MAINGATE MLP FUND





October 16, 2017

MLP UPDATE

THIRD QUARTER 2017

MLP and Midstream energy companies[1] continue to get little respect or interest from investors who seem to find comfort in the broader stock market, which continued to hit record highs. MLP price performance has suffered from misconceptions about the importance of the oil price and difficult conditions in marketing that are irrelevant to the excellent prospects of the segment.

The broader stock market has continued to climb a wall of worry, so much so that, paradoxically, investors appear less worried about risks and valuations[2] than they did in past years. Strategists continue to forecast earnings gains over the coming year, though we find it ironic that energy earnings are forecast to contribute disproportionally to overall gains (What? Energy earnings gains are part of the reason non-energy shares should rise?).

In contrast, with energy shares, very much including Midstream energy shares, it's just the worry without the climbing part. Perhaps the disconnect here is partly the result of investors acting as if interest rates are not going to rise except modestly. Perhaps the prospect of a significantly lower corporate tax rate is quite enticing, as it should be. Perhaps investors simply want to be invested in securities that are outperforming, a very understandable thought process, and yet one that ignores valuation and future opportunity. Perhaps there are few other places, attractive or not, to invest large sums of capital. In any case, we are not here to bash the choices investors are making, but to logically make the case as to the attractive valuation on current cash flow[3], and the seemingly lower risk and excellent long-term growth opportunities that exist in Midstream Energy companies. We do not pretend to know when Midstream Energy shares will outperform, but we remain confident that they will in future periods.

(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.

FUND PERFORMANCE

A Shares – AMLPX (as of 9/30/17)

NAV per Share		$9.03
POP per Share		$9.58
Returns:	Without Load	With Load
3 Month	-2.62%	-8.26%
Calendar YTD	-7.88%	-13.20%
1 Year	-4.22%	-9.70%
3 Year	-8.49%	-10.27%
5 Year	2.70%	1.50%
Since Inception (2/17/11)	4.10%	3.17%

C Shares – MLCPX (as of 9/30/17)

NAV/POP per Share		$8.87
Returns:	Without Load	With Load
3 Month	-2.77%	-3.73%
Calendar YTD	-8.38%	-9.25%
1 Year	-4.99%	-5.88%
3 Year	-9.17%	-9.17%
5 Year	N/A	N/A
Since Inception (3/31/14)	-4.85%	-4.85%

I Shares – IMLPX (as of 9/30/17)

NAV per Share	$9.22
Returns:	
3 Month	-2.57%
Calendar YTD	-7.73%
1 Year	-4.04%
3 Year	-8.27%
5 Year	2.96%
Since Inception (2/17/11)	4.36%

Gross Expense Ratio A Shares = 1.67% | Net Expense Ratio = 1.67%
Gross Expense Ratio C Shares = 2.42% | Net Expense Ratio = 2.42%
Gross Expense Ratio I Shares = 1.42% | Net Expense Ratio = 1.42%

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, 2018. 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, 2016 (the Fund did not have a current tax expense or benefit due to a valuation allowance).

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. Performance data shown "Without Load" does not reflect the deduction of the sales load or fee. If reflected, the load or fee would reduce the performance quoted.

MAINGATE
MLP FUND

It's not about the oil price anymore; MLPs do not need a higher oil price to perform. It's about the volume of oil, natural gas, ethane and propane to be gathered, processed and transported to market.

It has been true over most of the past three years of down and difficult markets for energy shares and MLPs that MLPs and Midstream Energy company share prices have correlated fairly highly with the price of oil. For most investors, it was a simple thought process: Oil prices are weak, oil is in surplus supply and there is little visibility to this changing. Prior to this most recent prolonged period, such oil price weakness has in fact impacted MLPs, but then the impact abruptly ended. No long-term harm, no foul. However, the last three years of choppy oil markets have continued to weigh on MLPs.

We've articulated this before but it's important to present that looking at the Alerian MLP Index (AMZ)[4], by our calculations, 75% of revenues are sourced by fees with minimum volume guarantees from credit-worthy customers. Another 13% of revenues result from volumes that are fee-based though not guaranteed, but a large proportion of these volumes flow and likely will continue to move or grow. Thus, 88% of revenues in the AMZ are fee-based and represent fairly stable cash flow for the large proportion of Midstream companies (please reach out to your MainGate representative for further information regarding calculations for our portfolio). Few other competitive industries can make this claim.

However, overhanging the Midstream marketplace have been company-specific issues. Most notably, certain high-profile companies which did suffer sharp declines in their supply and logistics businesses, or faced other difficulties tied to the oil price, the overbuilding of assets ahead of market requirements (because of the sharp decline in the oil price and reduced drilling) or the need for equity capital[5] in a market that was suddenly hesitant to supply this capital at affordable cost even for strong commercially-secured projects. There were also a limited number of distribution cuts, or resets, to strengthen balance sheets, as the rating agencies became more demanding. These felt more like disappointments in fundamentals to investors rather than accurately seeing the companies were deciding to strengthen their balance sheets due to the high cost of capital[6] or pressure from the rating agencies.

Few appear to recognize that all MLPs are not alike and only approximately 25% of underlying cash flow in the AMZ comes from crude oil with the majority of the remainder coming from assets related to natural gas and Natural Gas Liquids (NGLs). Tens of billions of dollars of projects have recently been built and additional tens of billions of dollars of projects are currently being built to 1) deliver natural gas and NGLs domestically to several dozen combined-cycle natural gas fired electric generation facilities currently being built or soon to be built and internationally through LNG[7] exportation. This is also evidenced by the quite large U.S. market share of chemical plant

Morningstar Ratings

★★★★

Class I Shares – 4-star Overall

★★★★

Class A Shares – 4-star Overall

★★★

Class C Shares – 3-star Overall

Each class rated among 84 Energy Limited Partnership funds based on risk-adjusted performance ending 9/30/17.

(4) 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. (5) Equity Capital: Invested money that represents the owners' risk through the purchase of a company's common stock and is not repaid to investors in the normal course of business. (6) Cost of Capital: The cost of funds used for financing a business. (7) LNG: Liquified natural gas.

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's I Shares received 3 stars over the three year period and 4 stars over the five year period. The Fund's A Shares received 3 stars over the three year period and 4 stars over the five year period. The Fund's C Shares received 3 stars over the three year period and 3 stars over the five year period. The five-year rating for C Shares is based on extended performance, using 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. These star ratings for all share classes were among Energy Limited Partnership Funds with 84 funds in the three year period and 38 funds in the five year period. **Past performance is no guarantee of future performance.**

construction projects currently underway in the world.

Therefore, the natural gas marketplace, and the markets for NGLs such as ethane, propane and butane are much more important to Midstream energy companies than oil, although this is seemingly misunderstood by investors. We do not intend, in this quarter's Letter to Investors, to repeat the details of the substantial opportunities created for Midstream energy companies in these businesses by the hundreds of billions of dollars being spent by the chemical industry and by electric utilities. We have covered this topic numerous times in previous letters. Still, it is important to point out that domestic and foreign chemical companies have concluded that U.S. sourced ethane and propane should be low-cost and in plentiful supply. This is evidenced by the large proportion of chemical plant construction projects currently underway in the world are located in the United States. Some of the balance, including plant conversions overseas, will utilize U.S. sourced ethane that will be exported.

What does all this mean?

There are several major conclusions to be made at this point. As with the oil price, natural gas, ethane and propane prices are historically low. However, with the drastically reduced cost structure of the domestic exploration and production industry[8], producers can profitably produce incrementally massive quantities of natural gas, ethane, propane and butane. It is these volumes, and not the price of these products, which matter to the Midstream energy companies. Much of this wave of new asset additions by the chemical industry and the electric utilities is in its early stages, and this story appears to have substantial and very profitable 'legs' going forward to potentially benefit Midstream Energy companies. This is a key component of cash flow growth analysis for these companies, and there is good visibility to the first wave of all these projects, which we believe will sustain growth over the next four years. Chemical companies and utilities are already considering a next wave of follow-on projects.

We should note here a couple of other related points, one a positive and one a negative. A number of assets including already built NGL pipelines, will likely benefit as these Gulf Coast ethylene crackers begin operation over the next couple of years. Similarly, companies with existing assets at Mont Belvieu, TX, with its numerous fractionators[9] and salt dome storage caverns should benefit from these assets and their ability to supply incremental product to customers and for export. Enterprise Products LP (EPD, $26.33) and Targa Resources Inc (TRGP, $45.69) are two well-positioned companies likely to significantly benefit from their existing assets. Enterprise currently has $9 billion of assets under construction to meet the requirements of customers and $6 billion of these will be placed in service by the end of 2018. With no incentive distribution rights (IDRs)[10], Enterprise has a low cost of capital and should generate strong returns. We will also mention with the Marcellus Basin supplying 23% of the U.S. natural gas supply, but likely a much greater portion in the future, there are and will likely be dislocations for pipelines which were built to move natural gas from the Southwest to the Northeast. In any changing and growing marketplace, there are always these types of adjustment issues. Companies need to adapt to changing markets and it is no different for Midstream energy companies. Most have and are doing so, albeit at a cost of some lost contracts and volume for certain companies.

Domestic oil producers have become incredibly efficient and low cost, benefitting Midstream energy companies.

The oil marketplace needs to be addressed in a similar manner as natural gas and NGLs, where lower prices have been matched by reduced costs through major efficiency gains over the past several years and become even more competitive on a world-wide basis. The energy headlines each day remain focused on the oil price, on the storage overhang (which continues to shrink), on the economic challenges of this lower price to the exporting countries of the world in the Organization of Petroleum Exporting Countries (OPEC)[11], Russia and certain other countries. With almost certainty, these countries now receive only half the revenues they enjoyed only three years ago (and the oil consuming countries have never sent a "thank you" note to the U.S. shale producers who have added 4.5 million barrels (mm bbls) per day of production to the market and brought the oil price down to a level it otherwise would not have reached).

Many oil companies invested vast sums in the past on the expectation of receiving greater revenue and returns on their investments. This is what happens with commodity businesses. More efficient producers in any industry are the ones who

(8) Exploration & Production (E&P): The finding, augmenting, producing and merchandising of different types of oil and gas. (9) A piece of chemical engineering or laboratory apparatus that is used to separate the components of a mixture by fractionation, especially by fractional distillation or by chromatography. (10) 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. (11) 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.

benefit. The United States is benefitting from producing incremental oil supplies, along with natural gas and NGLs, from new basins and reconfigured older basins, utilizing new technology highlighted by advances in horizontal drilling, hydraulic fracturing[12] and better well-completion techniques. Although technology is typically quite transferrable, producers in the United States are benefitting to the significant exclusion of much of the rest of the world. At worst, the U.S. has a significant head start. Some countries (and New York State) have even outlawed hydraulic fracturing. Mineral rights in the U.S. are owned by the land holders and not the government, in contrast to most other countries. The free market in the U.S., along with a number of excellent shale basins, moderately reasonable regulation and reasonably proximate demand have allowed the domestic energy industry to produce large incremental quantities of hydrocarbons at a substantially lower cost than only a few years ago, increasing their global competiveness. The Permian[13] and Denver-Joulesburg (DJ)[14] basins along with the SCOOP/Stack region of Oklahoma can produce oil profitably at $40 per barrel or less. The core portions of the Eagle Ford and Bakken fields are also competitive and profitable at current prices.

Our somewhat obvious conclusion is that price itself does not matter; it is the ability for producers to make a fair return on investment that leads them to drill for oil, natural gas and NGLs.

Current prices are reasonable because of higher productivity and resultant lower costs. Somewhat higher prices would certainly be welcomed by producers and would further increase U.S. production. The Energy Information Administration (EIA)[15] reported oil production in the U.S. in October 2016 was 8.46 mm bbls/d. Oil production in the last week of September 2017 was 9.57 mm bbls/d, up 1.1 mm bbls/d year over year (+13%). These gains, and the gain from U.S. oil production of 5 mm bbls/d at the end of 2008, have resulted from significantly improved well productivity despite the lower oil price. The rig count is roughly half of what it was only a few years ago. Much longer laterals and more fracs per well have significantly increased production per well and reduced the cost per barrel of oil or NGLs and mcf[16] of natural gas produced. The higher oil production volumes are quietly in the process of filling up the under-utilized oil pipeline capacity, in particular from the Permian, but less so from the DJ Basin which may be underutilized for several more years.

Although we just concluded that the oil price should have a limited impact on MLPs, perceptions are otherwise and we will here give our thoughts to the most asked questions of 'what about the oil price and excess oil in storage'.

We have been impressed with the historically high 86% OPEC compliance rate of their self-imposed quotas for the year-to-date, according to the International Energy Agency (IEA)[17]. Unlike in previous periods when OPEC fell short on adhering to instituted quotas and production cuts, most of OPEC and Russia have lived up to their agreement (Iran and Iraq are two countries that have been less compliant). Without question, the pain caused to OPEC members, which rely so heavily on oil revenues to fund their economies, has been impactful. Most appear to realize that they either stand together or they will drown together. That said, excess oil in storage has been declining, but more slowly than most analysts, including us, expected. The anticipated strength of U.S. oil production, but more so from higher production from Libya and Nigeria has offset a good portion of the 1.6 mm bbls/d demand increase for oil in the world in 2017 as estimated by the International Energy Agency (IEA).

Without trying to sound apologetic, but just intellectually honest, it is difficult to quantify worldwide oil and products in storage. U.S. crude inventories, which are much better tabulated, are some 85 mm barrels greater than the EIA's reported five-year historical average, even as gasoline and other products are approximately in line with historic levels. The IEA estimates that the total worldwide commercial stocks of crude oil as of July were 190 million barrels more than the five-year average. These estimates have been falling over the past two years, but remain elevated. With a relatively flat forward curve for WTI[18] over the coming year and Brent[19] in a modest backwardation (lower prices in future months), there is little reason to store oil and there are anecdotal reports of floating storage being sold into the market.

(12) Hydraulic fracturing: The forcing open of fissures in subterranean rocks by introducing liquid at high pressure, especially to extract oil or gas. (13) Permian Basin: A sedimentary basin largely contained in the western part of the U.S. state of Texas and the southeastern part of the U.S. state of New Mexico. (14) Julesburg Basin, Denver-Julesburg Basin (after Julesburg, Colorado), or the D-J Basin, is a geologic structural basin centered in eastern Coloradoin the United States, but extending into southeast Wyoming, western Nebraska, and western Kansas. (15) 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. (16) MCF is an abbreviation denoting a thousand cubic feet of natural gas. (17) International Energy Agency (IEA): An autonomous organization which works to ensure reliable, affordable and clean energy for its 29 member countries and beyond. IEA's four main areas of focus are: energy security, economic development, environmental awareness, and engagement worldwide. (18) West Texas Intermediate (WTI): A grade of crude oil used as a benchmark in oil pricing; also known as Texas light sweet. (19) Brent Crude is a major trading classification of sweet light crude oil that serves as a major benchmark price for purchases of oil worldwide. This grade is described as light because of its relatively low density, and sweet because of its low sulphur content.

These facts, combined with many oil producers who indicate that they are hedging 2018 oil production at north of $50, lead us to believe the oil markets may, in fact, be somewhat stronger than commonly believed. That said, we have been following the oil markets for a number of decades and know that predicting the oil price is indeed a very tall order. We will be satisfied if investors simply agree with us that as long as U.S. oil producers can be reasonably profitable, which we will say is $45 to $55 per barrel, Midstream energy companies will manage reasonably well. However, the steady tightening of the oil markets, the current backwardation which supports inventory drawdown[20] and recent oil price strength, even as significant hedging activity is taking place, make us more optimistic about the oil price. Mr. Putin of Russia indicates that he is open to extending the current output quota deal through the end of 2018 if it is required, in line with statements from Saudi Arabia and other OPEC countries. We are willing to take them at their word because the cost to them of excess oil and a lower price is so great. All this said, it appears logical to us that oil will mostly be in the mid-$40's to mid-$50's over the coming year, and high enough for Midstream investors to finally see relief from the persistently high correlation[21] between their security and oil prices.

Are we close to the twilight of fossil fuels and is peak demand not that far ahead? Our answer is emphatically 'NO'.

We have lately been challenged by investors about whether fossil fuels are currently enjoying their last gasp of growth before the world moves on to solar, wind and other alternatives such as hydrogen. We are also questioned as to when electric vehicles (EVs) may make the internal combustion engine (ICE) obsolete and erase the main demand for oil. It is logical to believe that energy consumption in Western Europe and the U.S. may indeed level out or decline because of conservation and energy efficiency, and also that electric cars will gain market shares. Observers frequently capture well what they see close at hand and do not analyze distant markets as well. That said, the EIA continues to project demand increases for oil consumption in the U.S. in both 2017 and 2018 (they do not forecast beyond 2018). Regulations and economic incentives may drive a decline in oil consumption in the U.S. and Western Europe. How far and how fast such changes may take place are debatable topics.

The EIA forecasts continued growth in petroleum and natural gas use in the world through at least 2040. Their forecast calls for a 28% growth in world energy demand by 2040 (from 2015). Oil demand is forecast to grow by 18.9% over this period as natural gas demand, along with alternatives, rises much more quickly. How are such forecasts possible? The EIA and IEA in their long-term forecasts point to substantial demand for energy in Asia as those countries continue to grow rapidly. Simply stated, the 4.4 billion people in Asia desire the comforts that we have, and their economies are expected to continue growing rapidly. The IEA points to about one-third of oil demand growth in their forecast being diesel fuel for trucks, And another one-third is for automobiles, again in Asia. Finally, some of the balance is for air transport as the number of airplanes continues to grow. China does show an interest in solar, along with a potential shift from coal to natural gas. Although a recent Morgan Stanley report may be optimistic, they forecast India's GDP[22] tripling to $6 trillion over the next ten years. We have heard such forecasts before about India and they have not panned out. Finally, most of these Asian countries do not have enough indigenous fossil fuels to meet their current needs. They appear likely to require increasingly large imports of oil and natural gas in future years. Plastics are also expected to be demanded in substantial quantity as Asians emulate the western lifestyle. This translates into more demand for ethane and oil.

We think the "punchline" of the EV story comes from another Morgan Stanley report. In their aggressive scenario, they calculate EV penetration of total new vehicle sales in 2025 could result in 1 mm bbls/d in reduced global demand for crude oil. However, this would be less than 1% of total demand in 2025, and would still allow the market to grow by a net 4-5 mm bbls over the same time period. We recognize that the markets for EVs and efficiencies in ICE are dynamic and this forecast could prove to be better or worse for oil consumption. But we think based on information and forecasting currently available that EVs are only a topical conversation, not a worry to be priced into energy companies.

(20) Drawdown: The peak-to-trough (lowest point) decline during a specific record investment period; usually quoted as the percentage between the peak and the trough. (21) Correlation: The measure of the relationship between two data sets of variables. (22) Gross Domestic Product (GDP): The monetary value of all goods and services produced within a country's borders in a specific time period (typically one year).

Why are we excited about Midstream energy company valuation and our portfolio?

We believe that the stock market is discounting very little going right for Midstream energy companies, even as we have pointed out, more in previous letters than this one, that fundamentals are currently strong at the preponderance of companies, as are most balance sheets. In addition, many strong and high return projects are being built to satisfy the needs of customers, mostly in the chemical and electric utility industries. The spread between cost of capital[23] and return on invested capital[24] is favorable for most companies, even with the elevated cost of common equity[25]. Many have eliminated IDRs[26] and otherwise managed their capital costs. In this letter, we have attempted to debunk what we believe to be the negative and incorrect perceptions about issues which have plagued the group. We very much believe that these perceptions will shift, and likely over the coming year, as oil markets balance, the oil price likely stabilizes or even rises a bit and as company results continue to improve with the benefit of significantly increased volumes moving through existing systems.

The most difficult question for us to answer is: What is the catalyst that will help Midstream energy companies realize price upside? We used to believe that it was as 'simple' as an oil price recovery. It now appears that the world, and investors, will have to get used to oil in the $45 to $60 range. This is a range that will work reasonably well for domestic producers, but not nearly as well for many others in the world. Logic would say that prices should settle in the upper end of this range. The 'catalyst' may be when investors realize that $50 or $55 oil is the old $95, but is actually better competitively for U.S. producers and therefore U.S. Midstream companies. The market has also been surprised and disappointed when companies including Plains All American Pipeline LP (PAA, $20.72)[27] and Genesis Energy LP (GEL, $24.19)[28] recently reduced their distributions. These distribution cuts do not change the value of these companies if all else is unchanged, as we essentially believe is the case (with Plains, little value should have been placed on the small difference in their Supply and Logistics results). In fact, these cuts were credit positive, and therefore fundamental equity positive, as they were made to strengthen balance sheets and in response to the markets' unwillingness to value the company's equity more highly.

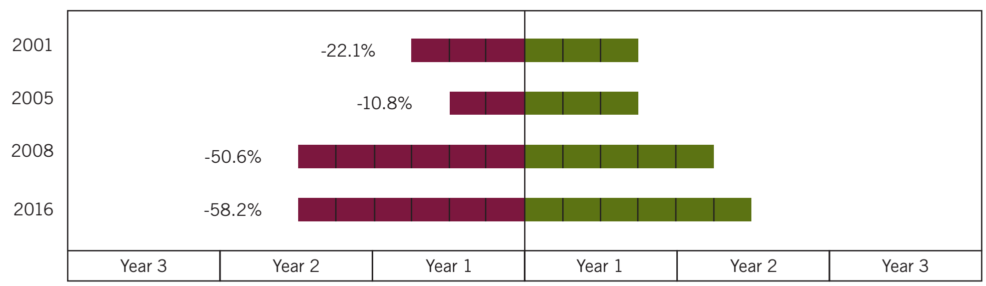
Many MLP management teams are displeased with their cost of equity and access to affordable common equity. It may take time for investors to appreciate the significant value in the MLPs which are reducing distributions for capital access and balance sheet reasons. We see this as wrong footed as the actions are a logical use of their distributable cash flow (DCF)[29]. We have never understood why sell-side analysts and many others have valued MLPs off their yields[30] instead of multiples of EBITDA[31] or DCF, adjusting for debt level. We believe using retained earnings for projects is smart, even as these companies improve their balance sheets. It may take time for investors to appreciate the significant value and opportunity in MLPs. We continue to own PAA, PAGP and GEL, believing current valuations are at least as attractive and that long-term growth prospects are quite good.

Other possible catalysts are more obvious. First, there could be takeover bids for Midstream companies in an industry many believe is ripe for consolidation. Second, a surprise loss of oil production in one of the many unstable countries in the world exporting oil. With only a modest excess capacity to produce oil in the world, it wouldn't take much if a strike in Venezuela shut down its exports or the equivalent in any of a few other countries. Third, a strong series of company reports in one of the next few quarters. We estimate consensus DCF/unit growth of AMZ to be a 9.1% in 2018. Perhaps strong volume and throughput growth driving cash flow will be appreciated. Lastly, it might be nothing at all or a shift in focus from the broader market to energy, a direction some

(23) Cost of Capital: The cost of funds used for financing a business. (24) Return on Invested Capital: A return from an investment that is not considered income. (25) Cost of Equity: The return (often expressed as a rate of return) a firm theoretically pays to its equity investors, i.e., shareholders, to compensate for the risk they undertake by investing their capital. (26) 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. (27) Plains All American Pipeline (NYSE: PAA) is a publicly traded Master limited partnership in the oil pipeline transportation, marketing, and storage business in the United States, liquefied petroleum gas business in Canada, and natural gas storage business in Michigan and Louisiana. It owns about 37 million barrels (5,900,000 m^3) of terminal and storage capacity and 15,000 miles (25,000 km) of crude oil pipelines. (28) Houston-based, Genesis Energy provides midstream energy infrastructure and logistics services to move product-to-market efficiently. (29) 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. (30) 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. (31) Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Essentially net income with interest, taxes, depreciation, and amortization added back to it; can be used to analyze and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

strategists are beginning to point to. We believe that value can only remain unrecognized for so long (and it has been a long time already!). We will present this chart below of all previous downturns of MLPs and recoveries. This has been the longest downturn of MLPs and essentially tied for the deepest. However it has been by far the slowest recovery.

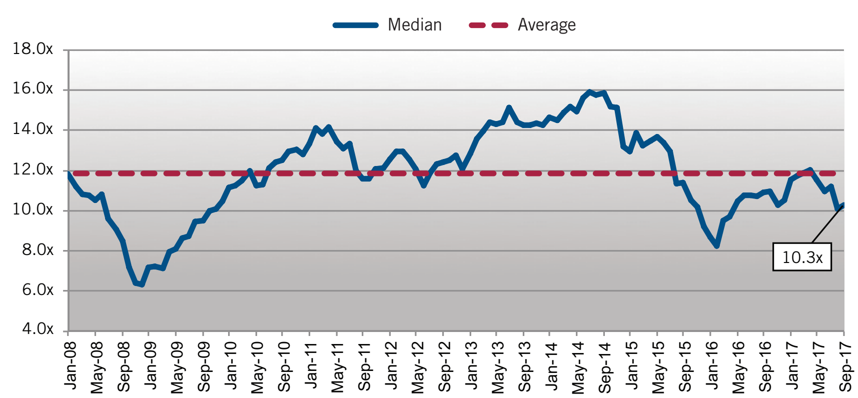
Length of MLP Market Drawdowns and Recovering to Breakeven



Source: Bloomberg LP as of 9/30/2017

As of 9/30/17, Wells Fargo calculates their large universe of Midstream companies is trading at a 15.6% discount to the five-year EV to EBITDA[32] average multiple. We believe it is equally important that volume growth, on existing and newly built systems, is set to significantly augment cash flow over coming years at many companies, driving the DCF/unit growth we referenced above. The distribution coverage ratio[33] for the AMZ appears set to rise to 1.22x in 2018 from the 1.17x in 2017. This improvement of retained cash will reduce the cost of capital for many MLPs and improve their balance sheets, both important to valuation for those who are still paying attention to these important metrics. As in past newsletters, here are the reminders of valuation:

Price/Distributable Cash Flow per Unit

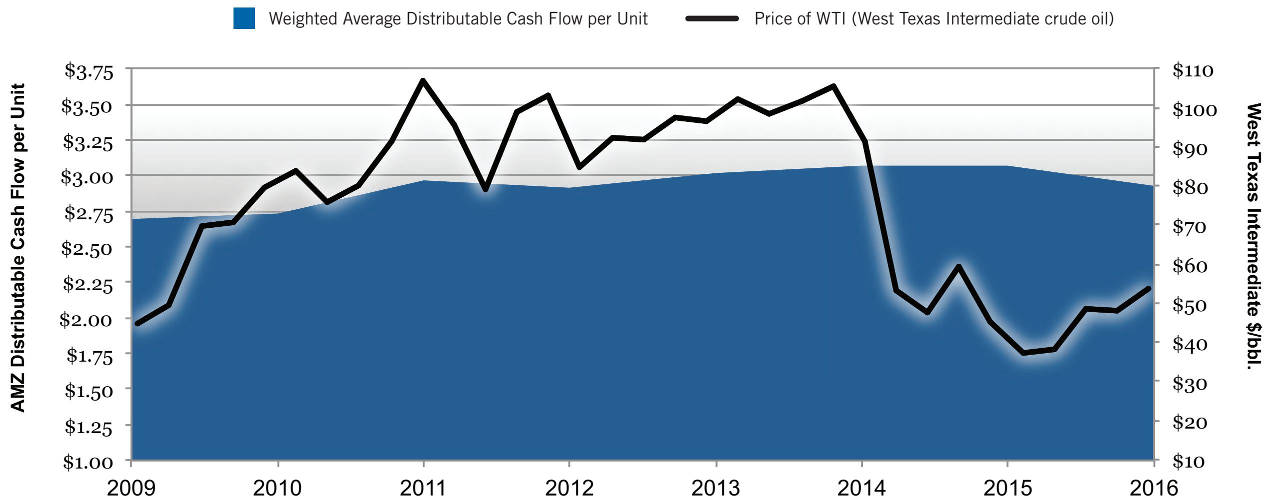


Average = 11.8x | Current = 10.3x | Minimum = 6.3x

Source: Bloomberg LP & Chickasaw Capital Management, LLC as of 9/30/2017

(32) Enterprise Value to EBITDA (EV/EBITDA): A measurement of value, calculated as a company's market value, divided by its Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA). (33) Distribution Coverage Ratio: An MLP's distributable cash flow divided by the total amount of distributions it paid out.

AMZ DCF/U vs. WTI



Source: Bloomberg LP & Chickasaw Capital Management, LLC as of 8/30/2017

We are steadfast in our belief that Midstream energy companies represent excellent value with limited risk and with more substantial long-term prospects than we have seen in our long careers.

Although we did not focus in this letter on the specific growth opportunities in various basins and the magnitude of these, we need to at least mention that this potential, as well as for the export market, has only improved. Many chemical companies and electric utilities are working on their next phase of projects that likely will benefit Midstream energy companies in the next decade. The risk-to-reward ratio[34] at Midstream energy companies appears quite good to us, especially with a 9% cost of capital, as calculated by Wells Fargo at what is arguably a difficult point in the market for cost of equity[35] capital. We believe we have a portfolio that is poised for excellent performance when the dark clouds of negative perception toward energy companies lift even a modest amount. We thank you, our investors for your confidence in us and can assure you that each of us at MainGate is working hard to justify your trust.

David Fleischer, CFA — Geoffrey Mavar — Matt Mead — Robert Walker

(34) Risk/Reward Ratio: Compares the expected returns of an investment to the amount of risk undertaken to capture these returns. Calculated by dividing the amount of potential loss (i.e. the risk) by the amount of potential profit (i.e. the reward). (35) Cost of Equity: The return (often expressed as a rate of return) a firm theoretically pays to its equity investors, i.e., shareholders, to compensate for the risk they undertake by investing their capital.

References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (each, an "index") are provided for your information only. References to an index does not imply that the portfolio will achieve returns, volatility or other results similar to the index. The composition of the index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. It is not possible to invest directly in an index.

Earnings Growth is not a measure of the Fund's future performance.

Distributed by Quasar Distributors, LLC.

MAINGATE MLP FUND

Net Assets (as of 9/30/17)	$1,821,419,518
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 (7/26/17)	$0.1575

Top 10 Holdings (as of 9/30/17)	**% of Fund**
Targa Resources Corp.	9.40%
Energy Transfer Equity, L.P.	9.00%
Enterprise Products Partners, L.P.	8.54%
Williams Companies, Inc.	6.32%
Enlink Midstream, LLC	6.25%
SemGroup Corporation	5.51%
Shell Midstream Partners, L.P.	5.13%
Western Gas Equity Partners, L.P.	5.06%
Genesis Energy, L.P.	4.88%
Dominion Midstream Partners, L.P.	4.77%

Top Sectors (as of 9/30/17)	**% of Fund**
Crude/Refined Prod. Pipe/Storage	37.05%
Natural Gas Pipe/Storage	42.84%
Natural Gas Gather/Process	20.11%

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 9/30/17)		
NAV per Share		$9.03
POP per Share		$9.58
Returns:	**Without Load**	**With Load**
3 Month	-2.62%	-8.26%
Calendar YTD	-7.88%	-13.20%
1 Year	-4.22%	-9.70%
3 Year	-8.49%	-10.27%
5 Year	2.70%	1.50%
Since Inception (2/17/11)	4.10%	3.17%

Performance: C Shares (as of 9/30/17)		
NAV/POP per Share		$8.87
Returns:	**Without Load**	**With Load**
3 Month	-2.77%	-3.73%
Calendar YTD	-8.38%	-9.25%
1 Year	-4.99%	-5.88%
3 Year	-9.17%	-9.17%
5 Year	N/A	N/A
Since Inception (3/31/14)	-4.85%	-4.85%

Performance: I Shares (as of 9/30/17)	
NAV per Share	$9.22
Returns:	
3 Month	-2.57%
Calendar YTD	-7.73%
1 Year	-4.04%
3 Year	-8.27%
5 Year	2.96%
Since Inception (2/17/11)	4.36%

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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info@chickasawcap.com

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, 2018, 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, 2016 (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 1.67% for Class A shares, 2.42% for Class C shares, 1.42% for Class I shares.