



The Energy Renaissance & MLPs

Investment Alternatives & Strategies in the MLP Sector
Through CEFs & ETFs

Kenny Feng, President & CEO, Alerian
Metropolitan Club | New York, NY | 24 April 2013

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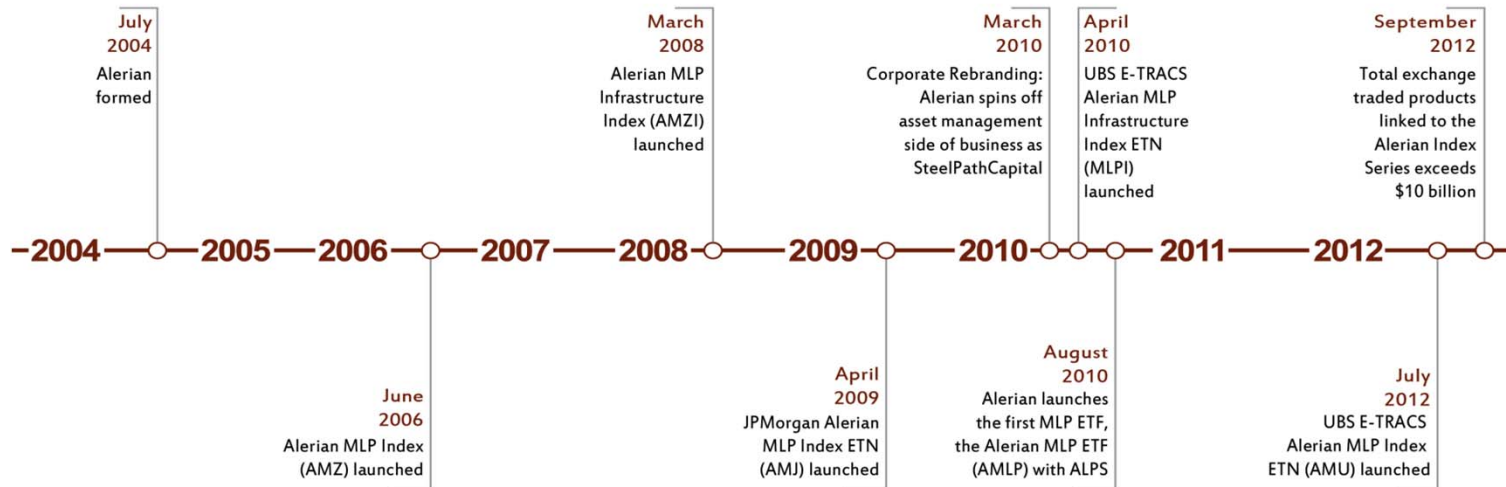
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About Alerian

Market intelligence provided through industry-leading benchmarks and analytics

Alerian launched the first real-time MLP index

Over \$13 billion is directly linked to the Alerian Index Series

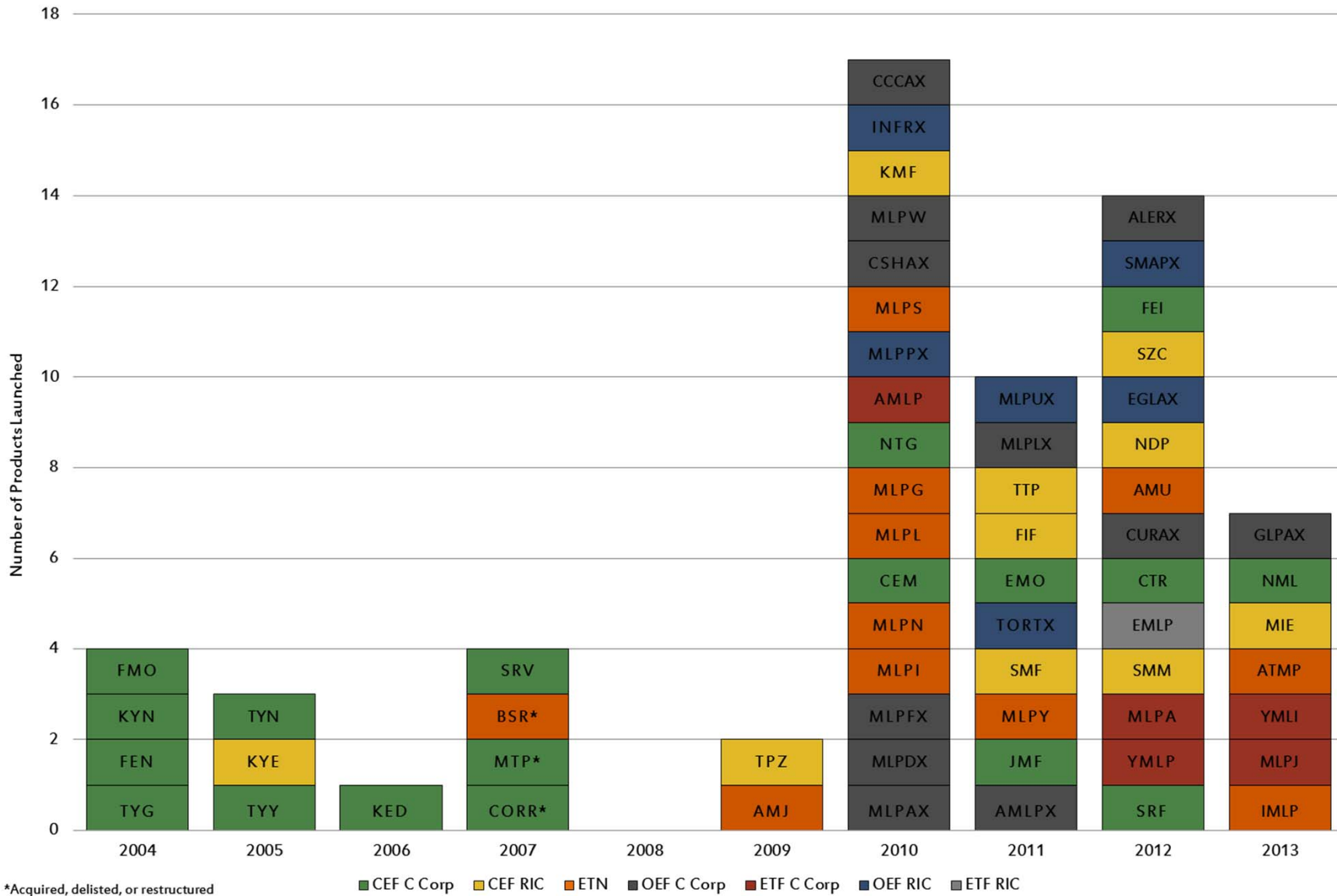


The Chemistry of MLPs

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Annualized
Small Cap 47.3%	REITs 35.0%	Commodities 25.6%	REITs 35.6%	Commodities 32.7%	Utilities -28.9%	MLPs 76.4%	MLPs 35.9%	Utilities 19.9%	REITs 18.0%	MLPs 16.5%
MLPs 44.5%	Utilities 24.3%	Utilities 16.8%	Non-US Equity 26.3%	Utilities 19.4%	DJIA -31.9%	Non-US Equity 31.8%	Small Cap 26.9%	MLPs 13.9%	Non-US Equity 17.3%	REITs 12.0%
Non-US Equity 38.6%	Non-US Equity 20.2%	REITs 13.7%	MLPs 26.1%	MLPs 12.7%	Small Cap -33.7%	REITs 27.6%	REITs 26.7%	REITs 9.4%	Small Cap 16.3%	Utilities 10.4%
REITs 36.3%	Small Cap 18.3%	Non-US Equity 13.5%	Utilities 21.0%	Non-US Equity 11.2%	MLPs -36.9%	Small Cap 27.2%	S&P 500 15.1%	DJIA 8.4%	S&P 500 16.0%	Small Cap 9.7%
S&P 500 28.7%	Commodities 17.3%	MLPs 6.3%	DJIA 19.0%	DJIA 8.9%	S&P 500 -36.9%	S&P 500 26.5%	DJIA 14.1%	S&P 500 2.1%	DJIA 10.2%	Non-US Equity 8.2%
DJIA 28.3%	MLPs 16.6%	S&P 500 4.9%	Small Cap 18.4%	S&P 500 5.5%	REITs -37.3%	DJIA 22.9%	Commodities 9.0%	Commodities -1.1%	MLPs 4.8%	DJIA 7.3%
Utilities 26.3%	S&P 500 10.9%	Small Cap 4.6%	S&P 500 15.8%	Small Cap -1.5%	Non-US Equity -43.3%	Commodities 13.5%	Non-US Equity 7.8%	Small Cap -4.1%	Utilities 1.3%	S&P 500 7.1%
Commodities 20.7%	DJIA 5.3%	DJIA 1.7%	Commodities -15.0%	REITs -16.3%	Commodities -46.4%	Utilities 11.9%	Utilities 5.5%	Non-US Equity -12.1%	Commodities 0.1%	Commodities 2.7%

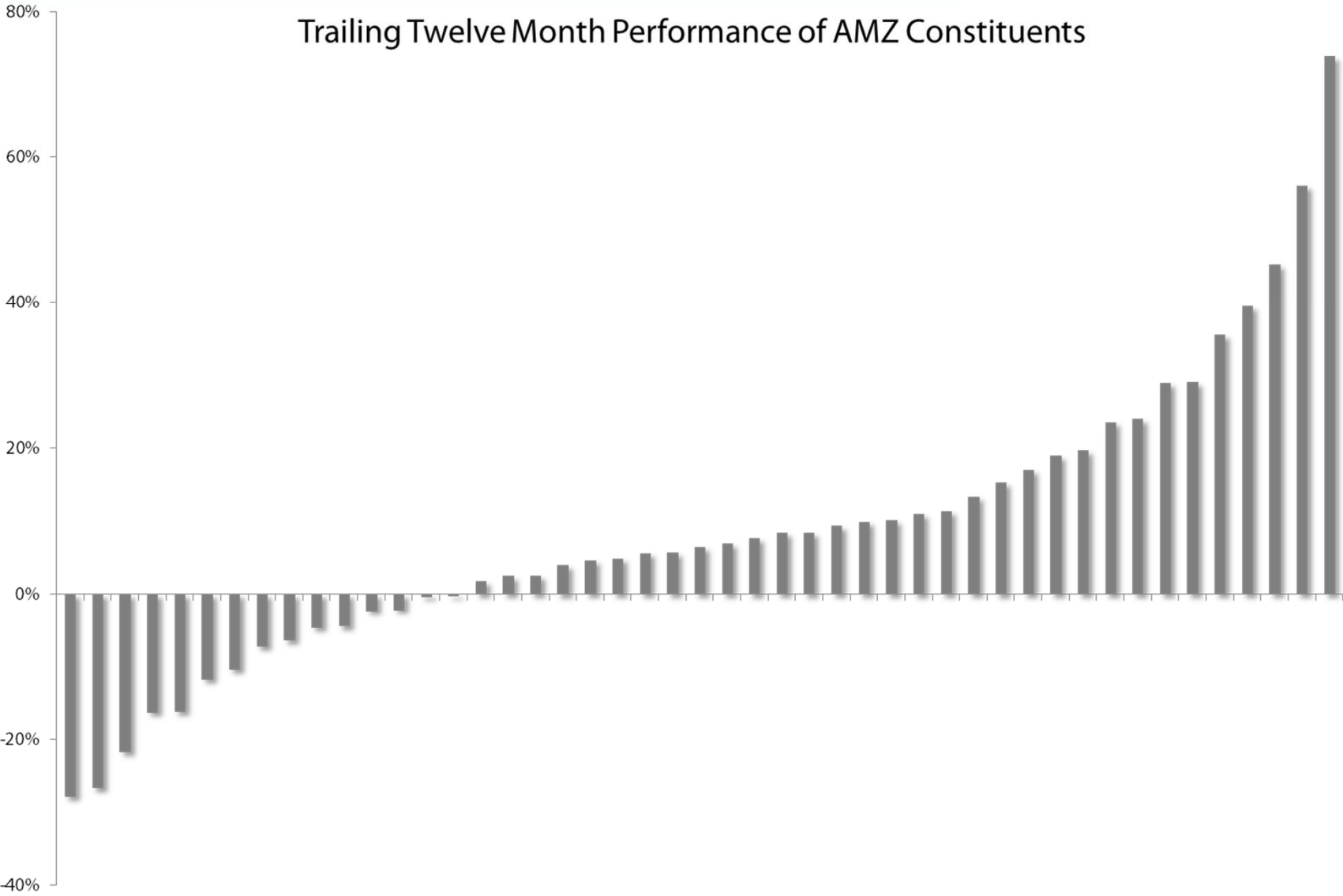
Master Limited Partnerships (MLPs) are represented by the Alerian MLP Index (AMZ). The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy. The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 blue-chip stocks that are leaders in their industry. Utilities are represented by the S&P 500 Utilities Index, a composite of utility stocks in the S&P 500. Real Estate Investment Trusts (REITs) are represented by the Real Estate 50 Index, a supplemental benchmark to the FTSE NAREIT US Real Estate Index Series to measure the performance of more frequently traded equity REITs. Commodities are represented by the S&P Total Return World Commodity Index (SPWCITR). Non-US equities are represented by the MSCI Daily Total Return EAFE Index (NDDUEAFE). Small cap equities are represented by the Russell 2000 Index. Performance is provided on a total return basis.

Continued Demand for Access Products



Source: Alerian as of 03/28/2013

Why Diversify?



Source: Bloomberg as of 03/28/2013



Different Strokes for Different Folks

Investment Type	Direct Investment	Managed SMA	Closed-End Funds		Open-End Mutual Funds		Exchange-Traded Notes	Exchange-Traded Funds	
			100% MLP	<25% MLP	100% MLP	<25% MLP		100% MLP	<25% MLP
Tax Classification	Partnership	Partnership	Taxable "C" Corp	Non-Taxable "M" Corp	Taxable "C" Corp	Non-Taxable "M" Corp	Forward Contract	Taxable "C" Corp	Non-Taxable "M" Corp
Tax Treatment	Ordinary Income	Qualified Dividend	Qualified Dividend	Qualified Dividend*	Qualified Dividend	Qualified Dividend*	Ordinary Income	Qualified Dividend	Qualified Dividend*
Tax Form	Form K-1	Form K-1, Form 1099	Form 1099	Form 1099	Form 1099	Form 1099	Form 1099	Form 1099	Form 1099
IRA/401k Eligible	Taxable Beyond \$1,000 in UBTI	Taxable Beyond \$1,000 in UBTI	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Return of Capital Flow-Through	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
Fees	N/A	Varies	Varies	Varies	Varies	Varies	Varies	Varies	Varies
Leverage	No	No	Varies	Varies	Varies	Varies	Varies	No	No
Total Funds	N/A	N/A	16	10	10	6	11	5	1
AUM (\$ MM)	N/A	N/A	\$15.1B	\$3.6B	\$6.0B	\$1.1B	\$7.3B	\$6.0B	\$0.3B

Managed SMA Examples: Steelpath, Energy Income Partners, Tortoise, etc.

Closed-End Funds: CEM, CTR, EMO, FEI, FEN, FMO, JMF, KED, KYN, NML, NTG, SRF, SRV, TYG, TYN, TYY

Open-End Mutual Funds: ALERX, AMLPX, CCCAX, CSHAX, CURAX, GLPAX, MLPAX, MLPDX, MLPFX, MLPLX

Exchange-Traded Notes: AMJ, AMU, ATMP, IMLP, MLPG, MLPI, MLPL, MLPN, MLPS, MLPW, MLPY

Exchange-Traded Funds: AMLP, MLPA, MLPJ, YMLI, YMLP

RIC Closed-End Funds: FIF, KMF, KYE, MIE, NDP, SMF, SMM, SZC, TPZ, TTP

RIC Open-End Mutual Funds: EGLAX, INFRX, MLPPX, MLPUX, SMAPX, TORTX

RIC Exchange-Traded Fund: EMLP

*Represents treatment of the dividend from MLPs; tax treatment for remaining non-MLP investments vary

Different Strokes for Different Folks

Investment Type			Closed-End Funds			Exchange-Traded Notes	Exchange-Traded Funds	
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Tax Classification			Taxable "C" Corp	Non-Taxable "M" Corp		Forward Contract	Taxable "C" Corp	Non-Taxable "M" Corp
Tax Treatment			Qualified Dividend	Qualified Dividend*		Ordinary Income	Qualified Dividend	Qualified Dividend*
Tax Form			Form 1099	Form 1099		Form 1099	Form 1099	Form 1099
IRA/401k Eligible			Yes	Yes		Yes	Yes	Yes
Return of Capital Flow-Through			Yes	Yes		No	Yes	Yes
Fees			Varies	Varies		Varies	Varies	Varies
Leverage			Varies	Varies		Varies	No	No
Total Funds			16	10		11	5	1
AUM (\$ MM)			\$15.1B	\$3.6B		\$7.3B	\$6.0B	\$0.3B

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IRA/401k Eligible	Yes	Yes	Yes	Yes	Yes
Return of Capital Flow-Through	Yes	Yes	No	Yes	Yes
Fees	Varies	Varies	Varies	Varies	Varies
Leverage	Varies	Varies	Varies	No	No
Total Funds	16	10	11	5	1
AUM (\$ MM)	\$15.1B	\$3.6B	\$7.3B	\$6.0B	\$0.3B

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Tax Classification and Portfolio Composition

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Tax Form	Form 1099	Form 1099	Form 1099	Form 1099	Form 1099
IRA/401k Eligible	Yes	Yes	Yes	Yes	Yes
Return of Capital Flow-Through	Yes	Yes	No	Yes	Yes
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Know What You're Buying

25% MLPs

- Despite the name, some funds have only 25% MLPs
- RIC compliance
- Structured as C corporation or M corporation

75% Other

- Many funds hold MLP debt
- MLP affiliates, Utilities, Infrastructure names
- Fund of funds, owning other MLP products

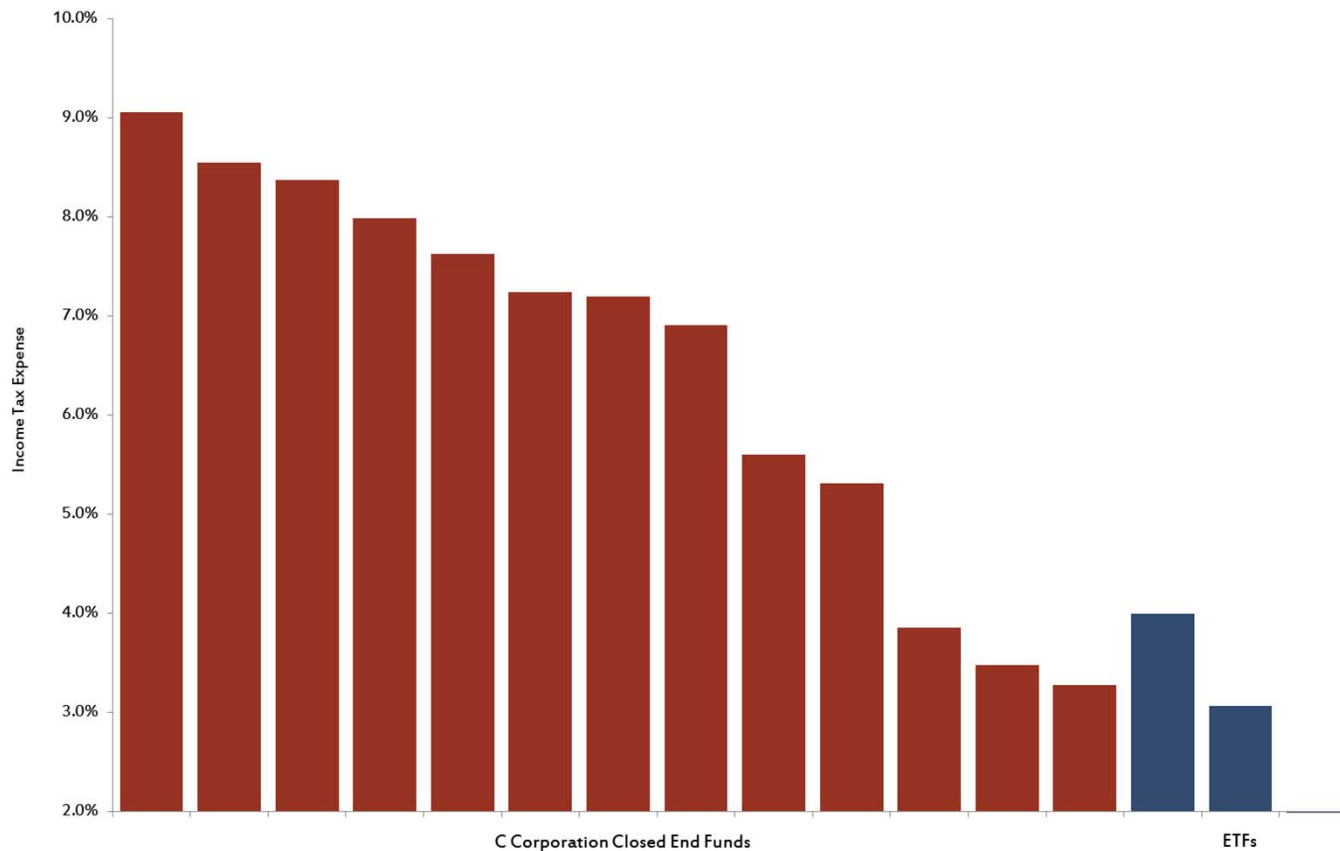
Impact on Returns

- Lower yields
- Performance deviation from the MLP sector
- Excess fees from ownership of other funds

No Such Thing As a Good Tax

Tax Man

- Deferred tax liability reduces volatility and dampens returns
- CEF and ETF distributions taxed at qualified dividend rates
- ETN distributions taxed at ordinary income tax rates



Does not include funds launched after 11/30/12 where SEC data is not available

Source: SEC Filings for year ending 11/30/2012

Return of Capital

Investment Type	Closed-End Funds		Exchange-Traded Notes	Exchange-Traded Funds	
	100% MLP	<25% MLP		100% MLP	<25% MLP
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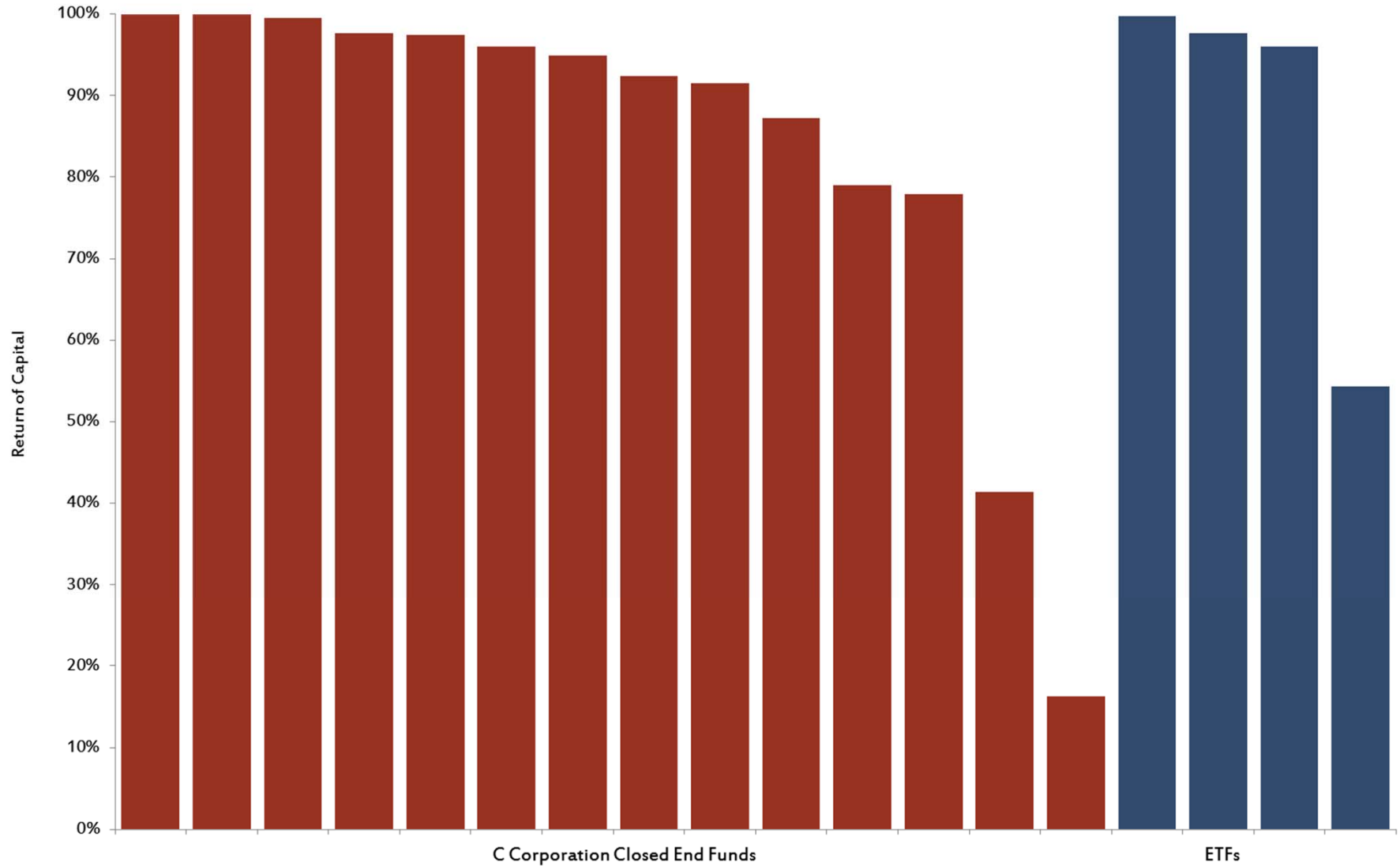
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Return of Capital Impacts After-Tax Yield



Source: SEC Filings for year ending 11/30/2012

Fees and Expenses

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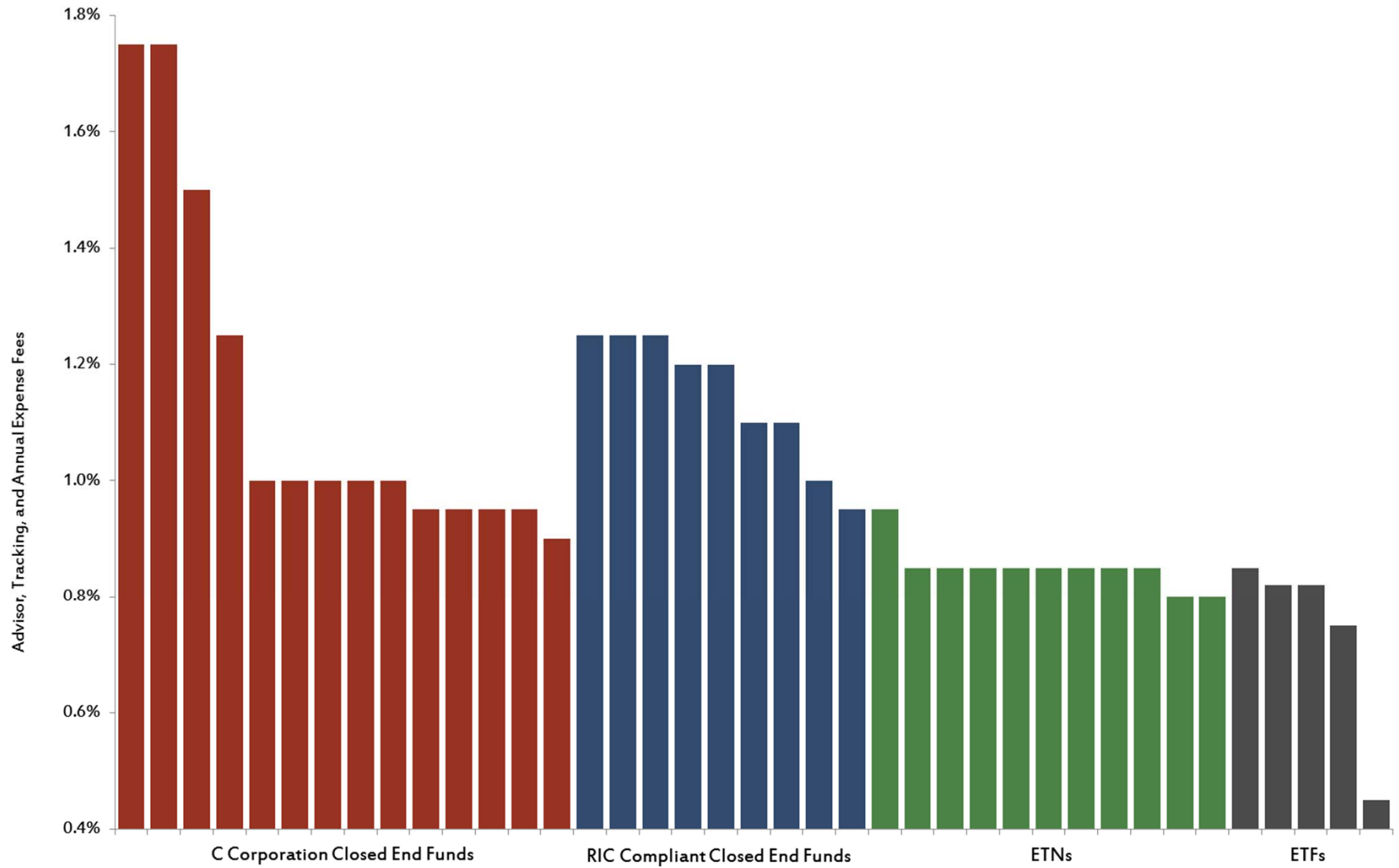
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Getting What You Pay For



Source: SEC Filings as of 03/28/2013

Leverage

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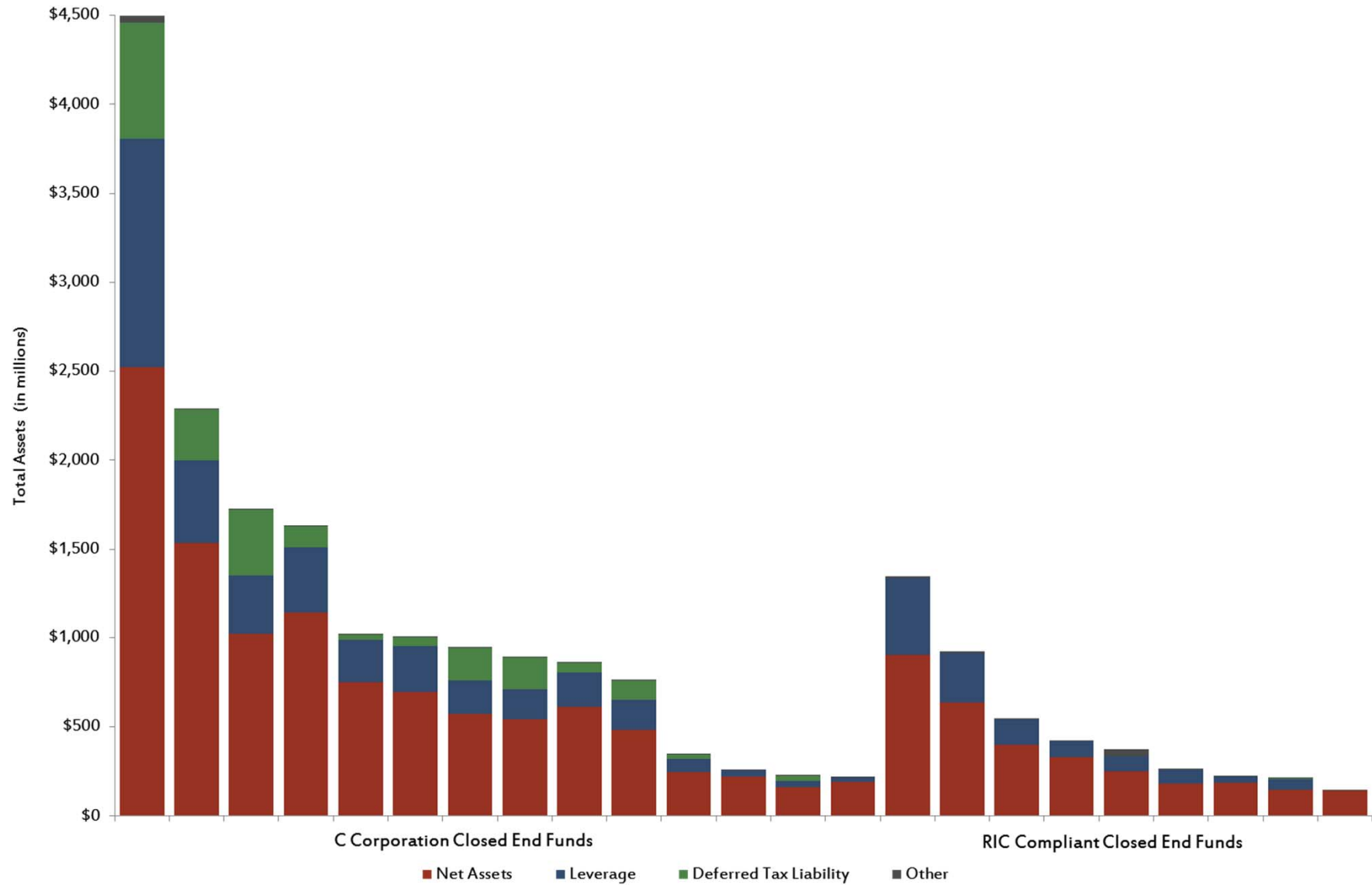
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Leverage Enhances Returns (and Risk)



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IRA/401k Eligible	Taxable Beyond \$1,000 in UBTI	Taxable Beyond \$1,000 in UBTI	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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