Midstream Holdings Analysis III

October 30, 2025

Table of Contents

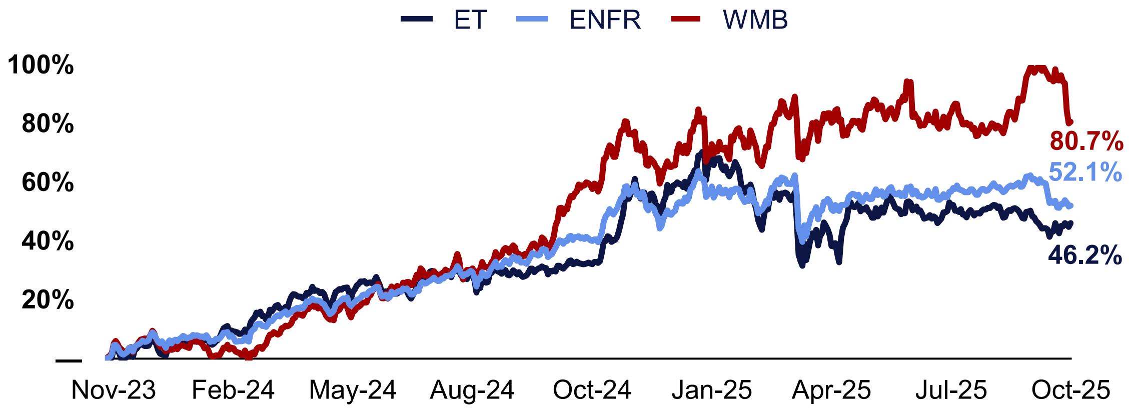
Portfolio Analysis

SPINDLETOP
ENERGY INVESTMENT FUND

What Makes A Good Midstream Investment?

With a plethora of available options in the infrastructure space, the fund ideally wants a player that provides the portfolio with a **strong base.**

2-Year Share Price Performance



Potential Ideas and Existing Position Data

Consolidate Positions
Avoid "tracking an ETF" as an actively managed fund

Make Concentrated Bets
Hold an "anchor" dividend name and select growth plays

ENERGY TRANSFER

L48 Diversified

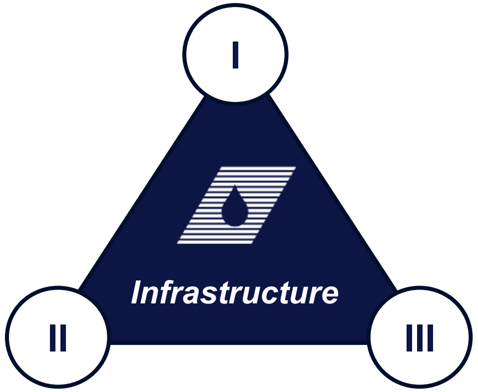
Previous: **Upsize ($16.40)**
Units Held: **940**
Value on 10/28: **$15,971**

Williams

Growth – Gas

Previous: **Entry ($56.90)**
Shares Held: **220**
Value on 10/28: **$12,670**

The Midstream Trifecta



I - Effective Diversification: Spindletop's core midstream holding should contain exposure to the holistic growth of American energy over the long run (in comparison to over-concentration into specific, short-term growth trends).

II - "Tough Cookie:" With the fund carrying significant macro exposure via E&P, downstream, and power, Spindletop's core midstream name should reflect a player capable of consistent performance despite downturns.

III - Prioritize Distributions: High-growth infrastructure positions (e.g., KNTK, LNG) offer chance for upside; to balance the risk profile, Spindletop benefits from a bond-like player that will pay a safe dividend at an attractive YTC.

Potential names include **ET, EPD, WMB, OKE,** and other offerings

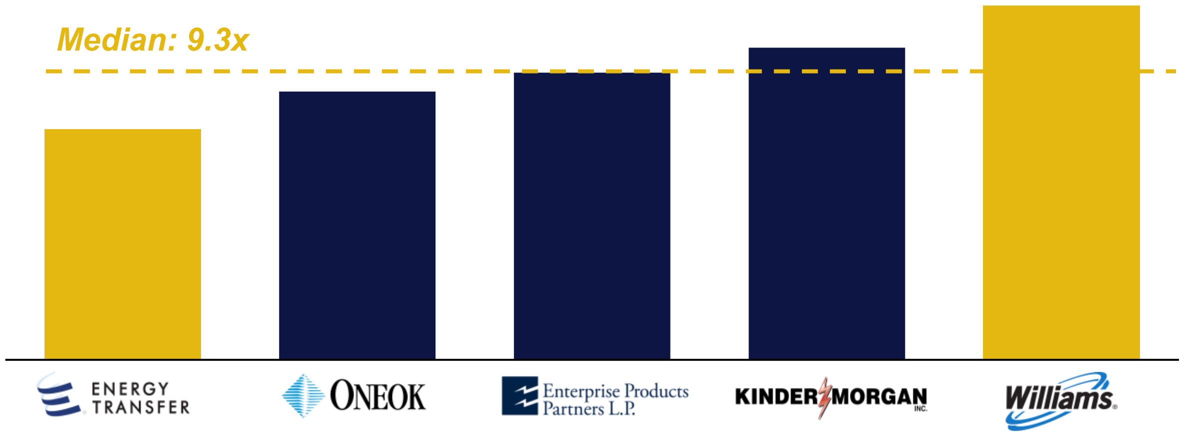
Notes: YTC serves as an abbreviation for yield to cost.
Sources: State Street Global Advisors, FactSet data as of 10/28/2025.

Comparable Companies Analysis

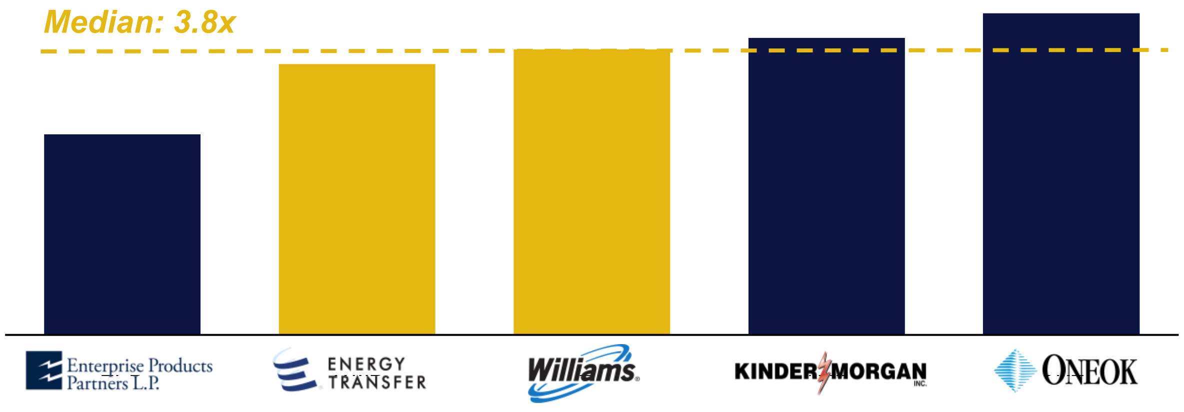
Comps for ET and WMB were chosen based on **size, scale, and strategic positioning** within the U.S midstream sector.

Company	Enterprise Value ($MM)	EV/EBITDA (FY2)	Leverage Ratio (2025E)	Coverage Ratio (2025E)	Distribution Yield	3-Year Dividend Growth	Dividend Payout Ratio
ONEOK	$75,965	8.6x	4.0x	4.5x	5.9%	3.3%	76.5%
KINDER MORGAN	$91,408	9.8x	3.9x	4.7x	4.5%	1.9%	97.8%
Enterprise Products Partners L.P.	$100,559	9.3x	3.3x	7.4x	7.0%	4.7%	78.1%
Williams	$100,675	11.5x	3.7x	5.4x	3.4%	5.6%	104.6%
ENERGY TRANSFER	$134,153	7.7x	3.8x	5.0x	7.8%	12.8%	99.3%

FY2 EV/EBITDA



2025E Leverage Ratio



Notes: Values conform to Spindletop's midstream/infrastructure comps hand spread. 3-Year Dividend Growth was calculated using CAGR.
Sources: Company Disclosures, FactSet Data as of 10/28/2025.

Energy Transfer

SPINDLETOP
ENERGY INVESTMENT FUND

Energy Transfer Company Overview

"Hometown Hero:" Based in Dallas, TX with operations throughout the L48, ET is one of the **most diversified energy infrastructure players**

Business Description

Operations: ET operates across Crude Oil, Natural Gas, NGLs, and Refined Products segments via gathering and long-haul transmission **pipelines, terminals, storage, processing and fractionating** facilities.

Mileage and Volumes: Utilizes **~140,000 miles of pipelines** across all segments with Q2 throughput being **9,979 MBbls/d of liquids, 21,329 BBtu/d of gas gathering** and **32,382 BBtu/d of gas transportation** via intrastate and interstate pipelines.

Distribution: ET's current annualized dividend is $1.32/unit, **yielding ~7.8%.**

M&A Activity: After years of growth through acquisitions (e.g., Crestwood, WTG Midstream, etc.), ET is now **emphasizing project-driven expansion.**

Historical M&A Timeline

Aug 2022 – *$485MM*
WOODFORD EXPRESS, LLC
~450 Mcf/d of Processing Cap.
~200 mi of Gathering Lines

Mar 2023 – *$1.45B*
LOTUS MIDSTREAM
~3,000 mi of Crude Lines in Permian via Centurion Pipeline

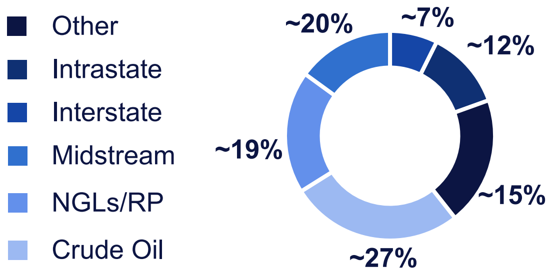
Aug 2023 – *$7.1B*
~2 Bcf/d of Processing Cap.
~1.4 Bcf/d of Gathering Cap.

May 2024 – *$3.18B*
WTG
~1.7 Bcf/d of Processing Cap.
~6,000 mi of Gathering Lines

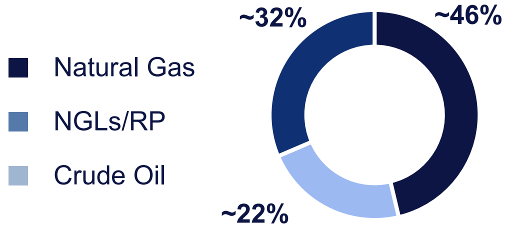
Assets gained in
Arkoma
Haynesville,
Permian,
Bakken,
Powder River
Midland
Delaware

Segment & Commodity Mix

Q2 Adj. EBITDA: $3.9Bn

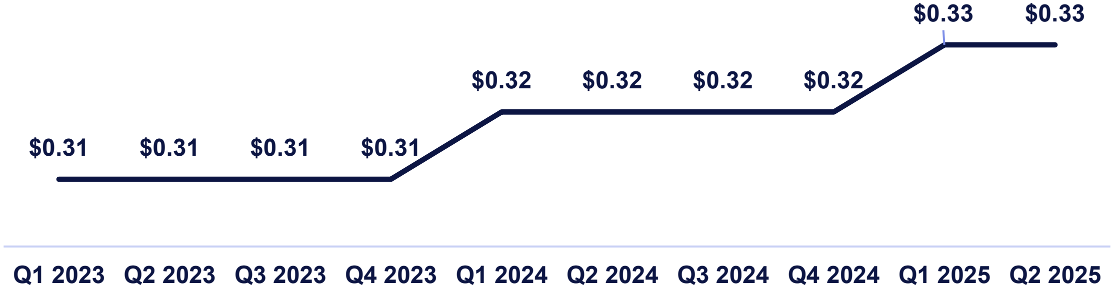


Q2 Commodity Breakdown



Distribution History

ET Distribution Per Unit



Notes: Natural Gas percentages includes ET's Interstate, Intrastate and Midstream assets.
Sources: Company Disclosures, Investor Presentations, FactSet Data as of 10/28/2025.

Energy Transfer Strategic Overview

"Hand in Every Cookie Jar:" ET has operations spanning the entire midstream chain, creating a bet on **comprehensive energy growth**

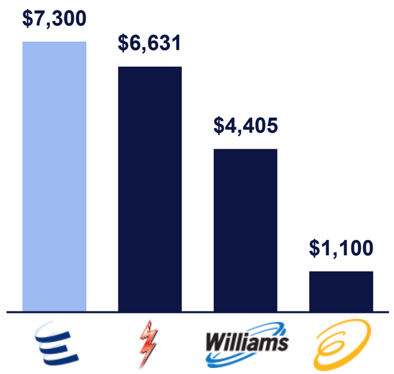
Natural Gas Operations

Cash Provider: ~40% of adjusted EBITDA attributable to natural gas driven segments.

Impressive Scale: 105,000 miles of natural gas pipelines with a total throughput of 55Bcf/d.

World Class Storage: Total storage capacity of ~236Bcf, more than double their competitor WMB.

Nat. Gas Investments Post AI



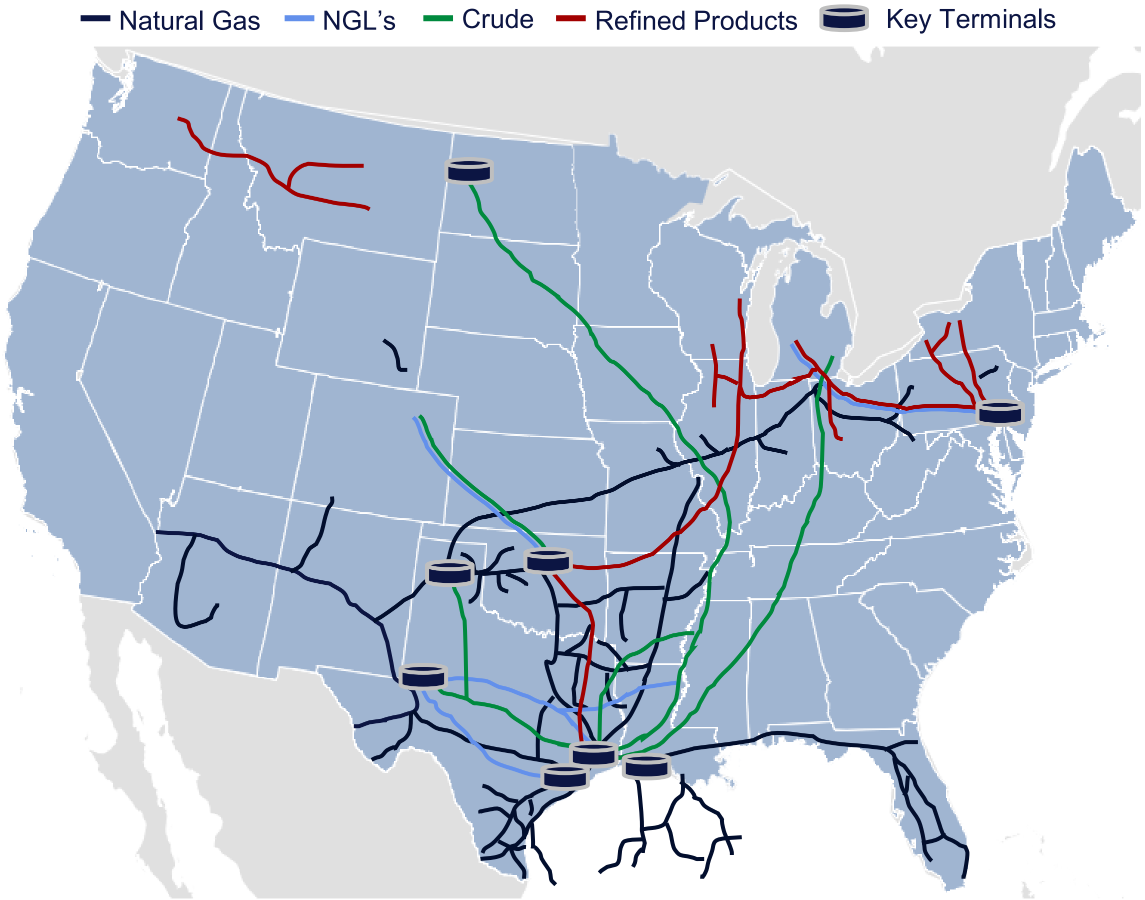
Crude Oil & NGL Operations

Energy Transfer operates ~30,000 miles of Crude, NGL and refined products pipelines throughout the L48, with supporting infrastructure allowing them to operate as a full-service midstream provider

Global Reach: The Houston, Nederland and Marcus Hook terminals gives Energy Transfer the ability to export ~1.9MMbbls and ~1.4MMbbls of U.S. product internationally daily.

Refining Connectivity: Crude pipelines currently directly connected to ~44% of domestic refining capacity, which pairs nicely with the company's extensive refined products network.

Asset Map



Notes: Map does not include fractionation and processing assets, nor all storage facilities.
Sources: September 2025 Investor Update.

Energy Transfer’s Organic Growth Strategy

“We Have It At Home:” While historically aggressive via M&A, ET’s move toward **project-based growth** positions the company well long-term

Key Developments

2010: Development of the ETC Tiger pipeline, with a total throughput of 2.4Bcf/d.

2017: Construction of the Trans-Pecos pipeline, connecting U.S. to Mexico.

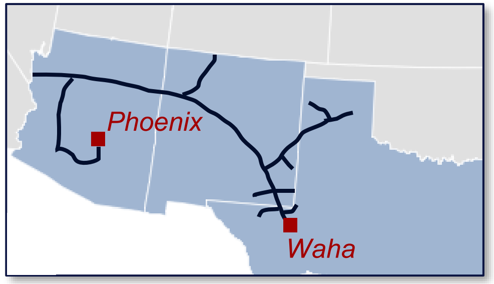
2018: Rover Pipeline built with at 720 miles long and total throughput of 3.25 Bcf/d.

2022: Gulf Run pipeline built to move Haynesville volumes to the Gulf Coast.

Desert Southwest Expansion Project

Increased Volume: The 516-mile pipeline will have a total throughput of **~1.5Bcf/d,** moving Permian gas directly to Arizona.

Waha Connectivity: Through Desert Southwest, ET is positioning themselves well to benefit from Waha-related trends **independent of LNG.**



Desert Southwest will provide reliable natural gas to support long-term energy needs associated with **population** and **data-center growth**

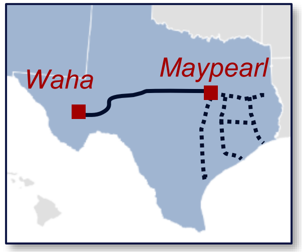
Hugh Brinson Pipeline Project

Statistics

~400 Miles of Pipeline	*~1.5Bcf/d of throughput*	*Online in Q4 2026*

LNG Connectivity

CHENIERE | Golden Pass LNG | Port Arthur LNG



Existing Pipeline

Further enhances Energy Transfers flexibility to deliver natural gas to **premier Texas markets**, most notably Houston and various LNG export facilities

Lake Charles LNG Export Terminal

Energy Transfer is developing a large-scale LNG facility in Lake Charles, LA with total ***expected throughput of ~2.2Bcf/d*** *and a* ***Q1 2026 expected FID***

Chevron

Chevron Offtake: In 2024, Energy Transfer secured an agreement with Chevron for 2.0Mtpa of LNG from the new facility.

Mid Ocean

MidOcean Partnership: Came to an agreement with MidOcean Energy in April 2025 to fund 30% of the total construction costs.

Kyushu Offtake: Came to agreement with Kyushu Electric Power in May 2025 for 1.0Mtpa of LNG from the Lake Charles Facility.

Notes: N/A.
Sources: N/A.

Energy Transfer Valuation

Analysis of Wall Street's perspectives shows that Energy Transfer continues to trade at a **significant discount**

Rationale

BARCLAYS
October 2025

Data Centers: The VoltaGrid/Oracle deal, coupled with the recent Fermi announcement, is reflective of Energy Transfer's strong positioning to **support hyperscale** energy needs.

WELLS FARGO
October 2025

Natural Gas Focus: High upside is tied to emerging AI data center opportunities in TX and the potential for EBITDA CAGR to accelerate as CapEx moves into **high-return** gas projects.

J.P.Morgan
October 2025

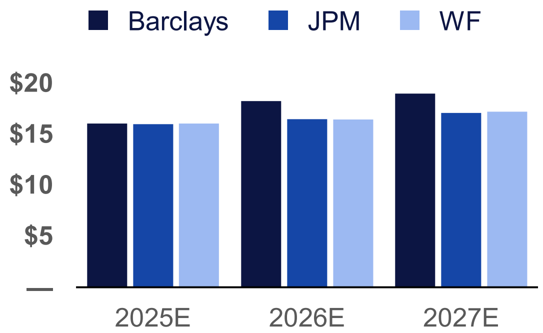
Buy-in Opportunity: ET continues to trade at discounted levels, offering an attractive entry point. Long-term NGL logistics (e.g., Marcus Hook) are key **growth engines** for ET.

Free Cash Flow Build

Forecast Year	***2025E***	***2026E***	***2027E***	***2028E***	***2029E***
EBITDA	$16,092	$16,472	$17,231	$17,882	$18,557
(-) Maintenance CapEx	(1,132)	(1,025)	(1,075)	(1,120)	(1,165)
(-) Other [1]	(3,195)	(3,320)	(3,343)	(3,389)	(3,445)
Distributable Cash Flow	**$11,765**	**$12,127**	**$12,813**	**$13,373**	**$13,947**
(-) Growth CapEx	(5,001)	(5,282)	(4,578)	(4,575)	(4,168)
Unlevered Free Cash Flow	**$6,764**	**$6,845**	**$8,235**	**$8,798**	**$9,779**
Stub Adjustment	($5,543)	—	—	—	—
Stub-Adjusted Unlevered FCF	**$1,221**	**$6,845**	**$8,235**	**$8,798**	**$9,779**
Time Period	0.18	1.18	2.18	3.18	4.18
Discount Factor	0.09	0.09	0.09	0.09	0.09
PV of Unlevered FCF	**$1,214**	**$6,374**	**$7,184**	**$7,190**	**$7,486**

EBITDA Projections and WACC Calculation

Street Projected EBITDA



WACC

Inputs	
Adjusted Beta	0.76
Debt-to-Cap	0.50
Preferred-to-Cap	0.03
Cost of Debt	5.29%
Cost of Equity	7.54%
Cost of Preferred	9.19%
WACC	**6.8%**

Sensitivity Analysis

EBITDA Multiple

		7.0x	7.5x	8.0x	8.5x	9.0x
	7.25%	$14.86	$16.87	$18.87	$20.88	$22.88
	7.00%	$15.18	$17.21	$19.24	$21.26	$23.29
WACC	6.75%	$15.51	$17.56	$19.60	$21.65	$23.69
	6.50%	$15.85	$17.91	$19.98	$22.04	$24.11
	6.25%	$16.18	$18.27	$20.35	$22.44	$24.53

Implied share price reflects a **17% upside** to current market value

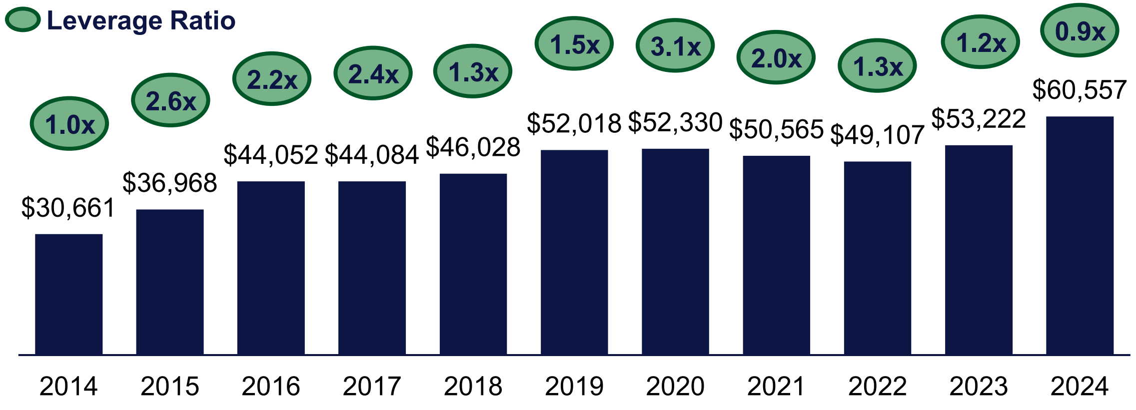
SPINDLETOP
ENERGY INVESTMENT FUND

Notes: Adjusted Beta refers to Bloomberg's 3Y Weekly Adjusted Beta. 1. Includes EBITDA from unconsolidated affiliates, distributions from unconsolidated affiliates, Canadian taxes, preferred dividends, distributions to non-controlling interests, and other general reconcilliations.
Sources: Company Disclosures, Barclays Equity Research, JPM Equity Research, Wells Fargo Equity Research, Bloomberg, and FactSet as of 10/28/2025.

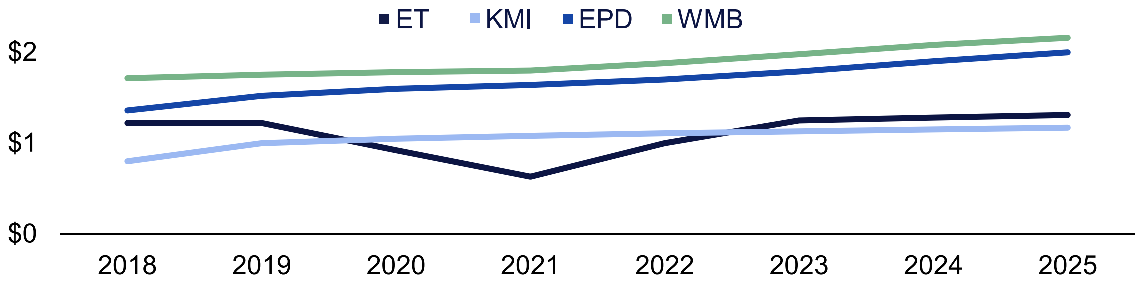
The Kelcy Warren Discount

"Battle Scars:" Despite its strong platform and ample capital return program, previous decisions **render investors cautious** of ET

Leverage Issues



Pandemic Payout Theme



Investors have hastily forgot about ET's decision to **cut its dividend in 2020,** contributing to the stock's multiple compression

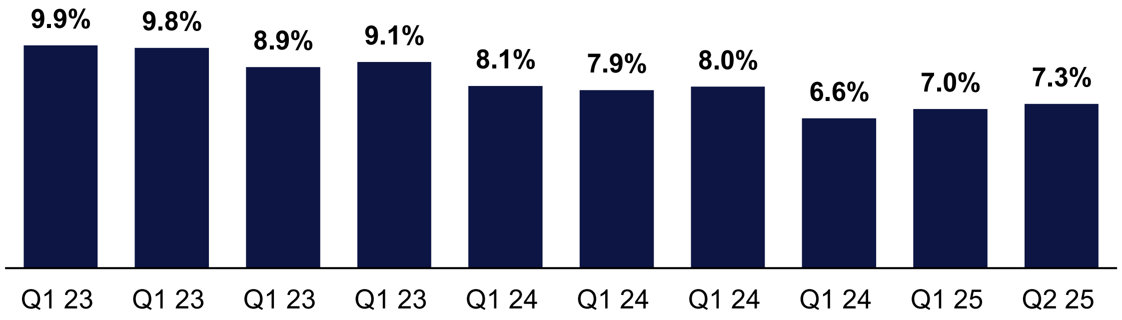
The Fund's Explanation

MLP Structure: MLP investors commonly express a preference for distribution growth over business development, conflicting with ET's high-growth aspirations.

Confusing Story: While prudent for earnings growth (as well as reducing specific commodity concentration), ET's diversification will be rewarded less than alternative pure-play midstream names.

Kelcy Warren Issues: The CEO's aggressive business practices (e.g., attempted takeover of WMB in 2016) and preference for "empire-building" naturally arise weariness among uber-conservative investors.

Dividend Yield by Quarter



ET's distribution increases have not kept pace with unit price performance, creating a declining yield that some investors **may find unattractive**

SPINDLETOP ENERGY INVESTMENT FUND

Notes: N/A.
Sources: Company Disclosures, Investor Presentations, ET Distribution Records, Fox Business, Bloomberg, and FactSet data as of 10/28/2025.

The Williams Companies (Williams)

SPINDLETOP
ENERGY INVESTMENT FUND

Williams Company Overview

Headquartered in Tulsa, OK with operations across the U.S., WMB is one of North America's **largest midstream operators**

Business Description

Operations: Williams primarily operates **natural gas gathering, processing, and long-haul transmission networks** across major U.S. basins, including the **Appalachia, DJ, Haynesville, Eagle Ford** and **Permian**.

Scale: Utilizes 29.6 Bcf/d of gathering, 8.3 Bcf/d of processing, 31.9 Bcf/d of transmission, and 417 Bcf of storage, **moving ~30% of U.S. volumes**.

Dividends: WMB's annualized current dividend is $2.00/share, **yielding ~3.4%**

Recent Deals: Recently, WMB divested its South Mansfield assets to JERA for **$398MM**, while acquiring 80% of Driftwood Pipeline LLC and 10% of Louisiana LNG LLC for **$250MM** via **partnership with Woodside Energy**.

Distribution vs. Peers

Distribution Yield Comparison

Williams	*3.5%*
ONEOK	*5.9%*
Kinder Morgan	*4.5%*
Energy Transfer	*7.8%*
Enterprise Products Partners L.P.	*7.0%*

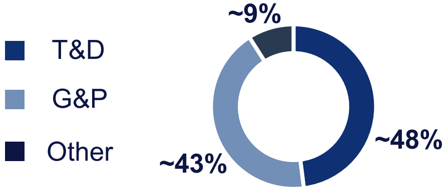
10-Q: *"Williams' business plan for 2025 includes a continued focus on earnings and cash flow growth"*

Prioritizing Growth: WMB emphasizes long-term infrastructure expansion and stable cash flows over near-term shareholder distributions

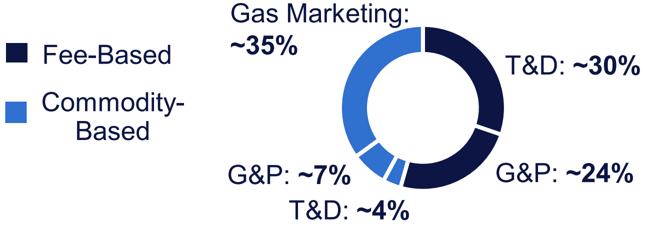
Stands as a **growth-oriented platform,** rather than a high-yield play

Segment and Contract Mix

2024 Adj. EBITDA: $7.1Bn



Q2 Contract Breakdown: $2.8Bn of Rev



Combines stable fee-based earnings with commodity exposure for growth

Growth Capex and Notable Projects

~76% of Williams' 2025 capex program comes from growth capital:

In-Service

Transco Expansion | Louisiana Energy Gateway | Northwest Pipeline Expansion | Socrates Power Innovation

2025 Growth Capital of **$2.7B** is anchored by **Transco and Northwest expansions, Louisiana Energy Gateway and Socrates Power Project,** boosting connectivity to LNG and power demand markets

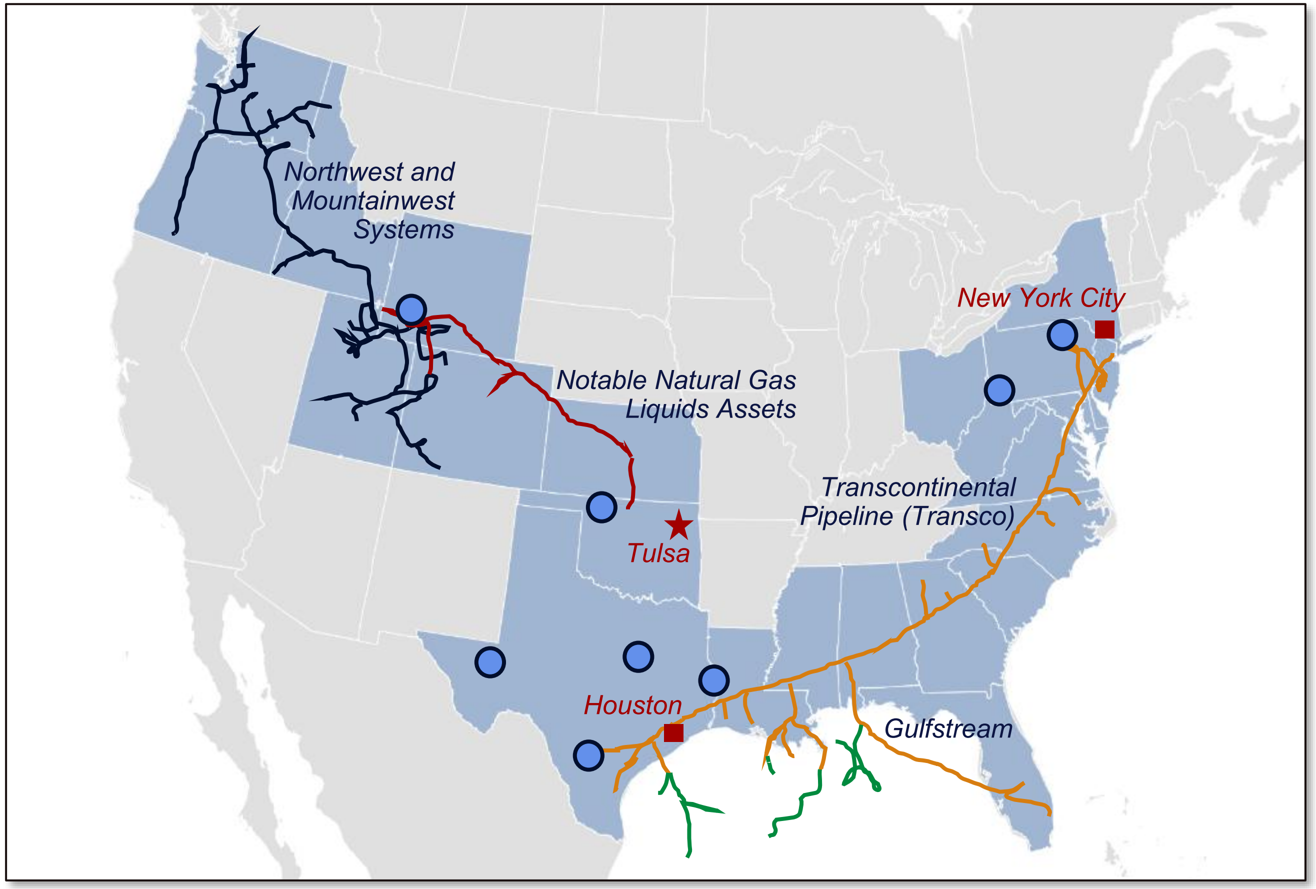
SPINDLETOP
ENERGY INVESTMENT FUND

Notes: G&P and T&D are abbreviations for Gathering & Processing and Transmission & Deepwater respectively.
Sources: Company Disclosures, Investor Presentations. FactSet Data as of 10/28/2025.

Williams Asset Overview

Williams has a **competitively advantaged midstream network,** enabling reliable gas supply to high-growth demand areas

Asset Information



Asset Legend

- Northwest and Mountainwest Pipelines
- Overland Pass and Bluestem NGLs
- Transco and Gulfstream
- Gathering and Processing Assets
- Offshore G&P

Asset Description

Northwest and Mountainwest: ~6000 miles of natural gas transmission pipelines providing service to western markets.

Overland Pass and Bluestem: ~1000 miles of NGL pipelines connecting to the mid-continent NGL market center in Conway, KS.

Transco and Gulfstream: 10,000-mile transmission pipeline serving northeast markets and 745-mile cross-gulf gas pipeline to Florida.

G&P Assets: includes strong Gulf, Marcellus, Utica, Eagle Ford, Haynesville, and other gathering and processing infrastructure.

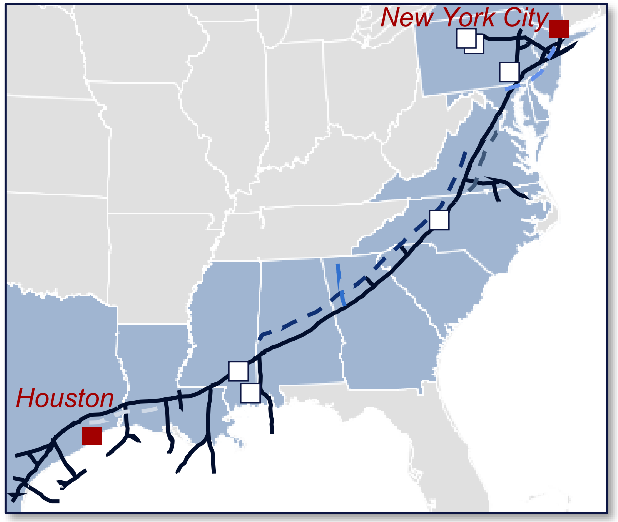
SPINDLETOP
ENERGY INVESTMENT FUND

Notes: N/A.
Sources: Company Disclosures, Investor Presentations.

Core Gas Business: Winning Now and Later

WMB's ownership of **essential gas assets** and **ideal trend exposure** renders the company well-positioned for sustained gas growth

Transco: "The Gold Standard"



Pipeline Map Key (System and New Projects)

Notable Cities ■ | Gas Storage □
Core Pipeline | SE Supply En.
Power Express | Dalton Exp.
NE Supply En. | TX/LA Pathway

Pipeline Fee Zone Breakdown

Zones 1-3 **Texas/Louisiana**

Zones 4-5 **SE U.S.** Zone 6 **NE U.S.**

Project Name	Timing	Capacity	Trend
TX to LA Pathway	Q2' 25	364 MMcf/d	LNG Exports
SE Supply En.	Q3 '27	1,597 MMcf/d	Comprehensive Gas[1]
Power Express	Q3 '30	785 MMcf/d	Virginia Data Centers

Moves **15%** of America's natural gas volumes

LNG Developments

"Same Weight Class:" WMB's strong gathering presence competes well with existing Haynesville pure-plays, yielding ideal LNG access.

Notable Transaction (August 2025)

SABER MIDSTREAM: 1,000 MMcf/d of HSVL G&P

Notable LNG-Adjacent Projects

LEAP Gathering	*Louisiana Energy Gateway*	*NG3 Gas Gathering*
Total Capacity: 1,900 MMcf/d	***Total Capacity: 1,800 MMcf/d***	***Total Capacity: 1,700 MMcf/d***

Despite LNG's waning momentum, top-tier platform positions WMB to **win now**

"Big Ten Country"

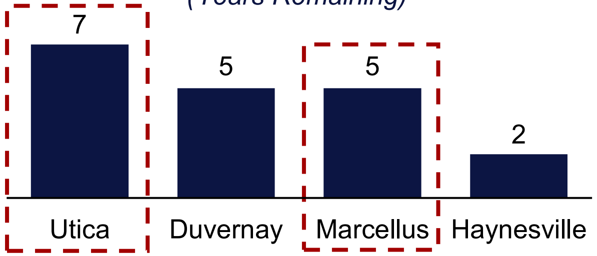
Northeastern assets combines access to the best remaining L48 inventory with growing gas demand.

Appalachian-Adjacent Capacity

Existing G&P	3,100 MMCF/D
Constitution	627 MMCF/D
NE Enhancement	386 MMCF/D

Inventory Life at Sub-$2.50 B/E[2]

(Years Remaining)



Presence will allow WMB to **win later** as gas excitement moves North

Notes: 1. "Comprehensive Gas" refers to gas demand influenced by industrial, residential, and commercial growth. 2. $2.50 break-even gas price assumes 20:1 oil/gas ratio and $50 WTI.
Sources: Company Disclosures, Investor Presentations, Barclays Equity Research, CT Mirror, Enverus, WMB Pipeline Fact Sheets, FactSet data as of 10/28/2025.

Williams: Noteworthy Projects

Williams is targeting strategic expansion into power generation and LNG to capture AI power demand and LNG export growth

Power Projects

Socrates: $1.6 billion Investment → 2 200 MW natural gas power plants completed by 2H of 2026.

On Oct 1, WMB announced plans to invest **$3.1 billion** into 2 new power projects, completed by 1H 2027.

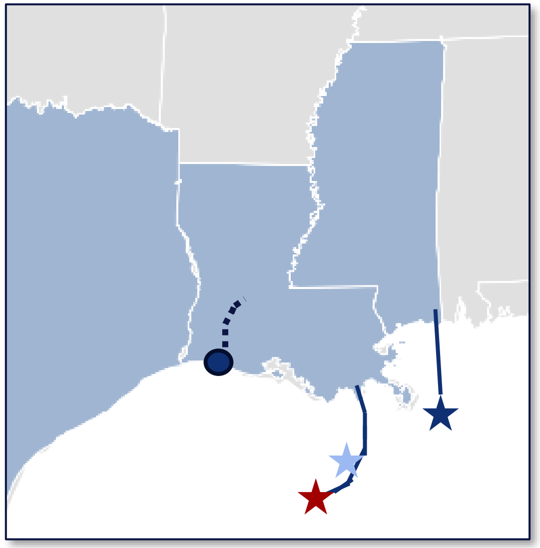
Unique Solution for AI: Williams is offering both power generation and supply of natural gas through pipelines, earning profits through both gathering and processing as well as power generation.

Contracted Cash-Flow: Both projects are backed by a 10-year, fixed PPA with an investment grade customer; the project build multiple is estimated to be around 5x.

Strategic Capital Allocation: With Williams trading around a ~13x EBITDA multiple, an investment at a 5x build multiple is highly accretive and an efficient use of capital.

Williams is investing capital in a **disciplined, high-growth manner** through **PPA contracts** to support **data center growth**

Deepwater Expansions + Woodside LNG Project



Woodside Louisiana LNG + Driftwood Pipeline Investment

- Louisiana LNG
- Driftwood Pipeline

Deepwater Expansions

- Ballymore (Chevron)
- Shenandoah (Beacon)
- Salamanca (LLOG)

Strategic Entry into LNG: Williams invested **$1.9B** in Woodside energy to invest alongside the Louisiana project. This includes **10%** equity in the LNG facility and **80%** ownership in the Driftwood Pipeline, which connects Woodside's LNG facility to Williams' Transco and LEG pipelines.

Capitalizing on Offshore Production: The Ballymore and Salamanca projects require no additional investment for Williams, utilizing existing infrastructure, while the Shenandoah expansion requires **~160M** in capex.

Notes: N/A.
Sources: Company Disclosures, Investor Presentations.

Williams Valuation

Wall Street estimates corroborate the fund's perspectives (with a specific focus on power projects), providing WMB with **upside potential.**

Rationale

J.P.Morgan
June 2025

Management's Priorities: Enthusiasm for enticing power or pipeline projects may supersede distribution growth, supporting the fund's claim for high capital expenditure assumptions.

WELLS FARGO
October 2025

Power CapEx: Management's announced investments of $3.1Bn in BTM power, $1.6B in Socrates, and $400M in the Socrates upsize all reflect build multiples of 5x or better.

BARCLAYS
October 2025

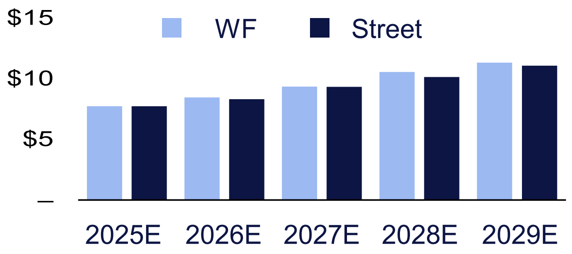
EBITDA Estimates: Upticks across WMB's NE assets, the Warmsutter system, and incremental project contributions will all provide near-term EBITDA that slightly exceeds Street projections.

Free Cash Flow Build

Forecast Year	*2025E*	*2026E*	*2027E*	*2028E*	*2029E*
EBITDA	$7,736	$8,471	$9,357	$10,564	$11,334
(–) Maintenance CapEx	($700)	($956)	($1,076)	($1,173)	($1,235)
(–) Dividends Paid to NC Interests	($263)	($271)	($275)	($279)	($281)
(–) Interest Expense	($1,441)	($1,501)	($1,597)	($1,657)	($1,675)
(–) Income Tax	($270)	($192)	($199)	($207)	($211)
Distributable Cash Flow	**$5,062**	**$5,551**	**$6,210**	**$7,248**	**$7,932**
(–) Growth CapEx	($3,099)	($3,838)	($4,069)	($4,072)	($4,097)
Unlevered Free Cash Flow	**$1,963**	**$1,713**	**$2,141**	**$3,176**	**$3,835**
Stub Adjustment	($1,614)	–	–	–	–
Stub-Adjusted Unlevered FCF	**$349**	**$1,713**	**$2,141**	**$3,176**	**$3,835**
Time Period	0.18	1.18	2.18	3.18	4.18
Discount Factor	0.09	0.59	1.59	2.59	3.59
PV of Unlevered FCF	**$347**	**$1,653**	**$1,943**	**$2,712**	**$3,081**

Revenue Projections and WACC Calculation

WF Projected EBITDA ($Bn) vs. Street

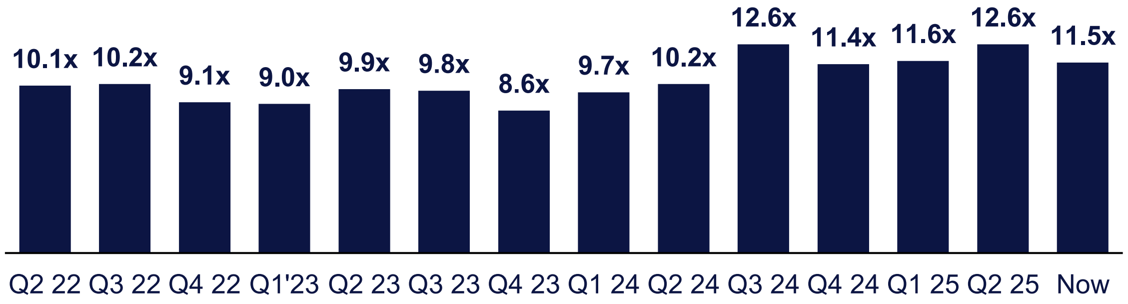


WACC Build

Inputs	
Adjusted Beta	0.72
Debt-to-Cap	0.29
Tax Rate	21.0%
Cost of Debt	5.2%
Cost of Equity	7.2%
WACC	**6.3%**

Implied share price of **$67.92** reflects a **17.1% upside** to current market value

Risk of Multiple Compression



Sector Median FY2 EV/EBITDA: **9.3x**

SPINDLETOP ENERGY INVESTMENT FUND

Notes: Adjusted Beta refers to BBG 3Y Weekly Adjusted Beta.
Sources: Company Disclosures, Barclays ER, Wells Fargo ER, JP Morgan ER, Bloomberg, and FactSet data as of 10/28/2025.

Risks

Risks

Key risks for these companies include **valuation** concerns and a choice of desired investment characteristics by Spindletop

Energy Transfer			
Distribution Yield	Energy Transfer's distribution growth has not evenly tailed unit price increases, causing yield to decline.	Upsizing at a 7.8% yield still affords the fund a very attractive YTC, mitigating future yield declines.	**High**
Inherent Discount	Due to concerns regarding leadership, distribution growth, and COVID-era activities, ET continues to trade lower than peers on a times EBITDA basis.	ET's organic growth and macro alignment render strong earnings growth probable, with a stable distribution further supporting potential returns.	**Medium**
Portfolio Overconcentration	A later upsize of Energy Transfer with remaining restricted cash (~$24,000) could render the fund overexposed to one individual player.	Concentration is necessary in order to avoid tailing of ENFR or AMLP by Spindletop, with ET's diversification and credit-like profile fitting Spindletop's "anchor" profile.	**Low**
Williams			
Overvaluation	William's is currently one of the highest trading midstream companies on an EV/EBITDA basis, trading well above sector means as of 2024 forward.	Williams' core business fundamentals "earn" its implied premium, but multiple compression from a long-run perspective remains a possibility.	**High**
Data Center & LNG Related Demand	Potential overestimation for natural gas demand coming from data centers and LNG exports may cause the current share price to be inflated.	While overestimation is a real possibility, these trends will remain prevalent nevertheless.	**Medium**
Capital Return	William's divided yield is significantly lower compared to midstream competitors, showing the company prioritizes growth projects over returning capital to shareholders.	This may accelerate William's EBITDA growth in comparison to peers; however, WMB will likely not embody the fund's desired "credit-like" stature.	**Low**

Conclusion

SPINDLETOP
ENERGY INVESTMENT FUND

Fund Team’s Conclusion

After evaluating both positions, the fund would like to **hold our existing position** in WMB and **explore a later upsize** of ET.

Energy Transfer: “Review”

I. Attractive Yield-to-Cost

Securing a 7.8% YTC on consistent distributions would match the fund’s criteria for a credit-like midstream investment, carrying potential to serve as the portfolio’s “distribution anchor.”

III. Effective Diversification

Best-in-class exposure to natural gas and NGL volume growth (with a minor presence in crude oil) matches the fund’s desired philosophy for investing in comprehensive American energy growth, avoiding overexposure to the macro.

III. Strong Growth Opportunities

Historical M&A, Hugh Brinson, Desert Southwest, and other projects give ET significant potential to expand earnings growth, rendering the fund confident in the firm’s business model.

The Williams Companies: Hold

I. Natural Gas and Power Tailwinds

WMB’s buildout of natural gas infrastructure projects, proximity to high-demand gas/power markets, and entrance into the power segment at attractive build multiples fits the American natural gas story perfectly.

II. Strong Asset Base

Ownership of the Transcontinental Pipeline, high-value Northeastern assets, and a strong presence regarding LNG exports yields WMB the best asset base among American natural gas infrastructure players.

III. High Valuation and Low Capital Return

Despite more growth to come, WMB’s leadership of valuation among peers carries significant multiple compression risk when considering mean reversion, and their lagging capital return program deviates from the fund’s mandate.

ET “Review:”

ENERGY TRANSFER

940 Units Held ($16.99)

Position Value: ~$15,971

Potentially “double down” given ET’s current valuation

WMB Hold:

Williams

940 Shares Held ($57.59)

Position Value: ~$12,670

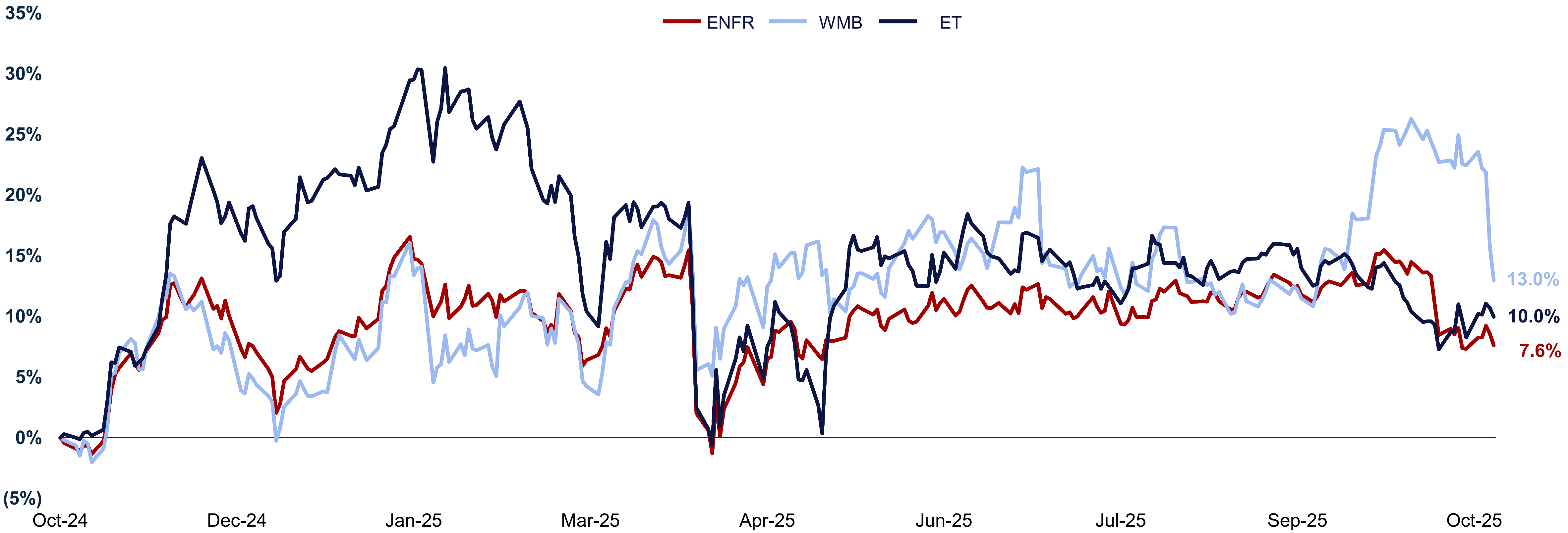
Hold onto existing WMB position

Notes: N/A.
Sources: State Street Global Advisors, FactSet market data as of 10/28/2025.

Appendix

1-Year Stock Performance

Over the past year, both Williams and Energy Transfer have **outperformed** the Alerian Energy Infrastructure ETF (ENFR)



Both names provide **strong opportunities** to capture on gas-centric industry tailwinds

SPINDLETOP
ENERGY INVESTMENT FUND

Notes: N/A.
Sources: N/A.

Energy Transfer Broker Outlook

Wall Street's view on ET is **overwhelmingly bullish,** with numerous brokers forecasting a chance for upside

Selected Broker Name	Rating	Price Target
Goldman Sachs	HOLD	$19.00
TD Cowen, a division of TD Securities	BUY	$20.00
J.P.Morgan	BUY	$21.00
Morgan Stanley	BUY	$22.00
TPH&CO, The Energy Business of Perella Weinberg Partners	BUY	$22.00
citi	BUY	$22.00
RAYMOND JAMES	BUY	$24.00

BBG 12M Target Price: $22.08

Price of $16.98 (10/28/2025) shows a **30% implied upside** for ENB, with reputable brokers standing behind the company's growth story

Notes: Bloomberg contains 16 updated price targets, with selected brokers shown to for illustration purposes. 12M value reflects the full range of price targets.
Sources: Bloomberg data as of 10/27/2025.

Williams Broker Outlook

A balance of reputable Wall Street brokers confirms our view on Williams: **bullish, but cautious** due to valuation concerns

BBG 12M Target Price: $67.53

Selected Broker Name	Rating	Price Target
TPH&CO (The Energy Business of Perella Weinberg Partners)	HOLD	$61.00
RAYMOND JAMES	BUY	$64.00
citi	BUY	$65.00
Goldman Sachs	HOLD	$65.00
BARCLAYS	HOLD	$66.00
MIZUHO	BUY	$72.00
RBC Capital Markets	BUY	$75.00

Price of $57.59 (10/28/2025) signals a **17% upside** for WMB, aligning with Spindletop's expressed view of the company

Notes: Bloomberg contains 20 updated price targets, with selected brokers shown to for illustration purposes. 12M value reflects the full range of price targets.
Sources: Bloomberg data as of 10/27/2025.

ET vs WMB FCF Yield Analysis

ET has **noticeably higher** FCF Yield compared to WMB, while WMB excels in FCF margin

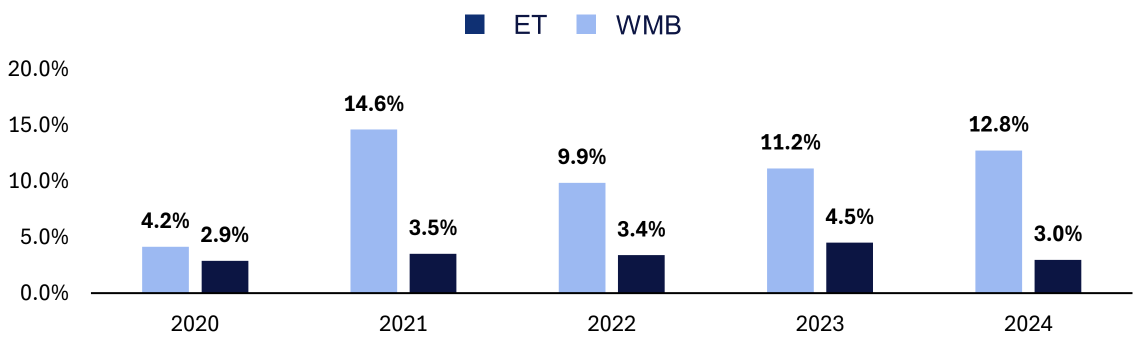
ET FCF Build

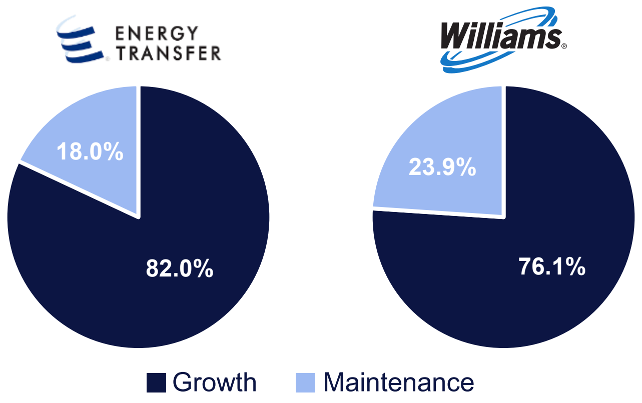
Year	*2020A*	*2021A*	*2022A*	*2023A*	*2024A*
Net Income	**$140**	**$6,687**	**$5,868**	**$5,294**	**$6,565**
(+) D&A	3,678	3,817	4,164	4,385	5,165
(–) Deferred Taxes Increase	210	141	187	203	276
(+) Other Funds	3,473	169	396	187	(229)
(–) Increase in NWC	47	515	(1,502)	(451)	(196)
Operating Cash Flow	**$7,548**	**$11,329**	**$9,113**	**$9,618**	**$11,581**
(–) Capex	(5,130)	(2,822)	(3,381)	(3,134)	(4,164)
Free Cash Flow	**$2,418**	**$8,507**	**$5,732**	**$6,484**	**$7,417**

WMB FCF Build

Year	*2020A*	*2021A*	*2022A*	*2023A*	*2024A*
Net Income	**$198**	**$1,562**	**$2,117**	**$3,400**	**$2,346**
(+) D&A	1,721	1,842	2,009	2,071	2,219
(–) Deferred Taxes Increase	108	509	431	951	506
(+) Other Funds	1,792	341	711	(475)	429
(–) Increase in NWC	(323)	(309)	(379)	88	(526)
Operating Cash Flow	**$3,496**	**$3,945**	**$4,889**	**$6,035**	**$4,974**
(–) Capex	(1,275)	(1,247)	(2,283)	(2,567)	(2,678)
Free Cash Flow	**$2,221**	**$2,698**	**$2,606**	**$3,468**	**$2,296**

FCF Yield and Capex Comparison





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).

SPINDLETOP ENERGY INVESTMENT FUND

Notes: N/A.
Sources: Historical Financial, Company Disclosures, East Daley, Morgan Stanley, FactSet data as of 10/28/2025.

Williams Sensitivity Analysis

Sensitivity Analysis for WMB **balances** a mean reversion possibility with Wall Street's expected growth.

		EBITDA Multiple				
		11.1x	11.3x	11.5x	11.7x	11.9x
	6.7%	$63.73	$65.15	$66.56	$67.98	$69.39
	6.5%	$64.38	$65.81	$67.24	$68.66	$70.09
WACC	6.3%	$65.04	$66.48	$67.92	$69.35	$70.79
	6.1%	$65.71	$67.15	$68.60	$70.05	$71.50
	5.9%	$66.38	$67.84	$69.30	$70.76	$72.22

Use of FY2 EV/EBITDA multiple accounts for **multiple compression risk** by discarding short-term volatility

Notes: N/A.
Sources: N/A.

SPINDLETOP

ENERGY INVESTMENT FUND