North American Energy (without K-1s)

QUARTERLY REPORT 2Q 2026

DURING THE QUARTER, THE WAR IN THE Middle East drove oil prices higher, causing concern about demand destruction. Despite posting negative returns for the quarter, our North American Energy portfolio–given its diversified approach to the energy value chain–beat its energy benchmark during the quarter and year-to-date, and has significantly outperformed the broad market year-to-date.

Longer term, we believe there will be a call on North American energy, a theme this portfolio has long championed. The structural tailwinds that have been present for the last few years have only strengthened over the last several months, as North America continues to be viewed as a stable, secure energy source, in our opinion.

Crude supply is tight. US crude oil inventories continue moving lower. US crude stocks, excluding the strategic petroleum reserve (SPR), sit at 424 million barrels per day (MMBbls), which is 2.5% higher than last year. The SPR now sits at 323 MMBbls, which is only about 45% full. According to the International Energy Agency (IEA), since the beginning of the war in the Middle East, cumulative supply losses from Persian Gulf producers have exceeded 1.3 billion barrels.

LNG demand is rising. The liquefied natural gas (LNG) industry lost two liquidation trains in Qatar, which could take up to five years to become fully operational again. Heading into 2026, the expectation was that North American LNG facilities would be overbuilt in the next few years, but now both Asia and Europe may further rely on North American facilities to restock inventories. US LNG exports have averaged ~19 billion cubic feet per day (Bcf/d) recently, above the 2025 average of 15.1 Bcf/d.

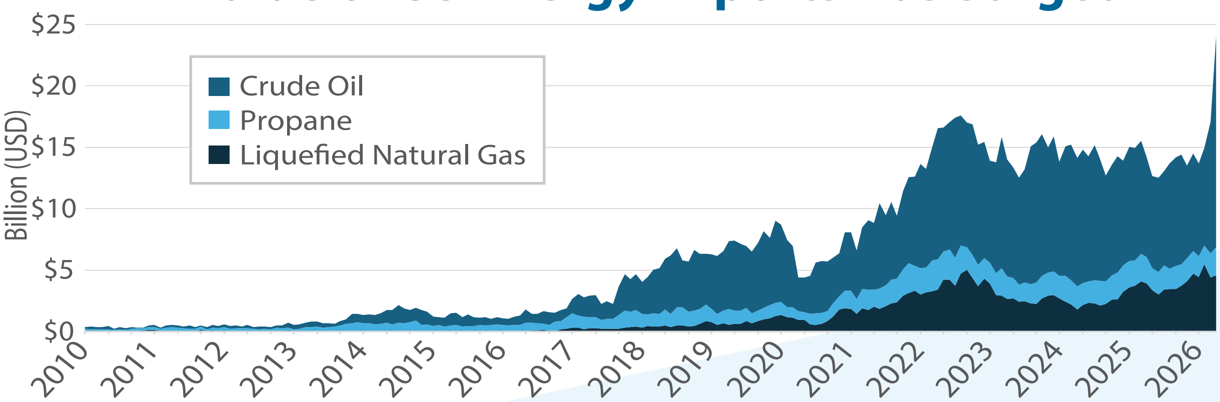
Portfolio Highlights

- **Dividend increases:** This quarter 2 of our 25 holdings announced dividend increases. The average increase was 2.6% year-over-year.
- **Sales:** We exited **Coterra Energy Inc. (CTRA)** as it was acquired. We trimmed **Select Water Solutions Inc (WTTR)** after strong performance.
- **Buys:** We initiated a position in **California Resources Corp. (CRC),** which offers diversification from most exploration and production (E&P) peers due to its conventional, low-decline wells with Brent-linked pricing. We bought **Targa Resources (TRGP)** as we view it to have one if the best growth profiles in midstream. We also bought **Williams (WMB),** which offers peer-leading EBITDA growth.

Looking Ahead

We believe the companies we own in the portfolio are well positioned to participate in the call on North American energy. Higher demand for North American oil and natural gas should benefit the upstream companies and help support prices. Higher prices should result in more volume, which should benefit the midstream companies in the portfolio as well, we believe. (Although not as big as a tailwind as for the upstream companies, on the margin, this is good for midstream.) Lastly, service companies have historically benefitted from a higher commodity strip. In our opinion, this adds up to a positive outlook for companies in the North American energy value chain.

Value of US Energy Exports Has Surged



As of April 30, 2026. Source: US Census Bureau. Based on monthly data from 2010.

North American Energy Leaders and Laggards

QUARTERLY REPORT 2Q 2026

NORTH AMERICAN ENERGY (without K-1s)

LEADERS ◊

Select Water Solutions: Water infrastructure companies continue to see increasing demand for their services.

Pembina: 2026 guidance was increased after the 1Q beat.

TC Energy: Earnings were in line with expectations, and the company reaffirmed 2026-2028 guidance. Several new projects were announced.

Valero Energy: Earnings beat, and refiners should continue to benefit from lower product inventories.

Marathon: Earnings beat, product inventories are low, and the company benefits from its ownership of MPLX.

LAGGARDS ◊

ConocoPhillips: 1Q earnings were solid, but the exploration and production (E&P) industry pulled back as oil prices moved lower.

Occidental: The company continues to make progress on strengthening its balance sheet.

Canadian Natural Resources: 1Q earnings beat on strong production, but lower crude prices weighed on the stock.

Suncor Energy: Despite solid earnings, lower crude prices weighed on the stock.

APA Corp: Earnings beat, and the company continues to generate good free cash flow (FCF). Lower crude prices weighed on the stock.

◊ By contribution to return. To obtain our methodology for calculating the best- and worst-performing securities, as well as a list of the contribution to performance of each security listed, please call us at 845.679.9166. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. This list is not a recommendation to buy, sell, or hold these securities.

For more information and to request materials: Visit www.mhinvest.com or contact our Internal Sales Desk: Email internals@mhinvest.com / Call (845) 679-9166 **To receive the current ADV Part 2A free of charge:** Email compliance@mhinvest.com / Call (845) 679-9166

Notification to Clients: Contact your Advisor with any material changes to your financial profile that would impact your appropriateness for investment.

Miller/Howard Investments
mhinvest.com/blog

MILLER/HOWARD INVESTMENTS | PO BOX 1598, KINGSTON, NY 12402 | (845) 679-9166 | MHINVEST.COM

Qtr_MHI_NAE_0869 PUB RIA