Master Limited Partnerships

CASTLEARK

June 30, 2018

Strategy Facts

Portfolio Managers: Jerome Castellini, Joseph Hagan, CFA, CPA
Inception: December 31, 2010
Index: Alerian MLP
Available Vehicles: Separate Account
Strategy AUM: $111M
Firm AUM: $3.8B
Website: http://castleark.com/mlp/

Investment Philosophy

We believe it is the **growth in distributions**, not yield, that drives outperformance

Portfolio Characteristics

	CastleArk	Index
# of Securities	26.0	44.0
Dividend Yield	$7	$8
Weighted Avg Market Cap ($MM)	$21,948	$18,025
Median Market Cap ($MM)	$8,631	$3,139
Forward DPS Growth	6.3%	5.7%
Historical DPS Growth	5.9%	3.3%
Net Debt/EBITDA	4.9%	4.9%
Return on Capital	7.0%	3.4%
Return on Equity	11.3%	9.9%
Price to Book	2.1	1.8

Investment Strategy

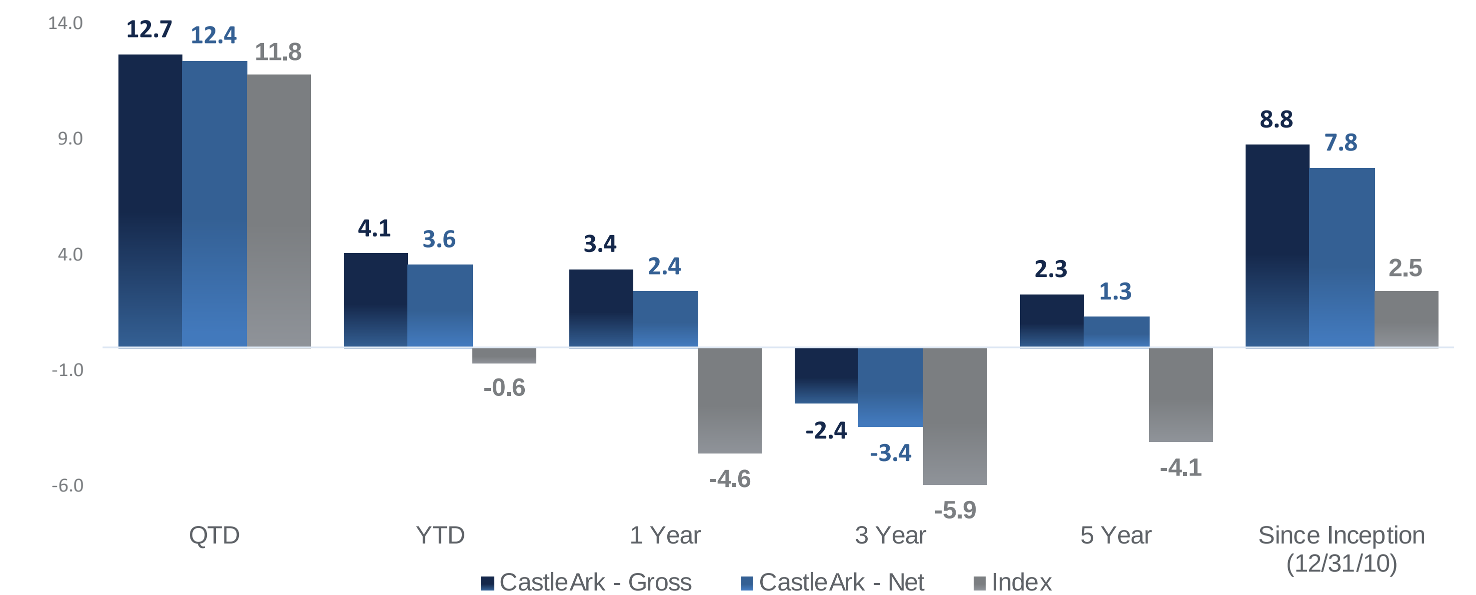
A unique process that emphasizes the **total return potential** over the absolute level of yield

An experienced investment team that understands a partnership's ability to **exploit industry economics**

A **high conviction portfolio** that diversifies across all midstream subsectors

Performance

(Periods greater than 1-year are annualized)



Source: Factset and CastleArk. All portfolio level data represents a representative client portfolio. Figures shown are past results and are not predictive of future returns. See Performance Disclosure Statement. For institutional investors only

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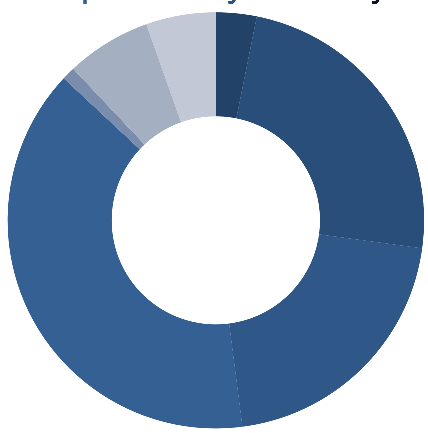
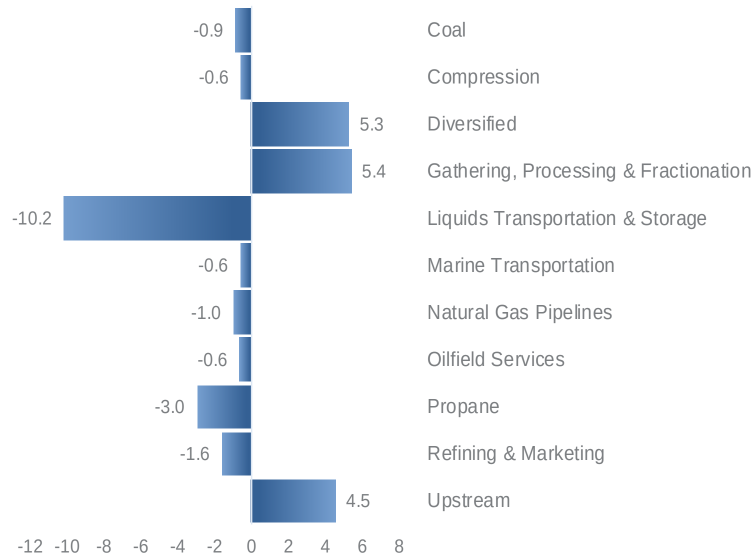
Portfolio Exposure by Industry



- 3.2% - [Cash]
- 24.0% - Diversified
- 20.8% - Gathering, Processing & Fractionation
- 39.0% - Liquids Transportation & Storage
- 1.0% - Marine Transportation
- 6.6% - Natural Gas Pipelines
- 5.4% - Upstream

Industry Allocation vs. Index



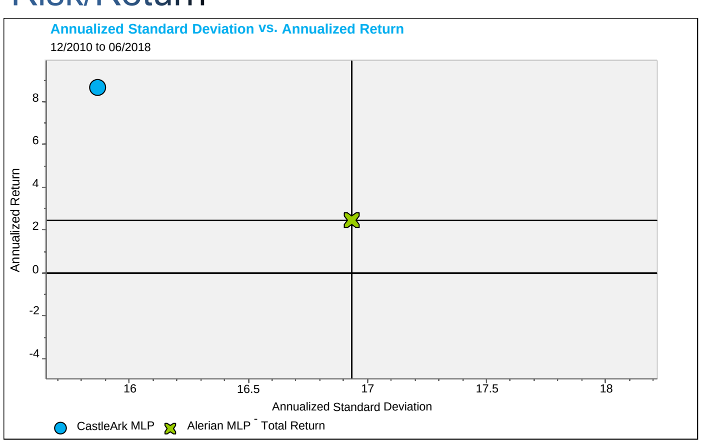
Top 10 Holdings

Security	Weight
Enterprise Products Partners L.P.	13.38%
Energy Transfer Partners LP	8.00%
MPLX LP	7.47%
Plains All American Pipeline, L.P.	7.44%
Magellan Midstream Partners, L.P.	6.50%
Williams Partners, L.P.	6.46%
Phillips 66 Partners LP	4.65%
Andeavor Logistics LP	4.10%
Cheniere Energy, Inc.	4.02%
DCP Midstream LP	3.92%

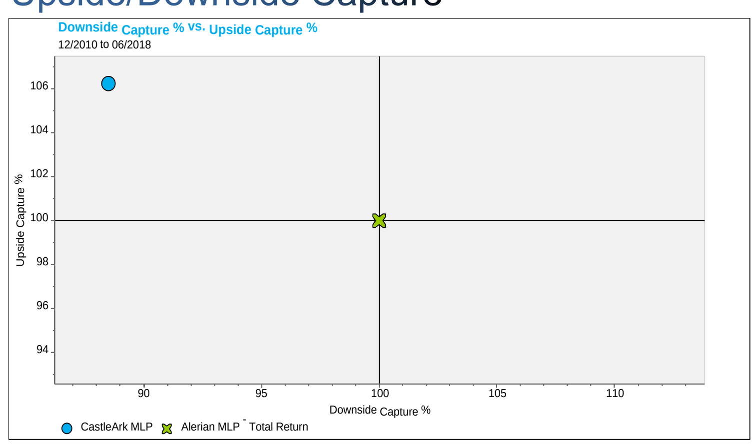
Top/Bottom Contributors

Security	Weight	CTR
5 Highest		
Enterprise Products Partners L.P.	13.53	2.00
Magellan Midstream Partners, L.P.	6.46	1.27
Viper Energy Partners LP	3.57	0.96
Energy Transfer Partners LP	5.85	0.93
Williams Partners, L.P.	5.28	0.92
5 Lowest		
EQT Midstream Partners LP	0.96	-0.15
Andeavor Logistics LP	5.75	-0.08
Rice Midstream Partners LP	1.48	-0.07
Noble Energy, Inc.	0.33	-0.02
Buckeye Partners, L.P.	0.92	-0.01

Risk/Return



Upside/Downside Capture



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Commentary

Performance Update

The CastleArk Master Limited Partnership (MLP) portfolio return for the quarter was +12.67% (gross) and +12.41% (net), outperforming the benchmark Alerian MLP Index return of +11.80%. Since inception, January 1, 2011, the CastleArk MLP portfolio has outperformed with an annualized return of +8.77% (gross) and +7.77% (net), compared to the benchmark Alerian MLP Index return of +2.26% for the period ending June 30, 2018.

Portfolio Review

Propelled by falling crude inventory levels, WTI crude exceeded $70 per barrel for the first time since 2014. Per the International Energy Agency (IEA), April crude inventory levels in the Organization of Economic Co-operation and Development (OECD), the latest month measured by the IEA, stood at approximately 60 days of forward coverage, nearly 5% below the 5-year average. A growing global economy, coupled with curtailed global crude production, continues to lower inventory levels and push oil prices higher.

During the second quarter, Energy equities managed to perform in line with crude oil after three consecutive quarters of underperformance. Within the Energy sector, Upstream equities led the way (SPSIOP Index: +22.48%) followed by Refining equities (S5OILR Index: +14.16%), while Midstream (AMZ Index: +11.79%) and Oil Service (MVOIH Index: +10.05%) equities lagged.

The CastleArk MLP portfolio outperformed the Alerian MLP Index during the quarter. From an allocation perspective, the portfolio benefitted from overweighting the Diversified and Upstream subsectors. Stock selection was a slight detraction from relative performance as strong stock selection within the Natural Gas Pipelines subsector was more than offset by poor stock selection within the Liquids Transportation & Storage and Refining & Marketing subsectors.

Market and Portfolio Outlook

In October of 2014, the price of WTI crude oil fell below $90 per barrel. At that time, as oil supply growth from U.S. shale started to overcome demand for crude around the globe, the Organization of the Petroleum Exporting Countries (OPEC) chose to ramp their own production. OPEC's goal was to protect market share and reduce the supply of crude oil emanating from U.S. shale. During OPEC's battle for market share, crude production in the U.S. initially fell before rebounding in 2016, and crude prices fell to as low as $26 per barrel as crude inventory levels across the globe rose to unprecedented levels. For instance, OECD days of forward coverage rose to levels 15% above five-year averages. Equity markets during this time were unkind to energy investors. From September 30, 2014 to June 30, 2018, while the S&P 500 returned +49%, the S&P 500 Energy sector returned -5.1%. Midstream investors were particularly challenged, as the Alerian returned -35% over this same time frame. However, a confluence of factors in today's energy markets could lead to a sustained period of outperformance for all Energy equities.

As mentioned above, for the first time since 2014, WTI crude prices rose above $70 per barrel. Commodity markets are starting to price in the risk that the crude market supply/demand balance is in a very precarious situation. Whereas in 2014 OPEC was fighting for market share leading to a build in global inventories, they reversed course in November of 2016 by taking 1.6 million barrels per day (mmbbls/d) of production off of the market (including Russia). As a result of these production cuts and a growing global economy, inventory levels fell to below the 5-year average leading to today's higher oil prices. However, what OPEC did not prepare for was severe production outages from Venezuela and a re-imposition of sanctions on Iranian crude production.

Venezuela crude production has fallen by nearly 1 mmbbls/d since 2015. The country is producing roughly 1.4 mmbbls/d and expectations are that production could fall by another 200,000 to 300,000 bbls/d by year end. At the same time, the US pulled out of the previously agreed upon nuclear accord signed with Iran, whereupon the U.S. Treasury department will reinstitute sanctions on their oil exports. The results of the sanctions will take anywhere from 400,000 bbls/d to

Commentary (continued)

1 mmbbls/d of crude supply off of the markets. The result of the Iranian sanctions and the continuing decline in Venezuelan crude production will shrink global spare crude capacity. Per the IEA, the technical definition of space capacity is crude output that can be turned on within one month. Furthermore, most of the spare capacity that exists in the world is concentrated in Saudi Arabia. While OPEC this past quarter announced that they would add 1 mmbbl/d of production back onto the markets, that number will actually be closer to 600,000 bbl/d as few OPEC members outside of Saudi Arabia (and Russia who is a non-member) are actually capable of increasing production. As a result, when Iranian sanctions come online in November, spare capacity is expected to shrink to among the lowest levels over the past 15 years. Furthermore, as global spare capacity shrinks, the ability to prevent further supply outages – such as the case with Libya where warring factions can mean the difference between 200,000 bbl/d and 700,000 bbl/d of crude output – from causing major spikes in crude oil becomes diminished.

While we are not necessarily calling for a return to $100 per barrel crude, the precarious factors affecting the oil market prove the importance of U.S. shale production. To prevent further price spikes that could harm the economy, additional oil output is needed from Exploration & Production (E&P) companies drilling for oil in the U.S. In order for these companies to increase production, the midstream companies must continue to construct gathering systems and long-haul pipelines to ensure that production reaches the intended markets. So as the importance of U.S. shale production rises, so too does the infrastructure in which it is transported. Without adequate pipeline takeaway, crude prices could become depressed or dislocated from international pricing. Such was the case this past quarter as crude oil prices in the Permian traded at levels that were approximately $20 below international pricing as takeaway out of the basin was nearing 100% utilization.

While crude prices have regained their 2014 values, albeit the lows, major Energy-equity indices have not. Barring a recession, which seems unlikely based on current economic data, there is further room for positive Energy equity performance. For midstream investors, both equity valuations and the energy markets should serve as tailwinds going forward. The fact that the 2nd quarter return for the Alerian Index was the first positive quarter in five consecutive quarters could be a sign that the market is beginning to acknowledge these tailwinds. Per the U.S. Department of Energy (DOE), weekly production of crude oil in the U.S. reached an all-time high of 10.9 mmbbls/d at the end of June. Furthermore, U.S. exports of crude oil, refined products and liquefied natural gas (LNG) continue to reach all-time highs. We have positioned the fund to invest in those companies who can translate this opportunity set of capturing growing U.S.-shale production into future distribution growth to shareholders.

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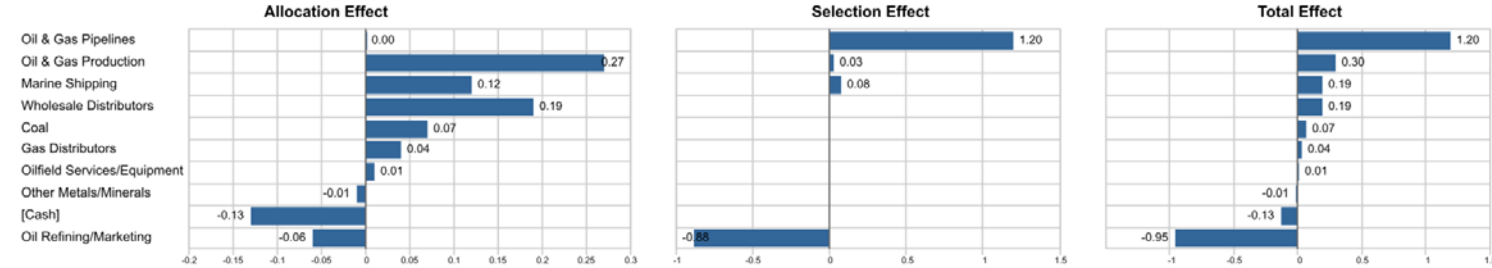
Attribution

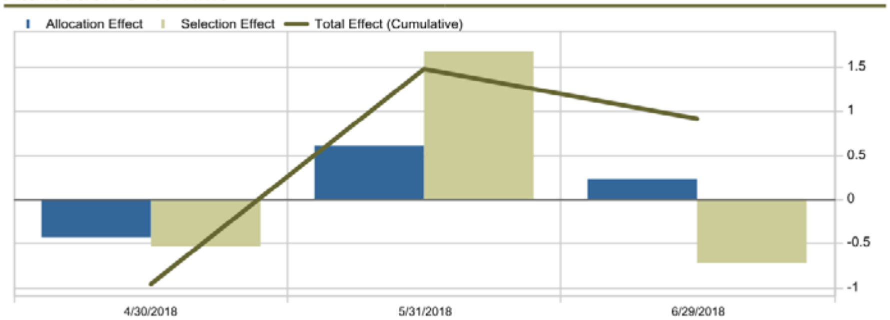
	Portfolio			Benchmark			Variation			Attribution Analysis		
	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Average Weight	Total Return	Contribution To Return	Allocation Effect	Selection Effect	Total Effect
Total	**100.00**	**12.72**	**12.72**	**100.00**	**11.80**	**11.80**	**--**	**0.92**	**0.92**	**0.50**	**0.43**	**0.92**
Oil & Gas Pipelines	75.50	13.65	10.21	78.82	11.85	9.39	-3.32	1.80	0.82	0.00	1.20	1.20
Oil & Gas Production	12.66	18.19	2.16	8.49	17.71	1.38	4.17	0.47	0.78	0.27	0.03	0.30
Marine Shipping	1.07	4.65	0.06	1.80	-2.96	-0.02	-0.74	7.61	0.08	0.12	0.08	0.19
Wholesale Distributors	--	--	--	3.00	5.70	0.20	-3.00	-5.70	-0.20	0.19	--	0.19
Coal	--	--	--	0.59	6.95	0.00	-0.59	-6.95	0.00	0.07	--	0.07
Gas Distributors	--	--	--	0.98	9.58	0.09	-0.98	-9.58	-0.09	0.04	--	0.04
Oilfield Services/Equipment	--	--	--	0.09	-0.41	0.00	-0.09	0.41	0.00	0.01	--	0.01
Other Metals/Minerals	--	--	--	0.69	13.39	0.10	-0.69	-13.39	-0.10	-0.01	--	-0.01
[Cash]	1.97	0.46	0.01	--	--	--	1.97	0.46	0.01	-0.13	--	-0.13
Oil Refining/Marketing	8.80	2.03	0.28	5.54	12.05	0.66	3.26	-10.01	-0.38	-0.06	-0.88	-0.95



Top/Bottom Active Contributors

	Active Weight	Total Return	Active Contribution
Top 5	**13.19**		**2.73**
Cheniere Energy, Inc.	3.87	21.96	0.80
Viper Energy Partners LP	2.75	27.69	0.75
Enterprise Products Partners L...	3.03	14.86	0.45
Energy Transfer Equity, L.P.	1.75	23.67	0.39
ONEOK, Inc.	1.79	24.31	0.35
Bottom 5	**-11.58**		**-2.76**
Energy Transfer Partners LP	-4.11	21.18	-1.05
Magellan Midstream Partners, L...	-4.04	20.02	-0.77
CVR Refining LP	-0.60	76.30	-0.32
Tallgrass Energy Partners LP	-1.35	16.97	-0.32
Williams Partners, L.P.	-1.48	19.89	-0.29

Attribution Over Time



Disclosures and Footnotes

Performance reflects reinvestment of all income and capital gains and is shown in US dollars and after the deduction of transaction costs. Performance is shown gross and net of actual management fees charged. Actual investment advisory fees incurred by clients may vary. Performance during certain periods reflect strong stock market performance that is not typical and may not be repeated. Additional information on the calculation methodologies used herein is available upon request.