MAINGATE MLP FUND

January 15, 2018

MLP UPDATE

FOURTH QUARTER 2017

Our optimism for Midstream Energy shares and MLPs[1] has rarely or ever been higher, but after 3½ years of declines and underperformance, it seems to us that investors have given up on Midstream Energy Companies, as the broader markets performed strongly, and as a number of issues, now largely resolved, weighed on MLPs and Midstream Companies. We believe both valuation[2] and fundamentals have rarely been this attractive.

There is a great deal of irony in that distributable cash flow (DCF)[3] per unit or per share of our Model Portfolio has continued to grow each year over recent years (DCF of the Alerian MLP Total Return Index (AMZX)[4] grew or held flat), while share and unit prices performed quite poorly. It isn't often that cash flow and prospects continue to improve for a group, and share prices remain weak and volatile in an otherwise attractive market. The AMZX fell 58.2% from August 2014 to February 11, 2016 and the index remains well below its 2014 high. The only other MLP price decline that comes close to this decline and protracted weakness was during the financial crisis of 2008 and 2009, when market and financial risks were much greater. All of the before mentioned has paradoxically taken place while visibility to long-term profitable growth only improved, driven by decreases in production costs for natural gas, natural gas liquids (NGLs) and oil allowing the United States to become the major incremental hydrocarbon supplier domestically and to the world. These incremental volumes are currently translating into near term cash flow visibility, and appear highly likely to continue to lead to major and very profitable growth opportunities for Midstream Energy Companies for many years into the future. We have asked investors for their patience for the past several years as these fundamental factors take shape. Our research shows we are not only at the cusp of the fundamental forecasts becoming reality, but they are happening at a time when the group trades at a historically low valuation.

(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) 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. (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.

FUND PERFORMANCE

A Shares – AMLPX (as of 12/31/17)

	Without Load	With Load
NAV per Share		$8.83
POP per Share		$9.37
Returns:		
3 Month	-0.36%	-6.08%
Calendar YTD	-8.21%	-13.51%
1 Year	-8.21%	-13.51%
3 Year	-6.80%	-8.63%
5 Year	2.71%	1.51%
Since Inception (2/17/11)	3.89%	3.00%

C Shares – MLCPX (as of 12/31/17)

	Without Load	With Load
NAV/POP per Share		$8.66
Returns:		
3 Month	-0.48%	-1.46%
Calendar YTD	-8.82%	-9.67%
1 Year	-8.82%	-9.67%
3 Year	-7.50%	-7.50%
5 Year	N/A	N/A
Since Inception (3/31/14)	-4.65%	-4.65%

I Shares – IMLPX (as of 12/31/17)

NAV per Share	$9.03
Returns:	
3 Month	-0.24%
Calendar YTD	-7.95%
1 Year	-7.95%
3 Year	-6.58%
5 Year	2.97%
Since Inception (2/17/11)	4.16%

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

Broad market averages have turned in some remarkable years and trade at—some argue—full or more than full multiples. We find the historically attractive valuations, balance sheet strength and future prospects of MLPs to be an unusual investment opportunity.

It has truly been an extraordinary period in the stock market over the recent year. In 2017, the Dow Jones Industrial Average (DJIA)[5] rose 25.1%, while the Standard and Poor (S&P) 500[6] was up 19.4%. The NASDAQ[7] 100 soared by 31.5% this past year, while the Dow Jones Global Index[8] advanced 21.8%. The S&P 500 Index trades at approximately 23 times trailing earnings, compared to the ten-year average of 17 times, as estimated by Factset[9]. Even so, strategists forecast 11% to 12% earnings growth in 2018 for the S&P 500, which interestingly includes the potential benefit of reduced taxes and outsized earnings gains in the energy sector, and most investors remain optimistic. Citi[10] forecasts 8% growth in the price of global equities in 2018, with the biggest gains expected in emerging markets and Europe. Other forecasts do not appear to be appreciably different. We believe this uniform optimism to be predictable, but also worrisome, particularly with interest rate increases expected by most forecasters from their current very low levels, and with market multiples so much higher than historic levels.

Without trying to rain on anyone else's parade, we see MLPs and Midstream Energy Companies as broadly offering a risk-reward ratio[11] that arguably is difficult to find anywhere else. We prefer to focus on the risk side of the equation and will point to the strong balance sheets. Our Model Portfolio carries a debt to earnings before interest taxes depreciation and amortization (EBITDA)[12] ratio of 3.5 times, while we estimate the Alerian Index is at a quite acceptable 3.8 times. Consensus estimates indicate our Model Portfolio could also grow cash flow per unit by 13.3% in 2018, with additional, further gains expected in future years. This forecasted growth in 2018 emanates from a full year of cash flow from recently completed projects and capital already spent, plus higher volumes on existing assets. Further cash flow gains are likely in 2019 and 2020 from known demand-pull projects and increasing volumes from

Morningstar Ratings

Class I Shares – 4-star Overall

Class A Shares – 4-star Overall

Class C Shares – 3-star Overall

Each class rated among 90 Energy Limited Partnership funds based on risk-adjusted performance ending 12/31/17.

(5) Dow Jones Industrial Average (DJIA): A price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. [Weighted Average: A calculation in which each quantity to be averaged is assigned a weight that represents its relative importance.] (6) S&P 500: A free-float capitalization-weighted index published since 1957 of the prices of 500 large-cap common stocks actively traded in the United States. (7) NASDAQ: a market capitalization-weighted index that is designed to represent the performance of the National Market System which includes over 5,000 stocks traded only over-the-counter and not through an exchange. (8) Dow Jones Global Indexes (DJGI): A family of international equity indexes, including world, region, and country indexes and economic sector, market sector, industry-group, and subgroup indexes created by Dow Jones Indexes, a unit of Dow Jones & Company best known for the Dow Jones Industrial Average. The indexes are constructed and weighted using capitalization weighting. They provide 95 percent market capitalization coverage of developed markets and emerging markets. (9) FactSet: A multinational financial data and software company headquartered in Norwalk, CT, United States. The company provides financial information and analytic software for investment professionals. (10) Citibank: The consumer division of financial services multinational Citigroup. Citibank was founded in 1812 as the City Bank of New York. (11) 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). (12) 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.

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 90 funds in the three year period and 43 funds in the five year period. **Past performance is no guarantee of future performance.**

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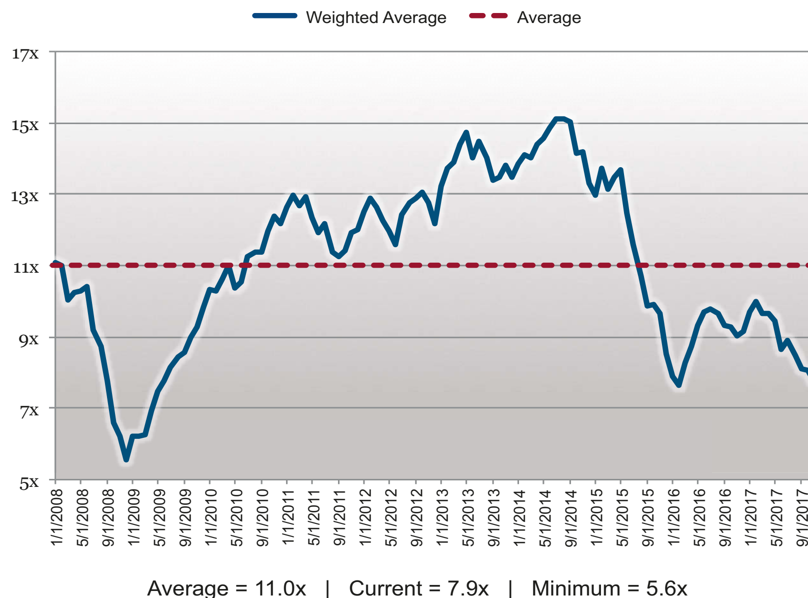
rising natural gas, NGL[13] and oil production. We anticipate NGL cash flow contributions should, in particular, rise significantly in 2018 and contribute meaningfully to growth for a number of companies, as a number of ethylene crackers ramp up, are completed, and consume massive quantities of ethane. Investors have focused more on the essentially flat distributions paid out by MLPs in 2017 (Citi calculated distributions fell 0.7% in 2017) as many MLPs retained cash (we explain this topic better in a following section), and paid out a smaller proportion of cash flow. Below is our latest view on the Alerian's P/DCF[14], which shows a compelling 7.9x current valuation versus 11.0x historically. This implies 39% upside simply from mean reversion.

ing, hydraulic fracturing[15] and well completion techniques have sharply reduced energy production costs in the U.S. and moved the U.S. energy producers to the forefront of the world. Oil production costs have been reduced by 40% to 60% according to various estimates, albeit the cost savings are realized in the most productive portions of the best fields, which is where so much production is currently being sourced, and very efficiently with a rig count barely half of the level of only a few years ago. It does appear to be some cost inflation driven by higher commodity prices and labor shortages for frac crews and other skilled labor; however, this shouldn't derail volume growth projections.

Alerian Weighted Price to Distributable Cash Flow



Average = 11.0x | Current = 7.9x | Minimum = 5.6x

Bloomberg, Chickasaw, 12/31/17

There are very few industries that have the anticipated five-year or longer growth prospects of MLPs and Midstream Energy Companies.

Technology has impacted the broader energy markets and Midstream Energy Companies in more substantial ways and with greater positive implications than the bulk of other industries. The combination of advances in horizontal drill-

As an example, the mammoth Marcellus Shale[16] field, which currently produces 25% of the natural gas supply of the United States, essentially did not exist a decade ago as finding and development costs exceeded $10 per thousand cubic feet (MCF). Those costs have declined some 80% on the backs of 1) horizontal wells reaching out 5,000 to 10,000 feet from the vertical portion of the well, 2) advances in hydraulic fracturing, which currently number as many as 25 separate locations along the

(13) NGL: A diversified midstream MLP that provides multiple services to producers and end-users. Transportation, storage, blending and marketing of crude oil, NGLs and Refined Products / Renewables. (14) Price to Distributable Cash Flow (P/DCF): Market cap of the MLP divided by a full year of distributable cash flow, which is 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. (15) Hydraulic fracturing: The forcing open of fissures in subterranean rocks by introducing liquid at high pressure, especially to extract oil or gas. (16) The Marcellus Shale: Also referred to as the MarcellusFormation, is a Middle Devonian-age, black, low-density, carbonaceous (organic-rich) shale that occurs in the subsurface beneath much of Ohio, West Virginia, Pennsylvania and New York.

horizontal wells, 3) pad drilling[17], which allows numerous wells to be drilled in different directions from one site, and 4) major advances in well-completion techniques, using greater pressure and larger amounts of sand to hold open fractures in the rocks. It is dumbfounding to think a region that imported natural gas not many years ago can now be supplying natural gas to the entire Northeast and portions of the Middle Atlantic States.

The chemical, utility, fertilizer and general manufacturing industries finally 'discovered' 5 years ago that the United States can produce massive quantities of ethane, propane and natural gas. All these industries have started operating these long-lead time assets from the billions of dollars they spent, and are busy building additional and new facilities to consume the low-cost and plentiful supply of ethane, propane, butane and natural gas. Many estimate the supply amounts to well over a hundred-year's from known reserves and the implied resource base. The American Chemistry Council (ACC)[18] announced updated project statistics in December 2017. The chemical industry has to date announced 317 projects costing $185 billion. Many have been built or are nearing completion, but others are in the early planning stages. Some eleven world-scale ethylene crackers consuming 60,000 to 100,000 bbl/d of ethane each are being constructed in the U.S., with half of these completed already in 2017 or in 2018. Similarly, some 36 natural gas combined-cycle electric generation facilities, representing 55 gigawatts of new demand, are in the building or planning stages to meet growing demand for electricity or to replace coal-fired and nuclear plants scheduled for decommissioning.

The energy volumes being (or soon to be) demanded by the chemical and electric utility industries and for export are substantial. They all need to be gathered, processed, transported, fractionated[19], stored and delivered to customers or exported by Midstream Energy Companies. Forecasts from the Energy Information Agency (EIA)[20], IHS[21]-Markit and other credible forecasters show natural gas consumption and exports as LNG[22] may allow U.S. production to grow in excess of 4% per year for a substantial number of years. Forecasts by Enterprise Products L.P. (EPD, $28.58), the largest Midstream company focused on NGLs, show double digit consumption growth of NGLs (ethane, propane and butanes) for a number of years, as the chemical industry ramps up its use of low cost ethane and propane in the U.S. The EIA forecasts oil production rising by 800,000 barrels per day in the U.S. in 2018 versus 2017 and sees oil production exceeding 10 million bbls/d by March 2018. Further substantial gains are forecast in 2019. We conclude at least for the next five years, and very likely longer, there will likely be substantial incremental volumes of energy produced in the U.S. to facilitate significant and profitable growth for Midstream Energy Companies. Given the general discipline to build only assets that attract long-term contracts from customers and to ensure an attractive spread between cost of capital[23] and return on invested capital[24], we believe MLP and Midstream Energy Companies will continue to enjoy profitable growth, although we will caution as always the potential benefits will likely not accrue to all companies, and discrimination in investment choices remains critical.

A number of challenges weighed on Midstream Energy Companies in recent years, but we believe they are now substantially behind us.

Investors have long posed questions about a number of issues impacting and overhanging the group, debated our answers by saying none were of major long-term concern and asked what the catalysts might be to restore investor interest in Midstream Energy Companies. Our answer remains long-term fundamentals at most companies remained strong and the various issues appeared to be limited in duration[25] and financial impact. We will briefly review the issues here and show the catalysts that are related to the strong fundamentals, have been present, but our opinion is they have been ignored for many years. Although one should never conclude these issues are totally and forever resolved, and other challenges will inevitably appear, we do believe investors can have a reasonable comfort level about each and it is time to focus on the continued strong fundamental prospects of the group.

1. Oil Prices – MLPs declined almost in lock step with oil prices as they fell from nearly $100 a barrel in the

(17) Pad drilling: The practice of drilling multiple wellbores from a single surface location. (18) American Chemistry Council: Formerly known as the Manufacturing Chemists' Association and then as the Chemical Manufacturers' Association; an industry trade association for American chemical companies, based in Washington, D.C. (19) Fractionation: Once natural gas liquids (NGLs) have been separated from a natural gas stream, they are broken down into their component parts, or fractions, using a distillation process known as fractionation. (20) 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. (21) IHS: A global information company with world-class experts in the pivotal areas shaping today's business landscape: energy, economics, geopolitical risk, sustainability and supply chain management. (22) Liquefied natural gas (LNG): Natural gas (predominantly methane, CH_4, with some mixture of ethane C_2H_6) that has been converted to liquid form for ease and safety of non-pressurized storage or transport. (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) Duration: A commonly used measure of the potential volatility of the price of a debt security, or the aggregate market value of a portfolio of debt securities, prior to maturity. Securities with a longer duration generally have more volatile prices than securities of comparable quality with a shorter duration.

summer of 2014 to $26 in February 2016. MLP price performance historically exhibits modest correlation[26] with oil prices except during periods of sharp up or down oil price movements, and in our opinion it shouldn't as we estimate only ~25% of the AMZX's cash flow comes from crude oil activities. We have pointed out the United States has reduced its cost structure for producing natural gas, ethane, propane and oil, making the U.S. extremely cost competitive on a worldwide basis. As a result, production volumes are poised to grow as the U.S. consumes more of its own energy supply and becomes a larger exporter of NGLs, LNG and oil. It is the volumes that matter the most to Midstream Energy Companies. Volumes create the need for the many new assets being built and new assets have lengthy terms and minimum volume commitments (MVCs) or other strong contractual support.

2. Tax Risk – For much of the past year, investors were concerned that in a major tax law overhaul, MLPs might lose their tax-advantaged status. It only became clear in December, when the Tax Cut and Jobs Act was approved, that MLP corporates would retain their tax-advantaged position with no double taxation, and MLP investors would likely also benefit from a 20% tax reduction included for all pass-through vehicles. Latham & Watkins[27] estimates the top tax rate on distributions to investors will be 29.6% if and when they sell and need to declare taxes. Corporations appear to have made greater relative gains under the new tax law; however, the total tax on corporations and their dividends remains higher than the taxes MLP investors might be liable for.
3. Regulatory Issues – The rejection of the Keystone XL Pipeline[28] by the previous Administration was only the most visible regulatory challenge when many government agencies, including the Environmental Protection Agency (EPA)[29], delayed and added costs to most every energy project proposed. That said, projects did continue to get built, although with delays and added cost. The new Administration has begun to reduce the administrative burdens, although there remains a more pronounced dialogue amongst all stake holders.
4. Pipeline Overcapacity – Oil pipeline overcapacity became an issue when new pipelines were being built to meet the long-term demand we currently see (and it does take multiple years to receive approvals and build such pipelines), just as oil production in the U.S. fell with declining oil prices. Sharp cycles in the oil price can influence future oil production volumes and pipeline throughput, making oil volumes somewhat more volatile than other energy products. However, minimum volume commitments (MVCs) from producers did and can continue to limit the financial risk. Our work shows we are well matched with capacity takeaway from larger basins, such as the Permian[30] in West Texas, but pockets of overcapacity remain in other smaller basins, such as the DJ in Colorado.
5. Capital Markets Access and Changes to Distribution Policy – MLPs have historically paid out the large bulk of distributable cash flow as distributions, and they finance new projects by issuing common equity and debt. Occasionally, such as in 2008 and 2009 and again over the past two years, the cost of equity[31] has become excessive and MLPs have had to scramble to find capital to finance projects. As a result, a number of MLPs have chosen to slow their distribution growth rate below the rate of cash flow growth, freeze the growth of their distributions or in some cases reduce their distributions. These actions took place even as cash flow continued to grow. The purpose of these corporate actions is to move toward a full or partial equity self-funding strategy. Investors have treated these announcements negatively, as they saw less money being paid out than hoped or expected, or they misinterpreted the actions as a sign of financial weakness. We do not see these distribution reductions or slower distribution growth rates as negative. These actions are credit and equity positive and the capital retained above distributions significantly reduces the companies' cost of capital. As our valuation focuses on cash flow over distributions, we view this as compelling and yet this is not shared by most Wall Street analysts for reasons yet to be well explained to us (except that investors like distributions), we have not adjusted our valuations as a result of these actions. It is also important to note MLPs are more likely to issue less equity in 2018 than they have historically because of the increasing amount of retained capital, and we forecast even less equity issued in 2019 and 2020. Although we hesitate

(26) Correlation: The measure of the relationship between two data sets of variables. (27) Latham & Watkins LLP: An American law firm founded in 1934. As of 2017, it is the world's highest-grossing law firm, with US$2.823 billion in annual revenue, and is widely considered one of the most prestigious law firms in the world. (28) Keystone XL (KXL) Project: A proposed 36-inch-diameter crude oil pipeline, beginning in Hardisty, Alberta, and extending south to Steele City, Nebraska. (29) Environmental Protection Agency (EPA): An agency of the U.S. federal government which was created for the purpose of protecting human health and the environment by writing and enforcing regulations based on laws passed by Congress. (30) 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. (31) 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.

to say this, any rally in MLP prices could be more pronounced or rapid than some past recovery rallies, as increased investor demand for shares may not be met by significant additional share issuance by companies.

6. Incentive Distribution Rights (IDRs)[32] – IDRs could be a very lengthy discussion itself, but we will briefly state these IDR payments to the General Partner continue to rise as distributions grow to certain levels, and they become part of the cost of capital problem that certain companies have faced. We view IDRs are part of a company-specific lifecycle, where they initially are very modest in size and then at some point might need to be eliminated. We think of IDRs similar to any other capital cost and we compare the total cost of capital of all companies, their return on invested capital and importantly the spread between the two. Perhaps of most relevance is investors have been confused by the uncertainty of actions to deal with IDRs and the need to compare companies with and without them in their cost structure.
7. Tax-Loss Selling – With a large number of MLP positions suffering losses this year, while many other sectors enjoyed gains, MLPs were logical tax loss candidates. We experienced this investor strategy beginning earlier than normal in late Q3 and continuing through mid-December. It is interesting to note that the tax loss selling appeared to end coincidentally with Congressional approval of the Tax Cuts and Jobs Act bill. We are certainly not prepared to say this rally will continue. Only time will determine the timing of MLP and Midstream energy price recovery.

But what about the oil price? To what price or range do the facts lead one?

Ironically, this is still one of the most asked questions we receive, even though previous sections explain why it is of less importance to most companies than a number of other factors. This is even more the situation currently for oil-focused companies since the U.S., through use of technology, has been able to become one of the lowest cost producers of oil outside of the Middle East.

Excess oil in storage has been declining over the past couple of years, with the large portion of the remaining excess worked off in 2017. The EIA, in its January 5, 2018 survey, shows U.S. crude oil inventories at 419.5 million barrels or only 29.8 million barrels above the five-year average. The bulk of these barrels in 'storage' can be considered part of the working inventory or supply chain. Deutsche Bank[33] calculates crude inventories in the U.S. at only 15 million barrels greater than the five-year average, down from the 108 million barrels average last February. The International Energy Agency (IEA)[34] forecasts global oil demand increasing 1.3 million barrels/d in 2018.; however, the EIA recently increased its demand forecast for 2018 to 1.7 million barrels/d above the 2017 level, and nearly another 1.7 million barrels/d in 2019, seemingly on a stronger growth forecast for the world economies. This approximates their forecast of production increases in the world, half of which is coming from the United States. Finally, the Organization for Petroleum Exporting Countries (OPEC)[35], in November extended its production quotas through 2018. We would remind our readers that OPEC has been more disciplined in living up to these quotas than they have been with previous quotas. None of the above forecasts include shutdowns or partial shutdowns of production in such countries as Iran, Venezuela, Libya and Nigeria.

Finally, we do not believe we or anyone can predict the price of oil with any consistency. What we can say is the well broadcasted oil surplus is essentially, although not completely, gone and oil supply and demand is approximately in balance with all the inputs we currently evaluate. With that being said, the oil price can be extremely volatile when OPEC, Russia and other oil producers seek hard currencies for domestic requirements and do not care about the term profits as calculated by Western companies. Also, when most of the cost of production is sunk costs and producers seek cash flow, even Western companies do not shut in wells on an oil price plunge. Shale oil production does have a very high decline rate and a drop in the oil price would likely lead to reduced drilling and reduced shale oil production, more rapidly balancing the market in the future as the U.S. becomes a bigger share of the world market. All this said, U.S. oil producers are currently very cost competitive on a worldwide basis, with stronger balance sheets coming out of this most recent price downturn, and appear likely to gain market share and volumes in future years. All this is good news for oil-focused midstream companies.

(32)) 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. (33) Deutsche Bank AG: A German global banking and financial services company, with its headquarters in the Deutsche Bank Twin Towers in Frankfurt. (34) 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. (35) 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 mean.

MAINGATE
MLP FUND

To Our Investors

It does feel as if Midstream Energy shares and MLPs may be coming 'out of the deep woods' after a very challenging three and a half years. Although share prices have modestly rebounded over the past 30 days, we never feel confident in predicting near-term price movement. There are too many variables and exogenous factors impacting prices. We are quite optimistic that distributable cash flow per unit or share will likely continue to significantly rise over coming years as a result of highly visible and attractive projects. Additionally, most of the negative factors have been overhanging the group, and weighing on investor psychology, no longer appear to be significant issues, and the current P/DCF valuation of less than 8x more than accounts for remaining uncertainties. We are optimistic there will be better times in the current period and periods ahead.

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

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 12/31/17)	$1,693,655,386
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 (10/26/17)	$0.1575

Top 10 Holdings (as of 12/31/17)	% of Fund
Energy Transfer Equity, L.P.	8.87%
Targa Resources Corp.	8.87%
Enterprise Products Partners, L.P.	8.69%
Enlink Midstream, LLC	6.67%
Shell Midstream Partners, L.P.	6.13%
SemGroup Corporation	5.82%
Genesis Energy, L.P.	5.46%
Williams Companies, Inc.	5.29%
Western Gas Equity Partners, L.P.	5.02%
Magellan Midstream Partners, L.P.	4.56%

Top Sectors (as of 12/31/17)	% of Fund
Crude/Refined Prod. Pipe/Storage	37.82%
Natural Gas Pipe/Storage	42.96%
Natural Gas Gather/Process	19.22%

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 12/31/17)		
NAV per Share		$8.83
POP per Share		$9.37
Returns:	Without Load	With Load
3 Month	-0.36%	-6.08%
Calendar YTD	-8.21%	-13.51%
1 Year	-8.21%	-13.51%
3 Year	-6.80%	-8.63%
5 Year	2.71%	1.51%
Since Inception (2/17/11)	3.89%	3.00%

Performance: C Shares (as of 12/31/17)		
NAV/POP per Share		$8.66
Returns:	Without Load	With Load
3 Month	-0.48%	-1.46%
Calendar YTD	-8.82%	-9.67%
1 Year	-8.82%	-9.67%
3 Year	-7.50%	-7.50%
5 Year	N/A	N/A
Since Inception (3/31/14)	-4.65%	-4.65%

Performance: I Shares (as of 12/31/17)	
NAV per Share	$9.03
Returns:	
3 Month	-0.24%
Calendar YTD	-7.95%
1 Year	-7.95%
3 Year	-6.58%
5 Year	2.97%
Since Inception (2/17/11)	4.16%

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.

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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.