



Midstream Holdings Analysis

September 11, 2025



SPINDLETOP
ENERGY INVESTMENT FUND

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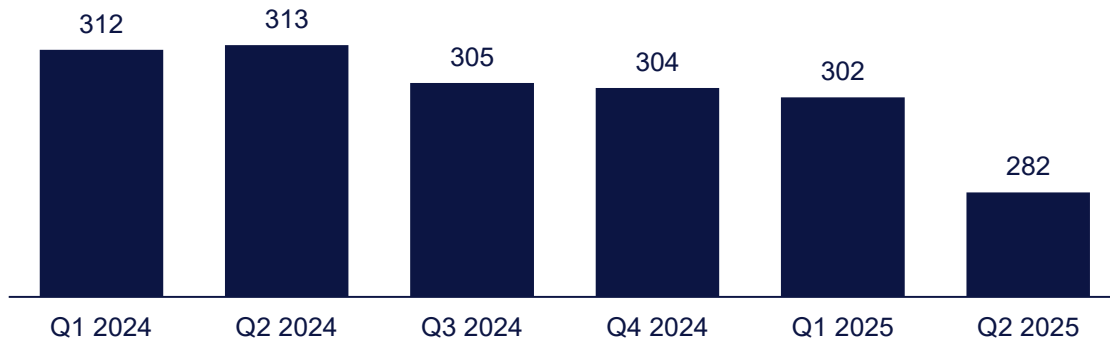


Midstream Environment

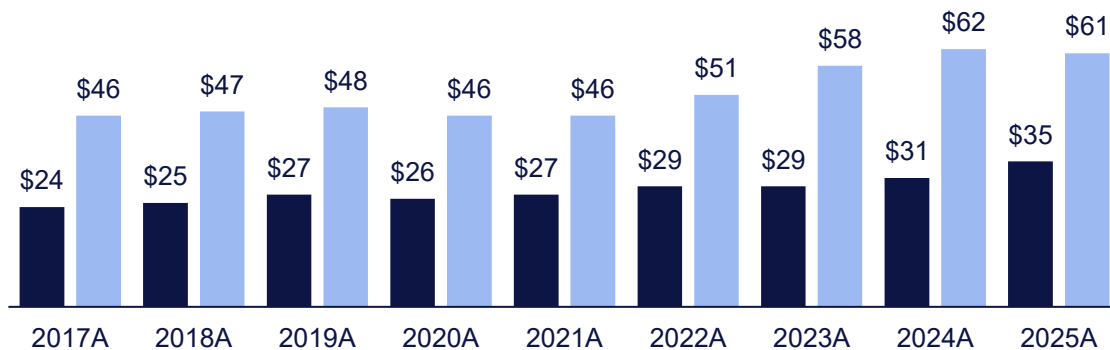
Midstream Environment

Current oil prices are **discouraging Permian oil production**, while gas production may be more resilient.

Permian Basin Rig Count



Permian Basin: Break-Even Prices Over Time



Associated Permian Gas

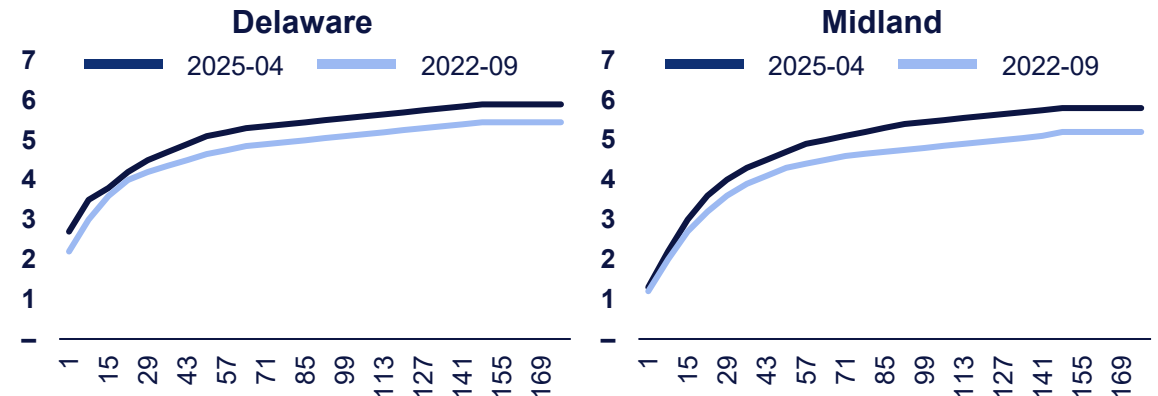
Permian Gas Story: The EIA is projecting natural gas production to grow by 3% over 2024 levels, primarily driven by Permian production growth of **2 Bcf/D**.

Flaring: Despite takeaway expansion, persistent eastbound pipeline bottlenecks are responsible for **503 MMcf/D** of flaring, with this to rise to **609 MMcf/D** in 2026.

Growth Plans: Higher Permian gas production is key to demand for LNG feed gas, creating more throughput demand for midstream companies as a result.

Midstream opportunity lies in Permian **gas takeaway capacity**

GORs by Month of Production



Midstream Environment

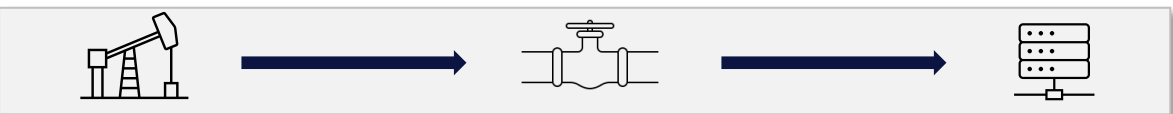
Tailwinds within LNG, data centers, and NGLs create **compelling growth opportunities** for midstream companies.

S&P: Up to 12 Bcf/D of Data Center Demand

Direct to Utility



Behind the Meter



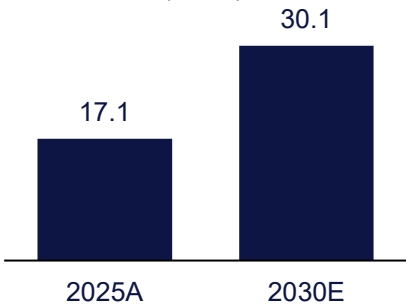
U.S. LNG Growth Trends

Status Quo: Numerous LNG projects are currently under construction, contributing to a 75% increase in export capacity by 2030.

Additional Growth: Several LNG projects are targeting FID by end of year, potentially adding 7.6 Bcf/d of export capacity.

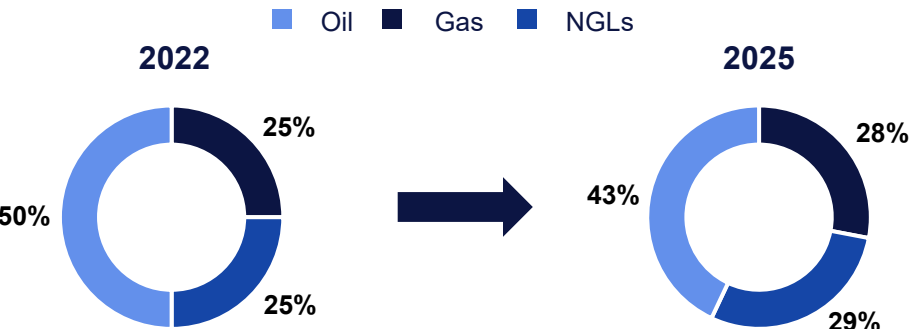
Infrastructure Needs: LNG demand will require pipeline growth within the Marcellus, Haynesville, and Permian plays.

U.S. LNG Export Capacity (Bcf/D)



Natural Gas Liquids Story

Permian Barrel Progression



Trends of Note

- Permian-Driven NGL Growth Creating an Exportable Surplus:** U.S. NGL production hit a record high in early 2025, with the Permian Basin supplying over **60% of U.S. ethane output** (ensuring volumes exceed domestic demand).
- Asian Markets Pulling in Surplus:** India imported a **record 967,000 metric tons of U.S. LPG in 2Q-2025** and China is expected to boost ethane imports by up to **34% in 2025**, highlighting Asia as the key outlet for incremental U.S. NGL supply.
- Call to Action:** Midstream companies are capitalizing on these trends, building G&P/takeaway capacity in the Permian, fractionation at Mont Belvieu, and ethane/LPG export facilities.



Portfolio Analysis

Spindletop's Midstream Portfolio

Despite previous successes, an overview of our current portfolio reflects sizeable holdings that **do not align** with desired industry tailwinds.

Rationale

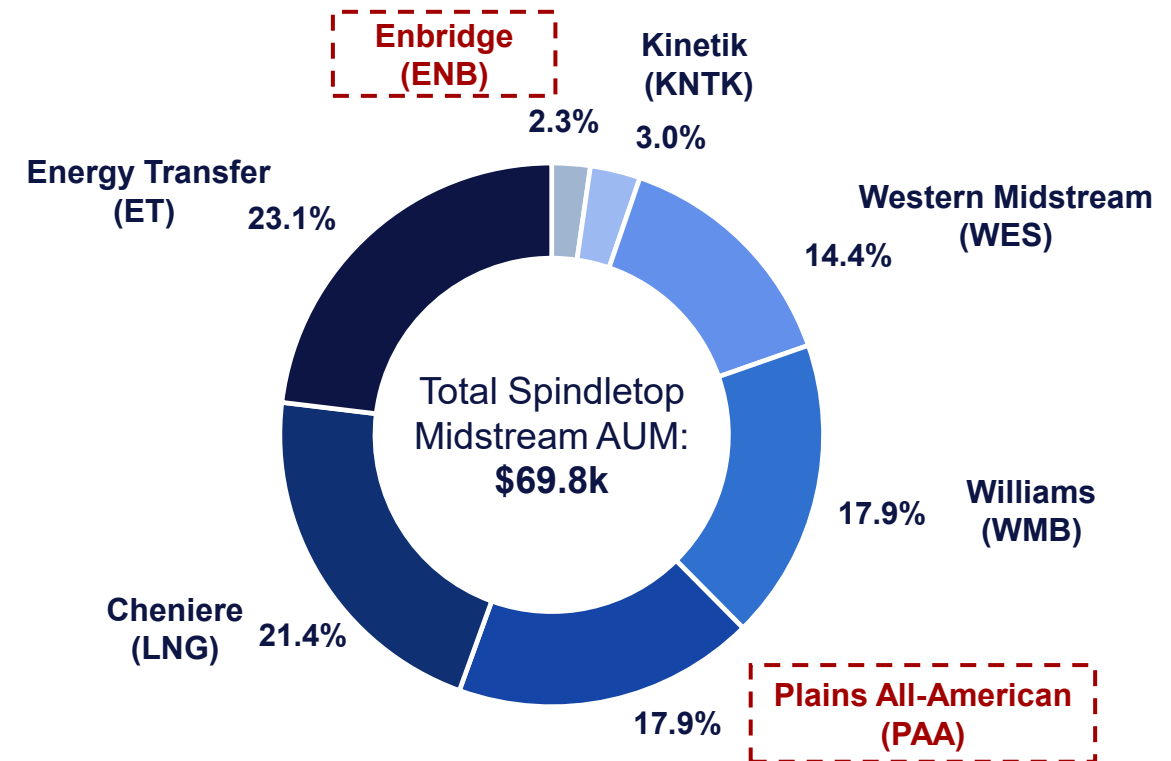
Previous Strategy: Company diversification through many smaller positions with heavy Permian basin exposure. Portfolio was gas-weighted overall but held **significant oil exposure**. Preference was given to high dividend yields.

New Strategy: Consolidate company holdings into **fewer, larger positions** to generate alpha. **Focus on gas-weighted names** to capitalize on tailwinds within associated gas, LNG, power demand, and G&P/NGLs.

Fund's Current Holdings

Company Identifier	Market Cap (\$bn)	Location	Commodity Focus
ENB	\$105.3	WCSB and U.S. L48	Diversified (Oil-Weighted)
ET	\$58.9	Across U.S. L48	Natural Gas/NGL-Weighted
WMB	\$69.4	Across U.S. L48	Pure-Play Gas
LNG	\$51.3	Gulf Coast	Pure-Play LNG
WES	\$14.5	Delaware/Rockies	Natural Gas-Weighted
PAA	\$12.1	Delaware	Pure-Play Oil
KNTK	\$2.6	Delaware	Natural Gas-Weighted

Current Portfolio Weights: "Mirroring an ETF"



Sales allow Spindletop to **redistribute existing capital** into equities with better tailwinds, allowing us the chance to run a **true active portfolio**

Comparison to Alerian ETFs

Analysis of Spindletop's holdings to comparable Alerian Midstream ETFs begs the question: *Why is our allocation set up this way?*

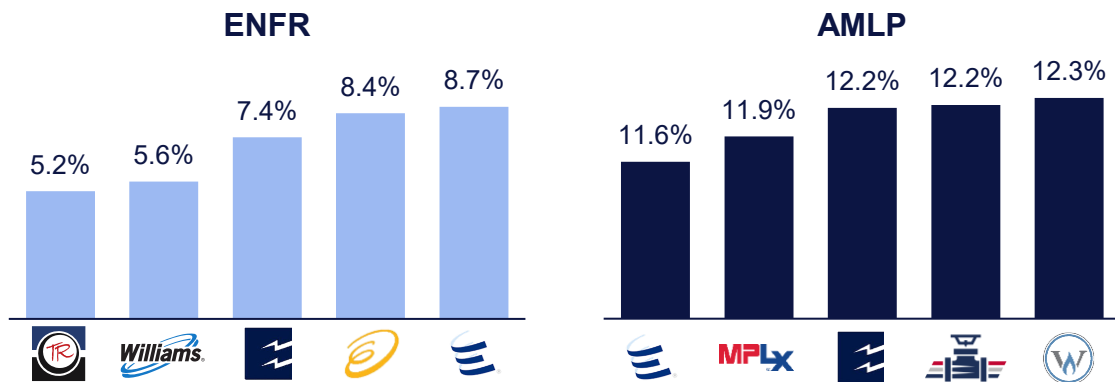
Overview of Alerian Products



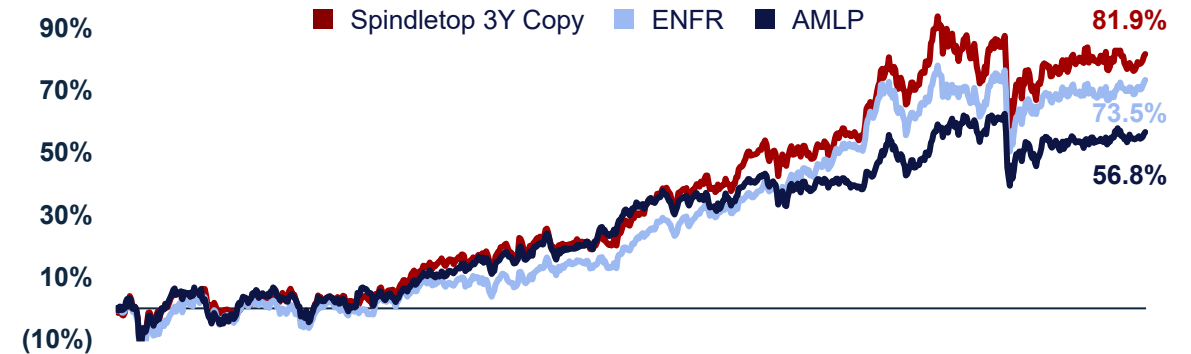
Alerian Energy Infrastructure ETF (ENFR): Tracks the AMEI index, which is inclusive of both C-Corps and MLPs. Of note, **70% of the fund's revenues** notably come from natural gas-focused infrastructure activities.

Alerian MLP ETF (AMLP): Tracks the AMZI index, which is solely comprised of MLP midstream players. In comparison to ENFR, this fund carries significantly more **direct oil and oil-adjacent exposure** within its holdings.

Top 5 Holdings by ETF



3-Year “Ghost Portfolio” Performance Comparison



Statistic	ENFR	AMLP	Spindletop
3-Year Sharpe Ratio	0.85	0.69	0.58
3-Year Treynor Ratio	0.19	0.18	0.17
3-Year Adjusted Beta	1.00	0.94	1.05
% of Holdings in Top 5	35%	60%	95%

Spindletop's current midstream portfolio is effectively ENFR's “lite” version, with **repositioning of funds needed** to deliver a better return profile



Enbridge

Enbridge Company Overview

Based in Calgary, AB with operations across the U.S. and Canada, Enbridge is one of North America's **largest infrastructure players**.

Segment Breakdown



Liquids Pipeline (~50%): Operates the world's longest crude oil system (Mainline), moving ~30% of North America's crude south from the WCSB



Gas Transmission (~30%): Moves 20% of US gas supply with ~274 Bcf of storage, serving producers, LNG facilities, and regional markets



Gas Utilities/Storage (~18%): North America's largest natural gas utility by volume, delivering ~9.3 Bcf/d to over 7 million customers



Renewables (~3%): Invested >\$8 Billion into renewable energy, encompassing mainly solar and wind projects

Upcoming Projects

Woodfibre LNG: 2.1MTPA LNG Export facility located in British Columbia, with 250,000 m³ of floating storage capacity. Enbridge owns a 30% interest in the \$5.1B project, and they are a driving force in expanding Canada's LNG footprint.

Aspen Point Program: In April 2025, Westcoast Energy LP, an Enbridge affiliate, was given approval to begin construction of 535 MMcf/D of new gas transportation capacity, serving Canadian gas and west coast LNG demand.

Rio Bravo Pipeline: ~137 miles of new pipeline that will service 100% of NextDecade's Rio Grande LNG facility. The pipeline will have ~4.5Bcf/D of throughput capacity, with it mostly coming from the Agua Dulce supply area.

Asset Map

— Pipelines ■ Fuel Terminal ▲ Processing Plant ● NGL Fractionation



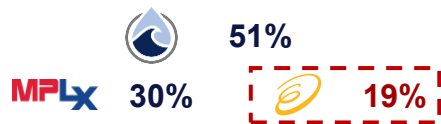
Enbridge Strategic Overview

“Identity Crisis:” With the notable exception of the Mainline System, ENB’s positioning appears weaker than comparable midstream names.

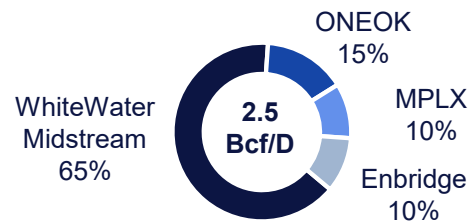
Permian Gas Takeaway

“Second Mover:” Despite May FID, smaller ownership stakes makes ENB a less ideal option for Permian gas.

WPC Joint Venture Structure



Matterhorn Ownership Breakdown



Spindletop’s targeted exposure is looking for a **“first mover”**

U.S. Gas Transmission

\$100MM Line 31 Project: While 160 MMCF/D is significant, Mississippi is notably **outside** of core data center regions.

\$50MM SESH: This **complicates** ENB’s story, and it would be better served by a U.S. player as a result.

SE U.S. Map Key



Can obtain exposure via **other existing holdings**

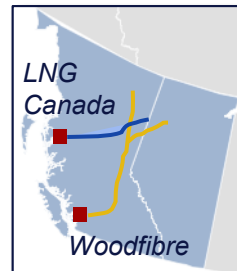
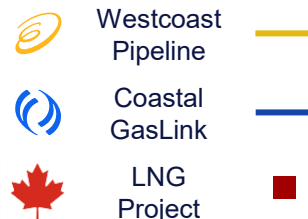
Canadian Gas Transmission

“Déjà Vu:” Enbridge’s cost share of Woodfibre has **nearly doubled** from **\$1.5Bn** to **\$2.9Bn**, resembling TMX.

LNG Project Commencements

LNG Canada	2025
Woodfibre	2027

WCSB Map Key



Better stories exist for Spindletop to gain exposure to Canadian LNG volumes

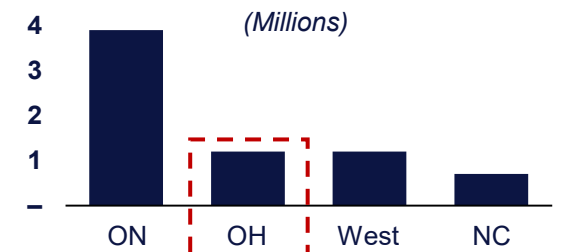
U.S. Gas/Power: Increasingly “Utility-Like”

Ohio Rate Decision: PUCO’s denial of a 30% rate hike has potential to harm ENB’s **largest U.S. gas market**.

Data Center Power Pipeline



Gas Distribution Customers



While strong, U.S. platform **isn’t established enough** to be fund’s primary bet

Enbridge Valuation

Analysis of Wall Street estimates validates Spindletop's views, with DCF analysis portraying ENB's growth as **accounted for within price**.

Rationale



July 2025

Liquids: Combination of “lower volumes across ENB’s Gulf Coast and Mid-Con systems” and “resilient Mainline volumes” led us to project stable revenues with a **slight decline in 2026**.



August 2025

Gas Distribution: Line 31, SESH, Texas Eastern’s “10 Bcf/d of underutilized capacity” in OH/PA, and rate case predicaments led us to project this as **high growth** (with stable declines over time).

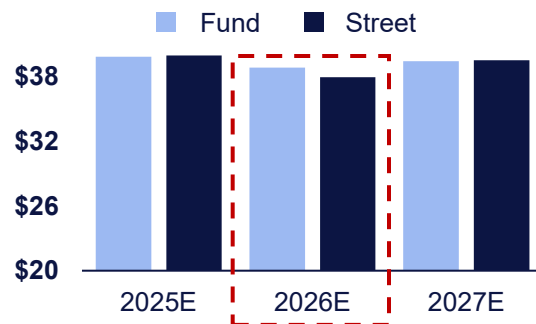


August 2025

Growth Plans: Renewables development, buildout of U.S. gas projects, and Mainline’s looming optimization all reflect continuously **high growth capex for ENB** through 2030.

Revenue Projections and WACC Calculation

Revenue vs. Wall St Consensus



WACC

Inputs

Adjusted Beta	0.61
Debt-to-Cap	0.40
Cost of Debt	5.36%
Cost of Equity	6.82%
Cost of Preferred	7.11%
Tax Rate	23.00%

WACC 5.75%

Free Cash Flow Build

Forecast Year	2025E	2026E	2027E	2028E	2029E	2030E
Operating Income (EBIT)	\$7,409	\$7,109	\$8,083	\$8,971	\$9,994	\$10,563
NOPAT	\$5,705	\$5,474	\$6,224	\$6,907	\$7,696	\$8,134
(+) D&A	5,676	6,382	6,187	5,939	6,058	6,179
(-) CapEx	(6,330)	(7,117)	(6,899)	(6,623)	(6,756)	(6,891)
(-) Increase in NWC	473	185	92	87	118	97
Unlevered FCF	\$5,525	\$4,923	\$5,603	\$6,310	\$7,116	\$7,519
Stub Adjustment	(1,795)	0	0	0	0	0
Stub-Adjusted FCF	\$3,729	\$4,923	\$5,603	\$6,310	\$7,116	\$7,519
Time Period	0.33	1.33	2.33	3.33	4.33	5.33
Discount Factor	0.16	0.16	0.16	0.16	0.16	0.16
PV of Unlevered FCF	\$3,695	\$4,744	\$5,106	\$5,437	\$5,799	\$5,794

Sensitivity Analysis

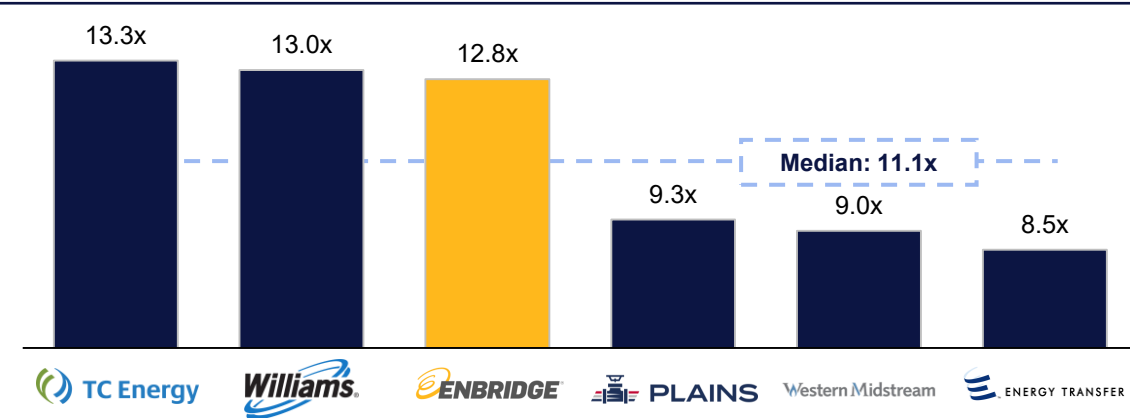
		EBITDA Multiple				
		11.3x	11.5x	11.7x	11.9x	12.1x
WACC	6.25%	\$42.62	\$43.74	\$44.86	\$45.98	\$47.09
	6.00%	\$43.50	\$44.63	\$45.77	\$46.90	\$48.03
	5.75%	\$44.39	\$45.54	\$46.69	\$47.84	\$48.99
	5.50%	\$45.30	\$46.47	\$47.63	\$48.79	\$49.95
	5.25%	\$46.22	\$47.40	\$48.58	\$49.76	\$50.93

Implied share price reflects a **3% downside** to current market value

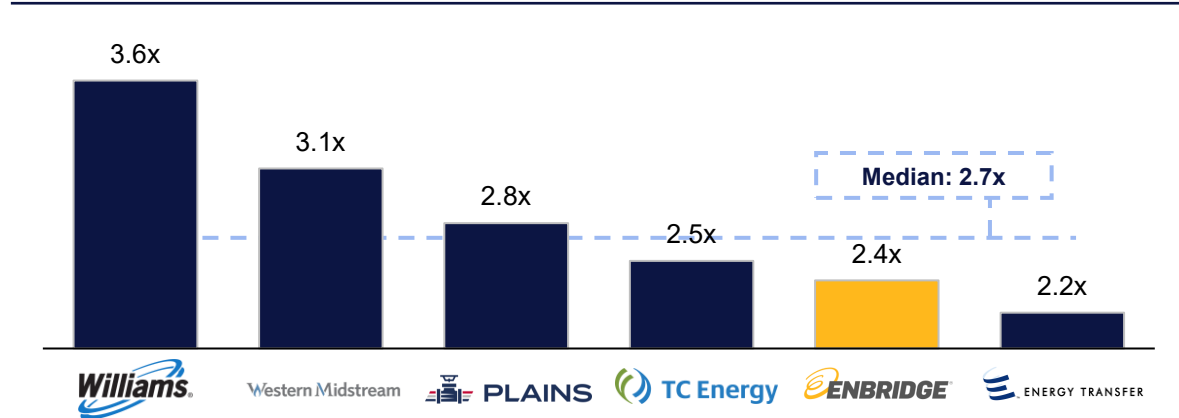
Enbridge Comps Analysis

Despite low relative leverage, **Enbridge underperforms** its peers on key financial metrics.

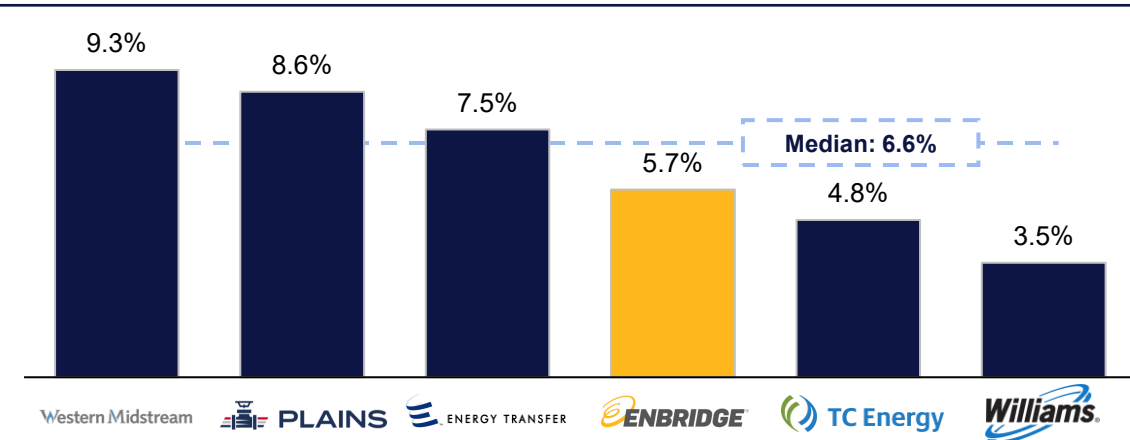
2026E EV/EBITDA (x)



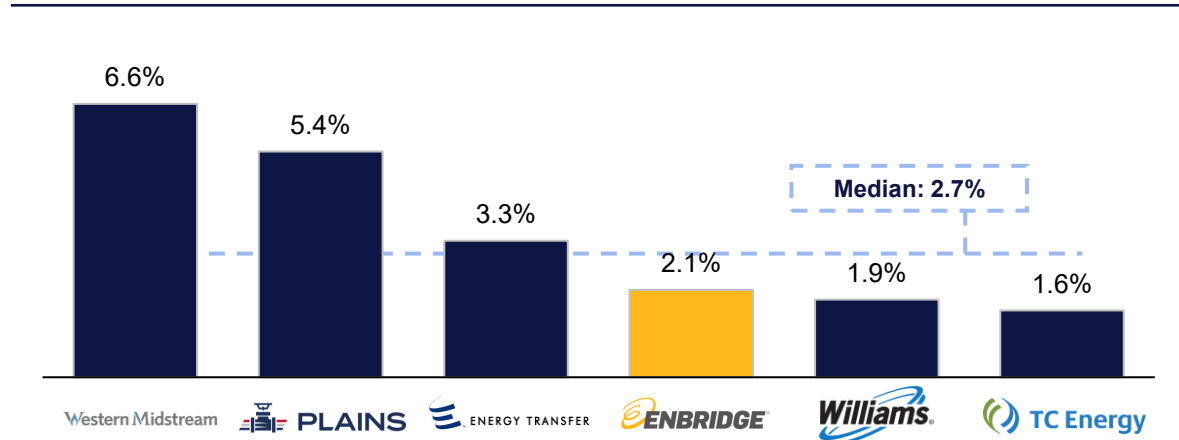
2026E Net Leverage (x)



Dividend Yield (%)



2026E FCF Yield (%)



Enbridge Broker Outlook

A majority of brokers are signaling a hold position for Enbridge, with them projecting **minimal upside** to ENB's current share price.

Selected Broker Name	Rating	Price Target
	HOLD	 \$44.97
	HOLD	 \$46.57
	HOLD	 \$47.19
	BUY	 \$48.64
	BUY	 \$50.09
	BUY	 \$54.36
	HOLD	 \$55.89

BBG 12M Target Price: \$49.08

Price of \$48.33 (09/09/2025) shows a **2% implied upside** for ENB, with reputable brokers having mixed feelings around the company's future performance

Enbridge Inconsistent with Spindletop Fundamentals

With a small position and notable returns since purchase, Spindletop sees now as the **prime time** to exit our position in ENB.

Fund Perception



Allocation Size: Our ENB allocation is currently ~2% of the fund's midstream portfolio, which provides the fund minimal exposure to the actual operations of the business.



Canadian Exposure: ENB's Canadian operations, while attractive, strays away from Spindletop's core midstream allocation that generally covers L48 plays.



Fund Trends: While ENB is exposed to positive trends, the company does not target gas-focused tailwinds that Spindletop is aiming to capitalize on (data centers, LNG, associated gas).

Tangled in Constant Litigation

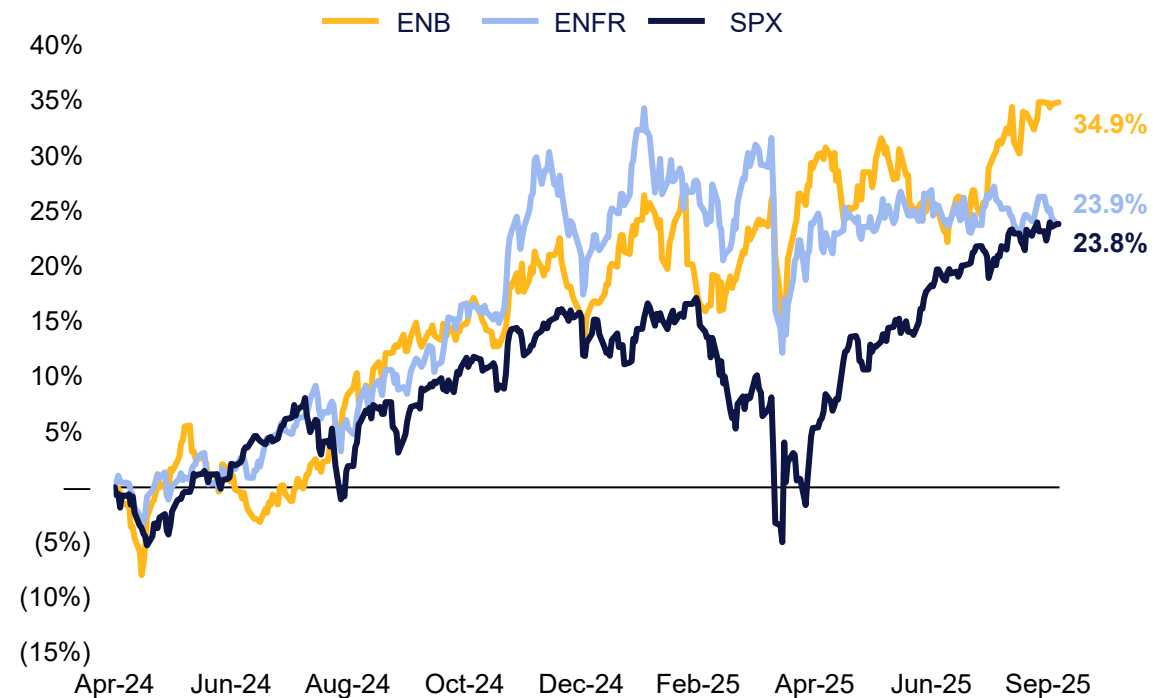
2017: FTC claims merger with Spectra Energy Corp would harm competition in the Gulf

2023: Forced to shut down segment of Line 5 operations on Native American territory

2019: State begins attempt to shut down Line 5 activities over concerns of an oil leak

2024: Sued after Realty Tower explosion, a fatal natural gas explosion in Youngstown, OH

ENB Share Price Performance



Given ENB's strong performance post-purchase and the general lack of overlap in current fund philosophy, Spindletop views this as an **optimal time to exit** and condense our overall midstream exposure



Plains All-American Pipeline

Plains All-American Company Overview

While it has been a staple holding of our portfolio, continued ownership of PAA **does not align** with Spindletop's go-forward strategy.

Business Description

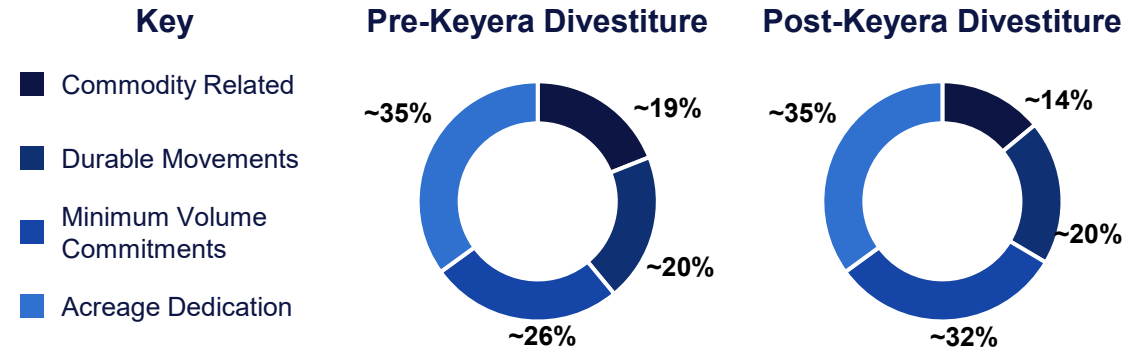
Location: PAA's primary operations are centered in the Delaware Basin.

Asset Overview: PAA's midstream assets include **~18,000 miles** of (primarily) long-haul pipelines, in addition to crude G&P systems serving Delaware operators.

Revenue Breakdown: In 2024, **~83% of Plains' revenue came from Crude**, with the other ~17% from NGLs. PAA's remaining American NGL business represents \$10MM-\$15MM in annual EBITDA and is **likely to be divested** per management guidance.

Recent Deals: PAA divested its Canadian NGL business to Keyera in June for **\$3.75Bn** and also purchased interest in EPIC Crude Holdings in August.

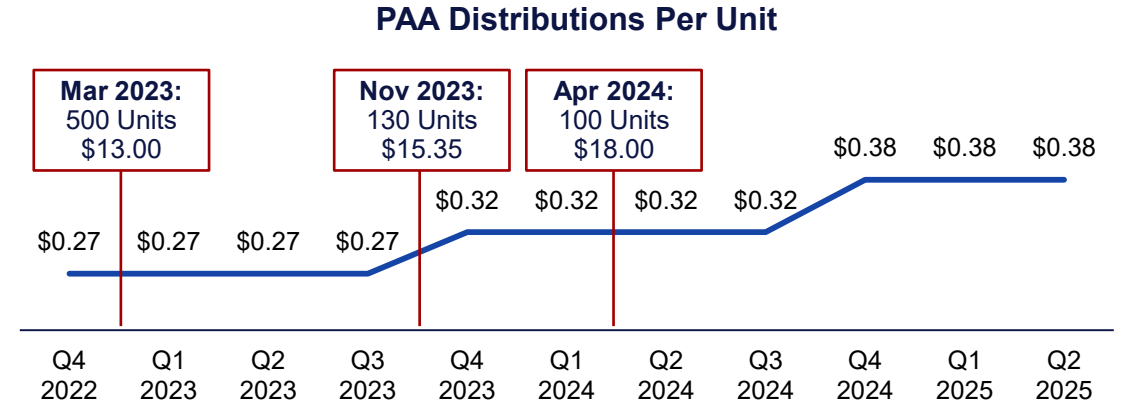
Volumes/Contracts Overview



Crude Pipeline Asset Overview

Midstream Systems	Asset Description	2025E EBITDA (\$MM)	2025E FCF (\$MM)
Permian (Delaware)	3,075 Mb/d G&P 1,700 Mb/d Long-Haul	~\$1,320	~\$1,100
Mid-Con, Rockies, Canada	1,380 Mb/d Long-Haul	~\$710	~\$575
South Texas and Gulf Coast	785 Mb/d Long-Haul	~\$380	~\$320

Spindletop Ownership History

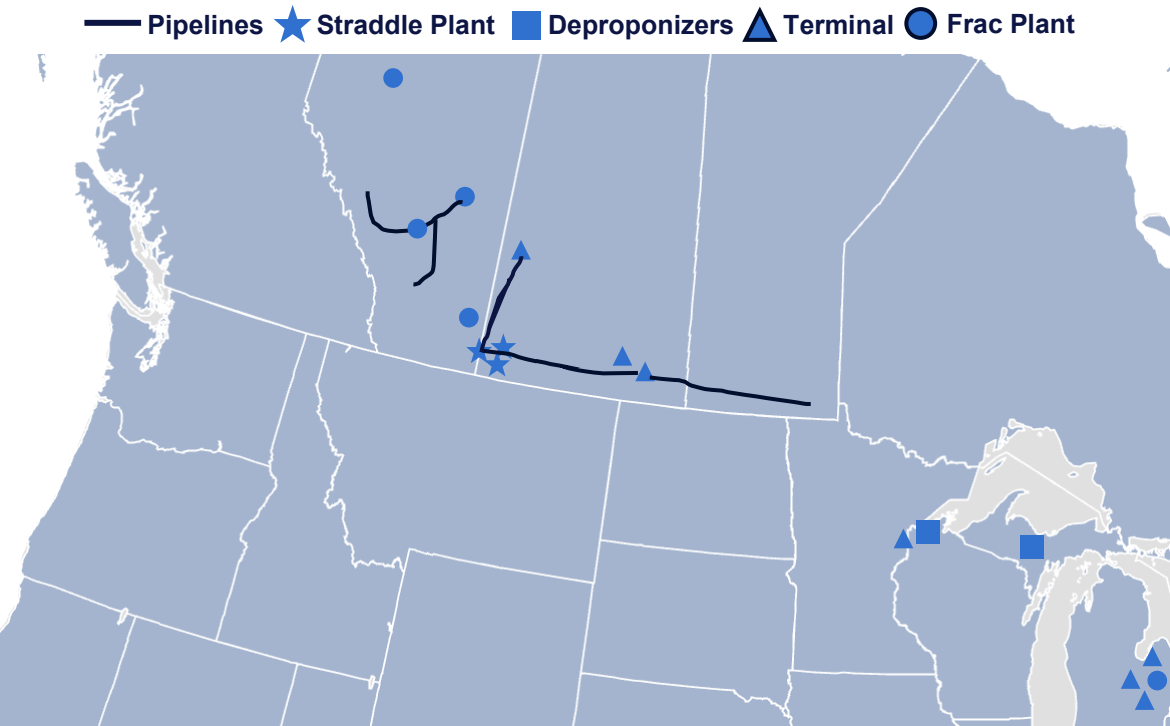


Keyera Acquisition of Plains NGL Assets

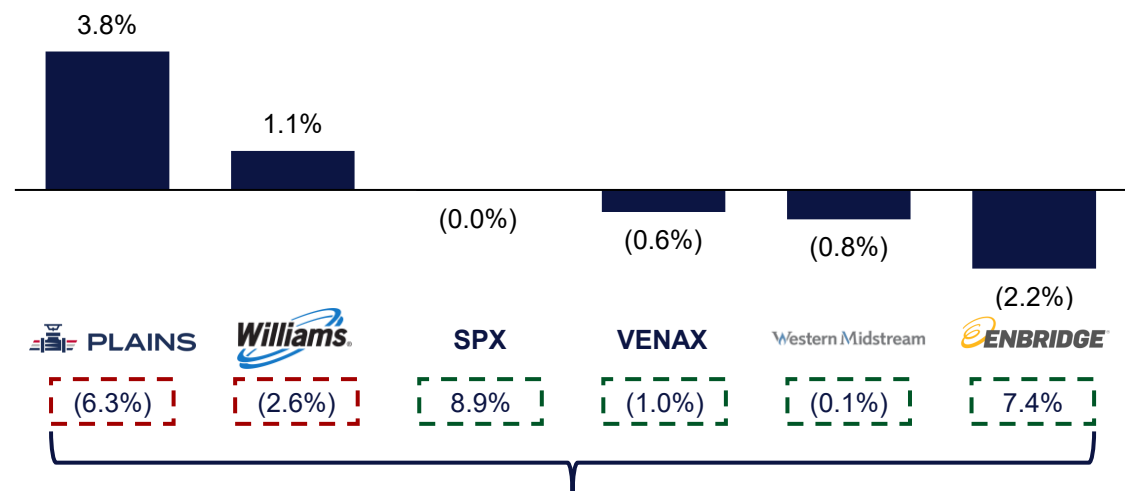
On June 17th, Plains agreed to sell their Canadian NGL business to Keyera for \$5.2B, **solidifying PAA’s focus** on Permian oil production.

Asset Information

Transaction includes large scale NGL extraction, fractionation and storage infrastructure, including 1,500 miles of pipeline (with daily throughput of ~575,000 bbls) and storage capacity of 23MM bbls.



Market Response to Plains Asset Sale



Performance Since Transaction

Market Response: Market initially rewarded Plains post transaction, but PAA has lagged competitors since (signaling an overall negative sentiment)

Unfavorable Strategy: Sale further silos Plains into a pure-play Permian oil company, which is against the gas tailwinds Spindletop is looking to capture

Permian Oil Decline: Permian gas to oil ratio has increased steadily over the last decade, from ~34% in 2014 to over 40% in 2024

What This Means: Plains is currently operating in a “best-case scenario” post deal, making a sale ideal given Permian oil production’s long-term outlook

Best-in-Class Permian Crude Player: *Why Not?*

A series of “win-now” trades and Delaware Basin inventory concerns render the fund uncomfortable with PAA’s direction over the long-term.

EPIC Purchase: Long-Haul Focus

Analysis: Deal further entrenches Plains into Permian long-haul crude in spite of long-term inventory concerns

Proforma Ownership Structure



EPIC Asset Map

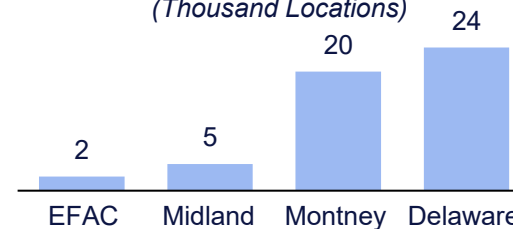
EPIC Pipeline
Crude Terminals
Export Terminals



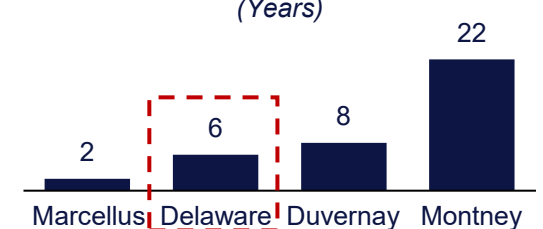
Deal includes 800 miles of pipeline and 7MM bbls of operational storage, confirming a double-down on Plains’ “wellhead-to-water” strategy

The “New England Patriots” of Oil & Gas

+2.6x Recycle Ratio Basin Rank (Thousand Locations)



Front-End Inventory Duration (Years)



While Delaware inventory is strong, it is being burned through; duration reflects Delaware productivity as a medium-term trend

Inorganic “Bolt-On” Strategy



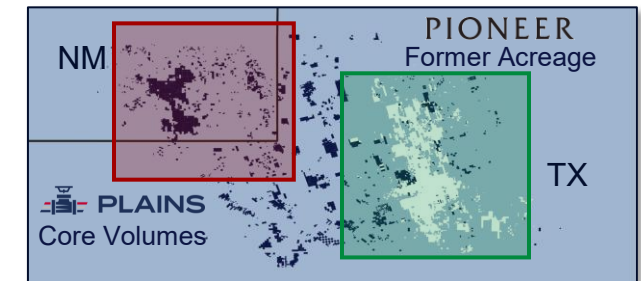
“Proceeds from the [Keyera] transaction will be prioritized toward disciplined bolt-on M&A to extend and expand the crude oil focused portfolio”

The Customer Is Always Right

XOM: Acquired PXD positions are entirely located within the Midland based, reflecting future priorities

% of PAA 2024A Revenues

ExxonMobil 30%



Despite their largest customer also doubling down on the Permian, the volumes for which it paid a premium to produce **won’t be carried by PAA**

Plains All-American Valuation

Analysis of Wall Street estimates reinforces our sell, with DCF analysis reflecting PAA's current price as **overvalued**.

Rationale

BARCLAYS
August 2025

Crude Strategy: "PAA is likely still tracking toward the lower half of 2025 guidance due to **sustained weakness in crude prices** relative to original expectations."

MIZUHO
August 2025

CapEx Increase: "PAA increased 2025 growth capex guidance by \$75MM to \$475MM,... maintenance capex guidance was lowered by \$10MM to \$230MM."

WELLS FARGO
August 2025

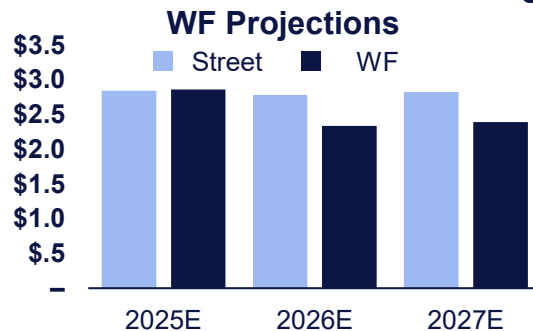
NGL Divestiture: "PAA remains focused to use the ~\$3bn proceeds from the NGL business towards a) **M&A strategy**, b) preferred unit repurchases, and c) common unit repurchases."

Free Cash Flow Build

Forecast Year	2025E	2026E	2027E	2028E	2029E	2030E
EBITDA	\$2,864	\$2,340	\$2,396	\$2,454	\$2,516	\$2,547
(-) Maintenance CapEx	(230)	(160)	(170)	(180)	(190)	(200)
(-) Other	(338)	13	13	13	13	13
Distributable Cash Flow	\$2,296	\$2,193	\$2,239	\$2,287	\$2,339	\$2,360
(-) Growth CapEx	(327)	(252)	(252)	(252)	(252)	(252)
Unlevered FCF	\$1,969	\$1,941	\$1,987	\$2,035	\$2,087	\$2,108
Stub Adjustment	(\$1,345)	—	—	—	—	—
Stub-Adjusted FCF	\$623	\$1,941	\$1,987	\$2,035	\$2,087	\$2,108
Time Period	0.32	1.32	2.32	3.32	4.32	5.32
Discount Factor	0.16	0.16	0.16	0.16	0.16	0.16
PV of Unlevered FCF	\$617	\$1,941	\$1,987	\$2,035	\$2,087	\$2,108

EBITDA Projections and WACC

Q1 2025 Street Consensus vs. Aug.



WACC

Inputs	
Adjusted Beta	0.70
Debt-to-Cap	0.38
Preferred-to-Cap	0.04
Cost of Debt	5.4%
Cost of Equity	7.3%
Cost of Preferred	8.2%
WACC	6.75%

Sensitivity Analysis

		EBITDA Multiple				
		7.0x	7.5x	8.0x	8.5x	9.0x
WACC	7.25%	\$13.59	\$14.84	\$16.09	\$17.34	\$18.59
	7.00%	\$13.81	\$15.08	\$16.34	\$17.60	\$18.87
	6.75%	\$14.03	\$15.31	\$16.59	\$17.87	\$19.15
	6.50%	\$14.26	\$15.55	\$16.85	\$18.15	\$19.44
	6.25%	\$14.49	\$15.80	\$17.11	\$18.42	\$19.74

Implied share price reflects a **4% downside** to current market value

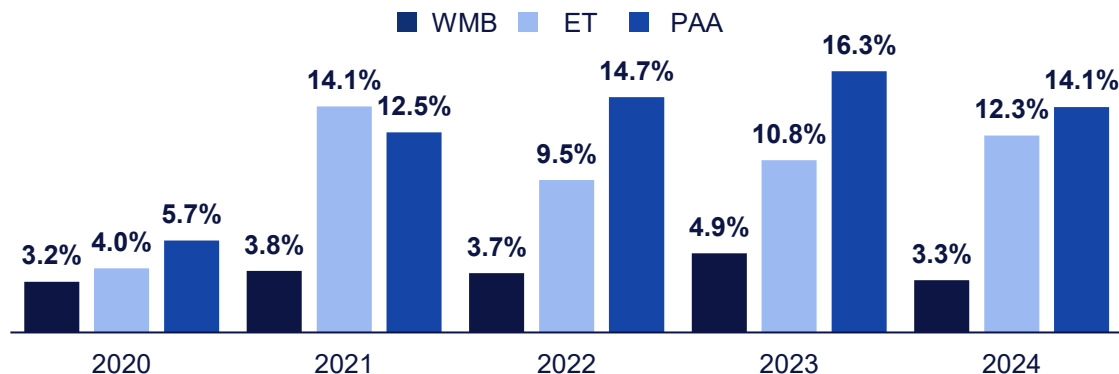
Plains All-American FCF Yield Analysis

PAA's noticeably higher (and consistently strong) free cash flow yield compared to peers **prompted a review** of our sell.

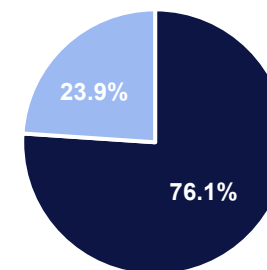
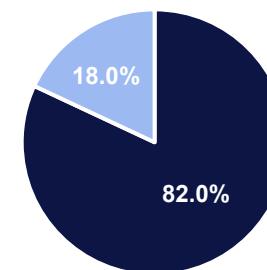
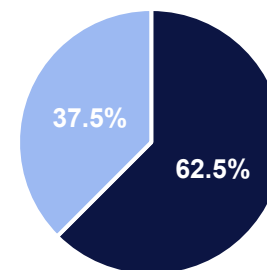
Historical FCF Build

Year	2020A	2021A	2022A	2023A	2024A
Net Income	(\$2,580)	\$648	\$1,228	\$1,502	\$1,113
(+) D&A	653	774	965	1,048	1,026
(-) Deferred Taxes Increase	(70)	23	105	(24)	(28)
(+) Other Funds	3,669	778	301	7	305
(-) Increase in NWC	(158)	(227)	(191)	194	74
Operating Cash Flow	\$1,514	\$1,996	\$2,408	\$2,727	\$2,490
(-) Capex	(752)	(336)	(455)	(559)	(619)
Free Cash Flow	\$762	\$1,660	\$1,953	\$2,168	\$1,871

FCF Yield Comparison Over Time



2025 Capital Expenditures Breakdown



■ Growth ■ Maintenance

Competitors Prioritizing Growth Capex: ET plans around \$5B in growth capital (driven by projects like the Hugh Brinson pipeline and data center gas delivery via Oasis Pipeline), while WMB expects around \$2.7B in growth capital (Socrates Power Innovation Project)

Gas, AI, and LNG tailwinds beat maintenance crude exposure: With Permian crude likely peaking, we prefer exposure to companies aggressively investing cash flow into growth projects that reflect promising tailwinds.

The fund team's view is that a high-growth player within a mature, stable industry will provide the best chance at **maximizing risk-adjusted return**

Plains All-American Broker Outlook

A majority of brokers are recommending a hold position for Plains, **indicating hesitancy** while still recognizing upside to PAA's current price.

Selected Broker Name	Rating	Price Target
 Scotiabank	BUY	\$20.00
WELLS FARGO	HOLD	\$20.00
 TPH&CO THE ENERGY BUSINESS OF PERELLA WEINBERG PARTNERS	HOLD	\$20.00
 RBC	HOLD	\$20.00
Morgan Stanley	HOLD	\$20.00
 MIZUHO	BUY	\$22.00
RAYMOND JAMES	BUY	\$24.00

BBG 12M Target Price: \$21.09

Price of \$17.25 (09/09/2025) signals a **22% upside** for PAA, with consideration of Equity Research's nature important to contextualizing this.

Plains All-American: Not a “Fund Fit”

PAA is effectively “walking down 15’s fairway” after positioning themselves as a pure-play Permian oil infrastructure player.

Spindletop’s Goal: “Betting on Energy As A Whole”



Analyst Expectations: Morgan Stanley downgrades their price expectation for Plains, sighting deceleration in Permian production growth and depressed NGL prices.



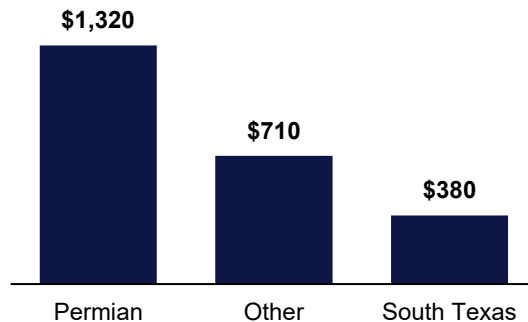
Oil Emphasis: A major portion of the company’s EBITDA is attributable to crude, which is out of line with the fund’s desire to capture natural gas tailwinds.



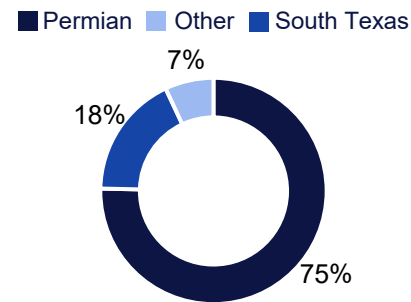
Siloed Provider: Transaction history, including a sale of Canadian NGL assets to Keyera and acquisition of majority interest in EPIC Crude Holdings, continues to emphasize Plains’ Permian focus.

PAA Product Breakdown

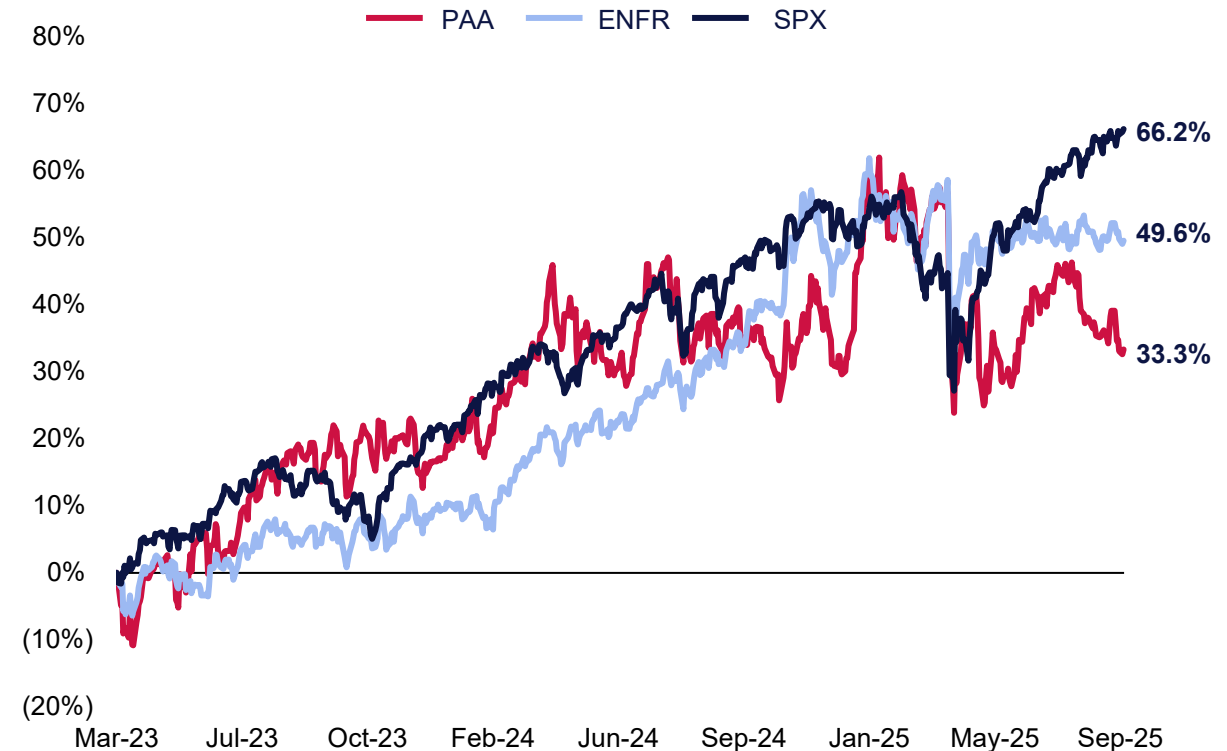
Geographic EBITDA



Geographic Throughput



PAA Share Price Performance Since Ownership



Spindletop has recognized **significant upside** on PAA (~40% return), making it an appropriate time to liquidate the position given the fund’s **bearish oil stance**



Risks

Company Specific Risks

Risk analysis involves Spindletop's focus on creating a **gas-centric midstream portfolio** via these sales.

			
Regulatory and Political Headwinds	Heightened regulatory scrutiny and ongoing legal disputes over aging infrastructure create persistent headlines and capital uncertainty in the sector	Exiting ENB frees capital for cleaner, growth-oriented opportunities, while eliminating direct exposure to various ongoing litigation	High
Utility Regulation and Exposure	Gas utilities provide stable but government-set returns, with earnings also influenced by seasonal weather patterns	By divesting ENB, we reduce capital tied to regulated and weather-sensitive earnings, redirecting it towards higher-growth LNG/NGL-focused operators	Medium
Natural Gas Market Dynamics	LNG exports and data center growth has been contributing to rising global and domestic demand for natural gas	Selling ENB reduces exposure to slower-growth assets, allowing us to redeploy capital into operators better-positioned to capture this gas-driven upside	Low
			
Natural Gas Market Dynamics	Rising domestic and global demand, driven by data center and LNG growth could benefit Gas/NGL midstream operators	By exiting PAA, we reduce heavy exposure to crude and reallocate capital to companies that are positioned to capture LNG and NGL-driven demand growth	High
Permian Oil Plateau	Tier 1 acreage maturing can lead to a capped long-term position as GOR ratios and associated gas volumes have been on an upward trend in the US L48	While PAA is heavily exposed in long-haul crude pipelines out of the Permian, associated gas and NGL growth is better capture by other companies	Medium
Competition & Margin Pressure	Increasing pipeline capacity and export options in the Permian creates more competition, which can incentivize pipeline operators to tighten margins	Selling PAA removes exposure to potentially oversupplied Permian crude routes	Low



Conclusion

Fund Team's Conclusion

A combined sale of ENB and PAA will yield ~\$14,200 in gross cash proceeds, providing the funds needed for a repositioning.

Enbridge Sale

I. Small Position Without Much Place

Enbridge's standing as a Canadian oil-weighted player (with only **2% of Spindletop's midstream holdings allocated** toward it) renders it unfitting for our future portfolio goals.

II. "Jack of All Trades, Master of None"

Enbridge's entry into the gas transmission, distribution, and renewables/power segments render the company's focus **away from its distinct competitive and scale-focused advantages**, creating a confusing story.

III. Valuation Concerns

Both our analysis and Wall Street brokers depict Enbridge's gas transmission and gas distribution-focused growth initiatives as **currently priced in**, rendering now an ideal time to sell.

ENB Proposed Trade:



Sell 33 Shares at \$48.60
Cash Proceeds: ~\$1,600

Re-deploy ENB into concentrated midstream/infrastructure positions

Plains All-American Sale

I. Bearish Oil Sentiment

With macro's fears regarding Trump, OPEC+, and "lower-for-longer" prices in mind, we are uncomfortable holding Plains due to the firm's **oil-dominant business model** and **commitment to the Permian**.

II. Committed to a Consistent Story, But One We Don't Like

We object to PAA's story due to their **new focus on long-haul pipelines**, their **lack of ability** to carry volumes from 2024 Tier 1 "megadeal" era regions, and their **isolation** from the L48 and Canada's hottest new plays.

III. The Bull Case Is Now

With the business entirely isolated from future growth opportunities in gas, PAA serves as the **exact opposite** of a "**high-growth player in a stable industry**," mismatching from our goals to maximize risk-adjusted return.

PAA Proposed Trade:



Sell 730 Shares at \$17.25
Cash Proceeds: ~\$12,600

Re-deploy PAA into concentrated midstream/infrastructure positions



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