MLP and Energy Infrastructure Fact Sheet & Commentary

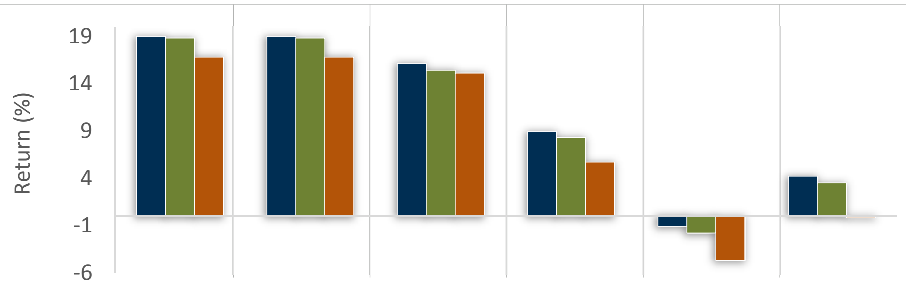
Quarter Ending March 31, 2019

DUFF & PHELPS INVESTMENT MANAGEMENT CO.
A VIRTUS INVESTMENT PARTNER

PORTFOLIO STRATEGY

Holdings	20-30 securities
Security Target	80% midstream MLPs, GPs, and C-Corps
Single Position	No greater than 10% at purchase
Individual holding market cap	< $250 million at purchase
Turnover	Approximately 25%[4]
Benchmark	Alerian MLP Index

PERFORMANCE (%)[1]

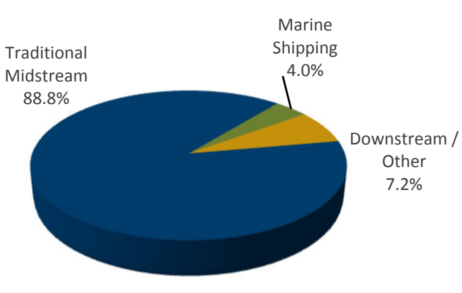


	QTD	YTD	1 Year	3 Years	5 Years	Since Inception
Composite Gross Return	19.0%	19.0%	16.1%	8.9%	-1.1%	4.2%
Composite Net Return	18.8%	18.8%	15.4%	8.3%	-1.8%	3.5%
Alerian MLP Index	16.8%	16.8%	15.1%	5.7%	-4.7%	-0.2%

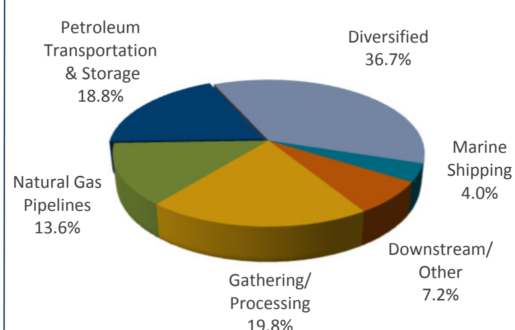
INVESTMENT PHILOSOPHY

- We focus on midstream assets and believe a rigorous fundamentally driven investment process will produce superior risk-adjusted returns.
- We construct a concentrated portfolio with a long-term investment horizon which allows us to capitalize on our highest conviction ideas.
- Our disciplined investment process allows us to be opportunistic by taking advantage of the inefficiencies in the sector.
- Our portfolio focuses on maximizing total return by owning companies with visible distribution growth, low commodity exposure and geographic footprints in key basins.
- Our team approach is an integral part of uncovering new opportunities, while also controlling downside risk should our thesis on a name change.

MLP CLASSIFICATION [2]



SUB-SECTOR [2]



PORTFOLIO CHARACTERISTICS

	Portfolio[2]	Benchmark
Cash Flow Multiple (P/DCF), 2019 est.	9.8x	9.5x
Distribution Yield	6.6%	7.7%
Distribution Growth, NTM	10.4%	4.0%
Distribution Coverage, 2019 est.	1.5	1.4
Weighted Avg. Market Cap (bn)	$24.6	$19.3
Median Market Cap (bn)	$9.6	$2.9

Sources: Bloomberg Finance L.P., Alerian

TOP TEN HOLDINGS[3]

	Portfolio (%)[2]
The Williams Cos Inc.	9.7
Energy Transfer LP	9.1
Enterprise Products Partners LP	8.6
Kinder Morgan Inc.	8.1
Plains All American Pipeline LP	6.7
MPLX LP	6.2
Targa Resources Corp.	5.6
Magellan Midstream Partners LP	5.1
ONEOK Inc.	4.8
Antero Midstream Corp.	4.0

RISK/RETURN (SINCE INCEPTION)

	Composite	Benchmark
Alpha	4.5%	-
Total Return Beta	1.0	1.0
Sharpe Ratio	0.2	-
Standard Deviation	19.4%	18.7%
Information Ratio	1.2	-
Tracking Error	3.6	-

Source: eVestment

CONTACT INFORMATION

Sarah Honold
Consultant Relations
312-917-6548 | sarah.honold@dpimc.com

Robert Hiebert
Senior Relationship Manager
312-917-6560 | robert.hiebert@dpimc.com

Market Review

The midstream energy "yo-yo" continued in the first quarter as the sector rebounded strongly after an extremely difficult fourth quarter. Midstream energy stocks (as measured by the Alerian MLP Index) jumped 16.8% on a total return basis in the first quarter, erasing almost the entire 17.1% loss seen in the fourth quarter. A big rebound in oil prices and strong outperformance by large-cap midstream c-corps helped the sector easily outpace the 13.6% gain in the broader market (as measured by the S&P 500).

After getting extremely oversold in December, the sector not surprisingly rallied hard in January. The sector stalled in February but then moved higher again in March. Oil prices were clearly a catalyst. After closing 2018 at $45.41, oil moved steadily upwards throughout the quarter, closing March at $60.14, a 32.4% gain. Like the midstream sector, oil, too, was very oversold, having fallen 38% in the fourth quarter. Prices rallied as production cuts orchestrated by Saudi Arabia and OPEC drove down supply. These cuts were further aided by the ongoing issues in Venezuela and the new sanctions placed on the country by the Trump administration. Overall, global crude inventories rose far less than expected in what is typically the weakest demand quarter of the year.

Energy infrastructure names also continued to benefit from improving fundamentals. The sector continues to screen cheap given high distribution yields and improving coverage ratios. With a number of the already announced simplification transactions closing in the first quarter, most of the distribution cuts are in the rearview mirror. UBS is still projecting that the sector should see 3.7% real distribution growth in 2019. Pipeline capacity remains very tight in most markets, and we should see higher volumes of oil, natural gas and natural gas liquid production in 2019. Admittedly, fourth quarter earnings were more mixed than what we saw in the first three quarters of 2018. The sharp oil price downturn in the fourth quarter combined with some key pipeline and plant outages impacted the earnings of some midstream companies. In addition, a handful of companies were penalized for disappointing guidance. Often, this disappointment was driven by high capex projections. As we saw with many of the E&P companies, energy investors have become hyper-focused on free cash flow generation and are encouraging companies to live within their means. This same sentiment carried over to the midstream sector, and companies, such as Targa and ONEOK, which put forth aggressive capital plans, saw their stock prices get hit.

The sector does seem to be attracting some new buyers. Sell-side analysts are almost unanimous that most of this new money is focused on the large-cap c-corporations, and performance in the quarter would seem to back this up. The Alerian Midstream North American Index (AMNA) outperformed the Alerian MLP Index (AMZ) by 5.3% (22.1% vs. 16.8%) and the five largest midstream c-corp companies outperformed the five largest MLPs by nearly 12% (28.2% vs. 16.3%). Investors also seem to be steering away from companies with high leverage and MLPs with incentive distribution rights (IDRs).

The biggest negative in quarter was ongoing legal and regulatory issues around new pipelines outside of the Gulf Coast. Midstream projects received a slew of negative rulings. Construction of both the Atlantic Coast Pipeline (majority owned by Dominion and Duke) and the Mountain Valley Pipeline (majority owned by Equitable Midstream) was halted around permits to cross the Appalachian Trail. Two Enbridge pipelines, Line 3 in Minnesota and Line 5 in Michigan, ran into issues with the respective state governors. Energy Transfers' Mariner East pipeline in Pennsylvania continues to face problems as the public utility commission and the courts push back on the company. Perhaps the only good news on the regulatory front came on the last day of the quarter as President Trump re-issued the permit for the Keystone XL Pipeline. The new permit will hopefully clear up the legal issues in Montana, and now owner TransCanada only needs the blessings on its route from the Nebraska Supreme Court before it can finally move forward with the pipeline after a 10-year regulatory process.

Portfolio Review

The Duff & Phelps MLP and Energy Infrastructure Strategy enjoyed a strong quarter gaining 19.0% (18.8% net of fees). The strategy outperformed the Alerian MLP Index, which finished up 16.8% for the quarter. The strategy trailed its secondary benchmark, the Alerian U.S. Midstream Index (AMUS), which jumped 21.3% as it benefitted from its significant weighting to c-corps.

The strategy's two largest contributors were Williams and Kinder Morgan. Both benefitted from heavy demand for large-cap c-corps. In addition, assets sales allowed Williams to further cut its leverage while Kinder was helped by significant and consistent insider buying by its chairman, Rich Kinder. The third best contributor was Enterprise Products which posted strong quarterly earnings and also benefitted from flows into the sector.

Portfolio Review cont.

When analyzing positions held during the entire quarter, the strategy's largest detractor was Westlake Partners. Westlake was the strategy's second best performing name in the fourth quarter and tends to trade with a much lower beta than the rest of the sector. The next two biggest detractors were Tallgrass Energy and Andeavor Logistics. Tallgrass had been a rumored takeout name in December and had been the strategy's best performer in the fourth quarter. Andeavor continues to struggle as investors wait to see if parent company, Marathon Petroleum, combines Andeavor with its other MLP, MPLX.

Investment Outlook

As we enter the second quarter, the sector appears to have its feet firmly back underneath it. Nevertheless, we are well aware that for the least three years the sector has been unable to sustain a meaningful breakout. We are cautiously optimistic that perhaps this time will be different. We feel that the heavy lifting has been done on the restructurings, balance sheets are in very good shape, and valuations remain attractive. We continue to feel good about the oil price outlook. Inventories are low, and the Saudis seem determined to keep oil supply in check. U.S. production also looks like it will grow enough to be a catalyst for midstream, but not too much that it will negatively impact global supply. We are a little bit warier about natural gas liquid prices and global natural gas prices, both of which are experiencing seasonal price weakness. Despite the move up in oil prices, NGL prices are largely flat with NGLs as a percentage of oil trading at a 52-week low. Both propane and ethane prices have been weak. Propane should rally as we move out of the spring shoulder period. Similar to last year, we expect ethane prices to surge as the next wave of ethane crackers comes on line. Recall that last year ethane spiked to 60.75 cents/gallon (almost triple where it is currently) as two new world-scale ethane crackers started up. Four additional plants are scheduled to start up over the rest of this year which should lead to higher ethane prices. Global natural gas prices have also fallen which is putting pressure on liquefied natural gas (LNG) shipments. Nevertheless, we would expect Asian natural gas prices and spot LNG shipping rates to run back up in the summer and fall as Asian buyers once again look to make sure that they have enough gas for the winter.

The rest of the year will also see a number of major pipeline projects come online. These pipelines are desperately needed to relieve some of the constraints that we are seeing across the country, but especially in the Permian basin. As an example, on April 3, natural gas at the Waha hub in the Permian traded at -$4.63, meaning producers were paying to get their gas taken so that they could continue to produce oil. The new pipelines will not only relieve this congestion, but they will also provide an attractive return for the midstream companies that have been constructing them for the past few years.

In terms of our positioning, we expect the c-corps to continue to outperform. The combination of better liquidity, better corporate governance, and no K-1s is more appealing to new capital, especially from overseas. We believe that the valuation discrepancy between the c-corps and the MLPs is not nearly wide enough to entice investors to switch from c-corps to the MLPs. We also remain wary of companies with IDRs. The strategy has some exposure here, but we are generally looking to put capital elsewhere. Despite the recent price weakness, we still like energy infrastructure companies with exposure to both LNG and NGLs. The expected trade deal with China is likely to boost both of these, and we strongly believe that the recent price weakness will prove both seasonal and temporary.

As always, thank you for your continued support of our team and investment strategy.

DAVID GRUMHAUS, JR.
Senior Portfolio Manager

CHARLES GEORGAS, CFA
Portfolio Manager

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GIPS Compliant Presentation

Year-end (12/31)	Annual Composite Return (%)		Annual Benchmark Return (%)	3-Year Annualized Standard Deviation (%)		Number of Accounts	Asset-weighted Dispersion (%)	Composite Assets (US $M)	Firm Total Assets (US $B)
	Gross	Net		Composite	Benchmark				
2018	-13.19	-13.68	-12.42	18.52	18.10	≤5	n.a.	400.4	9.0
2017	-1.12	-1.67	-6.52	20.20	19.06	≤5	n.a.	480.2	10.2
2016	19.57	18.74	18.31	21.08	19.95	≤5	n.a.	477.7	10.3
2015	-29.23	-29.78	-32.59	19.11	18.50	≤5	n.a	362.6	9.2
2014	14.30	13.46	4.80	n.a	n.a	≤5	n.a	507.1	10.8
2013	34.57	33.59	27.58	n.a	n.a	≤5	n.a	395.2	9.2
2012*	-2.59	-2.65	-3.12	n.a	n.a	≤5	n.a	240.6	8.9

**Partial year return. Composite inception is November 30, 2012.*

Duff & Phelps Investment Management Co. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Duff & Phelps Investment Management Co. has been independently verified for the periods January 1, 1993 through December 31, 2017. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

1. Organization – Duff & Phelps Investment Management Co. ("Duff & Phelps" or the "firm") is a registered investment adviser and a wholly owned subsidiary of Virtus Investment Partners. Duff & Phelps manages assets on behalf of institutional and retail separate accounts and open-end and closed-end funds. Registration of an investment adviser does not imply any level of skill or training.

2. Composite Description – The MLP and Energy Infrastructure Composite includes all fully discretionary accounts investing primarily in midstream energy master limited partnerships ("MLPs") and midstream energy companies with a focus on total return. Effective December 31, 2018, the Composite's (formerly the Midstream Energy MLP Total Return Composite) focus was broadened through the inclusion of midstream energy companies (other than MLPs) as an additional primary investment. This change and the Composite name change were made to reflect the evolving energy asset class structure and not as a result of a change in strategy. The inception date of the Composite is November 30, 2012 and the Composite was created on December 31, 2012. The Composite contains less than 5 portfolios.

3. Benchmark – The Composite Benchmark is the Alerian MLP Index, a capped, float-adjusted, capitalization-weighted index comprised of energy infrastructure MLPs whose constituents earn the majority of their cash flow from midstream activities involving energy commodities. Effective January 1, 2019, the Alerian U.S. Midstream Energy Index was adopted as a Secondary Benchmark as a result of the broader focus on midstream energy companies other than MLPs; it is a capped, float-adjusted capitalization-weighted index comprised of a broad base of U.S. energy infrastructure companies, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities.

4. Calculations - Returns are total, time-weighted rates of return expressed in U.S. dollars and include accrued income. The Composite and Benchmark results reflect the reinvestment of dividends and other earnings. Portfolios are valued on a trade date basis. Monthly performance is calculated by linking daily returns. The Composite return is an asset weighted average of the performance results of all the portfolios in the Composite based on beginning of month values. Composite dispersion is not presented for periods with 5 or fewer portfolios. The 3-year annualized ex-post standard deviation measures the variability of the Composite and the Benchmark returns over the preceding 36-month time period and is not presented for performance periods of less than 36 months.

5. Performance and Fee Information – Investment performance returns are presented on both a gross of fee and net of fee basis. Gross composite returns are calculated net of trading costs, but do not reflect any deduction for investment advisory fees, custodial charges or other costs that a client might incur in connection with the management of an account. The firm's fee schedule for management of institutional separate accounts is: .75% on assets up to $25 million, .70% on the next $25 million, .65% on the next $50 million, and .60% on amounts in excess of $100 million. Returns realized by clients will be reduced by these costs. Actual investment advisory fees incurred by clients may vary. Initial minimum account size for institutional accounts is $5 million. Effective October 1, 2016, net composite returns are calculated by subtracting actual separate account investment management fee rates from gross account returns based on month-end assets. Previously, net composite returns were calculated by subtracting the highest separate account investment management fee in effect for the period. Index returns do not reflect the deduction of any fees.

6. Additional Information – Duff & Phelps's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request.

Past performance is not indicative of future results.

Investors should consult their tax adviser to fully understand the implications of owning MLPs.

[1]Composite Inception Date: November 30, 2012. Time periods over one year are annualized. Please see the GIPS Compliant Presentation for more information.
[2]Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.
[3]It should not be assumed that securities identified were or will be profitable. The top ten holdings list represents the largest percentage holdings at quarter end of a representative institutional account excluding cash and does not represent all of the securities held in client portfolios. The securities identified may no longer be held in client portfolios and the holdings of any particular client portfolio may vary. The list is provided for illustrative purposes and should not be considered a recommendation to purchase or sell a particular security. A complete list of holdings and transactions for the previous twelve months is available upon request.
[4] Excludes both voluntary and involuntary corporate actions.

Due to the distribution characteristics of MLPs, a portion of the distributions may include a return of capital, which should not be confused with yield or income.

Past performance is not indicative of future results. Returns are expressed in U.S. dollars and include the reinvestment of dividends and other earnings. Indices are not available for direct investment and index returns do not reflect the deduction of any fees. This material has been prepared using sources of information generally believed to be reliable; however, its accuracy is not guaranteed. Opinions represented are subject to change and should not be considered investment advice or an offer of securities. Forward-looking statements are necessarily speculative in nature. It can be expected that some or all of the assumptions or beliefs underlying the forward-looking statements will not materialize or will vary significantly from actual results or outcomes.

The securities identified were selected from all of the holdings of a representative account for the period based on contribution to the account's return. The securities identified do not represent all of the securities purchased, sold or recommended for advisory clients and the securities identified may no longer be held in client accounts. The methodology used to calculate the contribution to return or a list showing every holding's contribution to the account's return for the period is available upon request.