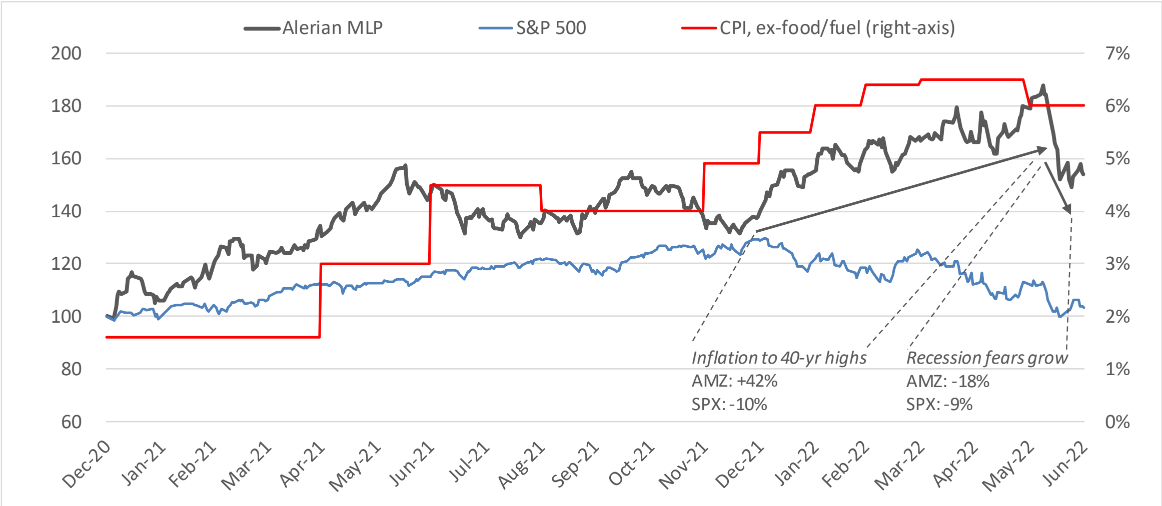
To Your Battle Stations!

As Midstream heads into choppy economic waters, we believe the Midstream battleship is ready to defend itself. The stock market ranks among the world's greatest leading indicators as it often declines well before economists confirm a recession. Beginning last year inflation started moving higher, hurting most sectors but sparing those like traditional energy where stocks benefited from the rise in commodity prices. From mid-December to early-June the Alerian MLP Index jumped 42% (S&P 500: -10%), helped along in mid-February by the Russia-Ukraine conflict that pushed inflation into a higher gear. Inflation has now increased to levels not seen in 40 years, leading the Federal Reserve to initiate tighter monetary policy to contain it. These actions have many believing a recession is imminent, which when combined with negative political rhetoric aimed at traditional energy has brought pain to those that had been outperforming. From the early-June peak to quarter end the Alerian MLP Index has fallen 18% (S&P 500: -9%).



Sources: Bloomberg

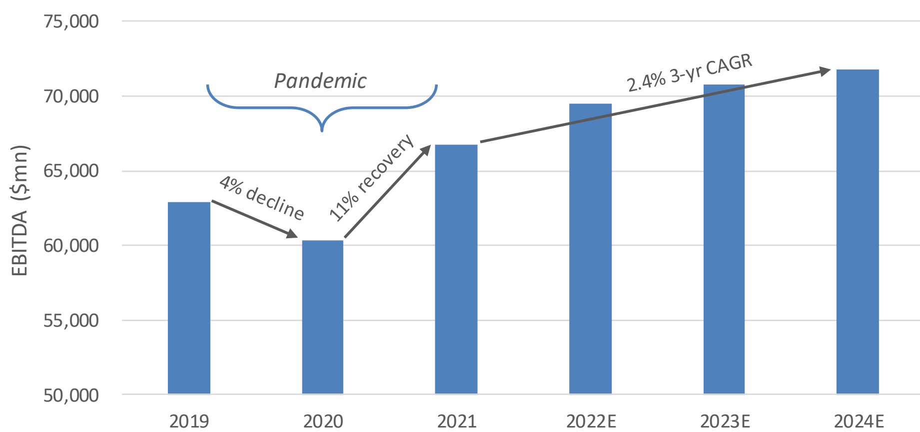
Currently the stock market is trying to answer two critical questions:

(1) Will actions taken by the Federal Reserve to contain inflation cause a recession?

(2) If yes, how long will an economic reset take?

These are questions that have implications far and wide for the broader economy and traditional energy and are anyone's guess at the moment. Meanwhile, the only question that matters to us and our Midstream portfolios is whether the sector is prepared for another downturn. Our answer is a definitive YES.

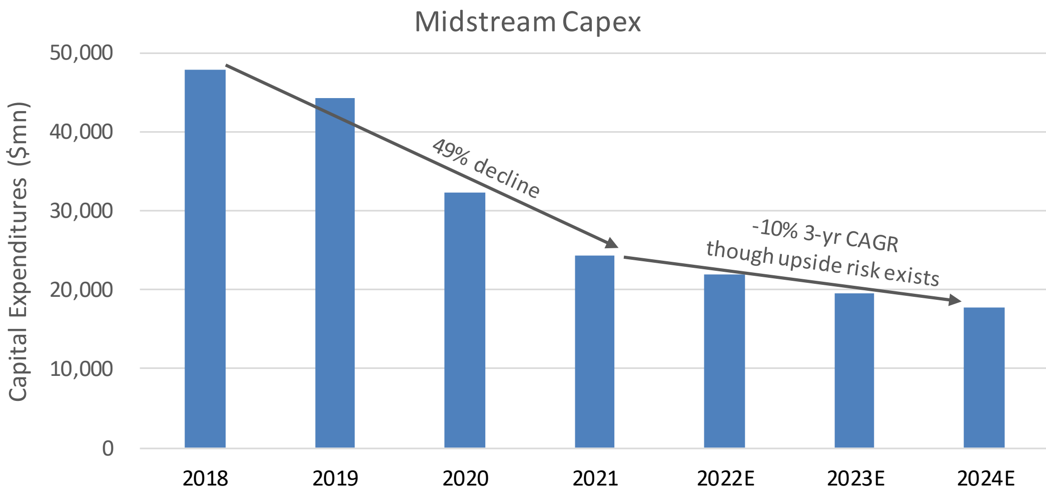
Midstream EBITDA is resilient and offers inflation protection. The best evidence we have of Midstream's cash flow resiliency is the Covid-19 pandemic. The dramatic collapse of hydrocarbon demand during this difficult period stress tested the sector harsher than any experiment run in a lab. Through all the moving pieces we calculated that nearly 80% of the Alerian Midstream Energy Index (AMNA) saw EBITDA drop only 4%. This *excludes* Cheniere (LNG, 8.9% AMNA weight) and its strongly positive cash flow growth tied to its idiosyncratic exposure to LNG exports. Our point is that despite tightening their spending belts, the sector's cash flows didn't meaningfully decline. They also recovered quickly (and then some) during the post-pandemic recovery.

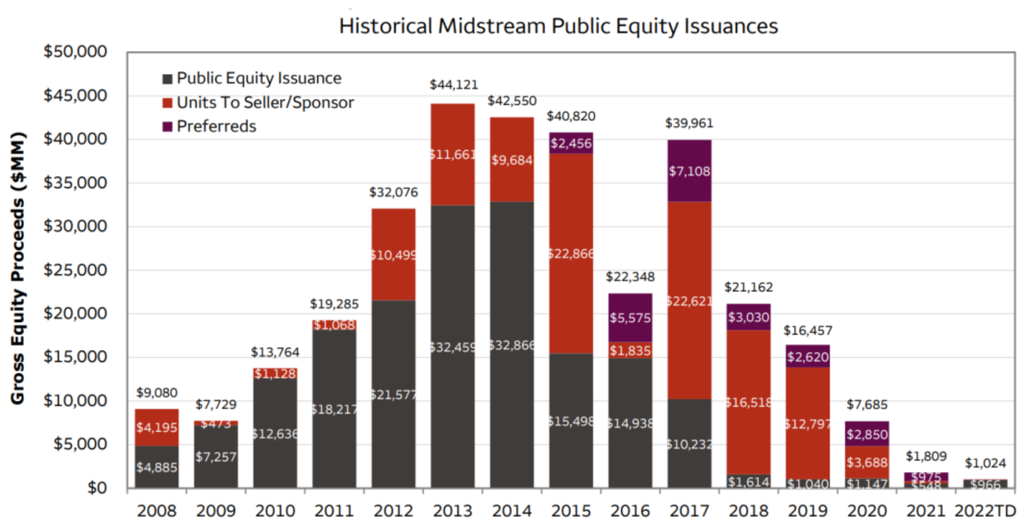


Sources: Company data, Eagle Global

Midstream has also historically provided significant protection against inflation. Some contracts benefit directly through the FERC Oil Index, which allowed companies to increase rates by 8.7% on July 1st and is currently tracking for a >13% increase on July 1st of next year! This formula acts more as a ceiling for those companies tied to it, but it can provide a material long-term buffer for companies to keep earning a healthy (and fair) return. Meanwhile, regulated assets not tied to the FERC Oil Index can raise rates so long as they keep earning their stated rate of return. Other companies have inflation escalators built into contracts, while others insist they have the ability to raise rates even in competitive markets should costs rise significantly. In fact, some believe Midstream companies will see their margins expand if they can control costs and raise rates at the same time. This is not our expectation though for many reasons, top among them being any short-term advantage a company would gain from their customers in this environment would be detrimental to their long-term relationships. We expect our companies will raise rates in line with cost inflation, and therefore recommend investors looking for inflation protection take a closer look at Midstream.

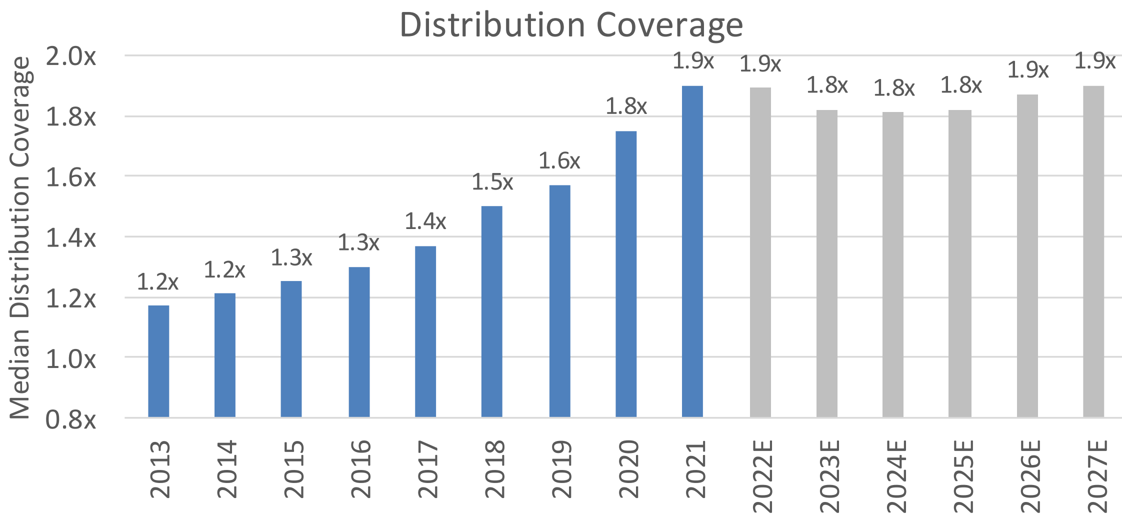
Growth capital demands remains low and require no equity to finance. Organic growth has also stabilized. We forecast 2022-24 capital expenditures will slowly decline from 2021 levels, which itself was already 49% below 2018 levels. With few companies pushing large capital growth programs the risk of being caught off guard by a recession is minimal. Historically, infrastructure companies have been caught off guard and had to scramble to line up financing to complete ambitious growth projects. This led to unattractive financing terms and highly dilutive equity offerings. However, most projects these days are smaller in nature, take less time to construct, and are financed from internally generated cash flows. We have seen a dramatic decline in equity offerings over the past several years and see almost no need for equity capital in our coverage over the next few years. These attributes are ideal from an asset manager's perspective, especially as the market starts to price in a recession.





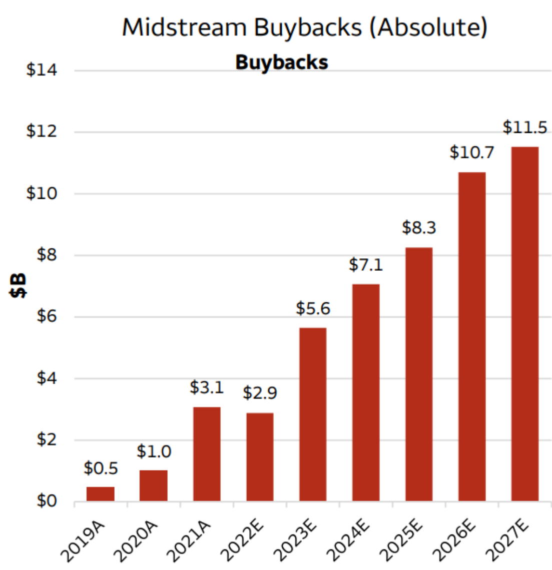
Sources: Company data, Eagle Global, Wells Fargo

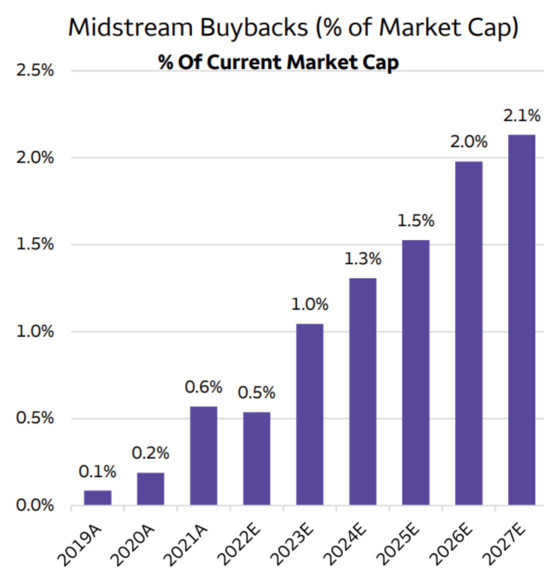
Coverage ratios offer a significant buffer. Distribution coverage ratios also offer reason for optimism. Since 2013 the median coverage ratio has increased by over 50% from 1.2X to 1.9X. A higher coverage ratio provides a significant cushion against potential cash flow deterioration before distributions and dividends are at risk. For years investors had no faith in Midstream distributions and dividends for good reason. That was then, and high distribution coverage ratios are now.



Sources: Wells Fargo

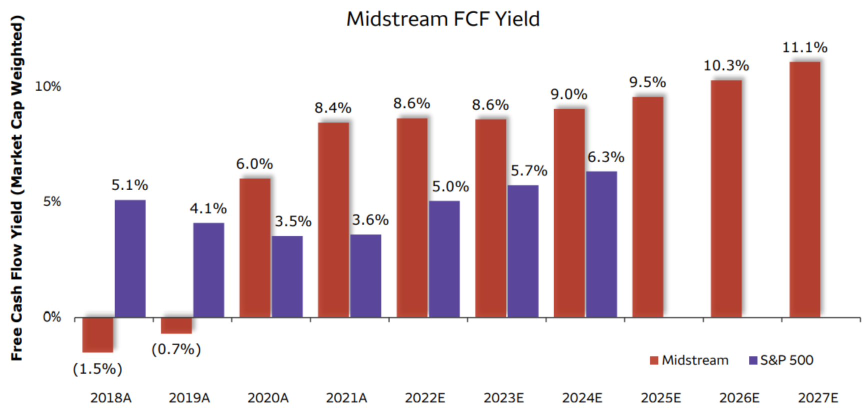
Share buybacks provide meaningful technical support. By definition a company having a high distribution coverage ratio implies they have significant free cash flow to manage. There are only a few things companies can do with free cash flow. They can propose new organic growth (unlikely), they can further reduce debt (possible, but balance sheets are strong), they can raise dividends, or they can buy back stock. Midstream management teams have been trying to do a little of each of the latter two (dividends + buybacks). In our view the decision tree is binary and straightforward. Should recession fears drive down stocks significantly buybacks will dominate dividend growth. Should the stocks hold up you will likely see a balance between dividend growth and buybacks as management teams try to take a bite out of inflation. Either way, it is a really good place to be.





Sources: Wells Fargo

EBITDA resiliency, low capital expenditures and financing needs, high distribution coverage ratios, and a tidal wave of free cash flow leads to the desirable outcomes of dividend increases and/or share buybacks. Valuation is attractive as well, with free cash flow yields significantly above the broader market and EV/EBITDA trading at substantial discounts to its 10-year historical average.



MLP Valuations Versus Energy and Yield Securities

	EV-to-EBITDA Multiples	Current	5-Year Average	Premium (Discount)	10-Year Average	Premium (Discount)
Midstream	**MLPs**	**7.7x**	**9.5x**	**(19%)**	**11.9x**	**(36%)**
Midstream	**Midstream C-Corps.**	**9.4x**	**10.7x**	**(12%)**	**12.9x**	**(27%)**
Energy	Exploration & Production	4.1x	5.5x	(25%)	5.9x	(31%)
Energy	Refiners	7.2x	6.3x	14%	5.7x	26%
Energy	Integrated Exploration & Production	4.7x	6.3x	(25%)	5.7x	(18%)
Energy	Oilfield Services	8.4x	9.7x	(13%)	9.4x	(11%)
Yield	Utilities	11.1x	10.4x	7%	9.6x	16%
Yield	REITs	17.3x	19.0x	(9%)	18.0x	(4%)
Market	S&P 500	11.4x	12.4x	(8%)	10.8x	5%

Sources: Wells Fargo

The Midstream battleship is ready for war. Short-term selloffs like what has occurred recently offer investors a chance to own this opportunity at a significant discount. This is because of Midstream's ability to defend itself against a short-term attack, but also because of its ability to go on the offensive in the long-term.

<u>Traditional Energy Regaining The World's Respect</u>

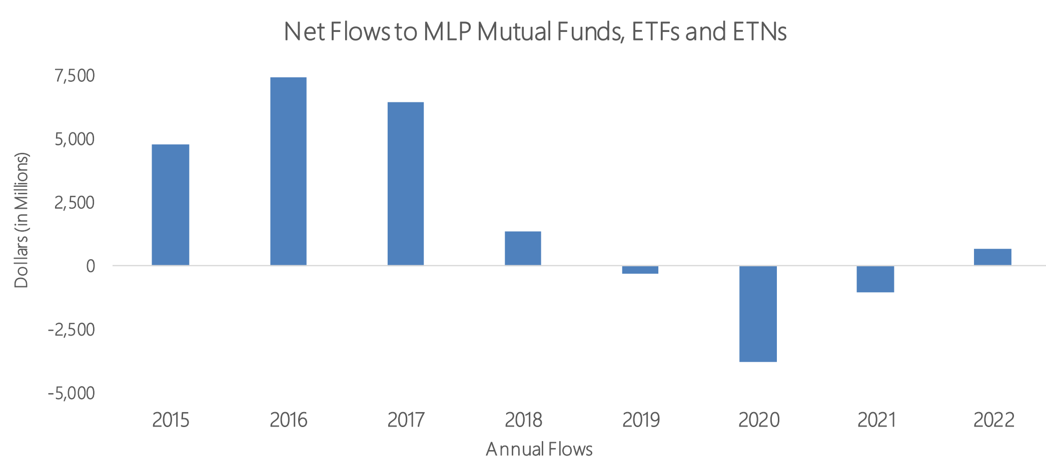
It has been nice to see society regain respect for the role hydrocarbons play in the global economy, though we lament it took Russia's invasion of Ukraine for this to happen. Recently, German politicians who campaigned on energy transition just last year have called for Europe to delay decarbonization mandates as they've been forced to re-open coal plants to counter reduced natural gas flows from Russia. They are also pushing the G-7 countries to walk back a commitment that would halt the financing of overseas fossil fuel projects by end-2022.

Meanwhile, in the United States there is increasing frustration with domestic oil producers who have not reacted as one would expect to high prices. In our view a large part of this is inconsistency and mixed messaging on domestic energy policy. We quote a section of Chevron CEO Michael Wirth's open letter when he wrote "We need clarity and consistency on policy matters ranging from leases and permits on federal lands, to the ability to permit and build critical infrastructure, to the proper role of regulation that considers both costs and benefits."

We believe taking advantage of the world's natural gas reserves (particularly in the United States) can go a long way towards reducing geopolitical conflict as well as carbon emissions via the replacement of dirty coal plants with cleaner natural gas plants. The United States has shown the way as coal-to-gas switching was the primary reason domestic carbon emissions have fallen so much over the last few decades. What if federal governments took it a step further and incentivized carbon capture and sequestration (CC&S)? It could provide long-term visibility for the continued (and increasing) consumption of hydrocarbons. The point is a window has opened for traditional energy to participate in energy transition. We have confidence the sector will adapt to the energy transition paradigm, just like it has successfully adapted countless times over its >100 years of existence.

Midstream Capital Flows Start Like A Lion, Finish Like A Lamb In The Second Quarter

The second quarter started like a lion and finished like a lamb. The quarter capital flows were in aggregate slightly negative (-$222 million), with meaningful outflows in June (-$356 million) partially offset by healthy inflows in April and May (+$134 million). Clearly fears of a recession reversed what was looking like another solid quarter for Midstream capital flows. Nonetheless, year-to-date flows of $693 million represent the strongest start to a year since 2018. We believe the Midstream Battleship will prove itself worthy in these choppy waters, and that once it does investors including retail will return en masse to benefit from one of the few sectors generating significant free cash flow.



Sources: US Capital Advisors

Outlook & Positioning

We continue to focus on the research and portfolio execution effort and are in constant dialogue with industry experts and management teams. We continue to believe oil and natural gas will play a major and increasing role in the global economy, and owing to healthier balance sheets, higher coverage, and heightened discipline are optimistic about the long-term viability of Midstream as a sector for investors who prioritize income.

Economic conditions remain highly uncertain and there is no guarantee that these opinions or forecasts will come to pass.

Important Risk Disclosures:

Investors should carefully consider the investment objectives, risks, charges and expenses of the Eagle MLP Strategy Fund. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 1-888-868-9501 or visiting www.eaglemlpfund.com. The prospectus should be read carefully before investing. The Eagle MLP Strategy Fund is distributed by Northern Lights Distributors, LLC member FINRA/SIPC. This is an actively managed dynamic portfolio. There is no guarantee that any investment (or this investment) will achieve its objectives, goals, generate positive returns, or avoid losses. The information provided should not be considered tax advice. Please consult your tax advisor for further information. Eagle Global Advisors, Princeton Fund Advisors, LLC and Northern Lights Distributors, LLC are not affiliated.

A master limited partnership (MLP) is a limited partnership that is publicly traded on a securities exchange. It combines the tax benefits of a limited partnership with the liquidity of publicly traded securities. To qualify for MLP status, a partnership must generate at least 90 percent of its income from what the Internal Revenue Service (IRS) deems "qualifying" sources, generally relating to the production, processing or transportation of natural resources, such as oil and natural gas.

The Alerian MLP Index is a composite of the 50 most prominent energy master limited partnerships calculated by Standard & Poor's using a float-adjusted market capitalization methodology.

The Alerian Midstream Energy Index is a broad-based composite of North American energy infrastructure companies.

The S&P 500 Index is a capitalization-weighted index that measures the performance of 500 U.S. large-capitalization domestic stocks representing all major industries.

The Barclays Capital U.S. Aggregate Index provides a measure of the performance of the U.S. investment grades bonds market.

Enterprise Value-to-EBITDA is a multiple used to determine the value of a company. It shows the value of a company based on a multiple of earnings before interest, taxes, depreciation and amortization (EBITDA).

Price-to-Distributable Cash Flow is a valuation ratio calculated by dividing a company's current stock price by its distributable cash flow per share.

Standard Deviation is a statistical measurement of volatility risk based on historical returns.

Risk Factors:

Credit Risk: There is a risk that note issuers will not make payments on securities held by the Fund, resulting in losses to the Fund. In addition, the credit quality of securities held by the Fund may be lowered if an issuer's financial condition changes.

Distribution Policy Risk: The Fund's distribution policy is not designed to guarantee distributions that equal a fixed percentage of the Fund's current net asset value per share. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e. from your original investment). Shareholders should not assume that the source of a distribution from the Fund is net profit. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares.

ETN Risk: ETNs are subject to administrative and other expenses, which will be indirectly paid by the Fund. Each ETN is subject to specific risks, depending on the nature of the ETN. ETNs are subject to default risks. Foreign Investment Risk: Investing in notes of foreign issuers involves risks not typically associated with U.S. investments, including adverse political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards.

Interest Rate Risk: Typically, a rise in interest rates can cause a decline in the value of notes and MLPs owned by the Fund.

Liquidity Risk: Liquidity risk exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

Management Risk: Eagle's judgments about the attractiveness, value and potential appreciation of particular asset classes and securities in which the Fund invests may prove to be incorrect and may not produce the desired results. Additionally, Princeton's judgments about the potential performance of the Fund's investment portfolio, within the Fund's investment policies and risk parameters, may prove incorrect and may not produce the desired results.

Market Risk: Overall securities market risks may affect the value of individual instruments in which the Fund invests. Factors such as domestic and foreign economic growth and market conditions, interest rate levels, and political events affect the securities markets.

MLP Risk: Investments in MLPs involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns. Depending on the state of interest rates in general, the use of MLPs could enhance or harm the overall performance of the Fund.

MLP Tax Risk: MLPs, typically, do not pay U.S. federal income tax at the partnership level. Instead, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law or in the underlying business mix of a given MLP could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned by the Fund were treated as corporations for U.S. federal income tax purposes, it could result in a reduction of the value of your investment in the Fund and lower income, as compared to an MLP that is not taxed as a corporation.

Energy Related Risk: The Fund focuses its investments in the energy infrastructure sector, through MLP securities. Because of its focus in this sector, the performance of the Fund is tied closely to and affected by developments in the energy sector, such as the possibility that government regulation will negatively impact companies in this sector. Energy infrastructure entities are subject to the risks specific to the industry they serve including, but not limited to, the following: Fluctuations in commodity prices; Reduced volumes of natural gas or other energy commodities available for transporting, processing, storing or distributing; New construction risk and acquisition risk which can limit potential growth; A sustained reduced demand for crude oil, natural gas and refined petroleum products resulting from a recession or an increase in market price or higher taxes; Depletion of the natural gas reserves or other commodities if not replaced; Changes in the regulatory environment; Extreme weather; Rising interest rates which could result in a higher cost of capital and drive investors into other investment opportunities; and Threats of attack by terrorists.

Non-Diversification Risk: As a non-diversified fund, the Fund may invest more than 5% of its total assets in the securities of one or more issuers. Small and Medium Capitalization Company Risk: The value of a small or medium capitalization company securities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general. Structured Note Risk: MLP–related structured notes involve tracking risk, issuer default risk and may involve leverage risk. Mutual Funds involve risk including possible loss of principal.

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