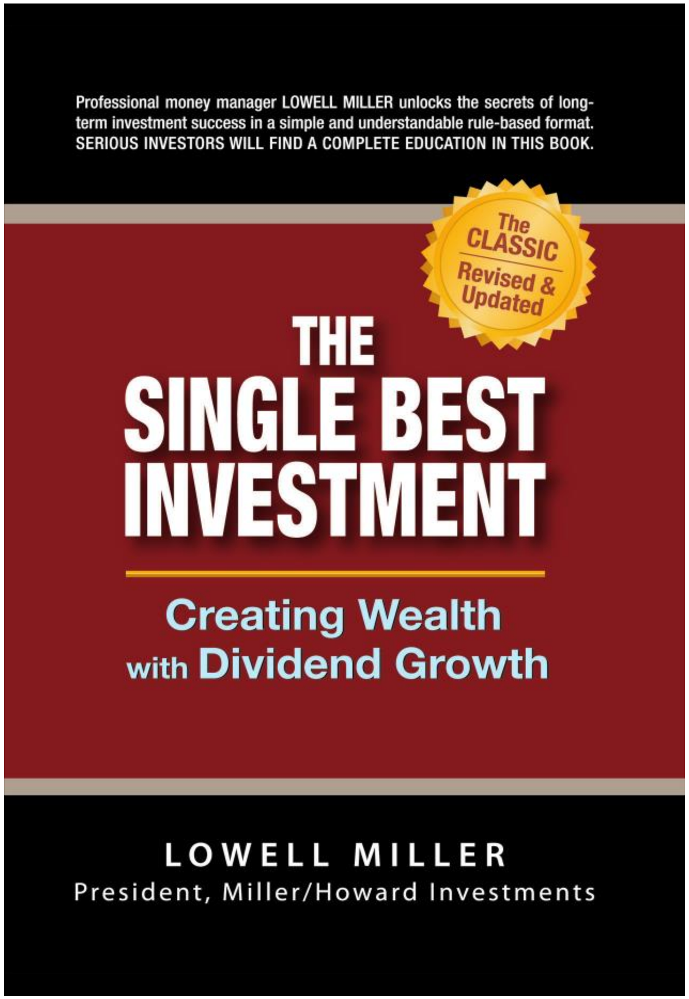
Miller Howard
INVESTMENTS

The Single Best Investment

THE KEY IS COMPOUNDING



The Single Best Investment strategy is not about "playing the market."

It's about being a partner in an enterprise, and beyond that it's really about creating a kind of compounding machine that sits quietly off in the corner working for you while you go about your business.

THE KEY IS COMPOUNDING

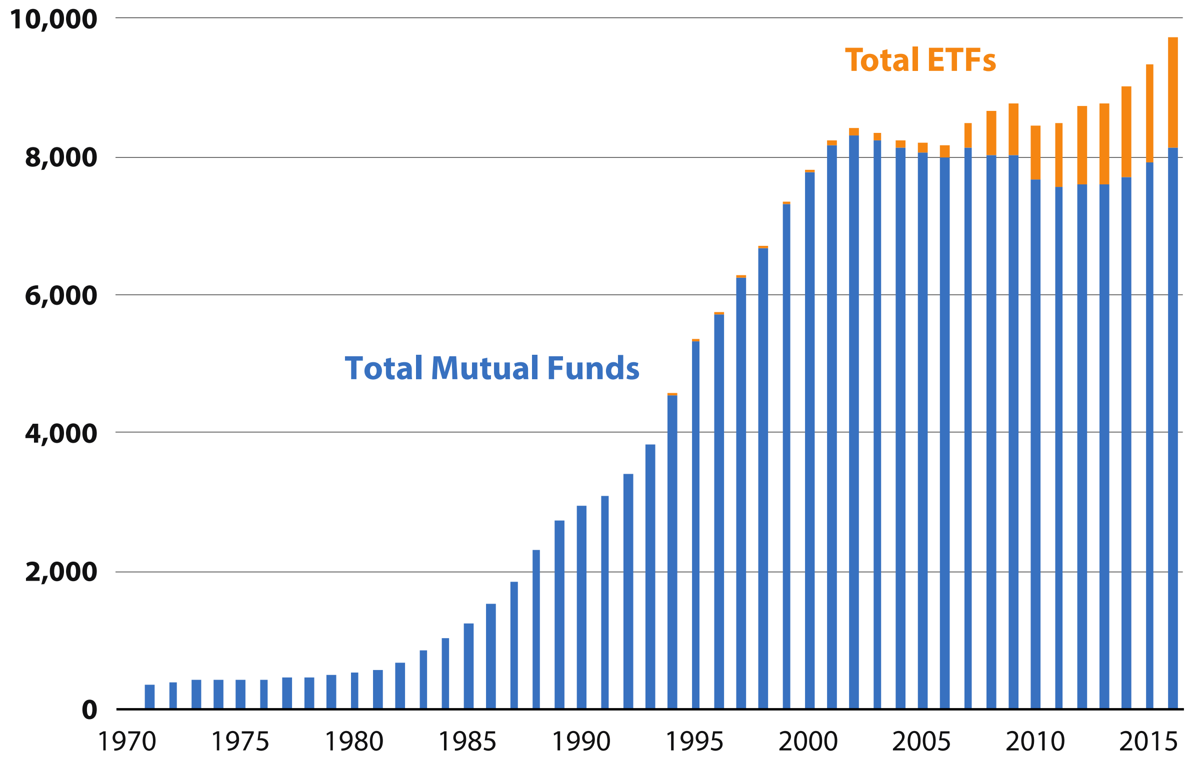
The following represents Miller/Howard's highly-generalized views on the potential benefits of methodical and informed long-term savings and investing. Nothing herein should be construed as actual or particularized investment, tax, or legal advice, or recommendations to any person or investor. The following presents merely a general framework in which investing and savings may be considered. All statements contained herein are qualified in their entirety by the foregoing.

INFORMATION OVERLOAD

Can you guess the hot sector for next year?

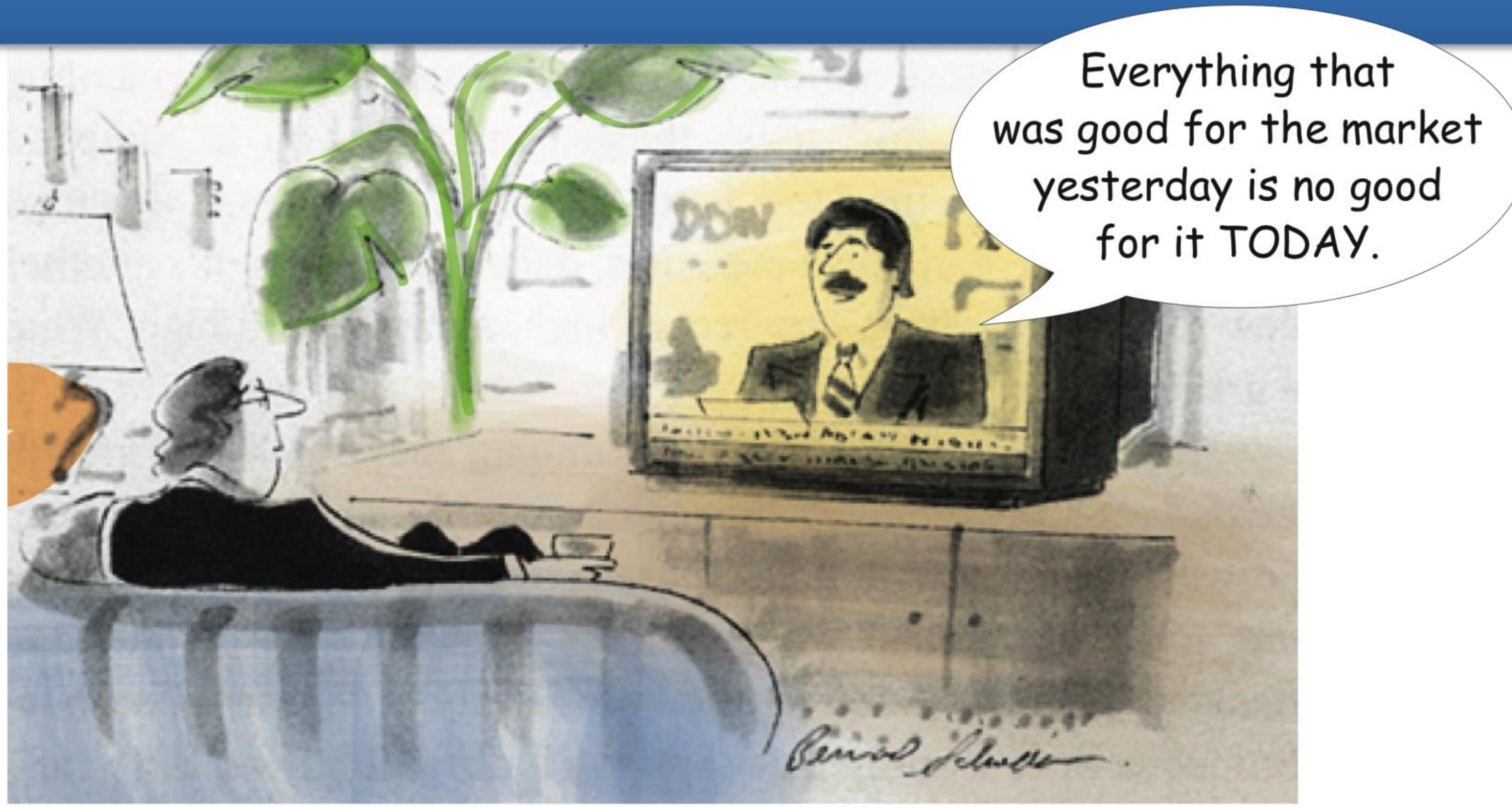
Which of almost 10,000 mutual funds/ETFs will outperform this quarter?

Number of Mutual Funds & Exchange-Traded Funds (1970–2016)



Source: Investment Company Institute; Strategic Insight Simfund.
Note: Data for funds that invest primarily in other mutual funds was excluded from the series. The data contains a series break beginning in 1984. All funds were reclassified in 1984, and a separate category was created for hybrid funds.

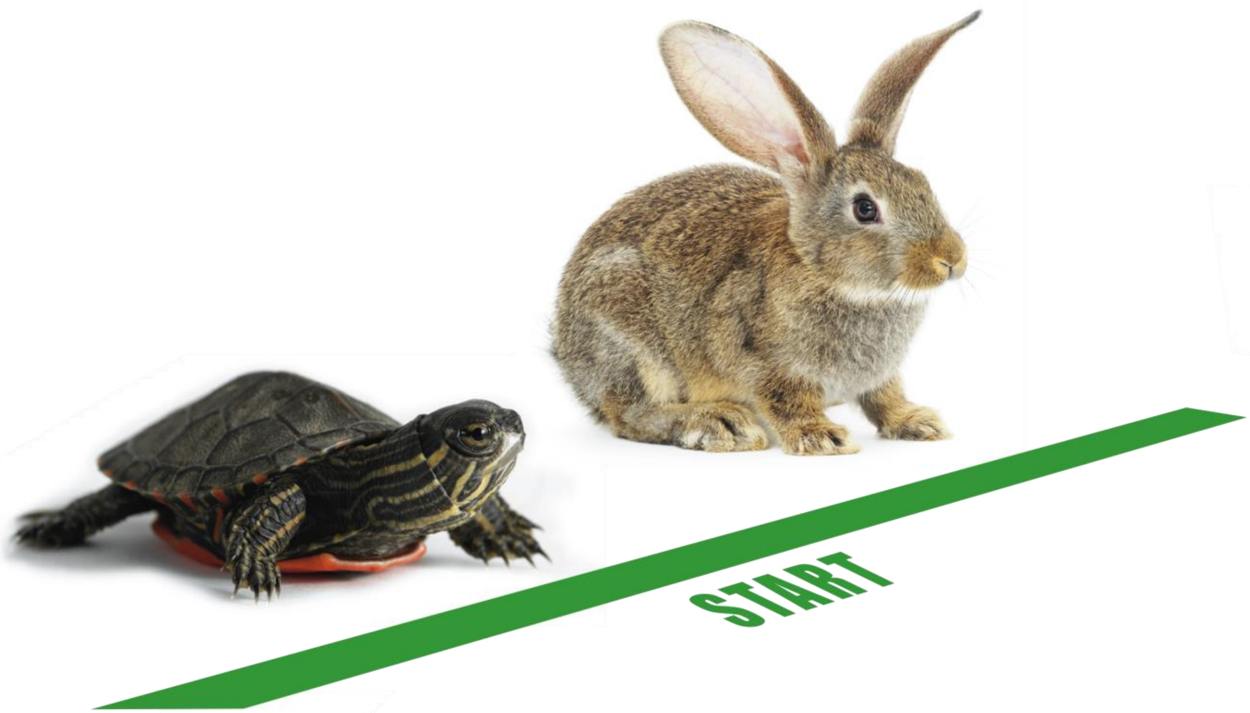
INFORMATION OVERLOAD



We're drowning in information, but starved for solutions.

How can an investor keep up with the flow of news, ideas, and advice that so often contradicts from one day to the next?

HAVE A PLAN



Investing isn't some athletic event where agility and flashes of virtuosity are the secrets of success. Rather, investing really is investing—the methodical accumulation of capital through a sensible and disciplined plan which recognizes that "shares" are not little numbers that jump around in the paper every day.

Annual Performance Rank vs. 10 S&P Sectors		
Year	Utilities	Information Technology
1998	7	1
1999	8	1
2000	1	10
2001	10	9
2002	8	10
2003	6	1
2004	2	9
2005	2	8
2006	3	9
2007	3	4
2008	3	8
2009	9	1
2010	9	8
2011	1	7
2012	10	7
2013	9	5
2014	1	3
2015	8	4
Average Annual Rank	5.5	5.8

Source: Bloomberg and MHI Research & Analysis.

Investing in what you wish you had invested in can be a fool's errand.

The Average Annual Rank 1998–2015

Utilities: 5.5

Information Technology: 5.8

HAVE A PLAN

No investor can hope to succeed without having the ability to stick to a plan. You can't let your convictions be shaken or you'll leap from pillar to post the moment times become difficult, and in the end, have little to show for it.

You'll succeed by fixing your eyes firmly on your long-term commitment to a strategy that is founded on reason and common sense, and supported by historical evidence.

Key to a successful plan is overcoming both external and internal forces.

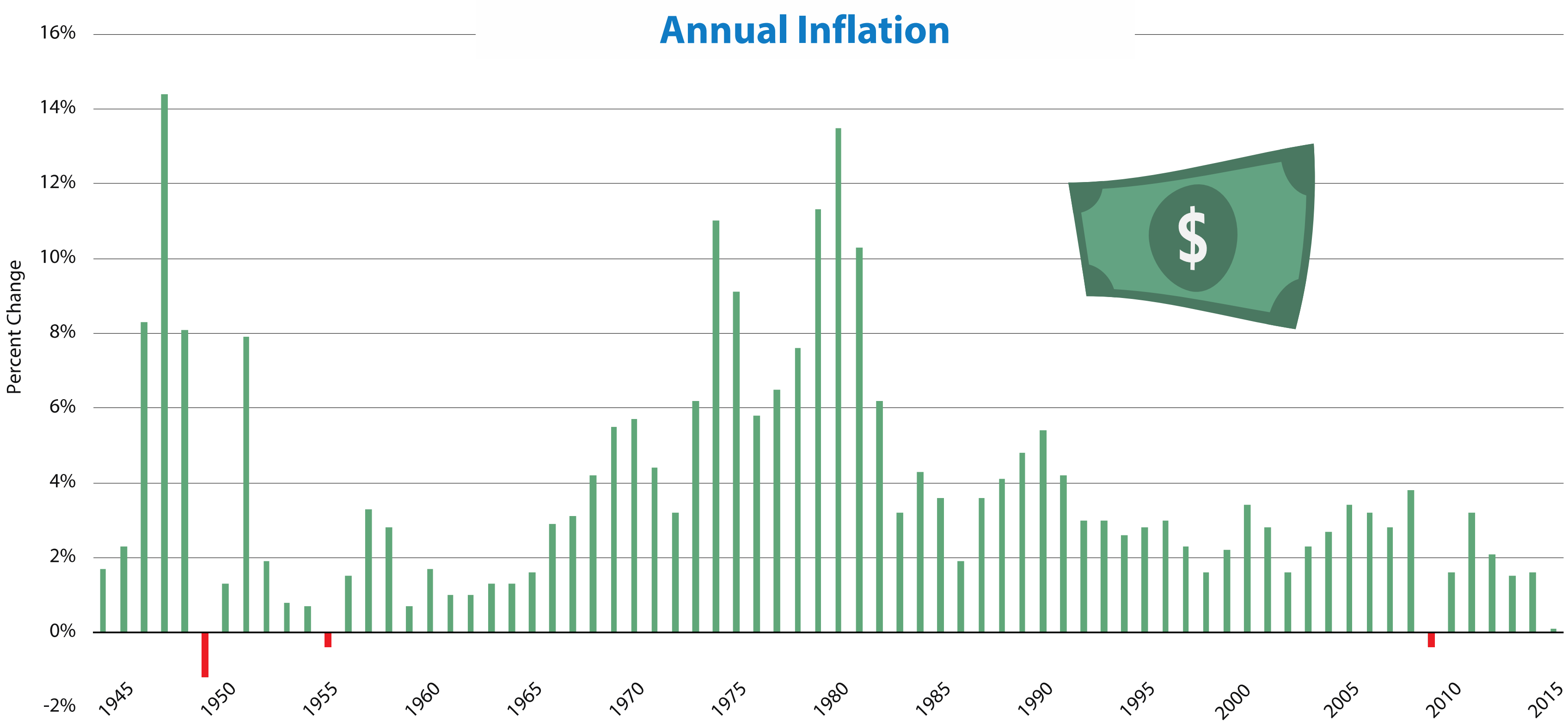
Inflation is the EXTERNAL context in which your investments exist.

It is the starting point and minimum benchmark against which investment performance must be measured.

Emotions are the INTERNAL influencer.

Any strategy must take into account the inherent emotionalism of the human mind and heart, and emerge with a process that inspires faith, calmness, and confidence in the long-term result.

THE SILENT MARCH OF INFLATION



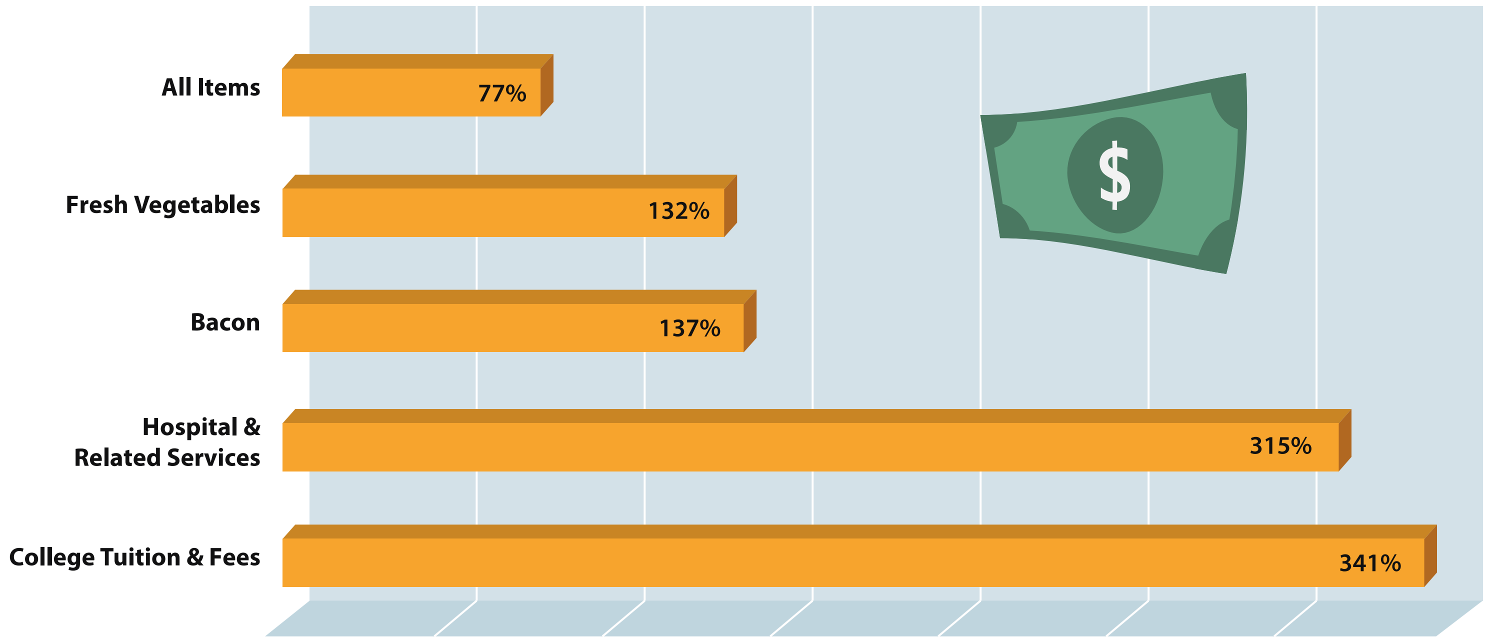
Perhaps because the monthly bill never arrives in the mail, most investors pay far too little heed to the basic underlying context in which their investments exist: **inflation.**

Since World War II there have only been three years in which inflation declined.

Each year a dollar buys a little less.

Source: US Bureau of Labor Statistics; All Urban Consumers; US City Average; Seasonally Adjusted.

Impact of Inflation on the Cost of Goods and Services (1989–2015)



Source: US Bureau of Labor Statistics; All Urban Consumers; US City Average; Seasonally Adjusted. Data shown 1989–2015.

Inflation turns a loaf of bread into a slice of bread, a whole hog into a slice of bacon.

It's not the vehicle that crashes,
it's the nut behind the wheel.

When you lose your comfort level, you become fearful, greedy, superstitious, "intuitive," prayerful, victimized—you enter into all the emotional states that ultimately provoke investing mistakes.

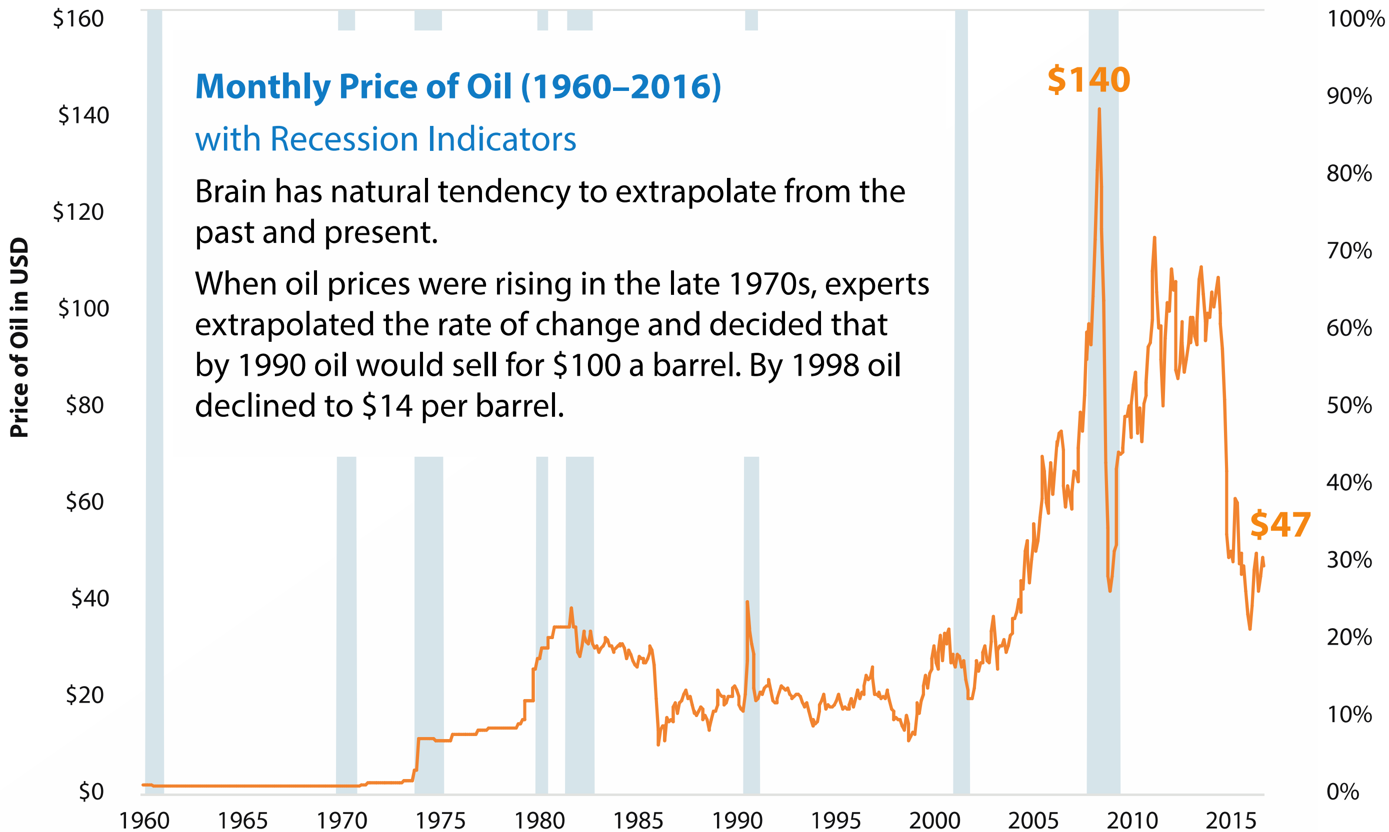
EMOTION AND VOLATILITY

The science of behavioral finance reveals that investors are plagued by emotions—doubts and uncertainties—even when things are going well (Should I sell now or wait for even more gains?).

Unlike other aspects of life, price changes can't be explained away, or rationalized, or denied. They just are.

Once again, smart investing is about having a plan, not trying to predict the future.

BEHAVIORAL FINANCE: EXTRAPOLATION BIAS



Data shown from January 31, 1960, to October 31, 2016.
Source: Bloomberg Crude Oil Historical Price Index (OILPHIST).

It's easy to forget that failures can become successes and successes can become failures.

BEHAVIORAL FINANCE: LOSS AVERSION

Fear of losses has a greater impact on investment decisions than pleasure from gains.

Losing $1 makes investors feel twice as bad as winning $1 makes them feel good.

In other words, a loss appears larger to most people than a gain of equal size.

The more frequently an investor evaluates potential outcomes, the less risk an investor is likely to take.

BEHAVIORAL FINANCE: MENTAL ACCOUNTING

or

Imagine that upon arriving at a Broadway theater you discover you've lost your $50 ticket. Now let's say you arrive at the theater ready to buy a ticket and discover you've lost $50 in cash.

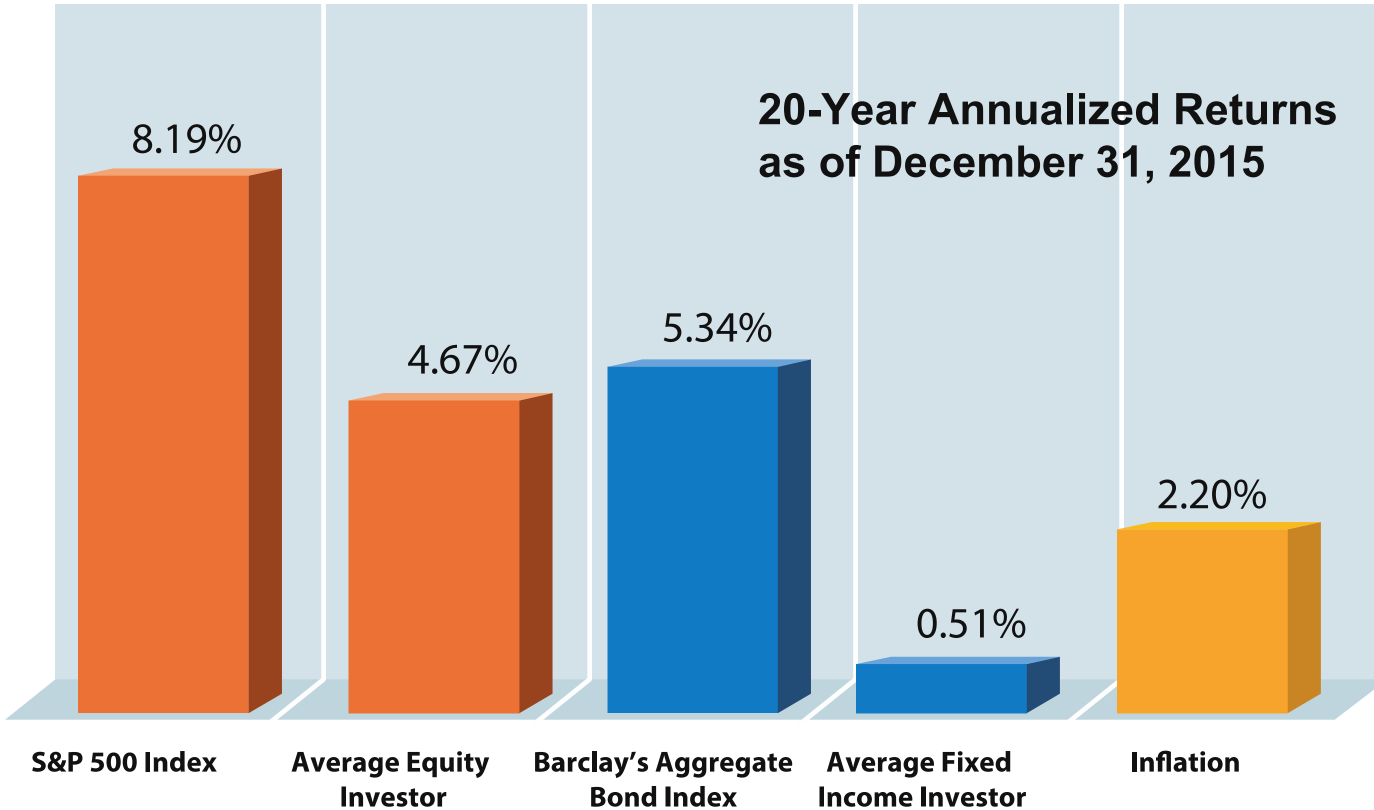
Would you pay another $50 for another ticket?

In one study, only 46% said they'd buy another ticket if they'd lost the first one, while 88% said they'd still buy a ticket if they had just lost the cash.*

Although irrational, people tend to separate their money into different accounts based on subjective criteria, which can lead to poor decisions.

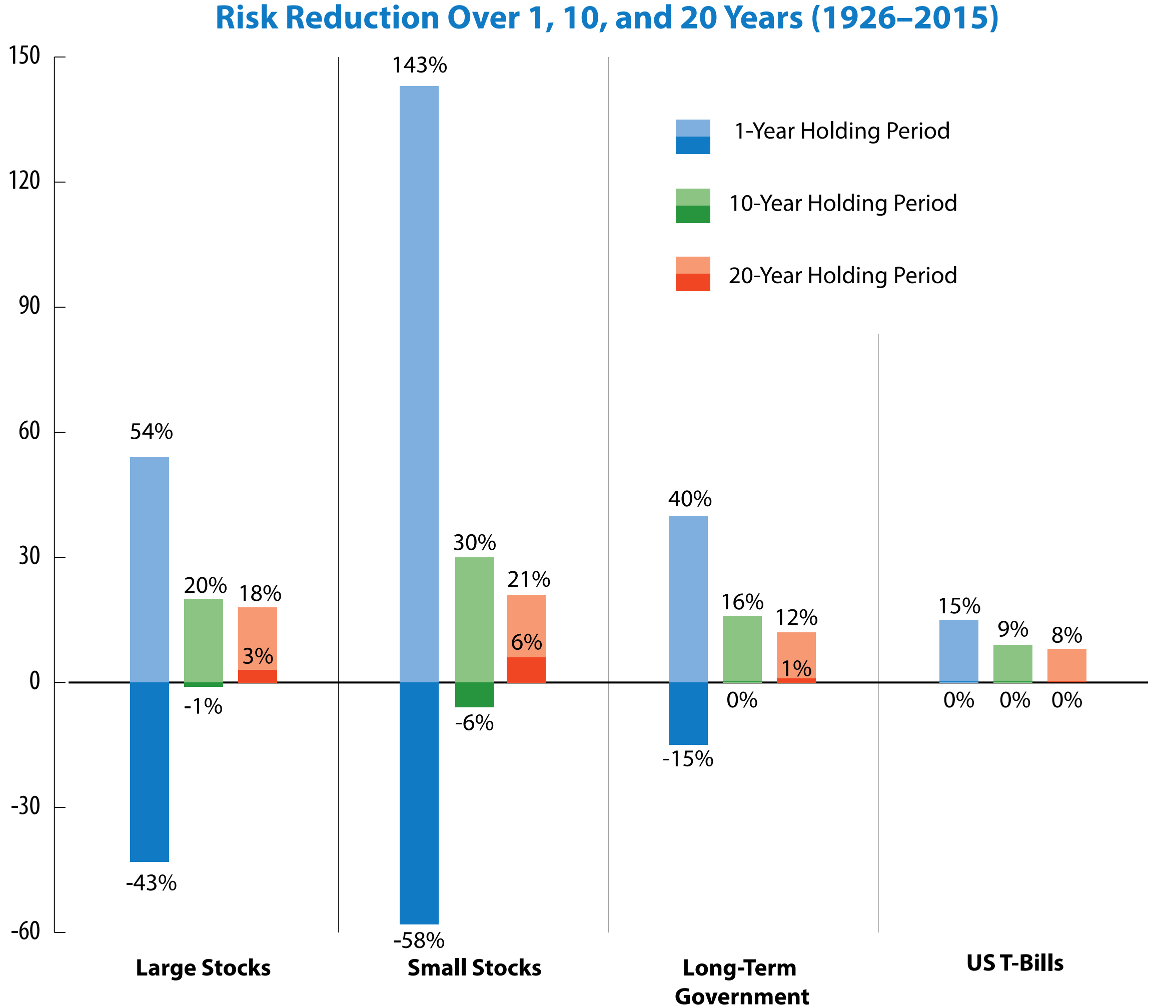
*Amos Tversky and Daniel Kahneman, "The Framing of Decisions and The Psychology of Choice," 1981.

TIME IN THE MARKET, NOT TIMING THE MARKET



Source: Sources: DALBAR, S&P, Barclays, MHI Research & Analysis. Average equity investor and average bond investor performance results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions, and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees, expenses, and any other costs. After calculating investor returns in dollar terms, two percentages are calculated for the period examined: total investor return rate and annualized investor return rate. Total return rate is determined by calculating the investor return dollars as a percentage of the net of the sales, redemptions, and exchanges for each period.

LEARNING TO LOVE FLUCTUATIONS



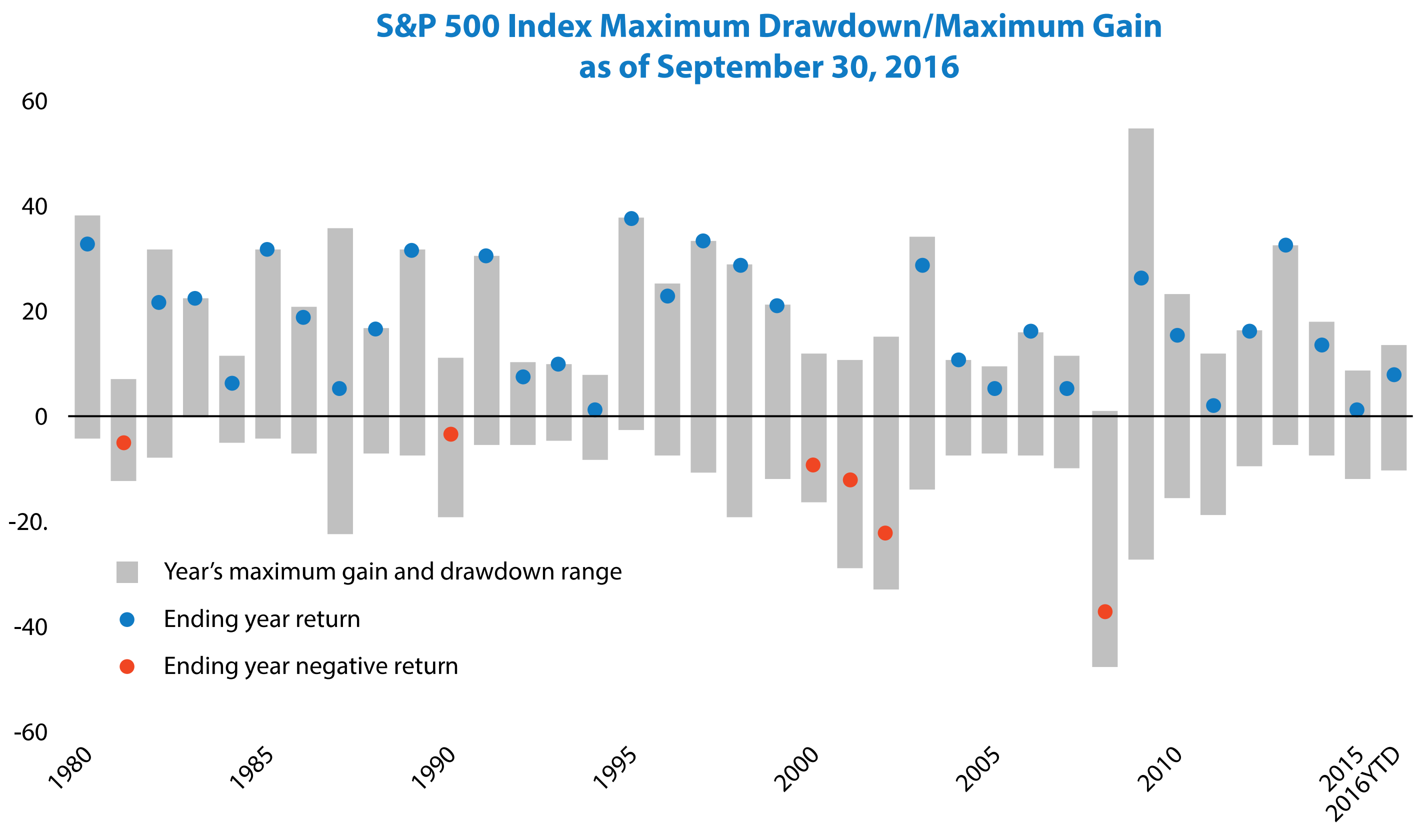
Source: Morningstar Direct Ibbotson Associates SBBI Datasets; Average Returns for 1926–2015 for a rolling 1-Year window at 1-Year intervals are: Large Stocks, 12%; Small Stocks, 16%; Long-term Gov't, 6%; U.S. T-Bills, 3%.

Conservative investors will seek investments that have an acceptable level of fluctuations, and are easy to hold or buy more of during periods of decline.

Understanding risk involves assessing how often and how deeply the value of your investments will fluctuate, and whether you will be paid enough to accept that bouncing.

Your emotional relation—or better yet, your lack of emotional relation—to your investment will make all the difference between good and bad decisions.

LEARNING TO LOVE FLUCTUATIONS



Source: MHI Research & Analysis; Morningstar Direct; and S&P 500 Index.

Though every year over the past 35 years has had negative returns at one point during the year, there have only been 6 years when the S&P 500 Index has ended with a negative return.

The S&P 500 Index has averaged gains of approximately 10% annually over the last 87 years.

Question:

Out of those 87 years, how many times did the Index grow at approximately its average (8%–12%)?

Answer:

4 Years

1959	11.95%
1968	11.04%
1993	10.07%
2004	10.88%

Annual returns shown for the period 1928–2015.
Source: Bloomberg.

The Extreme Ups and Downs of the S&P 500 Index

Less than -20%		-16% to -12%		-12% to -8%		-8% to -4%		-4% to 0%		0 to 4%	
1930	-28.48%	1932	-14.78%	1929	-11.91%	1934	-4.71%	1939	-0.07%	1960	0.45%
1931	-47.07%	1973	-14.69%	1940	-9.55%	1977	-7.16%	1953	-0.94%	1970	3.94%
1937	-34.73%			1941	-11.59%	1981	-4.92%	1990	-3.18%	1994	1.31%
1974	-26.47%			1946	-8.02%					2011	2.11%
2002	-22.10%			1957	-10.72%					2015	1.37%
2008	-37.00%			1962	-8.66%						
				1966	-10.02%						
				1969	-8.40%						
				2000	-9.10%						
				2001	-11.89%						

4% to 8%		8% to 12%		12% to 16%		16% to 20%		20% to 30%		Greater than 30%	
1947	5.63%	1959	11.95%	1965	12.46%	1944	19.54%	1942	20.15%	1928	37.88%
1948	5.37%	1968	11.04%	1971	14.30%	1952	18.16%	1943	25.63%	1933	44.08%
1956	6.48%	1993	10.07%	2006	15.78%	1964	16.43%	1949	23.61%	1935	41.37%
1978	6.57%	2004	10.88%	2010	15.06%	1972	19.00%	1951	23.84%	1936	33.74%
1984	6.27%			2012	15.99%	1979	18.61%	1961	26.88%	1938	30.07%
1987	5.25%			2014	13.68%	1986	18.67%	1963	22.76%	1945	36.33%
1992	7.62%					1988	16.61%	1967	23.89%	1950	32.62%
2005	4.91%							1976	23.93%	1954	52.27%
2007	5.57%							1982	21.55%	1955	31.41%
								1983	22.56%	1958	43.15%
								1996	22.91%	1975	37.23%
								1998	28.55%	1980	32.50%
								1999	21.04%	1985	31.72%
								2003	28.66%	1989	31.67%
								2009	26.45%	1991	30.40%
										1995	37.54%
										1997	33.32%
										2013	32.37%

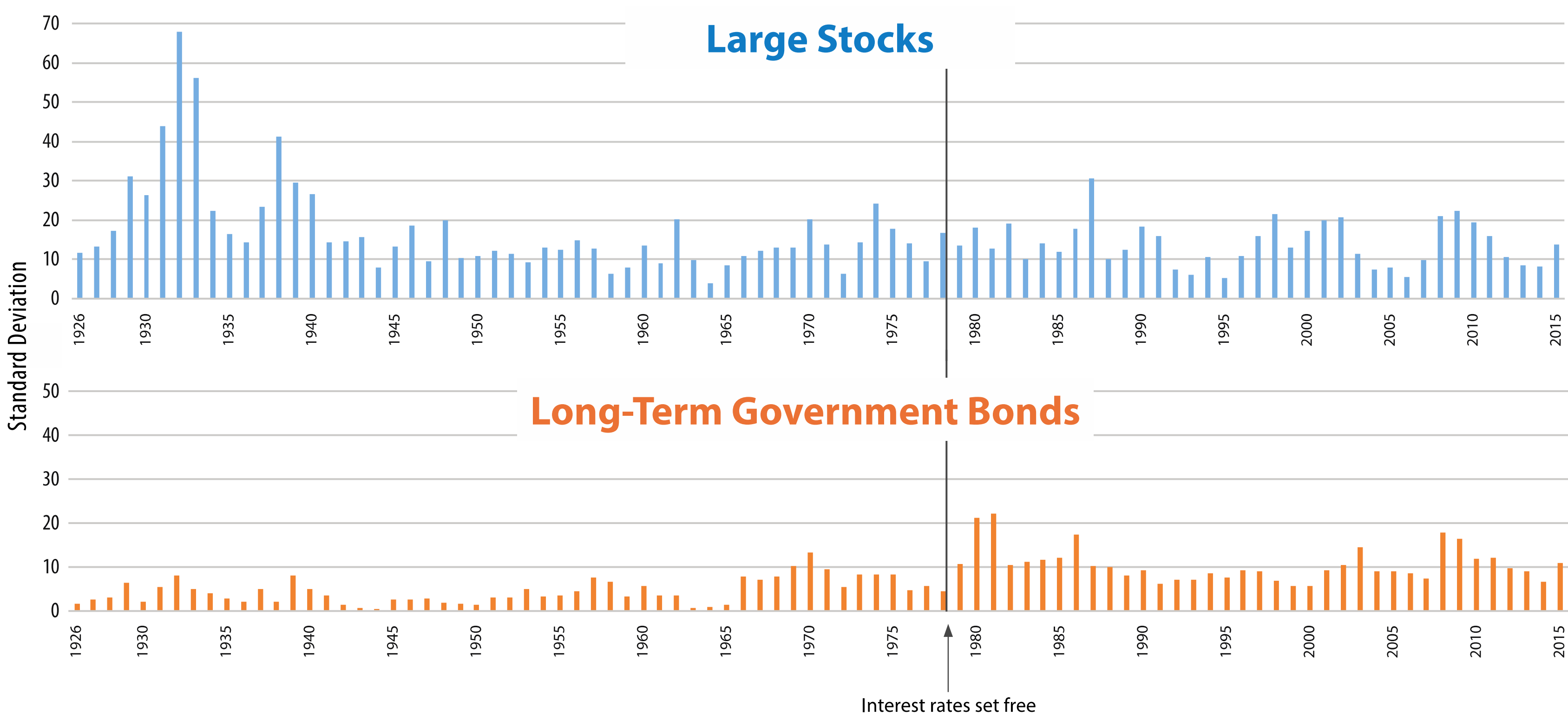
The S&P 500 Index had annual gains of 8%–12% in only 4 out of 87 years.

Source: Bloomberg

FLUCTUATIONS ARE NORMAL

Volatility is not limited to stocks.

The bond market is more volatile since interest rates were set free in 1978, but many investors remain anchored in the past.



Data shown is 1926–2015.
Source: Morningstar Direct Ibbotson Associates SBBI Datasets / MHI Research & Analysis.

The Single Best Investment strategy is not about "playing the market."

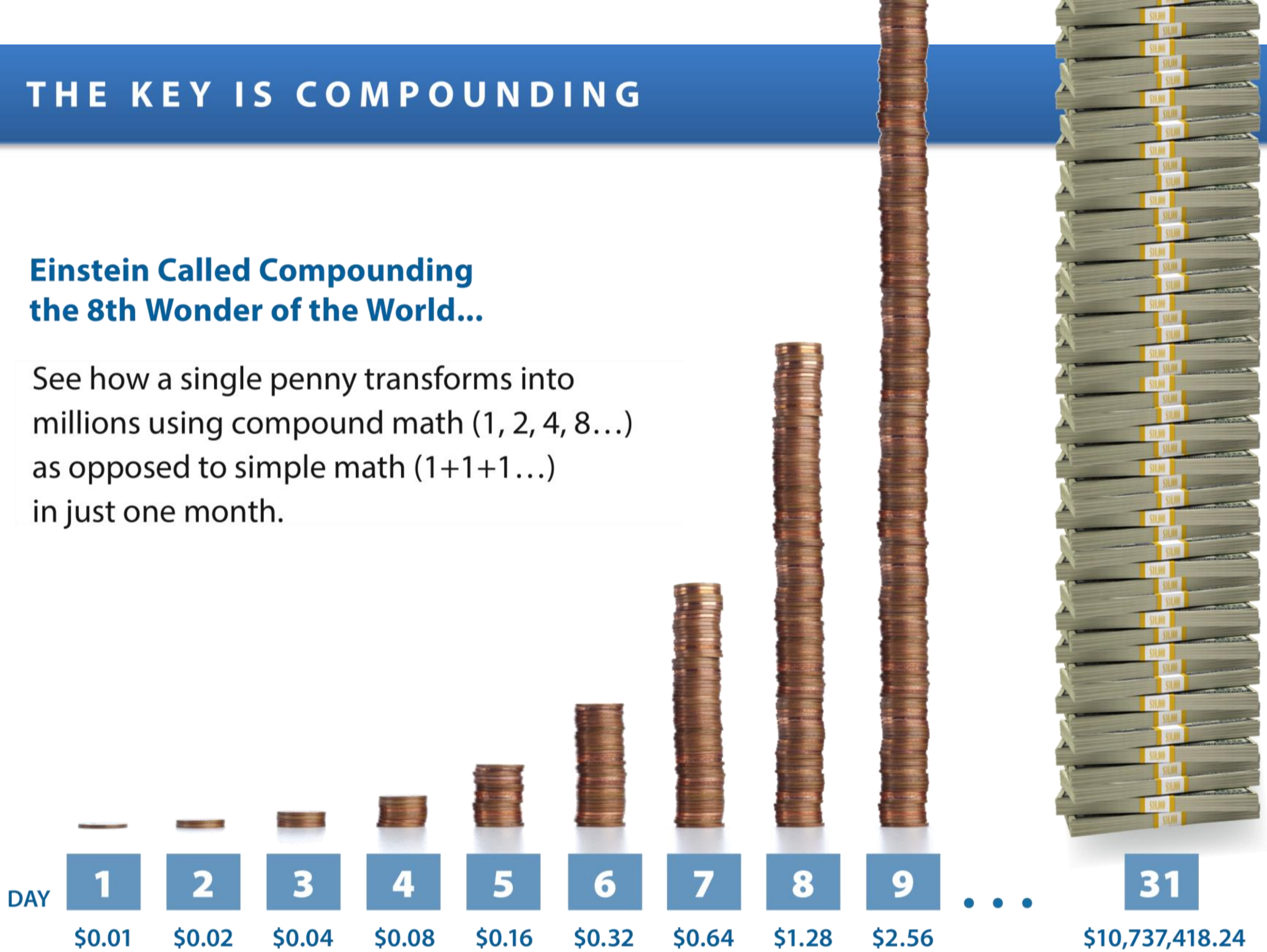
It's about being a partner in an enterprise, and beyond that it's really about creating a kind of compounding machine that sits quietly off in the corner working for you while you go about your business.

It's about harnessing the true power of time and growth, the incredible accumulation of modest gains into enormous ones, which is the essence of ***compounding.***

THE KEY IS COMPOUNDING

Einstein Called Compounding the 8th Wonder of the World...

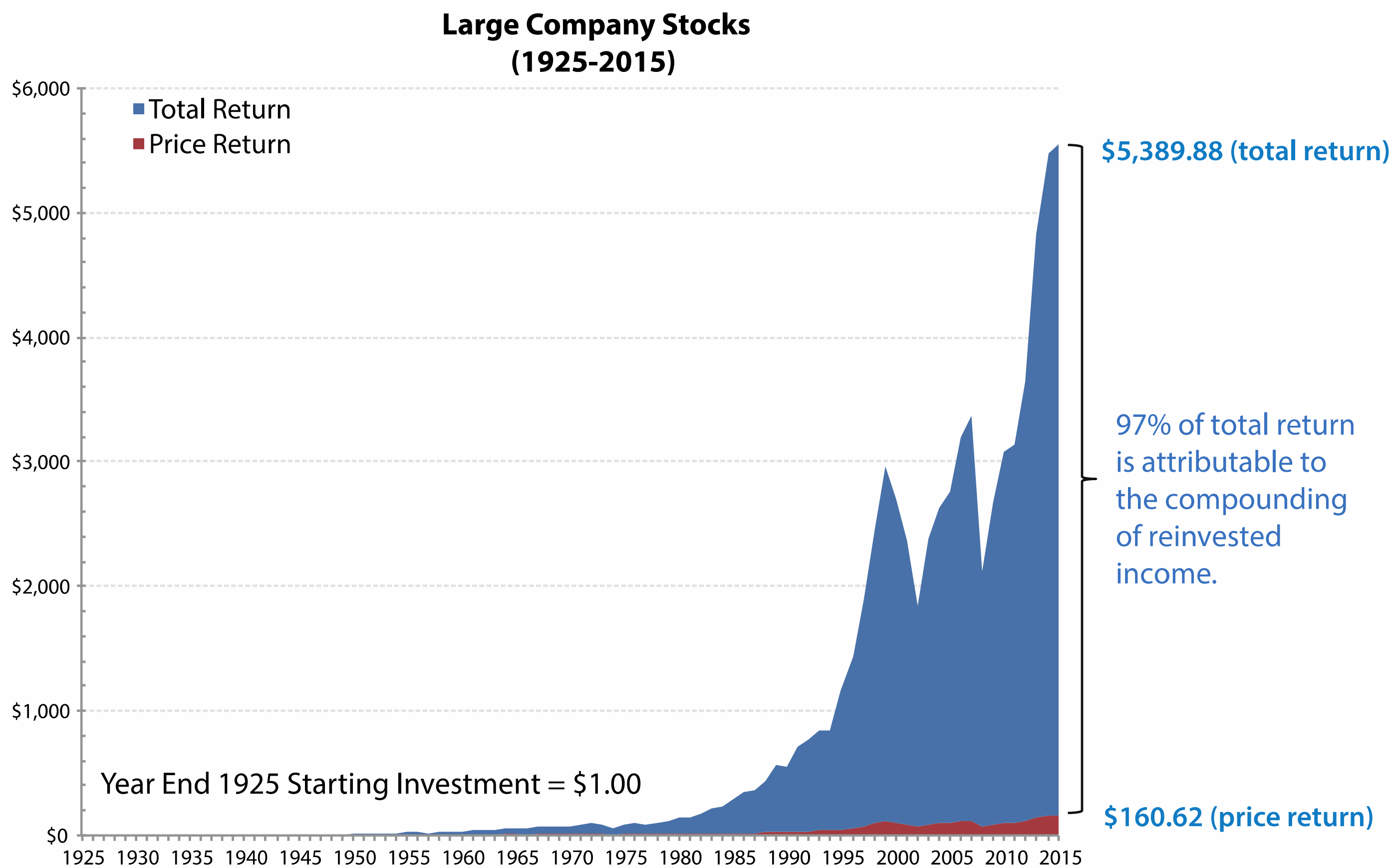
See how a single penny transforms into millions using compound math (1, 2, 4, 8…) as opposed to simple math (1+1+1…) in just one month.



Source: MHI Research & Analysis.

THE KEY IS COMPOUNDING

It's about harnessing the true power of time and growth, the accumulation of modest gains into enormous ones, which is the essence of compounding.



Source: 2016 Stocks, Bonds, Bills, and Inflation (SBBI) Yearbook.

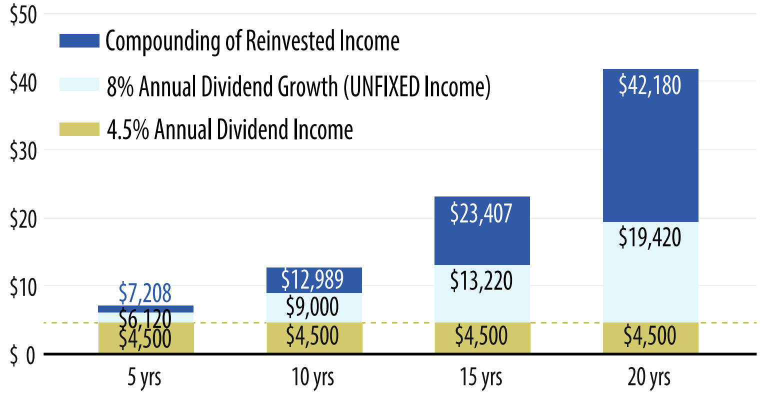
Miller Howard INVESTMENTS

THE KEY IS COMPOUNDING

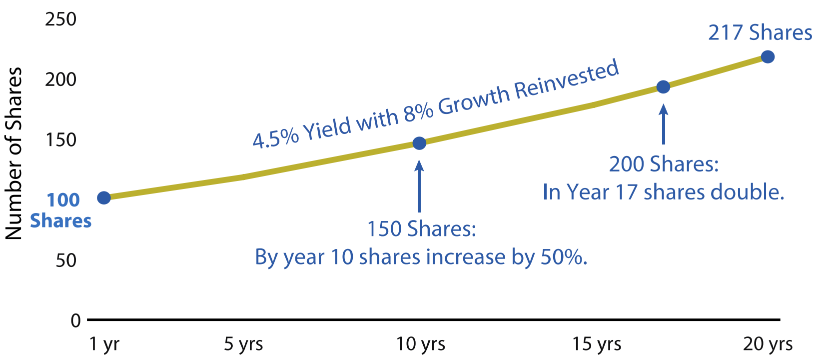
Rising dividends coupled with the reinvestment of dividends can be powerful.

Combine compounded income with income that grows consistently over time—from a basket of high-quality companies—and you have the building blocks for a durable, sound investment philosophy.

4.5% Yield with 8% Dividend Growth Hypothetical $100,000 Investment [1, 2, 3]



Dividend Yield Reinvested Can Result in Compounding of Shares [2, 3]



www.mhinvest.com/yoi

Source: MHI Research & Analysis.

1. Methodology: Assumes an initial investment of $100,000 (with no fluctuation in price of the underlying stocks) yielding 4.5% generates $4,500 in income annually. By increasing the dividend by 8% annually over 20 years, the yield on the original investment is 19.4%, offering a total return of $19,420. When dividends are reinvested with an 8% annual yield over 20 years, the yield on the original investment grows to 42.2%, offering a total return of $42,180. The results and projections noted are based on the assumptions and are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. There can be no assurance that the projected or simulated results will be achieved or sustained. Actual results will vary, and such results may be better or worse than the simulated scenarios. Investors should be aware this demonstrates hypothetical dividend growth. Since dividends cannot be negative, there can be no losses. However, income could be less than projected and there is the potential for loss (or gain) on the initial investment.

2. Illustration shown is hypothetical and does not take into account any fees, expenses, or taxes associated with an actual investment. If these costs had been taken into consideration, results would have been lower. The data is not intended to represent past, or be indicative of future, investment performance. Calculations, such as the one used to produce this hypothetical result, are provided for educational purposes only and are educational in nature, not individualized, and not intended to serve as the primary or sole basis for investment or tax-planning decisions.

3. Above hypotheticals assume no income is withdrawn from the hypothetical accounts.

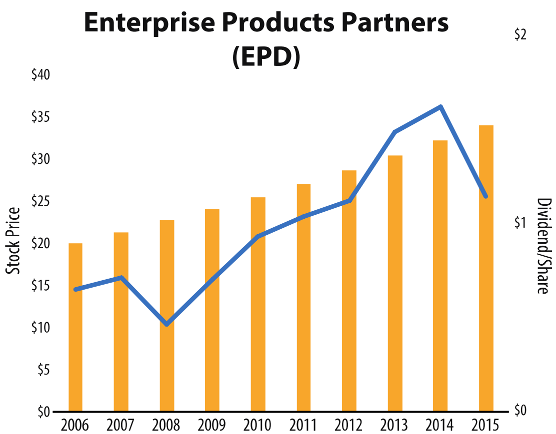
Common stocks do not ensure dividend payments. Dividends are paid only when declared by an issuer's board of directors, and the amount of any dividend may vary over time. Dividend yield is one component of performance and should not be the only consideration for investment. Past performance is no guarantee of future results. There is no guarantee that a company will continue to pay a dividend. The data presented does not take into account any fees or expenses associated with an actual investment. If these costs had been taken into consideration, results would have been lower. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your investment. Actual performance may be higher or lower than the performance data shown.

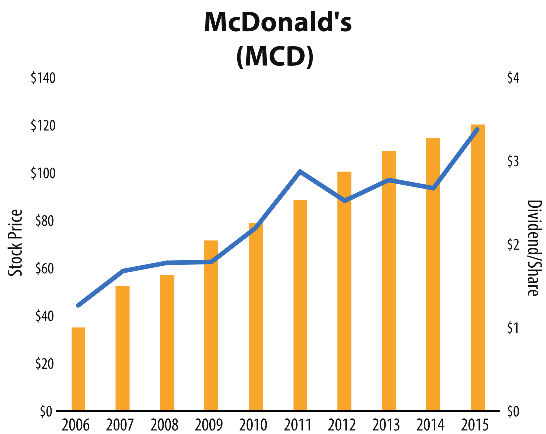
Dividend growth drives compounding.

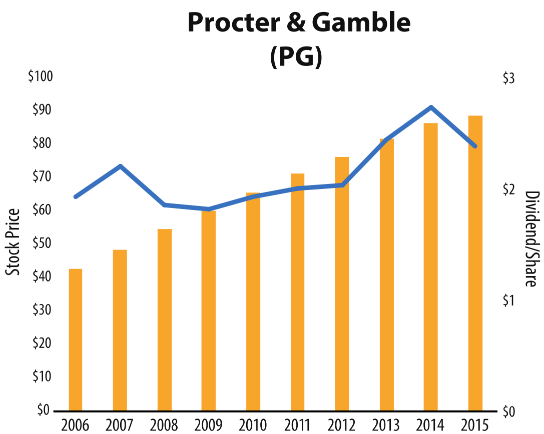
You get the income that increases to meet or surpass inflation, and you get the effect of that rising income on the stock price, which often makes the stock more valuable.

Stocks don't just compete with other stocks for investors' dollars, they also compete with interest rate instruments—
and fixed income never grows.

The value of an asset should be a multiple of the income it produces. Higher income should lead to higher valuations.







Source: Bloomberg and MHI Research & Analysis. Data shown December 31, 2005, through December 31, 2015. Methodology in selecting 3 stocks shown: Ranking of stocks based on inclusion in both the Dividend Achievers and Dividend Aristocrats indexes and ranked by 5-year historical dividend growth. Limiting the selection to one stock per industry, the top 3 ranked stocks were selected.

Common stocks do not ensure dividend payments. Dividends are paid only when declared by an issuer's board of directors, and the amount of any dividend may vary over time. Dividend yield is one component of performance and should not be the only consideration for investment. **Past performance is no guarantee of future results. There is no guarantee that a company will continue to pay a dividend.** The data presented does not take into account any fees or expenses associated with an actual investment. If these costs had been taken into consideration, results would have been lower. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your investment. Actual performance may be higher or lower than the performance data shown.

IMPORTANCE OF INCOME

Income adds to total return: (Price + Income)

Income allows flexibility: Choose to spend or reinvest

Income helps you avoid spending principal: Useful when markets are low

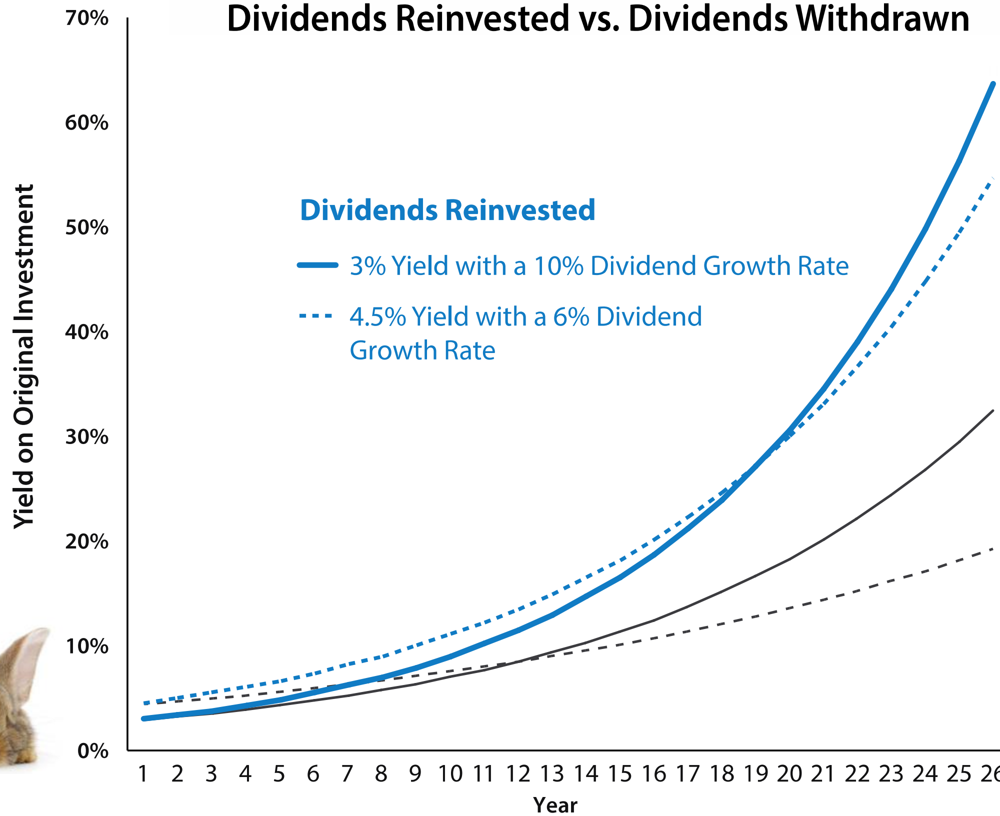
Growing income fights inflation: Helps maintain purchasing power

Real estate analogy: Property produces income, rents rise over time, and rising rents make property more valuable.

INCOME VS. INCOME GROWTH

Income Yield on Original Investment (YOI)

Dividends Reinvested vs. Dividends Withdrawn



Slow and steady wins the race.

www.mhinvest.com/yoi

Source: MHI Research & Analysis.

IMPORTANT: Projections regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. The projections are based on assumptions. There can be no assurance that the projected or simulated results will be achieved or sustained. Actual results will vary, and such results may be better or worse than the simulated scenarios. Investors should be aware this chart is only demonstrating hypothetical dividend growth. Since dividends cannot be negative, there can be no losses. However, income could be less than projected, and the potential for loss (or gain) may be greater than demonstrated in this projection.

This example is not individualized, nor intended to serve as the primary or sole basis for any investment or tax-planning decision. As with all investments, individuals must make their own determination whether an investment in any particular security or securities is consistent with their investment objectives, risk tolerance, financial situation, and their evaluation of the security. Investors should review their decisions periodically to make sure they are still consistent with the investor's goals. It is recommended that individuals contemplating any investment consult a professional tax or financial advisor about their individual situation.

INCOME VS. INCOME GROWTH

HIGH-QUALITY STOCKS

+

HIGH DIVIDEND YIELD

+

HIGH GROWTH OF YIELD

=

POTENTIAL FOR HIGH TOTAL RETURN

DISCLOSURE

Miller/Howard Investments Inc. is an employee-owned, registered investment advisor specializing in multi-cap, core equity management and dividend strategies.

All investments carry a certain degree of risk, including possible loss of principal. It is important to note that there are risks inherent in any investment and there can be no assurance that any asset class will provide positive performance over any period of time. Stocks of small and medium-sized companies are often associated with higher risk, including higher volatility. This information is intended solely to report on investment strategies as reported by the investment manager. Opinions and estimates offered constitute their judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. **Past performance is no guarantee of future results.**

Hypothetical past performance in this report is for illustration purposes only. You would not necessarily have obtained these performance results if you had held this strategy for the periods indicated. Actual performance results of accounts vary due to factors such as the timing of contributions and withdrawals, client restrictions, rebalancing schedules, fees, and costs.

These materials are solely informational. Legal, accounting and tax restrictions, transaction costs, and changes to any assumptions may significantly affect the economics of any transaction. The information and analyses contained herein are not intended as tax, legal, or investment advice and may not be suitable for your specific circumstances; accordingly, you should consult your own tax, legal, investment, or other advisors, at both the outset of any transaction and on an ongoing basis, to determine such suitability.

Do not use this report as the sole basis for investment decisions. Do not select an allocation, investment discipline, or investment manager based on performance alone. Consider, in addition to performance results, other relevant information about each investment manager, as well as matters such as your investment objectives, risk tolerance, and investment time horizon.

Common stocks do not assure dividend payments. Dividends are paid only when declared by an issuer's board of directors, and the amount of any dividend may vary over time. Dividend yield is one component of performance and should not be the only consideration for investment.

Certain past performance information in this report is gross performance and does not reflect the deduction of investment management fees and other expenses that would apply if you invest with this manager. The fees and expenses incurred in managing any investment advisory account would reduce your returns.

Manager Profile. You should read the investment manager profile, available from your investment representative. The investment manager profile gives further details on the sources of performance information for a particular investment manager, as well as other information on calculating the manager's performance returns. No representation is made that future returns will approximate past results, and none should be implied.

DEFINITIONS

Following are definitions generally used by Miller/Howard strategies. Not all definitions and benchmarks will apply to all strategies.

Alpha—is a measure of value added. It is the Y intercept of the regression line.

Beta—is the slope of the regression line. Beta measures the risk of a particular investment relative to the market as a whole (the "market" can be any index or investment you specify). It describes the sensitivity of the investment to broad market movements. For example, in equities, the stock market (the independent variable) is assigned a beta of 1.0. An investment that has a beta of .5 will tend to participate in broad market moves, but only half as much as the market overall.

Morningstar Risk-Adjusted Return—is adjusted for risk by calculating a risk penalty for each investment's return based on "expected utility theory," a commonly used method of economic analysis. The "risk penalty" is subtracted from each investment's total return, based on the variation in its month-to-month return during the rating period, with an emphasis on downward variation.

R-Squared (R^2)—of a manager versus a benchmark is a measure of how closely related the variance of the manager returns and the variance of the benchmark returns are.

Sharpe Ratio—is a return/risk measure developed by William Sharpe. Return (numerator) is defined as the incremental average return of an investment over the risk-free rate. Risk (denominator) is defined as the standard deviation of the investment returns.

Standard Deviation—measures the dispersal or uncertainty in a random variable (in this case, investment returns). It measures the degree of variation of returns around the mean (average) return. The higher the volatility of the investment returns, the higher the standard deviation will be. For this reason, standard deviation is often used as a measure of investment risk.

Up Capture/Down Capture Ratio—shows how a portfolio has performed relative to a benchmark during periods of market strength and weakness.

DISCLOSURE

The benchmark data from which this report is prepared has been provided by sources generally considered reliable. The index performance figures contained in this report do not reflect the deduction of investment advisory fees. Index returns are presented on a total-return basis unless otherwise stated.

Alerian MLP Index is the leading gauge of energy Master Limited Partnerships (MLPs). The float-adjusted, capitalization-weighted index, whose constituents represent approximately 85% of total float-adjusted market capitalization, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

Barclays Municipal Bond Index, formerly Lehman Municipal Bond Index, seeks to provide investment results that correspond generally to the price and yield performance of the Lehman Brothers Municipal Managed Money Index. The index is a rules-based, market-value-weighted index engineered for the tax-exempt bond market.

Barclays Capital Long US Treasury Index includes all publicly issued, US Treasury securities that have a remaining maturity of 10 or more years, are rated investment grade, and have $250 million or more of outstanding face value. In addition, the securities must be denominated in US dollars and must be fixed rate and nonconvertible. The Long US Treasury Index is market capitalization weighted.

Bloomberg Crude Oil History ticker tracks monthly crude prices in US dollars per barrel dating back from 1861. Prices from 1861 to 1950 are taken from BP statistical review. Prices from 1951 to April 1983 are Bloomberg Arabian Gulf Arab Light Crude Spot prices; prices from May 1983 to current are Bloomberg Arabian Gulf Arab Light Crude Spot prices; and prices from May 1983 to current are Bloomberg West Texas Intermediate Cushing Crude Spot price.

Bloomberg North America Independent E&Ps Valuation Peers Index is an equal-weighted index that consists of North American Independent Exploration & Production companies. The index is calculated by Bloomberg.

Dow Jones Utilities Average is a price-weighted average of the 15 utility companies that are listed on the New York Stock Exchange and are involved in the production of electrical energy.

Energy Select SPDR (XLE) is an Exchange-Traded Fund (ETF) that tracks the Energy Sector Index, or the energy sector of the S&P 500 Index (SPX). The fund invests up to 95% of its total assets in common stocks in the Oil, Natural Gas, and Oil & Gas Drilling & Exploration industries.

FTSE NAREIT All Equity REITs Index is a free float adjusted, market capitalization weighted index that includes all tax-qualified REITs listed on the NYSE, AMEX, and NASDAQ National Market.

ISE-Revere Natural Gas Index is an equal-weighted index consisting of exchange-listed companies that derive a substantial portion of their revenues from the exploration and production of natural gas.

Moody's Corporate Baa Bond yields: Data used is the Moody's Bond Indices Corporate Baa Index (TickerMOODCBAA). Yields are released by Moody's on a one-day lag basis and are available for the previous day at approximately 11 AM EST the following day.

Morningstar Global Equity Infrastructure Index is part of the Morningstar Global Equity Index family. The Infrastructure Index provides global, diversified exposure to equity issuers identified as infrastructure-related companies from the 18 industries that meet the Morningstar definition of the infrastructure asset class.

MSCI EAFE Index® is recognized as the preeminent benchmark in the United States to measure international equity performance. It comprises 21 MSCI country indexes, representing the developed markets outside of North America: Europe, Australasia, and the Far East.

Russell 1000 Index measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000® Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of market capitalization of the US market.

Nasdaq US Broad Dividend Achievers Index comprises US accepted securities with at least 10 consecutive years of increasing annual regular dividend payments.

Russell 2000 Index measures the performance of the small-cap segment of the US equity universe and is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

Russell 3000 Index measures the performance of the 3,000 largest US companies based on total market capitalization representing approximately 98% of the investable US equity market.

Russell 3000 Value Index offers investors access to the broad value segment of US equity value universe and is constructed to provide a comprehensive and unbiased barometer of the broad value market.

Russell 3000 Growth Index measures the performance of the broad growth segment of the US equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Utilities Index is a broad, all-cap utility index that includes telecommunications and natural gas utility companies and comprises over 100 utility stocks that are included in the Russell 3000 Index.

Russell Midcap Defensive Index measures the performance of the mid-cap defensive segment of the US equity universe. It includes those Russell Midcap index companies with relatively stable business conditions that are less sensitive to economic cycles, credit cycles, and market volatility based on their stability variables. Stability is measured in terms of volatility (price and earnings), leverage, and return on assets.

S&P 500 Index contains approximately 500 stocks chosen for market size, liquidity, and industry group representation. The index generally has represented about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total-return basis with dividends reinvested.

S&P MLP Index provides investors with exposure to the leading partnerships that trade on the NYSE and NASDAQ and includes both Master Limited Partnerships (MLPs) and publicly traded LLC's, which have similar legal structure to MLPs and share the same tax benefits.

S&P 500 Utilities Index is an unmanaged, market value–weighted total-return index of all utility stocks in the S&P 500 Index.

10-Year and 30-Year Treasury Bond Yields are yield to maturity and pretax. Indices have increased in precision as of May 20, 2008, to 4 decimal places. The rates comprise Generic United States on-the-run government bill/note/bond indexes.

US TREAS T-Bill Auction Average 3 Month measures the average yield of 3-month US Treasury bills, based on the results of the most recent Treasury auctions.

DISCLOSURE

Certain portfolios invest in units of Master Limited Partnerships (MLPs).

Risk Factors to Consider When Investing in MLPs:

- Cash distributions are not guaranteed and may fluctuate with the MLP's operating or business performance.
- MLPs typically have a General Partner that maintains an aggregate 2% General Partner interest. Unit holders will have limited voting rights and do not own an interest in, vote with, or control the General Partner. The General Partner often cannot be removed without its own consent, and the General Partner has conflicts of interest and limited fiduciary responsibilities that may permit it to favor its own interests to the detriment of unit holders.
- The MLP may issue additional common units, diluting existing unit holders' interests.
- Unit holders may be required to pay taxes on income from the MLP even if they do not receive cash distributions.
- The IRS could reclassify the MLP as a taxable entity, which could reduce the cash available for distribution to unit holders.
- If at any time the GP owns 85% or more of the issued and outstanding limited partner interests, the GP will have the right to purchase all of the limited partnership interests not held by the GP at a price that may be undesirable.

Tax Considerations of MLPs:

The tax treatment for investors in MLPs is different from that of an investment in stock, including: (a) the investor's share of the MLP's income, deductions, and expenses are reported on Schedule K-1, not Form 1099; **(b) because of the possibility of unrelated business taxable income, charitable remainder trusts should not invest in this strategy, and other nontaxable investors (such as ERISA and IRA accounts) should carefully consider whether to invest in this strategy;** (c) investors may have to file income tax returns in states in which the MLPs do business; and (d) MLP tax information is sent directly from the partnership, which generally has until April 15th to provide this information. You should discuss these and any other tax implications with your tax advisor.