ENERGY INFRASTRUCTURE
FACT SHEET & COMMENTARY

DUFF & PHELPS
A VIRTUS INVESTMENT PARTNER

Quarter Ending March 31, 2024

INVESTMENT PHILOSOPHY

We focus on midstream assets and believe a rigorous, fundamentally-driven investment process will produce attractive risk-adjusted returns.

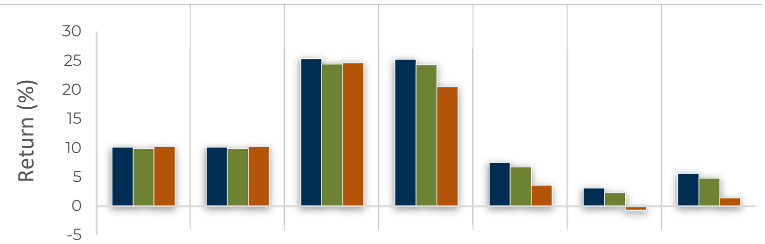
We construct a concentrated portfolio with a long-term investment horizon which allows us to capitalize on our highest conviction ideas.

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 vertically-integrated business models, visible and growing cash flows, sustainable distributions, strong corporate governance and geographic footprints in key basins.

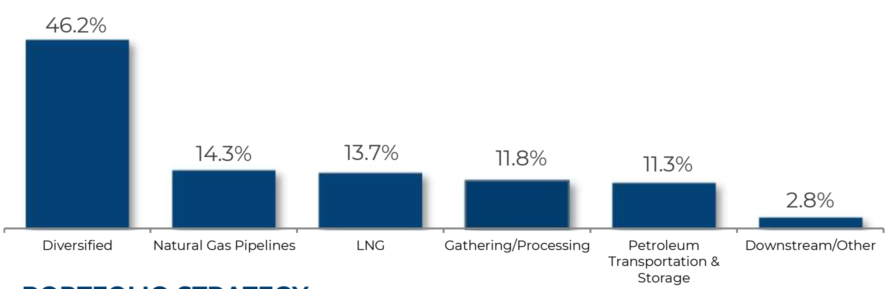
Our team approach is an integral part of uncovering new opportunities, while also controlling downside risk should our thesis on a name change.

COMPOSITE PERFORMANCE (%)[1]



	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Gross Return	10.1	10.1	25.3	25.2	7.5	3.1	5.6
Net Return	9.9	9.9	24.4	24.3	6.7	2.3	4.8
Linked Benchmark[2]	10.2	10.2	24.6	20.5	3.6	-0.7	1.4

SUB-SECTOR[3]



PORTFOLIO STRATEGY

Holdings	20-30 securities
Security Target	80% midstream MLPs, GPs, and C-Corps
Individual holding market cap	> $250 million at purchase
Benchmark	Alerian Midstream Energy Index

PORTFOLIO CHARACTERISTICS

	Portfolio[3]	Benchmark[2]
EV/EBITDA	9.2x	9.4x
Free Cash Flow Yield	8.6%	8.4%
Distribution Yield[4]	5.2%	5.8%
Distribution Growth, Fwd 3-YR GAGR	5.5%	4.4%
Weighted Avg. Market Cap (mm)	$40.4	$41.4

Sources: Bloomberg Finance L.P., Alerian.

TOP TEN HOLDINGS[5]

	Portfolio(%)[3]
Cheniere Energy Inc.	12.3
Targa Resources Corp	9.7
Williams Cos Inc.	9.0
Energy Transfer LP	8.7
Enterprise Products Partners	8.1
MPLX LP	7.8
ONEOCK Inc.	7.0
Pembina Pipeline Corp	6.2
Enbridge Inc.	6.0
Plains All Amer Pipeline LP	5.3

RISK/RETURN (SINCE INCEPTION)

	Composite	Linked Benchmark[2]
Alpha	4.1%	-
Upside/Downside Capture Ratio	108%/97%	-
Standard Deviation	26.0%	25.9%
Information Ratio	1.2	-
Tracking Error	3.4	-

Calculated using gross performance returns.

CONTACT INFORMATION

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Please see the GIPS Composite Report on the final page for more information. ***Please see important disclosure information.***

MARKET REVIEW

Equity markets did not skip a beat with the turn of the new year. Despite higher interest rates, the U.S. economy continued to perform well on the back of an extremely robust labor market. Consumer strength, however, has led to stubbornly elevated inflation data, which has driven down estimates for the number of rate cuts (by the Federal Reserve) in 2024. Investors largely shrugged off the latter in the first quarter and found solace in strong corporate earnings and artificial intelligence (AI) derivatives. Investors also found their way back to the energy sector, perhaps in large part to get more thematic exposure to the inflation trade. A rally in crude oil prices helped drive strong inflows from macro-focused funds.

Although midstream energy sputtered out of the gate, the sector put together an incredible run over the second half of the quarter (largely tracking the rally in crude). Many of the sector's leaders in 2023 drove the group higher in the first quarter of 2024. Permian-exposed names with strong balance sheets and shareholder-friendly capital allocation outperformed. Even natural gas infrastructure companies held up surprisingly well, despite a very weak natural gas backdrop. Investors largely looked through the near-term fundamental headwinds for natural gas and focused on LNG- and data center-driven demand growth over the medium term. Contrary to this domestic dynamic, weaker gas prices in Europe and Asia did in fact pressure LNG-exposed stocks during the quarter, resulting in material underperformance versus the group. Lastly, the large-cap Canadian pipeline companies continued to lag. Higher interest rates and elevated leverage were the primary headwinds for these names.

Commodity prices were mixed in the first quarter. Crude oil broke out of its fourth quarter downtrend, rallying over 16% to finish the quarter at $83. OPEC and Russia continued to keep supply in check, with over five million barrels of production per day sitting on the sidelines. Domestically, crude oil production declined slightly due to weather-related issues experienced during the period. Constrained supply was met with robust global demand (including better-than-expected Chinese data), resulting in tight supply-demand fundamentals. Additive to the equation was a flurry of geopolitical headlines in the Middle East that (eventually) drove a risk premium into the commodity. Natural gas prices, on the other hand, went in the opposite direction of crude. Henry Hub dropped 30% to finish the quarter at $1.76. This followed a 30% drop in the commodity over the last two months of 2023. Yet another warm winter, both domestically and abroad, resulted in below-average inventory draws and above-average storage levels. While producers announced and implemented production curtailments, the market remained very well supplied, making it difficult for the commodity to get any traction heading into shoulder season (lower-demand period).

PORTFOLIO REVIEW

The Duff & Phelps MLP and Energy Infrastructure Strategy (Strategy) returned 10.1% gross of fees (9.9% net) in the first quarter, which was in line with the Alerian Midstream Energy Index (AMNA), which returned 10.1%. The Strategy's secondary benchmark, the Alerian MLP Index (AMZ), returned 13.9%. Relative to the AMNA, the Strategy benefited from its allocation to, and stock selection within, the large-cap C-corp and pipeline MLP subsectors. This was offset by the Strategy's stock selection within the small- and mid-cap C-corp subsector.

The Strategy's best-performing relative positions during the first quarter, from a bottom-up attribution perspective, were Targa Resources Corp., Enbridge Inc., and MPLX LP. The Strategy was overweight Targa and MPLX and underweight Enbridge. Targa benefited from improved visibility on their 2025 free cash flow outlook while MPLX continues to benefit from strong EBITDA growth and capital return to shareholders. Enbridge, which tends to trade more like a utility than a midstream company, underperformed as interest rates climbed through the quarter.

The three largest detractors from relative performance in the first quarter were Cheniere Energy Inc., New Fortress Energy Inc., and ONEOK Inc. The Strategy was overweight Cheniere and New Fortress and underweight ONEOK. Cheniere lagged due to softening global LNG fundamentals and weaker-than-expected 2024 financial guidance. New Fortress also got caught up in the negative LNG sentiment and is behind schedule on its first FLNG project. ONEOK benefited from better-than-expected acquisition synergies, strong free cash flow, and increasingly attractive capital allocation.

INVESTMENT OUTLOOK

The midstream sector's 12% run from February 14 to March 31 (unsurprisingly) led to overbought conditions. We have seen a modest pullback in midstream stocks in early April, but this is not uncommon and likely just a healthy correction. While nobody has a crystal ball, we believe the sector can continue to perform well for investors given the macro backdrop. We remain encouraged by domestic production trends, ongoing consolidation, and attractive free cash flow yields, which are supporting shareholder-friendly capital allocation policies. Current midstream valuations are reasonable, but they could come under pressure if inflation and commodity currents reverse course or if we see a risk-off move in the market.

Commodity markets appear to be a tailwind relative to expectations to start the year, with higher crude oil prices and strong natural gas sentiment (drive by medium-term demand growth) providing a supportive backdrop. Domestic crude oil and natural gas production set record highs in 2023, and while both have seen a slight drop year-to-date, we continue to foresee further production growth over the medium term. Better-than-expected global oil demand and prudent supply management by OPEC+ has resulted in a tight market. If oil prices continue to climb from persistent demand growth and/or actual Middle East supply disruptions (the recent Israel / Iran strikes have not impacted supply), we could see additional barrels placed into the market this summer (from OPEC spare capacity or the U.S. SPR) to maintain market balance.

Natural gas balances, dissimilar to crude, remain oversupplied and we do not expect any material increase in global gas prices through the summer absent supply disruption. That said, in the U.S., weaker Henry Hub (HH) prices have not been a deterrent to investors. The market has largely ignored sub-$2 HH prices and has instead focused on the expected demand uplift from increased LNG exports, data center load growth, and reduced coal-fired generation. Altogether, these factors should drive notably higher domestic natural gas production, supporting both existing and new midstream infrastructure.

The micro story for midstream remains status quo. First quarter earnings are expected to be uneventful and full year guidance unchanged. Therefore, macro currents are likely to continue to drive thematic performance trends for the sector, consistent with what we have seen YTD. Midstream valuations have now eclipsed their five-year average, but this is well supported by the fundamental backdrop. As we have discussed before, we do not need to see the sector re-rate higher from here to realize attractive total returns. With a median yield of 6.5% and dividend growth of 5%, valuations could remain flat and the sector would still post a double-digit return over the next twelve months.

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

DAVID GRUMHAUS, JR.
Senior Portfolio Manager

KYLE WEST, CFA
Portfolio Manager

Important Disclosure Information

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 institutional account for the period based on relative contribution to the account's return versus the Benchmark. The Benchmark is the Alerian Midstream Energy Index. An average holding weight was computed based on daily ending market values. 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. Results exclude the effect of trading costs, fees and intraday trading prices.

[1] *Composite Inception Date: November 30, 2012. Time periods over one year are annualized. Net composite returns were calculated by subtracting the highest separate account investment management fee (including performance fees, if applicable) in effect for that period.*

[2] *The Benchmark is the Alerian Midstream Energy Index. The Linked Benchmark returns are compiled by linking returns of the Alerian Midstream Energy Index effective April 1, 2020 with returns of the Alerian MLP Index from inception through March 31, 2020. The Alerian Midstream Energy Index is a capped, float-adjusted, capitalization index comprised of North American energy infrastructure companies, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities. The Alerian MLP Index is a capped float-adjusted, capitalization-weighted index comprised of energy infrastructure master limited partnerships (MLPs), whose constituents earn the majority of their cash flow from midstream activities involving energy commodities.*

[3] *Portfolio information is based on a representative institutional account excluding cash. Holdings are subject to change.*

[4] *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.*

[5] *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.*

Duff & Phelps Investment Management Co. and VP Distributors, LLC are indirect subsidiaries of Virtus Investment Partners, Inc.

GIPS COMPOSITE REPORT

Year-end (12/31)	Annual Composite Return (%) Gross	Net	Annual Linked Benchmark Return (%)[1]	Annual Secondary Benchmark Return (%)	3-Year Annualized Standard Deviation (%) Composite	Linked Benchmark[1]	Secondary Benchmark	Number of Accounts	Asset-Weighted Dispersion (%)	Composite Assets (US $M)	Firm Total Assets (US $B)
2023	15.06	14.20	14.02	26.56	19.30	19.36	20.18	≤5	n.a.	637.5	12.3
2022	29.28	28.32	21.53	30.92	40.21	40.48	48.39	≤5	n.a.	688.0	12.0
2021	42.35	41.28	38.42	40.17	38.85	38.97	46.86	≤5	n.a.	558.6	12.2
2020	-34.37	-34.86	-38.19	-28.69	39.32	39.47	47.18	≤5	n.a.	388.0	10.6
2019	11.49	10.65	6.56	6.56	17.88	17.70	17.70	≤5	n.a.	413.6	11.2
2018	-13.19	-13.84	-12.42	-12.42	18.52	18.10	18.10	≤5	n.a.	400.4	9.0
2017	-1.12	-1.86	-6.52	-6.52	20.20	19.06	19.06	≤5	n.a.	480.2	10.2
2016	19.57	18.69	18.31	18.31	21.08	19.95	19.95	≤5	n.a.	477.7	10.3
2015	-29.23	-29.78	-32.59	-32.59	19.11	18.50	18.50	≤5	n.a,	362.6	9.2
2014	14.30	13.46	4.80	4.80	n.a.	n.a.	n.a.	≤5	n.a.	507.1	10.8

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, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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 other midstream energy companies with a focus on total return. Effective December 31, 2018, the Composite's focus was broadened through the inclusion of midstream energy companies (**other** than MLPs) as an additional primary investment. This change was made to reflect the evolving energy asset class structure and not as a result of a change in strategy. Material risks, in addition to market risk or potential strategy underperformance, include sector concentration risks and risk factors specific to MLP and energy infrastructure securities. The inception date of the Composite is November 30, 2012 and the Composite was created on December 31, 2012. The Composite contains 5 or fewer portfolios.
3. **Benchmark –** The Composite Benchmark is the Alerian Midstream Energy Index, a capped, float-adjusted, capitalization-weighted index comprised of North American energy infrastructure companies, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities. Effective April 1, 2020, the Composite adopted the Composite's former Benchmark, the Alerian MLP Index, as a Secondary Benchmark. The Alerian MLP Index is 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.

   Linked returns are compiled by linking returns (the "Linked Benchmark") from the Alerian Midstream Energy Index beginning April 1, 2020 with returns of the Alerian MLP Index from inception. The changes were made as a result of the broader focus on midstream energy companies other than MLPs, as well the inclusion of Canadian securities.
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. Composite dispersion is not presented for periods with 5 or fewer portfolios. The 3-year annualized ex-post standard deviation measures the variability of gross Composite returns 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. Net composite returns are calculated by subtracting the highest separate account investment management fee (including performance fees, if applicable) in effect for the period. Index returns do not reflect the deduction of any fees.
6. **Additional Information –** A list of all composite and pooled fund investment strategies offered by the firm, with a description of each strategy, is available upon request. The type of portfolios in which each strategy is available (segregated account, limited distribution pooled fund, or broad distribution pooled fund) is indicated in the description of each strategy. Duff & Phelps's policies for valuing investments, calculating performance and preparing GIPS reports are available upon request.

[1]*Linked Benchmark returns are compiled by linking returns from the Alerian Midstream Energy index effective April 1, 2020 with returns of the Alerian MLP Index from inception through March 31, 2020.*

INVESTORS SHOULD CONSULT THEIR TAX ADVISER TO FULLY UNDERSTAND THE IMPLICATIONS OF OWNING MLPS.