

## Q4 2020

### Strategy Assets

\$4.3 million<sup>1</sup>

### Strategy Inception

December 2009

### Investment Objective

The Strategy seeks attractive risk-adjusted total returns with relatively low correlation to equities and most other asset classes

### Key Account Information

- Minimum investment: \$250,000
- Accessible in separate account format to financial advisors using major custodial platforms including Fidelity and Schwab.
- Individual holdings in the Strategy issue either a K-1 or 1099 respective to company filings<sup>2</sup>

Please note "MLPs" used to designate publicly traded partnerships (MLP and often, the affiliated General Partners "GPs") and C-corps in the energy infrastructure sector.

<sup>1</sup> Assets as of December 31, 2020

<sup>2</sup> Other tax considerations may apply.

Please consult your tax advisor.

Information on this page is supplemental to the GIPS Composite Report provided at the end of this presentation.

## Role in a Portfolio

MAI's Energy Infrastructure & MLP Strategy is designed for investors who:

- Desire a combination of growth and regular income payments
- Wish to diversify a portfolio by using an asset class with low correlation
- Midstream MLPs often provide tax advantaged distributions.

## Investment Process

- Select a high conviction portfolio of about 15 names from the Midstream universe of MLPs, GPs, and C-Corps that trade daily on U.S. exchanges
- Use an active, nimble approach to management with greater structure and market cap flexibility than major MLP Indexes

## Midstream Focus

Transportation, gathering & processing, and storage



- Midstream MLPs are generally toll takers with long-term contracts; counterparties are typically investment grade credits
- Midstream businesses are more insulated from commodity price swings

## Strategy Performance (%)

Total Returns	QTD	YTD	1-Year	3-Year	5-Year	10-Year	ITD*	Volatility*
MAI MLP Composite	29.64	-29.18	-29.18	-13.76	-5.86	2.00	4.29	27.00
Alerian MLP (TR)	32.45	-28.69	-28.69	-12.69	-5.95	-2.31	0.66	28.40

Performance history through 12/31/20 is past performance and is no guarantee of future similar results. MAI Energy Infrastructure & MLP Strategy Composite ("MAI MLP Composite") includes dividends reinvested and is net of fees and expenses. \*Inception-to-Date ("ITD") start date is 12/31/2009. Volatility is measured as standard deviation of monthly returns since inception.

## About MAI

MAI Investment Management provides targeted investment solutions, communication and support to financial advisors and institutions. MAI Investment Management is a division of MAI Capital Management.

- Heritage dating back to 1973
- Privately held, independent SEC-registered investment advisory firm
- Total Firm Assets of \$9.1 billion<sup>1</sup>
- More than 190 Employees

### **For More Information Email:**

info@mai.capital

# MAI's Thesis

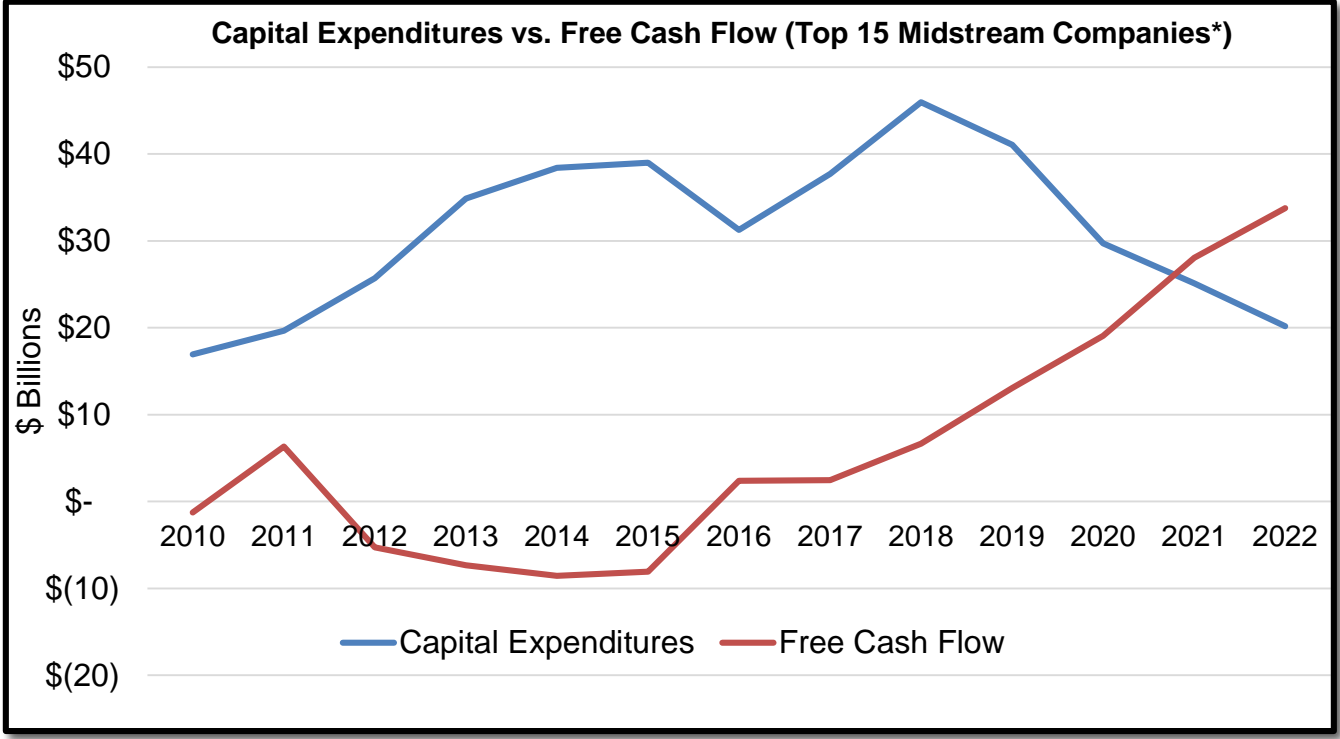
We believe Midstream MLPs have been battered in the broad energy sector sell-off but our long-term thesis remains intact:

1. Midstream securities have attractive total return potential.
2. MLPs have low correlation with other asset classes.
3. Midstream MLPs often provide tax advantaged distributions.
4. Midstream securities often provide inflation protection.
5. MAI's nimble approach to active management can be advantageous in a rapidly evolving industry.

## What makes MLPs compelling now?

### 1 An Improving Free Cash Flow Profile

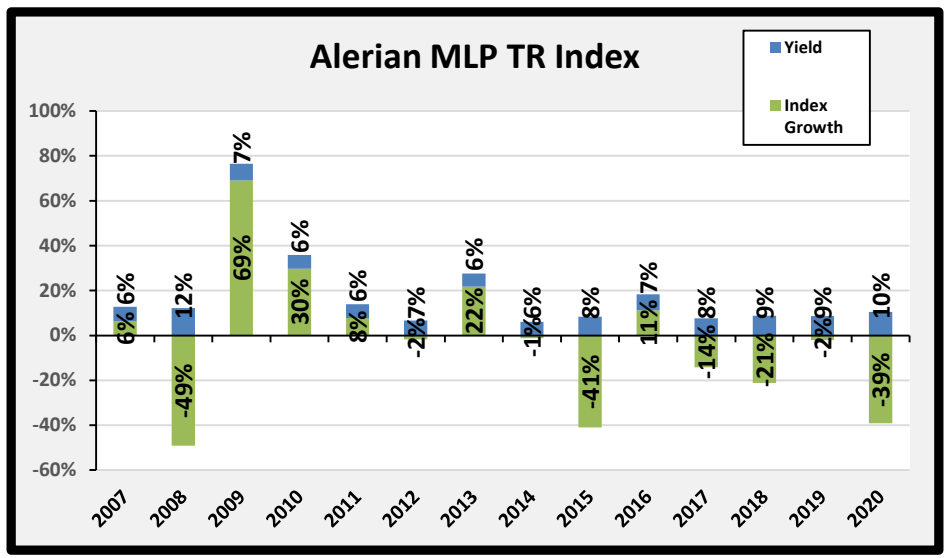
- After years of growth, the pipeline industry is transitioning to a slower growth environment
- Reduced capital spending is causing free cash flow rise meaningfully
- Rising free cash flow is available to reduce debt, increase dividends, repurchase shares and support industry consolidation



The chart is for illustration purposes only and does not reflect whether the companies were held or are in the MAI MLP Composite. \*Top 15 Midstream Companies refers to the top 15 of 36 U.S. pipeline partnerships and companies ranked by capital spending in 2020. Data represented for years 2021 and 2022 are Wall Street consensus estimates. Free cash flow is defined as cash flow from operations less capital expenditures. Information used from third party data is believed to be accurate but not guaranteed.

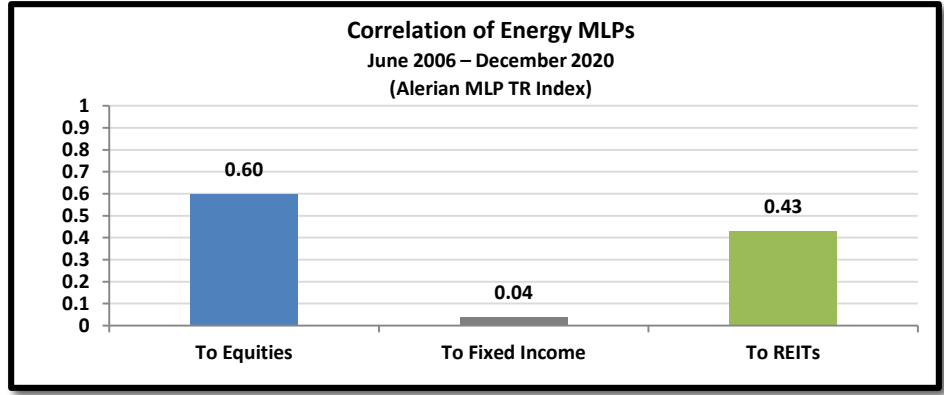
# Why Invest in MLPs?

## 2 Attractive Total Return Potential



## 3 Low Correlation

MLPs have historically offered low correlations to traditional asset classes



## Portfolio Construction

- 12-20 holdings
- Prioritize long-term contracts
- Geographic dispersion
- Balance of yield and growth
- Balance of oil/gas companies

## Portfolio Statistics

3-Year	MAI	AMZ
Sharpe Ratio	-0.34	-0.30
Beta <small>(vs S&amp;P 500)</small>	1.90	2.00
Alpha (%) <small>(vs S&amp;P 500)</small>	-28.22	-27.52
R <sup>2</sup> (%) <small>(vs S&amp;P 500)</small>	64.02	61.65
StdDev (%)	44.59	47.85

Period end date is 12/31/2020

## Portfolio Management

The strategy is managed by a team with an average of over 25 years of industry experience.

- Deep experience in equity & fixed income research, and portfolio management

**John Zaller, CFA**

**Jerry Gray, CFA**

**Jason Putman, CFA**

Past performance is no guarantee of future similar results. All performance includes dividends and is net of fees and expenses. Information on this page is supplemental to the GIPS Composite Report provided at the end of this presentation.

Notes:  
 2) Source: Alerian; Total Return (TR) consists of the annual yield and price index growth, i.e. 2020 price return was -39%, yield was 10%. Data as of December 31, 2020. This chart does not show the performance of the MAI Energy Infrastructure and MLP Strategy – it merely shows the historical total return of the Alerian MLP TR Index. Further, this performance is not a guarantee of future results. Current performance of the Index may be lower or higher than the performance data shown by this graph. The Alerian MLP Index is the leading gauge of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).  
 3) Source: Zephyr StyleADVISOR; Correlation of returns. Data for the period June 2006 – December 2020; Alerian MLP TR Index launch date was June 1, 2006.  
 (1) The S&P 500 Index is widely regarded as the best single gauge of large cap U.S. equities. (2) The Barclays U.S. Aggregate Bond Index is a broad-based bond index comprised of government, corporate, mortgage and asset-backed issues, rated investment grade or higher, and having at least one year to maturity. (3) The FTSE Nareit All REITs Index is a market-capitalization-weighted index that includes all tax-qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the American Stock Exchange, or the NASDAQ National Market List. Please note an investor cannot invest directly in an index.

Year Ending Dec. 31 (unless noted otherwise)	Total Firm Assets (USD millions)	MLP Composite		Annual Performance Results				Annual Composite Dispersion % (\$ wtd. standard deviation)	
				MLP Composite		Benchmark	For information only		
		Assets (USD millions)	# of Accounts	Gross	Net	Alerian MLP Index	Alerian MLP Infrastructure Index		
2020	9,107	4.3	7	-28.43%	-29.18%	-28.69%	-31.46%		0.22
2019	7,140	11.8	15	7.64%	6.57%	6.56%	6.68%		0.19
2018	4,314	16.1	22	-14.14%	-15.00%	-12.42%	-11.94%		0.19
2017	4,565	13.1	21	4.23%	3.20%	-6.52%	-8.81%		0.32
2016	3,895	18.8	22	12.81%	11.70%	18.31%	18.74%		0.58
2015	3,776	16.1	25	-27.34%	-28.08%	-32.59%	-31.74%		0.44
2014	3,814	48.5	46	21.17%	19.98%	4.80%	7.61%		0.50
2013	3,541	27.0	30	44.24%	42.85%	27.58%	29.48%		0.34
2012	2,960	33.3	40	10.98%	9.88%	4.80%	4.21%		0.42
2011	2,093	5.9	14	22.88%	21.68%	13.88%	16.99%		0.12
2010	1,995	6.6	12	31.58%	30.30%	35.85%	34.98%		-----

Past performance is no guarantee of future similar results. Performance for MAI and the indices includes dividends reinvested. MAI Capital Management, LLC ("MAI") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report

Standard deviation of monthly returns for the 3 year period ending Dec. 31	2020	2019	2018	2017	2016	2015	2014	2013	2012
MLP Composite (gross)	44.59%	18.39%	17.46%	19.79%	21.20%	20.19%	14.18%	12.43%	11.53%
Alerian MLP Index (benchmark)	47.85%	17.95%	18.36%	19.33%	20.23%	18.76%	13.73%	13.62%	13.56%
Alerian MLP Infrastructure Index	47.50%	18.19%	19.04%	20.00%	20.79%	18.74%	13.59%	13.34%	13.04%

in compliance with the GIPS standards. MAI has been independently verified for the periods December 31, 2003 through December 31, 2018. 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. The MLP Composite has had a performance examination for the periods December 31, 2009 through December 31, 2018. The verification and performance examination reports are available upon request. 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.

MAI is an independent investment adviser registered with the Securities and Exchange Commission. It was originally established as Investment Advisors International, Inc. (IAI) in 1973, and was an affiliate of International Management Group (IMG). In presentations produced prior to Q1 2020, total firm assets reported for 2018 and 2019 did not include the assets for certain private partnerships. The firm's list of composite descriptions, list of limited distribution pooled fund descriptions, and list of broad distribution pooled funds are available upon request. Additionally, policies for valuing investments, calculating performance, and preparing GIPS Composite Reports are available upon request.

The MLP Composite includes separately managed, fully discretionary accounts under management in MAI's strategy to achieve performance through capital appreciation and distributions from investments in publicly traded partnerships particularly those that focus on energy transportation, and related corporations such as general partners. This is a concentrated energy sector portfolio that may have risks, including federal tax policy risks not present in a more diversified portfolio. While volume based contracts may provide midstream MLPs with some insulation to commodity price swings, there are notable periods when a sharp fall in energy prices led to severe losses in the broad energy sector including midstream MLPs. In 2020, significant losses were primarily due to the demand destruction and subsequent decline in commodity prices related to COVID-19. In 2014 and 2015, a new oversupply of oil led the price per barrel of West Texas Intermediate crude to fall from \$98.17 at 12/31/14 to \$53.49 a year later and \$37.13 by end of 2015. Each MLP issues an annual Schedule K-1 to characterize the distributions, e.g. how much is a return of capital that impacts the cost basis. Investments in MLPs may result in taxable Unrelated Business Taxable Income (UBTI) that can be problematic for certain tax deferred or tax exempt accounts; seek tax advice for your account type before investing in MLPs. The strategy inception was 12/31/09; the composite was created in December 2009. From inception to December 2013 the composite was named the Energy MLP 15 Strategy Composite. New accounts that have a value of at least \$100,000 at the time of funding are included the first full month after they are fully invested. Accounts in programs that bundle or "wrap" trading costs into the custodian's fees are excluded and presented in a separate wrap composite. Returns reflect the reinvestment of dividends and other distributions, and are net of commissions and transaction costs. Net returns are calculated by deducting a monthly accrual for the highest possible investment management fee of 1% annually. The composite contained one non-fee paying account in 2014-2016 comprising 7%, 25% and 24% of year end assets respectively. Composite returns are presented net of 1%, therefore the net of fees presentation is not affected by this account. MAI's fee schedule for separate accounts managed in the strategy is 1% annually. Actual investment advisory fees incurred by clients may vary depending on, among other things, the portfolio size and any difference in negotiated fees. The U.S. Dollar is the currency used to present performance.

Asset-weighted standard deviation is a measure of the dispersion of the annual gross-of-fees returns for accounts included in the composite for the full year. Dispersion is not presented for periods when the composite contained five or fewer accounts for the entire period as it is not statistically meaningful. The three-year annualized standard deviation is a measure of the variability of the gross-of-fees composite returns and benchmark returns over time. In 2010, <5 accounts were in the composite the full year so composite dispersion is not presented.

**Benchmark history:** MAI's disclosure presentation for calendar year 2010 compared the Composite to the Citigroup MLP Index. Lack of transparency into the index constituents and construction methodology led MAI to seek a better benchmark. During 2010 the index provider Alerian eliminated a conflict of interest in by spinning off its asset management business to focus on index administration. In 2011 MAI selected Alerian's MLP Infrastructure Index as a new benchmark. Effective 6/30/15, MAI retroactively applied the parent Alerian MLP Index as the composite benchmark. The energy industry has been in rapid evolution as assets are being shifted via M&A, dropdowns from integrated firms to limited partnerships, structural changes by entities. Neither Alerian index includes companies structured as C-corps. However, we believe the broader Alerian MLP index better captures the opportunity set in our universe and provides a more representative benchmark for our investment strategy. The Index is float-adjusted and capitalization-weighted. Detailed information about the Alerian Index methodology is available at [www.alerian.com](http://www.alerian.com). Direct investment in an index is not possible. The MAI strategy is more concentrated than the index and may include securities outside of the index and master limited partnership structure.