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The NXG Cushing® Midstream Strategy Market and Performance Update

For the first quarter of 2025, the NXG Cushing® Midstream Strategy delivered a return of 7.69% gross of fees and 7.42% net of fees, outperforming our benchmark, the Alerian Midstream Energy Index ("AMNA"), which gained 6.34%. Both the Strategy and the benchmark posted strong absolute returns, marking the tenth consecutive quarter of positive performance, and significantly outperforming broader equity markets. For reference, the S&P 500 recorded a total return of -4.27% during the period.

	Total Return as of 12/31/2024 (Annualized if greater than 1 year)					
	1Q 2025	1 Year	3 Years	5 Years	10 Years	Since Inception[4]
The NXG Cushing Midstream Strategy (gross of fees)[1]	7.69%	35.35%	23.47%	38.32%	6.91%	11.81%
The NXG Cushing Midstream Strategy (net of 1% fees)[1]	7.42%	34.00%	22.24%	36.95%	5.84%	10.69%
Blended Midstream Index Total Return[2]	6.34%	39.53%	19.75%	33.58%	7.41%	7.67%
Alerian Midstream Energy Index Total Return[3]	6.34%	39.53%	19.75%	37.80%	4.56%	N/A

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.
Note: Indicative return, individual investors may have different returns.

(1) "Gross of fees" returns are gross of fees and expenses. "Net of fees" returns are calculated using a 1% model investment fee. Both gross and net returns are unaudited. Returns greater than one year are annualized. The Strategy's returns shown are preliminary and are subject to further revision.
(2) The Strategy has selected a blended benchmark as its benchmark. The returns for the blended benchmark represent the returns of the Alerian MLP Index prior to January 1, 2022 and the returns of the Alerian Midstream Energy Index thereafter. The Alerian MLP Index ("AMZ") is a capitalization weighted index of the most prominent energy master limited partnerships. The Alerian Midstream Energy Index ("AMNA") is a broad-based composite of North American energy infrastructure companies. Index results assume the reinvestment of all capital gains and dividend distributions. It is not possible to invest directly in an index. Index performance does not reflect the deduction of fees and expenses.
(3) AMNA inception was June 25, 2018.
(4) Strategy inception was June 2010.

The midstream sector entered 2025 with notable strength, briefly exceeding 10% gains in January. This performance was supported by macroeconomic tailwinds, notably the proposed rapid implementation of pro-energy policies under the new Trump Administration, including:

- Declaring a national energy emergency
- Reversing restrictive regulations on fossil fuel exploration, LNG exports, and infrastructure
- Withdrawing from international climate agreements, including the Paris Accord

These actions foster a favorable regulatory backdrop that is expected to accelerate approvals for critical midstream projects, particularly LNG terminals and pipeline infrastructure. Companies strategically positioned near North American natural gas production are well-positioned to benefit.

Decisions by OPEC+ to gradually restore previously curtailed oil production introduced short-term volatility and downward pressure on oil prices during the quarter. However, we expect midstream companies to benefit from insulated cash flow profiles, underpinned by stable, largely fee-based business models that are more resistant to commodity price volatility. Given the supportive U.S. policy environment and geopolitical uncertainty, we remain constructive on midstream fundamentals.

Data Centers as a Key Demand Driver for Natural Gas

Data centers remain a compelling, long-term growth driver for natural gas demand. High-profile proposed initiatives highlight this trend, notably the $500 billion Stargate project—a collaboration involving industry leaders including OpenAI, Oracle, and Softbank—which underscores the transformative potential of data center demand. Forecasts project over 100 GW of incremental power demand over the next five years driven by data center growth, reshoring, and electrification, effectively doubling current power demand levels by 2030.

Several recent developments demonstrate tangible benefits to midstream infrastructure providers:

- Energy Transfer (ET) entered an agreement to supply up to 450,000 MMbtu/d of firm natural gas via its Oasis pipeline to CloudBurst's new Central Texas data center.
- Pembina Pipeline (PPL CN) announced a joint venture to develop the Greenlight Electricity Centre, a phased gas-fired power generation facility totaling up to 1,800MW, co-located with data center capacity.
- Williams Companies (WMB) announced plans for a $1.6 billion onsite natural gas-to-power facility supported by a predominantly fixed-price, ten-year power purchase agreement, providing attractive project economics (~5x build multiple).
- Engine No. 1 and Chevron (CVX) established a strategic partnership to develop scalable power solutions for U.S. data centers, initially targeting up to 4 GW using GE Vernova (GEV) turbines.
- DT Midstream (DTM) executed agreements to supply approximately 3 GW of new gas-fired utility-scale power generation facilities in Indiana and West Virginia.
- Homer City and Kiewit Power announced a $10 billion initiative to transform Pennsylvania's largest coal plant into a 4.5 GW natural gas-powered data center campus, presenting opportunities for GE Vernova and potentially benefiting TC Energy's (TRP) Columbia pipeline.
- American Electric Power (AEP) announced an agreement to place up to 1 GW of Bloom Energy's (BE) natural gas-sourced fuel cells at data centers.

DeepSeek AI's Efficiency Gains Cause Temporary Sector Volatility

Midstream equities recently experienced temporary weakness following the introduction of China's DeepSeek AI model, touted for superior efficiency compared to existing U.S. models. Initial market concerns that improved AI efficiency could diminish future data center energy demand quickly subsided following reaffirmations by major U.S. tech firms—including Meta, Microsoft, and Amazon—of their continued robust investment plans. These developments indicate that improved efficiency will likely drive accelerated adoption, expanding the total addressable market for data center energy demand. Accordingly, our long-term thesis supporting natural gas infrastructure growth remains firmly intact.

Tariffs Introduce Short-Term Challenges, But Fundamentals Remain Robust

Tariffs proposed by the Trump Administration during the quarter—including a 25% tariff on imports from Canada and Mexico and a 10% tariff on China—created an additional layer of market uncertainty. Canadian energy imports, which faced a comparatively lower 10% tariff, experienced limited direct impact on pipeline throughput and midstream operations. While broader economic consequences and foreign exchange movements introduced complexity, these tariff pressures may accelerate infrastructure investment within Canada, potentially providing longer-term benefits to North American midstream operators.

Note: Additional proposed tariffs were announced post-quarter as part of the Administration's "Liberation Day" policies. We have provided separate commentary on this development.

Portfolio Highlights

The NXG Cushing® Midstream Strategy outperformed the AMNA during the quarter, with positive returns across nearly all subsectors. The strongest contributions to overall returns came from holdings in the Large Cap Diversified MLPs, Natural Gas Gatherers & Processors, and Large Cap Diversified C-Corps. These results reflect both the total returns of individual positions and their relative weightings within the portfolio.

The only subsectors to post slightly negative absolute returns were Natural Gas Transportation & Storage and Upstream Exploration & Production. Weakness in these areas was tied to a temporary reset in market expectations for near-term, data center-driven power demand and softening crude oil prices, respectively.

Relative to AMNA, the Strategy benefited from overweight positions in Large Cap Diversified MLPs, Natural Gas Gatherers & Processors, and Other C-Corps. Notably, performance within the Other C-Corps segment was driven by EQT Corporation (NYSE: EQT), which has meaningful exposure to both natural gas upstream and transportation & storage. In contrast, the Strategy's underweight position in Large Cap Diversified C-Corps modestly detracted from relative performance, despite strong absolute returns from that subsector.

The following table highlights the Strategy's positions generating the most positive and negative contributions to the portfolio, relative to those companies' contributions to AMNA. *Collectively, the Strategy's positive attribution was concentrated in a few high-conviction names, while relative underperformance was largely a function of underweight positioning in several large index constituents.*

Strategy Contribution vs. AMNA for the Quarter Ending 03/31/2025

	Company Name	Contribution to Portfolio Return (Net)	Contribution to AMNA Index Return	Average Weight in Portfolio	Average Weight in AMNA Index	Relative Net Attribution (% points)
Largest Contributors						
1)	Plains GP Holdings, L.P.	+1.25%	+0.40%	6.84%	2.31%	+0.85%
2)	Targa Resources Corp.	+1.45%	+0.86%	9.71%	7.27%	+0.58%
3)	MPLX LP	+0.88%	+0.43%	7.20%	3.31%	+0.45%
4)	Genesis Energy, L.P.	+0.46%	+0.11%	0.93%	0.22%	+0.35%
5)	EQT Corporation	+0.33%	+0.00%	2.23%	0.00%	+0.33%
					Top 5 Total	**+2.57%**
Largest Detractors						
1)	The Williams Companies, Inc.	+0.61%	+1.13%	5.72%	10.10%	-0.52%
2)	Enbridge Inc.	+0.10%	+0.60%	0.94%	10.13%	-0.50%
3)	Kinder Morgan Inc.	+0.29%	+0.49%	5.88%	9.16%	-0.20%
4)	Antero Midstream Corporation	+0.00%	+0.19%	0.00%	0.96%	-0.19%
5)	Enterprise Products Partners, LP	+0.71%	+0.86%	6.93%	8.28%	-0.15%
					Bottom 5 Total	**-1.55%**

At quarter-end, the Strategy's largest overweight relative to the benchmark remained in the Natural Gas Gatherers & Processors subsector. The portfolio also held overweight positions in the Large Cap Diversified MLPs, Natural Gas Transportation & Storage, and Refiners. The largest underweight positions continued to be in the Large Cap Diversified C-Corps and Canadian Midstream subsectors.

During the period, the Strategy trimmed its position in Targa Resources Corp. (NYSE: TRGP) following continued strong performance and elevated exposure within the portfolio. Proceeds were redeployed into select natural gas infrastructure names, including additions to The Williams Companies, Inc. (NYSE: WMB) and Kinder Morgan, Inc. (NYSE: KMI), both of which offer durable cash flows and broad system exposure. The Strategy also reallocated a portion of its crude oil exposure by rotating from Plains GP Holdings, L.P. (Nasdaq: PAGP) into Hess Midstream, LP (NYSE: HESM).

What Helped (Contributors)

- Plains GP Holdings, L.P. (Nasdaq: PAGP): A top contributor and the Strategy's largest overweight position. Plains benefited from several strategic initiatives announced at the start of the year, including $670 million in bolt-on acquisitions, partial repayment of outstanding preferred shares, and a 20% distribution increase—surpassing market expectations.
- Targa Resources Corp. (NYSE: TRGP): The Strategy's top contributor for the quarter. Targa maintained its leadership position in the Permian Basin, supported by volume growth and margin expansion. The company's scale, strong execution, and disciplined capital deployment have made it a repeat performer—this marks the fifth consecutive quarter in which Targa ranked among the top contributors.
- MPLX LP (NYSE: MPLX): Another significant overweight and the third-largest contributor. MPLX advanced following its announcement of a joint venture with ONEOK, Inc. (OKE) to develop an LPG export terminal and related infrastructure. The project further strengthens MPLX's asset base by establishing an integrated natural gas liquid (NGL) wellhead-to-water value chain.

What Hurt (Detractors)

- The Williams Companies, Inc. (NYSE: WMB): Delivered solid absolute performance, benefiting from a 13% increase in natural gas prices and the announcement of its Socrates Power Solution project aimed at meeting rising data center power demand. However, Williams was one of the Strategy's top underweight positions, which detracted from relative performance.
- Enbridge Inc. (TSX/NYSE: ENB): Also generated a positive return, despite investor concerns over Canadian crude oil tariffs and elevated capital spending tied to recent acquisitions. The Strategy's underweight position in Enbridge modestly detracted from results given the stock's resilience amid macro uncertainty.
- Kinder Morgan Inc. (NYSE: KMI): Posted strong absolute performance, supported by anticipated future growth tied to its capital backlog, as well as rising natural gas prices. However, the Strategy was underweight Kinder Morgan during the quarter, resulting in a relative performance headwind.

All notable contributors and detractors noted above remained in the portfolio at quarter-end.

Midstream Fundamentals Remain Resilient and Compelling

The midstream energy sector, represented by the AMNA index, has delivered more than four consecutive years of strong absolute and relative performance, outpacing upstream, refining, utilities, and REIT sectors—even absent significant commodity price appreciation. This resilience reflects meaningful sector transformation: balance sheets are historically strong, capital discipline is well-established, and increasing free cash flow ("FCF") is being consistently returned to shareholders through dividends, distributions, and share repurchases.

With reduced leverage and less necessity to allocate FCF toward debt reduction, midstream companies are well-positioned to deliver stable returns, even in volatile environments. The sector's improved financial profile is supported by higher returns on invested capital from lower-risk, high-return brownfield projects, coupled with disciplined capital allocation strategies and prudent M&A activity.

Midstream assets are increasingly recognized as stable, cash-generative investments benefiting from structural tailwinds including LNG export growth, reshoring, electrification, and rising data center demand. Short-term disruptions – including tariffs, OPEC+ policy, and AI-driven forecasts – have not altered the sector's compelling long-term thesis.

Although valuations have risen post-pandemic, they remain below pre-pandemic averages and broader equity benchmarks. This valuation disconnect persists despite demonstrable improvements in balance sheet health, capital efficiency, and profitability metrics. For patient investors, this discrepancy presents a compelling opportunity.

Looking forward, we anticipate EBITDA growth, consistent shareholder returns, and potential multiple expansion will continue driving attractive returns. While a re-rating of valuations is not central to our thesis, we believe conditions remain favorable. The sector's strong underlying fundamentals—driven by Permian Basin production growth, increasing natural gas liquids volumes, and accelerating AI-related power demand—are underappreciated by the market.

We remain highly confident in the long-term opportunity ahead and the midstream sector's ability to deliver sustained outperformance and meaningful value creation.

We greatly appreciate your continued trust and support.

Kind regards,

John Musgrave

Chief Investment Officer
Portfolio Manager

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Performance information included in this presentation represents composite returns for the NXG Cushing Midstream Energy Strategy (the "Strategy"). Actual account performance for a separately managed account invested in accordance with the Strategy may vary from these returns based upon account cash flows and investment timing.

	Total Assets ($ millions)				***Composite Performance (%)***			***Annualized 3-Year Standard Deviation (%) [3]***		
Year End	***Firm***	***Composite***	**% of Composite Assets from Wrap Program**	***Number of Accounts***	***Gross***	***Net***	***Benchmark (%) [5]***	***Composite***	***Benchmark [5]***	***Internal Composite Dispersion (%) [4]***
2025[1]	1,537	23	N.A.	11	7.69	7.42	6.34	19.46	19.06	N.A.
2024	1,428	23	N.A.	13	43.65	42.22	44.53	19.97	19.94	0.56
2023	1,013	16	N.A.	12	18.26	17.09	14.02	19.14	20.31	0.68
2022	1,039	12	N.A.	9	25.16	23.91	21.53	41.26	48.74	0.22
2021	972	17	N.A	11	43.22	41.80	40.17	39.80	47.52	0.44
2020	829	11	N.A.	7	-26.77	-27.50	-28.69	40.54	47.85	N.A.
2019	1,807	35	33.41	9	11.09	9.97	-6.56	18.03	17.95	0.37
2018	2,712	43	46.93	13	-12.42	-13.29	-12.42	19.36	18.35	0.56
2017	3,608	75	31.87	12	-6.81	-7.72	-6.52	20.28	19.33	0.19
2016	3,722	150	0.80	7	25.30	24.04	18.31	21.40	20.23	N.A.
2015	2,961	51	N.A.	4	-30.64	-31.38	-32.59	19.16	18.76	N.A.
2014	4,601	39	N.A.	2	22.40	21.06	4.80	13.50	13.73	N.A.
2013	3,343	31	N.A.	2	42.00	40.57	27.58	13.06	13.63	N.A.
2012	2,197	19	N.A.	1	8.44	7.36	4.80	-	-	N.A.
2011	1,503	13	N.A.	1	16.92	15.76	13.88	-	-	N.A.
2010[2]	1,115	13	N.A.	1	29.48	28.39	29.11	-	-	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.
1) Performance reflects the un-annualized performance from 1/1/2025 to 03/31/2025.
2) Performance reflects the un-annualized performance from March 1, 2010 to December 31, 2010.
3) For periods with less than 36 months of composite performance, no 3-year ex-post standard deviation measurement is available.
4) Dispersion is the asset-weighted standard deviation of annual returns of all portfolios in the composite for the entire year. If dispersion is N.A., the composite did not hold six or more accounts for the entire year or the period is a partial year.
5) The Strategy has selected a blended benchmark as its benchmark. The returns for the blended benchmark represent the returns of the Alerian MLP Index prior to January 1, 2022, and the returns of the Alerian Midstream Energy Index thereafter

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