NXG INVESTMENT MANAGEMENT

The Next Generation of Investment Management

Introducing NXG Investment Management

November 2022

NXG has been investing in energy infrastructure since 2003, then known as Cushing Asset Management. Now we are focused on the next generation of the energy value chain, with next generation analytical tools, and the next generation of firm leadership.

Our firm began investing in energy infrastructure during the renaissance of North American energy production and the corresponding midstream infrastructure build-out. We experienced technological advances in energy processing that enabled US shale natural gas to be the lowest cost source of fuel for power generation and petrochemical feedstock. The advent of utility 'YieldCos' as an evolution from traditional midstream energy companies drew us into the clean energy space in 2014.

NXG Investment Management is dedicated to providing Next Generation investment strategies to investors seeking long-term growth in companies focused on a clean and sustainable future, as well as traditional and transformational infrastructure companies.

www.nxgim.com

Invest Across the Energy Value Chain

Building on our history of successful energy investing, we now offer investment products focused on traditional energy infrastructure, clean energy, and energy transition funds blended with both fossil fuels and clean energy. **NXG is your manager of choice for energy investing.**

Many investment firms focus solely on either clean energy or fossil fuels. Energy seems to be the only sector where investors ignore competing technologies. We believe that to have an opinion on, for example, new electricity generation additions, a comprehensive investment strategy must cover the two main options: renewables and natural gas. Likewise, to have a view on future electric vehicle adoption while ignoring oil markets has the potential to miss out on opportunities within today's economy.

The incredible opportunity of energy transition will create winners and losers. An abundance of new market entrants will chase the potential returns. Some companies will establish themselves as dominant players in the new energy environment, but many will prove to be not truly innovative or unable to execute and will fail. We believe active management creates the best opportunity to maximize returns.



CUSHING MIDSTREAM ENERGY

- Pipeline, Storage and Terminalling
- LNG Export and Logistics
- Renewable Power
- Carbon Capture and Sequestration

Strategy offered in open-end mutual fund, closed-end fund and separately managed accounts.



NEXTGEN INFRASTRUCTURE

- Clean & Sustainable Infrastructure
- Comm. & Tech. Infrastructure
- Energy Infrastructure
- Industrial Infrastructure

Strategy offered in open-end mutual fund, closed-end fund and separately managed accounts.



GLOBAL CLEAN EQUITY

- Clean Energy
- Clean Infrastructure
- Clean Transportation
- Clean Water

Strategy offered in open-end mutual fund and separately managed accounts.

NXG Invests Across the Full Energy Spectrum

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Energy Revolution

We believe renewables are causing a structural change similar to what we saw with natural gas a decade ago. Manufacturing scale and technology efficiencies have made solar and wind energy the cheapest source of new electricity generation[1]. The shift to renewables for power generation will necessitate investments into transmission and distribution, industrial, and charging infrastructure, too. We believe that the energy transition will need investment of at least *$3 trillion per year* for the next 30 years[2].

For the first time in 70 years, fossil fuels do not comprise the top three sources of US energy consumption, as renewables surpassed coal to take third place in 2021[3]. Renewable adoption through 2021 was driven by technological improvements and low financing costs. Russia's invasion of Ukraine has put a new focus on energy independence and effectively removed 17% of natural gas supply from the global market[4]. We believe this single event will accelerate the transition to alternative sources of energy, with countries making a decade's worth of energy policy changes in a year. Renewables are the cheapest and fastest method to achieve energy independence and the advantage is greatest when fossil fuel costs are high.

While we think the switch to renewables will happen much faster than the market anticipates, we still believe fossil fuels will be needed over the medium to long term. The technology to enable cleaner options for dispatchable power, petrochemicals, heavy transport, and aviation are still relatively immature. We believe that fossil fuels will continue to play a vital role in the global economy until those superseding technologies are ready for broad adoption.

Summary

NXG is an energy investment specialist for the next generation. Energy infrastructure investing has been our identity since our founding. Our full spectrum view gives us richer context to understand competitive strengths and weaknesses of energy technologies. That expertise, supported by robust fundamental research and *r*MAP, our proprietary analysis and risk management system, leads us to believe that we are in the beginning of a major energy transition that will last for decades.

Important Information
Investment advisory services offered through Cushing Asset Management, LP ("Cushing"), an investment adviser registered with the U.S. Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training. NXG Investment Management is the trade name for the Clean and NextGen strategies offered by Cushing. This information does not constitute an offer of any securities or investment advisory services, which may be made only by means of materials which contain a description of material terms and risks of an investment.

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[1] BNEF, "1H 2022 LCOE Update" 6/30/2022.
[2] BNEF, "New Energy Outlook 2021" July 2021.
[3] Data as of 2021. IEA, "Monthly Energy Review" 9/27/2022.
[4] As of 2021. BP, "BP Statistical Review of World Energy 2022".