

# **Finding Income in MLPs**

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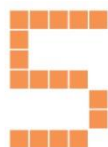
- ▶ Real-time MLP Index
- ▶ MLP ETN
- ▶ MLP ETF

**\$14** billion in index-linked products

**85%** market share for passive exchange traded products

**11**

product  
partners



REAL-TIME MLP & ENERGY INFRASTRUCTURE INDICES

AMZ / AMZI / AMEI / ANGI / AMZE



## 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%	S&P 500 3.0%	MLPs 8.9%
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%	REITs 2.3%	S&P 500 7.5%
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%	Bonds 0.9%	Small Cap 7.3%
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%	Small Cap 0.6%	Utilities 7.3%
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%	Non-US 0.5%	REITs 6.9%
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%	Utilities -6.8%	Bonds 4.6%
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%	Commodities -26.5%	Non-US 3.6%
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%	MLPs -30.0%	Commodities -9.4%



### Stable Cash Flows

Fee-based toll-road (Price x Volume) business models that benefit from inelastic energy demand



### Growing Distributions

Interstate liquid tariffs have built-in PPI “plus” revenue indexing



### Energy Infrastructure

Increasing need for pipeline, storage, and processing assets to serve growing domestic production

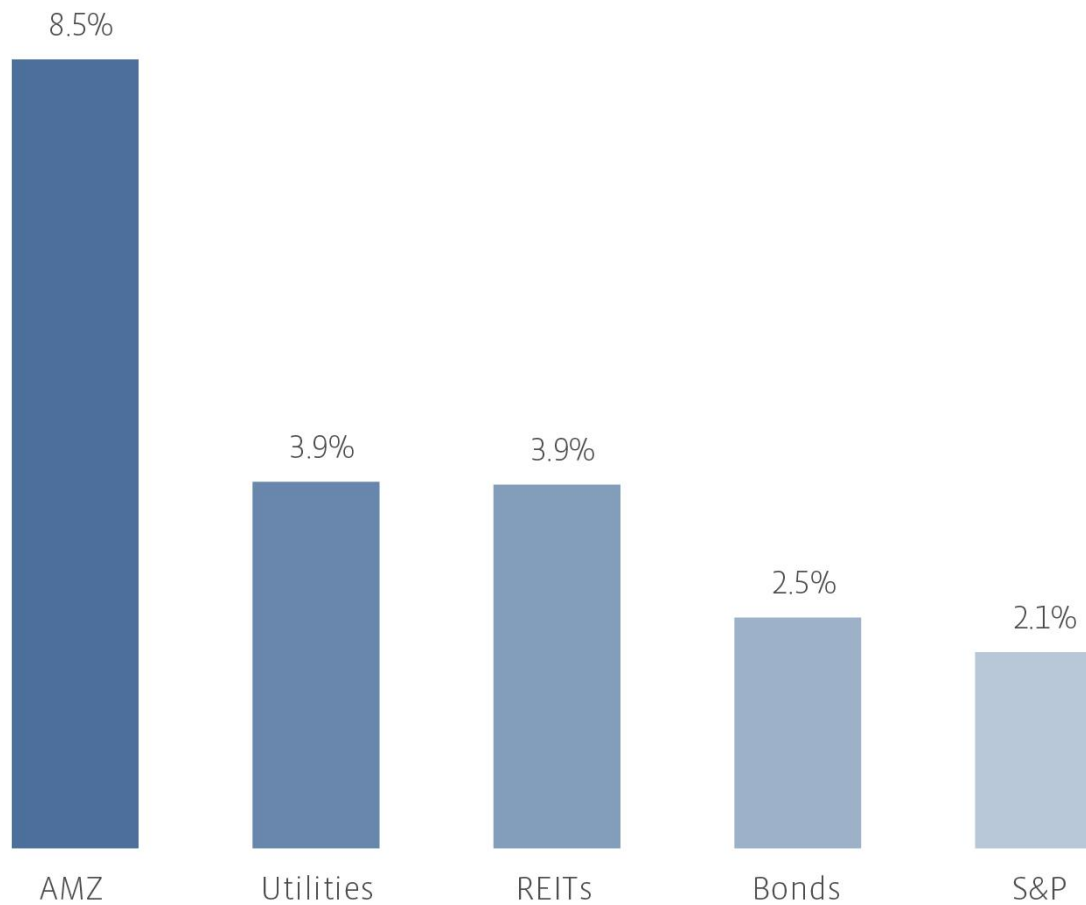


### Diversification

Low correlation to broader markets, commodity prices, and interest rates over the long-term

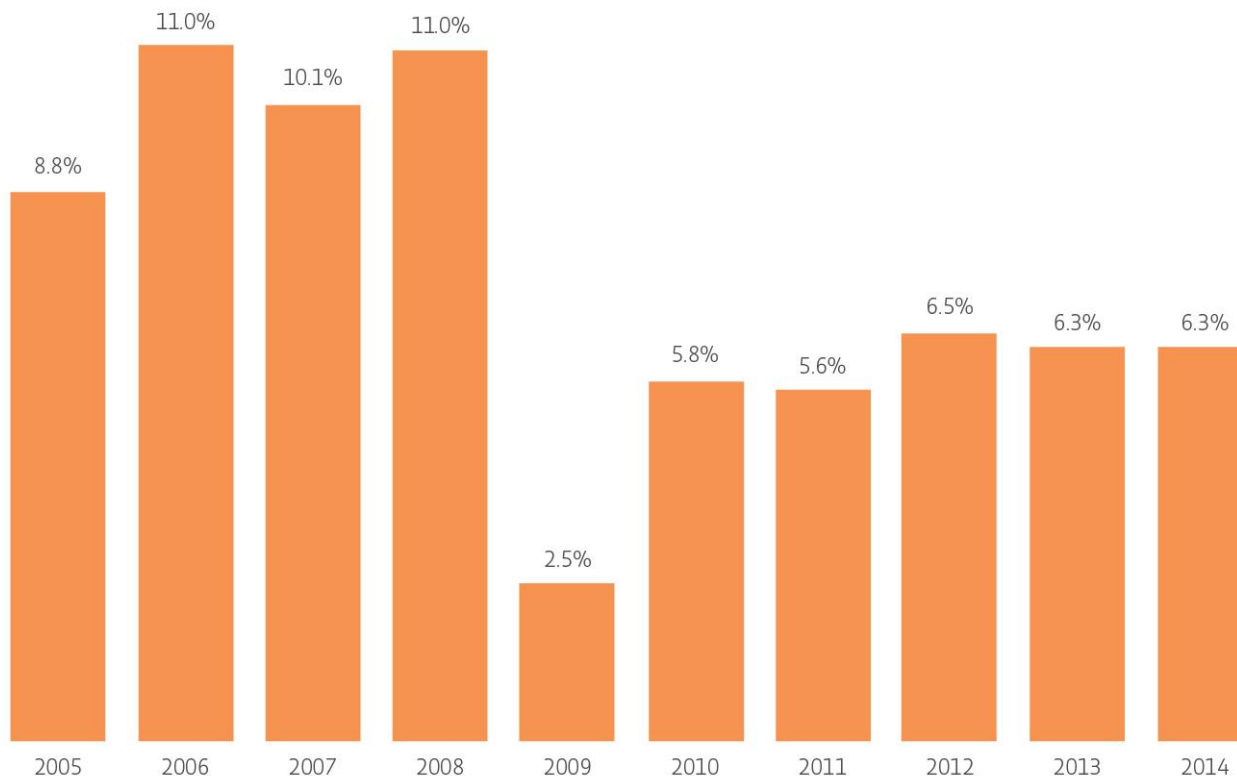


## MLP Performance // MLPs offer an attractive relative yield





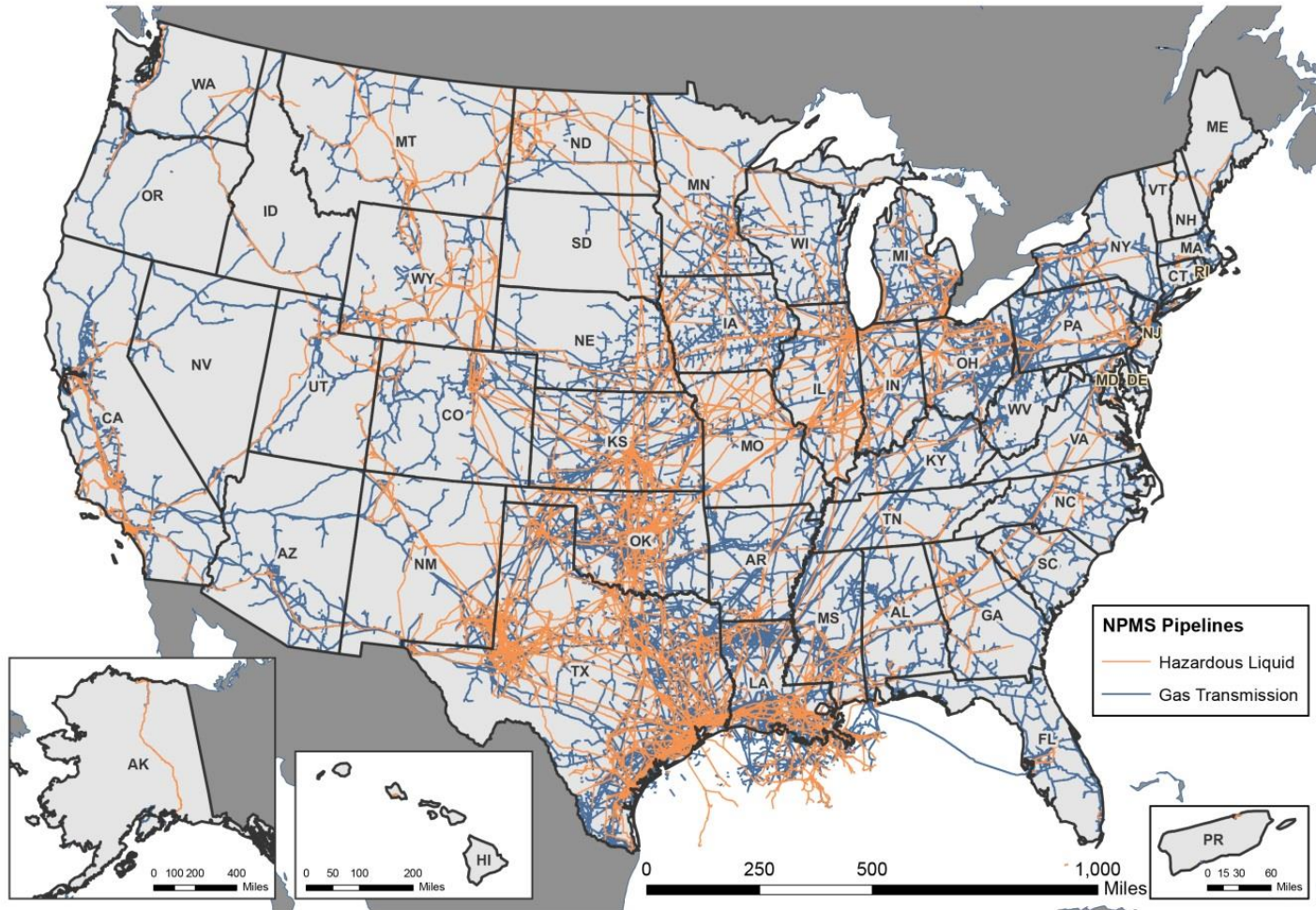
## MLP Performance // Distribution growth drives returns



**+7.4%**  
10-year  
Average  
Annual  
Distribution  
Growth



## Energy Renaissance // Spaghetti bowl of pipelines

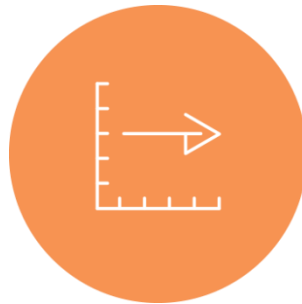




Inflation-indexed  
contracts



No significant  
correlation over the  
long-term



Majority debt is  
long-term and  
fixed



MLP distribution  
growth historically  
outpaces inflation

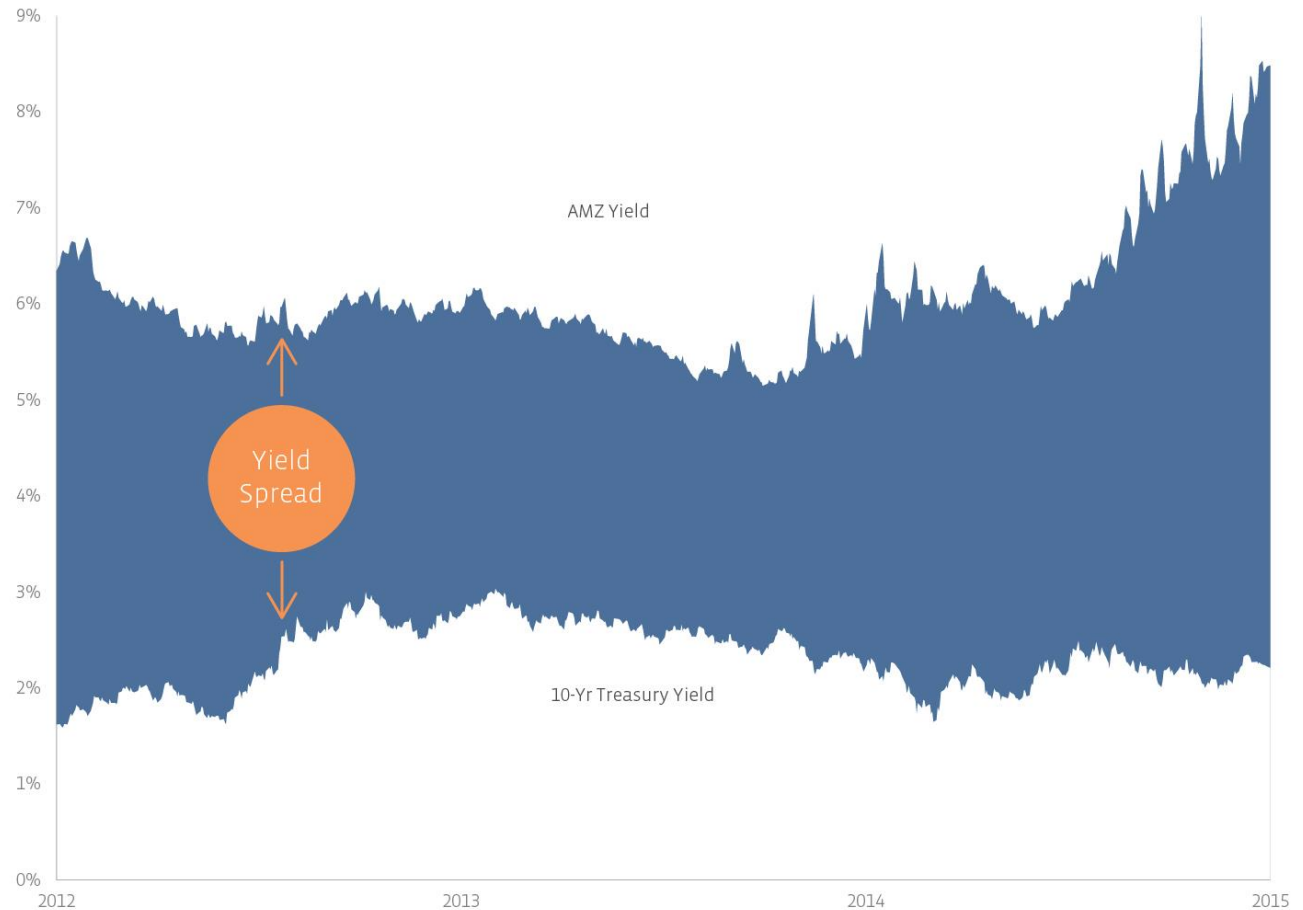


628 bps

Current AMZ  
Spread to  
Treasuries

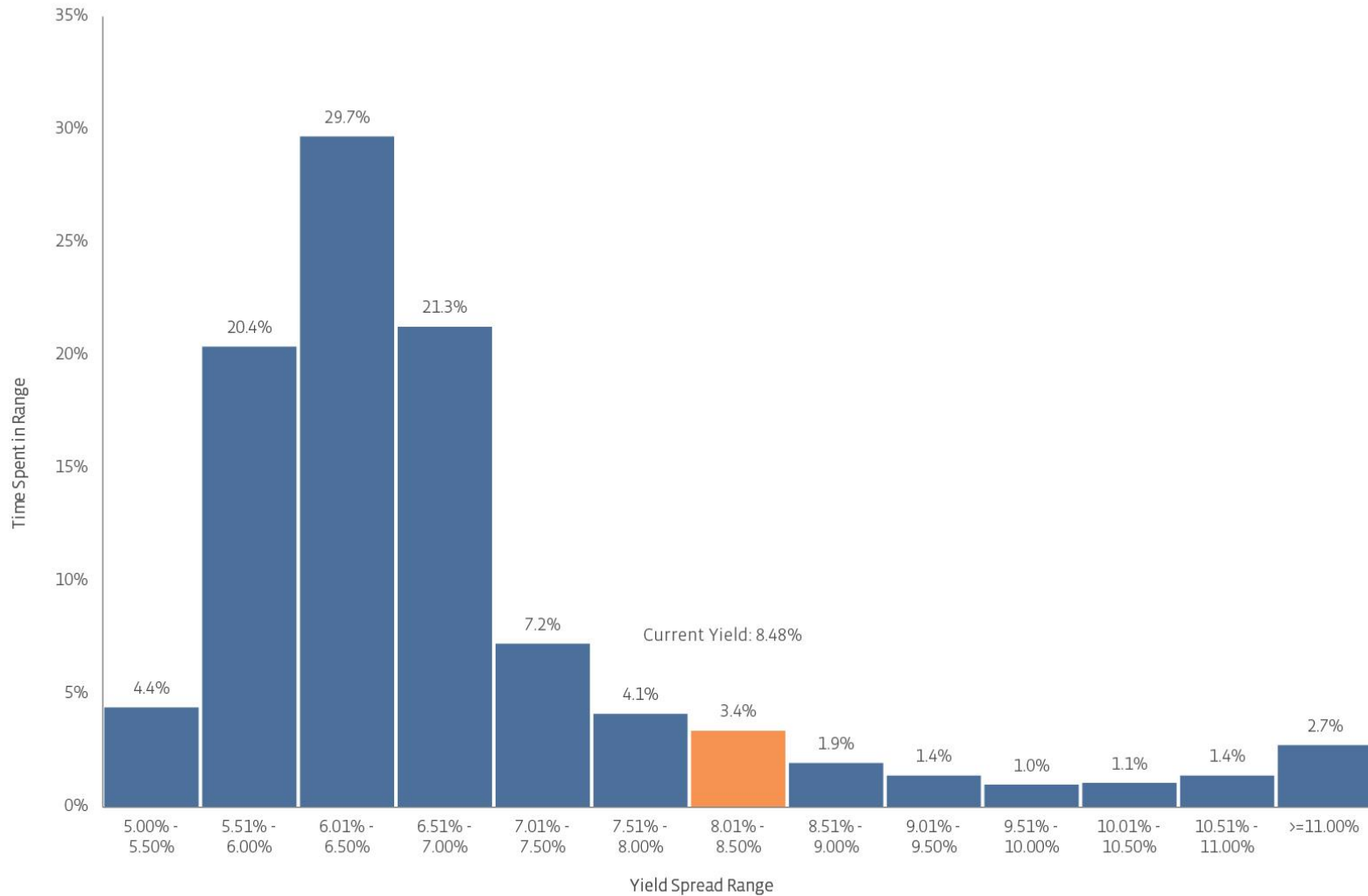
355 bps

10-Yr Median  
AMZ Spread to  
Treasuries



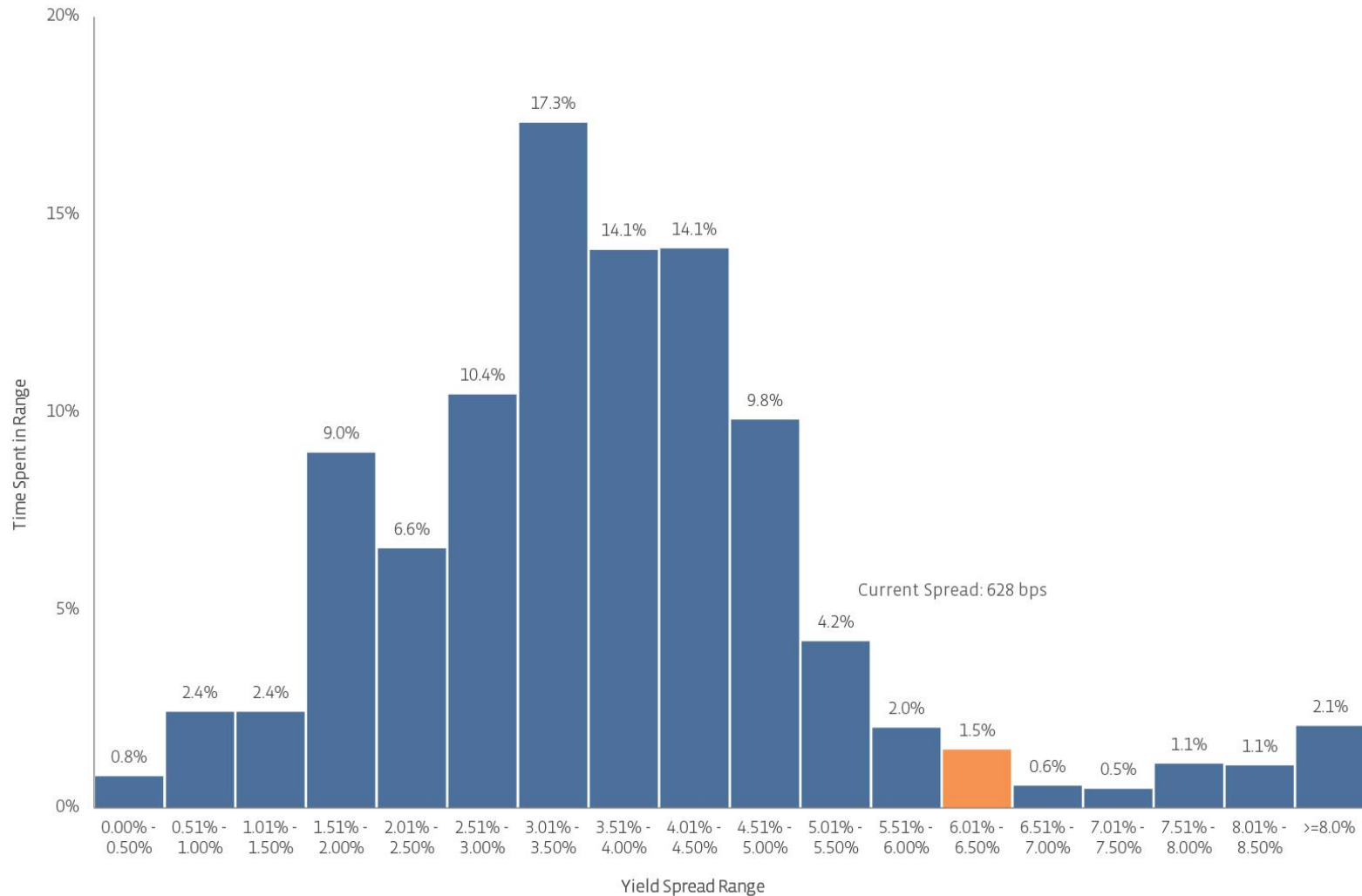


## Current Issues & Risks // Historical distribution of MLP yields





Yield Spread Distribution: AMZ vs. US 10-year Treasury  
(November 30, 2005 – November 30, 2015)



# Contact

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