MLP Summer Recap: FERC news, reorganizations, and what it all means for investors

September 4, 2018
1 Recent performance
2 Distribution growth trends
3 Simplifications and implications for investors
MLPs Have Gained Even as Oil Prices Retraced

AMZI Performance vs. Oil Since June 1, 2018

Strong 2Q18 results reported by many MLPs
FERC final ruling on gas pipelines and tax law changes
ETP/ETE Simplification
AMID (non-constituent) distribution cut

Source: Alerian, Bloomberg as of August 24, 2018
Y/Y Distribution Growth: Higher Highs and Lower Lows

19 Constituents of the AMZ Grew Distributions Y/Y

- CQP: 31.8%
- AM: 29.7%
- PSXP: 22.3%
- DM: 21.9%
- VLP: 21.1%
- SHLX: 20.0%
- NBLX: 20.0%
- EQMI: 16.6%
- MPLX: 11.6%
- MMP: 7.6%
- SEP: 7.0%
- WES: 6.7%
- ANDX: 6.7%
- WPZ: 4.8%
- HEP: 4.3%
- ARLP: 4.0%
- GLOP: 3.9%
- ETP: 2.7%
- EPD: 2.4%

Over 80% of AMZ and AMZI Constituents Grew or Maintained Distributions Y/Y; More than 50% Grew

Note: Charts above compare the 2Q18 distribution with the 2Q17 distribution for those names that were in the indices in both periods. Charts include WPZ, which was removed from the indices in August.

WPZ is no longer in the AMZ or AMZI. TGP was excluded because the predecessor in the indices was TEP. Relative to TGP's 2Q17 distribution, TGP's 2Q18 distribution was a 65.9% increase. All other names are current constituents of the AMZ. Those marked with a * are currently in the AMZI.
## Reorganization Headlines Continued Through the Summer

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*Began with a tender offer that resulted in 98.93% ownership, allowing call right to be exercised for remaining units.

Source: Alerian, company reports
The Midstream Energy Infrastructure Universe by Market Cap

MLPs 55.5%
$377

C Corporations 44.5%
$147

Midstream MLPs
Canadian Midstream Corporations
US Midstream Corporations

Source: Alerian. Data as of July 31, 2018.
SO YOU WANT TO INVEST IN AN ENERGY INFRASTRUCTURE PRODUCT

What matters most to you?

- Yield
  - 100% MLP Access Product
- Total Return
- Broad Exposure
  - RIC-Compliant (25% MLP) Access Product

*Source:* Alerian

*Note:* There are other factors to consider while investing. This does not constitute investment advice.
1. MLPs better positioned: FERC clarity, ETE/ETP simplification, strong 2Q results
2. Many MLPs continue to grow their distributions
3. Simplifications force investors to choose between yield and broad exposure
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