# Mid-Quarter Update

NOVEMBER 12, 2026

Reviewing Midstream securities as measured by the Alerian MLP Total Return Index (AMZX), it has delivered a quarter-to-date (QTD) return of -3.0% through November 10th. This compares to the S&P 500's (SPXT) -1.3%, and the S&P 500 Energy Sector's (S5ENRS) +0.8%. Extending out the full Midstream universe to incorporate a broader set of companies not limited to tax structure, the Alerian Midstream Total Return Index (AMNAX) has returned +2.0% QTD.

It was a consistent quarter for our Model Portfolio's financial results during the Q3:26 quarterly reporting period. Following the very strong Q2:26 results, the Model Portfolio's earnings before interest, taxes, depreciation, and amortization (EBITDA) beat estimates by +1.4%, weighted average. EBITDA increased +0.4% quarter-over-quarter (Q/Q) and +16.0% year-over-year (Y/Y), both weighted-average, reflecting solid growth.[1] Distribution growth increased +2.9% Q/Q, and +9.2% Y/Y, also both weighted average.[2]

Repurchase activity increased during Q3:26 to ~$2.9 billion, a $1.6bn increase Q/Q, though this figure does include an outsized repurchase from Phillips 66 (PSX) which is seeing higher cash flow from increased utilization of its downstream assets. We still expect companies to allocate a greater amount of free cash flow to growth capital investments over the next 2 years and at higher than historical rates of return. This activity should only build the backlog of excess free cash flow toward the end of the decade that could increasingly be used for buybacks.

**INVESTMENT TEAM**

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## Midterm Election Read Through for Midstream

The mood in U.S. equities since the Midterm elections on November 3rd has been more volatile reflecting the unknowns associated with an almost unprecedented turnover within both houses of Congress. Midstream equities have not been immune, though we feel strongly that nothing has really changed for both cash flow and growth in cash flow even considering a potential change in data center expectations.

One of our consistent, long-term themes for investors is Midstream assets are ambivalent as to which party is in power, as the consistency of the cash flow earned over long contract durations is much more reflective of supply and demand fundamentals, and, at present, positively skewed to demand. To believe there is a dent in demand, one's assumption must be for a recession in either or both of the U.S. or the Global economy, neither of which is our baseline.

(1) Note the Y/Y growth was skewed higher due to strong outperformance from Phillips 66 (PSX) refining operations, which we see as durable in the short term. Growth at the median of 10.6% still shows solid Y/Y growth and is consistent with our long-term expectations. (2) This is not a forecast of the portfolio's future performance. Neither EBITDA growth nor distribution/dividend growth for the portfolio's holdings guarantees a corresponding increase in the market value of the holding or the portfolio.

Natural gas fundamentals continue to be the primary driver for Midstream asset and cash flow growth. The election results do not appear to have changed the demand drivers for this hydrocarbon. U.S. natural gas demand is forecasted to likely grow 2-4% annualized into the early 2030s versus historical growth the past 10 years of 2%,[3] and it will take significant Midstream pipeline investment to support higher growth. The strongest source of demand, Liquefied Natural Gas (LNG), remains robust, and the effects of the conflict in the Middle East have only increased demand for U.S. LNG. Its fundamental place in the global resource stack is well-founded, and it is the only fuel countries can import while helping them meet emissions reductions targets.

Affirming this point even further and one of the stronger war realities in the "not on my 2026 bingo card" category, Qatar Energy, previously the world's largest supplier of LNG prior to the war, signed contracts for 7 million tons per annum (MTPA) to *purchase* from U.S. LNG providers Cheniere Energy Inc (LNG) and Woodside Petroleum's Louisiana LNG, with another 3-6 MTPA being discussed in the market with other sources of U.S. supply.[4] The message is clear: Qatar has supply obligations that match the new offtake agreements in the 2030s, and they are diversifying their sources of supply beyond the Arabian Gulf where they produce. If they contract for 10 MTPA in total, this would be an additional 1.3 billion cubic feet per day (Bcf/d), or ~1.2% of current U.S. demand.

Addressing the unknown associated with election day data center moratoriums, we believe long-term demand will remain in place, and the measures voted on likely serve to shake out the real projects from the speculative, though we admit there may be a settling period for this to occur. Data centers are crucial to compute growth in general not just pushing the boundaries of the artificial intelligence/super intelligence (AI/SI) frontier. Compute growth continues unabated as organizations of all types continue to gather, process, and infer information in revenue-generative or cost-effective ways. Morgan Stanley raised its 2027 estimated AI spending to $1.6 trillion,[5] and we believe this trend won't abate just because of a change in Congress, or, more acutely, from turnover at the state government level.

Given the totality of potential investment beyond 2027, we think states that were previously considered wide open for data center development (Texas and Ohio most notably) will agree to a coherent set of rules still favoring the pro-business side of data centers. This could pause some 2028 capital spending affecting in-service expectations but keep the long-term trend in place. Also, only certain jurisdictions approved moratoriums on data centers, not the entire country, and several states could be logical beneficiaries of other states' specific pauses. Don't think Oklahoma isn't courting Texas data center developers as we write.

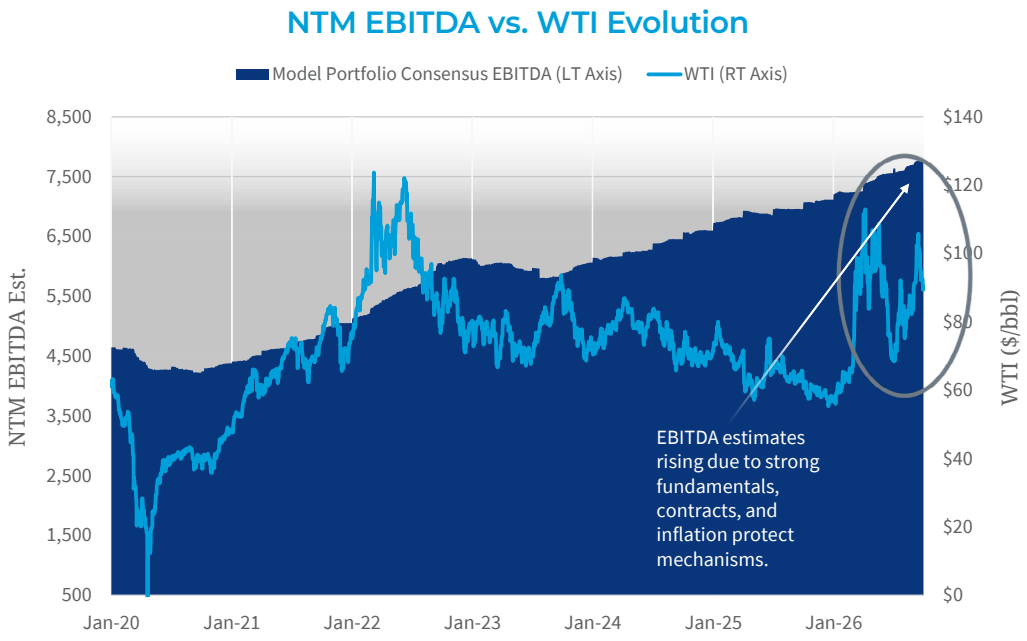
Tying data centers back to Midstream demand, we believe there is no speculation in Midstream capital spending or commercial agreements associated with emerging demand from data centers. Contracts for gas supply look like any other gas pipeline contract: fee-based with an embedded inflation escalator and a long duration. Onsite power contracts have similar contractual structures and have strong protections that reimburse the Midstream company for cancellation or delays related to the data center meeting expected service dates. Given the consistent, conservative position Midstream companies have used to underwrite gas supply for new demand from utilities and onsite providers, we think the Midstream companies are tied to real data center demand. Lastly, once moratoriums are lifted in previously pro-data center areas, we believe the future power needs will be heavily onsite and less public grid reliant given the public's fear of rate increases. We expect the vast amount of this power to be natural gas generated and could represent upside to our previous forecast of 10 Bcf/d of new demand by 2030.

## U.S. Production

Our expectation is for steady production volumes as producers are working hard to keep up with demand, increasingly from international buyers of all three streams of hydrocarbons at the export docks Midstream companies control. Just as we haven't seen a noticeably higher amount of supply from the increase in oil prices this year, if we were to see a retracement of this year's gains, we still expect minimal impact to volume forecasts. This is representative of the manufacturing mode U.S. production has shifted to over the past decade and, increasingly, is a reason why foreign buyers are providing the steady uplift in demand.

(3) EIA, AEO, 4/8/26. (4) Bloomberg, LP "Qatar in Talks to Buy More US LNG, Diversify Supply Outside the Persian Gulf", 11/5/26. (5) Morgan Stanley, "Following AI's $1.6 tn Money Trail", 10/15/26.

Relating back to Midstream equity prices, remember the simple axiom: cash flow comes from volumes, not commodity prices. However, we think a lasting peace deal remains elusive, likely impractical, and we expect the status quo to remain. At a minimum this should mean the floor on oil prices is higher than pre-war levels and supportive of the manufacturing plans producers have. We'll repost a "fan favorite" chart which shows over the most recent period of West Texas Intermediate (WTI) crude prices, Midstream cash flows have shown extraordinary resiliency and growth.




Source: Bloomberg, LP at 9/30/26.

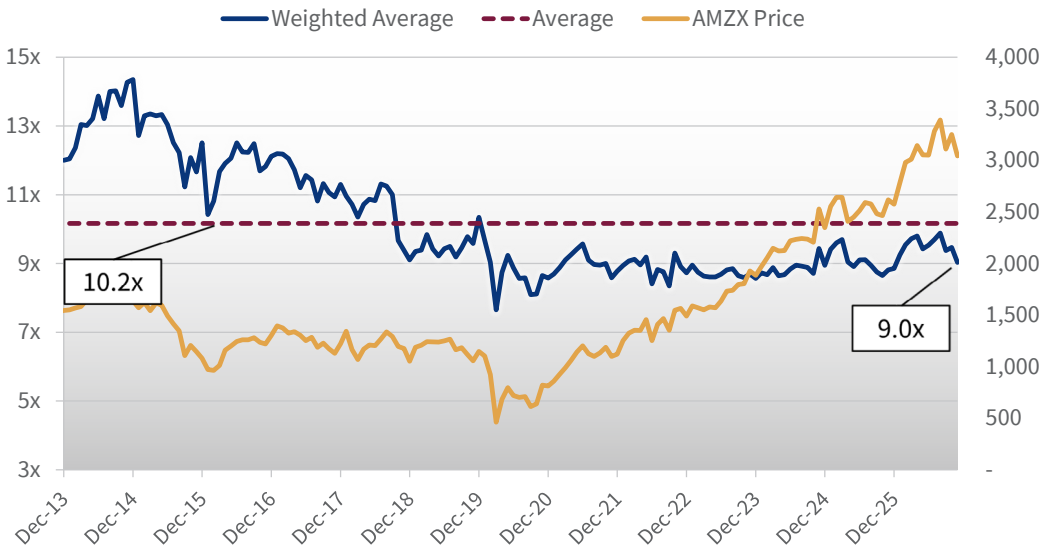
All figures shown for current Model Portfolio weights and holdings. EBITDA is the consensus estimate at each point in time for the weighted sum of each portfolio holding for the next twelve months (NTM).

## Valuation

Prior to any post-election concern, we believe there were several compelling arguments that Midstream companies are undervalued across different measures. In our video series "Re-Underwriting Midstream Growth: Parts 1 and 2" posted on our website, we showed, through reverse engineering the discounted cash flow equation, that market prices for securities in our portfolio reflected a 13.1% *decline* in the terminal value growth rate, weighted average. We believe the post-election pullback has made Midstream equities look even more attractive.

Additionally, looking at traditional sector valuation trends, the Alerian MLP Index (AMZ) remains below its long-term average on both an enterprise value to EBITDA (EV/EBITDA) and a price to distributable cash flow (P/DCF) basis. We previously did not believe growth was properly accounted for and especially feel that is the case today. We believe the foundations for total return (yield plus growth) remain consistently strong, with supportive valuations which could be an additional measure of total return upside over the next several years.

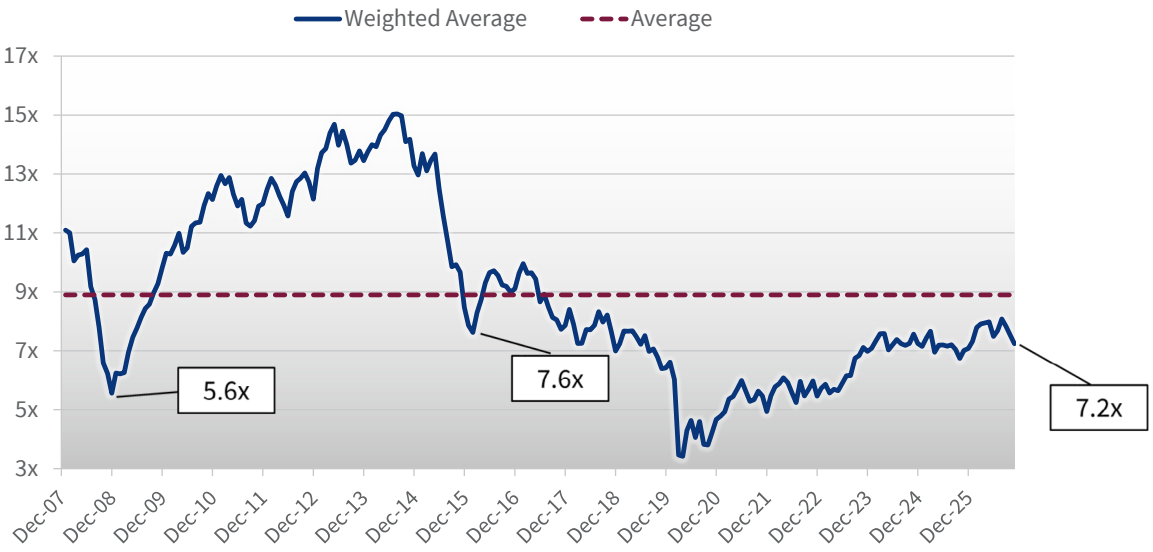
## AMZ Weighted EV/EBITDA




Average = 10.2x | Current = 9.0x | Minimum = 7.7x

Source: Bloomberg, LP, CCM, as of 11/10/2

## AMZ Weighted P/DCF




Average = 8.9x | Current = 7.5x | Minimum = 3.4x

Source: Bloomberg, LP, CCM, as of 11/10/26[6]

(6) The JPMorgan Alerian MLP Index ETN (AMJB) is used herein to create a per unit index price for the Alerian MLP Index (AMZ). Alerian MLP Index Exchange Traded Notes ("ETNs") provide investors a way to gain exposure to midstream energy MLPs. The ETNs pay a variable quarterly coupon linked to the cash distributions paid on the MLPs in the index, less accrued tracking fees of 0.85% per annum. The ETNs are senior, unsecured obligations of JPMorgan Chase & Co. Note that the tracking fee of 0.85% may cause the performance of the AMJB to lag that of the AMZ, thus potentially understating the P/DCF ratio set forth herein.

## Midstream Allocations in 2027

As you and your clients head into the year-end and the planning stages for 2027, we encourage you to consider Midstream as a core allocation. In the most recent period of years, Midstream as an asset class has proven itself a total return compounder, while exhibiting a lower than historical volatility and can solve many issues within overall asset allocation: (1) Total Return/Equity Diversifier, (2) Income, (3) Real Assets, and (4) Inflation Offset. We believe growth remains mis-priced, valuation is supportive, and this is a highly liquid, $1 trillion sector poised to continue to perform well.

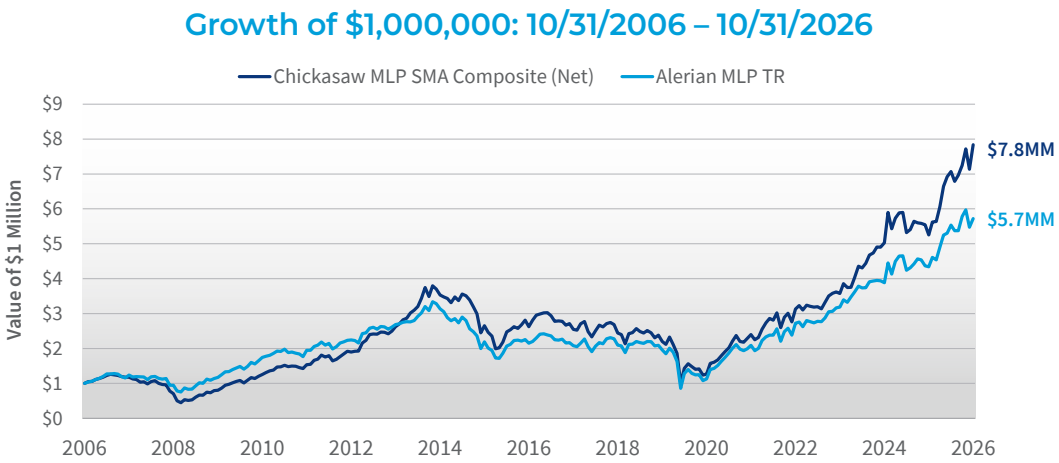
If you would like to explore the allocation framework in greater detail, please reach out to your Chickasaw representative.

## Chickasaw MLP SMA 20 Year Anniversary

It's been said if you don't give yourself plaudits, no one will do it for you. On October 31, 2026 we achieved our 20-year institutional SMA anniversary. It has been an honor to manage outside capital over this period, and we're grateful to our clients who have given us the opportunity to do something we truly love.

In humility, we also would like to further present the case for active management within Midstream. Over the past 20 years, our MLP SMA beat the Alerian MLP Total Return Index (AMZX) by +1.72% annualized. For those thinking about AI concentration and further equity diversification, the MLP SMA return was similar to the S&P 500 Total Return Index over the same period.

| Annualized Returns Since 10/31/2006 Inception of Chickasaw MLP SMA | |
|---|---|
| **Chickasaw MLP SMA, Net of Fees Return** | **Alerian MLP Total Return** |
| **10.84%** | **9.12%** |




The return of the Chickasaw MLP SMA is shown net of actual fees. Indices are unmanaged, carry no fees or expenses, and cannot be invested in directly. Please see the performance report on the following page for the performance of the Chickasaw MLP SMA over additional time periods, as well as additional disclosures.

Midstream as a core asset class has been forged during this period, and we are wiser for the time. We think investors who place an appropriate eye on the future can see the next long-term investment period could be more attractive, and we look forward to enjoying the ride together.

**Geoffrey Mavar** **Matt Mead** **Robert Walker** **Bryan Bulawa**

CHICKASAW CAPITAL MANAGEMENT

# Chickasaw MLP SMA Composite
## October 31, 2006 — October 31, 2026

| 10/31/26 | 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 | 9.87 | 9.80 | 4.54 | -0.87 |
| Quarter-to-Date | 9.87 | 9.80 | 4.54 | -0.87 |
| Year-to-Date | 38.99 | 36.83 | 26.18 | 11.77 |
| 1 Year | 49.11 | 46.09 | 31.85 | 12.11 |
| 3 Year | 29.92 | 27.38 | 21.59 | 23.40 |
| 5 Year | 26.69 | 24.16 | 22.28 | 12.06 |
| 10 Year | 11.57 | 9.27 | 10.27 | 15.44 |
| 15 Year | 11.49 | 9.13 | 7.44 | 14.81 |
| Inception* | 10.84 | 8.49 | 9.12 | 10.99 |

| 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2026 YTD | 38.99 | 36.83 | 26.18 | 11.77 | 194 | NA | NA | NA | NA | 1122 | 3108 | 48.39 |
| 2025 | 3.81 | 1.74 | 9.76 | 17.88 | 191 | 0.72 | 16.60 | 14.81 | 11.79 | 898 | 2481 | 46.66 |
| 2024 | 44.89 | 42.09 | 24.41 | 25.02 | 199 | 1.19 | 21.05 | 19.99 | 17.15 | 917 | 2530 | 46.75 |
| 2023 | 20.83 | 18.46 | 26.56 | 26.29 | 225 | 0.61 | 20.27 | 20.16 | 17.29 | 658 | 1972 | 46.60 |
| 2022 | 33.96 | 31.19 | 30.92 | -18.11 | 238 | 0.64 | 45.59 | 48.39 | 20.87 | 682 | 2032 | 40.42 |
| 2021 | 44.32 | 41.39 | 40.17 | 28.71 | 249 | 1.17 | 44.34 | 46.86 | 17.17 | 749 | 2053 | 28.56 |
| 2020 | -31.07 | -32.60 | -28.69 | 18.40 | 257 | 2.38 | 44.59 | 47.18 | 18.53 | 713 | 1881 | 22.54 |
| 2019 | 8.96 | 6.71 | 6.56 | 31.49 | 546 | 0.89 | 18.86 | 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 | 22.87 | 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 – 12/31/2025. The verification report is available upon request.

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The firm's list of pooled fund descriptions for limited distribution pooled funds is available upon request.

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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.

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

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**S&P 500 Energy** comprises those companies included in the S&P 500 that are classified as members of the GICS® energy sector.

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

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

**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.

**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.

**EIA** is the U.S. Energy Information Administration, which collects, analyzes, and disseminates independent and impartial energy information to promote sound policymaking, efficient markets, and public understanding of energy and its interaction with the economy and the environment.

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

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

**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.**