



Alerian

Current Market for MLP Investments

Valuations, Trends, and Allocations

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- ◆ MLPs and a Rising Interest Rate Environment
- ◆ Recent Events and Valuations
- ◆ Where MLPs Fit In Portfolios
- ◆ Increased Institutional Investment
- ◆ Q&A

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MLP Sensitivity to Interest Rates Possibly Overstated?



Source: Alerian as of 30 August 2013

MLP Debt

- MLPs have a majority of fixed rate debt
- Extended terms delays rolling debt into a higher rate environment

History

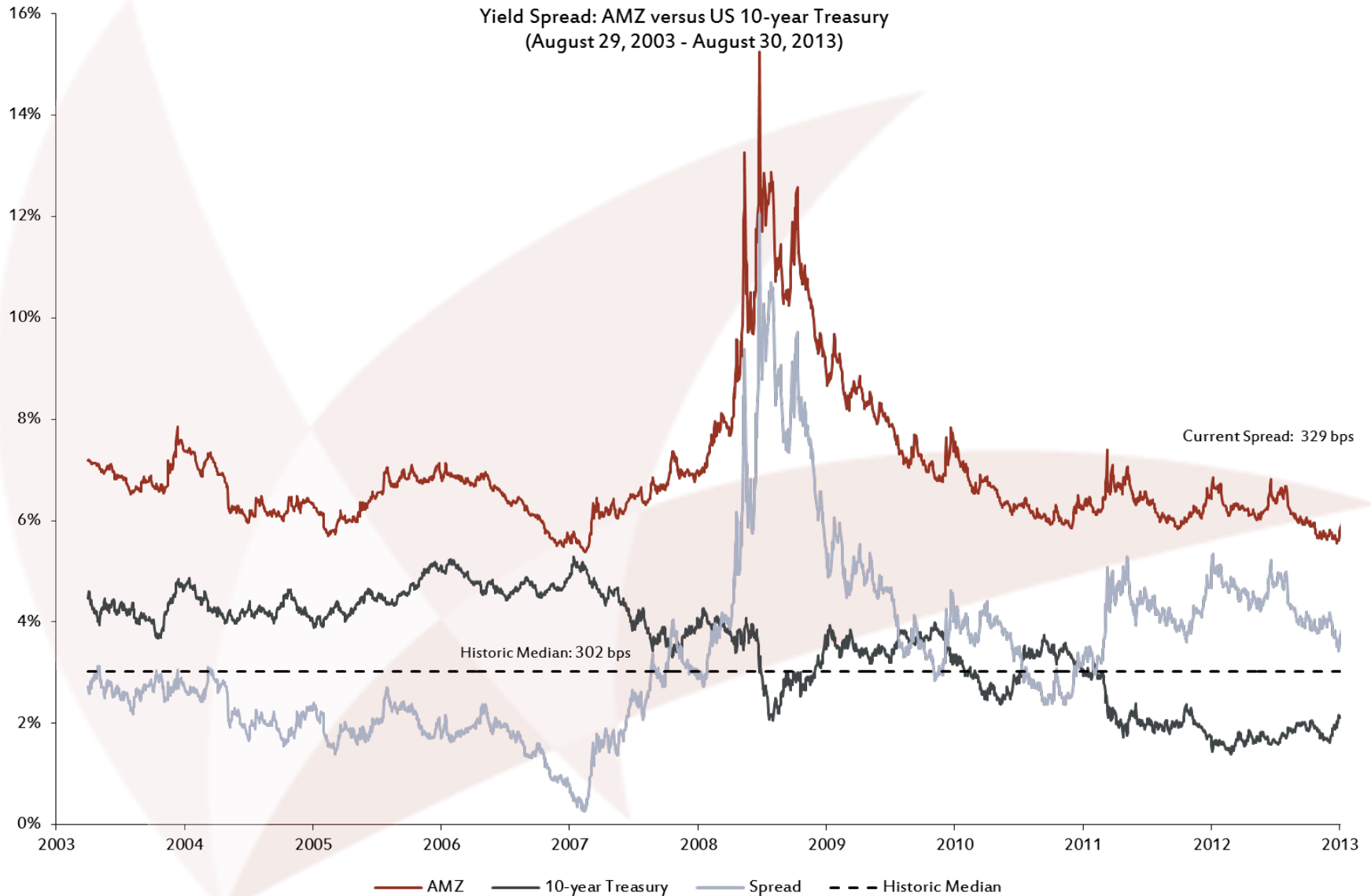
- No long term correlation between interest rates and MLPs
- Higher sensitivity to rate announcements than to rate moves

Response

- Built-in inflation hedge
- Capital discipline in choosing projects

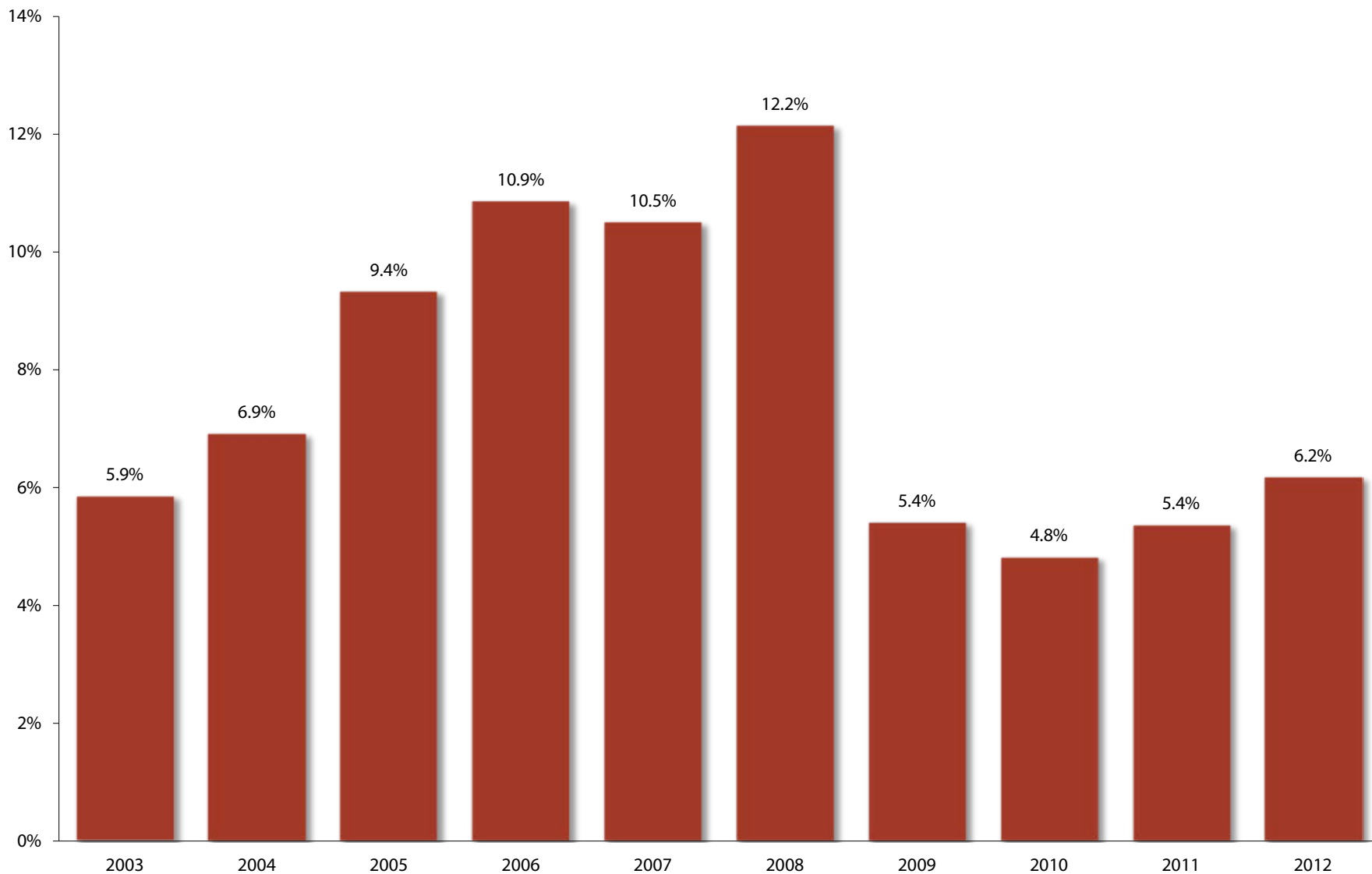
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Current Valuations



Source: Alerian as of 30 August 2013

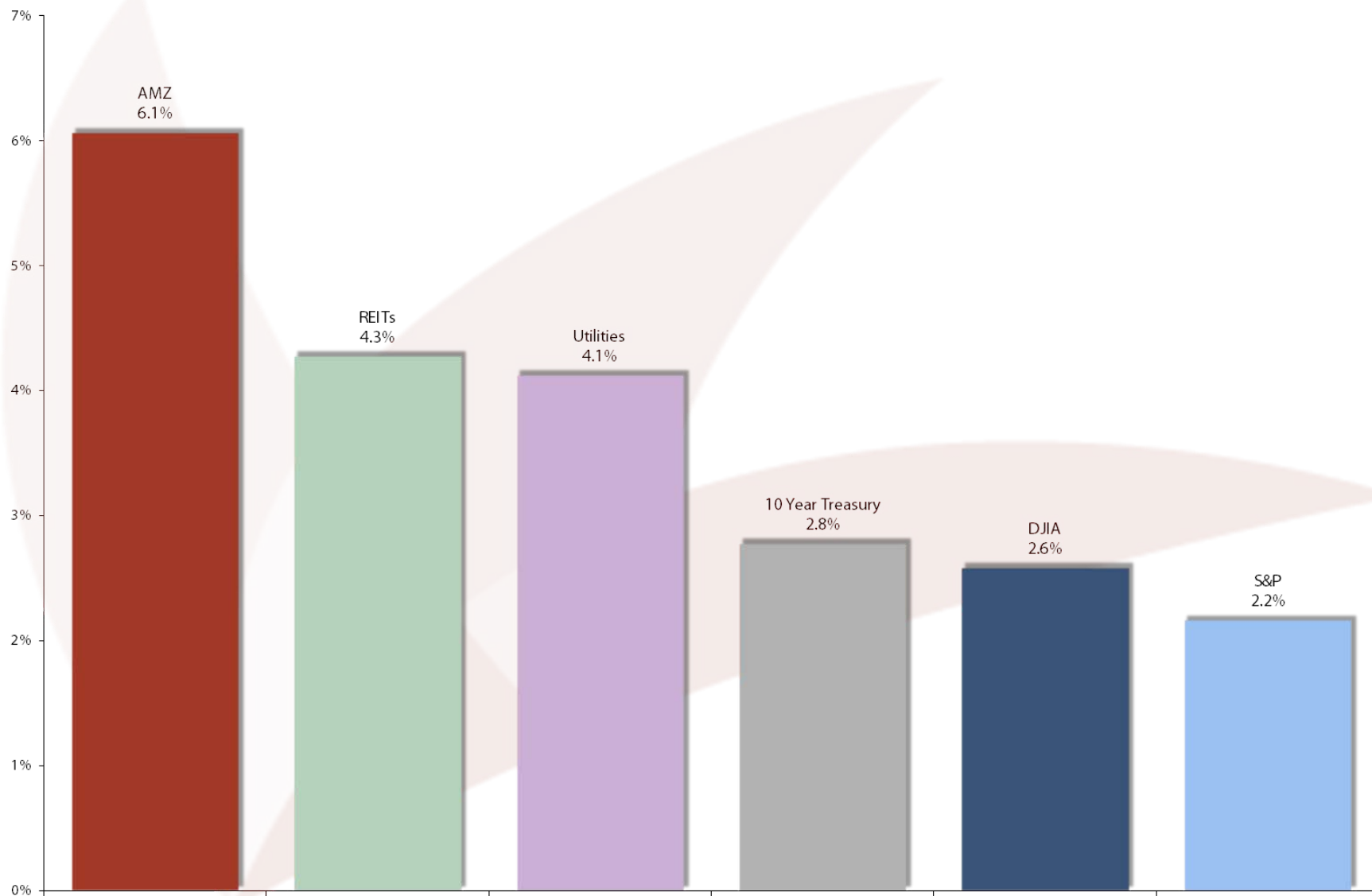
AMZ Distribution Growth



Calculated as the weighted average annual distribution growth

Source: Alerian as of 31 December 2012

MLPs Offer an Attractive Relative Yield

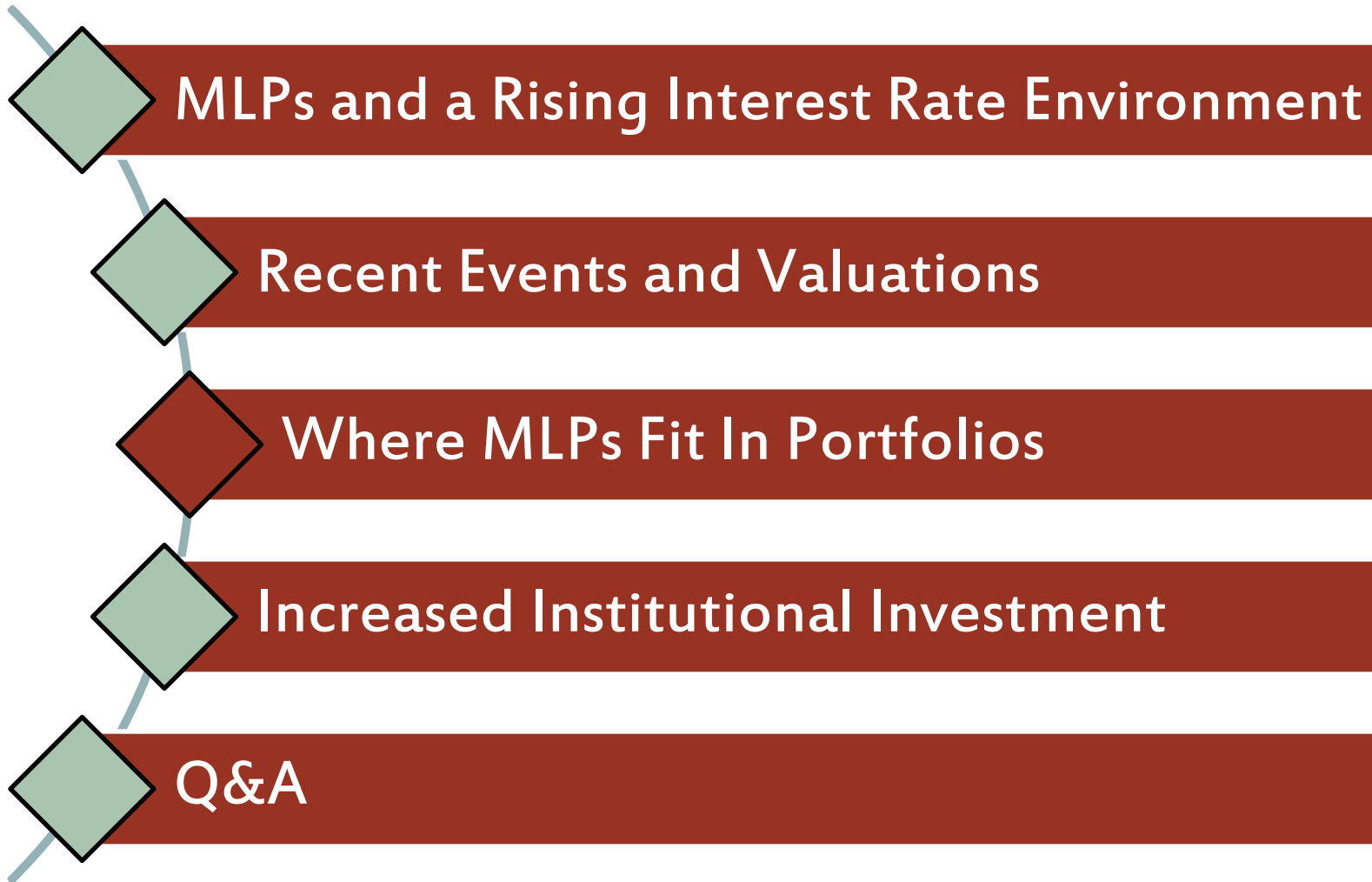


Source: Alerian as of 30 August 2013

The Chemistry of MLPs

| 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 YTD | 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% | Small Cap 24.0% | MLPs 16.0% |
| MLPs 44.5% | Utilities 24.3% | Utilities 16.8% | Non-US 26.3% | Utilities 19.4% | DJIA -31.9% | Non-US 31.8% | Small Cap 26.9% | MLPs 13.9% | Non-US 17.3% | MLPs 21.5% | Utilities 10.9% |
| Non-US 38.6% | Non-US 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% | DJIA 19.9% | REITs 10.5% |
| REITs 36.3% | Small Cap 18.3% | Non-US 13.5% | Utilities 21.0% | Non-US 11.2% | MLPs -36.9% | Small Cap 27.2% | S&P 500 15.1% | DJIA 8.4% | S&P 500 16.0% | S&P 500 19.6% | 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% | Utilities 14.6% | DJIA 8.1% |
| 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% | Non-US 9.6% | Non-US 8.0% |
| Utilities 26.3% | S&P 500 10.9% | Small Cap 4.6% | S&P 500 15.8% | Small Cap -1.5% | Non-US -43.3% | Commodities 13.5% | Non-US 7.8% | Small Cap -4.1% | Utilities 1.3% | REITs 4.3% | S&P 500 7.7% |
| 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 -12.1% | Commodities 0.1% | Commodities -0.8% | Commodities 1.8% |

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.

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Should MLPs Replace Bonds?

Income

- Bond yields average 7.3% over the past three decades
- MLP yields average 7.6% over the past 10 years
- Current bonds yields are 1.9%; current MLP yields are 6.1%

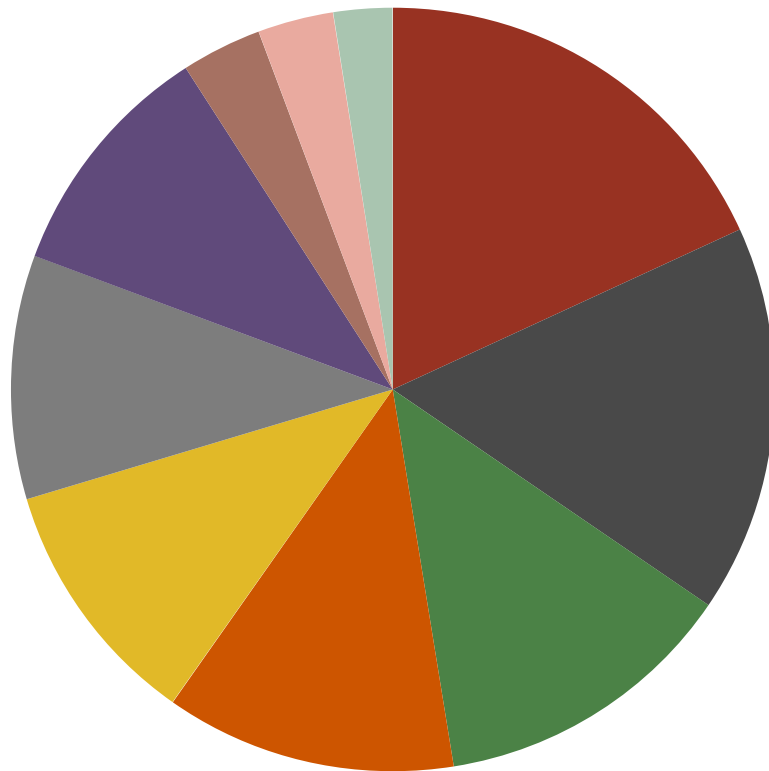
Diversification

- Portfolios benefit from bond allocations due to lower risk profiles
- MLPs remain substantially uncorrelated to the broader markets

Stability

- Bonds protect portfolios against downside risk and loss aversion
- MLPs are still equities and an emerging asset class

S&P 500 Index Sector Allocations



- Information Technology 18.1%
- Financials 16.4%
- Health Care 12.9%
- Consumer Discretionary 12.3%
- Energy 10.6%
- Industrials 10.3%
- Consumer Staples 10.2%
- Materials 3.4%
- Utilities 3.2%
- Telecommunication Services 2.5%

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Institutions Increasingly Allocating to MLPs

Tulsa County Employees Retirement System Hires 2 For MLPs

Delaware Public Employees Retirement System Invests \$200 Million to MLP Index Fund

OKLAHOMA TEACHERS RETIREMENT SYSTEM ENROLLS 3 FOR MLPs

EL PASO COUNTY RETIREMENT PLAN TAPS MLP MANAGERS

Kansas Public Employees Retirement System Eyes MLP Manager

KNOXVILLE CITY EMPLOYEES RETIREMENT FUND HIRES TORTOISE TO INVEST IN MLPs

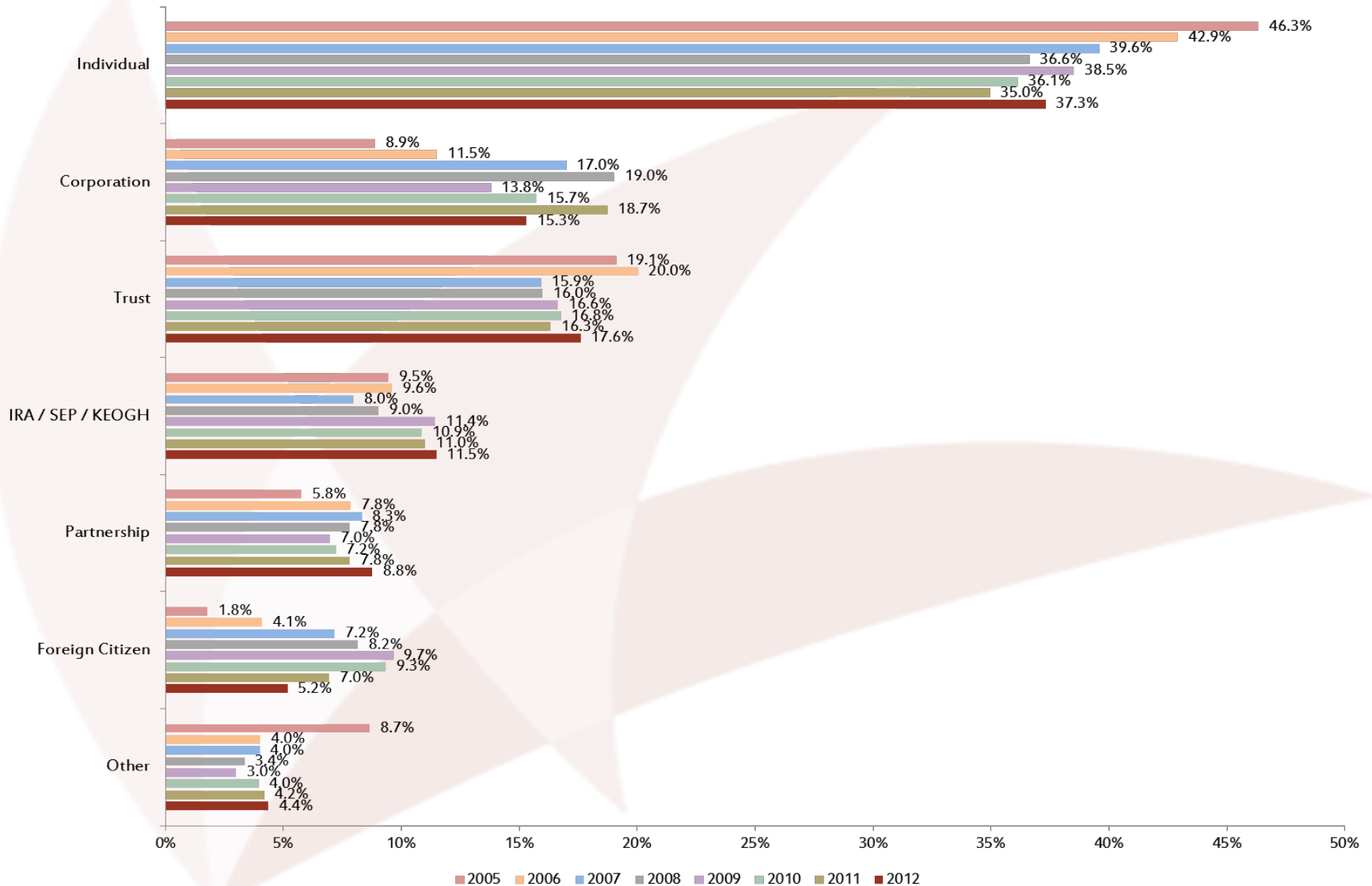
ST LOUIS CITY EMPLOYEES RETIREMENT SYSTEM ADDS MLPs AS NEW ASSET CLASS

ALASKA RETIREMENT MINES FOR MLP MANAGERS

Pennsylvania Public School Employees' Retirement System Add Risk Parity, Treasuries, and MLPs

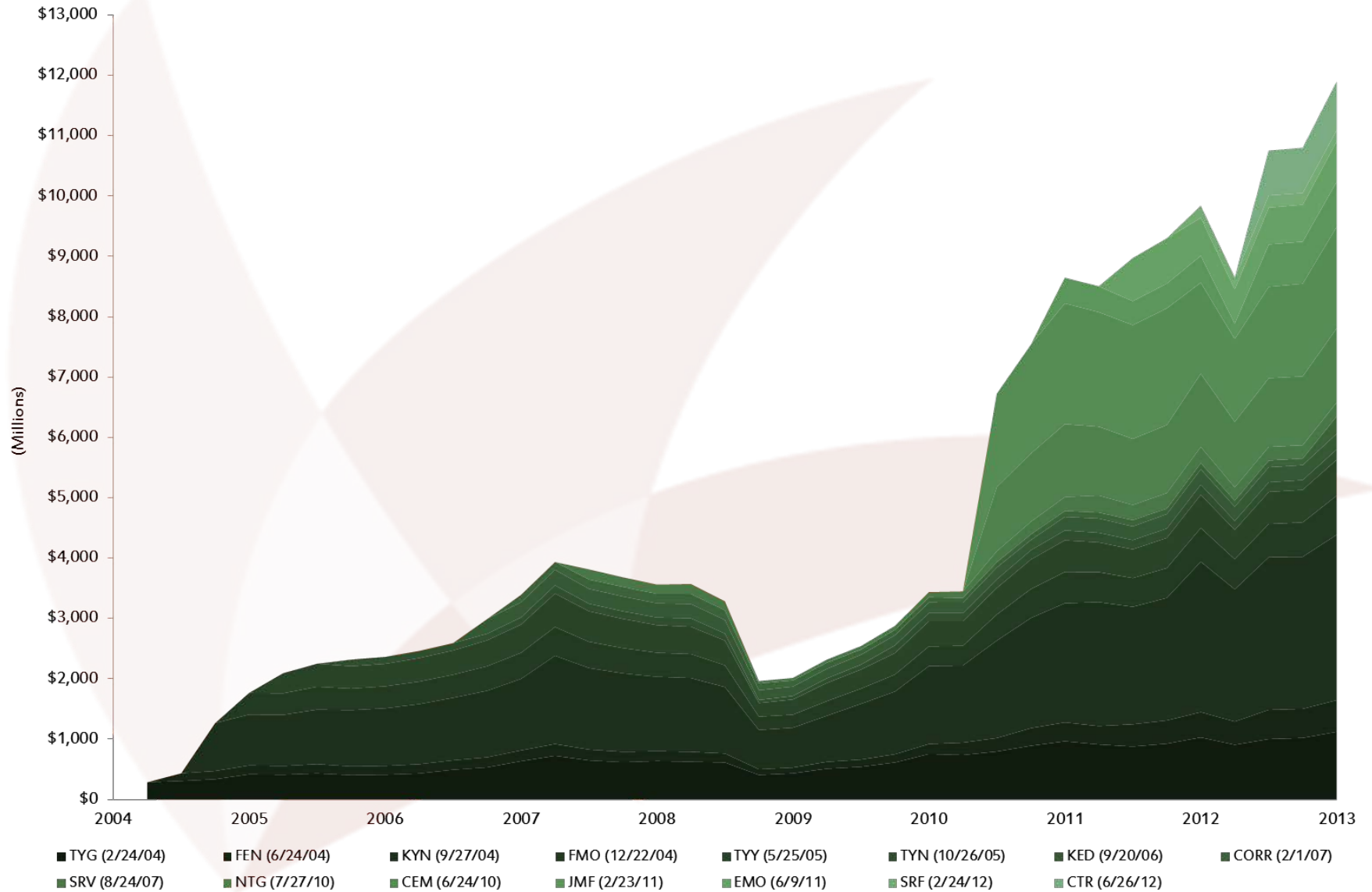
IOWA PERS SOWS ITS DEBUT MLP INVESTMENT WITH HARVEST

Growing Institutional Investment



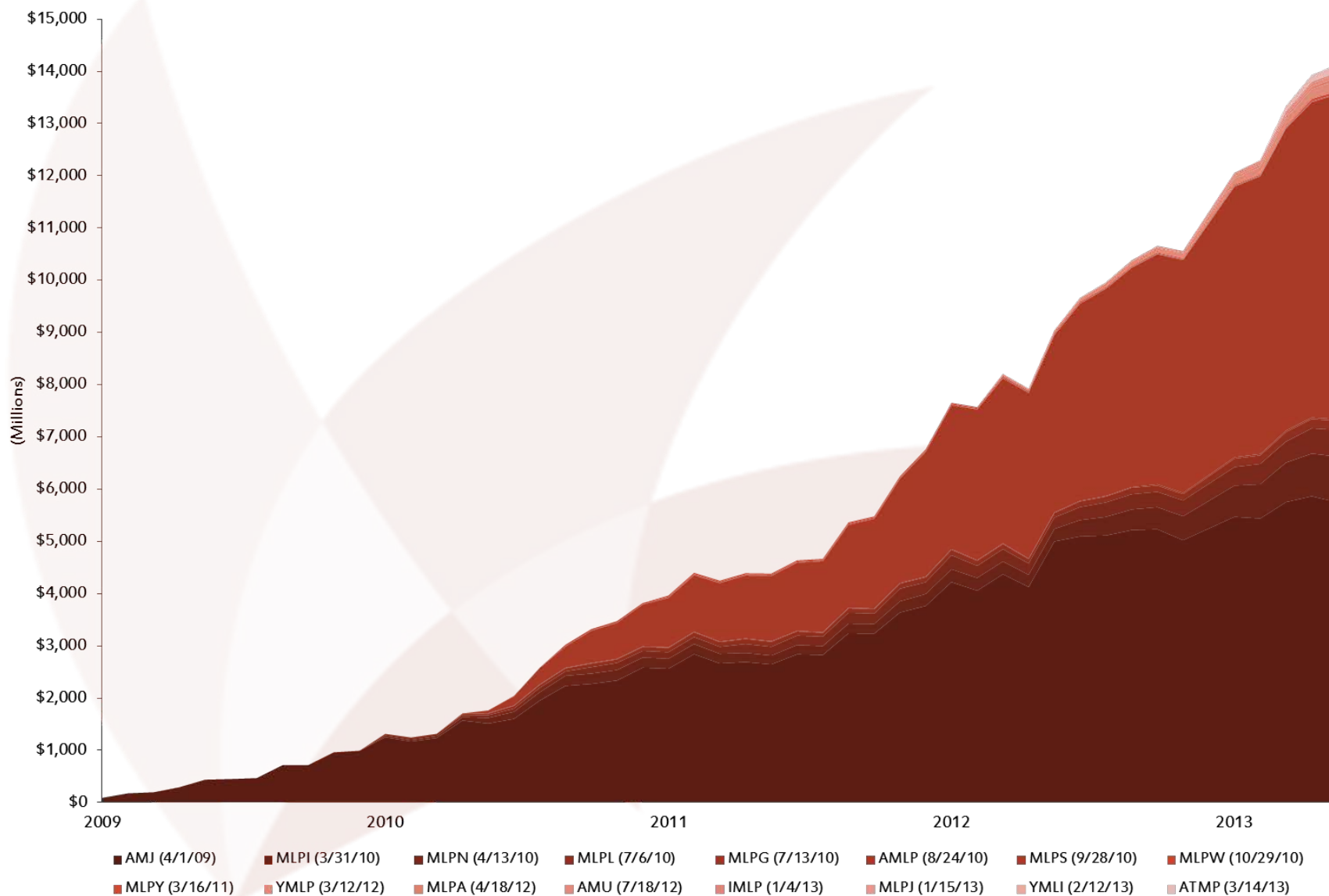
Source: PwC as of 31 December 2012

MLP Closed-End Fund Growth (AUM)



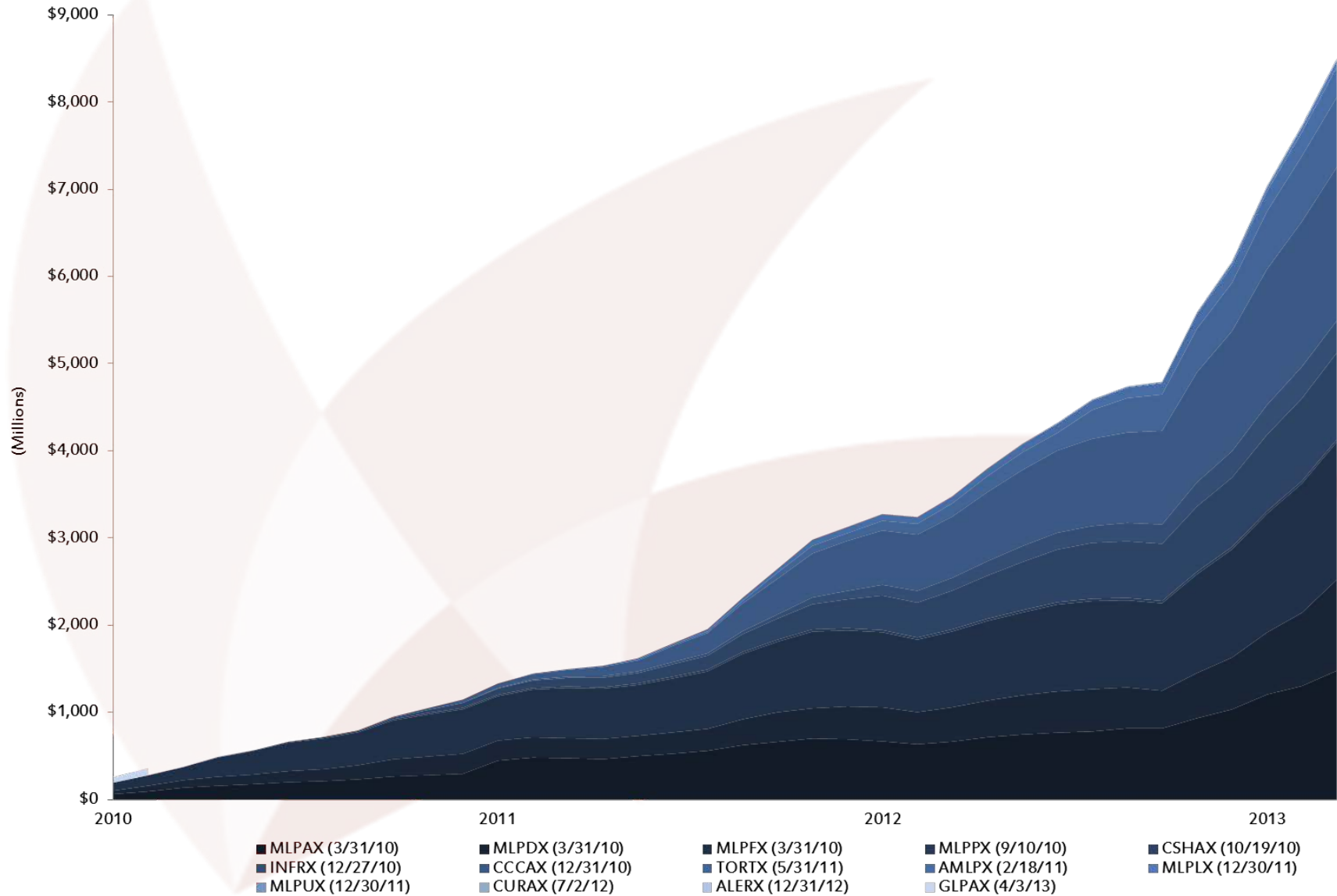
Source: Alerian as of 28 February 2013

MLP Exchange-Traded Product Growth (AUM)



Source: Alerian as of 28 June 2013

MLP Open-End Mutual Fund Growth (AUM)



Source: Alerian as of 28 June 2013

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