MAINGATE
MLP FUND





# MLP UPDATE

JANUARY 20, 2017

FOURTH QUARTER 2016

## MLPs appear to retain attractive investment appeal as energy markets seem likely to be more stable and as volumes recover and rise in the current pricing and demand environment. We are optimistic about benefits from what we view as a more favorable regulatory environment under a new administration.

We feel that Midstream MLPs[1] continue to offer investors an attractive investment opportunity with what we view as modest risk, for a combination of reasons and misconceptions that we at least partly understand and will attempt to explain in this letter. Midstream MLPs offer: 1) valuations[2] seldom seen (refer to charts later in this newsletter); 2) cash flow[3] growth that is currently rising and could potentially accelerate at many companies, as volumes appear likely to increase at an advancing rate over 2017 and 2018; 3) reduced costs of capital[4] and attractive spreads between cost of capital and returns on new projects; and 4) visibility to longer-term growth, as U.S. energy markets seem likely to rebound, requiring new midstream projects. We feel more optimistic than most observers appear to be about increasing production and throughput of oil, natural gas and natural gas liquids (NGLs) as rig counts continue to rise, with greater than historic productivity. This production could be met with new demand as numerous projects requiring hydrocarbons, both for domestic use and exports, are completed.

It appears that the recent high correlation[5] of Midstream unit and share prices to oil prices, which seems to have either attracted hedge funds or was partly caused by hedge funds for this extended 2.5 year period, has scared many traditional institutional and retail investors away. The day-to-day price volatility is not typical for these companies due to their relatively stable and predictable cash flows. We expect to see this oil price correlation reduce as energy markets become more stable. We also feel that market conditions for Midstream companies will likely return to more normal levels in the near-term future. We believe much of what is required to change perceptions for the better and to encourage investors to return to the space is already in place. We will also address in this letter, among other topics, the risks and opportunities of a Trump administration. Our short conclusion is that we are encouraged by the opportunities that the U.S. energy industry seems poised to enjoy under the new administration.

(1) Midstream MLPs: Those MLPs involved primarily in the gathering, storage and transportation of oils and gases. (2) Valuation: The process of determining the current worth of an asset or a company. (3) Cash Flow: A measurement of the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. (4) Cost of Capital: The cost of funds used for financing a business. (5) Correlation: The measure of the relationship between two data sets of variables.



## FUND PERFORMANCE

**A Shares – AMLPX (as of 12/31/16)**

| | | |
|---|---|---|
| NAV per Share | | $10.28 |
| POP per Share | | $10.91 |
| Returns: | Without Load | With Load |
| 3 Month | 3.97% | -1.98% |
| Calendar YTD | 24.70% | 17.54% |
| 1 Year | 24.70% | 17.54% |
| 3 Year | -0.31% | -2.25% |
| 5 Year | 6.09% | 4.85% |
| Since Inception (2/17/11) | 6.11% | 5.04% |

**C Shares – MLCPX (as of 12/31/16)**

| | | |
|---|---|---|
| NAV/POP per Share | | $10.16 |
| Returns: | Without Load | With Load |
| 3 Month | 3.70% | 2.70% |
| Calendar YTD | 23.72% | 22.72% |
| 1 Year | 23.72% | 22.72% |
| 3 Year | N/A | N/A |
| 5 Year | N/A | N/A |
| Since Inception (3/31/14) | -3.09% | -3.09% |

**I Shares – IMLPX (as of 12/31/16)**

| | |
|---|---|
| NAV per Share | $10.47 |
| Returns: | |
| 3 Month | 4.00% |
| Calendar YTD | 25.03% |
| 1 Year | 25.03% |
| 3 Year | -0.04% |
| 5 Year | 6.36% |
| Since Inception (2/17/11) | 6.38% |

*Gross Expense Ratio A Shares = 1.66% | Net Expense Ratio = 1.66%*
*Gross Expense Ratio C Shares = 2.41% | Net Expense Ratio = 2.41%*
*Gross Expense Ratio I Shares = 1.41% | Net Expense Ratio = 1.41%*

*Net expense ratios above represent the percentages paid by investors and reflect a 0.00% Deferred Income Tax Expense which represents the performance impact of accrued deferred tax liabilities across the Fund, not individual share classes, for the fiscal year ended November 30, 2015 (the Fund did not have a current tax expense or benefit due to a valuation allowance).*

*The Fund's adviser has contractually agreed to cap the Fund's total annual operating expenses (excluding brokerage fees and commissions; borrowing costs; taxes, such as Deferred Income Tax Expense; Class A 12b-1 fees; and extraordinary expenses) at 1.50% through March 31, 2017. Deferred income tax expense/(benefit) represents an estimate of the Fund's potential tax expense/(benefit) if it were to recognize the unrealized gains/(losses) in the portfolio. An estimate of deferred income tax expense/(benefit) depends upon the Fund's net investment income/(loss) and realized and unrealized gains/(losses) on its portfolio, which may vary greatly on a daily, monthly and annual basis depending on the nature of the Fund's investments and their performance. An estimate of deferred income tax expenses/(benefit) cannot be reliably predicted from year to year.*

*The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. To obtain performance data current to the most recent month-end please call 855.MLP.FUND (855.657.3863). Performance data shown for Class A shares with load reflects the maximum sales charge of 5.75%. Performance data shown for Class C shares with load reflects the maximum deferred sales charge of 1.00%. Performance data shown for Class I shares does not reflect the deduction of a sales load or fee. If reflected, the load or fee would reduce the performance quoted.*

## Our thoughts on OPEC[6], the oil price and implications for United States production, midstream opportunities and investor perceptions.

The experiment begun by OPEC in November 2014 — which we believe was aimed at protecting market share instead of price and pushing U.S. shale oil production down, if not out, from the oil markets — seems to have ended after significant costs endured by OPEC countries and, yes, some real pain suffered by U.S. producers and Midstream and oil field service companies. In our opinion, OPEC ministers believed that if they reduced the oil price by $20 or $30 per barrel for a period of time, they could force much of U.S. shale oil production from the market. However, not only were U.S. production costs lower than they seemed to believe them to be at the time, but U.S. production costs continued to significantly fall over the subsequent 2.5 years. OPEC has essentially cried 'Uncle' and agreed to a 1.2 million barrels per day (MM bbl/d) production cut, along with a nearly 600,000 bbl/d cut by certain non-OPEC countries. The oil price has increased from the recent mid-$40 level to the current low-to-mid $50 level. We believe that OPEC ministers are half-smiling in the knowledge that U.S. shale oil producers would gain market share. But they are smiling, in our opionion, because other non-OPEC producers will likely, in their view, see declining and more than offsetting production declines because of their inability to invest even at the $60 price level they expect later this year. Importantly, this $60 price expectation, which has not been addressed as a target, but rather as a level OPEC oil ministers expect later in 2017, is likely a level most U.S. producers can nicely live with and increase production, even with costs increasing as more rigs return to work. The unanswered question is whether there will be enough production decrease elsewhere in the non-OPEC world to allow the storage overhang to significantly reduce. The answer from OPEC ministers is that they believe this to be true, but they indicate they can reduce production further if need be to support price.

There are a lot of unanswered questions about oil production levels in various regions and countries of the world. How balanced might the oil markets might be during 2017? Will oil inventories, in fact, begin to work off at any reasonable pace? Production levels in Nigeria and Libya are unpredictable given the lack of order in those countries. Iraq appears desperate for revenues and unhappy cutting production. All this will have significant implications for the oil price going forward. We have witnessed a number of OPEC agreements over the several decades that we have been following the energy markets. In our past experience, there has usually been a lack of compliance with the quotas, and yet there has typically been success to some degree. The greater-than-two-years of weak oil prices appear to have created a greater than usual discipline among the group, but it remains too soon to conclude anything. One oil minister mentioned to us at a recent conference that they could have had an agreement a year ago, but it would not have

### Morningstar Ratings

★★★★

Class I Shares – 4-star Overall

★★★★

Class A Shares – 4-star Overall

☆☆☆☆

Class C Shares, Extended Performance Rating – 4-star Overall

Each class rated among 74 Energy Limited Partnership funds based on risk-adjusted performance ending 12/31/16.

(6) OPEC (Organization of the Petroleum Exporting Countries): An international organization and economic cartel whose mission is to coordinate the policies of the oil-producing countries. The goal is to secure a steady income to the member states and to collude in influencing world oil prices through economic means.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history, without adjustment for sales loads. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating™ for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating™ metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Fund received the following ratings based on risk-adjusted performance ending 12/31/16: For three-year period – I Shares 4 stars, A Shares 4 stars, C Shares 4 stars among 74 Energy Limited Partnership Funds; For five-year period – I Shares 4 stars, A Shares 4 stars, C Shares 4 stars among 29 Energy Limited Partnership Funds. Morningstar ratings represented as unshaded stars are based on extended performance. These extended performance ratings are based on the historical adjusted returns prior to the inception date of the Class C shares (Class C inception was 3/31/14) and reflect the historical performance of the oldest share class (inception date for Class I and A was 2/17/11), adjusted to reflect the fees and expenses of the Class C shares. **Past performance is no guarantee of future performance.**

been an agreement which would have held. We feel that it is to their credit that they waited until the pain was so great that a more supported agreement could be reached. It is important to note that no OPEC country can cover their budget at the current $53/bbl oil price. Their latest announcement is a six-month agreement and the ministers have indicated that if the market isn't reacting the way they want and expect, that they will act more aggressively at mid-year. We will see.

## United States production volumes appear to be at an upward inflection point.

We are more optimistic than most about increasing production, consumption and exports of oil, natural gas, ethane, propane and butane in 2017 and 2018 in the U.S. We have written in every quarterly letter over the past several years about the numerous chemical plants, gas combined-cycle electric generation facilities and numerous other assets being built to take advantage of the available large quantities of low-cost ethane, propane and natural gas in the U.S. The time is now, as four of the seven world-scale ethylene crackers being built along the Gulf coast are scheduled to be completed this year. Inevitably, start-up and commercial production of one or two will likely slip into 2018 but this is estimated and budgeted in the realm of possibilities and should be more than manageable if it occurs.

We believe that other new projects will follow on a regular basis, as demonstrated by the CEOs of both Total (TOT, $51.16) and Exxon Mobil (XOM, $85.89) recently saying they would soon be announcing new crackers along the U.S. Gulf coast in the post-2020 timeframe. We don't believe the list of new energy consuming projects in process will shorten, even as others are beginning operation. There appears to be no better place in the world than the U.S. to build such facilities, given the availability and cost of the energy feedstocks. Some 60% of these facilities being built are by foreign companies, according to the American Chemical Society[7]. All these facilities should require large quantities of NGLs and natural gas to be delivered quite soon, which we believe will extend and create profitable business for Midstream companies. Also, LNG and ethane exports appear likely to accelerate, as export facilities and new contracts are completed. Natural gas, propane and ethane production and pipeline throughput appear limited only by the timing of consuming facilities being built and the completion of the assets that move and process the gas and NGLs. There have been delays in building chemical plants, other major facilities and midstream assets, but the long-anticipated flood of asset completions appears to be almost 'at hand'.

As the rig count continues to rise week after week, a new question being asked is how much might drilling costs be increasing after the sharp declines over the past several years and could this impede the volume recovery? The oil service and drilling industries cut their costs drastically during the downturn, as rigs were laid up and crews were furloughed. Structural costs did, in fact, continue to decline as laterals were drilled further, number of fractionation[8] stages per well increased and amount of sand under greater pressure used in completing wells increased. However, undoubtedly the least efficient rigs were laid up and profits for service companies disappeared. Various estimates show that costs will rise in the 20% to 30% range, but this remains an unknown. The answer may be found in the oil and gas price level and how many rigs are brought back into service. We suspect that the September 2014 peak active rig count of 1931, nearly 3x the current level, will not be seen again. Rig efficiency has dramatically improved and a smaller number of efficient rigs appear likely to satisfy the needs of producers.

The unanswered question is whether efficiency gains can continue and offset some of these cost increases. The reason for our optimism on oil volumes in 2017 is, contrary to consensus forecasts and according to the Energy Information Administration (EIA)[9], U.S. oil volumes have already risen 230,000 bbl/d from their low of 8.6 MM bbls/d. With 529 oil rigs currently working of the total 665 total rigs employed, it appears their efficiency is significantly greater than previous estimates, with the current rig count nearly as efficient as 1500 to 1800 in the previous cycle. The Permian rig count of 267 rigs potentially shows that this hot area of activity could indeed surprise many with its oil production level as the year progresses.

Fewer rigs have returned to service to drill natural gas prospects, as natural gas in storage and market demand have not yet justified bringing back these rigs. We believe this will be a next, but more gradual slope upward. If oil prices settle in the $60 range, as OPEC appears to be targeting, it appears likely to us that the U.S. could add significant oil production each year for a number of years into the future. Similarly, ethane, propane, butane and natural gas production appears likely to increase at current prices as demand continues to increase for many years into the future.

(7) American Chemical Society: A U.S.-based scientific society that supports scientific inquiry in the field of chemistry. (8) Fractionation: Once natural gas liquids (NGLs) have been separated from a natural gas stream, they are broken down into their component parts, or *fractions*, using a distillation process known as fractionation. (9) Energy Information Administration (EIA): The EIA 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.

## A most-asked question of late concerns the risks and benefits of a Trump administration. Here are our early thoughts.

The impossible-to-answer question about President Trump is whether he might take actions which create a major conflict or disruptions in the world such as with China or North Korea. Might he act irrationally in contesting important shipping lanes in Asia or some similar action in the Middle East? Might cancellation of a trade agreement or substantial import tariffs change important geo-political variables? The more we've thought about such topics, the less likely extreme or irrational actions appear to be. Last year, Mr. Trump was campaigning; this year he is governing. We feel that he's arguably attracted a group of level-headed, world-class advisors and cabinet heads. Most of his policies laid out on his website are, in our opinion, increasingly thoughtful, if not yet complete, certainly as they pertain to energy. We find his public comments and 'tweets' to be highly supportive of the domestic energy industry.

In our opinion, President Trump's energy objectives can be simply stated as: 1) energy independence, meaning a significant increase in domestic production of oil, natural gas and natural gas liquids; 2) growth from energy to benefit the U.S. economy; and 3) the creation of a lot of high-paying jobs. All this appears to be quite possible, as incremental cash flow by energy producers will likely be reinvested in more drilling, benefitting equipment manufacturers and other suppliers. With little help from Washington, the industry has made significant strides to increase production in recent years. Oil, natural gas and NGL production have all significantly increased despite unhelpful new regulations implemented over the past eight years. We believe that this should only improve further over the next four years.

President Trump has addressed a number of issues and appears likely to take action on these items:

1) The CEO of the American Petroleum Institute[10] recently stated that more than 140 regulations or executive actions impacting the energy industry were enacted during President Obama's administration. He indicated many of these are counter-productive to the industry maximizing oil and gas production, or are expensive, or are arguably unnecessary regulations. Similar to his predecessor, we believe Mr. Trump will 'have a pen' and will choose to reverse many of these mandates in the early days of his administration.

2) Some 90% of U.S. territorial waters are restricted from development by oil and gas companies. Only a portion of the Gulf Coast and small portion of Alaskan waters are available for leasing, with only 3% of federal offshore acreage leased for energy development. There are many millions of prospective acres in the U.S. offshore and leasing even a small portion of this acreage could significantly increase offshore production.

3) Mr. Trump has indicated that he will expedite pipeline approvals, specifically mentioning the Dakota Access Pipeline (DAPL), which has been held up by the current administration despite this pipeline receiving all required approvals through the normal approval process. This pipeline will move 470,000 bbl/d of oil, and potentially its full capacity of 570,000 bbl/d from the Bakken Field in North Dakota and surrounding areas to Midwest and Gulf Coast markets at far lower cost and more safely than rail.

4) We expect him to allow hydraulic fracturing on federal lands, making many acres more economic for drilling.

5) The National Environmental Policy Act (NEPA) directs government agencies to include so-called global warming in the approval process for oil and gas projects. We feel that President Trump will change the guidance under this act.

6) More autonomy will, in our opinion, be given to the states on energy leases within their states and presumably in regulating energy companies, as the federal government backs away from these activities.

7) There are other actions such as prolonging the lives of nuclear power plants and favoring coal which could be a negative to natural gas, although we see these as modest negatives, particularly coal as it is not cost competitive with the current price of natural gas.

8) We would be remiss if we didn't mention the risk of potential tax reform, removing the tax advantage of MLPs, which are not burdened with the cost of double taxation. We believe this loss of tax advantage would likely only occur in a complete revamping of the tax code, something many believe would prove difficult to accomplish. That said, the Midstream companies which have converted from a partnership structure to C-corp structure appear to have managed quite well in our view, as they were able to step up their basis and make greater use of depreciation, while also opening themselves up to a wider investor base.

(10) American Petroleum Institute (API): The largest U.S. trade association for the oil and natural gas industry.

Finally, we believe that having more certainty in the rules and regulations governing the oil and gas industry will be a positive, as energy company managements choose whether or not to go forward with projects. A CEO of one of our holdings recently told us that they didn't need the regulations to necessarily be relaxed to be successful; they just needed them to stop changing every six months. Energy is a very capital intensive industry with highly paid technical workers. Significantly increasing production will require hundreds of billions of incremental dollars to be invested each year, but with that money helping to boost the U.S. economy. Several economists have estimated that each job created turns into approximately three job additions citing the 'multiplier effect' as worker income and capital expenditure dollars are spent and re-spent, creating other jobs.

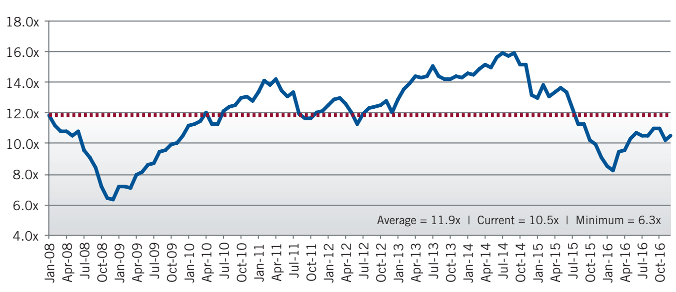
## We feel that the sell-side 'disease' of not sticking one's neck out too far helps to create a buying opportunity in MLPs.

After a very difficult period, such as 2015 and the first portion of 2016, where sell-side analysts from Investment Banks were regularly cutting their price targets, we find that most Wall Street analysts have been slow to significantly increase their target prices and estimates, despite what we believe to be very attractive valuations, healthy yields[11], strong balance sheets, attractive cost of capital and improving industry fundamentals. Price targets notoriously follow market prices down and then back up during periods of heightened volatility, and this group has exhibited a similar behavior over the recent period. There appears to be too much risk to credibility in being aggressive with price targets in particular. It's true that distribution growth rates have slowed and are being increased at a slower rate than distributable cash flow (DCF)[12] growth. But we view this is an indicator of health as distribution coverage ratios[13] are rising, and the increased retained cash available for new investment supports companies' cost of capital. Additionally, six MLP restructurings over the past year have eliminated Incentive Distribution Rights (IDRs)[14], and other actions have reduced the cost of capital at many midstream MLPs. We do not believe that investors are being well served by what we believe are overly conservative price targets and restrained recommendations that are just now only creeping higher. Yes, we are bullish on Midstream companies and incrementally believe that investing in these companies may indeed be a timely choice.

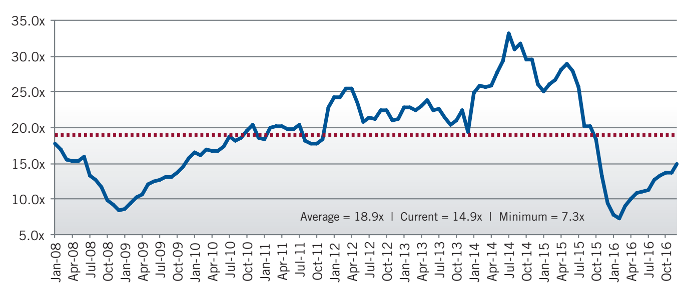
## Valuation charts tell a strong story; the recovery to the August 2014 high point for MLPs still has a long ways to go.

We again will highlight the following valuation charts which give us great optimism that sooner, or not too much later, MLPs will return to higher multiples. As of 12/31/16, Midstream Limited Partnerships (LPs) trade at a Price to DCF (P/DCF) of 10.5x versus this historical average of 11.9x — a nearly 12% discount. Midstream General Partnerships (GPs) trade at 14.9x P/DCF versus the 18.9x historical average — a 21% discount. What's also noteworthy about the broader universe of Midstream LPs in particular is the P/DCF declined from the 9/30/16 metrics of 10.9x for Midstream LPs even as the Alerian MLP Index (AMZX)[15] rose 2.04% during the fourth quarter of 2016. The conclusion that we draw from this data is that DCF estimates rose during the quarter, also an indicator of company strength and, to reference back to the previous section, analysts becoming more bullish in their DCF forecasts.

P/DCF NTM* – Limited Partnerships, All Midstream LPs




P/DCF – General Partnerships




*Next Twelve Months — Median ····· Average — Source: Bloomberg, Chickasaw

(11) Yield: Refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. (12) Distributable Cash Flow: Measured as earnings before interest, taxes, depreciation and amortization (EBITDA) available to pay unitholders after reserving for maintenance capital expenditures and payment of interest expense. (13) Distribution Coverage Ratio: An MLP's distributable cash flow divided by the total amount of distributions it paid out. (14) Incentive Distribution Rights (IDRs): An incentive plan designed to give general partners in a limited partnership increasing shares of the distributable cash-flow generated by the partnership, as per-unit distribution increases to the limited partners. (15) Alerian MLP Index: A capitalization-weighted index of the 50 most prominent energy Master Limited Partnerships. Visit http://www.alerian.com/indices/amz-index for more information, including performance. You cannot invest directly in an index.

We've shown in the past that for those who believe that they missed the recovery because MLPs have rallied 64.8% from the February 11th 2016 low point through 12/31/16, the AMZX index still has 43.2% to gain before reaching the August 2014 high and, to-date, the index has completed only 47.7% of the recovery to the previous high. We would remind you that buyers were rare during that time and for many days and weeks afterwards, and the real recovery from that 'spike low' is far from achieved. Importantly, we would remind investors that MLP cash flow has continued to grow over these past 2.5 years since the August 2014 high and, in our view, future growth prospects appear excellent, as we have outlined in greater detail in previous quarterly letters.

We are not suggesting in any of our preceding optimistic comments that 2017 will be a 'smooth and predictable' year for energy. If history is any guide, OPEC might not be able to sustain all promised production cuts. However, the commitments from the current agreement do appear to be more firm than previous agreements. Given the still very high inventory of oil in storage, oil prices may well remain volatile. That said, one 'surprise' of the year might well be more stable prices, with a slightly upward bias. The industry has endured a very difficult 2.5 year period and many lessons have been (re)learned. A second 'surprise' this year might well be more sharply rising oil production in the United States than generally expected. Permian Basin production held relatively flat during the downturn and has already turned up sharply, as a substantial number of rigs have been added. The amount of excess pipeline capacity from the Permian Basin can benefit a number of Midstream companies.

## Our thanks to our loyal investors

We know that the unusual volatility of the past 2.5 years has been difficult for you. Many of you were attracted to the sector, at least in part, because of the historic low volatility and steady historic returns. We cannot tell you that volatility will decrease to the much lower levels previously seen. However, cash flow has not been nearly so volatile and has continued to grow quite attractively during the past two years. We are optimistic about future-year growth and are impressed with the balance sheet strength and seeming low-risk profiles of the companies in which we are invested. We thank you for your confidence and support.

David Fleischer, CFA    Geoffrey Mavar    Matt Mead    Robert Walker

MAINGATE MLP FUND

| | |
|---|---|
| **Net Assets (as of 12/31/16)** | $1,959,870,819 |
| **Investment Style** | MLP Total Return |

| **A Shares: General Information** | |
|---|---|
| **Ticker** | AMLPX |
| **CUSIP** | 560599102 |
| **Minimum Initial Investment** | $2,500 |
| **Number of Holdings** | 20-30 |
| **Maximum Front-End Load** | 5.75% |
| **Redemption Fee** | NONE |
| **Management Fee** | 1.25% |
| **12b-1 Fee** | 0.25% |
| **Contingent Deferred Sales Charge** | NONE |
| **Expense Ratio before Deferred Taxes** *(after fee waivers/reimbursements)*[1] | 1.66% |
| **Deferred Income Tax Expense**[2] | 0.00% |
| **Gross Expense Ratio** | 1.66% |
| **Net Expense Ratio**[2] | 1.66% |

| **C Shares: General Information** | |
|---|---|
| **Ticker** | MLCPX |
| **CUSIP** | 560599300 |
| **Minimum Initial Investment** | $2,500 |
| **Number of Holdings** | 20-30 |
| **Maximum Front-End Load** | NONE |
| **Redemption Fee** | NONE |
| **Management Fee** | 1.25% |
| **12b-1 Fee** | 1.00% |
| **Contingent Deferred Sales Charge** | 1.00% |
| **Expense Ratio before Deferred Taxes** *(after fee waivers/reimbursements)*[1] | 2.41% |
| **Deferred Income Tax Expense**[2] | 0.00% |
| **Gross Expense Ratio** | 2.41% |
| **Net Expense Ratio**[2] | 2.41% |

| **I Shares: General Information** | |
|---|---|
| **Ticker** | IMLPX |
| **CUSIP** | 560599201 |
| **Minimum Initial Investment** | $1,000,000 |
| **Number of Holdings** | 20-30 |
| **Maximum Front-End Load** | NONE |
| **Redemption Fee** | NONE |
| **Management Fee** | 1.25% |
| **12b-1 Fee** | NONE |
| **Contingent Deferred Sales Charge** | NONE |
| **Expense Ratio before Deferred Taxes** *(after fee waivers/reimbursements)*[1] | 1.41% |
| **Deferred Income Tax Expense**[2] | 0.00% |
| **Gross Expense Ratio** | 1.41% |
| **Net Expense Ratio**[2] | 1.41% |

| | |
|---|---|
| **Last Quarterly Distribution (10/27/16)** | $0.1575 |

| **Top 10 Holdings (as of 12/31/16)** | **% of Fund** |
|---|---|
| **Targa Resources Corp.** | 9.38% |
| **Energy Transfer Equity, L.P.** | 9.22% |
| **Williams Companies, Inc.** | 8.54% |
| **Enlink Midstream, LLC** | 6.64% |
| **Enterprise Products Partners, L.P.** | 6.23% |
| **Genesis Energy, L.P.** | 5.73% |
| **SemGroup Corporation** | 5.27% |
| **Plains GP Holdings, L.P.** | 5.14% |
| **Shell Midstream Partners, L.P.** | 5.11% |
| **Western Gas Equity Partners, L.P.** | 5.11% |

| **Top Sectors (as of 12/31/16)** | **% of Fund** |
|---|---|
| **Crude/Refined Prod. Pipe/Storage** | 42.64% |
| **Natural Gas Pipe/Storage** | 36.83% |
| **Natural Gas Gather/Process** | 20.55% |

*Fund holdings and sector allocations are subject to change at any time and are not recommendations to buy or sell any security.*

**Performance: A Shares (as of 12/31/16)**

| | | |
|---|---|---|
| **NAV per Share** | | $10.28 |
| **POP per Share** | | $10.91 |
| **Returns:** | **Without Load** | **With Load** |
| **3 Month** | 3.97% | -1.98% |
| **Calendar YTD** | 24.70% | 17.54% |
| **1 Year** | 24.70% | 17.54% |
| **3 Year** | -0.31% | -2.25% |
| **5 Year** | 6.09% | 4.85% |
| **Since Inception (2/17/11)** | 6.11% | 5.04% |

**Performance: C Shares (as of 12/31/16)**

| | | |
|---|---|---|
| **NAV/POP per Share** | | $10.16 |
| **Returns:** | **Without Load** | **With Load** |
| **3 Month** | 3.70% | 2.70% |
| **Calendar YTD** | 23.72% | 22.72% |
| **1 Year** | 23.72% | 22.72% |
| **3 Year** | N/A | N/A |
| **5 Year** | N/A | N/A |
| **Since Inception (3/31/14)** | -3.09% | -3.09% |

**Performance: I Shares (as of 12/31/16)**

| | |
|---|---|
| **NAV per Share** | $10.47 |
| **Returns:** | |
| **3 Month** | 4.00% |
| **Calendar YTD** | 25.03% |
| **1 Year** | 25.03% |
| **3 Year** | -0.04% |
| **5 Year** | 6.36% |
| **Since Inception (2/17/11)** | 6.38% |

*The performance data quoted represents past performance. Past performance is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the fund may be lower or higher than the performance quoted. To obtain performance data current to the most recent month-end please call 855.MLP.FUND (855.657.3863). Performance data shown for Class A shares with load reflects the maximum sales charge of 5.75%. Performance data shown for Class C shares with load reflects the maximum deferred sales charge of 1.00%. Performance data shown for Class I shares does not reflect the deduction of a sales load or fee. If reflected, the load or fee would reduce the performance quoted.*

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 855.MLP.FUND (855.657.3863). Read it carefully before investing.**

Opinions expressed are subject to change at any time, are not guaranteed and should not be considered investment advice.

## INVESTMENT ADVISOR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## PORTFOLIO MANAGERS

| | |
|---|---|
| Geoffrey P. Mavar | Principal |
| Matthew G. Mead | Principal |
| David N. Fleischer, CFA | Principal |

*Mutual fund investing involves risk. Principal loss is possible. The Fund is nondiversified, meaning it may concentrate its assets in fewer individual holdings than a diversified fund. Therefore, the Fund is more exposed to individual stock volatility than a diversified fund. The Fund will invest in Master Limited Partnerships (MLPs) which concentrate investments in the natural resource sector and are subject to the risks of energy prices and demand and the volatility of commodity investments. Damage to facilities and infrastructure of MLPs may significantly affect the value of an investment and may incur environmental costs and liabilities due to the nature of their business. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment. Investments in smaller companies involve additional risks, such as limited liquidity and greater volatility. Investments in foreign securities involve greater volatility and political, economic and currency risks and differences in accounting methods. MLPs are subject to certain risks inherent in the structure of MLPs, including complex tax structure risks, limited ability for election or removal of management, limited voting rights, potential dependence on parent companies or sponsors for revenues to satisfy obligations, and potential conflicts of interest between partners, members and affiliates. When the Fund invests in MLPs that operate energy-related businesses, its return on investment will be highly dependent on energy prices, which can be highly volatile.*

*An investment in the Fund does not receive the same tax advantages as a direct investment in the MLP. The Fund is treated as a regular corporation or "C" corporation and is therefore subject to U.S. federal income tax on its taxable income at rates applicable to corporations (currently at a maximum rate of 35%) as well as state and local income taxes. MLP Funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments. This deferred tax liability is reflected in the daily NAV and as a result the MLP Fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked. The potential tax benefits from investing in MLPs depend on them being treated as partnerships for federal income tax purposes. If the MLP is deemed to be a corporation then its income would be subject to federal taxation, reducing the amount of cash available for distribution to the Fund which could result in a reduction of the Fund's value.*

*[1] The Fund's adviser has contractually agreed to cap the Fund's total annual operating expenses (excluding brokerage fees and commissions; borrowing costs; taxes, such as Deferred Income Tax Expense; acquired fund fees and expenses; 12b-1 fees; and extraordinary expenses) at 1.50% of the average daily net assets of each class through March 31, 2017, subject to possible recoupment by the adviser within three years from the date of reimbursement to the extent that recoupment would not cause the Fund to exceed the expense cap. The Board of Trustees has sole authority to terminate the expense cap prior to its expiration and to approve recoupment payments.*

*[2] The Fund's accrued deferred tax liability is reflected in its net asset value per share on a daily basis. Deferred income tax expense/(benefit) represents an estimate of the Fund's potential tax expense/(benefit) if it were to recognize the unrealized gains/(losses) in the portfolio. An estimate of deferred income tax expense/(benefit) depends upon the Fund's net investment income/(loss) and realized and unrealized gains/(losses) on its portfolio, which may vary greatly on a daily, monthly and annual basis depending on the nature of the Fund's investments and their performance. An estimate of deferred income tax expenses/(benefit) cannot be reliably predicted from year to year. Net expense ratios represent the percentages paid by investors and reflect a 0.00% Deferred Income Tax Expense which represents the performance impact of accrued deferred tax liabilities across the Fund, not individual share classes, for the fiscal year ended November 30, 2015 (the Fund did not have a current tax expense or benefit due to a valuation allowance). Total annual Fund operating expenses before deferred taxes (after fee waivers/reimbursements) were 1.66% for Class A shares, 2.41% for Class C shares, 1.41% for Class I shares.*