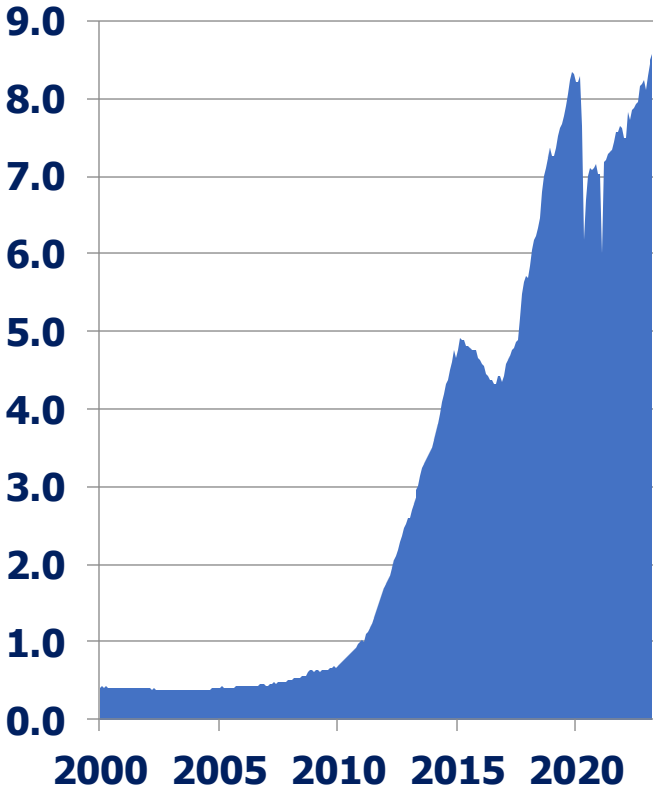
SL Advisors MLP & Energy Infrastructure SMA Strategy

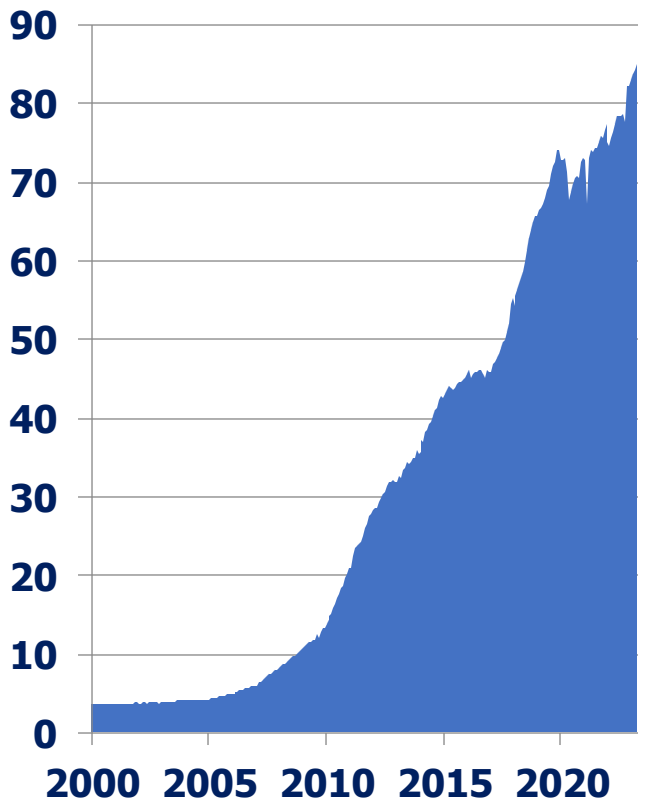
AMERICAN ENERGY INDEPENDENCE

Record shale oil, gas, & NGL production

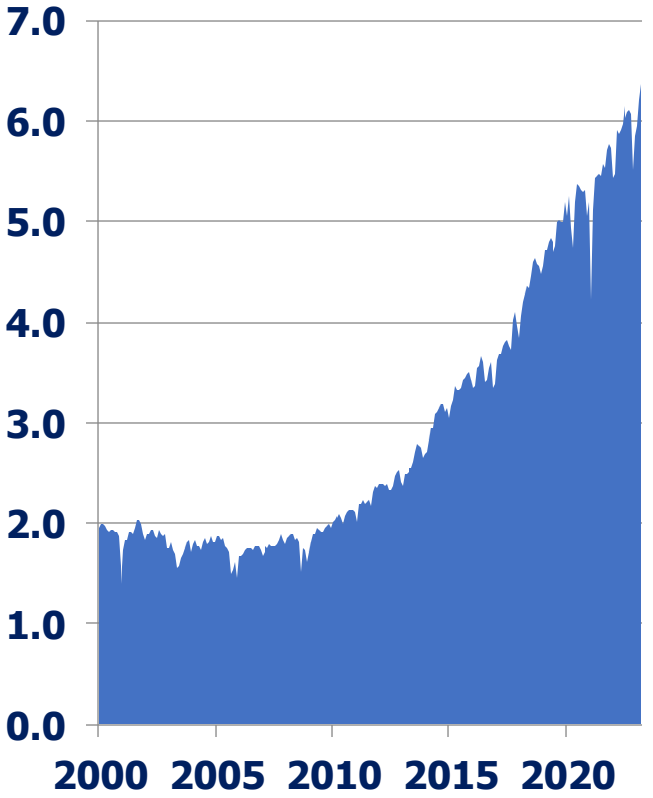
U.S. Shale Oil Production
(Millions of Barrels per Day)



U.S. Shale Gas Production
(Billions of Cubic Feet per Day)



U.S. NGL Production
(Millions of Barrels per Day)



Source: EIA

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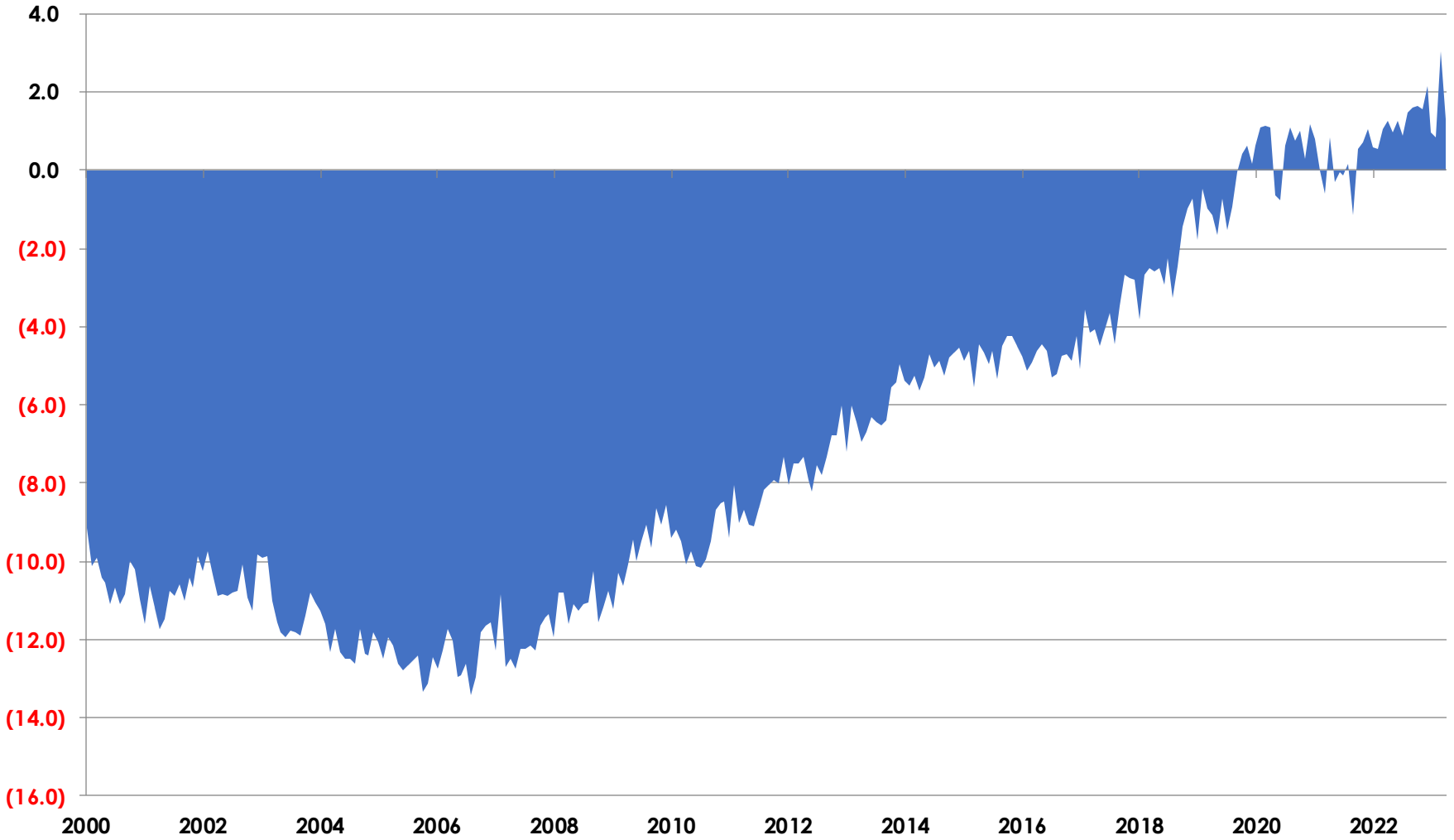
U.S. Net Exports of Crude Oil & Petroleum Products

(Millions of Barrels per Day)

Source: EIA



Where's all this shale oil & gas production going?

- Natural gas
  - Domestic demand
  - Pipeline Exports to Mexico
  - LNG exports
- Crude oil & condensate
  - Exports
- NGLs
  - Petrochemicals
  - Exports

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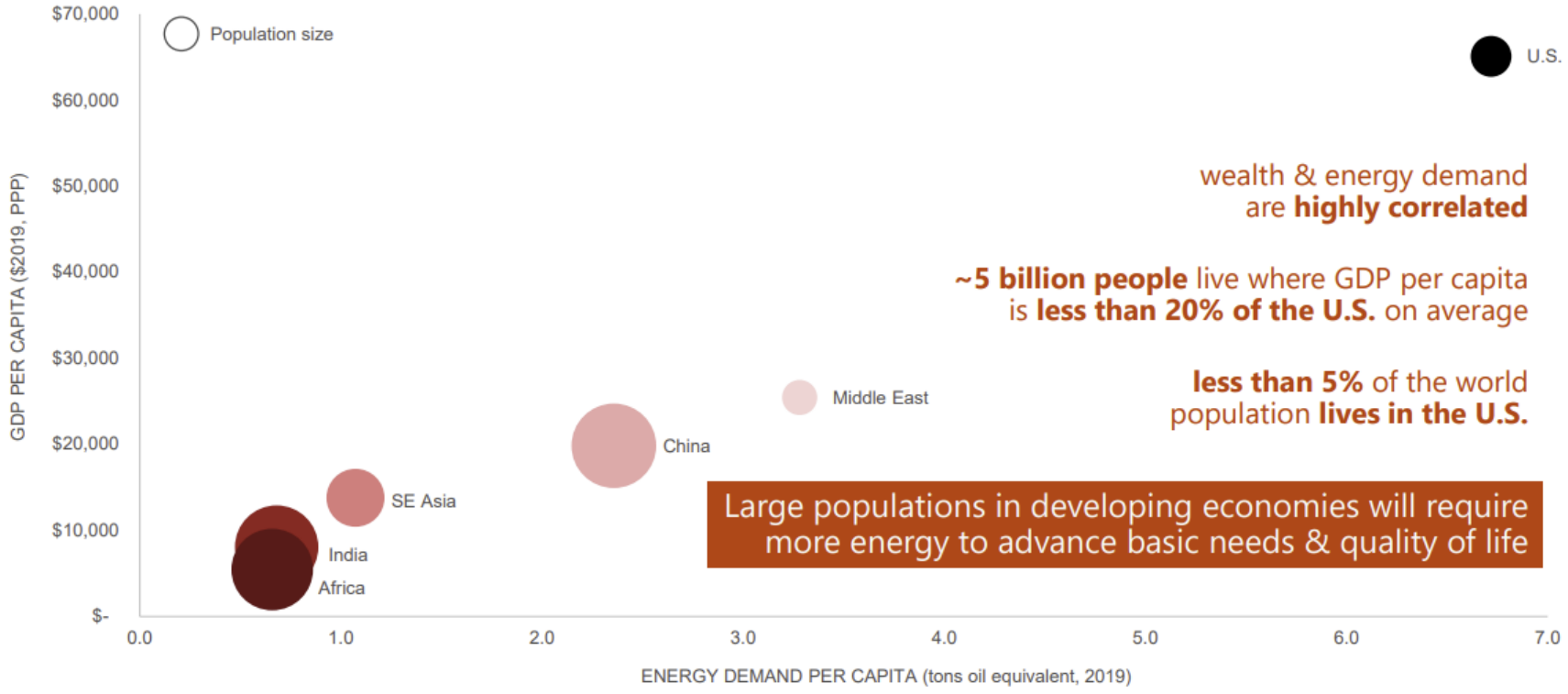
The World Needs More Energy Supply

KINDER MORGAN

Quality of Life Differences Persist Around the World

Even by 2030, IEA estimates 660 million people remain without electricity & 2.4 billion rely on traditional biomass for cooking



wealth & energy demand are **highly correlated**

~5 billion people live where GDP per capita is **less than 20% of the U.S.** on average

less than 5% of the world population **lives in the U.S.**

Large populations in developing economies will require more energy to advance basic needs & quality of life

Source: International Energy Agency, World Energy Outlook, October 2020 (Total Primary Demand in Stated Policies Scenario).

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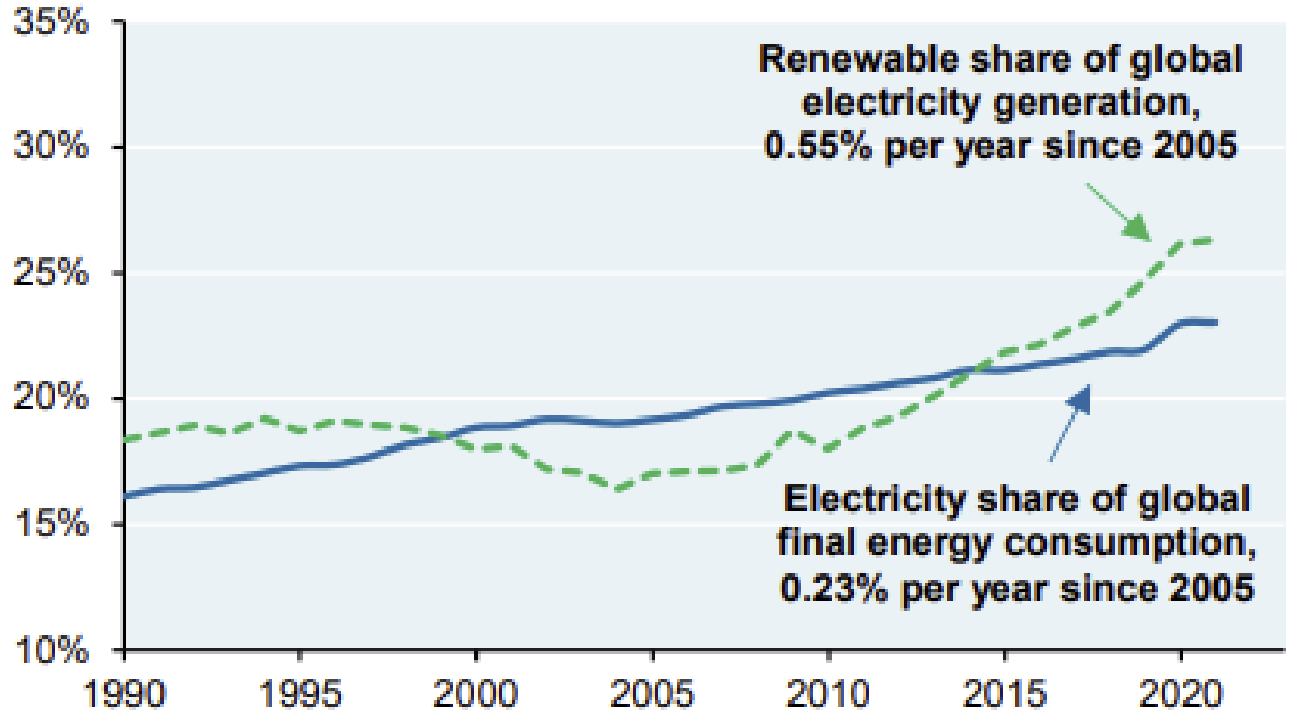
Electrification and Renewables

Grid decarbonization outpaces electrification of energy use

Percent



Source: BP Statistical Review of World Energy, JPMAM. 2022.

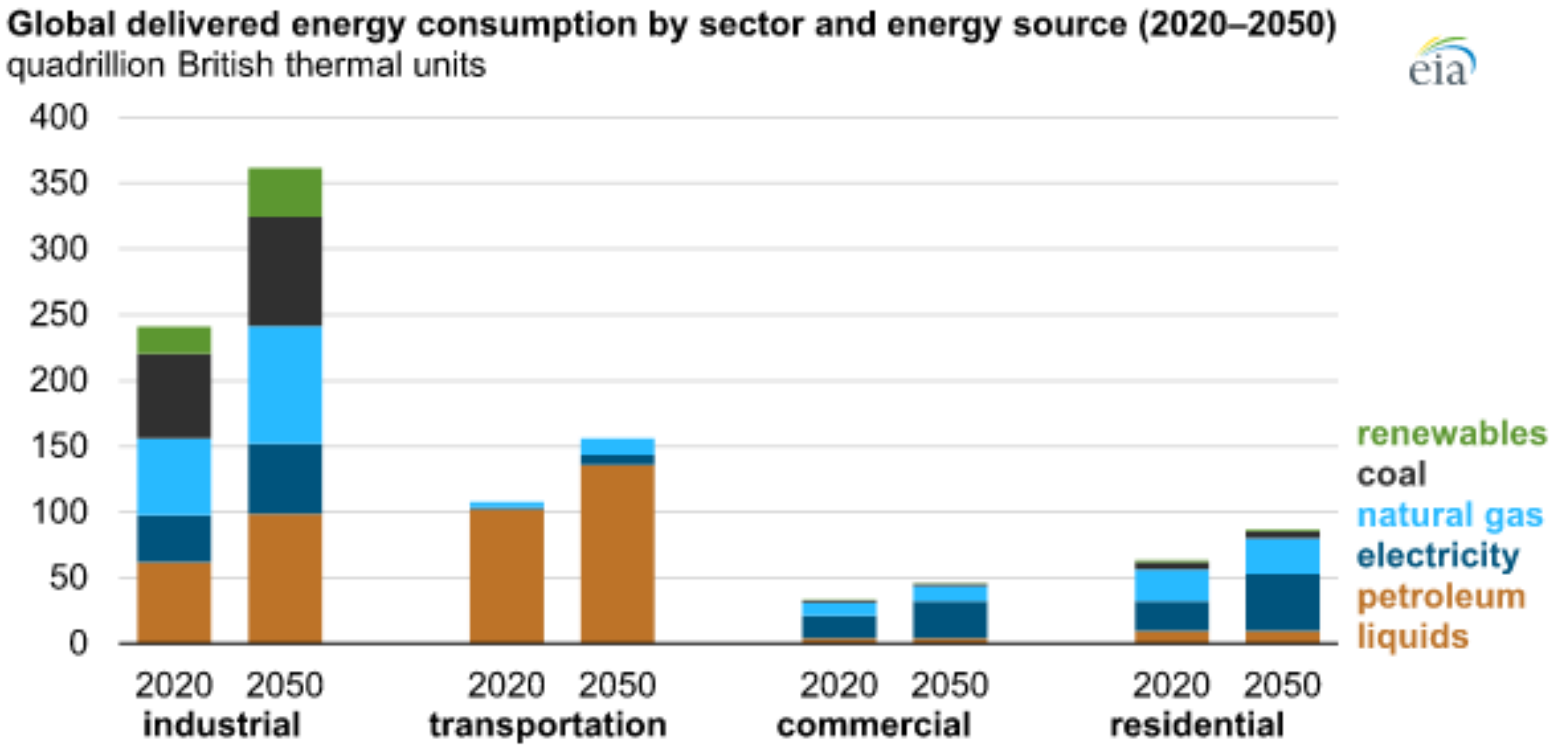
Two things need to happen to decarbonize energy.

1) Increase electricity as a share of global energy consumption

2) Increase share of low-emission power sources in electricity generation

Both are progressing slowly and there are enormous obstacles to accelerating progress especially for the first point.

Modern Life is Energy Intensive

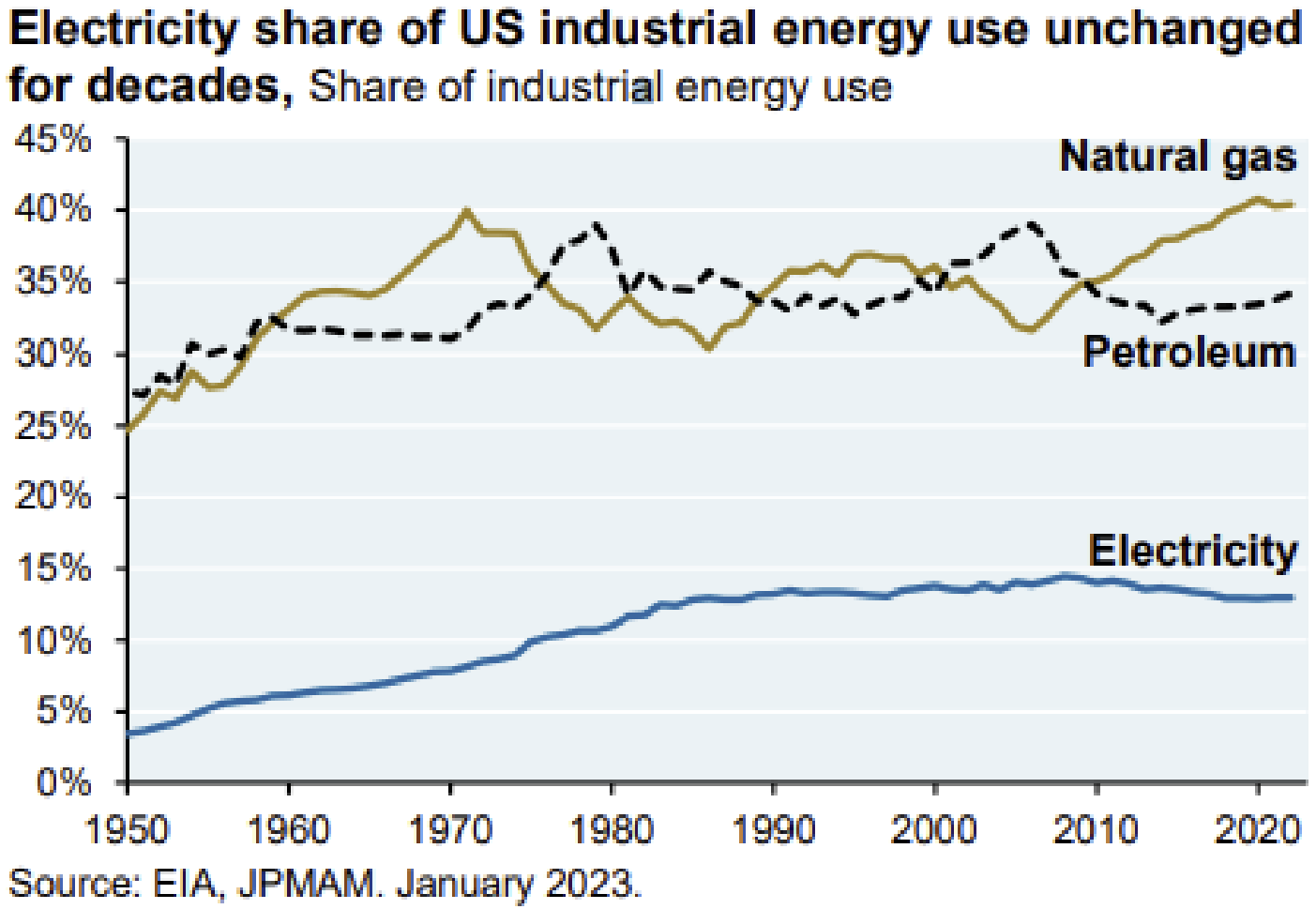


Outside the power sector, renewables have not made significant headway nor are they forecast to.

Industrial energy use is significant, growing and difficult to electrify due to physical, chemical and cost constraints.

The Manufacturing Problem

As the chart illustrates, electricity's share in industrial energy use hasn't increased since the mid '80s and has declined over the past decade even as renewables have made progress in the power sector.



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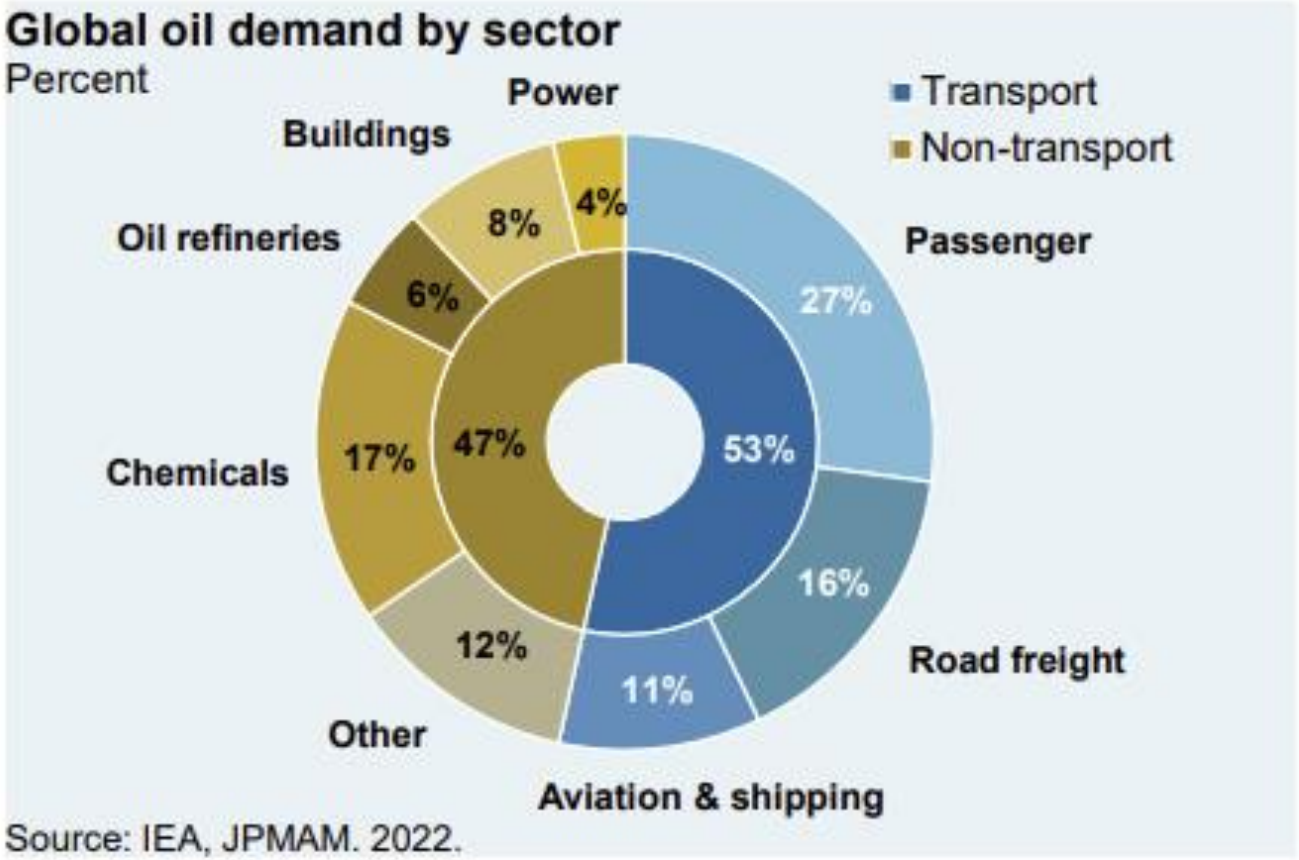
Transportation & Oil Demand



Passenger vehicles only account for 27% of oil demand. Assuming all passenger vehicles went electric, and we stopped all oil usage for power generation, we still have 69% of oil demand to solve.

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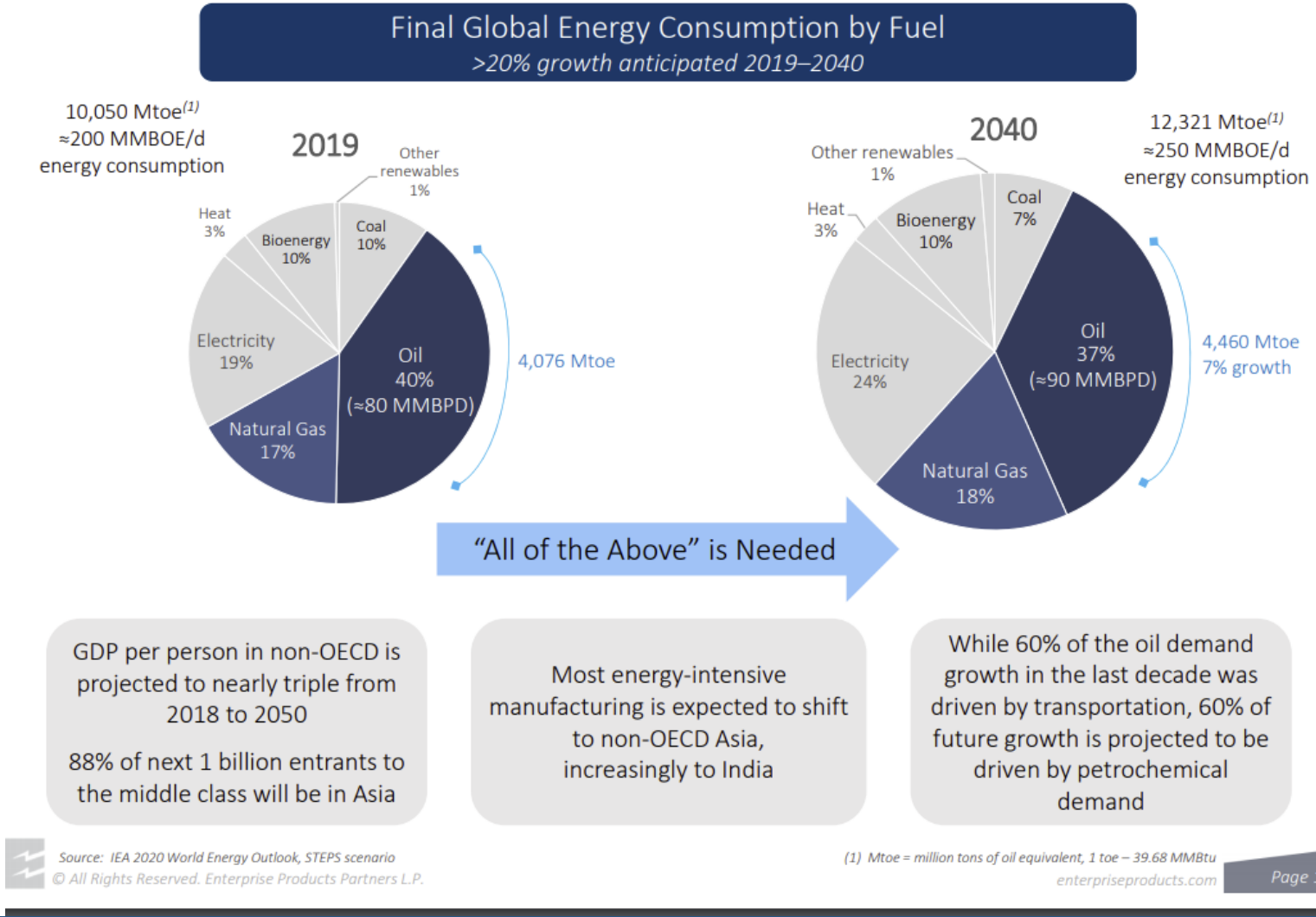
All the Above Energy Strategy

Natural Gas is expected to grow its market share and even oil is expected to grow significantly on an absolute basis through 2040.



EPD Investor Deck, May 2021

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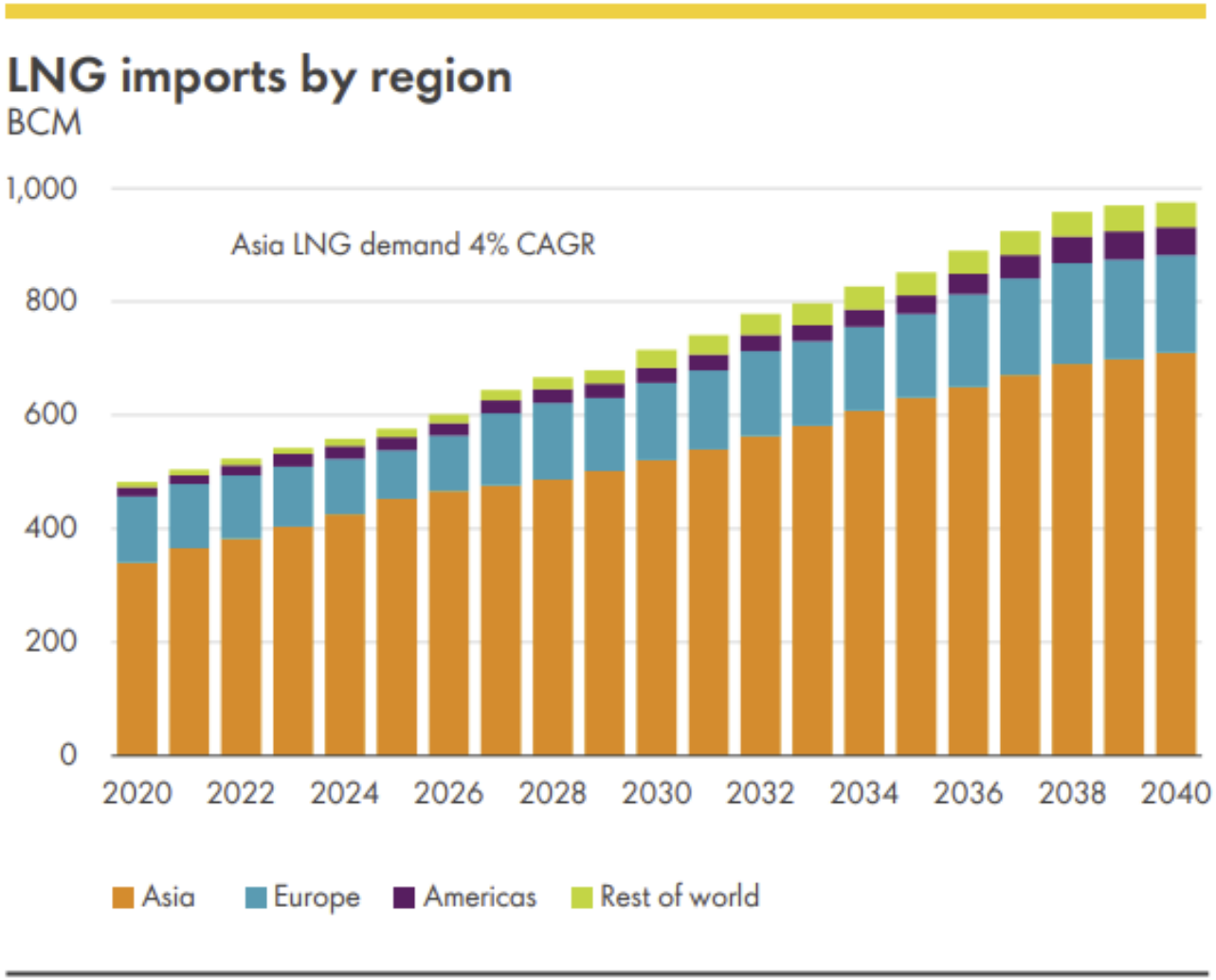
Strong demand growth for LNG



Shell LNG Outlook 2021

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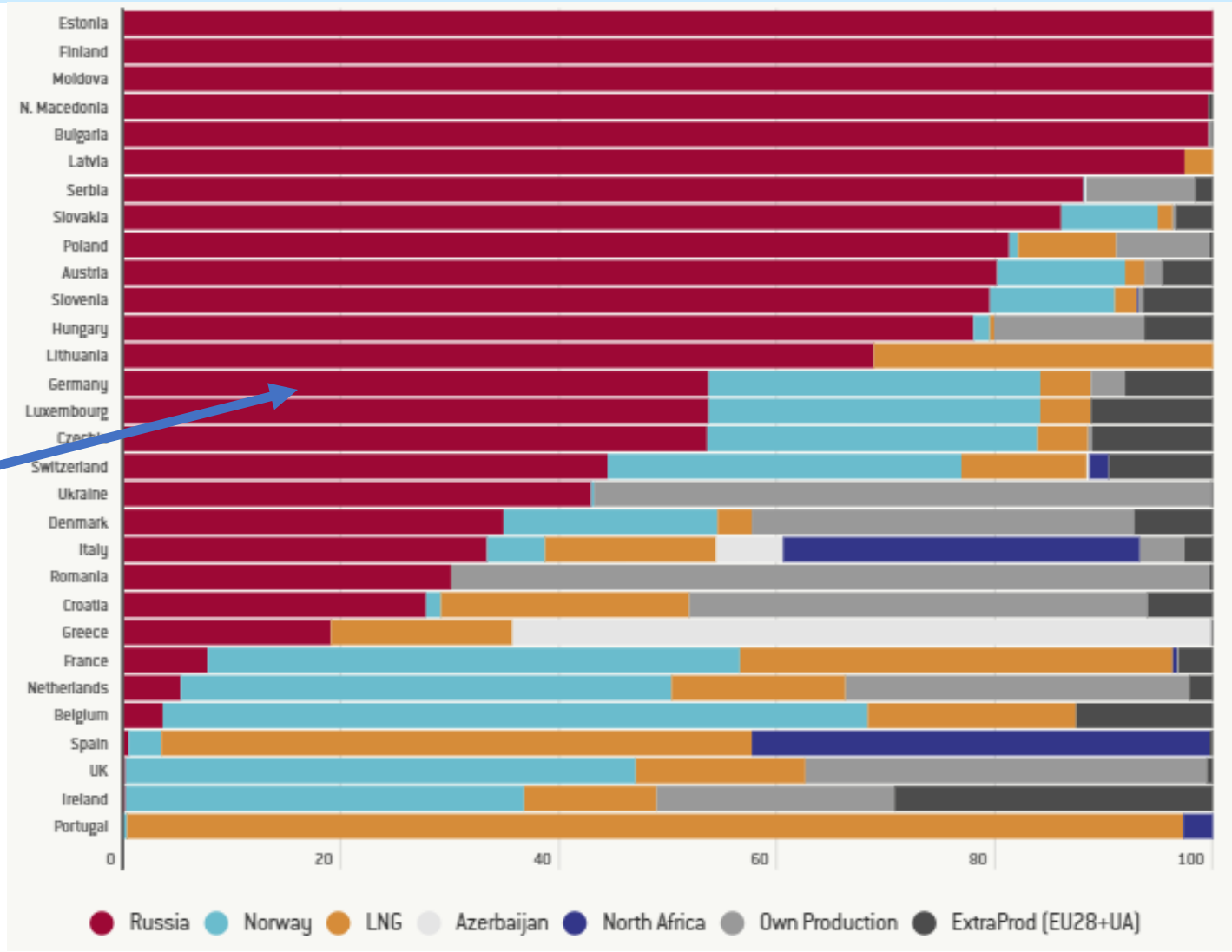
Europe's Energy Dependence On Russia

% of natural gas imports by source, 2021

Source: Bruegel.org

Germany: 54% of its natural gas comes from Russia.



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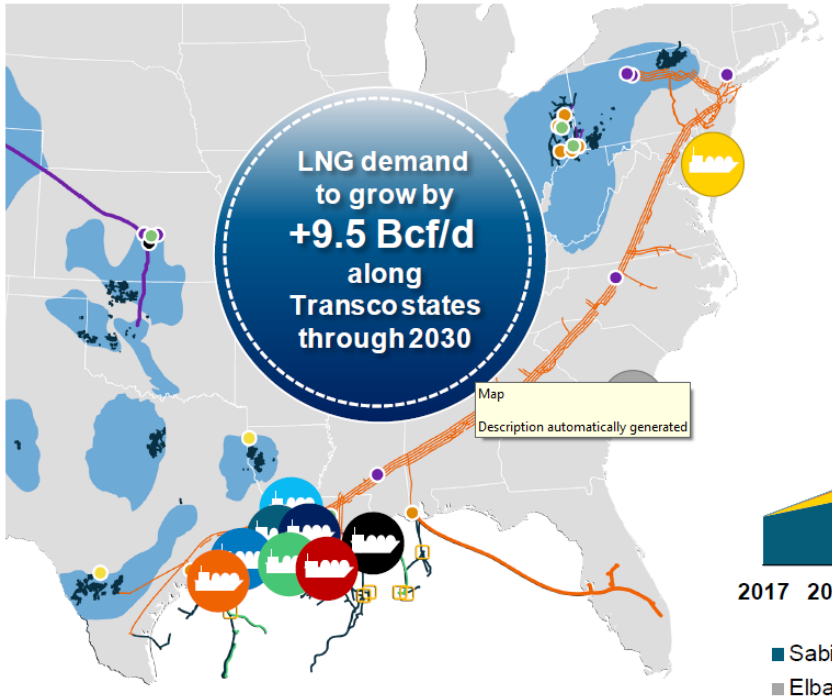
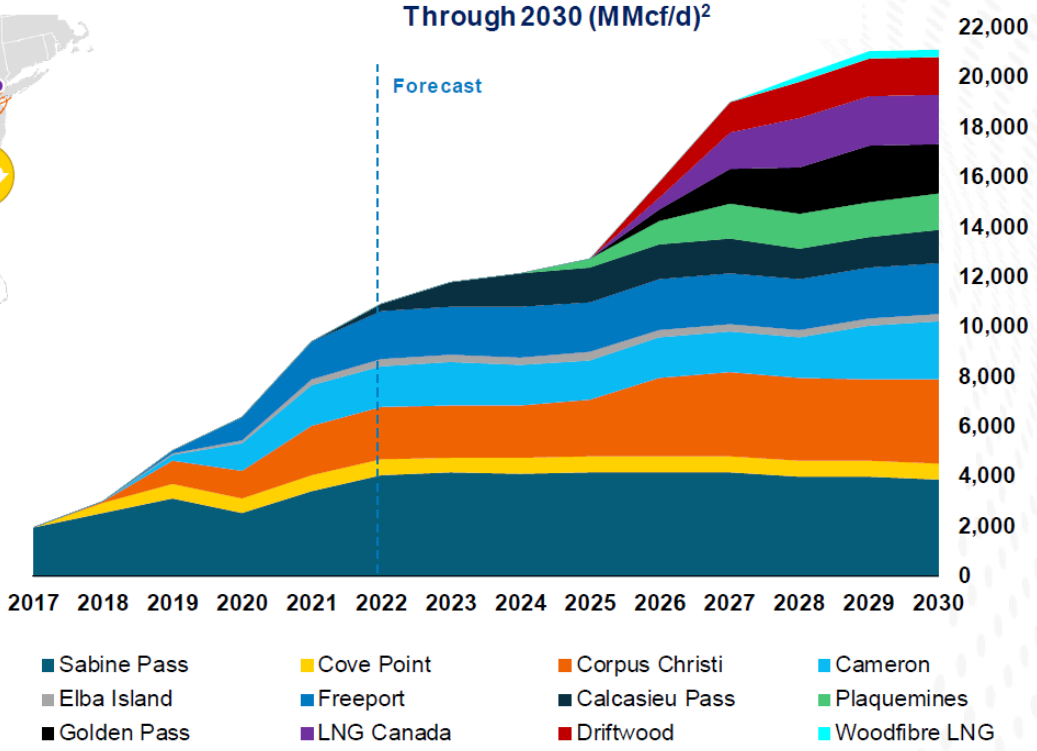
American LNG to the Rescue

N.A. LNG export projects expected to drive an additional 12 Bcf/d of natural gas demand growth through 2030

Williams' Asset Map[1] + Third-party Liquefaction Plants



Forecasted N.A. Annual LNG Demand Through 2030 (MMcf/d)[2]



[1]As of February 2022. [2]Sourced from Wood Mackenzie Nov-21

The U.S shipped its 1st LNG cargo from the Lower 48 states in February of 2016. In 2022, the US became the largest LNG exporter ahead of Australia and Qatar.

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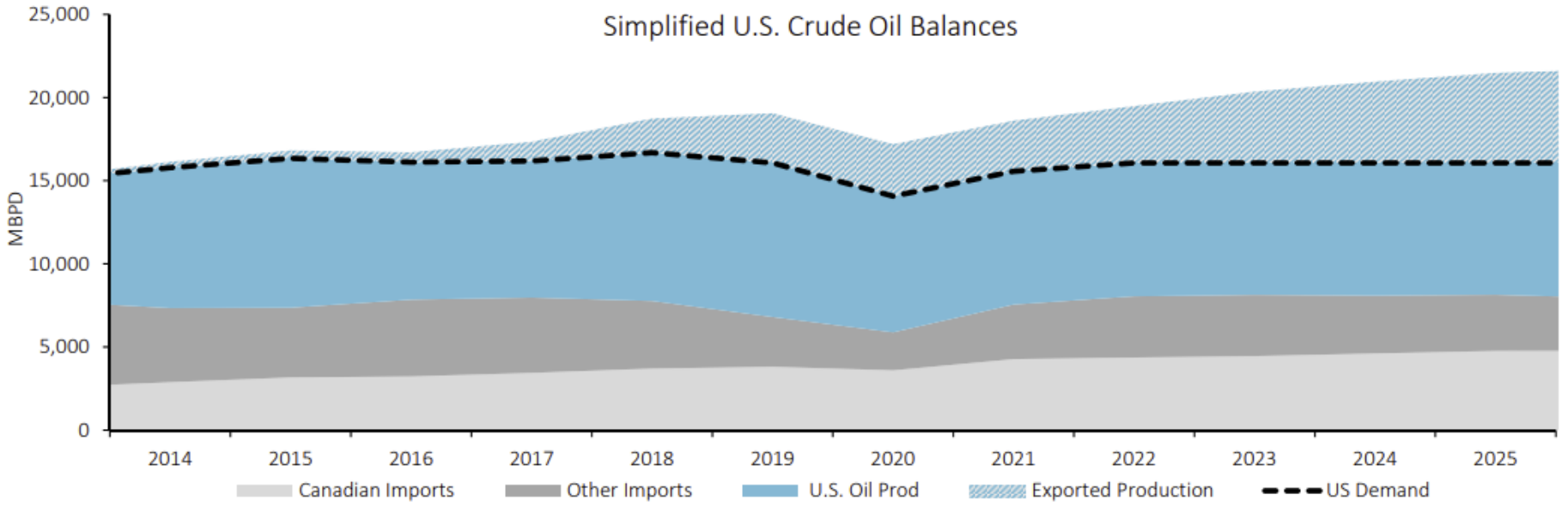
U.S is a large crude exporter

U.S. Oil Exports Expected to Reach ≈5 MMBPD in 2025

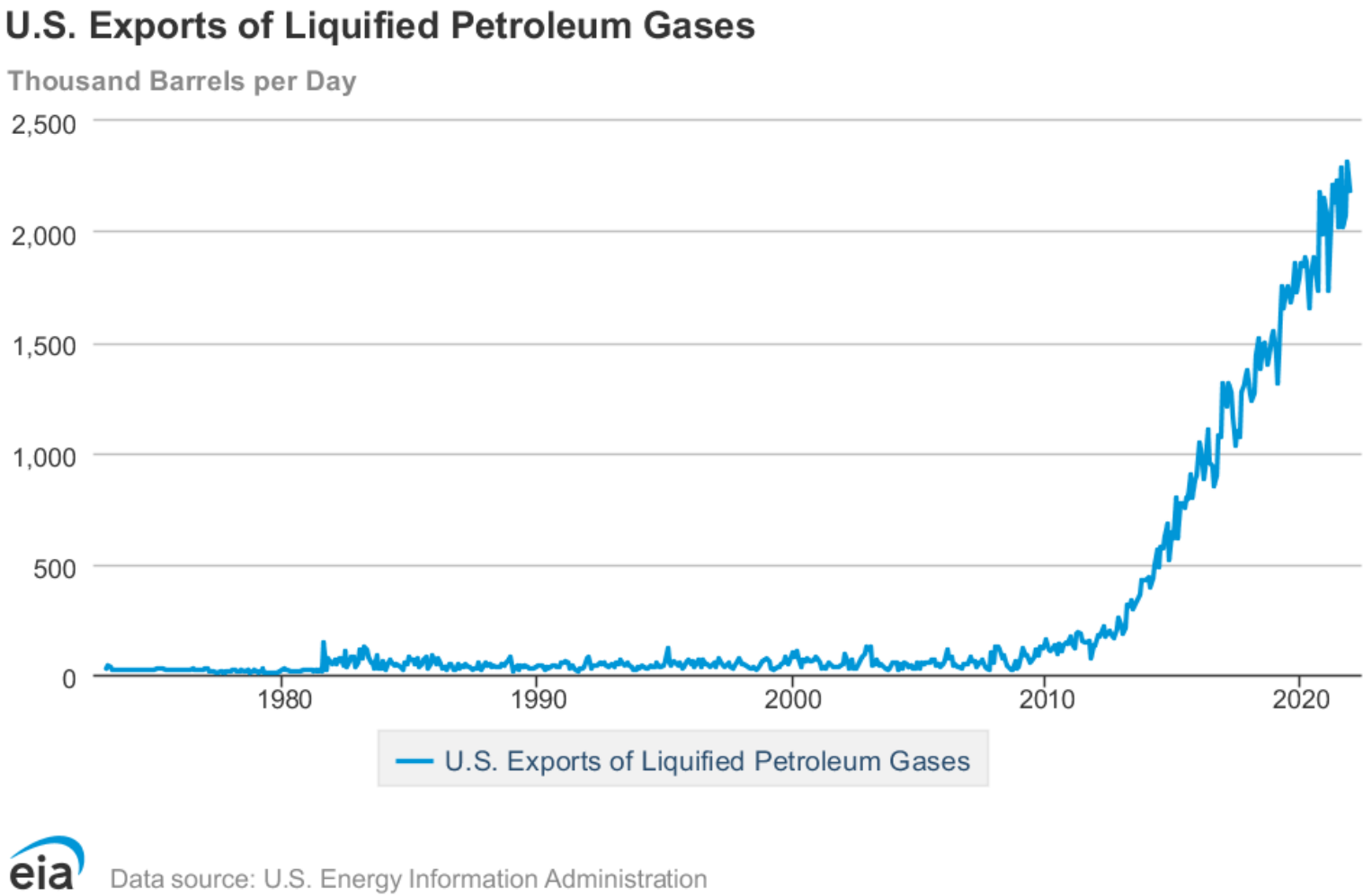


As of 12.30.22, U.S. Oil Exports were **4.2 MMBPD**

Enterprise Products Investor Deck May 2021

The U.S. is world's largest LPG exporter

Growth in U.S. Exports of LPGs, comprised of propane, ethane and butane, continued unaffected by the pandemic.



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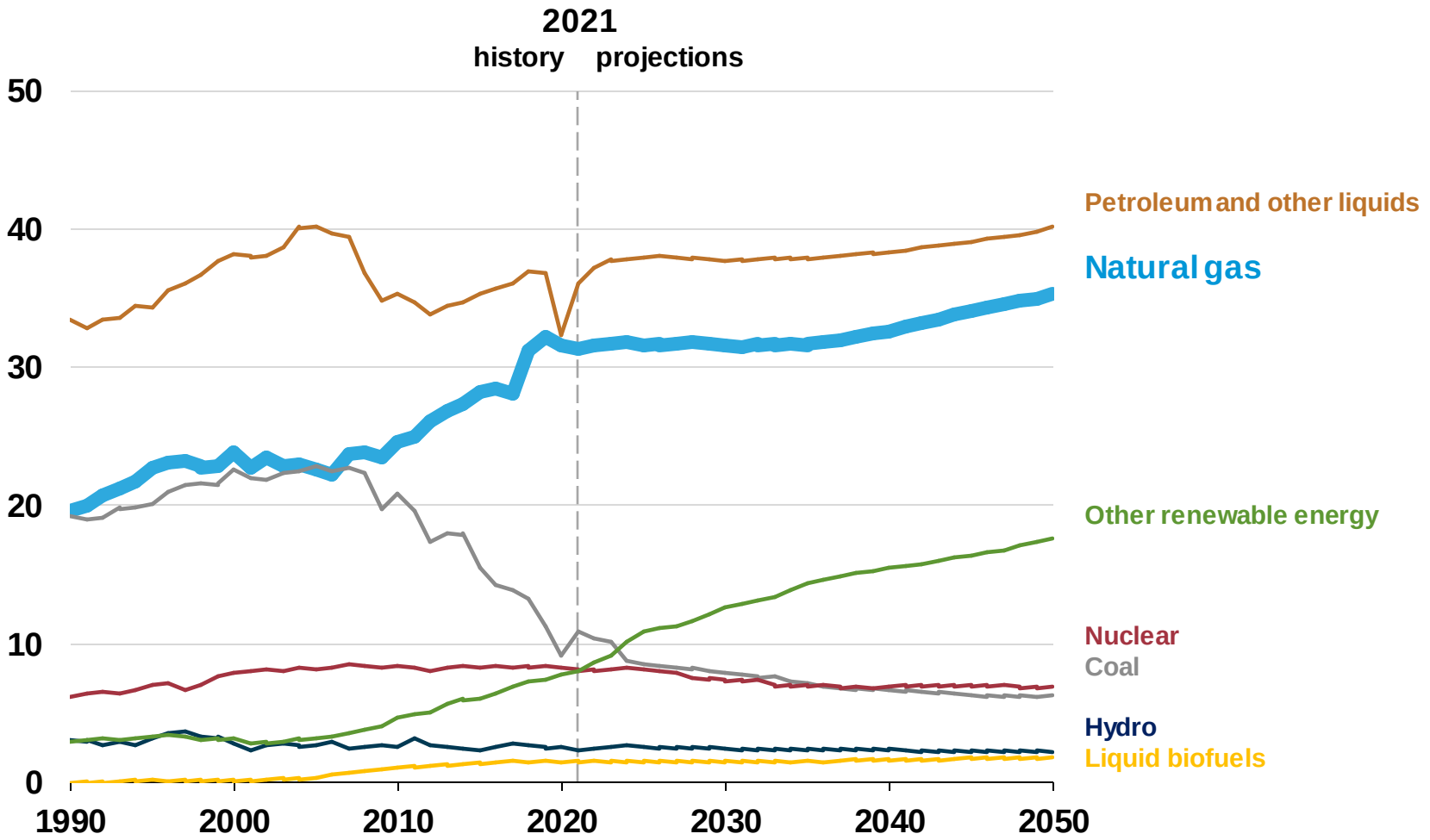
Natural Gas Has A Bright Future

US energy consumption by fuel source (quadrillion BTUs)

Source: EIA



Why America is dominant in shale exploration

- World-class energy sector with deep, highly skilled labor force
- Existing infrastructure allows connectivity to new plays
- Highly developed capital markets
- Strong entrepreneurial culture
- Constant innovation driving improved productivity
- Accessible supplies of water and sand for fracking
- First mover advantage has created substantial enduring advantage
- Mineral rights belong to property owners (rare globally)

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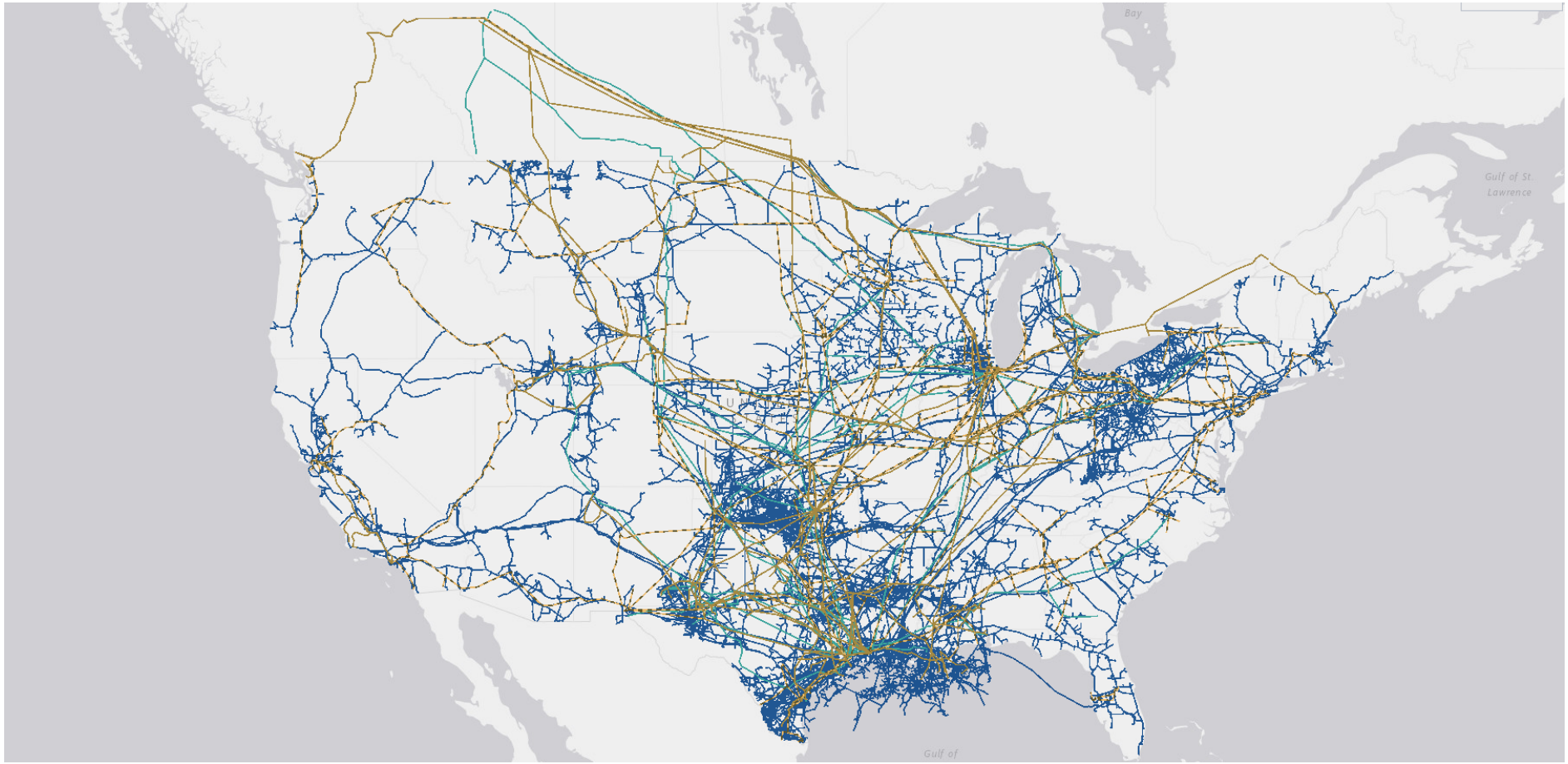
Vast network of pipelines



Balance sheets are healthy

Portfolio companies maintain prudent leverage based on long-dated contracts and are self-financing growth projects through retained cash flows.

Portfolio Financial Metrics	
Debt/2023 EBITDA	3.6x
Median Credit Rating	BBB
2023E Dividend Coverage	2.4x
% Business Fee-Based	91%
% growth equity self-funded	89%

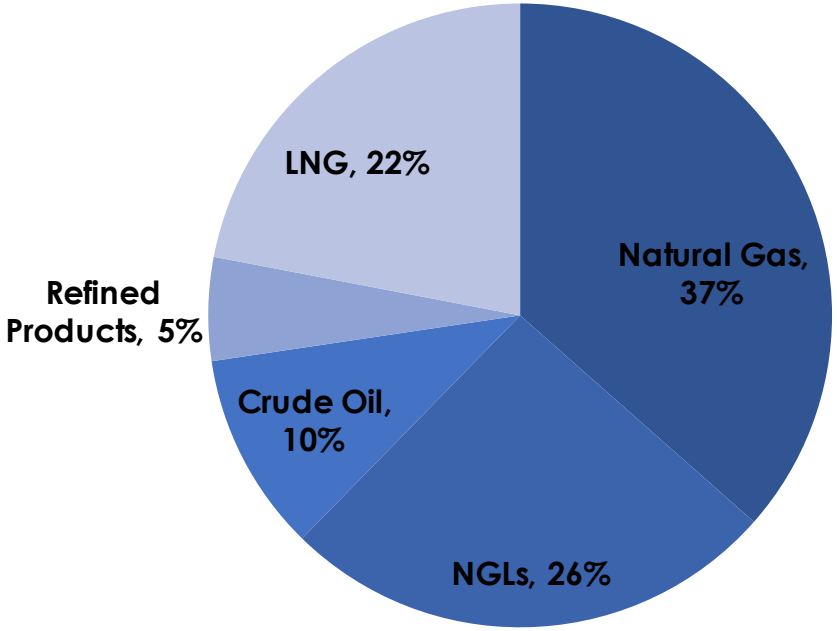
Breakdown of Credit Ratings (Standard & Poors)	
A-	7.8%
BBB+	14.5%
BBB	31.7%
BBB-	28.6%
Investment grade & cash	***72.6%***
BB+	4.8%
BB	4.5%
BB-	7.3%
Not Rated	10.8%
Non investment grade	***27.4%***

Data as of 6.30.23. Company guidance. Consensus Estimates and SL Advisors estimates.

More to midstream than crude oil

- **The midstream is predominantly a natural gas & NGLs business.**
- **U.S LNG exports are now over 11BCF/D, up from zero in 2015, and are expected to hit 20 BCF/D by 2026 allowing U.S natural gas access to higher global prices.**
- **NGLs are the building blocks for the petrochemical industry which is expected to continue to grow for the foreseeable future.**

Midstream Portfolio by Primary Business



Source: Primary Business of Portfolio Data as of 6.30.23

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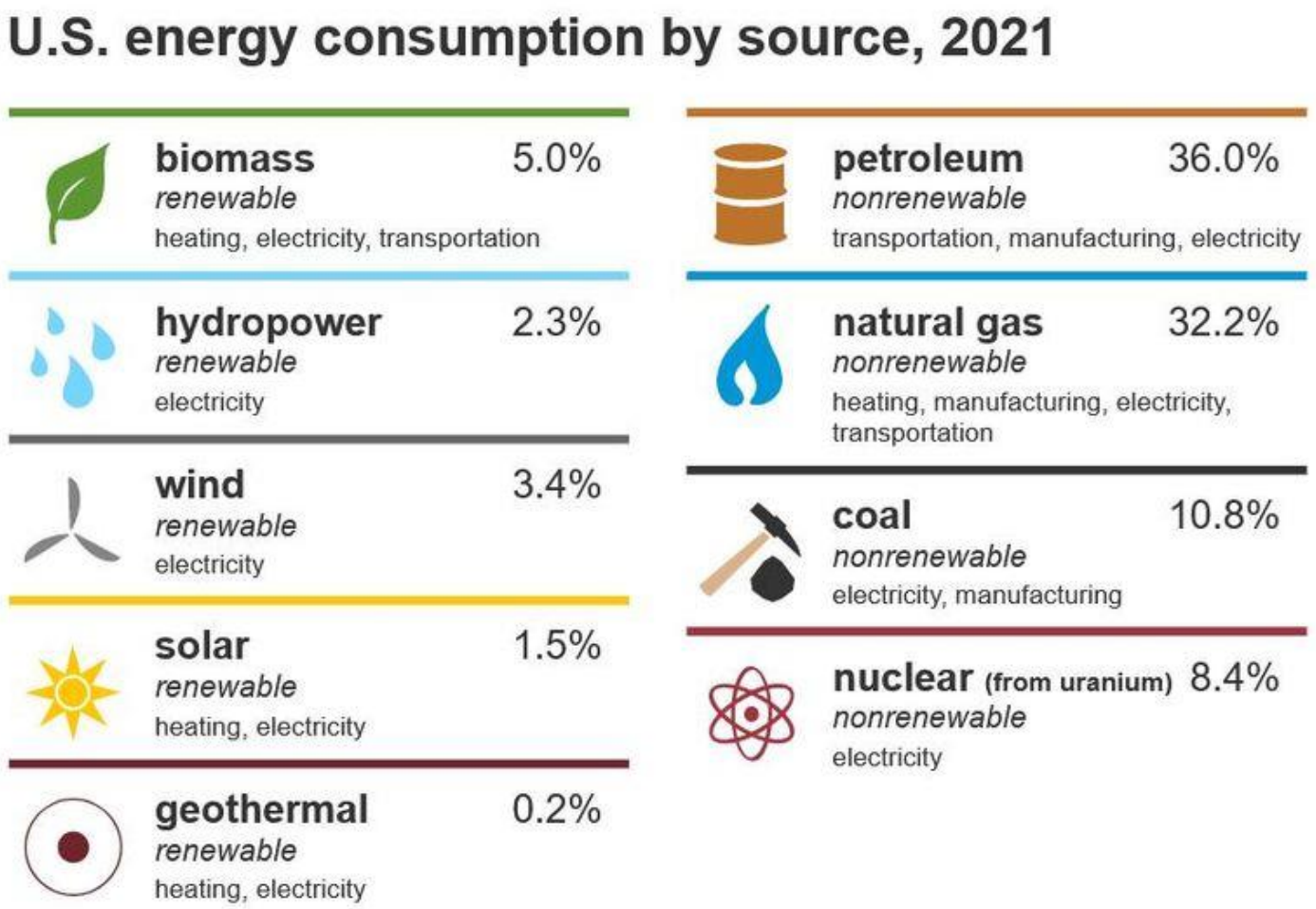
Petroleum and Natural Gas are majority of US Energy consumption



Source: EIA

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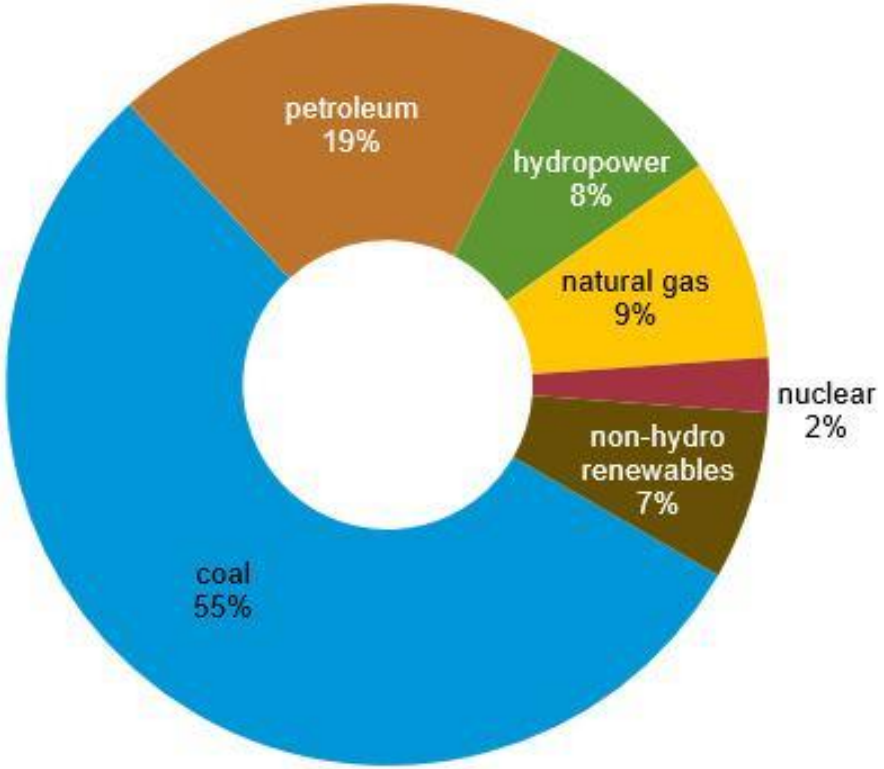
Coal dominates Chinese energy

Figure 1. Total primary energy consumption in China by fuel type, 2021



Data source: BP Statistical Review of World Energy 2022
Note: Total may not equal 100% because of independent rounding. Includes only commercial fuel sources and does not account for biomass used outside of power generation.

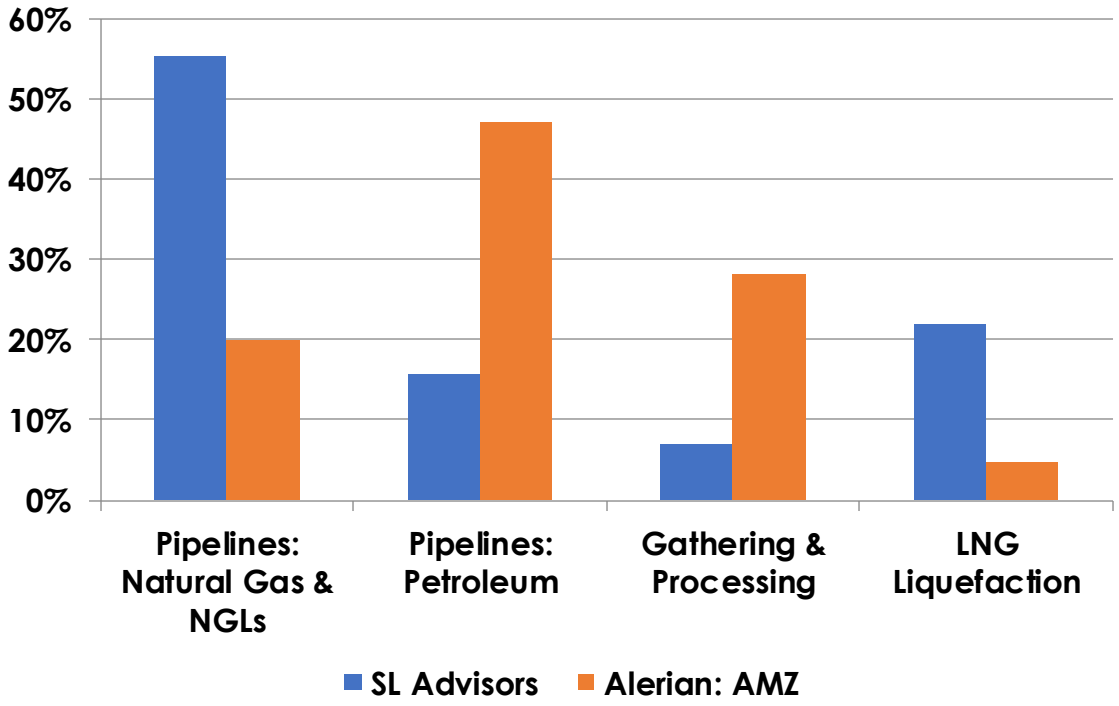
Differentiated from Alerian

- Our portfolio is focused on more natural gas & NGL pipelines and LNG liquefaction and less on crude and refined products pipelines. Natural gas and NGLs (feedstock for petrochemical industry) are forecast to grow for decades whereas crude and refined products demand is expected to stagnate.

- Natural gas & NGL pipelines as well as liquefaction trains are majority contracted from demand pull (i.e. Utilities and Petrochemical plants) with long-term reservation fee (take or pay) contracts.

- Gathering & Processing infrastructure has more volatile cash flows and is mostly supply push vs demand pull

Midstream Portfolio by Primary Asset



Source: EIA, Alerian, Data as of 6.30.23

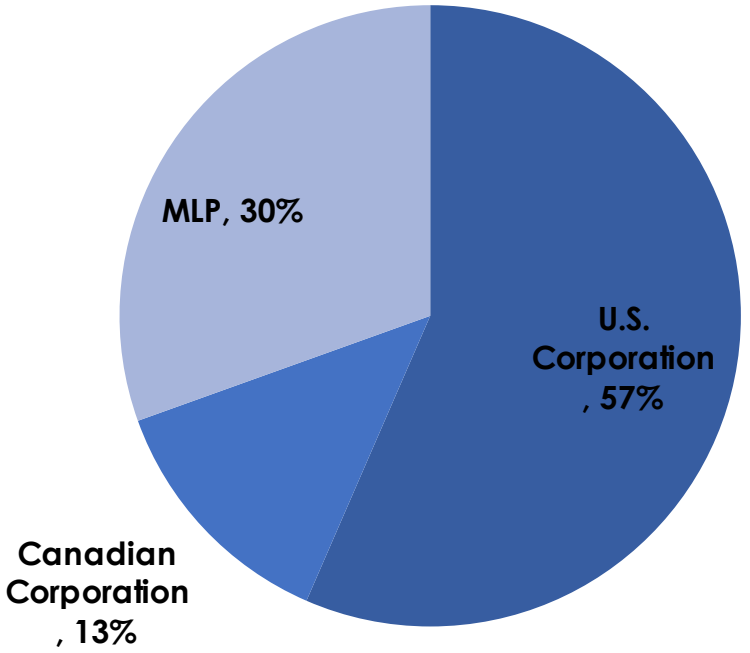
Midstream moves away from MLPs

- Beginning with Kinder Morgan in 2015, many MLPs with public GPs structured as Corporations were bought in by the corporate parent to eliminate IDRs and better align governance rights with the goal to lower their cost of capital.

- The Tax Cuts and Jobs Act of 2017 lowered the corporate tax rate to 21% from 35%. While MLPs also benefited from the 20% pass-through reduction on qualified income, its effect is muted as MLP income is mostly tax-deferred.

- In March of 2018, FERC announced it would no longer allow MLPs to recover an Income Tax Allowance for cost-of-service FERC regulated assets (i.e interstate natural gas pipelines). It later softened its stance, but damage was done.

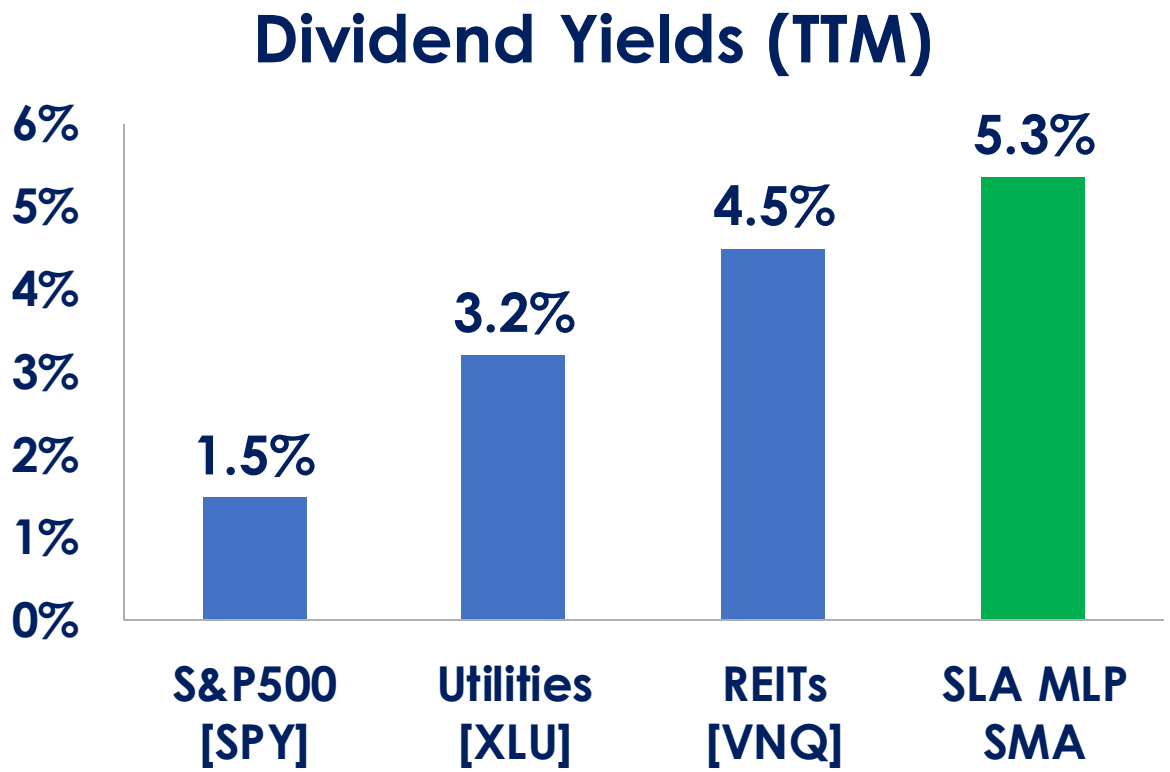
Portfolio by Company Structure



Portfolio data as of 6.30.23

Finding value in the midstream

Despite growing cash flows and dividends, the midstream trades at a substantial discount to other "yield" sectors.



Data as of 6.30.23

SL Advisors SMA Strategy

- **SMA – SL Advisors MLP & Energy Infrastructure**
  - Receive K-1s (approximately 6)
  - Platforms: Schwab & Interactive Brokers
  - $1 Million minimum
- **Performance (net of fees)**

	QTD	YTD	1-YR	3-YR	5-YR	10-YR	S.I.*
MLP SMA	9.4%	10.0%	22.0%	30.1%	7.8%	4.8%	11.3%
Alerian MLP Index	5.4%	9.7%	30.5%	30.7%	6.2%	0.9%	8.2%

Performance greater than one year is annualized. Net of fees. Data as of 6.30.23
*Inception date: 4.30.2009. SL Advisors was founded in April 2009.

Team Bios

Simon Lack, CFA – Founder, Managing Partner

- Co-creator of the American Energy Independence Index and Portfolio Manager of the Catalyst MLP and Infrastructure Fund.
- Prior to founding SL Advisors, Simon founded the JPMorgan Incubator funds, two private equity vehicles that took economic stakes in emerging hedge funds (including Alerian) and sat on JPMorgan's investment committee allocating over $1 billion to hedge fund managers. Prior to that, he ran North American Fixed Income Derivative and Forward FX trading for JPMorgan.

Henry Hoffman, CFA – Partner, Portfolio Manager

- Portfolio Manager of the SL Advisors MLP & Infrastructure SMA strategies. Co-creator of the American Energy Independence Index, Co-Portfolio Manager for the Catalyst MLP and Infrastructure Fund. Co-Portfolio Manager for the Rational Inflation Growth Fund
- Prior to joining SL Advisors, Henry worked as a buy-side equity analyst for PNC Capital Advisors and as a private equity real estate analyst for PNC Realty Investors. Henry graduated from Duke University with a B.S in Economics and Minor in Chemistry.

Disclosure & Contact Information

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