Chickasaw Capital Management

JANUARY 13, 2025

MIDSTREAM UPDATE

FOURTH QUARTER 2024

Happy New Year from the Chickasaw Team! As we reflect on 2024, let's highlight the year's mega themes, the seeds of which became rooted in 2024, and we believe are durable through at least the end of the decade:

- U.S. energy security and strong demand for U.S. Liquefied Natural Gas (LNG) Exports
- Power needs for Data Center growth
- Power needs for Onshoring of manufacturing and industrial capacity

Returns for Midstream were quite strong in 2024 with the Alerian MLP Total Return Index increasing +24.4% and the Alerian Midstream Total Return Index increasing +44.5%. While handily outperforming the S&P 500 Energy Sector Total Return of +5.7%, though ever-so-slightly underperforming the S&P 500 Total Return Index +25.0% performance, we believe the forward outlook for the sector remains in a stronger relative position capable of delivering mid-teens returns (see "Valuation & Total Return Expectations").

During the quarterly reporting period, our portfolio securities beat consensus earnings before interest, taxes, depreciation and amortization (EBITDA) estimates by 1.3%, weighted average, with 15 beats and 3 misses. EBITDA grew 3.2% quarter over quarter (Q/Q) and 10.1% year over year (Y/Y). Additionally, 13 companies, or 72% of the our portfolio's holdings, either increased 2024 EBITDA guidance or disclosed they will be at the "high-end" of previously delivered guidance indicating above trend growth outlooks.

Distribution growth remains strong and continues to surpass our internal expectations. For the quarter, our portfolio's holdings saw growth of 2.5% Q/Q and 18.8% Y/Y. Distribution growth expectations for 2024 and/or 2025 were increased at Cheniere Energy Inc (LNG), MPLX LP (MPLX), and Targa Resources Corp (TRGP)[1].

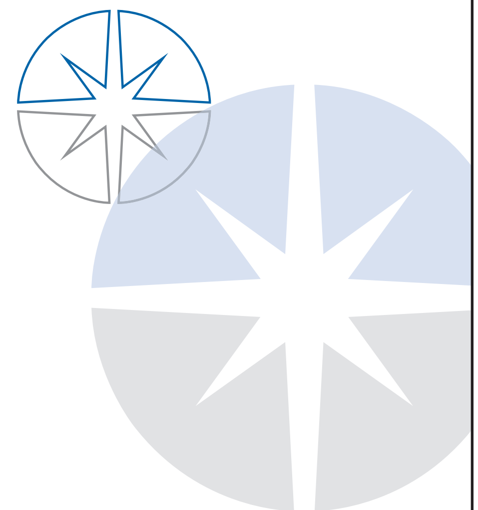
Cash returns through share or unit repurchases of $1.5 billion remained strong across our coverage universe. We continue to believe even with slightly increasing sector growth capital expenditures capitalizing on high returning investments, the buyback theme remains key to understanding cash returns to equity holders. 2025 could represent an inflection point for several companies as the forecasted free cash flow wedge between cash flow from operations (CFFO) and capex widens more than previous years. As stated in previous Updates, we estimate the impact of a buyback "yield" could still be at least 2% per year across the portfolio[2].

MLP COMPOSITE

Annualized Return

Trailing as of 12/31/24	Net	Net of Maximum 3% Wrap Fee Return	Alerian MLP Total Return	S&P 500 Total Return
Month-to-Date	-7.93%	-8.18%	-7.19%	-2.38%
Quarter-to-Date	10.81%	10.25%	4.94%	2.41%
Year-to-Date	44.97%	42.09%	24.41%	25.02%
1 Year	44.97%	42.09%	24.41%	25.02%
3 Year	32.89%	30.22%	27.27%	8.94%
5 Year	18.46%	16.02%	15.56%	14.53%
10 Year	4.70%	2.48%	3.67%	13.10%
15 Year	12.36%	9.95%	7.85%	13.88%
Inception	9.76%	7.41%	8.12%	10.47%

Please note *Additional Information* on final page.



[1] Distribution/dividend growth is not a forecast of the portfolio's future performance and does not guarantee a corresponding increase in the market value of the holding or the portfolio.
[2] Actual share/unit repurchases may vary significantly.

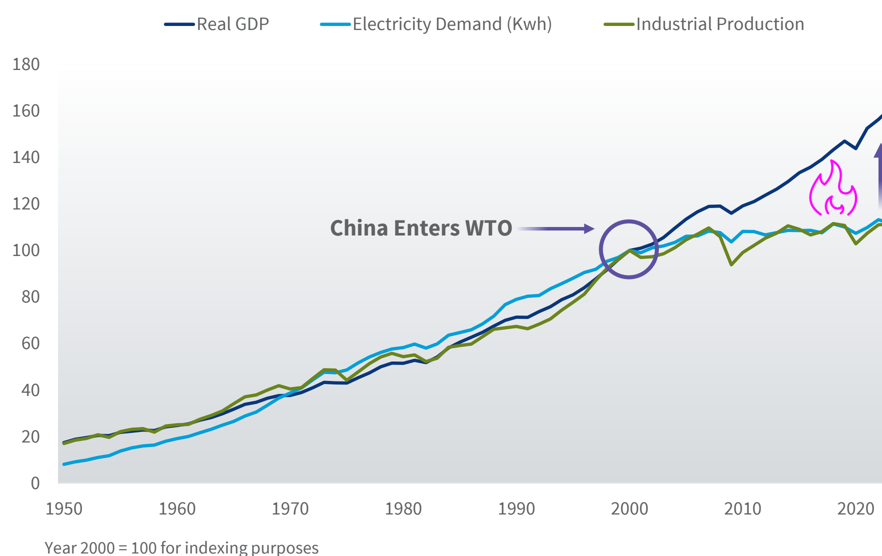
Onshoring's Impact on Natural Gas Demand

The macro thesis is fairly straightforward for Midstream: domestic demand for electrons (which need more fuel) plus global export demand for U.S. hydrocarbons places our energy economy in an enviable position of seeking new supply to help meet incremental demand. Midstream assets serve as the key infrastructure delivery mechanisms and should play a key role in debottlenecking growth opportunities for increased energy consumption.

The past year's newsletters have discussed the topics of LNG export growth, and the growth in electricity demand expected to arise from data centers providing computing power for artificial intelligence (AI) technologies. Frequently mentioned, but not yet discussed in depth has been the need for more natural gas input demand (electricity and raw combustion) due to "onshoring".

"Onshoring", also called "reshoring", encompasses the return of industrial, manufacturing and commercial operations domestically, or simply a reversal of the previous 25 years of "offshoring". Charts can tell very interesting stories, and, as you can see below, U.S. gross domestic product (GDP) growth and electricity consumption growth decoupled from each other when China entered the World Trade Organization (WTO) in 2001 beginning the heavy migration of U.S. industry offshore. Also, for context, is industrial production, which unsurprisingly flattened out during this time, and helps to further visualize the issue at hand.

Long Term Driver: Onshoring Demand



Source: EIA and Federal Reserve Bank of St. Louis, CCM.

From 2001 to present, the U.S.' global manufacturing share decreased from ~25% to ~16%[3]. One of the key tenets of 2017's Tax Cuts and Jobs Act (TCJA), when global share was ~17%, was to bring U.S. company manufacturing back onshore through investment incentivization. Additionally, incentives were put in place to increase foreign direct investment (FDI) for U.S. job creation. Whether due to planning, COVID delays, or time in general, much of the return of manufacturing and other capacity has just begun to re-enter the electricity consumption markets and is expected to grow from here. For instance, the EIA estimates commercial electricity consumption could increase +3.0% when 2024's final numbers are tallied[4], well above +0.3% compound annual growth rate (CAGR) for total consumption over the previous 5 years.

[3] U.S. Census Bureau.
[4] EIA, "Today in Energy", 6/28/24.

Referring to the chart again, electricity consumption shows a stronger relationship to industrial production, and we believe a good chunk of the U.S. GDP growth forecast requires greater investment in hard assets such as data centers, manufacturing and new industry. This investment demands significant hydrocarbon delivery infrastructure, generation and transmission across the energy supply chain as there has been a decades long compounding of underinvestment.

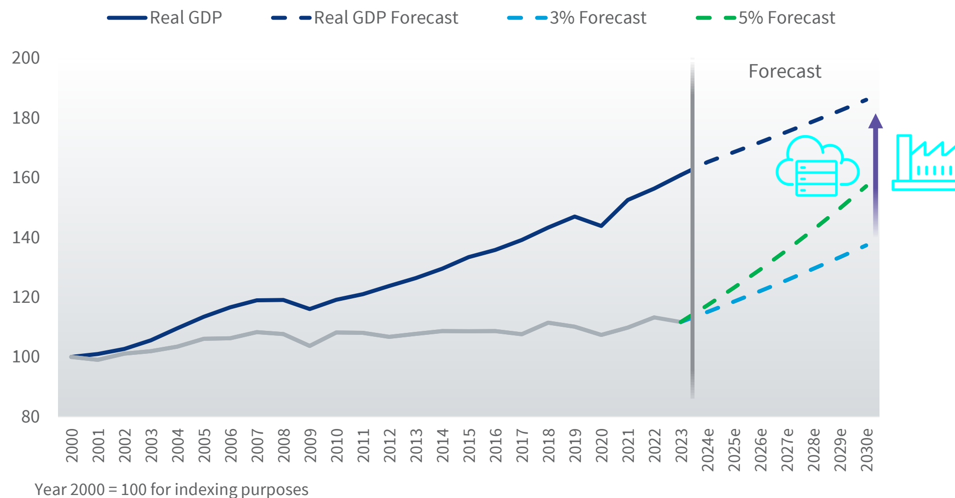
Going one layer deeper for generalist investors seeking an edge, in the frenzy to jump on the growth in data centers and the associated power needs, many investors have forgotten about "onshoring", and that data center growth will be in direct competition for electricity consumption with the pre-existing trends. Previous newsletters have highlighted this issue focusing on politicization and prioritization by local utilities and electricity providers favoring new load growth that creates jobs over load growth bringing fewer jobs (such as data centers). Finally, thinking about the third pillar for natural gas consumption growth, they're both in competition for natural gas supply that has been contracted out for LNG export over the next 20 years.

Morgan Stanley estimates[5] a power demand growth CAGR of 1.5% from 2025-2035, accounting for further electrification of the economy, but before onshoring and updated data center forecasts. Further, they estimate if the U.S. maintains global manufacturing share of 16% then power demand increases to 2.3%. If share increases to 20%, then electricity growth compounds at 3.0%. Performing a simple "add-em-up" and referencing last quarter's future data center demand growth CAGR of 2.4% through 2030, then, broadly speaking, the new electricity demand forecast could be 3.0% at a minimum, and 5%+ on the high end.

Simplistically, we can show how a faster CAGR for electricity growth starts to close the gap through the end of the decade. Assumptions include GDP growing at the projected 2.7% 2024e rate, then 2.0% thereafter[6], and comparing this to electricity growth CAGRs of 3% and 5%, respectively.

Long Term Driver: Higher Electricity Growth

3% and 5% Electricity vs GDP Growth



Source: EIA and Federal Reserve Bank of St. Louis, CCM.

[5] Morgan Stanley, "U.S. Reshoring Flame Has Lit a $10 Trillion Opportunity", 10/16/2024.
[6] Bloomberg, LP 1/7/25.

After an initial year of substantiation and our updated analysis, we feel even more confident in gas demand growth given the change in energy infrastructure investment parameters mentioned. Natural gas demand has grown at a 4.1% CAGR the past 10 years[7], while alternative energy sources have grown at the expense of coal. Forecasting the next 10-year period where electricity demand and LNG exports could drive higher consumption, natural gas only has to maintain share in this environment to see greater growth. We believe it's more likely natural gas *grows* share, at least in the near term, as alternative sources of energy have yet to prove they can meet the new power demand forecast as quickly as the natural gas piped through a 50-year infrastructure network can.

To be frank, the upper end of the range, in particular, feels like a heavy lift as it's such a large reversal from prior period trend, and requires trillions of dollars of investment. This is corroborated by a recent Grid Strategies report, which forecasts the next 5 years of electricity CAGR at 3.2% based on utilities Federal Energy Regulatory Commission (FERC) load growth forecasts[8].

Regardless there should be above trend growth, and we believe Midstream is a capital disciplined way to play the range of growth outcomes. We believe capital will only be spent at mid-to-high teens returns (or better!), supporting and likely expanding company returns on invested capital (ROICs) with fee-based, long-duration cash flow, and Midstream operators will continue to generate excess cash returns around their assets. We expect our now 8-year running rhetorical question of "what else are they going to do with all that cash flow" bodes well for current and future investors.

Growth is Good Again

Frankly, we are somewhat surprised to be including this section as investor skepticism for large growth projects has been a persistent theme since before the pandemic. But the empirical evidence speaks for itself as, particularly in the latter half of the quarter, several large-scale, long lead time growth capital expenditures were announced, and followed by individual security outperformance following the news.

These large projects include:

- Energy Transfer LP (ET): On 12/6/24, the Hugh Brinson 1.5 Bcf/d (2.2 Bcf/d max) natural gas pipeline was announced which connects West Texas gas supply to the Dallas area. Interestingly this is a primarily a demand-pull pipeline, according to management, and growth could be supported by future demand or supply factors. Total cost could reach $2.7 billion.
- Kinder Morgan Inc. (KMI): On 12/19/24, the Mississippi Crossing 1.5 Bcf/d (potential to reach 1.9 Bcf/d) natural gas pipeline was announced bringing greater supply to KMI's Tennessee Gas Pipeline that serves Southeast and Northeast markets. Total cost is expected to be $1.4 billion.
- Additionally, other gas pipeline announcements were made within existing Joint Ventures including:
  - Blackcomb Pipeline (4 partners): 2.5 Bcf/d
  - Gulf Crossing Expansion (2 partners): 0.57 Bcf/d

We've previously pondered: will investors seeking to play components of the *AI* theme gravitate to securities which offer greater certainty of cash flow? The feedback we've received from our research and trading partners is that generalist investors are attracted to new natural gas pipelines as a play on power demand, promoting 2-3 years or less between announcement and in service dates, with mid-teens returns over 15-20 year terms. This contrasts with $400 billion[9] of technology data center spending and hard to decipher returns. Go figure, investors prefer cash flow certainty over uncertainty.

Additionally, we believe management credibility around capital discipline is higher than it has ever been. The past 5 years have laid the issue mostly to rest, and with low debt to EBITDA leverage for most companies, there is more than adequate financial flexibility for things that go bump in the night. Investors want more good projects!

Lastly, we believe we are the early innings for new project announcements. Harkening back to the past year's newsletters, the planning cycles for utilities are long and arduous. Just because investors believe they can see the demand, Midstream gas delivery projects still have to sync with load generation forecasting, planning, discussion, and, ultimately, approval. Expect a steady diet of announcements both large and small (think de-bottlenecking) to ramp over the next several years.

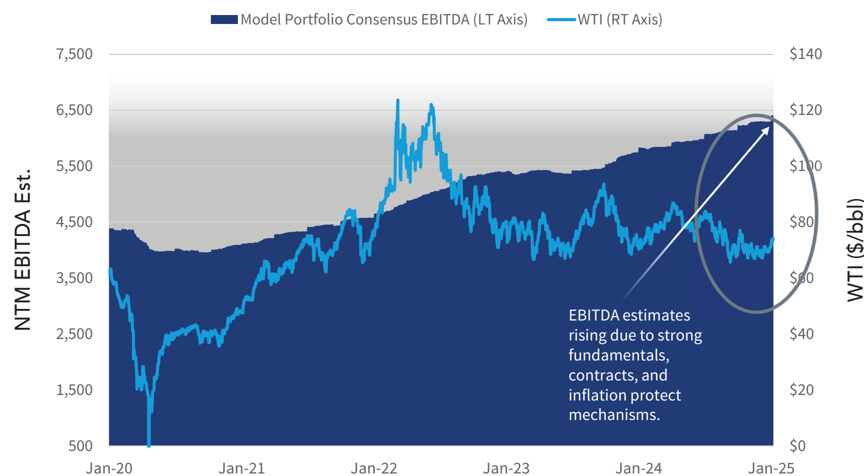
Valuation & Total Return Expectations

There's no logical reason for Midstream to trade at a discount. The previous 5 years of fundamental counter arguments in our opinion have been settled.

[7] EIA. U.S. consumption + net exports.
[8] Grid Strategies, "Strategic Industries Surging: Driving US Power Demand", December 2024.
[9] CIODive "Data center spending skyrockets as cloud building rush accelerates", 9/30/2024.

Durability of cash flow: Midstream companies continue to be protected by fixed fee and long duration contracts for existing and new assets. Even over periods of volatility, Midstream cash flow growth has persisted.

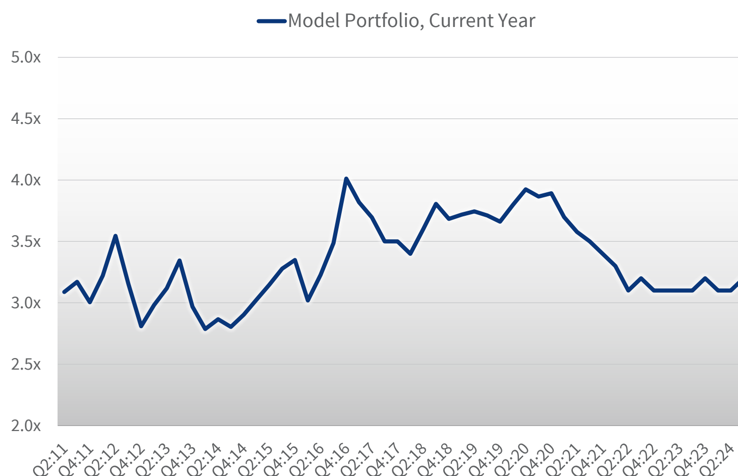
Midstream EBITDA vs. WTI



Source: Bloomberg, LP at 12/31/24. All figures shown for current 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).

Balance sheets: Midstream companies' debt to EBITDA leverage remains bottom quartile versus history, and we continue to argue that many companies are actually underleveraged.

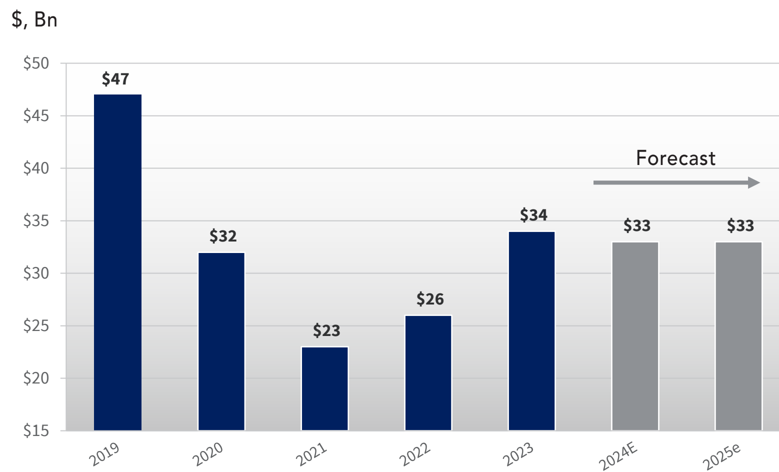
Model Portfolio: Underlying Company Leverage



Source: Bloomberg, LP. Growth capex is from company filings, presentations & other public information; liquidity is CCM estimates at 9/30/24.

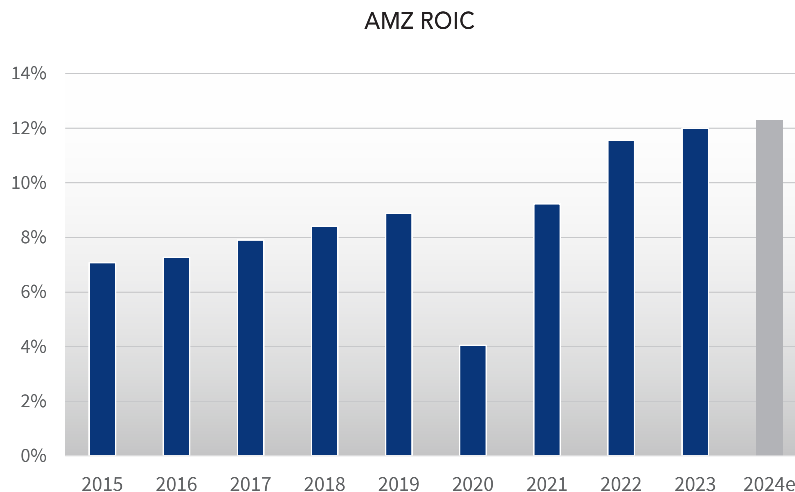
Capital Discipline: Midstream capital spending has been cut by a third versus prior peak spending, but returns on incremental ROIC we estimate have increased from 10% to 15-20% thereby driving similar levels of cash flow growth for less spending (also a contributor to lower leverage).

Midstream CapEx Assumptions



Source: Wells Fargo Securities Equity Research, January 6, 2025.

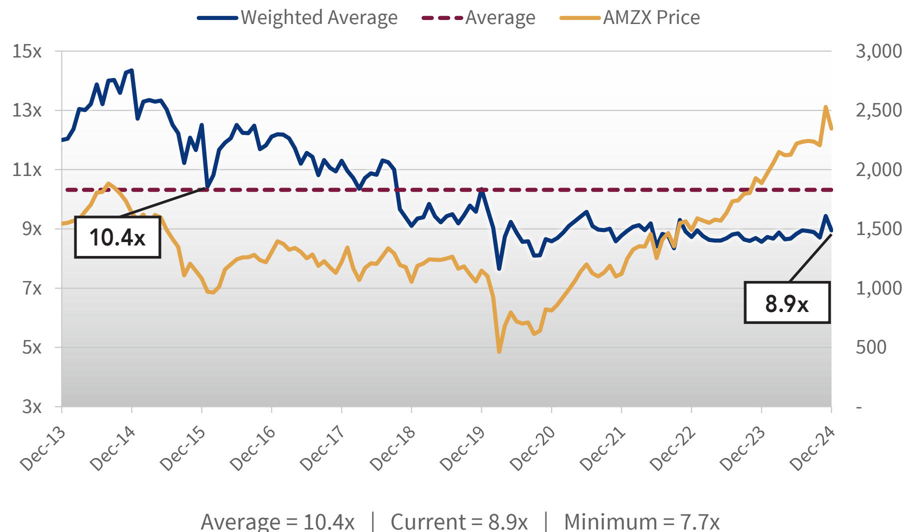
AMZ Return on Invested Capital (ROIC) 2015–2024e



Source: Bloomberg LP, as of 12/31/24.

We have also witnessed a sea change this past quarter whereby investors believe growth capital expenditures are “good” again, which we discussed in “Growth is Good Again”. The simple summary is investors trust management team decisions, and want long duration, fee-based assets that contribute to terminal value.

Our conservative discounted cash flow valuations deliver EV/EBITDA outputs of 10.0x-14.0x based on 2026e cash flow forecasts, which we believe is the anchor year new, generalist capital is using to value this sector. As a side note, while it's hard to derive a strict mathematical relationship between EV/EBITDA and ROIC[10], our portfolio is forecasted to earn a 15.6% weighted average ROIC in 2026e while growing cash flow 10% thus providing ample support for higher valuations.



Source: Bloomberg LP, CCM, as of 12/31/24.

If allocators are satisfied with the durability of the macro drivers combined with the disciplined nature in which Midstream management teams capitalize on long term growth in a way that exploits and expands the wedge between their ROIC and their weighted average cost of capital (WACC), we believe the opportunity is ripe for strong total returns.

As of December 31, 2024, our portfolio's 2025e yield is 5.9%, and whether looking at distributable cash flow growth of 10.6% or growth from distributions & dividends of 9.4% (11.0% 5-year CAGR), we believe the portfolio is very well positioned for mid-teens total return[11].

Odds/Ends

AI Designated a National Security Imperative

The Biden Administration made AI (and thereby data centers and power) a national priority during the tail end of its presidential campaign[12]. However, this was one of the least political and most logical pronouncements, and our reaction was closer to "what took so long?" The Chinese made a similar strategic move 2 years ago, and we see no reason for the incoming Trump Administration to roll this back. Strictly speaking to the impact on energy, the Government essentially just announced it was increasing its competition for data center space—and more importantly power!—versus private company plans from the likes of Microsoft Corp (MSFT), Tesla Inc (TSLA), Amazon.com Inc (AMZ), Alphabet Inc (GOOG), and Meta Platforms Inc (META).

[10] Morgan Stanley, Michael Mauboussin et al "Valuation Mulitples" April 23, 2024.

[11] Distribution and dividend estimates sourced from Bloomberg, LP. Weighted average distributable cash flow growth refers to the estimated 2025 weighted average Distributable Cash Flow (DCF) growth rate. Neither DCF growth nor distribution/dividend growth are a forecast of the portfolio's future performance. DCF growth and distribution/dividend growth for the portfolio's holdings does not guarantee a corresponding increase in the market value of the holding or the portfolio. DCF data is CCM-calculated consensus of Wall Street estimates.

[12] Axios, "AI Arms Race", 10/24/24.

Easing of Capital Restrictions

We will let these two headlines speak for themselves:

"Morgan Stanley Follows Citi, BofA in Quitting Climate Group"[13]

"Blackrock quits climate group as Wall Street lowers environmental profile"[14]

Maybe it goes without saying, but banks only do things when it's good for their business.

Gas Generation with Carbon Capture

As a pragmatic way to provide power to data centers as well as address carbon abatement, it was reported[15] both Chevron Corp (CVX) and Exxon Mobil Corporation (XOM) are moving into power generation utilizing carbon capture technology. While the specifics are yet to be disclosed, we have some good ideas about where it might be heading, and trust there is more than enough industrial know-how at these organizations to present economic solutions. This feels bullish natural gas.

Thank You To Our Investors

The past year has been instrumental in showing a potential, dramatic shift in the forward macro, which bodes well for proper capital allocation from both management teams and diligent investors. We look forward to engaging with you in the upcoming year to help allocators position their and their client portfolios for the mega natural gas themes we believe are durable and long-lived.

Geoffrey Mavar   Matt Mead   Robert Walker   Bryan Bulawa

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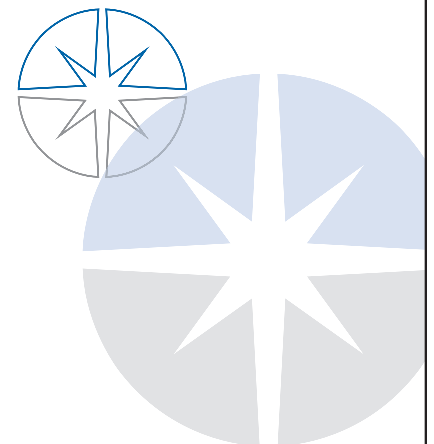

[13] Bloomberg, L.P. "Morgan Stanley Follows Citi, BofA in Quitting Climate Group", 1/2/25.
[14] Reuters "Blackrock quits climate group as Wall Street lowers environmental profile", 1/10/25.
[15] Oil & Gas 360, "Chevron and Exxon target data centers with reliable gas power", 12/16/24.

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

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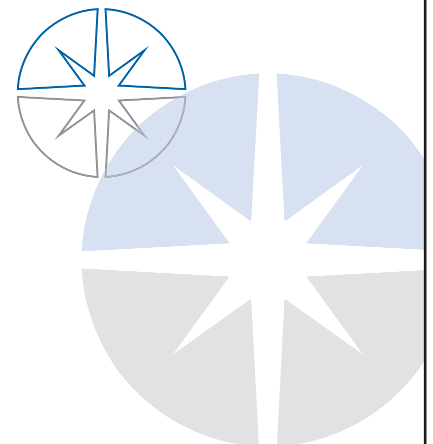

S&P 500 Total Return Index tracks the total return of the S&P 500 Index, an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. Dividends are reinvested. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return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

S&P 500 Energy Total Return Index: Comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

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.

Cash Flow from Operations (CFFO) indicates the amount of money a company brings in from its ongoing, regular business activities, such as manufacturing and selling goods or providing a service to customers.

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. 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.

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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.

EV/EBITDA is a ratio used to determine the value of a company. The enterprise multiple looks at a firm as a potential acquirer would, because it takes debt into account – an item which other multiples like the P/E ratio do not include. Enterprise multiple is calculated as: Enterprise multiple = EV/EBITDA.

Free cash flow (FCF) is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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.

Leverage is net debt divided by EBITDA.

Return on Invested Capital (ROIC) is the amount of money a company makes that is above the average cost it pays for its debt and equity capital. ROIC is used to assess a company's efficiency at allocating the capital under its control to profitable investments. ROIC = EBIT (1 - Tax rate) / (Total Assets – Total Liabilities).

Terminal Value is the value of an asset, business or project in perpetuity beyond a set forecast period for which future cash flows are estimated.

World Trade Organization (WTO) is an international organization that sets rules for trade between nations. The WTO's goal is to make trade flow smoothly, predictably, and freely.

Yield refers to the cash dividend or distribution divided by the share or unit price at a particular point in time.

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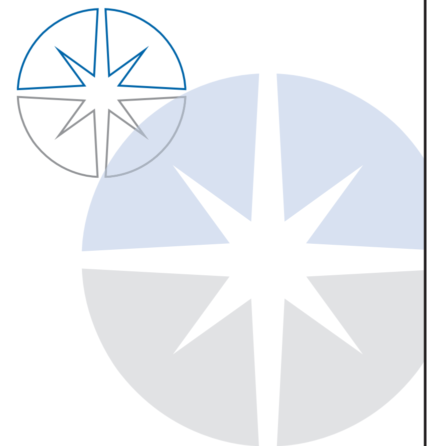
PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS.



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Chickasaw MLP SMA Composite | October 31, 2006 – December 31, 2024

12/31/24	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	-7.93	-8.18	-7.19	-2.38
Quarter-to-Date	10.81	10.25	4.94	2.41
Year-to-Date	44.97	42.09	24.41	25.02
1 Year	44.97	42.09	24.41	25.02
3 Year	32.89	30.22	27.27	8.94
5 Year	18.46	16.02	15.56	14.53
10 Year	4.70	2.48	3.67	13.10
15 Year	12.36	9.95	7.85	13.88
Inception*	9.76	7.41	8.12	10.47

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
2024	44.97	42.09	24.41	25.02	199	1.20	21.05	19.99	17.15	917	2530	46.75
2023	20.84	18.46	26.56	26.29	225	0.60	20.27	20.16	17.29	658	1972	46.60
2022	33.97	31.19	30.92	-18.11	238	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 is 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 – 12/31/2023. 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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