

The DAC North American Midstream Energy (“NAME”) strategy invests in high quality, publicly traded midstream energy Master Limited Partnerships (“MLPs”) and C Corporations that derive a majority of their earnings and cash flow from gathering,

transporting and/or storing energy commodities. It is designed for investors seeking higher income than more traditional investments offer as well as portfolio diversification and the potential for long term, capital appreciation.

## STRATEGY OVERVIEW

**Objective:** The strategy seeks to provide high, current and sustainable income as well as the potential for long term capital appreciation through investments uniquely positioned to benefit from the U.S. energy revolution.

**Designed For:** Investors seeking higher income than more traditional investments offer as well as portfolio diversification and the potential for long term, capital appreciation.

**Strategy Inception:** 4/30/2006

**Composite Inception:** 12/31/2011

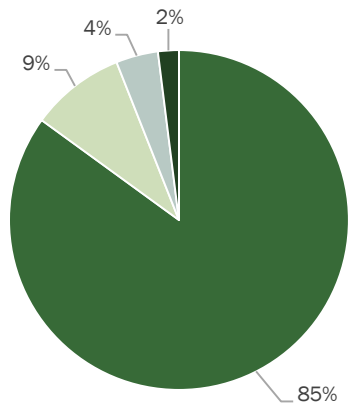
**Primary Benchmark:** Alerian MLP Index

**Investment Category:** Mid Cap Value

**Investment Structures:** SMA/UMA

**Securities:** ≥ 90% Equity, 15-25 holdings

## PORTFOLIO DIVERSIFICATION



- 85% Oil & Gas Storage & Transportation
- 9% Oil & Gas Refining & Marketing
- 4% Oil & Gas Equipment Services
- 2% Other

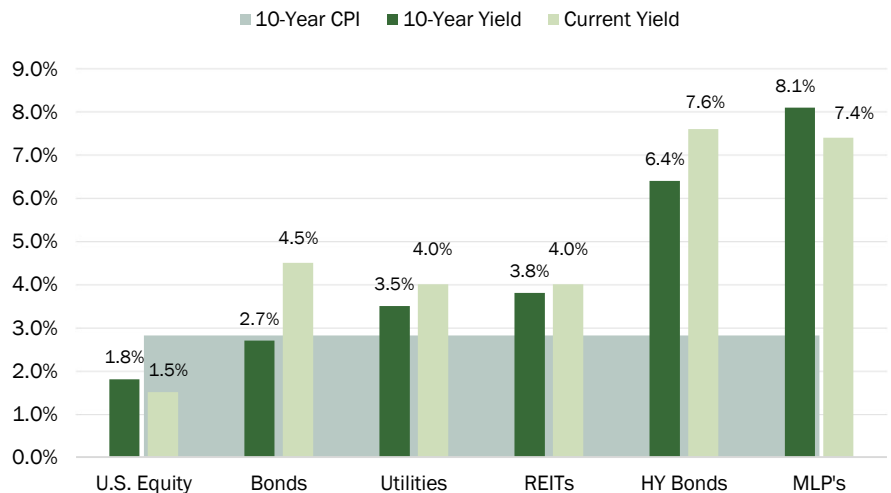
## OPPORTUNITIES IN MIDSTREAM ENERGY INVESTMENTS

- We believe an overweight allocation to midstream energy may lower overall portfolio volatility, through **diversification**, without negatively impacting long term returns.

|                            | Energy Market | REITS | Utilities | Commodities | Bonds | U.S. Equity |
|----------------------------|---------------|-------|-----------|-------------|-------|-------------|
| <b>Correlation to MLPs</b> | 0.84          | 0.50  | 0.28      | 0.53        | 0.08  | 0.64        |

Source: Bloomberg; 10 Year Correlation Data as of December 31, 2023. Indices used: “MLPs”: Alerian MLP; “REITS”: FTSE Nareit US Real Estate; “Utilities”: S&P Utilities Select Sector; “Energy Market”: S&P 1500 Energy Sector; “Commodities”: S&P GSCI TR CME; “Bonds”: Bloomberg Barclays Aggregate Bond; “U.S. Equity”

- Midstream energy companies and MLPs offer investment opportunities in the energy sector with consistently **higher income than more traditional sources** but without exposure to exploration risk.



Source: Bloomberg, Alerian, Dividend Assets Capital. As of December 31, 2023. Representation of the 10-year average Consumer Price Index relative to the 10-year average yield and the current (12/31/23) yield for various indices. Indices used: “U.S. Equity”: S&P 500; “Bonds”: Bloomberg Barclays Aggregate Bond; “Utilities”: S&P Utilities Select Sector; “REITS”: FTSE Nareit US Real Estate; “HY Bonds”: Bloomberg Barclays US Corp High Yield; “MLPs”: Alerian MLP.

- Fees charged by midstream energy companies are often long-term, contractual obligations, regulated by Federal agencies and **indexed to inflation**.
- Midstream energy companies and MLPs operate high quality, irreplaceable assets that transport and/or store energy commodities generating **stable cash flows**.
- Direct, “Limited Partner” ownership is the only way to get the full tax advantages of MLPs. Pooled funds cannot provide the same “pass through” benefits, effectively muting yield, return or both.

**Clarity. Simplicity. Devotion.**

## PORTFOLIO CHARACTERISTICS

|                                                | DAC NAME | AMZ    | AMNAX  |
|------------------------------------------------|----------|--------|--------|
| Distribution Yield                             | 6.00%    | 6.56%  | 5.50%  |
| Distribution Growth (YoY)                      | 12.7%    | 10.0%  | 9.0%   |
| Beta (3yr)                                     | 0.75     | 0.76   | 0.82   |
| Standard Deviation (3yr)                       | 16.58%   | 21.21% | 19.26% |
| Sharpe Ratio (3yr)                             | 0.97     | 1.10   | 0.83   |
| Holdings that grew or maintained payouts (YoY) | 100%     | 100%   | 100%   |
| Investment-grade holdings                      | 68.8%    | 26.3%  | 55.2%  |
| S&P 500® Correlation (3yr)                     | 0.43     | 0.22   | 0.25   |

## HOLDING

| Top Five Holdings   Portfolio %        | Distribution Yield |
|----------------------------------------|--------------------|
| Enterprise Products Partners LP   12.6 | 7.1%               |
| Energy Transfer LP   8.9               | 7.8%               |
| Sunoco LP   8.7                        | 6.2%               |
| ONEOK Inc   8.7                        | 4.9%               |
| MPLX LP   7.1                          | 8.0%               |

## INVESTMENT TEAM

**Marc D. Saurborn, CFA®**  
Chief Investment Officer

**Peter Gerry, III**  
Energy Analyst

**James G. Haley, CFP®**  
Portfolio Manager and CEO  
Director Private Client Group

**William Ford, CFP®**  
Portfolio Manager and President  
Director Institutional Asset Management

Sources: Bloomberg and Dividend Assets Capital.

The Portfolio Composition, Top Five Holdings, Portfolio Characteristics information as well as the graphs representing Growth of \$500,000 and Annual Portfolio Income and Growth are based on information pertaining to a representative account in the strategy's GIPS composite. Individual holdings, statistics and characteristics may differ from those of the composite and representative account due to the size of the portfolio, client-specific constraints, tax considerations or other factors. A complete list of holdings is available upon request.

Past performance is not indicative of future results. Returns are presented gross and net of management fees and include the reinvestment of all income. "Pure Gross of Fees" returns are shown as gross of all fees and transaction costs. The inclusion of transaction, custodial and/or advisory fees as well as other expenses will reduce actual returns. "Net of Fees" returns are reduced by all fees and transaction costs incurred. Prior to 1/1/2024, "Net of Fees" performance was calculated using an all-inclusive/bundled/wrap fee of 3.00% which represents the highest management fee that may be charged based on a percentage of assets under management. Other than brokerage commissions this fee includes investment management, portfolio monitoring, consulting services, and in some cases, custodial services. DAC would receive a portion of the total wrap fee paid to the wrap program sponsor for its portfolio management services. After 1/1/2024, "Net of Fees" performance is calculated using actual transaction charges, investment management and portfolio monitoring fees and any consulting and/or custodial services fees being deducted from each composite account.

Data is deemed to be reliable, but DAC does not guarantee reliability or accuracy. You should carefully consider the investment objectives, potential risks, management fees, and charges and expenses before investing.

Master Limited Partnerships (MLPs) are limited partnerships that trade as units on public securities exchanges. MLPs are generally held in an investor's account to generate income. A substantial portion of the cash distributions made are considered a return of capital, tax-deferred until the units are sold. Investors in MLPs may be required to file tax returns and pay tax in each state in which the MLP operates. Individual retirement accounts and retirement plans investing in MLPs may be required to report unrelated business taxable income (UBTI) and pay unrelated business income tax (UBIT). Investors should consult a tax advisor regarding their individual tax circumstances.

The Alerian MLP Index (NYSE: AMZ) is a widely recognized, index that includes a composite of the 20-25 most prominent energy MLPs. The Alerian Midstream Energy Index (NYSE: AMNAX) is a broad-based composite of North American energy infrastructure companies whose constituents include MLPs and C-Corporations that earn the majority of their cash flow from midstream activities involving energy commodities. These indexes are unmanaged, and you cannot invest directly in an index. The index returns do not reflect the deduction of fees.

Dividend Assets Capital, LLC claims compliance with the Global Investment Performance Standards (GIPS®). The GIPS compliant presentation, as well as a full list of the Firm's composite descriptions, is available upon request by contacting DAC at (866) 348-4769.

Dividend Assets Capital, LLC is a Registered Investment Adviser with the U.S. Securities and Exchange Commission. Registration does not imply any certain level of skill or training. The Firm's Investment Adviser Brochure, Form ADV Part 2, contains this and other information about the Firm, and should be read carefully before investing. You may obtain a current copy of DAC's Form ADV Part 2 by visiting our website at [www.DACapitalSC.com](http://www.DACapitalSC.com), emailing [info@DACapitalSC.com](mailto:info@DACapitalSC.com), or by calling us at (866) 348-4769. Additional information about Dividend Assets Capital, LLC is also available on the United States Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number known as a CRD. DAC's CRD is 129973. DAC-24-020

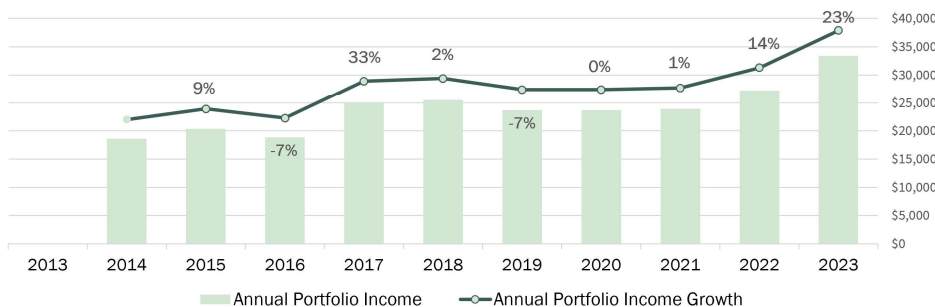
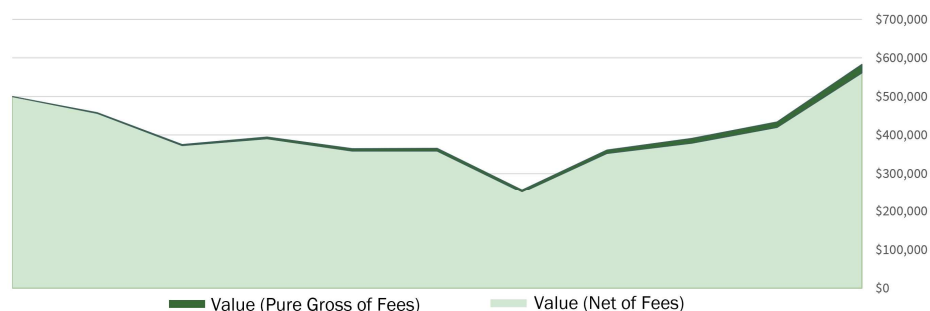
## HISTORICAL PERFORMANCE

| Total Returns                          | Qtr  | YTD   | 1 YR  | Annualized |       |       | Since Incep* |
|----------------------------------------|------|-------|-------|------------|-------|-------|--------------|
|                                        |      |       |       | 3 YR       | 5 YR  | 10YR  |              |
| DAC NAME (Pure Gross of Fees)          | 3.2% | 17.8% | 32.7% | 17.7%      | 8.1%  | -0.5% | 4.1%         |
| DAC NAME (Net of Fees)                 | 2.9% | 17.1% | 30.0% | 14.6%      | 5.0%  | -3.3% | 1.1%         |
| Alerian MLP Index (AMZ)                | 3.4% | 17.7% | 35.8% | 22.7%      | 12.2% | 2.0%  | 5.3%         |
| Alerian Midstream Energy Index (AMNAX) | 5.4% | 16.1% | 26.7% | 16.6%      | 11.3% | 3.7%  | 6.0%         |

| Calendar Year Performance      | 2023  | 2022  | 2021  | 2020   | 2019  | 2018   | 2017   | 2016  | 2015   | 2014  |
|--------------------------------|-------|-------|-------|--------|-------|--------|--------|-------|--------|-------|
| DAC NAME (Pure Gross of Fees)  | 18.0% | 15.2% | 27.9% | -26.3% | 10.9% | -12.0% | -9.2%  | 15.6% | -33.8% | 16.2% |
| DAC NAME (Net of Fees)         | 14.6% | 11.9% | 24.2% | -28.6% | 7.6%  | -14.6% | -11.9% | 12.2% | -35.7% | 12.8% |
| Alerian MLP Index              | 26.6% | 30.9% | 40.2% | -28.7% | 6.6%  | -12.4% | -6.5%  | 18.3% | -32.6% | 4.8%  |
| Alerian Midstream Energy Index | 14.0% | 21.5% | 38.4% | -23.4% | 24.0% | -13.3% | -2.4%  | 33.8% | -37.3% | 16.4% |

\* Inception Date: 12/31/2011

### Hypothetical Growth of \$500,000 (10-years as of 06/30/2024)



The "Pure Gross of Fees" results are calculated gross of all fees. The "Net of Fees" value reflects the deduction of DAC's investment management fee for the representative account in the strategy's GIPS Composite (currently .38% annually).