

Guide to MLP Investing

Equipping investors to make
informed decisions about
MLPs and energy
infrastructure



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About Alerian // Alerian index series

Ticker	Name	Constituents	Tracking	Methodology	Launch
AMZ	Alerian MLP Index	50 MLPs	Energy MLPs	Float-adjusted, Capitalization-weighted	June 2006
AMZI	Alerian MLP Infrastructure Index	MLPs	Infrastructure MLPs	Capped, Float-adjusted, Capitalization-weighted	March 2008
ANGI	Alerian Natural Gas MLP Index	20 MLPs	Natural Gas MLPs	Equal-weighted	January 2010
ALCI	Alerian Large Cap MLP Index	15 MLPs	Large Cap MLPs	Equal-weighted	March 2010
AMZE	Alerian MLP Equal Weight Index	50 MLPs	Energy MLPs	Equal-weighted	April 2013
AMEI	Alerian Energy Infrastructure Index	MLPs and Corporations	Energy Infrastructure	Tier-weighted	April 2013



About Alerian // Alerian index-linked products

Ticker	Product Type	Product Name	Licensee	Inception Date	Underlying Index	Annual Fee	Total Assets (mil)
AMPL	ETF	Alerian MLP ETF	ALPS	August 24, 2010	AMZI	0.85%	\$9,117
ENFR	ETF	Alerian Energy Infrastructure ETF	ALPS	November 1, 2013	AMEI	0.65%	\$17
AMJ	ETN	JPMorgan Alerian MLP Index ETN	JPMorgan	April 1, 2009	AMZ	0.85%	\$5,365
AMU	ETN	ETRACS Alerian MLP Index ETN	UBS	July 17, 2012	AMZ	0.80%	\$410
MLPI	ETN	ETRACS Alerian MLP Infrastructure Index ETN	UBS	March 31, 2010	AMZI	0.85%	\$2,524
MLPL	ETN	ETRACS 2x Leveraged Long Alerian MLP Infrastructure Index ETN	UBS	July 6, 2010	AMZI	0.85%	\$316
MLPG	ETN	ETRACS Alerian Natural Gas MLP Index ETN	UBS	July 13, 2010	ANGI	0.85%	\$30
MLPS	ETN	ETRACS 1x Monthly Short Alerian MLP Infrastructure Index ETN	UBS	September 28, 2010	AMZI	0.85%	\$4
Series 1-29F	ROC Note	CIBC Alerian MLP Infrastructure Index-Linked ROC Notes	CIBC	October 7, 2010	AMZI	1.25%	\$856
ALERX	Mutual Fund	ALPS Alerian MLP Infrastructure Index Fund	ALPS	December 31, 2012	AMZI	1.25%	\$31
ALEFX	VIT	ALPS Alerian Energy Infrastructure Portfolio	ALPS	April 30, 2013	AMEI	0.80%	\$72

Total Alerian-linked product AUM **\$18,693 mil**



Growth of US Energy Infrastructure

- MLPs build, acquire, and operate pipeline, storage, and processing assets
- MLPs move energy from supply areas to demand centers

Stable and Growing Cash Flows

- Fee-based toll-road business models
- Interstate liquid tariffs are indexed to inflation using PPI+ methodology
- Average distribution growth of ~7% over the past 10 years

No Entity-Level Taxation

- No double taxation if 90% of income is from qualifying sources
- Higher payout ratios and lower cost of capital than C corporations

Growing Asset Class

- 2005: 46 MLPs with \$64 billion in market capitalization
- 2015: 122 MLPs with \$483 billion in market capitalization

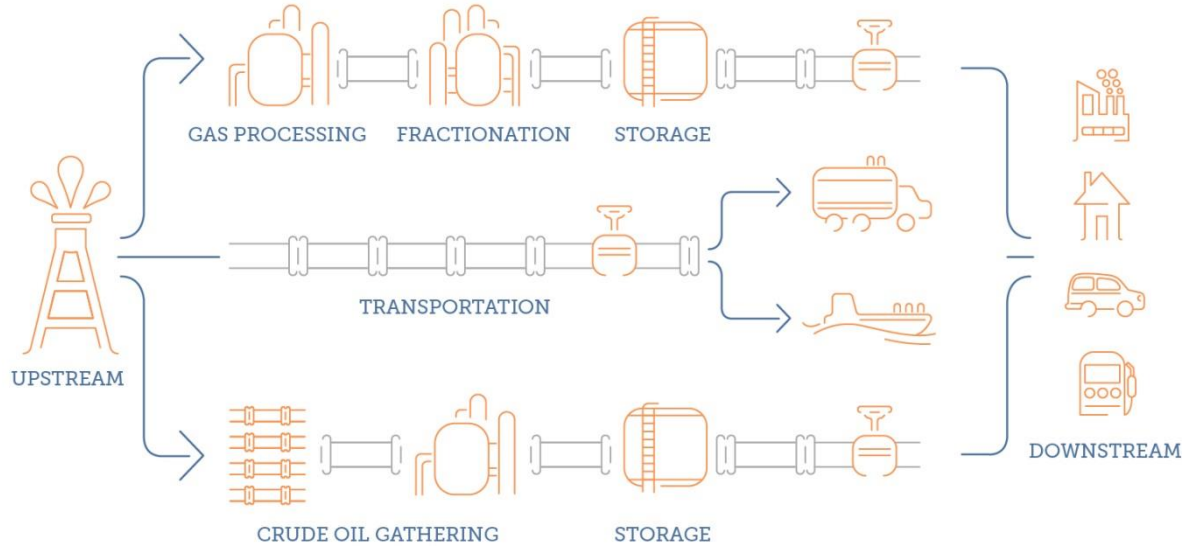
Tax-Efficient Yield and Diversification

- 70%-100% of income is tax-deferred return of capital
- Low correlation to broader markets (0.55 to the S&P 500)



Overview of Master Limited Partnerships

// What is an energy infrastructure asset?



Stable Cash Flows

- Toll-road [Price x Volume] or contract-based business models
- Limited ownership of hydrocarbons mitigates commodity price exposure

Growing Cash Flows

- **Price:** Interstate liquids tariffs have built-in PPI “plus” revenue indexing
- **Volume:** Inelastic and growing energy demand



Overview of Master Limited Partnerships

// Toll road business models

The Tri-State Tollway charges the same toll for an Aston Martin as it does for a Honda Civic

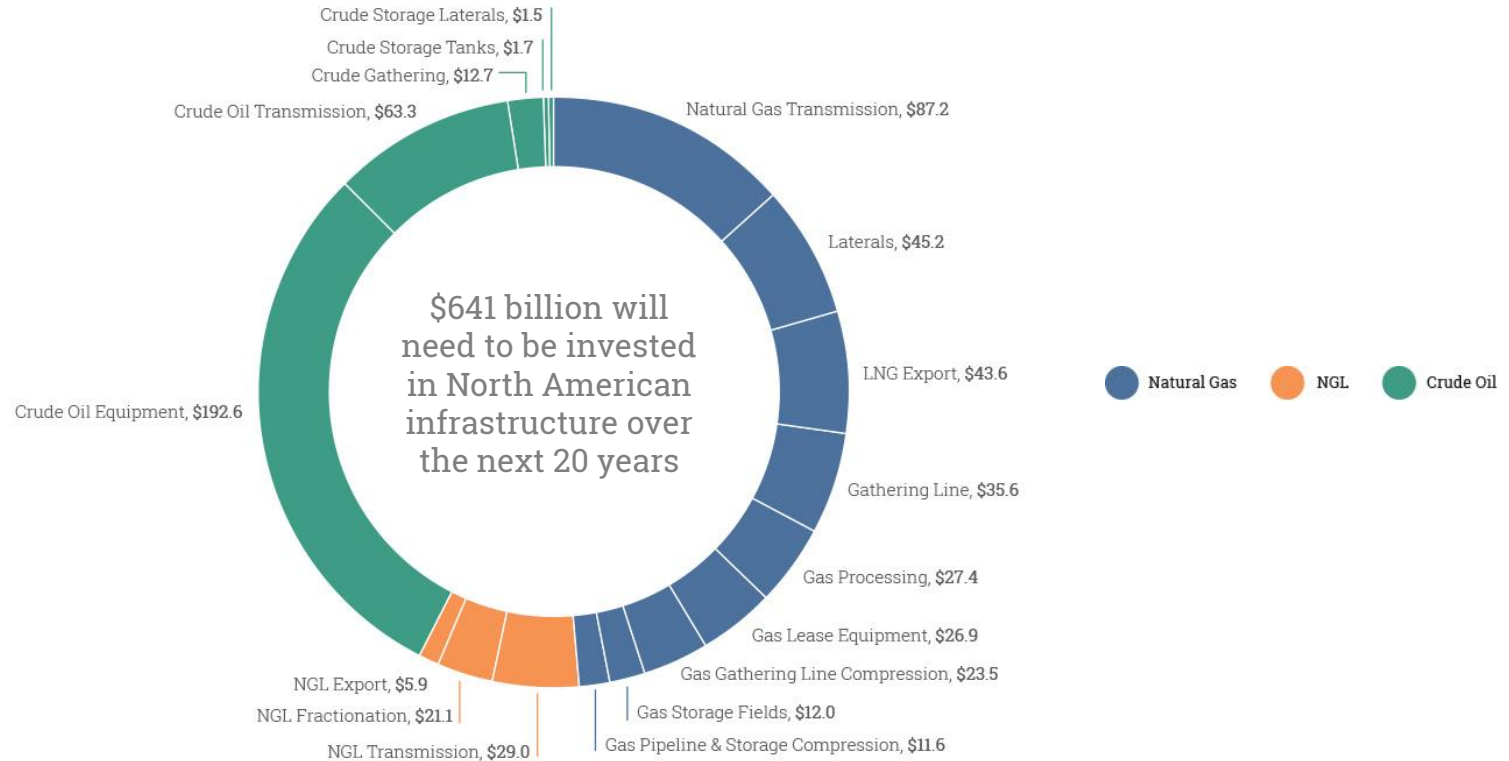


Pipeline and storage businesses charge the same price to move or store a \$30 barrel as they do a \$150 barrel of oil



Overview of Master Limited Partnerships

// New infrastructure investment to spur MLP growth





MLP Performance // MLPs historically outperform other asset classes



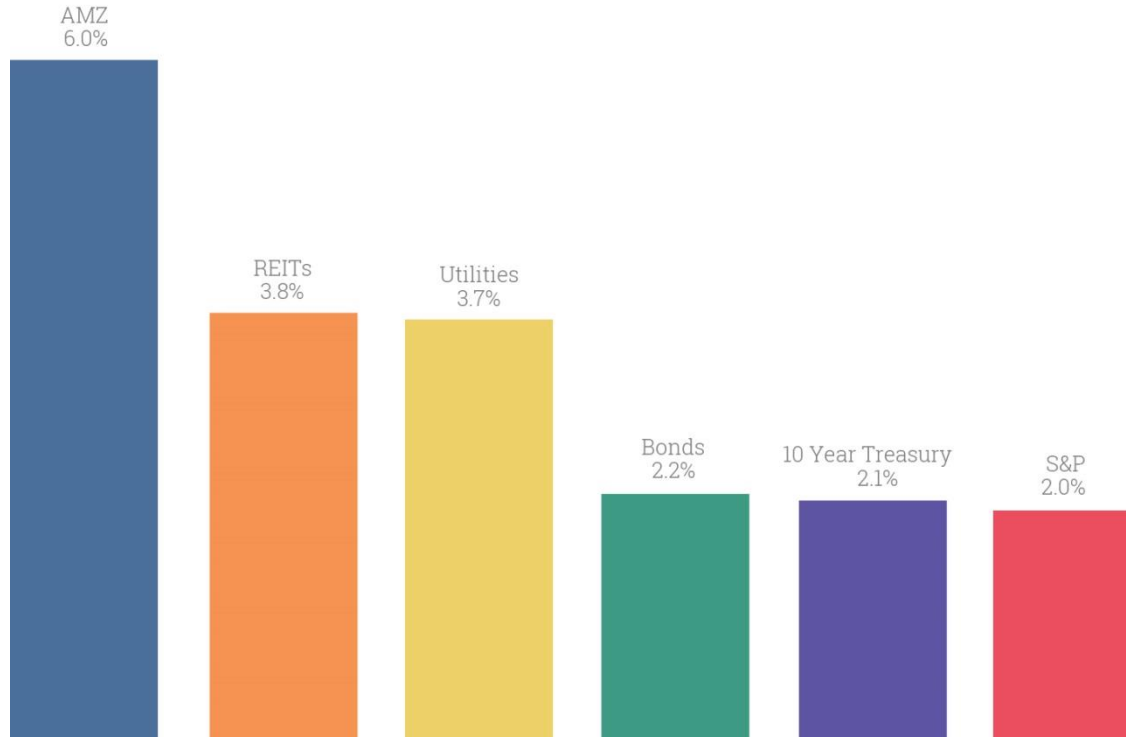


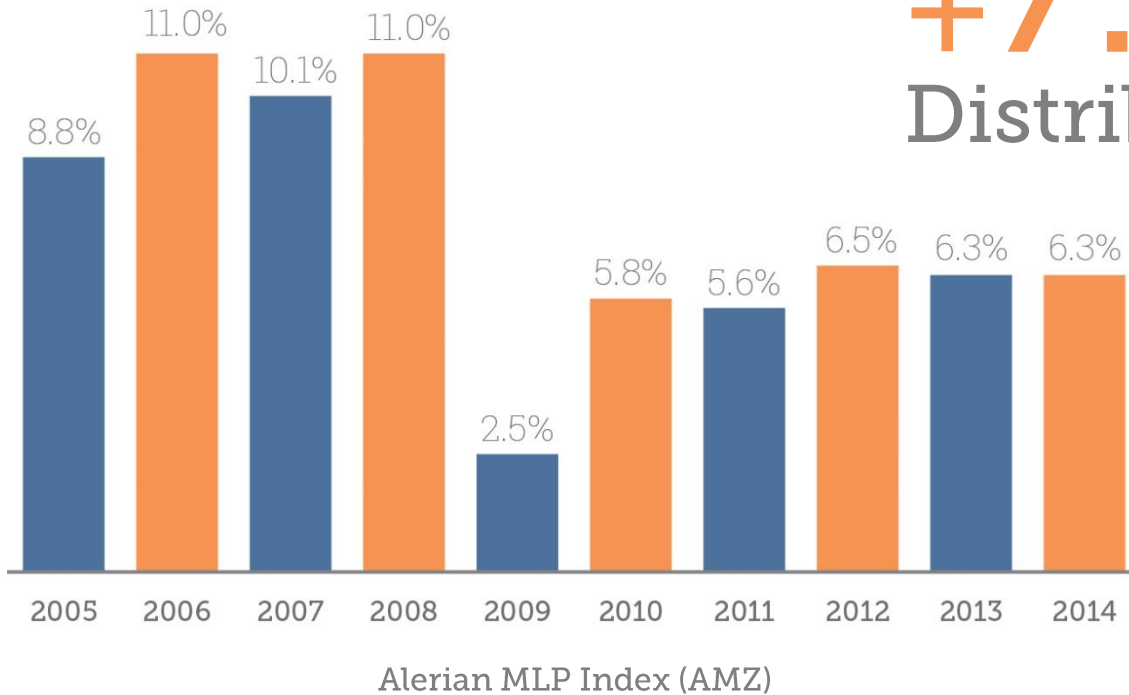
MLP Performance // The Periodic Table of Performance

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 YTD	Annualized
Commodities 25.6%	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%	Non-US 8.6%	MLPs 12.8%
Utilities 16.8%	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%	Small Cap 4.0%	Small Cap 8.7%
REITs 13.7%	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%	S&P 500 3.2%	Utilities 8.2%
Non-US 13.5%	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%	Bonds 1.0%	S&P 500 8.1%
MLPs 6.3%	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%	Commodities 0%	REITs 7.7%
S&P 500 4.9%	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%	REITs -1.0%	Non-US 5.6%
Small Cap 4.6%	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 -2.9%	Bonds 4.6%
Bonds 2.4%	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%	Utilities -4.9%	Commodities -5.7%



MLP Performance // MLPs offer an attractive relative yield





+7.4% 10-year
Distribution Growth



Sharp interest rate increase



Labor/materials availability



Tax law changes



Demand destruction



Execution



Environmental law changes



Broad equity market decline



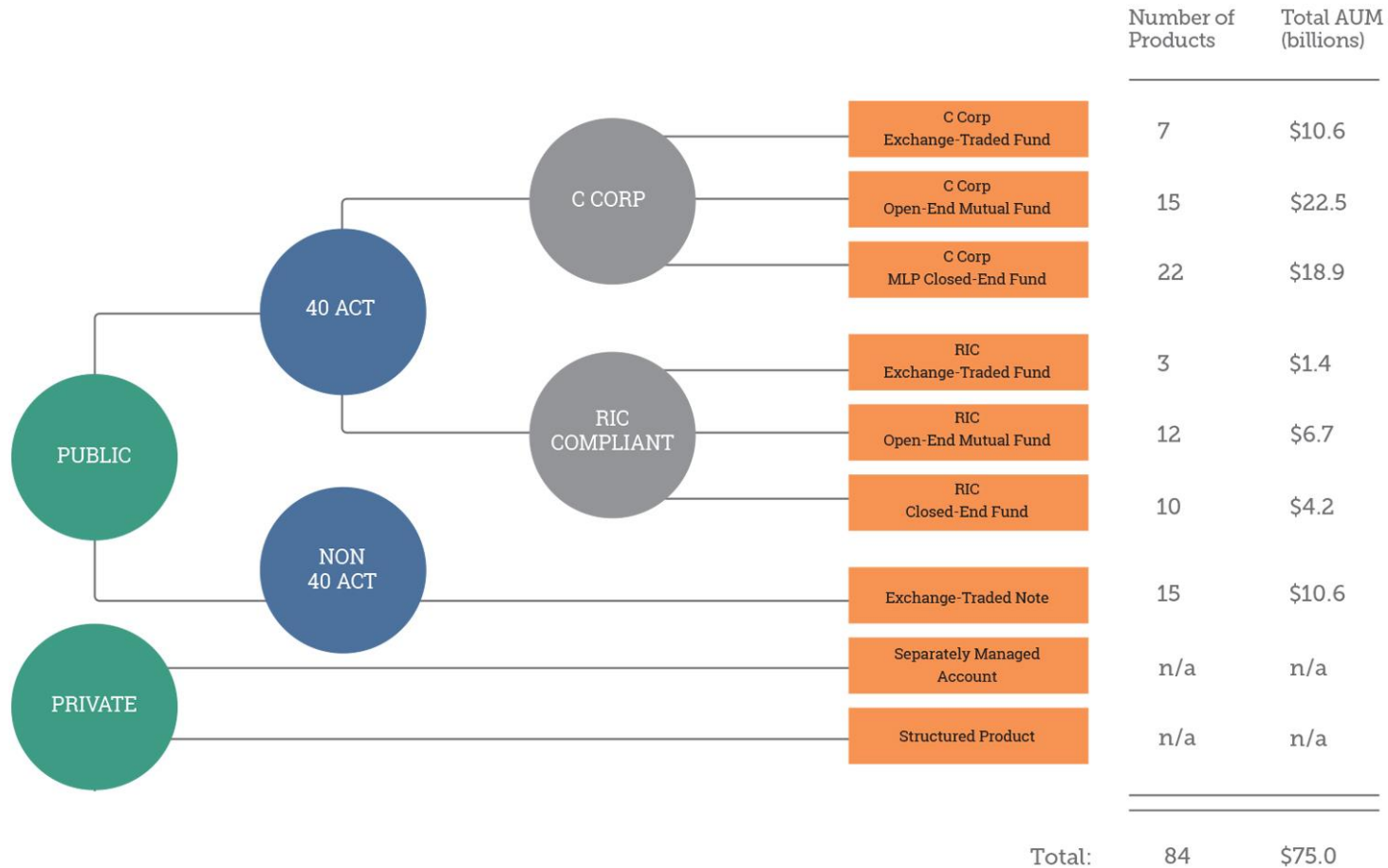
Recontracting



Limited capital markets access



MLP Investment Products // MLP Investment Product Decision Tree





	ETN	C Corp 40 Act Funds	RIC-Compliant 40 Act Funds
Advantages	Little/No Tracking Error 100% MLP Exposure	Generally Higher After-Tax Income* Ownership of Underlying Securities 100% MLP Exposure	Little/No Tracking Error Ownership of Underlying Securities
Disadvantages	Generally Lower After-Tax Income** Credit Risk of Issuer	Deferred Tax Liability Mutes Gains	25% MLP Exposure Generally Lower Income***
Suitability	Tax-Advantaged Investors Total Return Investors Comfortable with Issuer Credit Risk	After-Tax Yield Investors Low Volatility Investors	Tax-Advantaged Investors Total Return Investors Comfortable with Non-MLP Investments

**Due to expense ratio being taken from NAV, and income being treated as return of capital / qualified dividend*

***Due to expense ratio being taken from coupon, and coupon being taxed as ordinary income*

****Due to lower MLP exposure*



Top 10 holdings overlap

MLP ETF AUM: \$9.1B			MLP CEF A AUM: \$3.7B		
Name	Ticker	% of Total Assets	Name	Ticker	% of Total Assets
Kinder Morgan Energy Part LP	KMP	10.8%	Kinder Morgan Inc	KMI	10.1%
Enterprise Product Partners LP	EPD	9.5%	Enterprise Products Partners LP	EPD	9.8%
Plains All American Pipeline LP	PAA	6.8%	Williams Partners LP	WPZ	8.4%
Energy Transfer Partners LP	ETP	6.6%	Energy Transfer Partners LP	ETP	6.3%
Magellan Midstream Partners	MMP	6.5%	MarkWest Energy Partners LP	MWE	5.7%
Markwest Energy Partners LP	MWE	6.4%	Regency Energy Partners LP	RGP	5.6%
Regency Energy Partners LP	RGP	5.0%	Plains All American Pipeline LP	PAA	5.3%
ONEOK Partners LP	OKS	4.7%	ONEOK Partners LP	OKS	3.9%
Buckeye Partners LP	BPL	4.4%	DCP Midstream Partners LP	DPM	3.9%
Williams Partners LP	WPZ	4.2%	Western Gas Partners LP	WES	3.4%
Total Overlap with MLP ETF		100.0%	Total Overlap with MLP ETF		65.8%

MLP CEF B AUM: \$1.9B			MLP CEF C AUM: \$2.3B		
Name	Ticker	% of Total Assets	Name	Ticker	% of Total Assets
Energy Transfer Equity LP	ETE	9.1%	Magellan Midstream Partners LP	MMP	9.4%
Enterprise Products Partners LP	EPD	7.8%	Plains All American Pipeline LP	PAA	9.2%
Magellan Midstream Partners LP	MMP	6.7%	Enterprise Products Partners LP	EPD	6.4%
MarkWest Energy Partners LP	MWE	5.8%	Sunoco Logistics Partners LP	SXL	6.3%
Plains All American Pipeline LP	PAA	5.8%	Buckeye Partners LP	BPL	6.0%
Buckeye Partners LP	BPL	5.1%	Enbridge Energy Partners LP	EEP	4.9%
Williams Partners LP	WPZ	4.5%	Energy Transfer Partners LP	ETP	4.8%
Enbridge Energy Partners LP	EEP	4.4%	MarkWest Energy Partners LP	MWE	4.8%
Brookfield Infrastructure Partners LP	BIP	4.3%	Williams Partners LP	WPZ	4.6%
Energy Transfer Partners LP	ETP	3.9%	Spectra Energy Partners LP	SEP	3.8%
Total Overlap with MLP ETF		70.3%	Total Overlap with MLP ETF		75.5%

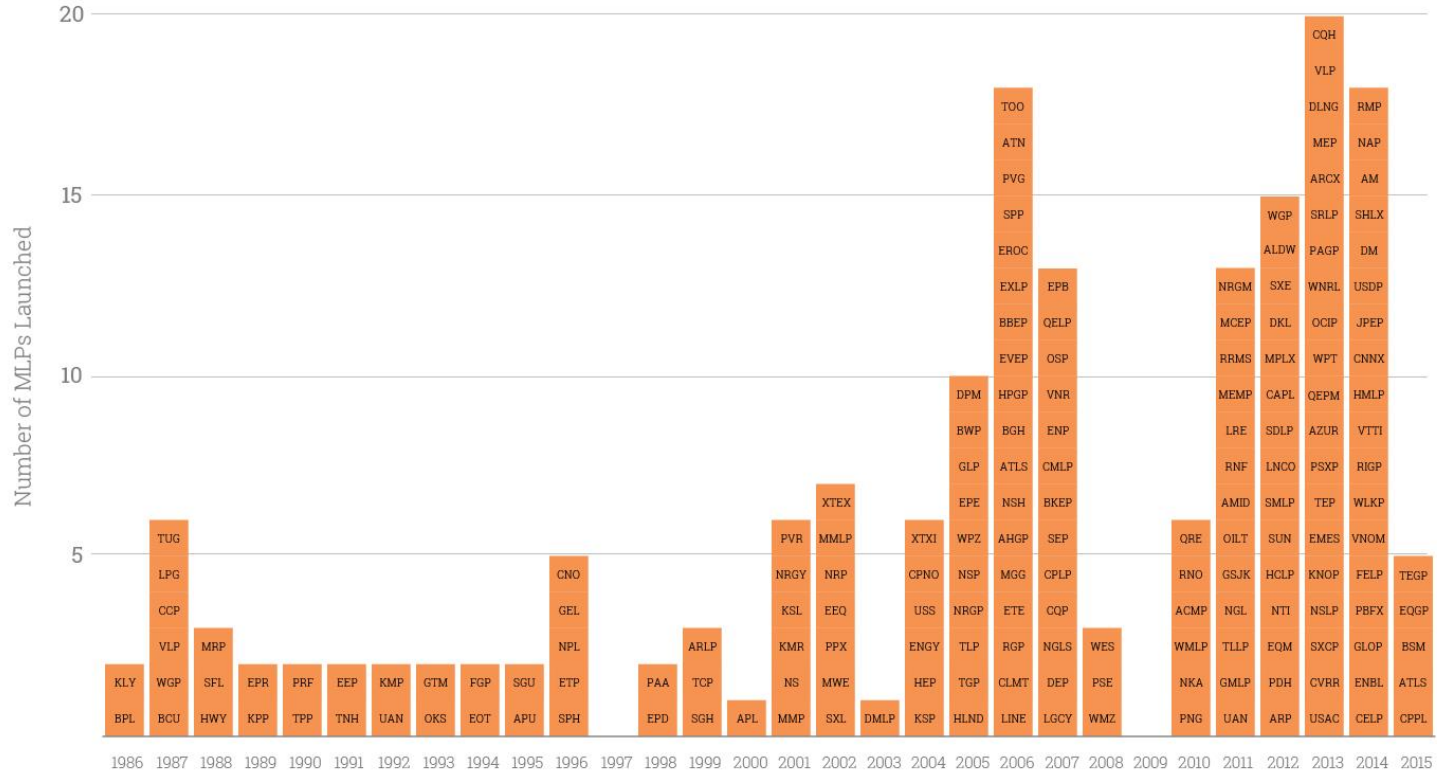


Emily Hsieh

Emily Hsieh, CPA is the Director of Global Operations at Alerian, which equips investors to make informed decisions about Master Limited Partnerships (MLPs) and energy infrastructure. Ms. Hsieh manages the firm's relationships with MLPs and licensees. She also oversees Alerian's advertising campaigns and develops business strategies for the Alerian Index Series. Ms. Hsieh was previously with Raymond James & Associates Inc as a Senior Associate in the firm's Equity Research Division, covering the midstream energy MLP space. She developed differentiated investment calls and worked closely with the firm's financial advisors and institutional investors. Ms. Hsieh graduated with a Masters of Professional Accounting and a Bachelor of Business Administration from the McCombs School of Business at The University of Texas at Austin.



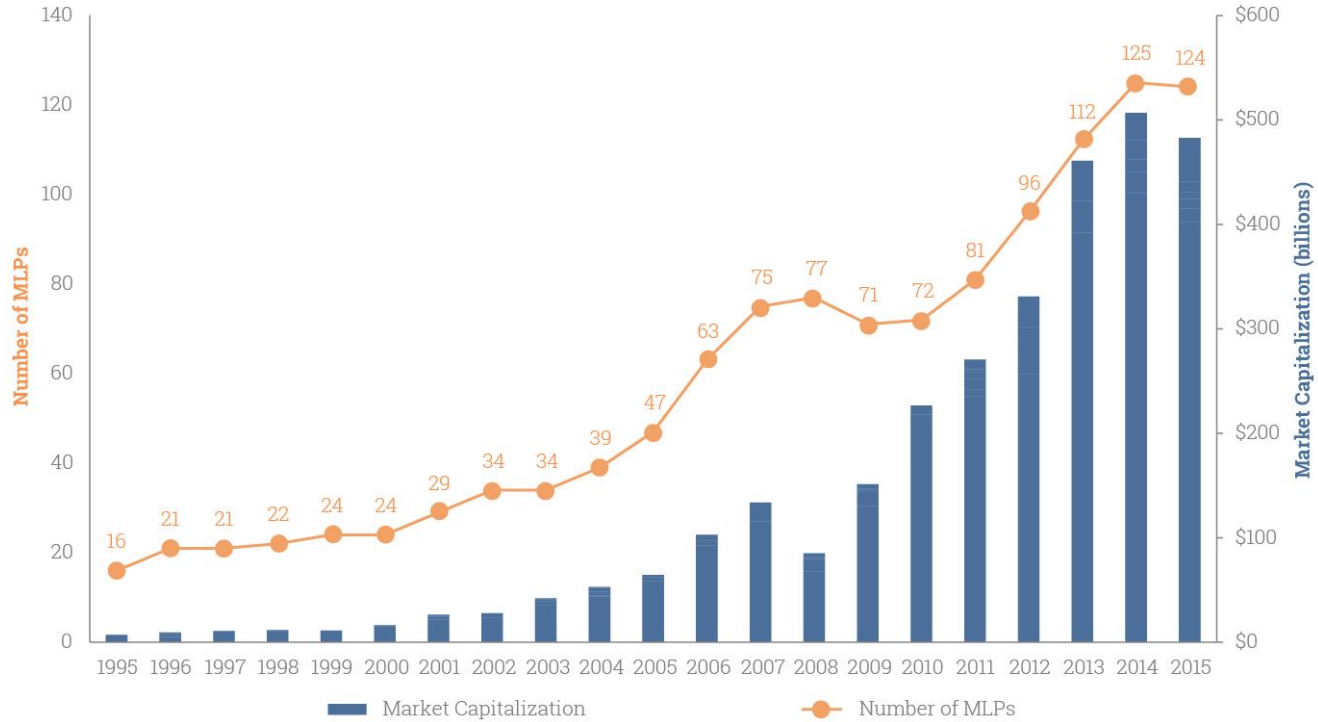
Appendix // History of MLP IPOs



Source: Alerian as of 29 May 2015



Appendix // No longer an emerging asset class



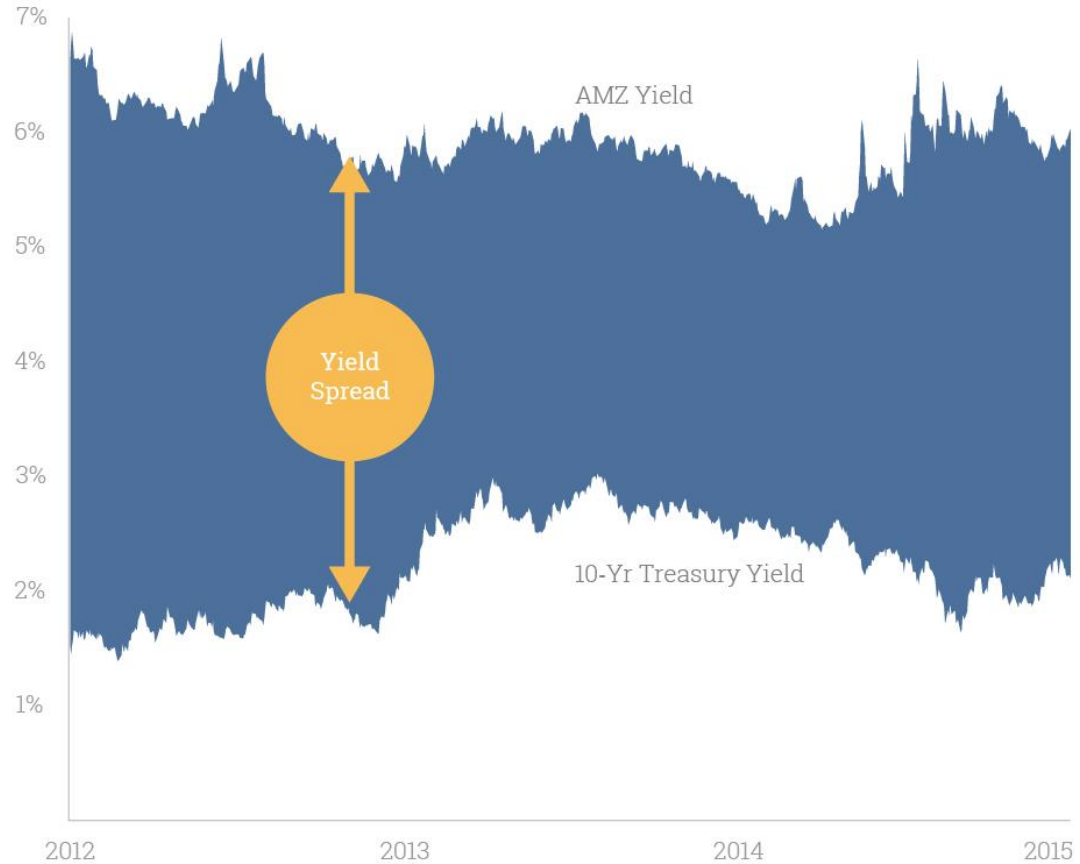


372 bps

Current AMZ Spread
to Treasuries

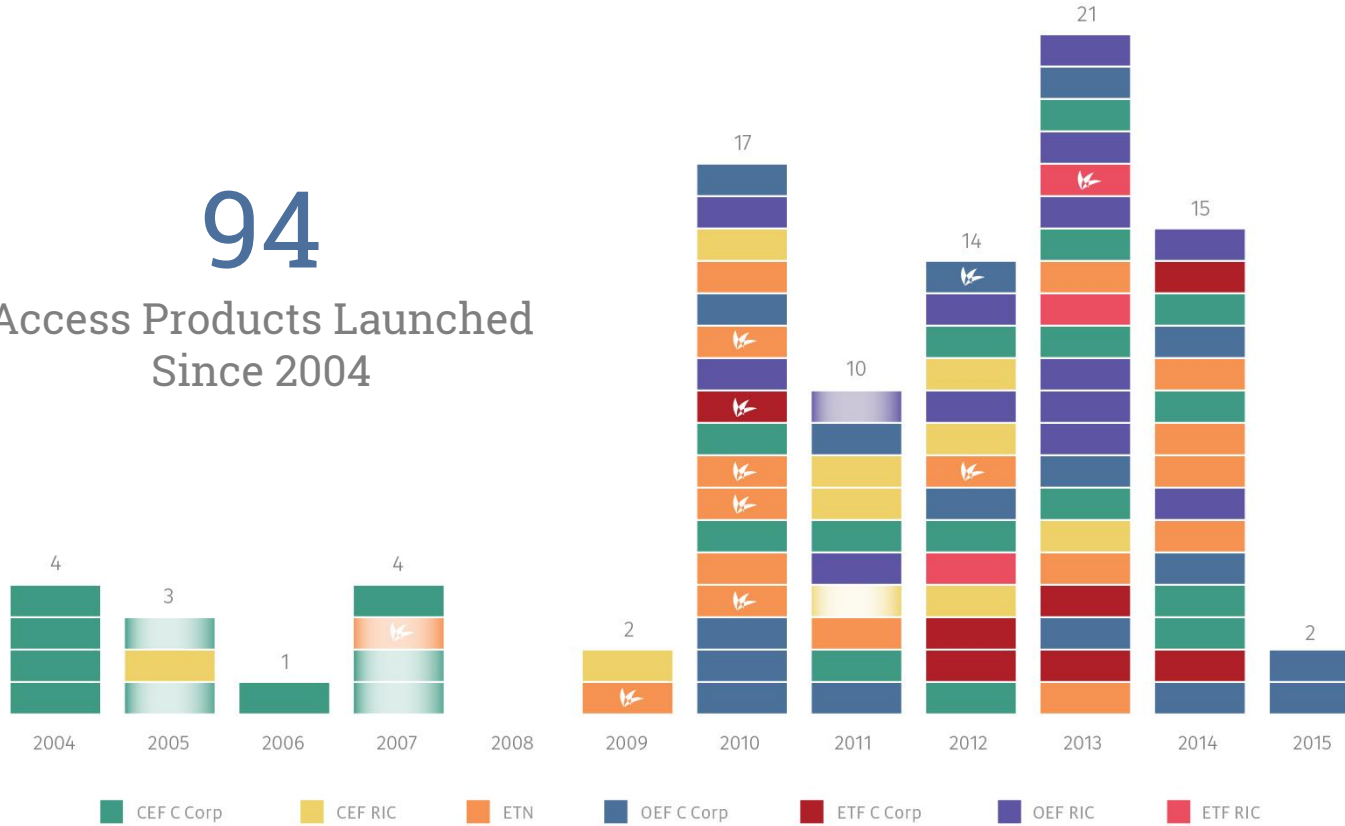
331 bps

10-Yr Median AMZ
Spread to Treasuries





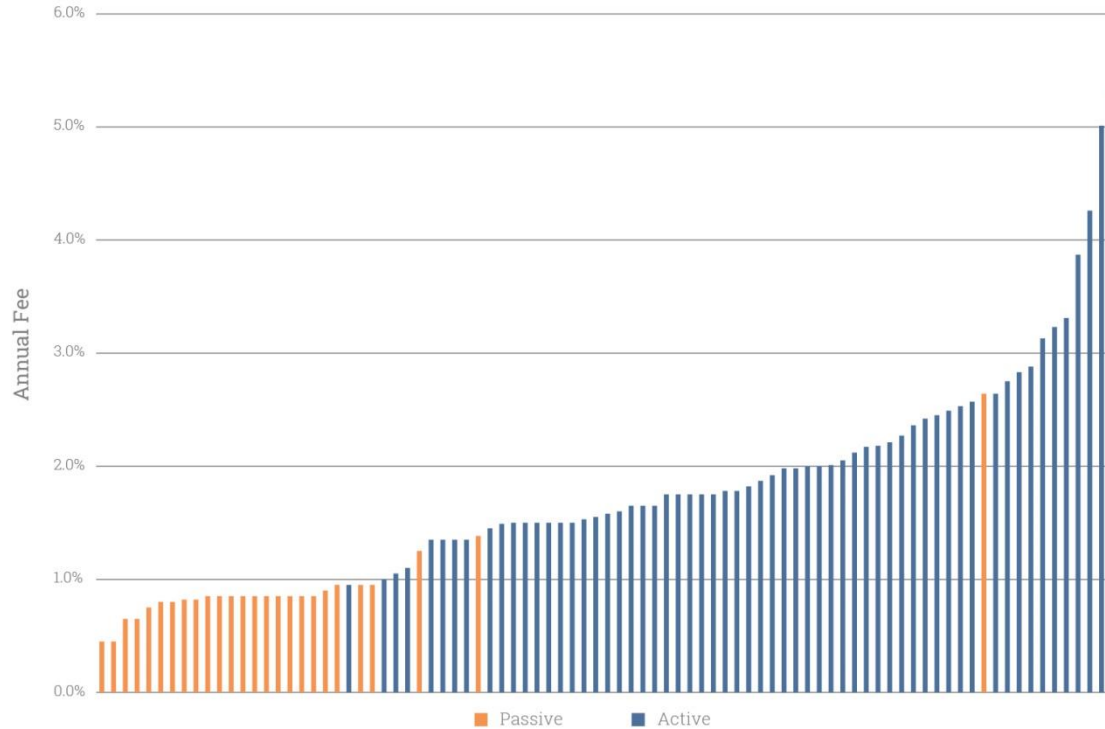
94 Access Products Launched Since 2004



Note: Faded colors represent funds that are now delisted
Source: Alerian as of 29 May 2015



Appendix // Getting what you pay for



Each bar represents a currently available MLP investment product, and the length of the bar represents its annual fee. Expenses include management fees, borrowing costs, 12b-1 fees, other expenses as defined in the prospectus (including, but not limited to, shareholder service fees and fund acquisitions costs), fee waivers, and expense reimbursements. Current and deferred income tax expenses, trading costs, and commissions, among other costs, are excluded. Annual fees calculated from prospectus at fund launch.



Appendix // Contact & disclaimers

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