



Item 1. Cover Page

Cushing® Asset Management, LP
doing business as
NXG Investment Management
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Form ADV, Part 2A – Disclosure Brochure
March 31, 2022

This brochure provides information about the qualifications and business practices of Cushing® Asset Management, LP. If you have any questions about the content of this brochure, please contact us at 214-692-6334 or info@cushingasset.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Registration as an investment adviser does not imply any certain level of skill or training.

Additional information about Cushing® Asset Management, LP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

This brochure differs from the prior version, dated as of March 31, 2021, in the following material respects:

- Item 4 – Advisory Business: discusses Cushing’s intention to begin conducting certain of its advisory activities under the name NXG Investment Management.
- Item 5 – Fees and Compensation: fee schedules have been updated to reflect our most recent fee schedule.
- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss: the discussion of risk factors relating have been updated to reflect changes in investment risks, including increased risks related to interest rates, inflation and geopolitical instability.

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Item 4. Advisory Business

The Firm

Cushing® Asset Management, LP (“**Cushing**” or the “**firm**”) is organized as a Texas limited partnership. The general partner of Cushing is Swank Capital, LLC. The principal and sole control person of Swank Capital, LLC is Jerry V. Swank. Other equity partners of Cushing include members of the firm’s Executive Committee and key members of the firm’s investment team.

Cushing began offering its services to outside clients in 2003 and has been registered as an investment adviser with the SEC since 2004.

Cushing expects to begin conducting certain of its advisory activities under the name NXG Investment Management (“**NXG**”) beginning in the second quarter of 2022.

Investment Services

Cushing provides investment management services on a discretionary basis to high net worth individuals and institutional investors. Cushing offers its services through:

- separately managed accounts (“**Managed Accounts**”),
- privately offered pooled investment vehicles (“**Private Funds**”),
- publicly traded open-end registered investment companies (“**Mutual Funds**”), and
- publicly traded closed-end registered investment companies (“**Closed-End Funds**”) (collectively, the Managed Accounts, the Private Funds, the Mutual Funds and the Closed-End Funds are referred to as “**Client**”, “**Clients**”, “**Client Account**” or “**Client Accounts**”).

Investment management services include: (1) establishing each Client’s investment objectives; (2) buying or selling portfolio securities on behalf of each Client, and, from time to time, re-balancing securities in Client portfolios; (3) voting proxies on behalf of Clients who have delegated such authority; and (4) periodically reporting to each Client current investment valuations, capital gains or losses, investment income and performance.

As further discussed below, Cushing primarily invests Client Accounts in the following types of investments:

- Midstream Energy Companies,
- NextGen Infrastructure Companies,
- Global Clean Equity Companies, and
- Micro Cap, Small and SMid-Cap Growth Companies

See “Item 8: Methods of Analysis, Investment Strategies and Risk of Loss” for further information.

Cushing provides discretionary investment management services as part of various wrap fee programs (“**Wrap Fee Programs**”) offered by investment advisers/broker-dealers (“**Sponsors**”). In Wrap Fee Programs, Sponsors typically provide some or all of the following services: investment management, trade execution, custody, performance monitoring, analysis and reporting, for an all-inclusive fee. Contractual agreements for Wrap Programs are typically between the Wrap Fee Program client and the Sponsor. The Sponsor, in turn, contracts with Cushing for its investment advisory services. Cushing receives a portion of the fee received by the Sponsor for the services it provides. More information regarding Wrap Fee Programs and the fees paid by Wrap Fee Program clients to participate in the program can be found in the disclosure brochure for each Wrap Fee Program, which is provided to Wrap Fee Program clients by the sponsor of the Wrap Fee Program.

Cushing provides investment management services to the following Wrap Fee Programs:
Sponsor Program Name(s)

Citigroup Global Markets, Inc.	Fiduciary Services; Dynamic Allocation Portfolios-UMA Program
Envestnet Asset Management, LLC	Third Party Models Program
Fidelity Brokerage Services	Fidelity Separate Account Network
Lockwood Advisors, Inc.	Managed Account Advisor Program
Charles Schwab & Co.	Managed Account Access, Managed Account Select
Vestmark Advisory Solutions, Inc.	Manager Signals Program
Wells Fargo Advisors Financial Network, LLC	Private Advisor Network

In addition to Wrap Fee Programs, Cushing participates in Unified Management Account Programs ("**UMA Programs**") offered by Sponsors. In UMA Programs, Cushing provides a model portfolio to the Sponsor, and the Sponsor executes transactions for its client accounts taking into consideration the individual needs of the particular client. Unlike discretionary management accounts, Cushing does not render individualized investment management services to the Sponsor's client in a UMA Program.

Assets Under Management

As of December 31, 2021, Cushing managed \$1,063,879,816 in regulatory assets under discretionary management and \$ 809,356 in regulatory assets under non-discretionary management. In addition, Cushing had assets under advisement of \$20,100,496, consisting of assets in model-based or similar programs in which Cushing does not have discretionary authority and are not treated as regulatory assets under management

Item 5. Fees and Compensation

Managed Accounts

Cushing generally charges a quarterly management fee, in arrears, based upon the value of each Managed Account's assets, according to the following schedules:

Midstream, NextGen Infrastructure and Global Clean Equity Strategies

<u>Market Value of Portfolio</u>	<u>Management Fee in %</u>
All asset levels	1.00%

Micro Cap Growth, Small Cap Growth and SMid Cap Growth Concentrated Strategies

<u>Market Value of Portfolio</u>	<u>Management Fee in %</u>
First \$10 million	1.00%
Over-\$10 million	0.85%

SMid Cap Growth Strategy

<u>Market Value of Portfolio</u>	<u>Management Fee in %</u>
First \$10 million	1.00%
Over-\$10 million	0.85%

Fees are calculated and invoices are generated on a quarterly basis. Since Managed Account Clients pay management fees in arrears, no Managed Account prepays any management fees that would need to be refunded in the event of the termination of a Managed Account during a quarter. Management fees for Managed Accounts are negotiable, and some Clients pay more or less than others depending upon a variety of factors including, but not limited to, the size of the account, the range of services provided to the Client and the total amount of assets managed for the Client. In addition to management fees, Managed Account clients are charged other costs associated with managing the account, including brokerage commissions and custody fees.

Private Funds

Cushing generally charges each Private Fund a quarterly asset-based management fee (the “**Management Fee**”), in advance, at an annual rate of 1.0% of the value of the Private Fund’s assets. Cushing charges its Management Fee on a monthly basis and, for certain Private Funds, also charges an annual performance-based profits allocation (the “**Performance Allocation**”) in an amount up to 10% of a Private Fund’s net annual return for its fiscal year (taking into account the payment of the Management Fee). The Performance Allocation is subject to a “high water mark” limitation, as described in the offering documents for each Private Fund. Certain investors in Private Funds have entered into side letters relating to fees that have effectively reduced the Management Fee and/or Performance Allocation charged to these investors. The Management Fee and the Performance Allocation (if applicable) are deducted automatically from Private Fund investor accounts. Since investors in Private Fund Clients are generally only entitled to make withdrawals from a Private Fund Client on a quarterly basis, no Private Fund pays any management fees that would need to be refunded.

In addition to the Management Fee and Performance Allocation, investors in Private Funds incur other costs associated with the operation of the fund. The Private Funds bear the costs and expenses related to (i) the organization and offering of interest, including, but not limited to, legal and accounting fees, printing, travel filing fees and out of pocket expenses; (ii) its investment program, including, but not limited to, brokerage commissions, custody fees, proxies, underwriting and private placements, borrowing expenses and taxes; and (iii) the administration of the fund, including, but not limited to, accounting, audit and legal fees, costs of any litigation or investigation involving the fund’s activities and costs associated with reporting and providing information to existing and prospective investors.

Mutual Funds and Closed-End Funds

For investment advisory services provided to the Mutual Funds and Closed-End Funds, Cushing charges an annual management fee ranging from 0.55% to 1.25% of the average daily value of the Fund’s Managed Assets (as this term is defined and further explained in each Fund’s registration statement) payable monthly in arrears. The management fee for these Funds is calculated as of the last business day of each calendar month. The management fee is deducted automatically from Mutual Fund and Closed-End Fund investor accounts. Since Mutual Funds and Closed-End Fund Clients pay management fees in arrears, no Mutual Fund or Closed-End Fund Client prepays any management fees that would need to be refunded. More information regarding the management fee and administration fees that Cushing charges as a service provider to the Mutual Funds and Closed-End Funds is included in the registration statements and financial filings of these Funds.

Other Fees and Expenses

Clients typically pay other expenses in addition to the fees paid to Cushing. For example, Clients pay portfolio transaction costs, including brokerage commissions, transaction fees, custodial fees, transfer taxes, wire transfer fees and other related fees and taxes. Cushing also invests Client assets in unaffiliated mutual funds, exchange traded funds or exchange traded notes which charge internal management fees, as disclosed in the prospectus and financial filings for these investments. See “*Item 12.: Brokerage Practices*” for further information.

Additional Compensation

Neither Cushing nor any of its employees accepts any compensation, including sales charges or service fees, from any person for the sale of securities or other investment products.

Item 6. Performance-Based Fees and Side-by-Side Management

Cushing manages both long-only and long-short Client accounts on a side-by-side basis. In some cases, Cushing is entitled to receive performance-based compensation from long-short Client Accounts. Cushing can potentially receive higher fees from Client Accounts with performance-based compensation than from Client Accounts that only pay an asset-based fee. The management of long-only and long-short Client Accounts on a side-by-side basis creates several potential conflicts of interest for Cushing, including, among others: (a) Cushing could potentially direct non-performance compensation paying long-only Client Accounts to purchase a security held by performance compensation paying long-short Client Accounts in attempt to drive up the price for the benefit of the performance compensation paying long-short Client Accounts, (b) Cushing could direct performance compensation paying long-short Client Accounts to sell or “short” a security immediately before non-performance compensation paying long-only Client Accounts sell their positions to benefit as the subsequent sales drive down the price, or (c) Cushing could choose to direct its best investment ideas to Client Accounts that pay a performance-based compensation or to allocate or sequence trades in favor of performance-based compensation accounts.

Cushing strives to manage these potential conflicts as follows:

- When Cushing determines that it would be appropriate for a performance-based compensation Client Account and one or more other Client Accounts to participate in an investment opportunity, Cushing will seek to execute orders for all of the participating Client Accounts on an equitable basis,
- If Cushing is investing in the same security at the same time for more than one Client Account, Cushing generally seeks to place combined orders (except for short-sale orders¹) for all participating Client Accounts simultaneously,
- If an order on behalf of more than one Client Account cannot be fully executed under prevailing market conditions, Cushing will seek to allocate the trade among the different participating Client Accounts on a basis that it considers equitable,
- In general, agency cross trades among Client Accounts are not permitted, and internal cross trades are permitted only with prior approval of the firm’s Chief Compliance Officer,
- Compensation of Cushing traders is not directly tied to the performance of any particular portfolio. This is intended to incentivize traders to act in the best interests of all Clients when executing portfolio trades, regardless of fee type, and

¹ In general, Cushing will seek to process short sale orders and orders to purchase to cover short sales after completing non-short sale orders. If a short sale order is received while a non-short sale order is being processed for the same security or a non-short sale order is received while a short sale order is being processed for the same security, Cushing will seek to execute each order in an equitable manner.

- Cushing's Brokerage Review Committee conducts periodic reviews of allocations to ensure that no performance-based compensation Client Account is being systematically favored over Client Accounts not subject to a performance-based compensation.

Item 7. Types of Clients

Cushing provides investment management services through Private Funds, Mutual Funds, Closed-End Funds and Managed Accounts, which are Cushing's clients. Investors in pooled investment vehicles and Managed Accounts include:

- Financial institutions and other institutional investors,
- Family offices,
- High net worth individuals,
- Foundations, endowments and other charitable organizations,
- Corporate pension and profit-sharing plans, and
- Governmental pension and profit-sharing plans.

Each of Cushing's pooled investment vehicles has a stated minimum investment requirement in the applicable fund's offering documents. The typical minimum account size for Managed Accounts is \$250,000; however, Cushing retains discretion to accept accounts with a lower initial minimum account size.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategies

Cushing primarily invests Client Account assets in:

- *Midstream Energy Companies* – These are businesses engaged in the gathering, transportation, processing, fractionation, refining and storage of crude oil, natural gas, natural gas liquids (“*NGLs*”) and refined petroleum products, including midstream master limited partnerships (“*MLPs*”) and their related or affiliated businesses.
- *NextGen Infrastructure Companies* – These are companies that derive at least 50% of its assets, income, revenue, sales or profits committed to or derived from the ownership, operation, management, construction, development, servicing or financing of infrastructure assets. Infrastructure assets include energy infrastructure assets, industrial infrastructure assets, sustainable infrastructure assets and technology and communication infrastructure assets.
 - Energy infrastructure assets are physical structures and networks for the transportation, storage and transmission of energy. Examples of energy infrastructure assets include: electricity transmission and distribution lines and facilities used in gathering, treating, processing, fractionation, transportation and storage of hydrocarbon products.
 - Industrial infrastructure assets are structures that allow transportation of goods and people, logistics assets, assets that improve productivity and automation of existing capacity, and materials critical to establish these networks. Examples of industrial infrastructure assets include: toll roads; bridges and tunnels; airports; seaports; railroads; water and sewage treatment facilities and distribution pipelines; communication towers, cables, and satellites; and security systems related to the foregoing assets.

- Sustainable infrastructure assets consist of renewable energy infrastructure assets. Examples of sustainable infrastructure assets include: power generation from renewable and other clean energy sources, including utility scale and distributed solar power, wind, hydroelectric and geothermal power, renewable energy storage and electric vehicle charging networks, as well as waste collection and recycling, water purification and desalinization.
- Technology and communication infrastructure assets consist of assets, systems and technologies that collect, enable, analyze, optimize, automate, transmit and secure the data that allows businesses and other organizations to operate. Examples of technology and communications infrastructure assets include: data centers, cloud, hosting, and database systems, transactional and financial back-end systems, customer relationship management systems, smart city technologies, network security and cybersecurity, automation systems, human resource and workforce management and industry specific infrastructure software.
- *Global Clean Equity Companies* – These are companies that contribute to and benefit from clean energy generation, sustainable infrastructure and resources, transmission and distribution of clean energy, carbon reducing technologies and equipment, energy efficiency services and technologies, water supply and management systems, and any related enabling technologies and materials (collectively, “clean technologies”). Clean companies include, but are not limited to, (i) clean energy companies, which are energy companies seeking to contribute to and benefit from the switch to renewable, lower carbon energy sources; (ii) clean infrastructure companies, which are infrastructure companies focused on improving utility transmission and distribution networks for future needs, (iii) clean transportation companies, which are transportation companies providing alternative energy vehicles, as well as the technologies supporting the future of transportation, including batteries and autonomous driving, and (iv) clean water companies, which are water companies seeking to address water scarcity through the use technology to make it possible to provide potable water, desalinate water and recycle water to increase its availability in previously underserved communities. Cushing considers a clean company to be any company that has at least a majority of its assets, income, revenue, sales or profits committed to or derived from the ownership, operation, management, construction, development, servicing or financing of clean technologies.
- *Micro Cap Growth, Small Cap Growth and SMid Cap Growth Companies* – These are stocks generally within the market cap range of the Russell® Micro Cap Growth Index, Russell® 2000 Growth Index and Russell® 2500 Growth Index, respectively.

Cushing generally makes equity investments in a mix of publicly traded securities and non-readily marketable securities issued by public or private companies. For certain strategies, Cushing seeks to hedge various risks such as overall market, interest rate and commodity price risk through the use of derivative contracts. In the course of pursuing these investment strategies, Cushing has the ability to use a variety of financial products, including exchange-listed and over-the counter put and call options on securities, equity and fixed-income indices and other instruments, futures contracts and options thereon, and enter into specialized transactions such as swaps, caps, floors or collars. Cushing also has the ability to invest in securities of closed-end or open-end registered investment companies (including ETFs), as well as exchange traded notes (ETNs) which seek to track the total return of an underlying index or benchmark. In addition, certain portfolios managed by Cushing seek to increase current income and capital appreciation by utilizing leverage.

Cushing offers seven investment strategies for Managed Accounts:

- ***Midstream Strategy*** – Invests in a portfolio of primarily midstream companies, seeking to produce a high after-tax total return through a combination of growth and current income.

- ***NextGen Infrastructure Strategy*** – Invests in a portfolio of infrastructure companies, including next generation infrastructure companies, with a focus on total return.
- ***Global Clean Equity Strategy*** – Invests in a portfolio of clean energy, clean infrastructure, clean transportation and clean water companies, with a focus on total return.
- ***Micro Cap Growth Strategy*** – Invests in a diversified portfolio of micro cap companies (defined as stocks generally within the market cap range of the Russell® Micro Cap Growth Index) with a focus on companies with attractive valuations, compelling growth rates and perceived upside potential, seeking to produce capital appreciation.
- ***Small Cap Growth Strategy*** – Invests in a diversified portfolio of small-cap companies (defined as stocks generally within the market cap range of the Russell 2000® Growth Index) with a focus on companies with attractive valuations, compelling growth rates and perceived upside potential, seeking to produce capital appreciation.
- ***SMid Cap Growth Strategy*** – Invests in a diversified portfolio of small- and mid-cap companies (defined as stocks generally within the market cap range of the Russell® 2500 Growth Index) with a focus on companies with attractive valuations, compelling growth rates and perceived upside potential, seeking to produce capital appreciation.
- ***SMid Cap Growth Concentrated Strategy*** – Invests in a concentrated portfolio of small- and mid-cap companies (defined as stocks generally within the market cap range of the Russell® 2500 Growth Index) with a focus on companies with attractive valuations, compelling growth rates and perceived upside potential, seeking to produce capital appreciation.

Investment Process

The Cushing investment team has developed a comprehensive investment process that begins with detailed, fundamental research analysis and identification of the developing trends. Portfolio construction incorporates research and trend analysis with a proprietary risk management protocol to build a customized portfolio for each Client Account that seeks to provide total returns according to strategy mandate. Cushing's active portfolio management approach relies upon its investment management and industry expertise to identify absolute and relative value investments that, in Cushing's view, present the best opportunities. The results of Cushing's risk management and comprehensive investment process will influence the weightings of positions held by each Client Account.

Fundamental analysis. Cushing utilizes its team of dedicated research analysts to cover each Client Account's potential investment sectors. Analysts prepare detailed financial models of potential portfolio companies with full financial projections that incorporate current and future capital projects. This bottom-up modeling process is designed to help accurately predict earnings, potential distribution growth and balance sheet strength.

Qualitative analysis. The bottom-up fundamental analysis is then coupled with a top-down theme overlay, which feeds into Cushing's proprietary valuation and ranking system. Cushing's valuation and ranking system involves discussions and debate by the investment team of research analysts and portfolio managers regarding the qualitative characteristics of current and potential Client Account holdings. These qualitative characteristics include, but are not limited to, asset-related strengths and weaknesses, market sentiment and strength of management.

Quantitative analysis considerations. For certain strategies, after establishing an investment thesis on the relevant subsectors, individual securities are chosen based on suitability and issuer fundamentals, consisting of financial projections, valuations and other considerations. Cushing creates proprietary financial models designed to help forecast company earnings, growth potential, valuation targets, and to identify investment risks.

ESG analysis considerations. For certain strategies, Cushing includes an analysis of material environmental, social and governance ("ESG") factors (which, if applicable, includes a review of

third party ESG ratings) when evaluating portfolio investments. Cushing's investment process seeks to identify and focus on ESG factors that may impact the long-term value of investments and the total return of the portfolio. ESG factors and criteria typically include, but are not limited to, environmental impact and sustainability issues, employee practices, corporate governance, stakeholder relations and business ethics. Cushing obtains and considers ESG-related data and information from various sources, including third party ESG research and data services, analyst reports that incorporate ESG information, and ESG information made available by issuers. Cushing's process generally does not screen for, or exclude companies based on, specific ESG criteria, but instead seeks to identify and focus on ESG factors that may impact the long-term value of investments and the total return of the portfolio.

Portfolio construction and risk management. Once an investment thesis is formed at the company-specific level, the investment team determines the appropriate level of exposure based on current views of the overall macroeconomic environment. In constructing and maintaining portfolios, Cushing monitors a variety of strategy-specific factors, such as company valuations relative to benchmarks, general economic conditions and trends, interest rate expectations and regulatory policy.

Cushing typically constructs portfolios that it believes will have the highest risk/reward performance over the next six (6) to twenty-four (24) months. Cushing's buy discipline incorporates liquidity and pricing tolerances for each investment. The firm's sell discipline develops from a combination of price appreciation based on initial price targets, relative valuation metrics and macro issues which could impact the original thesis.

An overlay to the investment process is Cushing's risk management function, which is designed to provide independent oversight to the portfolio management process. Cushing maintains a dedicated risk management team, including professionals with FRM and CFA designations. The risk management team monitors Client portfolios for macroeconomic risks, such as geopolitical concerns, credit spreads, currency and commodity price exposure, as well as investment specific risks, such as value at risk (VaR), liquidity, sector concentration and position exposure.

Investment Strategy Risks

The principal risks associated with Cushing's investment strategies are:

Market Risk. Investing involves market risk, including the possible loss of a Client's entire investment. The value of Client Account investments may fluctuate because of changes in the markets in which the Client Account invests, which may cause Client Accounts to underperform other accounts with similar objectives. At various times in the past, volatile market conditions have had a dramatic effect on the value of securities. In addition, terrorist attacks, other acts of violence or war, health epidemics or pandemics, earthquakes, hurricanes and other natural or human disasters, may have broad adverse social, political, and economic effects on the global economy, which could negatively impact the value of Client Account investments. Client Accounts, at any point in time may be worth less than at the time of original investment, even after taking into account the reinvestment of dividends. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation.

Equity Securities Risk. Equity securities can be affected by macroeconomic, political, global and other factors affecting the stock market in general, expectations of interest rates, investor sentiment towards the issuer or the industry or sector in which such issuer operates, changes in a particular issuer's financial condition, or unfavorable or unanticipated poor performance of a particular issuer. Prices of equity securities can also be affected by fundamentals unique to the partnership or company, including earnings power and coverage ratios.

Natural Resources Risks. Midstream companies and other natural resources sector companies are subject to certain risks, including, but not limited to, the following:

- Commodity price volatility (as further discussed below under Concentration Risk)
- Changes in production and demand for natural resources
- Global political instability
- Supply constraints
- Regulatory changes
- Weather interruptions
- Environmental costs and liabilities
- Catastrophe risk

Infrastructure Company Risks. Infrastructure companies can be affected by various factors, including general or local economic conditions and political developments, general changes in market sentiment towards infrastructure assets, high interest costs in connection with capital construction and improvement programs, difficulty in raising capital, increased competition, costs associated with compliance with changes in environmental or other regulations, regulation or intervention by various government authorities, including government regulation of rates, inexperience with and potential losses resulting from the deregulation of a particular industry or sector, changes in tax laws, environmental problems, technological changes, surplus capacity, import tariffs on materials used in operations or construction, casualty losses, threat of terrorist attacks and changes in interest rates. Infrastructure companies that operate in industries within the energy sector can be significantly affected by fluctuations in energy prices and supply and demand of energy fuels.

Utility companies are affected by supply and demand, operating costs, government regulation, environmental factors, liabilities for environmental damage and general civil liabilities, and rate caps or rate changes. Infrastructure companies that operate in industries within the real estate sector are subject to the risks associated with the ownership of real estate. These risks include, among others, declines in the value of real estate, negative changes in the climate for real estate, risks related to general and local economic conditions, decreases in property revenues, increases in prevailing interest rates, property taxes and operating expenses, changes in zoning laws and costs resulting from the cleanup of environmental problems. Infrastructure companies that operate in industries within the telecommunications sector may be affected by general market conditions, government regulation, intense competition, equipment incompatibility, changing consumer preferences, demographic and product trends, short product cycles, technological obsolescence and large capital expenditures and debt burdens.

Sustainable infrastructure investments are subject to certain additional risks including high dependency upon government policies that support renewable power generation and enhance the economic viability of owning renewable electric generation assets; adverse impacts from the reduction or discontinuation of tax benefits, incentives and other similar subsidies that benefit sustainable infrastructure companies; dependency on suitable weather conditions and risk of damage to components used by severe weather; adverse changes and volatility in the wholesale market price for electricity; the use of newly developed, less proven technologies and the risk of failure of new technology to perform as anticipated; and dependence on a limited number of suppliers of system components, which may result in shortages, delays or component price changes.

Technology and communications infrastructure investments are subject to certain additional risks including rapidly changing technologies and existing product obsolescence; short product life cycles; fierce competition; high research and development costs; aggressive pricing and reduced profit margins; the loss of patent, copyright and trademark protections; cyclical market patterns; evolving industry standards; frequent new product introductions and new market entrants and cybersecurity risks (discussed below).

Concentration Risk. Because certain strategies will be concentrated in the group of industries constituting the energy and energy infrastructure sectors, they will be more susceptible to the risks associated with the sectors than if it were more broadly diversified over numerous

industries and sectors of the economy. Companies in the energy and energy infrastructure sectors may be affected by fluctuations in the prices of energy commodities. The highly cyclical nature of the industries in which companies in the energy and energy infrastructure sectors operate may adversely affect the earnings or operating cash flows of such companies or the ability of such companies to borrow money or raise capital needed to fund its continued operations. A significant decrease in the production of energy commodities could reduce the revenue, operating income and operating cash flows of certain companies in the energy and energy infrastructure sectors and, therefore, their ability to make distributions or pay dividends. A sustained decline in demand for energy commodities could adversely affect the revenues and cash flows of certain companies in the energy and energy infrastructure sectors. General changes in market sentiment towards the energy and energy infrastructure sectors may adversely affect these strategies, and the performance of investments in the energy and energy infrastructure sectors may lag behind the broader market as a whole. The energy markets have experienced significant volatility in recent periods, including as a result of the COVID-19 pandemic, during which demand for energy commodities fell sharply and energy commodity prices reached historic lows. In addition, the consequences of the Russian invasion of Ukraine, including international sanctions and increased disruption to supply chains may contribute to increased volatility in the energy markets. Such conditions may negatively impact Client Accounts.

Interest Rate Risk. The prices of the equity and debt securities of MLPs and other natural resources companies are susceptible in the short term to a decline when interest rates rise. Rising interest rates could limit the capital appreciation of securities of certain MLPs as a result of the increased availability of alternative investments with yields comparable to those of MLPs. Rising interest rates could adversely impact the financial performance of MLPs and other natural resources companies by increasing their cost of capital. The risk of interest rates rising is more pronounced in the current market environment with certain rates near historic lows and recent inflationary price movements. This may reduce their ability to execute acquisitions or expansion projects in a cost effective manner.

ESG Risk. While ESG considerations are a factor in Cushing's investment process, Cushing generally does not screen for, or exclude companies based on, specific ESG criteria. However, to the extent that Cushing's ESG criteria exclude the securities of certain issuers for nonfinancial reasons, there is a risk that strategies employing ESG criteria could forego some market opportunities available to strategies that do not use ESG criteria.

MLP Structure Risk. Holders of MLP units are subject to certain risks inherent in the structure of MLPs, including (i) tax risks (described further below), (ii) the limited ability to elect or remove management or the general partner or managing member, (iii) limited voting rights, except with respect to extraordinary transactions, and (iv) conflicts of interest between the general partner or managing member and its affiliates, on the one hand, and the limited partners or members, on the other hand, including those arising from incentive distribution payments or corporate opportunities.

MLP Tax Risk. The anticipated benefit from investing in MLPs is largely dependent on the MLPs being treated as partnerships for U.S. federal income tax purposes. As a partnership, an MLP has no U.S. federal income tax liability at the entity level. If, as a result of a change in current law or a change in an MLP's business, an MLP were to be treated as a corporation for U.S. federal income tax purposes, it would be subject to U.S. federal income tax on its income at the graduated tax rates applicable to corporations. In addition, if an MLP were to be classified as a corporation for U.S. federal income tax purposes, the amount of cash available for distribution by it would be reduced and distributions received from it would be taxed under U.S. federal income tax laws applicable to corporate distributions (as dividend income, return of capital, or capital gain). Therefore, treatment of MLPs as corporations for U.S. federal income tax purposes would result in a reduction in the after-tax return to Client Accounts.

Debt Securities Risk. The risks of investing in debt or fixed-income securities include: (i) credit risk, e.g., the issuer or guarantor of a debt security may be unable or unwilling (or be perceived

as unable or unwilling) to make timely principal and/or interest payments or otherwise honor its obligations; (ii) maturity/duration risk, e.g., a debt security with a longer maturity or duration (a measure of the price sensitivity of a fixed income investment to changes in interest rates, expressed as a number of years) may fluctuate in value more than one with a shorter maturity; (iii) market risk, e.g., low demand for debt securities may negatively impact their price; (iv) interest rate risk, e.g., when interest rates go up, the value of a debt security generally goes down, and when interest rates go down, the value of a debt security generally goes up (long-term debt securities are generally more susceptible to interest rate risk than short-term debt securities); and (v) call risk, e.g., during a period of falling interest rates, the issuer may redeem a security by repaying it early, which may reduce the amount of income received if the proceeds are reinvested at lower interest rates.

While interest rates remain below historical averages, the Board of Governors of the Federal Reserve System (the “Federal Reserve”) may make adjustments to the Federal Funds rate in the near future. Rising interest rates or lack of market participants may lead to decreased liquidity and increased volatility in the debt securities markets, making it more difficult for Cushing to sell debt securities holdings at a time when it may want to sell. Decreased liquidity in the debt securities markets may also make it more difficult to value some or all of a Client’s debt securities holdings. The risk of interest rates rising is more pronounced in the current market environment with certain rates at historic lows and recent inflationary price movements.

Options Risk. Investing in options can provide a greater potential for profit or loss than an equivalent investment in the underlying asset. The value of an option may decline because of a change in the value of the underlying asset relative to the strike price, the passage of time, changes in the market’s perception as to the future price behavior of the underlying asset, or any combination thereof. In the case of the purchase of an option, the risk of loss of an investor’s entire investment (i.e., the premium paid plus transaction charges) reflects the nature of an option as a wasting asset that may become worthless when the option expires. Where an option is written or granted (i.e., sold) uncovered, the seller may be liable to pay substantial additional margin, and the risk of loss is unlimited, as the seller will be obligated to deliver, or take delivery of, an asset at a predetermined price which may, upon exercise of the option, be significantly different from the market value.

Micro, Small and Mid-Sized Company Risks. Investments in micro-, small- and mid-sized companies may involve greater risks than investments in larger, more established companies. As a general rule, the smaller the market capitalization of the company, the greater the risk. As compared to larger companies, smaller sized companies may have limited management experience or depth, limited ability to generate or borrow capital needed for growth, limited products or services, or may operate in less established markets. Accordingly, smaller sized company securities may be more sensitive to changing economic, market, and industry conditions and may be more volatile and less liquid than equity securities of larger companies, especially over the short term. Smaller sized companies also may fall out of favor relative to larger companies in certain market cycles, resulting in portfolio losses or underperformance.

Investment Product Risks. Additional disclosures regarding specific risks related to an investment in the Private Funds, the Mutual Funds and the Closed-End Funds can be found in the offering documents and registration statements, respectively, for these products.

Cybersecurity Risks. As the use of Internet technology has become more prevalent, Cushing, its service providers and markets generally have become more susceptible to potential operational risks related to intentional and unintentional events that may cause a company to lose proprietary information, suffer data corruption or lose operational capacity. Companies are susceptible to cyber security risks that include, among other things, theft, unauthorized monitoring, release, misuse, loss, destruction or corruption of confidential and highly restricted data; denial of service attacks; unauthorized access to relevant systems, compromises to networks or devices used in their operations; or operational disruption or failures in the physical infrastructure or operating systems. Cyber attacks against or security breakdowns of a

company's systems may adversely impact the company and its stockholders, potentially resulting in, among other things, financial losses; the inability to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs; and/or additional compliance costs. A company may incur additional costs for cyber security risk management and remediation purposes. There can be no guarantee that any risk management systems established by a company to reduce technology and cyber security risks will succeed, which may result in the loss of value.

Item 9. Disciplinary Information

On September 14, 2018, the SEC accepted Cushing's offer to resolve an investigation into whether certain trades in December 2012 involving an affiliated hedge fund and registered investment companies constituted prohibited cross trades in violation of Section 17(a)(1) of the Investment Company Act. Cushing cooperated fully with the SEC's inquiry into this matter and, without admitting or denying the SEC's findings in an administrative cease and desist order, agreed to cease and desist from committing or causing any violations and any future violations of Section 17(a)(1) of the Investment Company Act and to pay a civil money penalty of \$100,000.

Item 10. Other Financial Industry Activities and Affiliations

Certain Cushing employees, including the firm's management personnel responsible for institutional and retail sales, are registered representatives of Foreside Funds Services, LLC, a broker-dealer unaffiliated with Cushing. As registered representatives, these employees are engaged in activities related to the distribution of products and services offered by Cushing.

Cushing is not registered with the Commodities Futures Trading Commission ("**CFTC**") as a commodity pool operator or commodity trading advisor, in reliance upon available exemptions.

Mutual Funds

Cushing serves as the investment adviser to Cushing® NextGen Infrastructure Fund (formerly known as Cushing MLP Infrastructure Fund) and Global Clean Equity Fund, each a series of Cushing® Mutual Funds Trust.

Cushing also serves as the subadvisor to MainStay Cushing® MLP Premier Fund, an open-end registered investment company.

Closed-End Funds

Cushing serves as the investment adviser to two exchange-listed closed-end registered investment companies: The Cushing® MLP & Infrastructure Total Return Fund and The Cushing® NextGen Infrastructure Income Fund (formerly known as The Cushing® Renaissance Fund.)

Cushing manages potential conflicts of interest arising from its management of different types of Client Accounts by allocating investment opportunities in accordance with its allocation policies and procedures, as further described under "Performance-Based Fees and Side-by-Side Management."

Private Funds

Cushing serves as the investment adviser to and general partner of Cushing® Fund, LP. ("**TCF**"). The firm's principals, employees and affiliates collectively have a controlling interest in TCF. Cushing also serves as the investment adviser to Swank Investment Partners, LP ("**SIP**"), Cushing® Clean Energy & Sustainability Fund, LP ("**Clean**"), and Cushing® Enhanced Market Neutral Fund ("**Market Neutral**"), proprietary collective investment vehicles controlled by firm principals, employees and affiliates.

To the extent that TCF, SIP, Clean or Market Neutral make investments in the same or similar securities as other Client Accounts, there is the possibility for conflicts of interest. Cushing has adopted policies and procedures, as further described under “Performance-Based Fees and Side-by-Side Management,” to ensure that all Client Accounts are managed in accordance with each Client’s investment objective and guidelines and that none of TCF, SIP, Clean, Market Neutral or any Client Account is inappropriately favored over another.

Cushing does not recommend other investment advisers to its Clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

Cushing has adopted a Code of Ethics and Personal Trading Policy (the “Code”) to ensure that the firm’s officers, employees and independent contractors with access to non-public portfolio information (“Supervised Persons”) are aware of the fiduciary duty that they and the firm owe to Clients to place the interests of Clients above their own personal interests. The Code addresses potential conflicts of interest and sets forth policies and procedures applicable to all Supervised Persons regarding personal securities trading, receipt and provision of gifts and business entertainment and involvement in outside activities. The Code’s gift and business entertainment provisions limit the ability to give and receive gifts and business entertainment and require reporting of all gifts and entertainment given or received above a de minimis amount.

Cushing and its professionals may come into contact with material, non-public information in connection with their advisory and portfolio management activities. In addition, certain Cushing investment professionals, from time to time, serve as directors of the publicly and privately held companies whose securities are purchased for Cushing’s Clients. As corporate insiders, these persons have the ability to receive material non-public information concerning a company’s operations or securities offerings. The Code contains procedures designed to prevent the abuse of material, non-public information including, among other things, the use and maintenance of a restricted trading list and trading during only certain periods. Cushing may be prevented from buying into or selling out of a position because of restrictions placed on trading due to this restricted trading policy. These restrictions could be detrimental to a Client Account because the Client Account could be prevented from buying a security whose price is rising or selling a security whose price is declining.

The Code restricts the personal securities transactions of all Supervised Persons and requires full disclosure of all brokerage accounts over which Supervised Persons have any beneficial interest. Except in limited circumstances, the Code requires that Supervised Persons obtain pre-approval of their personal securities trades (including initial public offerings and private placements) from the firm’s compliance department. The request for pre-clearance will be denied if (i) a Client trade in the same issuer has occurred within seven (7) calendar days prior to the request or a Client trade is contemplated to occur within seven (7) calendar days after the date of the request; (ii) the issuer is included in the firm’s restricted list, or (iii) the compliance department determines that the proposed transaction appears to pose a conflict of interest or otherwise appears improper. In addition, with certain exceptions, Supervised Persons are prohibited from engaging in the purchase and sale, or the sale and purchase, of the same (or equivalent) covered security within sixty (60) calendar days.

All Supervised Persons must report their personal securities trades and holdings on a regular basis to the firm’s compliance department. In addition, all Supervised Persons are required to promptly report any violation or potential violation of the Code of which they are aware to the firm’s compliance department.

Supervised Persons are encouraged to report exceptions or potential violations of the Code by themselves or others or other potential illegal or unethical behavior to either the firm’s

compliance department or the SEC. Cushing does not permit retaliation of any kind against a person who, in good faith, reports a violation of the Code.

Cushing will provide a copy of the Code at no charge to Clients and others upon request.

Participation in Client Transactions

Cushing buys and sells for Managed Account Clients securities of issuers for which affiliated Private Funds, Mutual Funds and Closed-End Funds or other related persons have the ability to invest. Due to different fee arrangements among Client Accounts, Cushing has a potential incentive to favor certain Client Accounts over others in allocating trades among Client Accounts. Cushing strives to manage these potential conflicts through trade order aggregation and allocation policies and procedures designed to ensure that trades are allocated among Client Accounts in a fair and equitable manner.

From time to time, Cushing recommends that its Clients invest in (i) Private Funds for which Cushing acts as the general partner or investment manager or (ii) Mutual Funds or Closed-End Funds for which Cushing acts as an investment adviser or investment sub-adviser (collectively, “**Affiliated Funds**”). Investing in Affiliated Funds creates a conflict of interest because Cushing could benefit from the investment by receiving additional management fees and performance-based compensation. Cushing’s relationship to each Affiliated Fund and the fees it is entitled to receive are disclosed in the relevant Affiliated Fund offering memorandum or prospectus, as applicable. If a Private Fund or Managed Account Client were to invest in an Affiliated Fund, Cushing would waive its management fee on the Private Fund or Managed Account Client’s investment in the Affiliated Fund for the duration of the investment in the Affiliated Fund.

In general, Cushing and its principals avoid engaging in securities transactions with Client Accounts. Cushing and its affiliates have the ability to invest in securities in which Cushing has invested Client assets on a side-by-side basis, either directly in an equitable manner in compliance with its trade allocation policies or through special purpose vehicles. Cushing and its affiliates may purchase or sell such securities only contemporaneously with or after all Clients’ purchase or sale of such securities, as the case may be.

Cushing and its principals, through their ownership interest in certain Private Funds, may be deemed a related person of such entity (a “**Principal Account**”). In general, Cushing does not seek to enter into transactions between its Principal Accounts and Managed Accounts or Private Funds (each, a “**Principal Transaction**”). Cushing will engage in a Principal Transaction involving a Managed Account or Private Fund only if the proposed transaction is consistent with applicable Client investment guidelines, Cushing’s policies and procedures regarding Principal Transactions and applicable laws and regulations.

Cushing will effect a pre-arranged cross transaction among two Client Accounts only in compliance with each Client’s investment restrictions, Cushing’s policies and procedures regarding cross trades and applicable laws and regulations. Additionally, a cross trade that involves a Mutual Fund or Closed-End Fund shall only be permissible if the trade complies with the Rule 17a-7 procedures set forth in the Cushing Registered Funds Compliance Manual. Neither Cushing nor any related person involved in the trade will receive compensation for these trades.

Item 12. Brokerage Practices

Broker Selection and Best Execution

Except as directed otherwise by the Client, Cushing has complete investment and brokerage discretion over transactions in discretionary Client Accounts. In selecting a broker for transactions in discretionary Client Accounts, the firm uses its best judgment to choose the broker most capable of providing “best execution.” As a general definition, “best execution” is the execution of Client Account trades at the best net results under the circumstances. Best execution requires the placement of trades in a manner that is intended to maximize the value

of the Client Account's investment objectives. In seeking the best price and execution quality, traders consider not only the commission rate, spread or other compensation paid, but, among other things, the price at which the transaction is executed, speed of execution, ability to handle large trades or thinly traded issuers in a timely manner and customer responsiveness, bearing in mind that it may be in the Client Account's best interest to pay a higher commission, spread or other compensation in order to receive better execution.

Brokers are selected on the basis of an evaluation by the firm of the overall value and quality of the brokerage services provided by these firms to Client Accounts. Cushing selects brokers for direct securities transactions based on a number of factors, including the following:

- the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- the financial strength, integrity and stability of the broker;
- the broker's risk in positioning a block of securities;
- the quality, comprehensiveness and frequency of available research services and other services considered by the firm to be of value; and
- the competitiveness of commission rates in comparison with other brokers satisfying Cushing's other selection criteria.

In selecting brokers, Cushing does not consider whether the firm or a related person receives client or investor referrals from the broker or a related third party.

Orders for Wrap Fee Program Client Accounts that have provided the firm with full investment discretion but have directed the firm to use a specific broker-dealer specified by the Wrap Fee Program Sponsor are processed pursuant to the applicable Sponsor's policies and are communicated to the respective Sponsor's trading desk and may not be able to receive the same execution if they were bundled. See "*Directed Brokerage*" below for further information. For UMA Program Client Accounts, Cushing provides notice to sponsors of changes to the investment model but does not have control over the implementation of investment decisions and has no trading authority for the underlying accounts. The sponsor of the UMA has the discretion and responsibility to execute the trades recommended in the model.

Research and Soft Dollar Benefits

Research and other products and services received from brokers includes both services generated internally by a broker's own research staff as well as services obtained by the broker from a third party research firm. Research services furnished by brokers can be in the form of written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; specialized news services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants. Research services are used for all Client Accounts, even though certain Clients have not paid direct commissions to the brokers who provided the research.

Cushing is party to "soft dollar" arrangements with one primary brokerage firm. Pursuant to this arrangement, the cost of certain research and other services and products used by Cushing or its affiliates is paid for with commissions generated by direct securities transactions through this brokerage firm for Client Accounts. Cushing receives a benefit because it does not have to produce or pay for the research services itself. Consequently, Cushing has an incentive to select this broker based on its desire to receive research services rather than a desire to obtain the most favorable execution in the Clients' best interest. It is Cushing's policy to retain the ability to pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with this investment and research information or to pay higher commissions to these firms if Cushing has determined that the broker is providing best execution based on the factors described in "Broker Selection and Best Execution" above.

In the event that Cushing utilizes allocations of commission dollars, it will do so solely to pay for products or services that qualify as “research and brokerage services” within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Cushing uses “soft dollar” benefits to serve all Client Accounts, and not only those that paid for the benefits. In addition, Cushing does not seek to allocate “soft dollar” benefits to Client Accounts proportionately to the credits the Client Accounts generate. Finally, Cushing does not have any commitments or understandings to trade with specific brokers or to generate a specified level of brokerage commission with a particular broker in order to receive brokerage or research services.

Trade Allocation

Cushing has a policy that provides for allocation of Client Account trades in a manner that treats each Client Account fairly and equitably over time and pro-rata based on the size of the participating Client Account(s) and their investable capital. The firm’s traders are generally responsible for determining the sequencing or rotation methods for executing trade orders, consistent with the firm’s policy and procedures. Account performance or affiliation of the firm or its principals with a Client Account shall never be a factor considered in trade allocations and allocation of trades will not be given to any Client Account based solely on a favorable execution or on any relationship a Client Account has with another party.

Except as otherwise indicated below, if Cushing has determined to invest in the same direction in the same security at the same time for more than one of its Client Accounts, Cushing will generally place orders for all such accounts simultaneously. If all such orders are not filled at the same price, Cushing will, to the greatest extent possible, allocate the trades such that the order for each participating Client Account is filled at the same average price. Similarly, if an order on behalf of more than one participating Client Account cannot be fully executed under prevailing market conditions, Cushing will allocate the trades among the different Client Accounts on a basis that it considers equitable.

The Firm places orders for retail separately managed account (“SMA”) Client Accounts and communicates changes to unified model account (“Model Recipients”) separately from transactions from its institutional Client Accounts. In circumstances where orders are placed in the same securities at the same time for institutional Client Accounts and SMA Client Accounts and Model Recipients, the Firm uses a randomly generated rotation methodology to deliver model changes to Model Recipients and effect trading on behalf of its SMA Client Accounts in a manner that it believes to be fair and equitable over time.

The details of a particular trade rotation used by the Firm when delivering model holding changes to Model Recipients and effecting trading on behalf of its other clients can differ depending on the particular facts and circumstances. A typical rotation involves the generation of a random list of participating Client Accounts and Model Recipients. The Firm will then submit trade instructions (i.e., by effecting trades on behalf of a Client Account or sending model holdings to a Model Recipient, as applicable) to the first entry in the rotation and then to the next entry, typically until all entries in the rotation have received appropriate instructions. The Firm has the ability to deviate occasionally from this rotation methodology due to considerations such as liquidity, price sensitivity, trading venue and size of a transaction, among other factors, as long as the Firm believes such alternative is appropriate and fair and reasonable under the circumstances. This creates the potential that certain Client Accounts or trades executed for Model Recipient clients could be effected at different execution prices.

Because of the mechanics of the trade rotation process and other factors, trading for the Firm’s institutional Client Accounts will typically begin when the trade rotation process begins and is completed prior to the completion of all trades for SMA Client Accounts and will be effected at the same time as trades are being executed by Model Recipients for their clients. As a consequence, trading by or for an SMA Client Account or Model Recipient client are subject to price movements, particularly with large orders or where the securities are thinly traded, that will potentially result in SMA Client Account or Model Recipient clients receiving prices that are less

favorable than the prices obtained by the Firm for its institutional Client Accounts. Thus, the Firm's institutional Client Accounts over time could obtain better execution, including more favorable prices for their transactions, than SMA Client Accounts or Model Recipient clients purchasing or selling the same securities. However, the same factors could also result in SMA Client Accounts or Model Recipient clients completing trading before or at the same time as the Firm's trading on behalf of institutional Client Accounts and obtaining better execution. Because the Firm does not control a Model Recipient's execution of transactions for its clients, the Firm cannot control the market impact of such transactions.

Directed Brokerage

A few of Cushing's Clients currently require or strongly suggest that trades be directed to a particular broker. In addition, when Cushing participates as an adviser in a Wrap Fee Program, the Wrap Fee Program Sponsor typically directs all brokerage for Client Accounts managed through the Wrap Fee Program to be directed to the Sponsor (or the broker it designates). Trades for Wrap Fee Program Clients who direct brokerage for execution and instructions will not be combined with, and generally will be placed after, orders for the same securities for other Client Accounts managed by Cushing. Accordingly, directed brokerage Wrap Fee Program trades are subject to price movements, particularly in volatile markets, that could result in the Client receiving a price that is less favorable than the price obtained for other Client Accounts. Clients who participate in these programs should be aware that the arrangement could result in failure to achieve best execution in some transactions.

Trade Aggregation

Subject to the limitations described below, orders for the same security entered on behalf of more than one Client Account will generally be aggregated (i.e., blocked or bunched) in order to seek more favorable prices, lower brokerage commissions or obtain more efficient execution, subject to the aggregation being in the best interests of all participating Client Accounts. There is no obligation to include any Client Account in a bunched order unless the trader or portfolio manager believes it is in the Client Account's best interest. Instances in which Client Account orders will not be aggregated include, but are not limited to, the following: (a) Client directs the firm to use one or more specific broker-dealers (in which case such orders shall be separately effected), (b) the transaction involved and/or Client Account structure requires execution through a specific broker-dealer (e.g. MLP total return swaps); (c) the trader or portfolio manager determines that aggregation is not appropriate because of market conditions, (d) transactions must be effected at different prices (typically due to limits or timing differences), making aggregation unfeasible, or (e) Cushing would be prohibited from aggregating trades due to legal or contractual restrictions, such as, for example, prohibitions from engaging in joint transactions with affiliates under the Investment Company Act of 1940, as amended. Orders for Wrap Fee Program Client Accounts and model changes for UMA Program Client Accounts are not combined with, and are typically placed after, orders for other Client Accounts managed by Cushing.

In making the determination to aggregate trades, the trader or portfolio manager considers a number of factors, including, but not limited to: the Client Account's investment objectives and policies, investment guidelines, liquidity requirements, cash flow, timing of receipt of trading instructions from portfolio managers, market conditions, legal or regulatory restrictions and the nature and size of the bunched order.

Limited Offerings

Sensitive allocation issues arise when Cushing is given the opportunity to participate on behalf of Client Accounts in initial public offerings ("IPOs"), secondary offerings, limited participation block trades, investments in securities exempt from registration under the Securities Act of 1933, as amended, including Private Investment in Public Equity ("PIPE") offerings, and other limited investment opportunities (collectively, "Limited Offerings"), since these Limited Offerings provide the potential of an immediate profit and other conflicts of interest. In general, the proposed allocation will be pro rata among eligible participating Client Accounts (Wrap Fee and UMA Program Client Accounts are not eligible to participate in Limited Offerings). However, the proposed allocation will also take into consideration other relevant factors including, but not

limited to, the size of each Client Account's proposed allocation, liquidity needs, cash flow, regulatory restrictions and previous allocations.

Cushing's Brokerage Review Committee conducts periodic reviews of allocations to ensure that no particular Client Account or group of Client Accounts is being systematically favored or harmed in the selection and allocation of investment opportunities.

Item 13. Review of Accounts

Portfolio managers perform periodic reviews of each Client Account to ensure consistency with Client objectives and restrictions. In addition, Cushing's compliance department monitors trading activity in Client Accounts to compare with regulatory and Client mandates.

Cushing issues periodic written reports to Clients. These reports generally include a discussion of investment performance along with data related to the Client Account. Investors in Private Funds receive quarterly statements containing statistical data regarding their account along with commentary highlighting the developments for the period.

Item 14. Client Referrals and Other Compensation

From time to time, Cushing enters into agreements with unaffiliated broker-dealers or investment advisers regarding the solicitation and referral of Managed Account Clients or investors in Private Funds to Cushing for compensation. Cushing pays a percentage of the management fee and/or performance fee collected from the Client Account to a referring broker-dealer or investment adviser. To the extent that this compensation is deemed a solicitation fee, the compensation is disclosed in writing to the prospective Client or their authorized designees in accordance with applicable regulations.

Item 15. Custody

Cushing does not provide custodial services to its Clients. All Client assets are held with "qualified custodians". Managed Account Clients receive statements directly from the qualified custodians on at least a quarterly basis. These Clients are urged to carefully review custodian statements and compare the information with reports provided by Cushing. Information in reports provided by Cushing to Managed Account Clients can vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Investors in Private Funds receive quarterly statements from Cushing and audited financial statements within 120 days following the end of the fund's fiscal year. Audited financial statements are prepared by an independent accounting firm which is registered and subject to inspection by the Public Company Accounting Oversight Board.

Item 16. Investment Discretion

Generally, Cushing is retained on a discretionary basis and has full authority to manage the assets in each Client Account. Cushing observes all investment limitations and restrictions that are outlined in each Client Account's investment management agreement and organizational documents. In addition, Cushing has relationships with UMA Program Sponsors and other Clients whereby Cushing provides investment advice on a non-discretionary basis (generally in the form of a model portfolio that is updated periodically or contacting Clients to obtain approval prior to placing trades).

Item 17. Voting Client Securities

Cushing typically accepts authority to vote proxies on behalf of its Client Accounts. The major proxy-related issues generally fall within six categories:

- corporate governance,
- takeover defenses,
- compensation plans,
- capital structure,
- social responsibility, and
- environmental protection

Cushing will cast votes for proxies related to these matters on a case-by-case basis. Cushing will generally vote in favor of matters which follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices. In evaluating environmental and social responsibility proxy questions, the Investment Manager will consider current and expected industry practices, with a bias towards enhancing the long-term value of the investment.

If a proxy vote creates a material conflict between the interests of Cushing and a Client, Cushing will resolve the conflict before voting the proxy. Cushing will either disclose the conflict to the Client and obtain the Client's consent or take other steps designed to ensure that a decision to vote the proxy was based on the Investment Manager's determination of the Client's best interest. Cushing does not use third party proxy voting services.

A copy of Cushing's proxy voting policy is available to Clients upon request. Further, Clients may request a record of how proxies have been voted on their behalf.

Item 18. Financial Information

Cushing is not required to provide a balance sheet for its most recent fiscal year, as it does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance. Cushing has pledged its ownership interest in certain Private Funds to a financial institution as collateral for a line of credit for working capital purposes. Cushing believes that neither this commitment nor any other financial commitment impairs its ability to meet contractual and fiduciary commitments to clients. Cushing has never been the subject of a bankruptcy proceeding.