CHICKASAW CAPITAL MANAGEMENT

APRIL 18, 2019

# MIDSTREAM UPDATE

FIRST QUARTER 2019

**A metamorphosis has taken place in Midstream Energy companies, but few appear to recognize the very positive implications of these changes. Paradoxically, the share prices have been penalized, creating more opportunities than generally perceived, even by those who consider themselves to be optimists.**

Midstream Energy as represented by the Alerian MLP Index (AMZ) in brief by the numbers:

- Yields average nearly 8%, with ~1.4x coverage of the dividends/distributions providing internally generated capital to fund attractive growth.
- There has been no Midstream share or unit issuance year-to-date. We forecast limited or no equity issuance is required in the current year, and there is increasing potential for share repurchases.
- We estimate the two-year distributable cash flow (DCF) compounded average growth rate of the AMZ is 5.5%. Even after a strong start to 2019, if price to DCF for the AMZ mean-reverts back to the long-term average of 10.7x since January 2008 from its current multiple of 7.6x, there is substantial opportunity for total return based solely on this revaluation and DCF growth rate, even assuming no distribution growth.
- The distribution level for the AMZ appears to have stabilized post Midstream 2.0, which combined with forecasted distribution growth could bring back investors of all types.
- Balance sheets are strong with debt-to-EBITDA at 3.6x for the AMZ.
- We estimate public-to-private transactions of Midstream Energy companies and assets are taking place at an average of 12x EBITDA and many transactions are occurring in the 13x - 15x[1] EBITDA range, well above the average 9.7x EBITDA multiples of publicly traded equity[2].

Midstream Energy companies, and investors, have taken serious medicine with the restructuring to a corporate or corporate-like operating philosophy we call Midstream 2.0. Our research shows all the structural and fundamental pieces, along with valuation, are now in place for a sustained rally, and current valuations as we describe in a later section, imply a lot more upside than the Q1 2019 partial reversal of the Q4 2018's mostly technical decline. We cannot, of course, say when such a fundamental rally might take place, but the statistics say it is already statistically well overdue. We believe the ingredients for investor attention and allocation of investment dollars

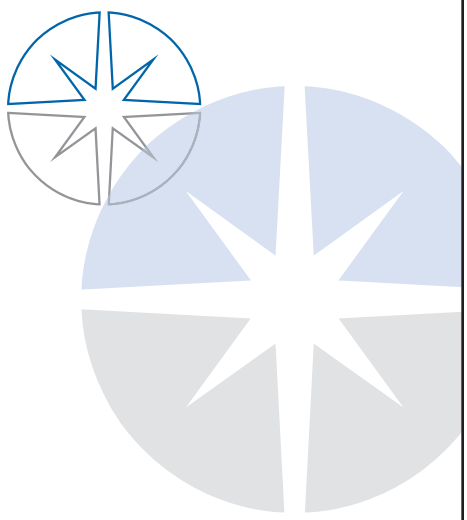
[1] Source: Wells Fargo Securities, LLC, Company press releases
[2] Wells Fargo Securities, LLC "Midstream Monthly", April 4, 2019

## MLP COMPOSITE

### Annualized Return

| Trailing as of 3/31/19 | Net | Alerian MLP Total Return | S&P 500 Total Return |
|---|---|---|---|
| Month-to-Date | 4.67% | 3.43% | 1.94% |
| Quarter-to-Date | 20.35% | 16.82% | 13.65% |
| 1 Year | 10.09% | 15.11% | 9.50% |
| 3 Year | 5.54% | 5.69% | 13.51% |
| 5 Year | -3.65% | -4.73% | 10.91% |
| 10 Year | 17.10% | 10.12% | 15.92% |
| Inception | 7.90% | 6.55% | 8.26% |

Please note *Additional Information* on final page.



into Midstream Energy companies that currently exist are: 1) strong fundamentals, which appear likely to remain strong for a number of years into the future; 2) attractive and opportune valuations, both actual and relative to the broad market; 3) visible growth at impressive rates, exceeding that of most other market segments and increasingly financed internally from free cash generation; 4) high yields of approximately 8% that are stable and well-covered while distributions are likely to grow at a reasonable rate; and 5) the essentially completed structural transformation of the group into Midstream 2.0, with all the inherent advantages we have previously described.

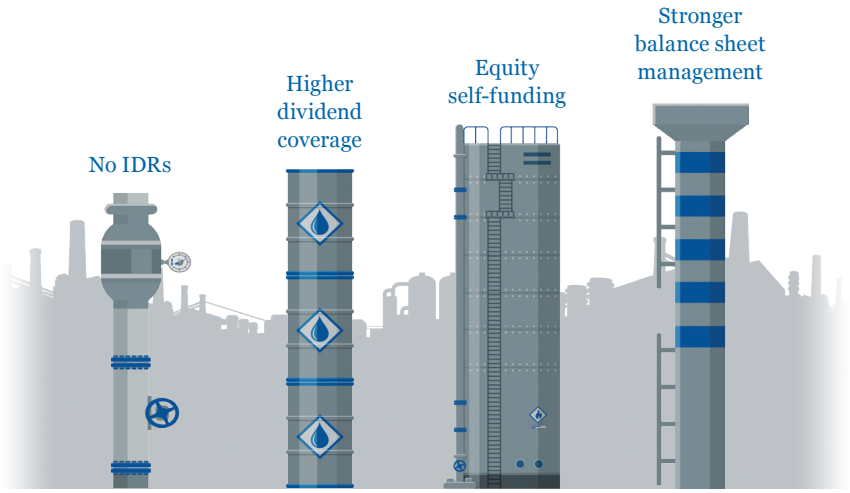
So, what is the missing 'ingredient' and why do Midstream Energy companies continue to linger not that far from their four-year lows in prices? In a word, we believe only investor confidence appears to be missing. The numerous conversations we have had with both institutional and high net worth individual investors have led us to several not surprising investment conclusions. Most investors are optimistic, although admittedly not to the degree of our optimism. That said, investors clearly like to stick with what is 'working' in the market and not reach for what isn't currently performing, regardless of fundamentals and valuation. Energy shares, and even those with quite limited direct exposure to energy prices, such as Midstream Energy companies, have been out of favor for a protracted period. The volatility of the oil price, and the subsequent volatility of energy related shares, justified or not, have caused many investors to focus their attention elsewhere. We will address in a later section what catalysts might restore investor confidence.

The original MLP structure actually functioned quite well for an extended period, as companies paid out essentially all of free cash flow to investors, but successfully relied on equity issuance to fund new growth projects as required investment to support shale development took hold. It was, in part, this over-reliance on issuing equity during good times and bad that was a flaw in the original MLP structure, as a larger and more hungry Midstream industry could no longer be satisfied in the marketplace given its capital issuance requirements.

The restructuring to this Midstream 2.0 model required: 1) eliminating the incentive distribution rights (IDRs) of General Partners (GPs); 2) establishing higher coverage ratios; 3) retaining cash flow to fund the equity of capital projects; and 4) using these measures to strengthen balance sheet management.

All these major accomplishments and transformations were completed to little fanfare over the past several years and to negative 'reviews' by investors as they viewed the glass as half empty, while ignoring the valuation creation that was taking place at the same time. Investors continue to focus on the pain of the dividend reductions in certain companies and the capital losses (whether realized or unrealized) that took place during this challenging period while the broader market continued to increase. Most investors, ironically, appear to be totally ignoring the benefits of the new structure and, what we believe, the significant discount at which the group currently trades compared to historic levels and also compared to the broader market. To be certain, some investors do appreciate the favorable valuations that exist in the group; however, everyone seems to be waiting for that ever-elusive catalyst or enough momentum to confirm the lengthy bear market in Midstream Energy shares is in fact history, and to be convinced this is the best time to invest.

## Midstream 2.0 Characteristics



## Valuations and opportunities should be impressing investors who, surprisingly to us, continue to yawn.

Valuations of Midstream Energy companies continue to be quite attractive by all objective measures. According to Wells Fargo Securities, the group trades at a price-to-EBITDA multiple of 9.7x and price-to-DCF of 7.7x. These are 22.6% and 33.9% discounts to the ten-year respective multiples, which understate the upside potential because they ignore improved long-term prospects and financial strength.

The consensus DCF growth rate for the AMZ for 2019 is 5.1%, and it reaches 6.5% for 2020, growth that appears to be greater than expected in the broader stock market by most Wall Street strategists. Consensus distribution growth rates for 2019 and 2020 are estimated at 4.3% and 5.4%, respectively. The yield of the AMZ is 8.0%, seemingly well above the yield of other investments that are also considered to be stable and well-covered. The coverage ratio of AMZ distributions is 1.39x.

### Current Yield

| | S&P 500 Index[3] | S&P 500 Utility Index[4] | FTSE NAREIT All Equity REITS Index[5] | Alerian MLP Index |
|---|---|---|---|---|
| 3/31/2019 | 2.1% | 3.4% | 3.8% | 8.1% |
| 5-Year Median | 2.2% | 3.7% | 4.0% | 7.6% |
| 10-Year Median | 2.2% | 4.0% | 3.9% | 6.9% |
| 12/31/2008 | 3.1% | 4.7% | 7.3% | 11.7% |

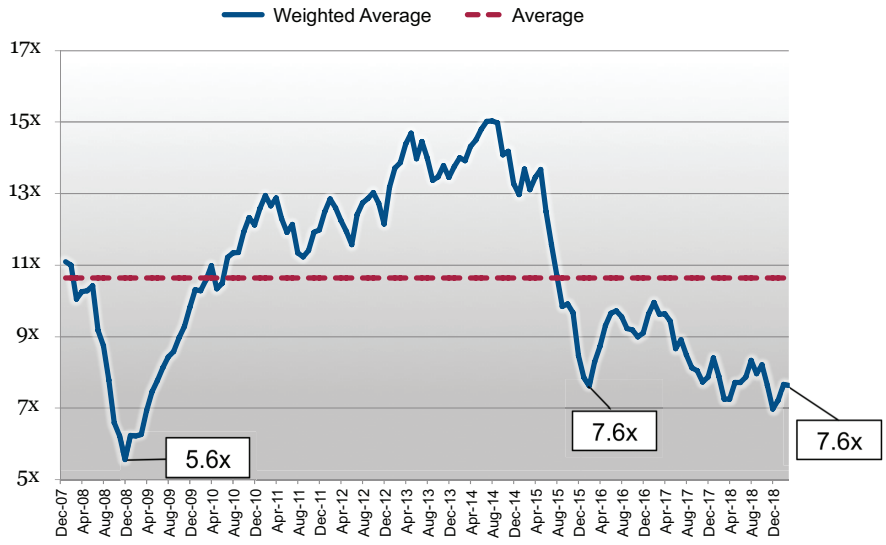
Bloomberg, LP

Perhaps one point investors are missing as they attempt to value Midstream Energy companies is this historically quite high distribution/dividend coverage ratio. We have de-emphasized yield as a method to value Midstream Energy companies, as the payout ratio and resulting yield is simply a management decision. However, many investors appear to simplistically use yield as a valuation tool, ignoring the free cash flow generated above the dividend level as they simply focus on the dividend yield. We believe distributable cash flow multiples are a much more appropriate valuation tool. At some point, we believe investors will appreciate this difference, and perhaps it will be sooner rather than later.

One other metric we find interesting is our analysis of relevant public-to-private transactions shows they are averaging 12.1x EBITDA (12.4x EBITDA when dollar-weighted) and many have been completed at 13x to 15x EBITDA or higher. It is difficult to draw direct valuation comparisons to public company multiples because growth profiles of acquired private companies or assets and balance sheets do differ, but such transactions at significantly higher multiples than for public companies do provide at a minimum some helpful perspective. We will close this valuation section with the familiar graph demonstrating the attractive valuations of Midstream Energy companies on a historical basis.

[3] S&P 500: A free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States.
[4] S&P 500 Utility Index: Comprises those companies included in the S&P 500 that are classified as members of the Global Industry Classification Standard utilities sector.
[5] The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.l

### Alerian Weighted P/DCF




Average = 10.6x | Current = 7.6x | Minimum = 5.6x

Bloomberg, LP

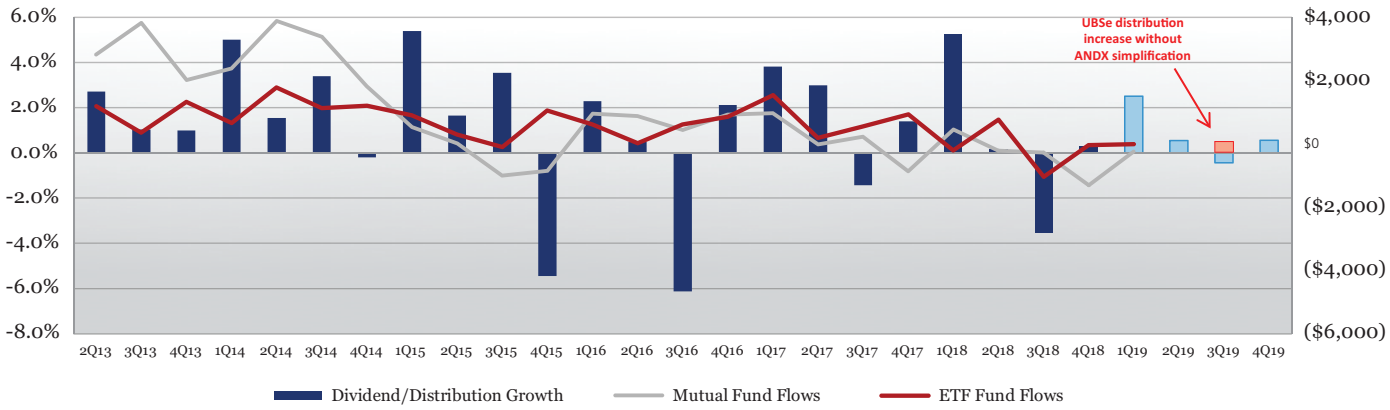
**Attempting to identify a catalyst or catalysts for a group to experience a significant rally is admittedly an impossible task. However, we will address the topic because it is likely the most asked question we hear.**

Our first answer to the question is really one of disbelief because we believe the catalysts are 'hiding in plain sight' in the form of strong fundamentals, excellent balance sheets and attractive valuations rarely seen in Midstream Energy or other groups.

Referring to the previous discussion on "confidence", one of the most important measures of confidence is dividend security. As the transition to Midstream 2.0 took hold, distributions and dividends, while still emphasized, presented a volatile picture for investors regarding their current yield. A loss of confidence in current cash returned through distributions gave investors less reason to be patient with unit price volatility, and most likely only increased the volatility. Fast forward to today, 82% of the AMZ has transitioned (by weight) to Midstream 2.0, and the level of distributions paid is expected to have based with the potential to grow from here. This is important for confidence. It's also important for technical reasons too, as it relates to fund flows. This graphic from UBS shows a 0.81 correlation between distribution/dividend growth and fund flows.

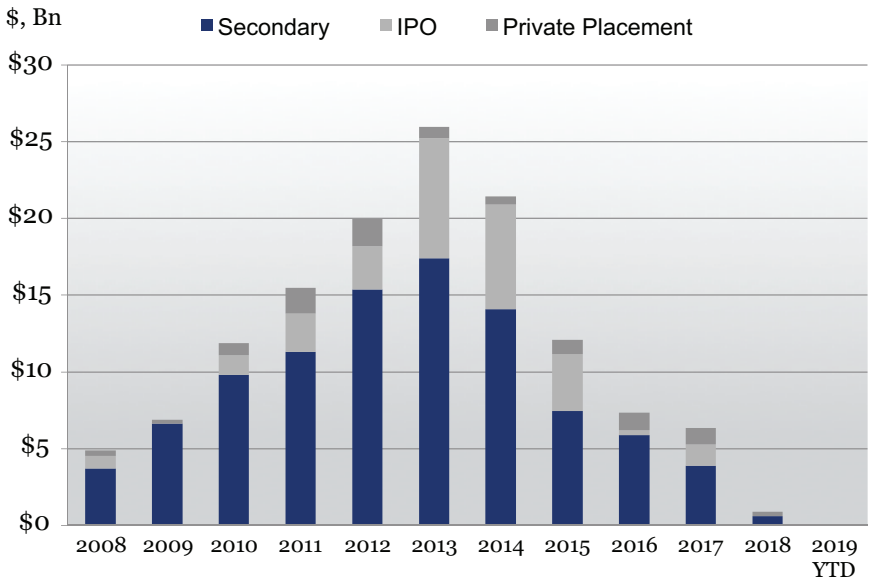
It is important to emphasize the supply/demand balance of equity has significantly shifted, eliminating the overhang of equity issuance, such that even a modest amount of buying interest can meaningfully boost share prices. In addition to fund flows following dividend and distribution increases, some of this buying can come in the form of distributions and dividends being reinvested. There was also significant tax loss selling by individual investors in Q4 2018 and it does not appear from funds flow data that there has yet been significant capital re-injected into the group despite the strong rally to date in 2019.

## Correlation of Dividend/Distributions and Fund Flows




UBS, "Master Limited Partnerships", March 24, 2019

## Perceptions/Old Risk—Equity Issuance




Wells Fargo Securities Equity Research, *Weekender: Distribution Coverage*, 11/2/18

Lastly, as an indicator of initial strong uptake of Midstream 2.0, which focuses on no to low equity issuance, the figure below shows no new supply of Midstream equity through secondary or initial public offering (IPO) issuance year-to-date.

Another factor that might bring some buying interest to the group is the short interest in Midstream shares. Using a broad basket of U.S. Midstream Energy companies, the total number of shares shorted has risen from 252 million at energy market peak in August 2014 to 419 million shares as of March 15, 2019[6]. Although the current dollar value of these shares held short is less than in 2014, the cost of the yield is greater and this could lead to covering in any rally, further boosting Midstream shares.

After a protracted period of a low correlation of Midstream Energy prices to the oil price, the collapse of the oil price from over $140 per barrel in 2014 to $26 per barrel in 2016, and then significant and unusual oil price volatility that followed, resulted in a high correlation of Midstream Energy share prices to the oil price. It is important that investors know some 85% to 90% of the AMZ is sourced from mostly contracted fixed fees charged for the various Midstream services these companies perform for their customers. The commodity prices themselves have limited impact on cash flow that supports growth capital investment and cash returns to investors, but can provide a headwind or tailwind for companies with higher exposure at various points of the cycle.

The critical change that has taken place over the past five to eight years is the development of the shale plays and the very cost competitive nature of them. Oil and gas producers have become increasingly cost competitive on a world-wide basis and indications are these competitive advantages will be maintained. The major basins—the Permian, Marcellus, SCOOP/STACK, Denver-Julesburg (DJ) and core areas of the Bakken—profitably produce a majority of the oil, natural gas and natural gas liquids (NGLs) in the U.S. The cost structures in these basins and fields are very competitive and there are strong indications that U.S. producers will retain their competitive advantages. There is also reason to believe that energy production in these and other fields in the U.S., very much including Gulf of Mexico offshore, will continue to rise significantly in the years ahead. Perhaps the unanswerable question is whether the volatility of the oil price, which has unnerved investors, even though its impact on Midstream fundamentals is modest, will diminish. Although few seem to be noticing, this oil price volatility has been reducing and the correlation of Midstream Energy share prices to the oil price has also been falling.

As confidence is restored from any of a variety of potential catalysts, or from no catalysts at all, and as stability alone likely adds to investor confidence, we expect capital reinvestment will take place. We believe investors will soon realize Midstream

[6] Bloomberg, LP

Energy companies can continue to grow their dividends and distributions from their rising cash flow streams. A recent 20% increase in the Plains All American Pipeline LP's (PAA, $23.99) distribution may be a first sign of what is ahead for some companies. The high yields and tax advantages have always held an attraction for individual investors, and when confidence returns, sooner or not much later in our opinion, we believe investor capital will return.

## Fundamentals matter, although it hasn't seemed that way of late.

For many years, we have written extensively about the fundamental appeal of Midstream Energy companies. Our comments on this topic, given other priorities in this letter, will be brief. In addition to most Midstream Energy companies being essentially self-sufficient for equity capital, with their current strong capital generation, and also having strong balance sheets, the spread between cost of capital and return on invested capital is widening and attractive. Therefore, we forecast continued and profitable growth in future years.

Oil production in the U.S. has risen from 5 million barrels per day (bbls/d) in 2008 to ~12 million bbls/d currently. Forecasts for future U.S. production have been in the 15 million bbl/d to 17 million bbl/d range and Enterprise Products Partners LP (EPD, $28.86) recently estimated 17 million bbls/d of production by 2025. Natural gas production in the U.S. rose by 10% to 82.1 billion cubic feet per day (BCF/d) in 2018 according to the Energy Information Agency (EIA) and most forecasts are for 4% to 4.5% annual growth in future years. Similarly, ethane demand is forecast to increase by 300,000 bbls/d in 2019 just to feed five new ethylene crackers being completed along the U.S. Gulf Coast. EPD forecasts a 2 million bbl/d increase in natural gas liquids (ethane, propane, butane and natural gasoline) production by 2025 to 8.5 million bbls/d. The pace of chemical plant construction is expected to continue along the U.S. Gulf Coast because of the plentiful and low-cost supply of NGLs in the U.S., which are the feedstocks for these facilities. Much of the plastics produced at these facilities are destined for the export market.

All of this energy must be gathered, processed, transported, and stored, with certain products fractionated and all products delivered to domestic customers or exported. It is all these necessary functions that Midstream Energy companies perform.

## Thank you to Our Investors

This quarter provided a welcome relief from the downside volatility of Q4 2018, but has only recovered 80% of the decline from just a quarter ago. We continue to emphasize the strong fundamentals as well as the potential for investors returning for stable cash flow yields and valuation reasons, which lead us to believe there remains room for continued, strong total returns. You, our investors, have shown confidence in us and, while it's not always easy to wait, we appreciate your patience with your investment and continued alignment with us on the potential for long term total returns.

David Fleischer, CFA  Geoffrey Mavar  Matt Mead  Robert Walker  Bryan Bulawa

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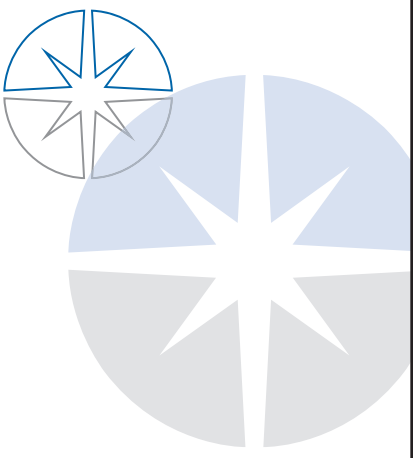

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**The Alerian MLP Index** is a composite of the most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class. The index, which is calculated using a float-adjusted, 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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**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.

**Distribution Coverage Ratio** is calculated as cash available to limited partners divided by cash distributed to limited partners. It gives an indication of an MLP's ability to make dividend payments to limited partner investors from operating cash flows. MLPs with a coverage ratio of in excess of 1.0 times are able to meet their dividend payments without external financing.

**EBITDA** is earnings before interest rates taxes depreciation and amortization.

**Intrinsic value** is CCM calculated and represents the sum of discounted future cash flows taking into account our estimates for growth.

**Leverage** is net debt divided by EBITDA.

**Steady state value** is CCM calculated and represents the sum of discounted future cash flows based on existing cash flows and ignoring growth estimates.

**WTI** is a grade of crude oil referenced for pricing.

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**PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.**

CHICKASAW CAPITAL MANAGEMENT

## Chickasaw MLP SMA Composite | October 31, 2006 – March 31, 2019

| 3/31/19 | 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 | 4.67 | 3.43 | 1.94 | 4.67 | 3.43 | 1.94 |
| Quarter-to-Date | 20.35 | 16.82 | 13.65 | 20.35 | 16.82 | 13.65 |
| Year-to-Date | 20.35 | 16.82 | 13.65 | 20.35 | 16.82 | 13.65 |
| 1 Year | 10.09 | 15.11 | 9.50 | 10.09 | 15.11 | 9.50 |
| 3 Year | 5.54 | 5.69 | 13.51 | 17.56 | 18.07 | 46.25 |
| 5 Year | -3.65 | -4.73 | 10.91 | -16.96 | -21.53 | 67.81 |
| 10 Year | 17.10 | 10.12 | 15.92 | 384.79 | 162.32 | 338.09 |
| Inception | 7.90 | 6.55 | 8.26 | 157.12 | 119.93 | 167.74 |

| 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019 YTD | 20.35 | 16.82 | 13.65 | 768 | NA | NA | NA | NA | 2516 | 4342 | 19.64 |
| 2018 | -21.08 | -12.42 | -4.38 | 707 | 1.02 | 20.74 | 18.10 | 10.80 | 1968 | 3513 | 18.60 |
| 2017 | -8.40 | -6.52 | 21.83 | 817 | 0.72 | 21.93 | 19.06 | 9.92 | 2272 | 4915 | 20.55 |
| 2016 | 25.61 | 18.31 | 11.96 | 891 | 2.02 | 23.37 | 19.95 | 10.59 | 2490 | 5015 | 19.53 |
| 2015 | -31.46 | -32.59 | 1.38 | 421 | 1.57 | 20.39 | 18.50 | 10.47 | 1187 | 3108 | 9.14 |
| 2014 | 21.71 | 4.80 | 13.69 | 251 | 1.38 | 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. 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 – 12/31/17. 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.**