., along with a number of excellent shale basins, moderately reasonable regulation and reasonably proximate demand have allowed the domestic energy industry to produce large incremental quantities of hydrocarbons at a substantially lower cost than only a few years ago, increasing their global competiveness. The Permian and Denver-Joulesburg (DJ) basins along with the SCOOP/Stack region of Oklahoma can produce oil profitably at $40 per barrel or less. The core portions of the Eagle Ford and Bakken fields are also competitive and profitable at current prices.

Our somewhat obvious conclusion is that price itself does not matter; it is the ability for producers to make a fair return on investment that leads them to drill for oil, natural gas and NGLs.

Current prices are reasonable because of higher productivity and resultant lower costs. Somewhat higher prices would certainly be welcomed by producers and would further increase U.S. production. The Energy Information Administration (EIA) reported oil production in the U.S. in October 2016 was 8.46 mm bbls/d. Oil production in the last week of September 2017 was 9.57 mm bbls/d, up 1.1 mm bbls/d year over year (+13%). These gains, and the gain from U.S. oil production of 5 mm bbls/d at the end of 2008, have resulted from significantly improved well productivity despite the lower oil price. The rig count is roughly half of what it was only a few years ago. Much longer laterals and more fracs per well have significantly increased production per well and reduced the cost per barrel of oil or NGLs and mcf of natural gas produced. The higher oil production volumes are quietly in the process of filling up the under-utilized oil pipeline capacity, in particular from the Permian, but less so from the DJ Basin which may be underutilized for several more years.

Although we just concluded that the oil price should have a limited impact on MLPs, perceptions are otherwise and we will here give our thoughts to the most asked questions of 'what about the oil price and excess oil in storage'.

We have been impressed with the historically high 86% OPEC compliance rate of their self-imposed quotas for the year-to-date, according to the International Energy Agency (IEA). Unlike in previous periods when OPEC fell short on adhering to instituted quotas and production cuts, most of OPEC and Russia have lived up to their agreement (Iran and Iraq are two countries that have been less compliant). Without question, the pain caused to OPEC

members, which rely so heavily on oil revenues to fund their economies, has been impactful. Most appear to realize that they either stand together or they will drown together. That said, excess oil in storage has been declining, but more slowly than most analysts, including us, expected. The anticipated strength of U.S. oil production, but more so from higher production from Libya and Nigeria has offset a good portion of the 1.6 mm bbls/d demand increase for oil in the world in 2017 as estimated by the International Energy Agency (IEA).

Without trying to sound apologetic, but just intellectually honest, it is difficult to quantify worldwide oil and products in storage. U.S. crude inventories, which are much better tabulated, are some 85 mm barrels greater than the EIA's reported five-year historical average, even as gasoline and other products are approximately in line with historic levels. The IEA estimates that the total worldwide commercial stocks of crude oil as of July were 190 million barrels more than the five-year average. These estimates have been falling over the past two years, but remain elevated. With a relatively flat forward curve for WTI over the coming year and Brent in a modest backwardation (lower prices in future months), there is little reason to store oil and there are anecdotal reports of floating storage being sold into the market.

These facts, combined with many oil producers who indicate that they are hedging 2018 oil production at north of $50, lead us to believe the oil markets may, in fact, be somewhat stronger than commonly believed. That said, we have been following the oil markets for a number of decades and know that predicting the oil price is indeed a very tall order. We will be satisfied if investors simply agree with us that as long as U.S. oil producers can be reasonably profitable, which we will say is $45 to $55 per barrel, Midstream energy companies will manage reasonably well. However, the steady tightening of the oil markets, the current backwardation which supports inventory drawdown and recent oil price strength, even as significant hedging activity is taking place, make us more optimistic about the oil price. Mr. Putin of Russia indicates that he is open to extending the current output quota deal through the end of 2018 if it is required, in line with statements from Saudi Arabia and other OPEC countries. We are willing to take them at their word because the cost to them of excess oil and a lower price is so great. All this said, it appears logical to us that oil will mostly be in the mid-$40's to mid-$50's over the coming year, and high enough for Midstream investors to finally see relief from the persistently high correlation between their security and oil prices.

Are we close to the twilight of fossil fuels and is peak demand not that far ahead? Our answer is emphatically 'NO'.

We have lately been challenged by investors about whether fossil fuels are currently enjoying their last gasp of growth before the world moves on to solar, wind and other alternatives such as hydrogen. We are also questioned as to when electric vehicles (EVs) may make the internal combustion engine (ICE) obsolete and erase the main demand for oil. It is logical to believe that energy consumption in Western Europe and the U.S. may indeed level out or decline because of conservation and energy efficiency, and also that electric cars will gain market shares. Observers frequently capture well what they see close at hand and do not analyze distant markets as well. That said, the EIA continues to project demand increases for oil consumption in the U.S. in both 2017 and 2018 (they do not forecast beyond 2018). Regulations and economic incentives may drive a decline in oil consumption in the U.S. and Western Europe. How far and how fast such changes may take place are debatable topics.

The EIA forecasts continued growth in petroleum and natural gas use in the world through at least 2040. Their forecast calls for a 28% growth in world energy demand by 2040 (from 2015). Oil demand is forecast to grow by 18.9% over this period as natural gas demand, along with alternatives, rises much more quickly. How are such forecasts possible? The EIA and IEA in their long-term forecasts point to substantial demand for energy in Asia as those countries continue to grow rapidly. Simply stated, the 4.4 billion people in Asia desire the comforts that we have, and their economies are expected to continue growing rapidly. The IEA points to about one-third of oil demand growth in their forecast being diesel fuel for trucks, and another one-third is for automobiles, again in Asia. Finally, some of the balance is for air transport as the number of airplanes continues to grow. China does show an interest in solar, along with a potential shift from coal to natural gas. Although a recent Morgan Stanley report may be optimistic, they forecast India's GDP tripling to $6 trillion over the next ten years. We have heard such forecasts before about India and they have not panned out. Finally, most of these Asian countries do not have enough indigenous fossil fuels to meet their current needs. They appear likely to require increasingly large imports of oil and natural gas in future years. Plastics are also expected to be demanded in substantial quantity as Asians emulate the western lifestyle. This translates into more demand for ethane and oil.

We think the "punchline" of the EV story comes from another Morgan Stanley report. In their aggressive scenario, they calculate EV penetration of total new vehicle sales in 2025 could result in 1 mm bbls/d in reduced global demand for crude oil. However, this would be less than 1% of total demand in 2025, and would still allow the market to grow by a net 4-5 mm bbls over the same time period. We recognize that the markets for EVs and efficiencies in ICE are dynamic and this forecast could prove to be better or worse for oil consumption. But we think based on information and forecasting currently available that EVs are only a topical conversation, not a worry to be priced into energy companies.

Why are we excited about midstream energy company valuation and our portfolio?

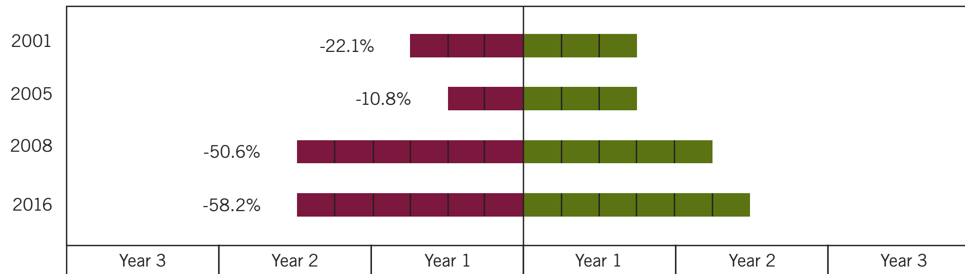
We believe that the stock market is discounting very little going right for Midstream energy companies, even as we have pointed out, more in previous letters than this one, that fundamentals are currently strong at the preponderance of companies, as are most balance sheets. In addition, many strong and high return projects are being built to satisfy the needs of customers, mostly in the chemical and electric utility industries. The spread between cost of capital and return on invested capital is favorable for most companies, even with the elevated cost of common equity. Many have eliminated IDRs and otherwise managed their capital costs. In this letter, we have attempted to debunk what we believe to be the negative and incorrect perceptions about issues which have plagued the group. We very much believe that these perceptions will shift, and likely over the coming year, as oil markets balance, the oil price likely stabilizes or even rises a bit and as company results continue to improve with the benefit of significantly increased volumes moving through existing systems.

The most difficult question for us to answer is: What is the catalyst that will help Midstream energy companies realize price upside? We used to believe that it was as 'simple' as an oil price recovery. It now appears that the world, and investors, will have to get used to oil in the $45 to $60 range. This is a range that will work reasonably well for domestic producers, but not nearly as well for many others in the world. Logic would say that prices should settle in the upper end of this range. The 'catalyst' may be when investors realize that $50 or $55 oil is the old $95, but is actually better competitively for U.S. producers and therefore U.S. Midstream companies. The market has also been surprised and disappointed when companies including Plains All American Pipeline LP (PAA, $20.72) and Genesis Energy LP (GEL, $24.19) recently reduced their distributions. These distribution cuts do not change the value of these companies if all else is unchanged, as we essentially believe is the case (with Plains, little value should have been placed on the small difference in their Supply and Logistics results). In fact, these cuts were credit positive, and therefore fundamental equity positive, as they were made to strengthen balance sheets and in response to the markets' unwillingness to value the company's equity more highly.

Many MLP management teams are displeased with their cost of equity and access to affordable common equity. It may take time for investors to appreciate the significant value in the MLPs which are reducing distributions for capital access and balance sheet reasons. We see this as wrong footed as the actions are a logical use of their distributable cash flow (DCF). We have never understood why sell-side analysts and many others have valued MLPs off their yields instead of multiples of EBITDA or DCF, adjusting for debt level. We believe using retained earnings for projects is smart, even as these companies improve their balance sheets. It may take time for investors to appreciate the significant value and opportunity in MLPs. We continue to own PAA, PAGP and GEL, believing current valuations are at least as attractive and that long-term growth prospects are quite good.

Other possible catalysts are more obvious. First, there could be takeover bids for Midstream companies in an industry many believe is ripe for consolidation. Second, a surprise loss of oil production in one of the many unstable countries in the world exporting oil. With only a modest excess capacity to produce oil in the world, it wouldn't take much if a strike in Venezuela shut down its exports or the equivalent in any of a few other countries. Third, a strong series of company reports in one of the next few quarters. We estimate consensus DCF/unit growth of AMZ to be a 9.1% in 2018. Perhaps strong volume and throughput growth driving cash flow will be appreciated. Lastly, it might be nothing at all or a shift in focus from the broader market to energy, a direction some strategists are beginning to point to. We believe that value can only remain unrecognized for so long (and it has been a long time already!). We will present this chart below of all previous downturns of MLPs and recoveries. This has been the longest downturn of MLPs and essentially tied for the deepest. However it has been by far the slowest recovery.

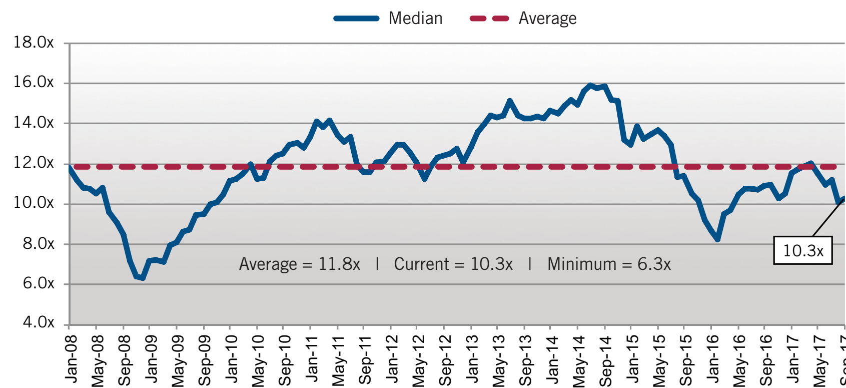
Length of MLP Market Drawdowns and Recovering to Breakeven



Source: Bloomberg LP as of 9/30/2017

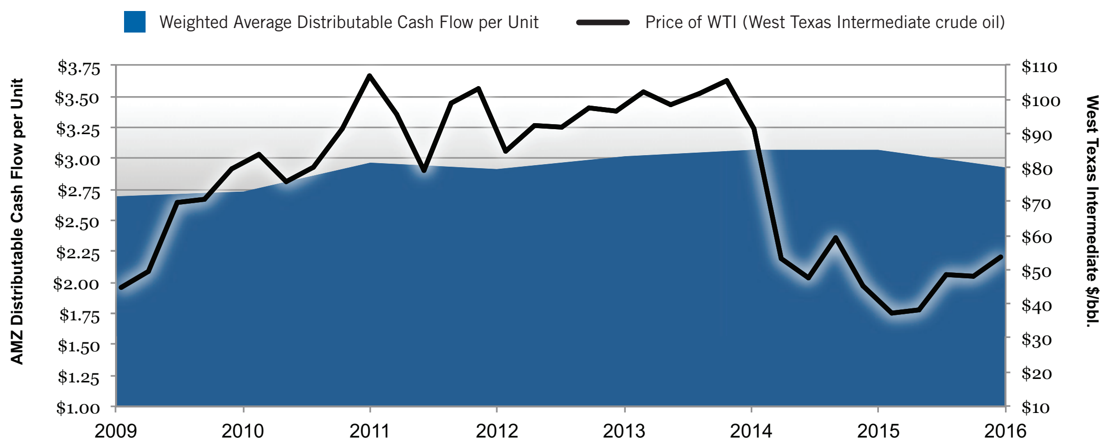
As of 9/30/17, Wells Fargo calculates their large universe of Midstream companies is trading at a 15.6% discount to the five-year EV to EBITDA average multiple. We believe it is equally important that volume growth, on existing and newly built systems, is set to significantly augment cash flow over coming years at many companies, driving the DCF/unit growth we referenced above. The distribution coverage ratio for the AMZ appears set to rise to 1.22x in 2018 from the 1.17x in 2017. This improvement of retained cash will reduce the cost of capital for many MLPs and improve their balance sheets, both important to valuation for those who are still paying attention to these important metrics. As in past newsletters, here are the reminders of valuation:

Price/Distributable Cash Flow per Unit



Source: Bloomberg LP & Chickasaw Capital Management, LLC as of 9/30/2017

AMZ DCF/U vs. WTI



Source: Bloomberg LP & Chickasaw Capital Management, LLC as of 8/30/2017

CHICKASAW
CAPITAL MANAGEMENT

We are steadfast in our belief that midstream energy companies represent excellent value with limited risk and with more substantial long-term prospects than we have seen in our long careers?

Although we did not focus in this letter on the specific growth opportunities in various basins and the magnitude of these, we need to at least mention that this potential, as well as for the export market, has only improved. Many chemical companies and electric utilities are working on their next phase of projects that likely will benefit Midstream energy companies in the next decade. The risk-to-reward ratio at Midstream energy companies appears quite good to us, especially with a 9% cost of capital, as calculated by Wells Fargo at what is arguably a difficult point in the market for cost of equity capital. We believe we have a portfolio that is poised for excellent performance when the dark clouds of negative perception toward energy companies lift even a modest amount. We thank you, our investors for your confidence in us and can assure you that each of us at Chickasaw is working hard to justify your trust.

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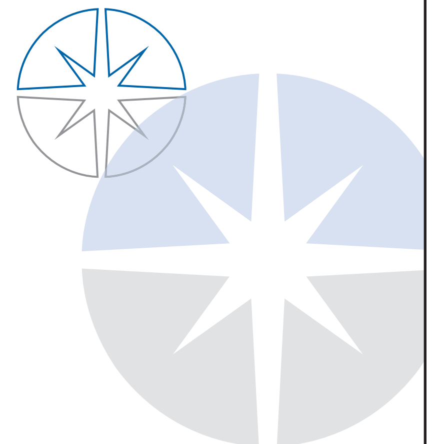

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Chickasaw MLP SMA Composite | October 31, 2006 – September 30, 2017

9/30/17	ANNUALIZED RETURN (%)			CUMULATIVE RETURN (%)		
	Net-of-Fees Return	Alerian MLP Total Return*	S&P 500 Total Return*	Net-of-Fees Return	Alerian MLP Total Return*	S&P 500 Total Return*
Month-to-Date	1.67	0.69	2.06	1.67	0.69	2.06
Quarter-to-Date	-2.73	-3.05	4.48	-2.73	-3.05	4.48
Year-to-Date	-8.19	-5.62	14.24	-8.19	-5.62	14.24
1 Year	-3.50	-3.70	18.61	-3.50	-3.70	18.61
3 Year	-9.86	-12.93	10.81	-26.75	-33.98	36.07
5 Year	7.16	-0.57	14.22	41.33	-2.80	94.44
10 Year	8.73	6.49	7.44	130.89	87.52	104.88
Inception	9.58	7.36	7.97	171.35	117.02	131.04

Year	Net-of-Fees 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
2017 YTD	-8.19	-5.62	14.24	1016	NA	NA	NA	NA	2502	4781	22.54
2016	25.61	18.31	11.96	891	2.01	23.37	19.95	10.59	2490	5015	19.53
2015	-31.46	-32.59	1.38	421	1.56	20.39	18.50	10.47	1187	3108	9.14
2014	21.71	4.80	13.69	251	1.36	14.91	13.54	8.97	1292	3054	4.74
2013	46.64	27.58	32.39	166	3.23	13.04	13.43	11.94	988	1933	2.86
2012	15.87	4.80	16.00	118	2.17	13.17	13.37	15.09	563	949	NA
2011	22.30	13.88	2.11	98	2.05	18.82	17.19	18.71	406	690	NA
2010	43.59	35.85	15.06	76	4.45	NA	NA	NA	170	393	NA
2009	111.65	76.41	26.46	18	NA	NA	NA	NA	37	289	NA
2008	-59.75	-36.92	-37.00	3	NA	NA	NA	NA	0.7	224	NA
2007	4.83	12.72	5.49	1	NA	NA	NA	NA	0.5	346	NA
2006	5.84	6.03	3.33	1	NA	NA	NA	NA	0.4	334	NA

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 and MLP affiliates that trade on U.S. stock exchanges. 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. 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. As of 6/30/15, the Alerian was added as a primary benchmark to provide additional information and was applied retroactively. As of 12/31/2011, the benchmark changed to the S&P 500 Total Return Index from the S&P 500 Principal Only Index and was applied retroactively. 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 returns are presented as supplemental information to the net-of-fee returns due to certain portfolios not paying a transaction cost in a "bundled" fee structure. Pure gross performance is also presented 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. As of 2/28/17, bundled fee assets as a percentage of total Composite assets was revised for 2016 from 10.64 to 19.53. The standard management fee for the MLP strategy is 1.50% per annum. Additional information regarding CCM's fees is included in its Part II of Form ADV. The Gross-of-fees return and Net-of-fees return for 2006 are the same since the return is measured from 10/31/2006 to 12/31/2006 and no fees were charged during that two month period. 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. 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 portfolios, calculating performance, and reporting performance results 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. Chickasaw Capital Management, LLC has been independently verified for the periods 01/01/06 – 12/31/16. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. A complete list and description of composites is available upon request.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.

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