

SALIENT MIDSTREAM & MLP FUND ANNOUNCES UNAUDITED NET ASSET VALUE AS OF DECEMBER 31, 2021

HOUSTON, TX – January 6, 2022 – Salient Midstream & MLP Fund (the “Fund”) (NYSE: SMM) provided today a summary of unaudited statement of assets and liabilities and announced Net Asset Value (NAV) as of December 31, 2021.

On December 31, 2021, the Fund’s total assets were \$187.0 million and the NAV per share was \$7.48. On December 31, 2021, the closing share price of the Fund was \$6.74, which was trading at a 9.89% discount to the NAV.¹ The Fund’s NAV and market price total returns for the month of December were -0.5% and 5.8%, respectively, compared to 1.7% for the Alerian Midstream Energy Select Total Return Index (AMEIX).²

December Market Commentary

December began with worries about an Omicron driven global slowdown. Midstream as measured by the AMEIX index was down 3% through December 20th until positive headlines emerged that the omicron variant is relatively mild compared to previous COVID-19 variants. The AMEIX Index then staged a rebound into year end, finishing the month up 1.7%.²

For 2022, we remain positive as we believe 1) free cash flow after dividends is poised to increase over 35% for 2022, 2) volumes may recover as drilling activity improves and 3) capital allocation remains focused on reducing debt and returning excess cash to investors through buybacks and potential dividend increases.³ We continue to believe that a portion of excess cash flow generation above dividends must be used for buybacks to sustain the current equity price recovery into 2022.

Crude oil recovered during the month of December but remained about 10-15% below the \$85+ level from late October.⁴ Crude oil as measured by West Texas Intermediate (WTI) was up 12.5% to \$75.21 in December.⁴ We continue to believe that crude oil prices in the \$60 to \$80 range are positive for long-term investment in the American energy industry. Commodity analysts continue to see a tight supply environment for both crude oil and natural gas in 2022 as energy demand appears to be resilient despite the current

¹ Past performance is not indicative of future results. Current performance may be higher or lower than the data shown. The data shown are unaudited. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

² Source: Salient Capital Advisors, LLC and Alerian, December 31, 2021. “Alerian Midstream Energy Select Index,” “Alerian Midstream Energy Select Total Return Index,” “AMEI” and “AMEIX” are trademarks of Alerian and their use is granted under a license from Alerian. Past performance is not indicative of how the index will perform in the future. The index reflects the reinvestment of dividends and income and does not reflect deductions for fees, expenses or taxes. The index is unmanaged and is not available for direct investment. Alerian Midstream Energy Select Total Return Index (AMEIX) is a total return composite of North American midstream energy infrastructure companies that are engaged in activities involving energy commodities. The capped, float-adjusted, capitalization-weighted index is disseminated in real time on a price-return basis. Inception date of the AMEIX is April 1, 2013.

³ Source: Wells Fargo, December 2021. **Free cash flow** is the cash left over after a company pays for its operating expenses and capital expenditures (capex).

⁴ Source: Bloomberg, December 2021.

COVID-19 wave. We believe that current commodity prices are sufficient to lead to U.S. volume growth in 2022, with increases in production already showing up in recent Energy Information Administration (EIA) numbers. The promise of these incremental volumes should be supportive of midstream names going forward.

As we begin 2022, we believe the below themes will be integral to the energy infrastructure sector.

- 1. Strong Capital Discipline**
 - a. Capital expenditure (capex) remains well below 2019 and 2020 levels.
 - b. Many companies have underutilized assets and only need to spend on sustaining capex.
- 2. Free Cash Flow (FCF) Accelerates**
 - a. Industry FCF grows as capital projects are completed and spending comes down.
 - b. We believe free cash flow after dividends is expected to grow in 2022.
- 3. Deleveraging Continues¹**
 - a. Leverage has declined from 4.7x in 2020 to ~4.3x today.
 - b. We see the potential for midstream leverage to decrease below 4.0x by 2023.
- 4. Buyback Capacity Improves**
 - a. 2021 was a focus on balance sheets.
 - b. 2022 will allow companies to direct more capital to buybacks.
- 5. Growth and Improving Rate of Change**
 - a. Earnings before income, tax, depreciation and amortization (EBITDA) Growth²
 - b. Dividend Growth
 - c. Volume Growth
 - d. Tariff Growth
 - e. Buybacks
- 6. Energy Transition is Accelerating**
 - a. Strength in solar & battery storage.
 - b. Renewable fuels continue to ramp and capture capex.
 - c. Carbon capture opportunities continue to accelerate.

EMG Utica Pricing Update

Salient Capital Advisors, LLC (the “Adviser”) in December 2021 identified an error in the valuation of the EMG Utica portfolio asset, which was corrected on December 31, 2021, resulting in the restatement of the fund’s NAV for the period August 19, 2021 until December 30, 2021. The error resulted in an overstatement of NAV having an impact varying between approximately \$0.07 and \$0.11 per share during the period. The Adviser identified that a variable input had instead been hard coded in the model used for fair valuation of this investment, resulting in an error in the fair valuation of the investment. The improperly hard coded input was corrected and the fair valuation reflected on December 31, 2021. The correction resulted in the need for restatement of the Fund’s NAV for the period noted above, and the error resulted in a reimbursement to the Fund by the Adviser of approximately \$5,600 in advisory fees. The proper valuation will be reflected in the Fund’s audited financial statements for the period ended November 30, 2021, when issued.

¹ **Leverage** is the use of borrowed capital for (an investment), expecting the profits made to be greater than the interest payable.

² **Earnings before interest, taxes, depreciation and amortization** is a measure of a company’s overall financial performance and is used as an alternative to simple earnings or net income in some cases.

The Fund's Top 10 holdings as of December 31, 2021 are shown below:¹

No.	Symbol	Name	Country	Asset Type	% of Gross Assets
1	ET	Energy Transfer, L.P.	United States	MLP	9.2%
2	-	EMG Utica Offshore Co-Investment LP	United States	C-Corp	7.5%
3	TRGP	Targa Resources Corp.	United States	C-Corp	6.6%
4	MPLX	MPLX, L.P.	United States	MLP	6.2%
5	LNG	Cheniere Energy Inc.	United States	C-Corp	6.1%
6	OKE	ONEOK Inc.	United States	C-Corp	6.0%
7	ENB	Enbridge Inc.	Canada	C-Corp	5.3%
8	WMB	The Williams Companies Inc.	United States	C-Corp	4.7%
9	PAGP	Plains GP Holdings, L.P.	United States	C-Corp	4.7%
10	ETRN	Equitrans Midstream Corp.	United States	C-Corp	4.7%
					61.0%

For illustrative purposes only. Current and future holdings are subject to change and risk. Figures are based on the Fund's gross assets ex-cash. Source: Salient Capital Advisors, LLC, December 31, 2021.

The Fund's unaudited balance sheet as of December 31, 2021 is shown below:

**Salient Midstream & MLP Fund
Balance Sheet
December 31, 2021
(Unaudited)**

Assets	(in millions)
Investments	\$186.5
Other Assets	0.2
Cash and Cash Equivalents	0.3
Total Assets	\$187.0
Liabilities	
Line of Credit Payable	\$54.0
Other Liabilities	0.4
Total Liabilities	\$54.4
Net Assets	\$132.6

The Fund had 17.7 million common shares outstanding as of December 31, 2021.

Past performance is not indicative of future results.

¹ Fund shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency. Data are based on total market value of Fund investments unless otherwise indicated. The data provided are for informational purposes only and are not intended for trading purposes.

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Salient Midstream & MLP Fund is a Delaware statutory trust registered as a non-diversified, closed-end management investment company under the Investment Company Act of 1940, as amended. The Fund's investment objective is to provide a high level of total return with an emphasis on making quarterly cash distributions to its common shareholders. The Fund seeks to achieve that objective by investing at least 80% of its total assets in securities of MLPs and midstream companies. There can be no assurance that the Fund will achieve its investment objective.

This press release contains "forward-looking statements" as defined under the U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual future results to differ significantly from the Fund's present expectations or projections indicated in any forward-looking statements. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; leverage risk; valuation risk; interest rate risk; tax risk; the volume of sales and purchase of shares; the continuation of investment advisory, administration and other service arrangements; and other risks discussed in the Fund's filings with the Securities and Exchange Commission. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Fund undertakes no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Fund's investment objective will be attained.

About Salient

Salient Partners, L.P. ("Salient") is a real asset and alternative investment firm that offers a suite of strategies focused on energy and infrastructure, real estate and tactical alternative investments. Institutions and investment advisors turn to Salient to build smarter, more efficient portfolios. Strategies are offered in the form of open- and closed-end funds and separately managed accounts. Salient was founded in 2002 and has offices in Houston and San Francisco. Learn more about Salient at www.salientpartners.com.

FOR SHAREHOLDER INQUIRIES:

Salient Capital Advisors, LLC
info@salientpartners.com
800-994-0755

FOR MEDIA INQUIRIES:

David Linton
dlinton@salientpartners.com
713-993-4017