



# YORKVILLE MLP BEAT

## MLP-Moving News

MLPs Rally in March,  
+8.9%

Infrastructure MLPs  
Grew Distributions  
+9.7% YoY

Infrastructure MLPs  
-6.0% in Q1,  
Commodity -6.5%

128% Performance  
Difference Between  
Best and Worst MLPs

Ref. Product Pipeline  
and Natural Resources  
Sectors Positive In Q1

Capital Markets Begin to  
Thaw for MLPs

MLP Universe Yields  
8.5%

## Fundamental Scores First Quarter 2016

**Stability  
Score**  
7.7

**Growth  
Score**  
0.3%

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## To Freeze Or Not To Freeze...Does it Matter?

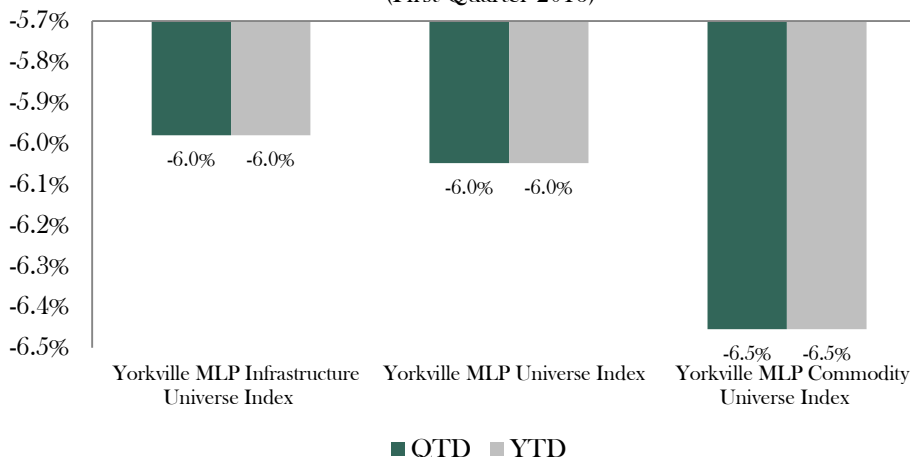
After two straight negative months to start 2016, MLPs rallied in March and produced a positive return of 8.9%. This marks the first positive month for MLPs since October of 2015. MLPs are up 32% from their low on February 11<sup>th</sup>. Oil is up 46% over the same time period which has led to the rally in MLPs. Part of the rally in oil has been attributed to a scheduled meeting between OPEC nations and Russia on April 17<sup>th</sup> in Qatar. The purpose for the meeting is to discuss a potential production “freeze” in an effort to stabilize oil prices. In this month’s MLP Beat, Yorkville performed a back of the envelop analysis of the current global oil market imbalance and 2016 estimates for supply and demand to quantify the potential impact a freeze may have, if any.

At year-end 2015, International Energy Agency (IEA) data showed the global oil market was oversupplied by roughly 2 million barrels per day. See table below.

| Current Global Oil Supply/Demand Balance (MMbpd) |      |
|--|------|
| IEA Year-end 2015 Global Supply                  | 97.2 |
| IEA Year-end 2015 Global Demand                  | 95.2 |
| Year-end 2015 Global Oversupply                  | 2.0  |

Based on IEA quarterly data, the 5-year average oversupply in the oil market ~0.3MMbpd. While the current imbalance is well above historical averages, the oil market has already begun to tighten and the current imbalance is shrinking. This brings us to the potential production “freeze” deal. OPEC and non-OPEC members have discussed an agreement that each country would freeze, or cap, production at January 2016 levels. The meeting on April 17<sup>th</sup> is to discuss the logistics of the agreement and to decide whether or not to proceed with the proposed freeze. At first thought, the idea of a production freeze seems like it would be beneficial to the oil market as it would help narrow, or tighten, the current imbalance.

MLP Composite Indices - Total Return  
(First Quarter 2016)



However, a closer look at production levels around the world suggests otherwise. OPEC nations, with the exception of Iran, and Russia, the largest oil-producing non-OPEC country, are currently producing at or near max capacity, which is also near record levels for most of these countries. In addition, with oil prices being so low, most countries are reducing their capex budgets and drilling activity because it's uneconomic to drill at the current price. Therefore, countries don't have the ability to materially increase their current production levels. So while a production freeze sounds like a positive for the market, the "deal" itself is rather meaningless. Since countries are producing at max capacity, agreeing to freeze production at these levels is simply proceeding with the status quo. Therefore, whether or not a deal is reached will not have a material impact on the balance of the global oil market.

Speculation around any deal getting done is based on Iran's required (or not) involvement. The only OPEC country that may be allowed to ramp production is Iran. Iran recently had sanctions removed and has stated its intent to increase production to reach pre-sanction levels. They are the only country that has the ability to materially increase production from current levels. Therefore, they have the most to "lose" from any production freeze. This is why Iran has stated publicly that it will not freeze production until returning to pre-sanction levels. Some members of proposed deal have stated that Iran does not need to participate in order for the freeze to be effective. Further, these countries stated it would be unreasonable to expect Iran to freeze production at their current levels given the recent lifting of sanctions. Saudi Arabia recently stated that it will not participate in the freeze unless Iran does as well. These comments drove oil prices down and added heightened uncertainty around any potential deal being reached on April 17<sup>th</sup>. This uncertainty will likely lead to heightened volatility heading into and immediately after the meeting, which is why it's important to understand that a production freeze is not necessary for the oil markets to rebalance.

To better understand how the global oil markets will rebalance, Yorkville first analyzed the supply side of the equation by doing a back of the envelop calculation based IEA data. We only included material increases or decreases, which we defined as 100Kbpd, or roughly 0.10% of total supply. See table below.

| 2016 Supply Estimates (MMbpd)        |             |
|--------------------------------------|-------------|
| IEA Year-end 2015 Global Supply      | 97.2        |
| Iran Increase                        | 0.6         |
| Global Deepwater Increase            | 0.2         |
| North American Onshore Decline       | -0.5        |
| Mexico Decline                       | -0.1        |
| <b>Total Supply Increase in 2016</b> | <b>0.2</b>  |
| <b>2016 Estimated Global Supply</b>  | <b>97.4</b> |

The biggest source of new supply coming online in 2016 is from Iran. Analysts forecast Iran will add 300-600Kbpd in 2016. Our analysis takes a conservative approach and estimates 600Kbpd to be added in 2016. The other material increase in supply is expected to come from deepwater oil production, mostly from the U.S. Gulf of Mexico. Even though deepwater is some of the most expensive production, these projects were committed to earlier this decade so the majority of the capital was already spent drilling the wells. Therefore, bringing on this scheduled new supply is no surprise even in this low cost environment. Analysts estimate ~150Kbpd of new supply coming online in 2016. The biggest decline in supply is expected to come from North American (NAM) onshore production. At year-end 2015, NAM production was ~9.2MMbpd, down from its peak of ~9.7MMbpd in April 2015. Analysts are expecting NAM production to decline another ~500Kbpd in 2016. The other material estimated decline is from Mexico. Pemex, the Mexican state-owned petroleum company, said that the company will reduce its budget by \$5.5B which will result in a decline of ~100Kbpd in production. An important point to keep in mind is that oil is a declining asset so money must be spent to drill new wells each year just to hold production levels flat.

Next, Yorkville analyzed the demand side of the equation. Year-end 2015 global demand according to IEA was 95.2MMbpd. IEA estimates global demand will grow by 1.2MMbpd in 2016. For our analysis, we took a ~10% haircut from their estimate to be more conservative. Therefore, year-end 2016 global demand is estimated to be ~96.3MMbpd. See table below.

| 2016 Demand Estimates (MMbpd)    |      |
|----------------------------------|------|
| IEA Year-end 2015 Global Demand  | 95.2 |
| IEA Estimated 2016 Demand Growth | 1.1  |
| 2016 Estimated Global Demand     | 96.3 |

In conclusion, oil markets are expected to significantly tighten by the end of 2016. See table below for the summary.

| Year-end 2016 Estimated Global Supply/Demand Balance (MMbpd) |      |                              |      |
|--|------|------------------------------|------|
| 2016 Estimated Supply  |      | 2016 Estimated Demand        |      |
| Year-end 2015 Global Supply                                  | 97.2 | Year-end 2015 Global Demand  | 95.2 |
| Estimated Supply Growth                                      | 0.2  | Estimated Demand Growth      | 1.1  |
| 2016 Estimated Global Oversupply                             | 97.4 | 2016 Estimated Global Demand | 96.3 |
| Estimated Year-end 2016 Global Oversupply = 1.1MMbpd         |      |                              |      |

There are many factors that could impact both the supply and demand side of the equation. However, this back of the envelop analysis is intended to illustrate how the global market is on track to be much more in balance than current headline numbers suggest. Low oil prices have led to significant capex reductions which is resulting in production declines around the world, also known as a supply response. As supply and demand fundamentals continue to rebalance, oil prices will continue to recover. The current price of oil is unsustainable because it's uneconomic to produce at these levels. While the production freeze deal dominates the headlines, the markets are in the process of naturally rebalancing with or without a freeze.

## MLP Composite Performance - Total Returns

The Yorkville MLP Universe Index declined for the sixth straight quarter in 1Q16, falling -6.0%, including distributions. In 2016, MLPs declined -29% to their low on February 11<sup>th</sup> before rallying 32.5% to finish the quarter. Following the quarter, the Yorkville MLP Universe Price Index is trading at levels not seen last since May 2010 and MLPs are virtually unchanged from a total return perspective since October of 2011. As a result, MLP valuations have become even more attractive for an entry point for those on the sidelines or looking to add to existing positions.

### MLP Composite Indices - Total Return

as of 3/31/2016

| INDEX NAME                                  | BLOOMBERG |       |       |
|---|-----------|-------|-------|
|   | TICKER    | QTD   | YTD   |
| Yorkville MLP Infrastructure Universe Index | YINFUX    | -6.0% | -6.0% |
| Yorkville MLP Universe Index                | YMLPUX    | -6.0% | -6.0% |
| Yorkville MLP Commodity Universe Index      | YCOMUX    | -6.5% | -6.5% |
| S&P 500                                     | SPXT      | 1.3%  | 1.3%  |

Year-to-date, MLPs have lost -6.0%. Infrastructure MLPs slightly outperformed Commodity MLPs for the 11<sup>th</sup> time in thirteen quarters, falling 6.0 percent versus a loss of 6.5 percent in the first quarter. Meanwhile, the S&P 500 is slightly positive on the year, up 1.3%.

## MLP Sector Performance - Total Returns

8 out of 10 MLP sectors suffered declines for the first quarter. 3 sectors lost more than 10 percent, with General Partners (-15.9%), Gathering & Processing (-13.8%) and Crude Oil Pipelines (-13.1%) down the most. Refined Product Pipelines was the best performing sector in the quarter, gaining +3.5% as the low commodity price environment continues to stimulate increased demand for refined products. Natural Resources (3.2%) was the only sector that has produced positive returns in 2016.

### MLP Sector Indices - Total Return

as of 3/31/2016

| INDEX NAME                                    | BLOOMBERG |        |        |
|---|-----------|--------|--------|
|   | TICKER    | QTD    | YTD    |
| Yorkville MLP Refined Product Pipelines Index | YRPPTX    | 3.5%   | 3.5%   |
| Yorkville MLP Natural Resources Index         | YNATRX    | 3.2%   | 3.2%   |
| Yorkville MLP Natural Gas Pipelines Index     | YNGLPX    | -0.2%  | -0.2%  |
| Yorkville MLP Marine Transportation Index     | YTRANX    | -5.6%  | -5.6%  |
| Yorkville MLP Energy Services Index           | YESVCX    | -7.4%  | -7.4%  |
| Yorkville MLP Downstream Index                | YPROPX    | -7.9%  | -7.9%  |
| Yorkville MLP Exploration & Production Index  | YEXNPX    | -8.9%  | -8.9%  |
| Yorkville MLP Crude Oil Pipelines Index       | YOILPX    | -13.1% | -13.1% |
| Yorkville MLP Gathering & Processing Index    | YGGNPX    | -13.8% | -13.8% |
| Yorkville MLP General Partners Index          | YGENPX    | -15.9% | -15.9% |
| S&P 500                                       | SPXT      | 1.3%   | 1.3%   |

## Master Limited Partnerships - Best and Worst Performing

Of the 119 energy Master Limited Partnerships, 75 MLPs, or 63%, finished with negative total returns for the quarter. 43 MLPs suffered losses of 10% or more, while 29 MLPs produced double digit percentage gains. For the quarter, the performance difference between the best and worst performers was an astounding 128 percent.

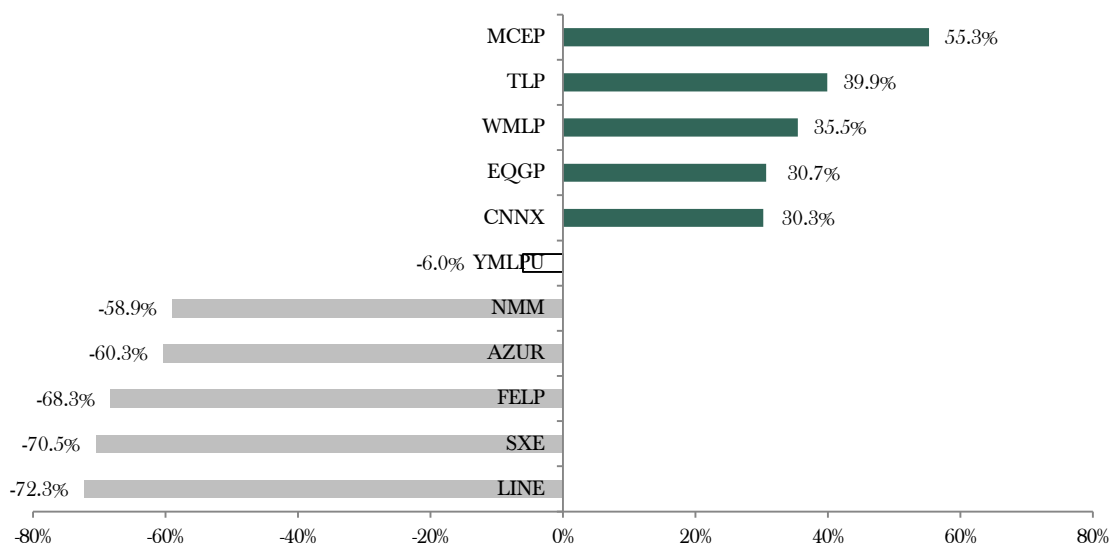
Exploration & Production partnership, Mid-Con Energy Partners (MCEP), was the best performing MLP during the quarter, with a gain of 55.3 percent. MCEP units are highly volatile, evident by the ~80% gain in unit prices in a 3-day span in the first week in March. Despite the large outperformance in the first quarter, MCEP still faces numerous challenges due to low commodity prices.

The second best performing company in the quarter was TransMontaigne Partners (TLP), a refined product pipeline operator, which gained 39.9%. The low commodity price environment continues to stimulate increased demand for refined products. On January 8<sup>th</sup>, ArcLight Capital acquired the ownership interest in TLP's GP, TransMontaigne GP (TLPGP) from NGL Energy Partners (NGL) for \$350M. On January 19<sup>th</sup>, and the partnership increased its distribution from 66.5 cents to 67 cents. Speculation surrounding ArcLight's plans for TLP likely drove unit prices higher through the end of the month.

Westmoreland Resource Partners (WMLP), a coal MLP, was the third best performing MLP during the quarter, with a gain of 35.5 percent. There was no specific event that led to the outperformance. WMLP unit prices increased 46% on February 2<sup>nd</sup>, one day before the company went ex-dividend. WMLP was yielding ~28% prior to that huge gain. WMLP units continued on a steady incline through the month of March.

General Partner EQT GP Holdings (EQGP) and gathering & processing partnership Cone Midstream Partners (CNNX) were the fourth and fifth best MLP of the quarter increasing by +30.7% and +30.3%, respectively. EQGP increased its distribution 17% over the last quarter. CNNX reported strong 4Q15 earnings, beating street estimates. CNNX units gained 24% on the two days following the earnings release.

Best and Worst Performing MLPs - Total Return  
(First Quarter 2016)



Exploration & production partnership, Linn Energy LLC (LINE), was the worst performing MLP of the quarter, with a loss of 72.3 percent. On February 5<sup>th</sup>, LINE's unit prices fell 58% after downgrades at many sell-side firms due to increased bankruptcy risks.

Gathering & processing partnership, South Cross Energy Partners (SXE), was the second worst performer of the quarter with a loss of -70.5%. On January 8<sup>th</sup>, SXE suspended its distribution and unit prices fell 50%.

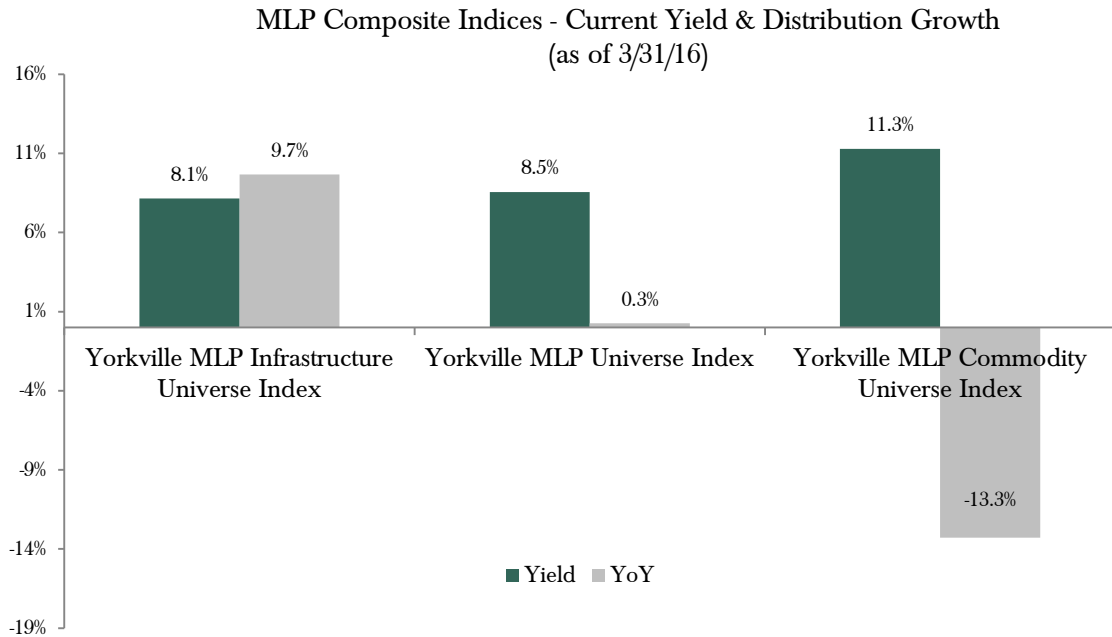
Thermal coal producer, Foresight Energy (FELP) was the third worst performer of the quarter, with a loss of 68.3 percent. FELP continues to struggle with liquidity issues. In early December, a judge ruled that Murray Energy Corp's purchase of an additional stake in FELP triggered a change in control, which in turn, triggered a payment on the \$600M 7.875% senior notes due 2021. On January 27<sup>th</sup>, FELP once again extended the term of forbearance agreement entered into on Dec. 18<sup>th</sup> with debt holders. This extension provides an additional opportunity to engage in discussions with holders of notes and senior lenders. On March 15<sup>th</sup>, FELP suspended 2016 guidance until negotiation with lenders is resolved.

Gathering & processing partnership, Azure Midstream Partners (AZUR), was the fourth worst performer in the quarter, with a loss of 60.3 percent. AZUR's unit prices have been on a steady decline over the past couple of months as the low commodity price environment has led to declining volumes in the Haynesville, one of AZUR's core operating basins. On February 1<sup>st</sup>, AZUR suspended its distribution and its unit price declined 12.7% on the day. AZUR delayed filing their 10-K as they sought relief from their debt covenants. AZUR received temporary relief, through June 2016, that allows AZUR to waive their debt covenants as the company struggles during this challenging market environment. If the company does not receive another extension on their covenant relief, there is significant going concern risk.

Marine transportation partnership, Navios Maritime Partners (NMM), was the fifth worst performer of the quarter, with a loss of 58.9 percent. On February 3<sup>rd</sup>, NMM reported weak Q4 earnings and suspended its distribution. Unit prices fell 28.5% on the day.

## MLP Composite Current Yield & Distribution Growth

As of March 31, the Yorkville MLP Universe Index yielded 8.5%. Overall distribution growth was muted as four sectors suffered distribution cuts, with year-over-year average distribution growth coming in at +0.3% for the asset class. Infrastructure MLPs yielded 8.1%, nearly two thirds of what Commodity MLPs yielded (11.3%). Average distribution growth was an impressive +9.7% year-over-year for Infrastructure MLPs while Commodity MLPs distributions declined 13.3 percent on average.



## MLP Sector Current Yield & Distribution Growth

At quarter end, the highest yielding MLP sector was Energy Services at 18.0% followed by Natural Resources at 13.4%. General Partners and Crude Oil Pipelines were the fastest growing sectors with year-over-year distribution growth of +13.8% and 13.1%, respectively. Refined Products Pipelines (+11.3%) also posted double digit distribution growth. Four sectors had negative distribution growth, Exploration & Production, Marine Transportation, Energy Services, and Natural Resources all four of which are tied to declining commodity prices and struggling with challenging market fundamentals.

### MLP Sector Indices - Current Yield & Distribution Growth

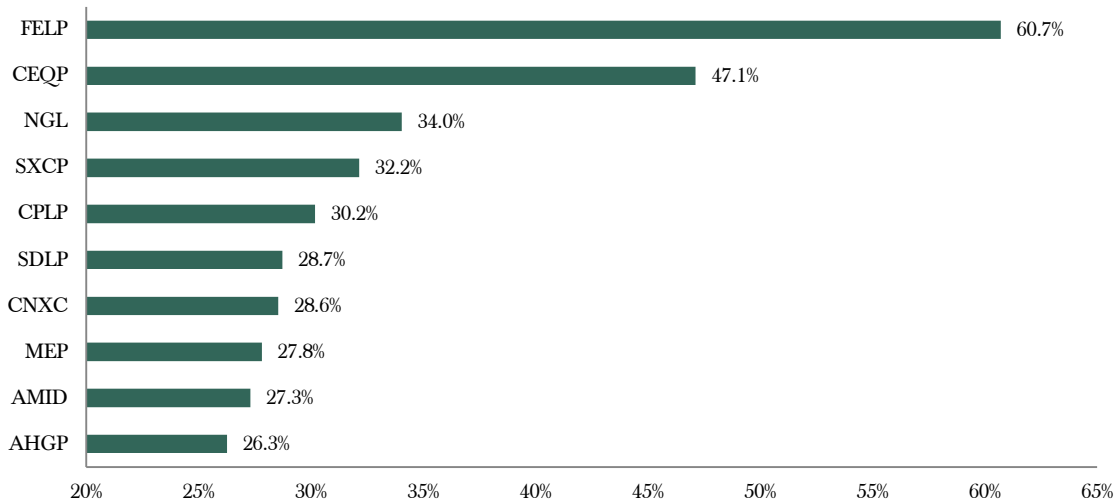
as of 3/31/2016

| INDEX NAME                                    | BLOOMBERG TICKER | YIELD | DIST. GROWTH |
|---|------------------|-------|--------------|
| Yorkville MLP General Partners Index          | YGENPX           | 8.2%  | 13.8%        |
| Yorkville MLP Crude Oil Pipelines Index       | YOILPX           | 9.5%  | 13.1%        |
| Yorkville MLP Refined Product Pipelines Index | YRPPTX           | 5.6%  | 11.3%        |
| Yorkville MLP Gathering & Processing Index    | YGGNPX           | 6.3%  | 6.1%         |
| Yorkville MLP Downstream Index                | YPROPX           | 10.0% | 5.3%         |
| Yorkville MLP Natural Gas Pipelines Index     | YNGLPX           | 7.5%  | 4.8%         |
| Yorkville MLP Energy Services Index           | YESVCX           | 18.0% | -12.1%       |
| Yorkville MLP Marine Transportation Index     | YTRANX           | 11.6% | -14.5%       |
| Yorkville MLP Natural Resources Index         | YNATRX           | 13.4% | -23.8%       |
| Yorkville MLP Exploration & Production Index  | YEXNPX           | 6.6%  | -84.8%       |

## MLPs - Current Yield & Distribution Growth

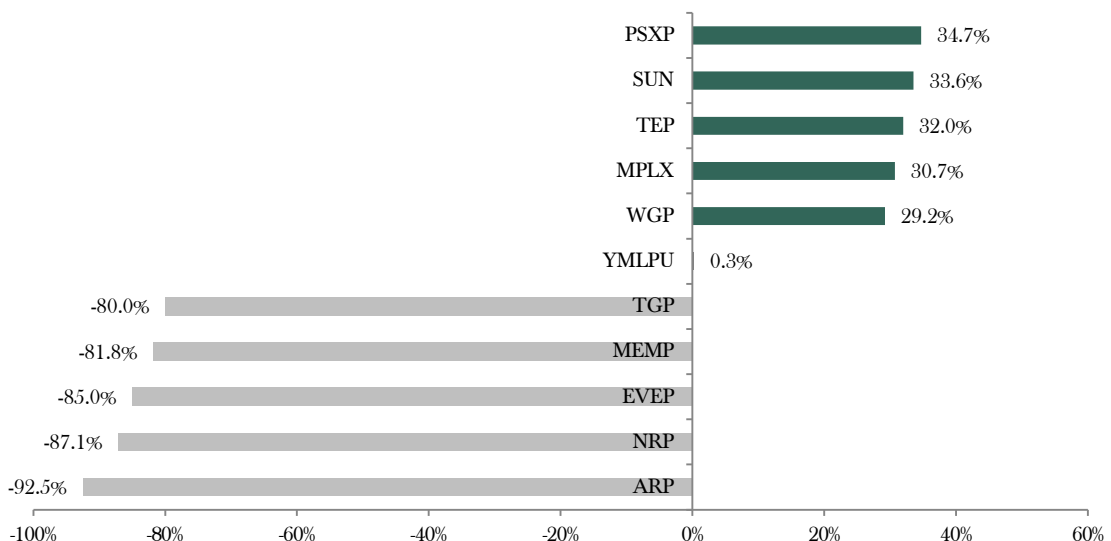
As of the end of the first quarter, the ten highest yielding MLPs ranged from yields of 60.7% to 26.3%, indicating that the market is pricing the potential for additional distribution cuts and potential bankruptcies. Of the group, two decreased their payouts last quarter (FELP, SDLP).

Ten Highest Yielding MLPs  
(as of 3/31/16)



Refined product pipeline operator Phillips 66 Partners (PSXP) was the fastest growing MLP in the quarter with a 34.7% YoY distribution increase. Downstream partnership Sunoco LP (SUN) was the second fastest grower (33.6%). Pipeline operator Tallgrass Energy Partners (TEP) was the third fastest grower, increasing distributions 32.0% YoY. Pipeline operator MPLX LP (MPLX, 30.7%) and general partner Western Gas Equity Partners (WGP, 29.2%), rounded out the top five. The first quarter of 2016 saw an additional round of distribution cuts in the E&P, Energy Services, Marine Transportation, and Gathering & Processing sectors. Three of the five largest payout YoY reductions came in Exploration & Production MLPs (ARP, EVEP, and MEMP), while the other two partnerships (TGP and NRP) are from the Marine Transportation and Natural Resources sector, respectively.

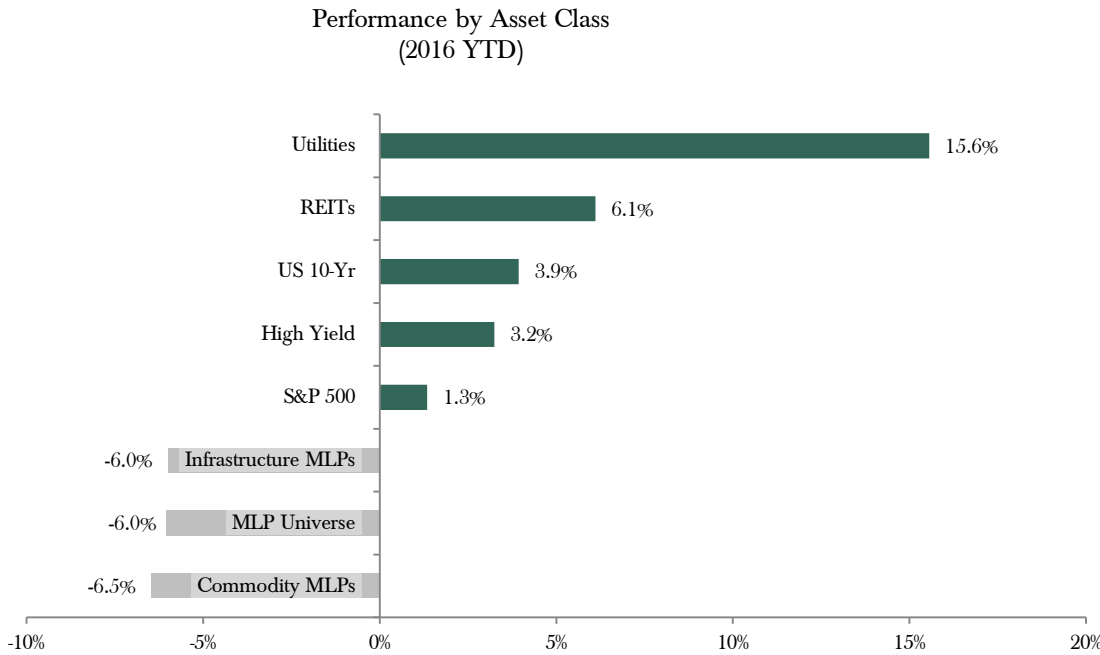
Best and Worst Distribution Changes by MLP - YoY % Change  
(First Quarter 2016)





## MLP Composite Performance & Yield vs. Other Asset Classes

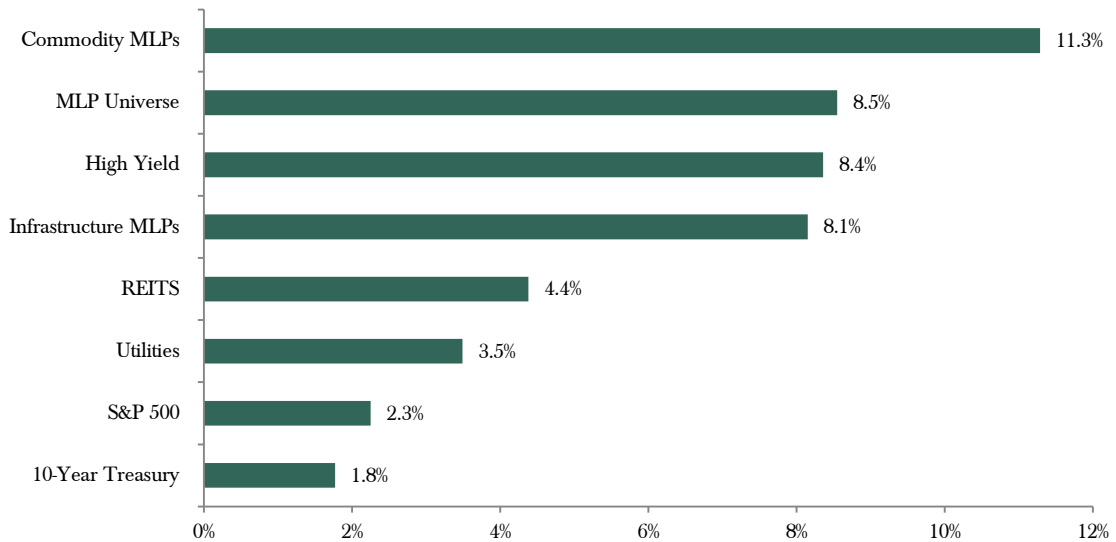
Driven by losses in the first two months, MLPs declined for the quarter, finishing with a loss of -6.0%. Meanwhile, Utilities outperformed this quarter and returned +15.6% and REITs gained +6.1%. The S&P 500 gained 1.3% this quarter, posting negative returns in January and February before a positive month in March. Commodity MLPs (-6.5%) and Infrastructure MLPs (-6.0%) both fell, as selling pressure in the asset class was heavy in January and February before abating in March.



## MLP Composite Performance & Yield vs. Other Asset Classes

The Yorkville MLP Universe Index yielded 8.5% as of March 31<sup>st</sup>, ~670 basis points above the ten year treasury and well above the historical average spread, indicating an attractive relative valuation for the asset class. MLPs have only traded at a spread wider than 600 basis points 3% of the time since 1996. Historically when trading at a spread greater than 500 bps, MLPs have produced positive returns over the next twelve months 100% of the time. When the spread is wider 600 bps, MLPs have produced returns in the 40-70% range over the next 12 months. At quarter end, Infrastructure MLPs yielded 8.1% while Commodity MLPs yielded 11.3% for a segment spread of 320 basis points.

Yield by Asset Class  
(as of 3/31/16)



Yields on REITs (4.4%) and Utilities (3.5%) remain around the 4 percent threshold. The 10-year ended the month with a 1.8% yield, down ~50 bps over the course of the quarter.

## MLP Corporate Actions

Despite the challenging market environment in Q1, MLPs have begun tapping the capital markets and raised an additional \$634 million in equity through secondary offerings.

There were no IPOs in the first quarter.

| Initial Public Offerings<br>First Quarter 2016 |         |      |                   |                  |
|--|---------|------|-------------------|------------------|
| TICKER   | COMPANY | DATE | AMOUNT<br>(\$MLN) | OFFER TO<br>DATE |
| N/A  | N/A     | N/A  | N/A               | N/A              |
| <b>TOTAL / AVERAGE</b>                         |         |      |                   |                  |

For the quarter, there were \$634 million worth of secondary offerings, with an average gain to date of 11.1% through the end of the quarter. The largest deal came from Shell Midstream Partners (SHLX) at \$402mm. There were only three secondary offerings in the quarter. However, the capital markets seem to be opening up to MLPs as all three offerings came in the last week of March. Also of note, EPD reported ~\$1.5B in equity offered through its ATM (at-the-market) program.

| Secondary Offerings<br>First Quarter 2016 |                              |            |                   |                  |
|---|------------------------------|------------|-------------------|------------------|
| TICKER                                    | COMPANY                      | DATE       | AMOUNT<br>(\$MLN) | OFFER TO<br>DATE |
| SHLX                                      | Shell Midstream Partners LP  | 03/22/2016 | \$ 402            | 15.3%            |
| AM  | Antero Midstream Partners LP | 03/23/2016 | \$ 179            | -1.3%            |
| PBFX                                      | PBF Logistics LP             | 03/30/2016 | \$ 53             | 19.5%            |
| <b>TOTAL / AVERAGE</b>                    |                              |            | \$ 634            | 11.1%            |

## MLP Corporate Actions (continued)

In the first quarter, debt issuances were modest, with a total value of approximately \$1.9 billion. All three issuances came from investment grade partnerships. The largest two offerings were from large cap MLPs (WPZ, \$1B and MMP, \$650M), and the third offering was from a midcap MLP (PSXP, \$212M). In the quarter, the weighted average coupon on new issues was 6.3%, with an average maturity of 10 years.

| New Debt Offerings<br>First Quarter 2016 |                                |           |          |        |                   |       |
|--|--------------------------------|-----------|----------|--------|-------------------|-------|
| TICKER                                   | COMPANY                        | DATE      | MATURITY | COUPON | AMOUNT<br>(\$MLN) |       |
| WPZ                                      | William Partners LP            | 1/19/2016 | 2026     | 7.9%   | \$                | 1,000 |
| MMP                                      | Magellan Midstream Partners LP | 2/22/2016 | 2026     | 5.0%   | \$                | 650   |
| PSXP                                     | Phillips 66 Partners LP        | 2/17/2016 | 2030     | 3.0%   | \$                | 212   |
| SUMMARY                                  |                                |           | 2026     | 6.3%   | \$                | 1,862 |

MLP M&A activity was very light in the first quarter with ~\$3 billion of announced deals. The two biggest M&A deals for the asset class were both dropdown asset sales from a sponsor to their underlying MLP. The biggest deal was from Western Gas Partners (WES) which acquired gathering & processing assets from its sponsor Anadarko Petroleum Corp (APC) for \$750M. WES issued preferred equity to finance the majority of the deal. WES also issued shares to APC and its GP, Western Gas Equity Partners (WGP). The dropdown was completed at an attractive 5.8x EBITDA multiple and the financing was also shareholder friendly as WES did not have to tap the public equity or debt markets.

The other dropdown was completed by MPLX, which acquired inland marine assets from its sponsor Marathon Petroleum Company (MPC) for \$600M. This deal was also shareholder friendly as MPLX paid for the acquisition by issuing shares to MPC. The dropdown was completed at an attractive 5.0x EBITDA multiple. Both deals are examples of MLPs being able to secure financing in this challenging market environment.

(See table on following page for the complete list of 1Q16 M&A activity.)

### Mergers & Acquisitions First Quarter 2016

| TICKER       | COMPANY                           | ANNOUNCED | ASSET (SELLER TICKER)                              | AMOUNT (\$MLN)  | DEAL STATUS |
|--------------|-----------------------------------|-----------|--|-----------------|-------------|
| WES          | Western Gas Partners LP           | 2/24/2016 | Springfield Pipeline LLC                           | \$ 750          | Completed   |
| MPLX         | MPLX LP                           | 3/15/2016 | Inland marine assets                               | \$ 600          | Pending     |
| SE           | Spectra Energy Corp               | 4/4/2016  | Spectra Energy Partners LP                         | \$ 418          | Pending     |
| TLP          | ArcLight Capital Partners LLC     | 1/8/2016  | TransMontaigne GP LLC                              | \$ 350          | Completed   |
| VNR          | Titanium Exploration Partners LLC | 3/30/2016 | SCOOP/STACK assets                                 | \$ 280          | Pending     |
| VLP          | Valero Energy Partners LP         | 3/28/2016 | McKee Terminal Services Business                   | \$ 240          | Pending     |
| PAA          | Plains All American Pipeline LP   | 4/4/2016  | Spectra Canadian natural gas liquids business      | \$ 153          | Pending     |
| PBFX         | PBF Logistics LP                  | 2/2/2016  | 4 refined product terminals                        | \$ 100          | Pending     |
| CAPL         | CrossAmerica Partners LP          | 1/6/2016  | 31 Franchise Holiday stores/Wisconsin & Minnesota  | \$ 49           | Completed   |
| PSXP         | Phillips 66 Partners LP           | 2/18/2016 | Sweeny Frac LLC                                    | \$ 41           | Completed   |
| GEL          | Genesis Energy LP                 | 2/15/2016 | Deepwater Gateway LLC                              | \$ 25           | Completed   |
| SRLP         | Sprague Resources LP              | 1/19/2016 | Natural gas marketing & electricity brokerage/Sant | \$ 18           | Completed   |
| EMES         | Emerge Energy Services LP         | 1/11/2016 | 12 patents & intellectual property                 | N/A             | Completed   |
| RHNO         | Royal Energy Resources Inc        | 1/7/2016  | Rhino Resource Partners LP                         | N/A             | Completed   |
| BKEP         | Blueknight Energy Partners LP     | 2/2/2016  | 2 asphalt terminalling facilities                  | N/A             | Completed   |
| <b>TOTAL</b> |                                   |           |  | <b>\$ 3,024</b> |             |



## MLP Universe Fundamentals (continued)

| Ticker | Company                        | Yorkville MLP Sector      | Market Cap (\$MMs) | Yield | Current Price | Total Return MTD | Total Return QTD | Total Return YTD | Distribution 1Q16 | Distribution 1Q15 | % Growth |
|--------|--------------------------------|---------------------------|--------------------|-------|---------------|------------------|------------------|------------------|-------------------|-------------------|----------|
| PSXP   | Phillips 66 Partners LP        | Refined Product Pipelines | \$ 5,163           | 2.9%  | \$ 62.59      | 3.8%             | 2.8%             | -14.2%           | \$ 0.46           | \$ 0.34           | 34.7%    |
| PTXP   | PennTex Midstream Partners LP  | Gathering & Processing    | \$ 406             | 10.8% | \$ 10.14      | -0.7%            | -19.7%           | -19.7%           | \$ 0.28           | \$ -              | -        |
| RHNO   | Rhino Resource Partners LP     | Natural Resources         | \$ 24              | 0.0%  | \$ 0.27       | -22.3%           | -6.9%            | -6.9%            | \$ -              | \$ 0.05           | -100.0%  |
| RIGP   | Transocean Partners LLC        | Energy Services           | \$ 608             | 16.4% | \$ 8.86       | 3.6%             | 5.0%             | 5.0%             | \$ 0.36           | \$ 0.36           | 0.0%     |
| RMP    | Rice Midstream Partners LP     | Gathering & Processing    | \$ 1,056           | 5.3%  | \$ 14.89      | 12.4%            | 12.4%            | 12.4%            | \$ 0.20           | \$ -              | -        |
| RRMS   | Rose Rock Midstream LP         | Crude Oil Pipelines       | \$ 437             | 22.2% | \$ 11.87      | 18.8%            | -16.3%           | -16.3%           | \$ 0.66           | \$ 0.62           | 6.5%     |
| SDLP   | Seadrill Partners LLC          | Energy Services           | \$ 320             | 28.7% | \$ 3.48       | 33.8%            | 3.6%             | 3.6%             | \$ 0.25           | \$ 0.57           | -55.9%   |
| SEPE   | Spectra Energy Partners LP     | Natural Gas Pipelines     | \$ 14,001          | 5.3%  | \$ 48.12      | 3.9%             | 2.4%             | 2.4%             | \$ 0.64           | \$ 0.59           | 8.5%     |
| SGU    | Star Gas Partners LP           | Downstream                | \$ 481             | 4.5%  | \$ 8.40       | 5.7%             | 14.3%            | 14.3%            | \$ 0.10           | \$ 0.09           | 8.6%     |
| SHLX   | Shell Midstream Partners LP    | Crude Oil Pipelines       | \$ 6,050           | 2.4%  | \$ 36.61      | 3.0%             | -11.3%           | -11.3%           | \$ 0.22           | \$ -              | -        |
| SMLP   | Summit Midstream Partners LP   | Gathering & Processing    | \$ 1,129           | 13.5% | \$ 16.98      | 34.5%            | -6.2%            | -6.2%            | \$ 0.58           | \$ 0.56           | 2.7%     |
| SPH    | Suburban Propane Partners LP   | Downstream                | \$ 1,816           | 11.9% | \$ 29.89      | 11.4%            | 27.2%            | 27.2%            | \$ 0.89           | \$ 0.88           | 1.4%     |
| SPP    | Sanchez Production Partners LP | Gathering & Processing    | \$ 41              | 14.0% | \$ 11.60      | -13.4%           | -16.1%           | -16.1%           | \$ 0.41           | \$ -              | -        |
| SRPL   | Sprague Resources LP           | Downstream                | \$ 435             | 10.1% | \$ 20.45      | 15.2%            | 4.1%             | 4.1%             | \$ 0.52           | \$ 0.46           | 13.1%    |
| SUN    | Sunoco LP                      | Downstream                | \$ 3,438           | 9.7%  | \$ 33.13      | 10.2%            | -14.2%           | -14.2%           | \$ 0.80           | \$ 0.60           | 33.6%    |
| SXCP   | SunCoke Energy Partners LP     | Downstream                | \$ 341             | 32.2% | \$ 7.39       | 10.3%            | 8.6%             | 8.6%             | \$ 0.59           | \$ 0.54           | 9.8%     |
| SXE    | Southcross Energy Partners LP  | Gathering & Processing    | \$ 59              | 0.0%  | \$ 1.05       | 84.2%            | -70.5%           | -70.5%           | \$ -              | \$ 0.40           | -100.0%  |
| SXL    | Sunoco Logistics Partners LP   | Crude Oil Pipelines       | \$ 7,073           | 7.6%  | \$ 25.07      | 1.7%             | -0.4%            | -0.4%            | \$ 0.48           | \$ 0.40           | 19.8%    |
| TCP    | TC PipeLines LP                | Natural Gas Pipelines     | \$ 3,101           | 7.4%  | \$ 48.22      | 8.9%             | -1.0%            | -1.0%            | \$ 0.89           | \$ 0.84           | 6.0%     |
| TEGP   | Tallgrass Energy GP LP         | General Partners          | \$ 2,906           | 3.7%  | \$ 18.48      | 15.7%            | 17.1%            | -35.0%           | \$ 0.17           | \$ -              | -        |
| TEP    | Tallgrass Energy Partners LP   | Crude Oil Pipelines       | \$ 2,574           | 6.7%  | \$ 38.32      | 9.4%             | -5.3%            | -5.3%            | \$ 0.64           | \$ 0.49           | 32.0%    |
| TGP    | Teekay LNG Partners LP         | Marine Transportation     | \$ 1,102           | 4.4%  | \$ 12.68      | 23.9%            | -2.4%            | -2.4%            | \$ 0.14           | \$ 0.70           | -80.0%   |
| TLLP   | Tesoro Logistics LP            | Crude Oil Pipelines       | \$ 4,272           | 6.8%  | \$ 45.66      | 9.4%             | -7.7%            | -7.7%            | \$ 0.78           | \$ 0.67           | 16.9%    |
| TLP    | TransMontaigne Partners LP     | Refined Product Pipelines | \$ 591             | 7.3%  | \$ 36.65      | 9.3%             | 39.9%            | 39.9%            | \$ 0.67           | \$ 0.67           | 0.8%     |
| TNH    | Terra Nitrogen Co LP           | Natural Resources         | \$ 2,079           | 10.4% | \$ 111.28     | 9.7%             | 12.6%            | 12.6%            | \$ 2.88           | \$ 2.50           | 15.2%    |
| TOO    | Teekay Offshore Partners LP    | Marine Transportation     | \$ 607             | 7.8%  | \$ 5.67       | 91.6%            | -10.2%           | -10.2%           | \$ 0.11           | \$ 0.54           | -79.6%   |
| UAN    | CVR Partners LP                | Natural Resources         | \$ 611             | 12.9% | \$ 8.36       | 18.9%            | 8.4%             | 8.4%             | \$ 0.27           | \$ 0.41           | -34.1%   |
| USAC   | USA Compression Partners LP    | Energy Services           | \$ 618             | 17.9% | \$ 11.75      | 30.3%            | 7.1%             | 7.1%             | \$ 0.53           | \$ 0.51           | 2.9%     |
| USDPE  | USD Partners LP                | Crude Oil Pipelines       | \$ 188             | 14.5% | \$ 8.30       | 18.6%            | 20.1%            | 20.1%            | \$ 0.30           | \$ -              | -        |
| VLP    | Valero Energy Partners LP      | Refined Product Pipelines | \$ 3,094           | 2.7%  | \$ 47.36      | 1.7%             | -7.6%            | -7.6%            | \$ 0.32           | \$ 0.27           | 20.3%    |
| VNOM   | Viper Energy Partners LP       | Exploration & Production  | \$ 1,300           | 5.6%  | \$ 16.31      | 9.5%             | 18.6%            | 18.6%            | \$ 0.23           | \$ 0.25           | -8.8%    |
| VNR    | Vanguard Natural Resources     | Exploration & Production  | \$ 191             | 0.0%  | \$ 1.46       | -22.8%           | -49.7%           | -49.7%           | \$ 0.09           | \$ 0.45           | -79.8%   |
| VITI   | VITI Energy Partners LP        | Refined Product Pipelines | \$ 745             | 6.5%  | \$ 18.50      | 1.4%             | -9.1%            | -9.1%            | \$ 0.30           | \$ 0.26           | 14.9%    |
| WES    | Western Gas Partners LP        | Gathering & Processing    | \$ 6,077           | 7.4%  | \$ 43.41      | 10.7%            | -6.4%            | -6.4%            | \$ 0.80           | \$ 0.70           | 14.3%    |
| WGP    | Western Gas Equity Partners LP | General Partners          | \$ 7,802           | 4.5%  | \$ 35.64      | 20.8%            | -0.3%            | -0.3%            | \$ 0.40           | \$ 0.31           | 29.2%    |
| WLKP   | Westlake Chemical Partners LP  | Natural Resources         | \$ 533             | 6.3%  | \$ 19.70      | 17.9%            | -9.7%            | -9.7%            | \$ 0.31           | \$ 0.28           | 12.0%    |
| WMLP   | Westmoreland Resource Partners | Natural Resources         | \$ 110             | 15.6% | \$ 5.14       | 32.8%            | 35.5%            | 35.5%            | \$ 0.20           | \$ -              | -        |
| WNRL   | Western Refining Logistics LP  | Refined Product Pipelines | \$ 1,103           | 6.7%  | \$ 23.35      | 7.1%             | -3.0%            | -3.0%            | \$ 0.39           | \$ 0.33           | 18.0%    |
| WPT    | World Point Terminals LP       | Refined Product Pipelines | \$ 507             | 8.2%  | \$ 14.55      | 4.9%             | 11.1%            | 11.1%            | \$ 0.30           | \$ 0.30           | 0.0%     |
| WPZ    | Williams Partners LP           | Gathering & Processing    | \$ 12,350          | 16.6% | \$ 20.45      | 3.7%             | -23.2%           | -23.2%           | \$ 0.85           | \$ 0.85           | 0.0%     |

## Yorkville Universe Indices - Constituent Additions (March)

There were no new index constituents for March.

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