

MLP Webinar

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THE
FIRST

- ▶ Real-time MLP Index
- ▶ MLP ETN
- ▶ MLP ETF

\$13 billion in index-linked products

85% market share for passive exchange traded products

11

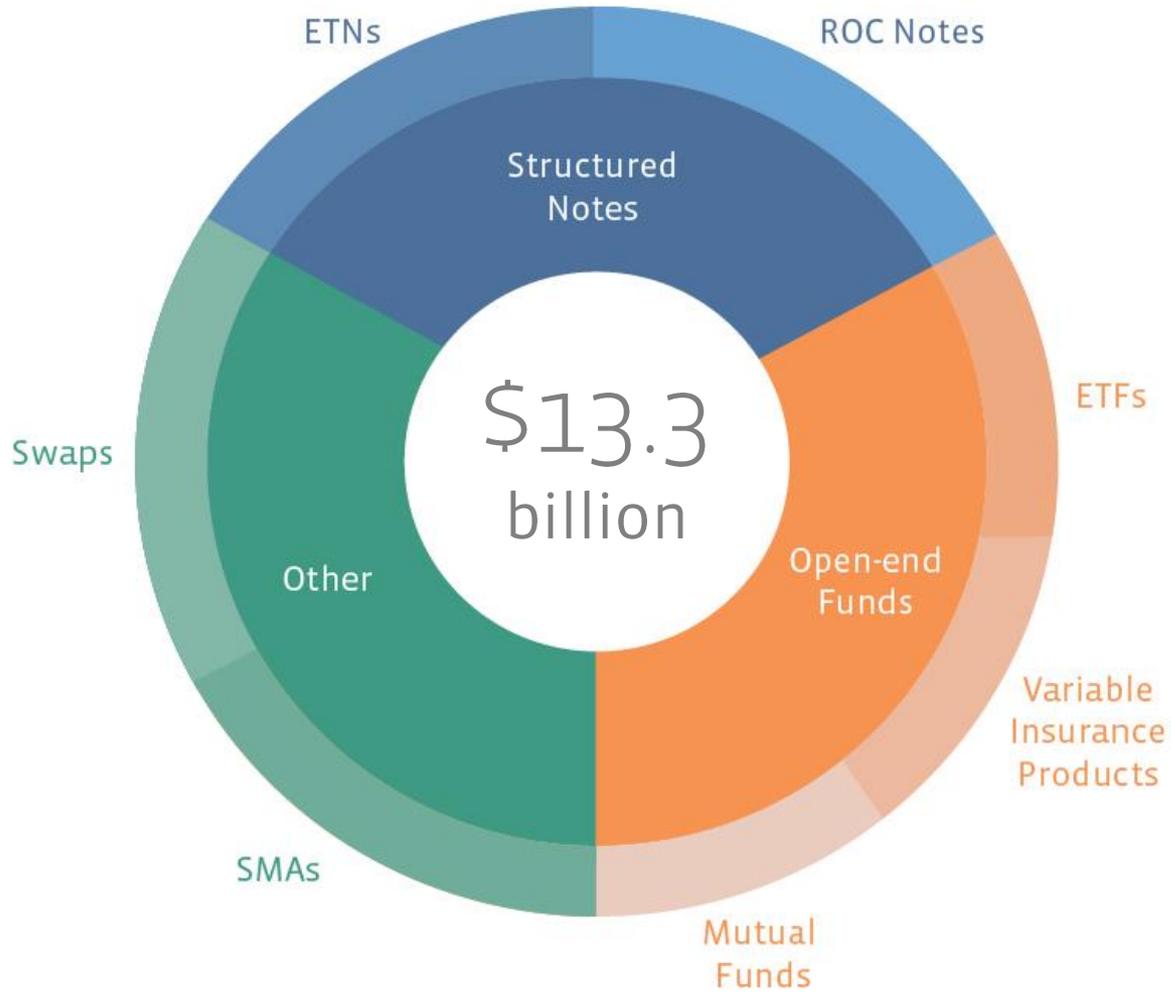
product
partners



8

REAL-TIME MLP & ENERGY INFRASTRUCTURE INDICES

AMZ / AMZI / AMEI / AMZE / ANGI / AMLI / AMMI / AMSI

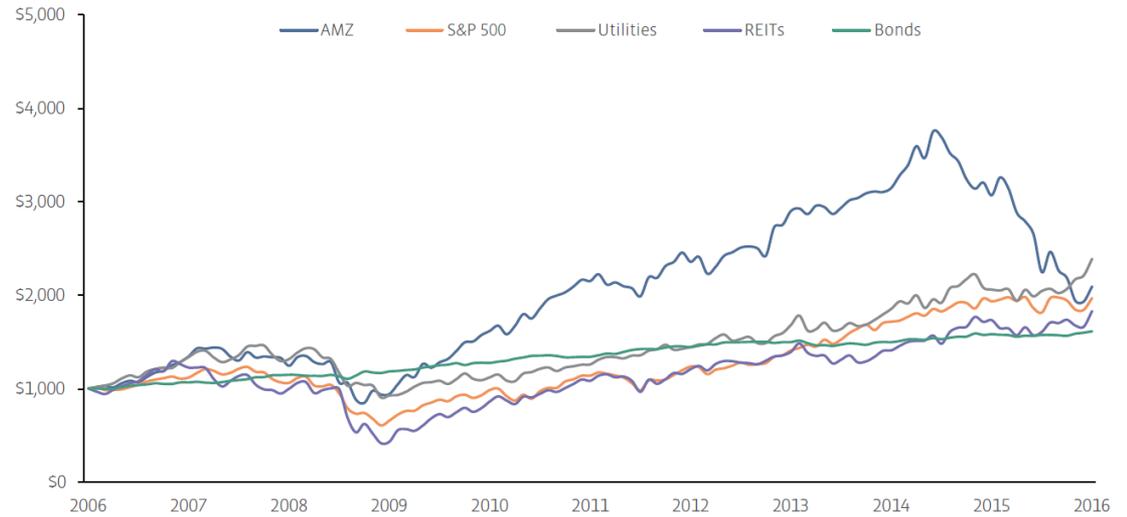




MLP Performance // MLPs give back historical gains

	YTD	1-yr	3-yr	5-yr	10-yr
AMZ	-4.2%	-31.8%	-10.3%	-0.6%	7.7%
REITS	5.4%	5.6%	9.5%	11.1%	6.2%
Utilities	15.6%	16.0%	12.4%	13.7%	9.1%
S&P 500	1.3%	1.8%	11.8%	11.6%	7.0%
Bonds	3.0%	2.0%	2.5%	3.8%	4.9%

Annualized



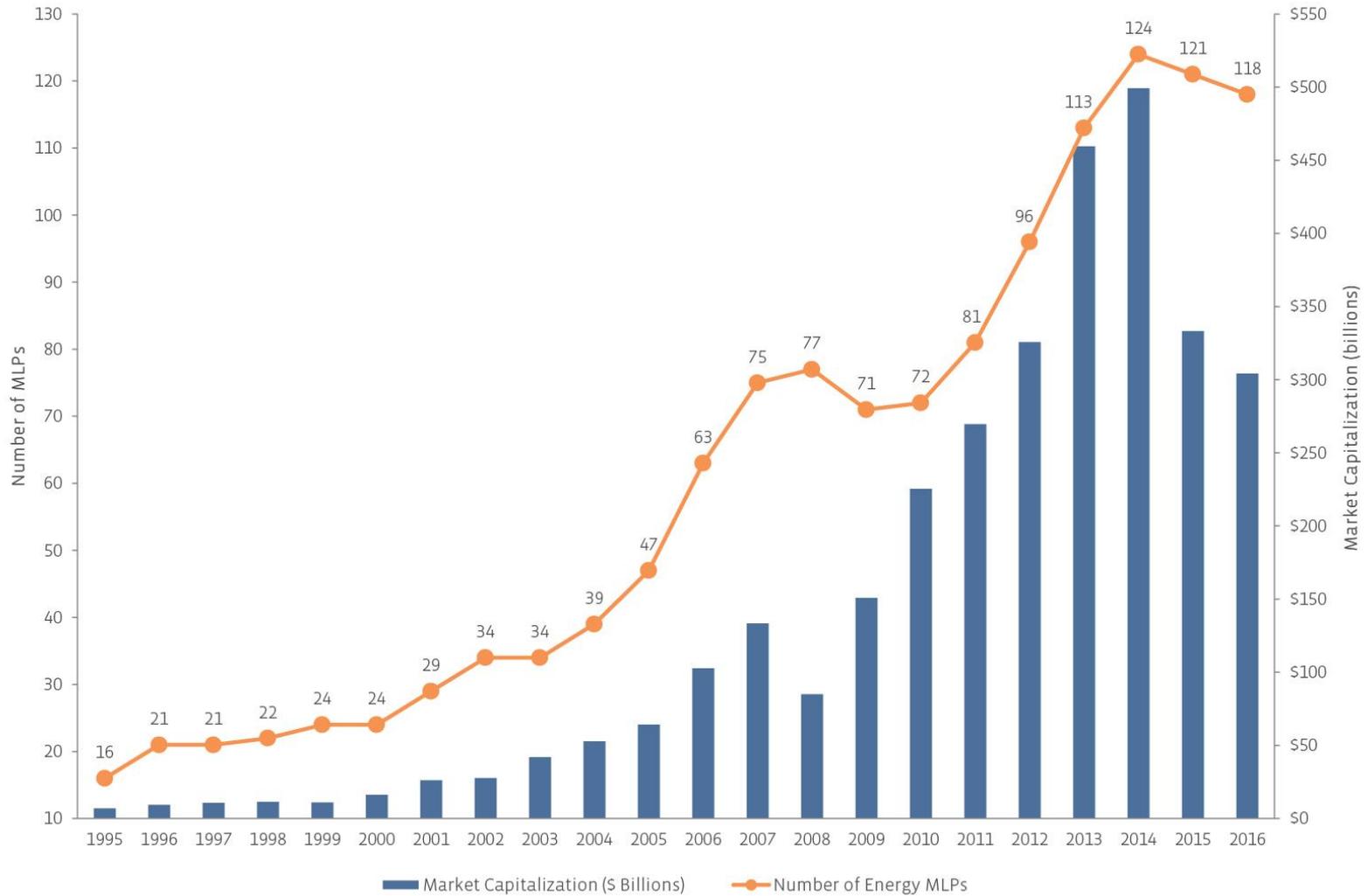


MLP Performance // The periodic table of performance

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 YTD	Annualized
REITs 35.6%	Commodities 32.7%	Bonds 5.2%	MLPs 76.4%	MLPs 35.9%	Utilities 19.9%	REITs 18.0%	Small Cap 38.8%	Utilities 29.0%	REITs 4.4%	Utilities 15.6%	Utilities 9.1%
Non-US 26.3%	Utilities 19.4%	Utilities -29.0%	Non-US 31.8%	Small Cap 26.9%	MLPs 13.9%	Non-US 17.3%	S&P 500 32.4%	REITs 28.7%	S&P 500 1.4%	REITs 5.4%	MLPs 7.7%
MLPs 26.1%	MLPs 12.7%	Small Cap -33.8%	REITs 27.6%	REITs 26.7%	REITs 9.4%	Small Cap 16.3%	MLPs 27.6%	S&P 500 13.7%	Bonds 0.5%	Bonds 3.0%	S&P 500 7.0%
Utilities 21%	Non-US 11.2%	MLPs -36.9%	Small Cap 27.2%	S&P 500 15.1%	Bonds 7.8%	S&P 500 16.0%	Non-US 22.8%	Bonds 6.0%	Non-US -0.8%	S&P 500 1.3%	REITs 6.2%
Small Cap 18.4%	Bonds 7.0%	S&P 500 -37.0%	S&P 500 26.5%	Commodities 9.0%	S&P 500 2.1%	MLPs 4.8%	Utilities 13.2%	Small Cap 4.9%	Small Cap -4.4%	Small Cap -1.5%	Small Cap 5.3%
S&P 500 15.8%	S&P 500 5.5%	REITs -37.3%	Commodities 13.5%	Non-US 7.8%	Commodities -1.2%	Bonds 4.2%	REITs -0.5%	MLPs 4.8%	Utilities -4.8%	Commodities -2.4%	Bonds 4.9%
Bonds 4.3%	Small Cap -1.6%	Non-US -43.4%	Utilities 11.9%	Bonds 6.5%	Small Cap -4.2%	Utilities 1.3%	Commodities -1.2%	Non-US -4.9%	MLPs -32.5%	Non-US -3.0%	Non-US 1.8%
Commodities -15.1%	REITs -16.3%	Commodities -46.5%	Bonds 5.9%	Utilities 5.5%	Non-US -12.1%	Commodities 0.1%	Bonds -2.0%	Commodities -33.0%	Commodities -32.8%	MLPs -4.1%	Commodities -10.6%



MLP Performance // Total market capitalization contracts

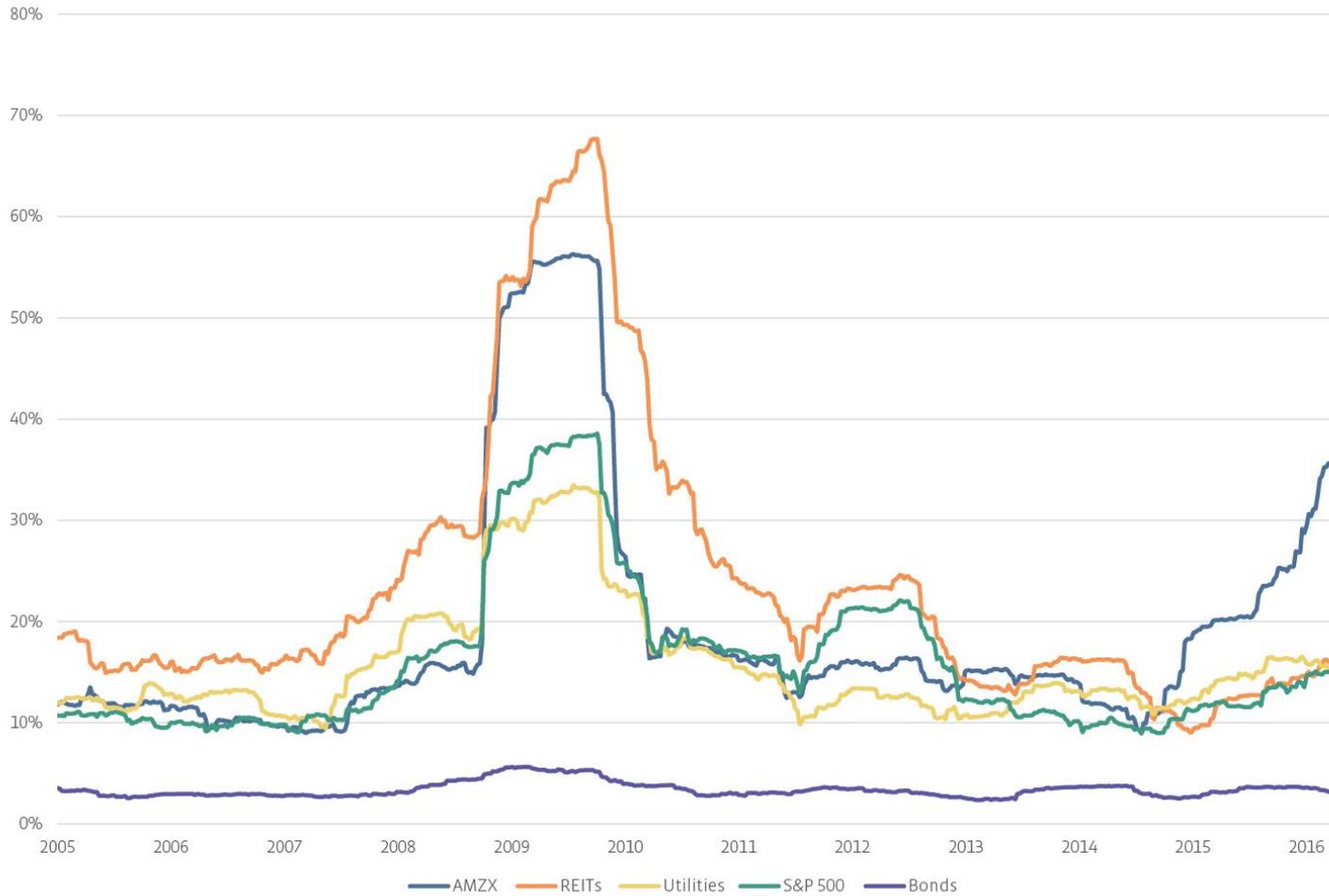


Excludes cross-ownership
Source: Alerian as of March 31, 2016



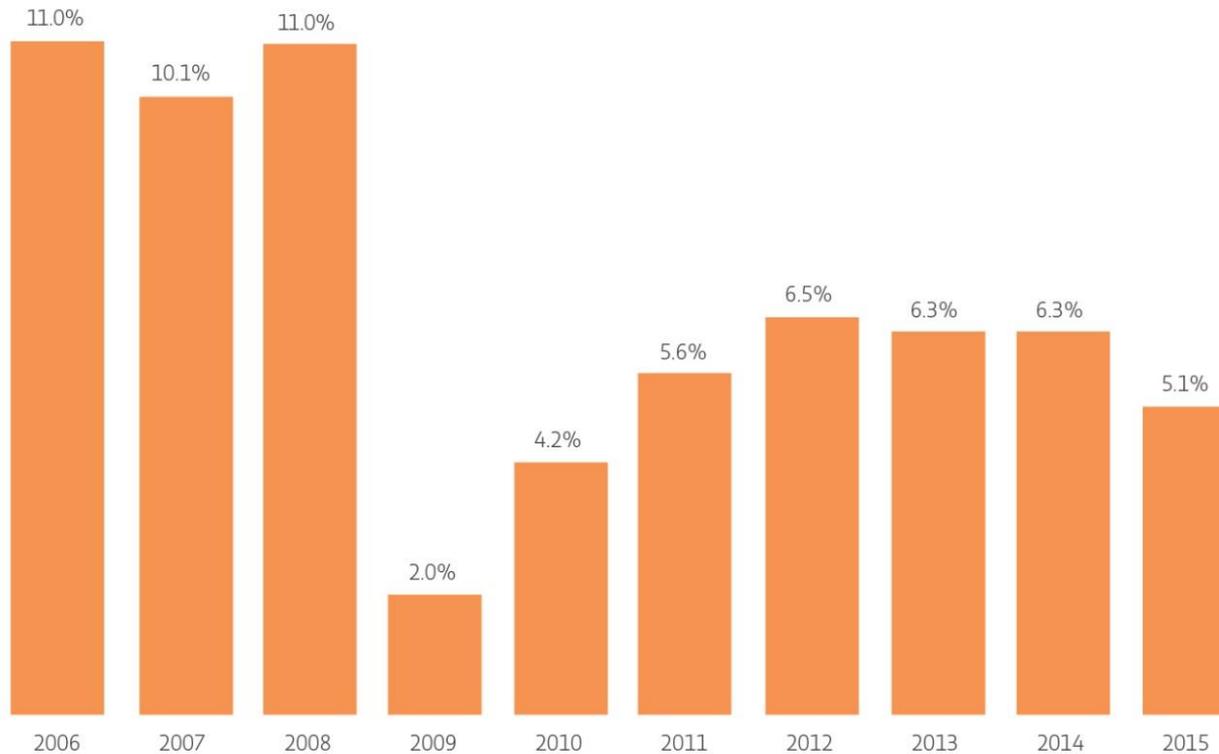
MLP Performance // Increased volatility during energy downturn

Rolling 1Yr Chart – Standard Deviation





MLP Performance // Distribution growth despite volatility



+6.8%
10-year
Average
Annual
Distribution
Growth



Distribution Profile of AMZ Constituents

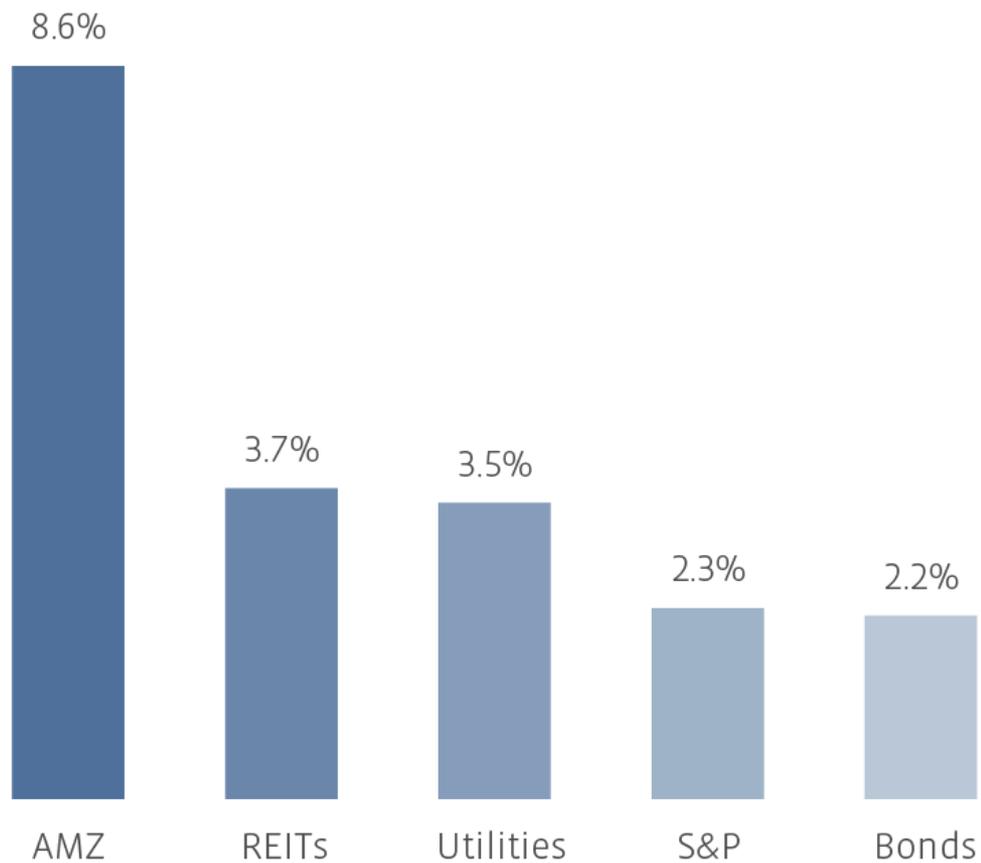
	Increase	Maintain	Cut
1Q14	31	18	1
2Q14	35	15	0
3Q14	30	20	0
4Q14	28	19	3
1Q15	28	19	3
2Q15	34	14	2
3Q15	31	19	0
4Q15	18	27	5

Distribution Profile of AMZI Constituents

	Increase	Maintain	Cut
1Q14	18	7	0
2Q14	22	3	0
3Q14	21	4	0
4Q14	18	7	0
1Q15	15	8	0
2Q15	17	6	0
3Q15	15	7	0
4Q15	11	11	0

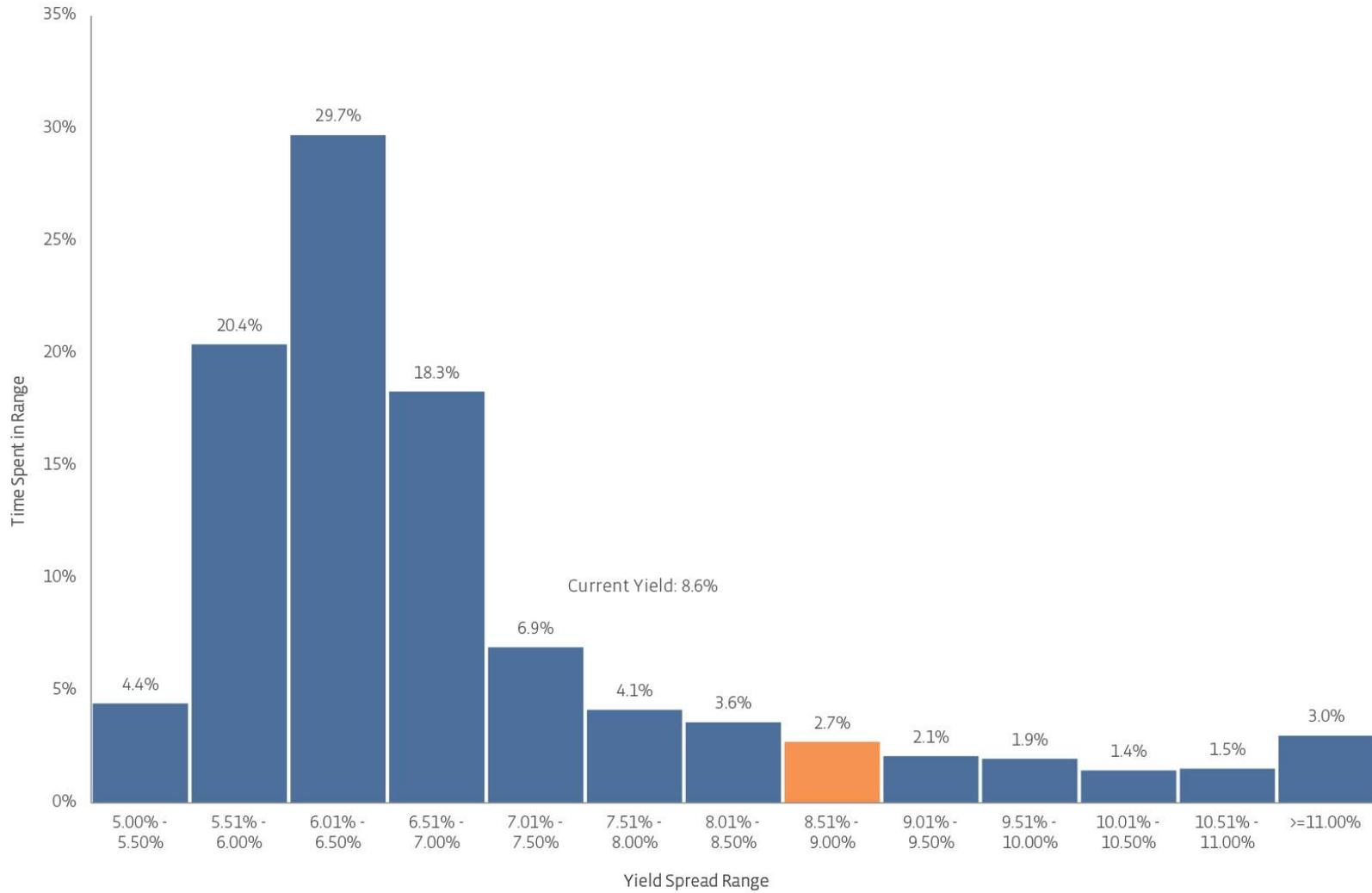


MLP Performance // MLPs offer an attractive relative yield





MLP Performance // Historical distribution of MLP yields



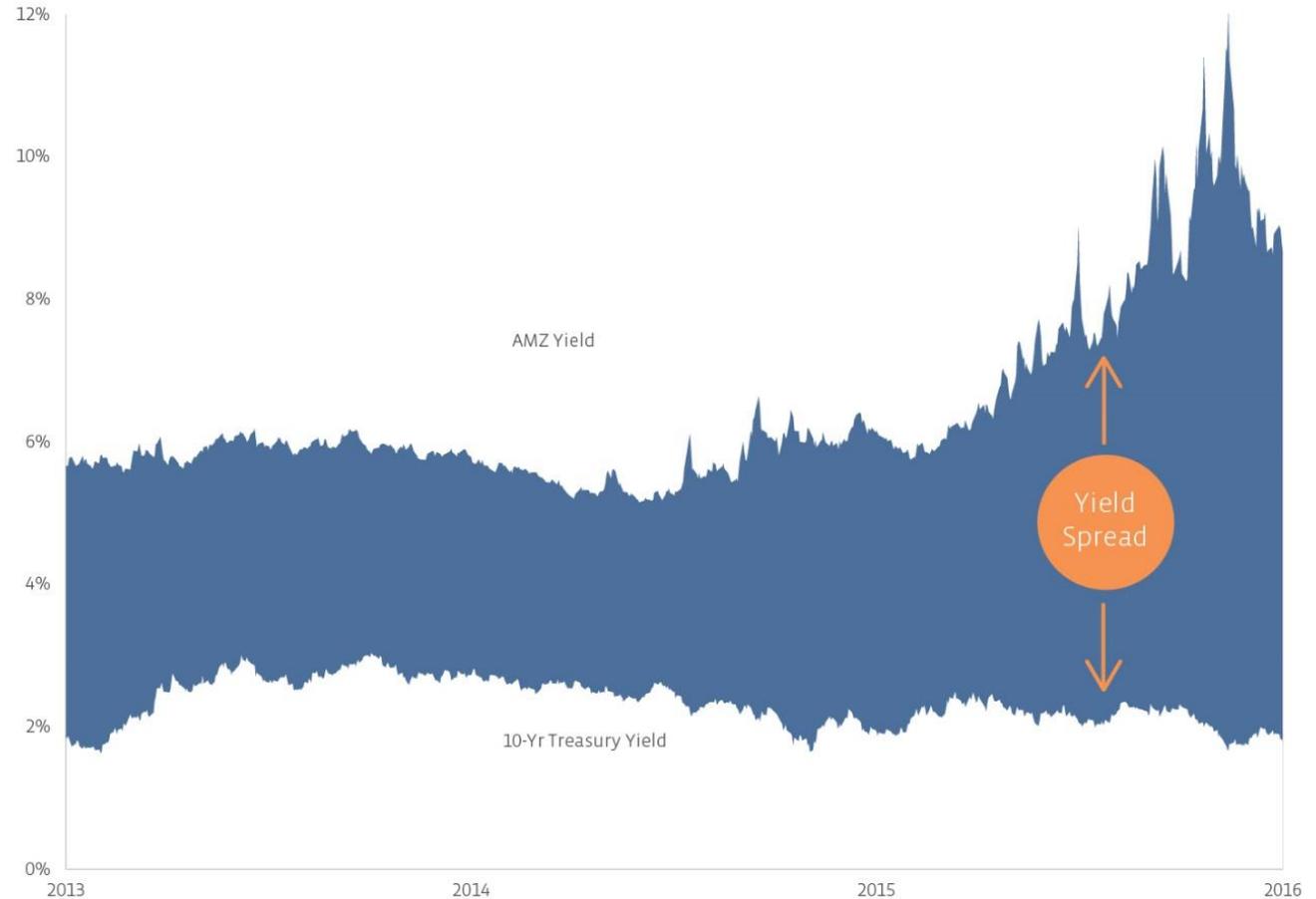


687 bps

Current AMZ
Spread to
Treasuries

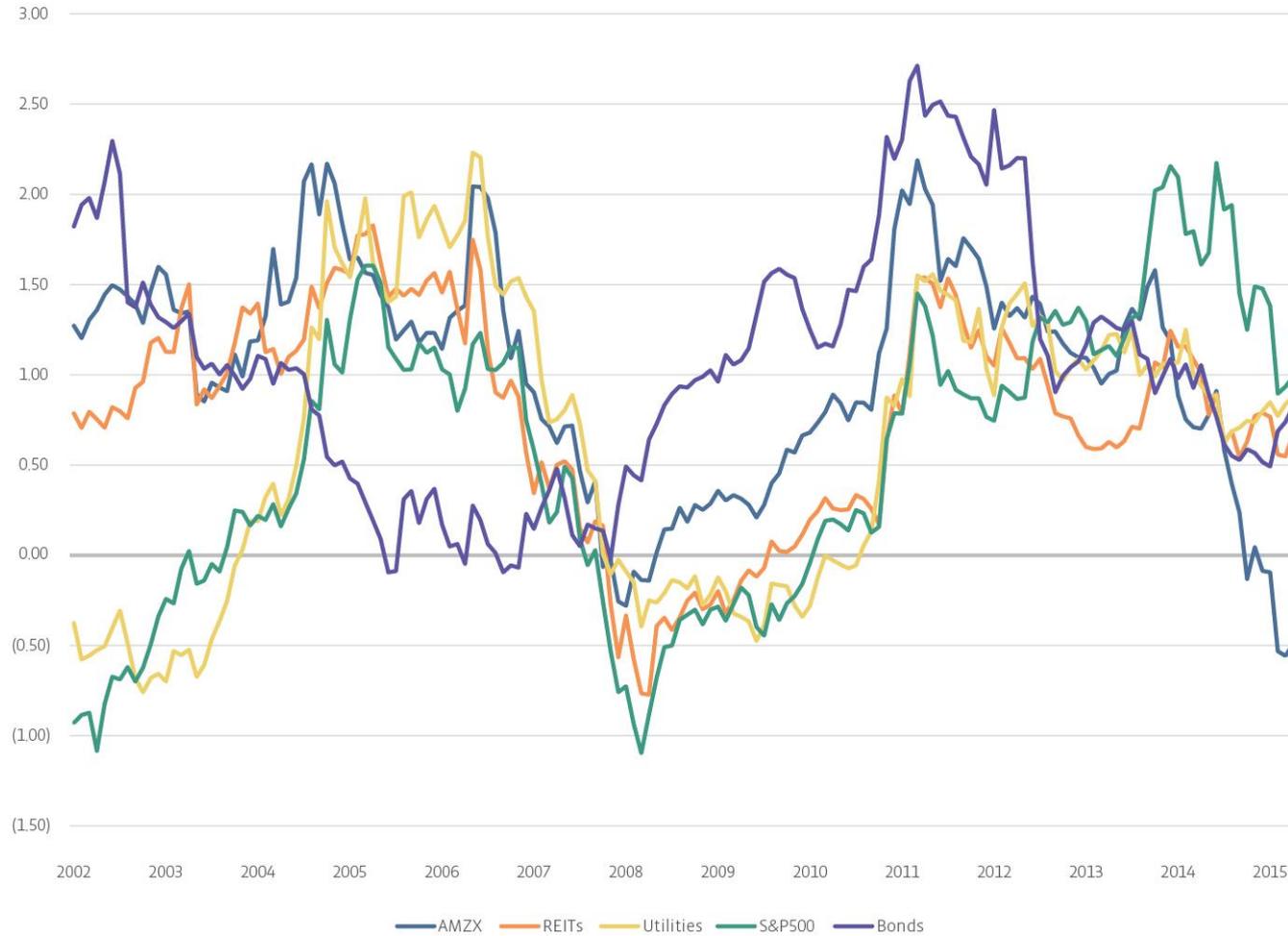
371 bps

10-Yr Median
AMZ Spread to
Treasuries





Rolling 3Yr Sharpe Ratio (monthly basis)





MLP Performance // What do the technical analysts say?





About Alerian // Alerian index series

Ticker	Name	Tracking	Methodology	Launch
AMZ	Alerian MLP Index	Energy MLPs	Float-adjusted, Capitalization-weighted	June 2006
AMZI	Alerian MLP Infrastructure Index	Infrastructure MLPs	Capped, Float-adjusted, Capitalization-weighted	March 2008
AMEI	Alerian Energy Infrastructure Index	Energy Infrastructure MLPs and Corporations	Tier-weighted	April 2013
AMZE	Alerian MLP Equal Weight Index	Energy MLPs	Equal-weighted	April 2013
ANGI	Alerian Natural Gas MLP Index	Natural Gas MLPs	Equal-weighted	January 2010
AMLI	Alerian Large Cap MLP Index	Energy MLPs	Capitalization-weighted	April 2015
AMMI	Alerian Mid Cap MLP Index	Energy MLPs	Capitalization-weighted	April 2015
AMSI	Alerian Small Cap MLP Index	Energy MLPs	Capitalization-weighted	April 2015



- Be a publicly traded partnership or limited liability company (“LLC”)
- Earn the majority of its cash flow from qualifying activities involving energy commodities¹
- Represent the primary limited partner interests of a partnership or LLC that is an operating company²
- Declared a distribution for the trailing two quarters
- Have a median daily trading volume of at least \$2.5 million for the six-month period preceding the data analysis date³
- Have an adjusted market capitalization (“AMC”) in the top 95% of total energy MLP float-adjusted market capitalization

A non-constituent will only be added to the index during the (a) quarterly rebalancing process if it meets all criteria, or (b) special rebalancing process if it (i) is acquiring the constituent that is being removed, and (ii) meets all criteria. A constituent will remain in the index if it continues to meet the first five criteria and has an AMC greater than or equal to 80% of the AMC of the smallest company in the top 95% of total energy MLP float-adjusted market capitalization. Constituents will only be removed from the index for failing to meet criteria during the quarterly rebalancing process. A non-constituent that has entered into a merger agreement to be acquired is not eligible to be added to the index.

These criteria are reviewed regularly to ensure consistency with industry trends.

¹ All Energy MLP Classification Standard (EMCS(SM)) activities are considered qualifying, and can be found at alerman.com. Majority of cash flow is calculated on a trailing-four-quarter basis using a company’s reported business segments. Exceptions may be made on a case-by-case basis to accelerate the eligibility or ineligibility of companies that have been transformed by a recent acquisition. Cash flow from a partnership’s GP interest or incentive distribution rights in another publicly traded partnership or LLC is zeroed for the purposes of this determination.

² This definition is meant to exclude, among others, the following types of securities: GPs, i-units, preferred units, exchange-traded products, open-end funds, closed-end funds, and royalty trusts.

³ As an example, for the March quarterly rebalancing, this criterion requires that the median of a company’s daily trading volume during the September-February period be at least \$2.5 million. If the data analysis date for a special rebalancing falls on the last trading day of the month, then that month is the sixth month in the six-month period.



- Be a publicly traded partnership or limited liability company (“LLC”)
- Earn the majority of its cash flow from qualifying midstream activities involving energy commodities¹
- Represent the primary limited partner interests of a partnership or LLC that is an operating company²
- Declared a distribution for the trailing two quarters
- Have a median daily trading volume of at least \$2.5 million for the six-month period preceding the data analysis date³
- Have an adjusted market capitalization (“AMC”) in the top 90% of total midstream energy MLP float-adjusted market capitalization

A non-constituent will only be added to the index during the (a) quarterly rebalancing process if it meets all criteria, or (b) special rebalancing process if it (i) is acquiring the constituent that is being removed, and (ii) meets all criteria. A constituent will remain in the index if it continues to meet the first five criteria and has an AMC greater than or equal to 80% of the AMC of the smallest company in the top 90% of total midstream energy MLP float-adjusted market capitalization. Constituents will only be removed from the index for failing to meet criteria during the quarterly rebalancing process. A non-constituent that has entered into a merger agreement to be acquired is not eligible to be added to the index.

These criteria are reviewed regularly to ensure consistency with industry trends.

¹ The following Energy MLP Classification Standard (EMCS(SM)) activities are considered qualifying: Gathering & Processing, Liquefaction, Midstream Services, Pipeline Transportation, Rail Terminaling, and Storage. Majority of cash flow is calculated on a trailing-four-quarter basis using a company’s reported business segments. Exceptions may be made on a case-by-case basis to accelerate the eligibility or ineligibility of companies that have been transformed by a recent acquisition. Cash flow from a partnership’s GP interest or incentive distribution rights in another publicly traded partnership or LLC is zeroed for the purposes of this determination.

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