



DIVIDEND ASSETS CAPITAL, LLC

INVESTMENT ADVISORS

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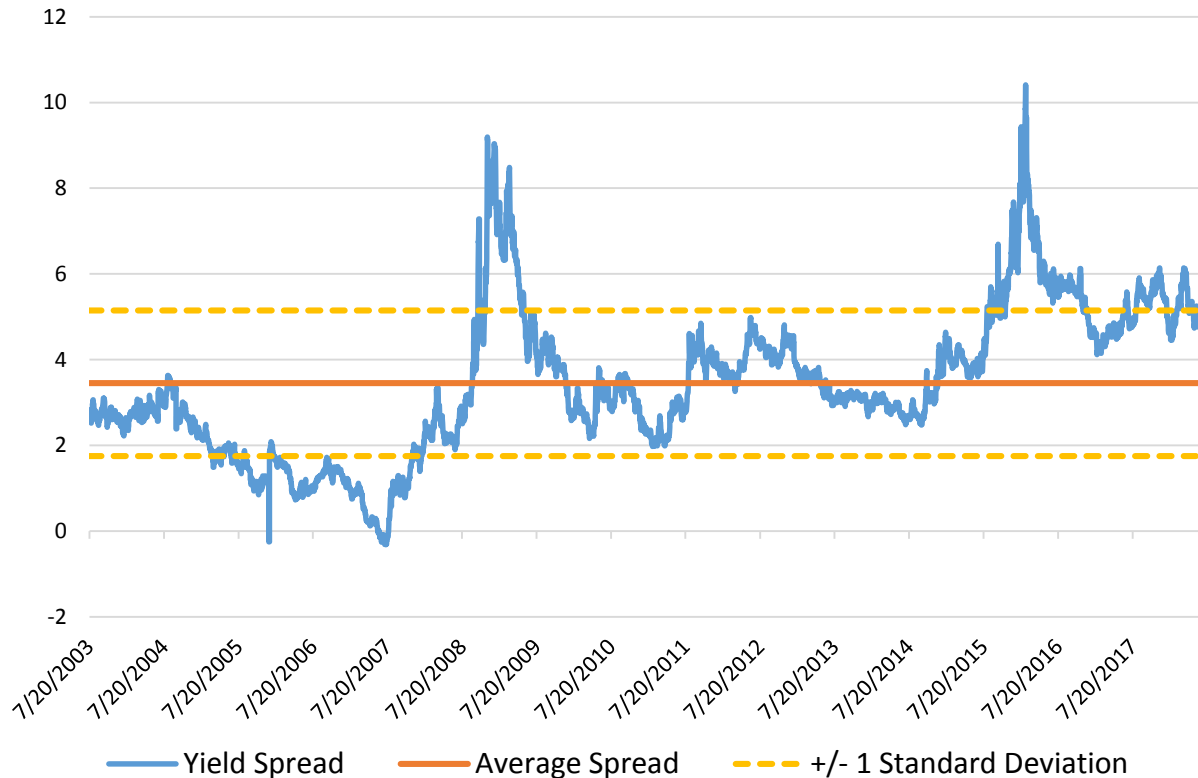
MLP Insights

July 19, 2018

The material presented is for information purposes only and should not be construed as an investment recommendation or investment advice. Investment in securities of Master Limited Partnerships (“MLPs”) involves risks that differ from investments in common stocks. Loss of principal may occur. *All performance information is of certain indices and not the performance of a portfolio or strategy managed by Dividend Assets Capital.* PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. SEE INDEX DEFINITIONS, MLP RISK DISCLOSURES, AND GENERAL DISCLOSURES AT THE END OF THIS PRESENTATION.

Attractive MLP Valuation - Yield

Yield spread between the Alerian MLP Index and 10-Year Treasuries



- As of 7/19/2018, the Alerian MLP Index yield was 7.71%, 487 bps above the 10-Year Treasury yield of 2.83%.
- For periods during the past thirteen years when this yield spread has been equal to or greater than 487 bps, the total return of the Alerian MLP Index in the subsequent 12-month period has averaged over 22%.
- Generally, under normal market conditions, MLPs tend to generate predictable cash flows through contractual agreements. The use of yields as a valuation metric has become a popular way for the industry to measure MLPs on a historical basis.

Source: Data as of July 19, 2018. Bloomberg and DAC

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Dividends as Part of Total Return

Price and Total Return for Alerian MLP Index



- A 6.6% dividend reinvestment rate delivered a total annual return of 9.7% for the Alerian MLP Index.
- The S&P 500 had an annual total return of 8.4% using a 2% dividend investment rate.
- The 15 year average yield for the Alerian MLP Index is 6.6% vs. the 2% average yield for the S&P 500 index.

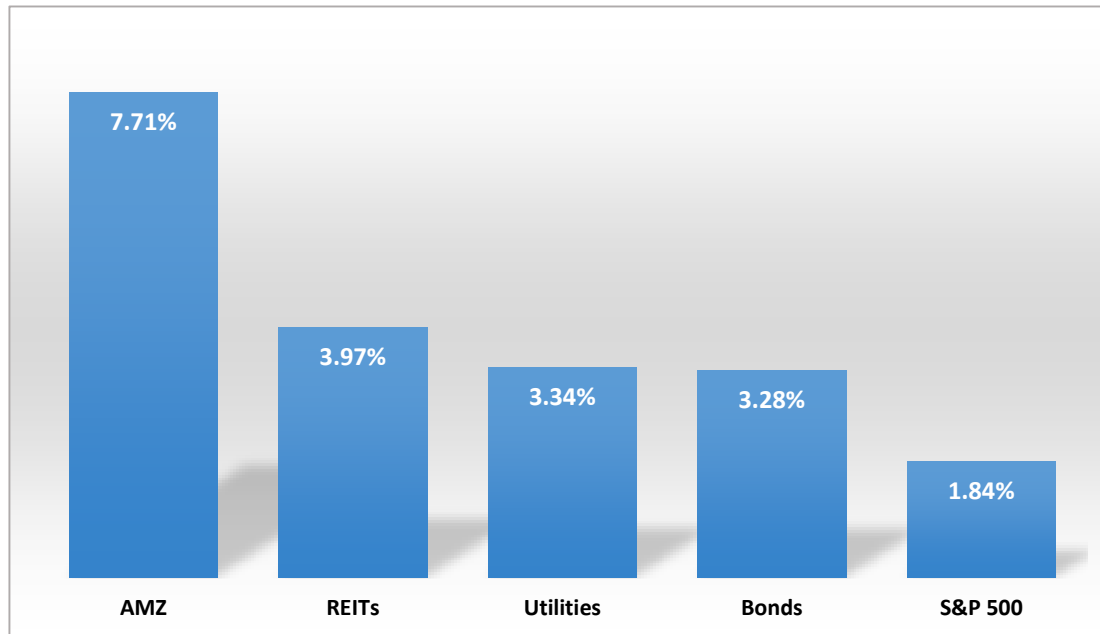
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MLPs Generally Perform Favorably in Rising Rate Environments

Alerian MLP Index in Comparison to Indices of Other Assets

Relative Yield Compared to Other Assets



Historically, Rising Fed Interest Rates Came with Positive MLP Returns

Rising Fed interest rate Period	10-Year	AMZ	Utilities	REITs	Bond
6/30/2003 to 6/12/2007	178 bps	120.24	105.79	131.57	11.43
12/18/2008 to 6/18/2009	175 bps	29.70	-1.00	-6.53	0.58
10/6/2010 to 2/8/2011	134 bps	10.60	2.26	10.59	-2.96
7/24/2012 to 6/27/2013	108 bps	22.80	3.64	10.99	-2.24
7/8/2016 to 12/15/2016	124 bps	-0.79	-6.93	-8.44	-4.28
9/7/2017 to 2/21/2018	91 bps	-1.79	-8.98	-9.67	-2.83
4/2/2018 to 5/17/2018	38 bps	15.05	-2.20	1.34	-1.56

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Strong 10-Year Relative Performance

Alerian MLP Index in Comparison to Indices of Other Assets

12/31/2007	12/31/2008	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2014	12/31/2015	12/31/2016	12/31/2017	10 Year Simple Average
Utility 20.11%	Bond 5.24%	MLP 75.64%	MLP 35.64%	Utility 19.69%	REITs 19.70%	Small cap 38.82%	Utility 30.65%	Div Achievers 3.18%	Small cap 21.28%	Non-US 27.83%	MLP 10.64%
Non-US 17.21%	HY bond -26.16%	HY bond 58.21%	REITs 27.95%	MLP 13.88%	Non-US 17.43%	S&P 32.37%	REITs 28.03%	REITs 2.83%	MLP 18.31%	Div Achievers 24.38%	S&P 9.94%
Commodity 16.23%	Utility -27.83%	Non-US 42.27%	Small cap 26.81%	REITs 8.28%	Small cap 16.39%	MLP 27.59%	Div Achievers 14.01%	S&P 1.37%	Utility 18.18%	S&P 21.82%	Small cap 9.63%
Energy 15.34%	Div Achievers -29.13%	REITs 27.99%	Div Achievers 19.55%	Bond 7.84%	S&P 15.99%	Div Achievers 25.53%	S&P 13.68%	Bond 0.55%	HY bond 17.13%	Small cap 14.63%	Utility 9.49%
MLP 12.62%	Small cap -33.81%	Small cap 27.09%	Commodity 16.83%	HY bond 4.98%	HY bond 15.81%	Non-US 15.87%	Bond 5.97%	Utility -3.07%	Div Achievers 15.94%	Utility 13.35%	HY bond 9.08%
Bond 6.97%	Commodity -35.65%	S&P 26.45%	HY bond 15.12%	S&P 2.11%	Div Achievers 8.70%	Utility 12.69%	Small cap 4.90%	Small cap -4.41%	Energy 15.89%	REITs 8.67%	REITs 7.41%
S&P 5.57%	S&P -37.00%	Commodity 18.91%	S&P 15.06%	Div Achievers 0.66%	MLP 4.80%	HY bond 7.44%	MLP 4.80%	HY bond -4.47%	S&P 11.95%	HY bond 7.50%	Div Achievers 7.19%
HY bond 1.87%	MLP -37.08%	Utility 12.48%	Non-US 11.71%	Small cap -4.18%	Bond 4.22%	Energy 5.13%	HY bond 2.45%	Non-US -5.18%	Commodity 11.77%	Bond 3.54%	Non-US 6.40%
Small cap -1.58%	REITs -37.73%	Bond 5.93%	Bond 6.54%	Non-US -13.29%	Utility 1.64%	REITs 2.86%	Non-US -3.34%	Commodity -24.66%	REITs 8.63%	Commodity 1.70%	Bond 4.31%
Div Achievers -4.30%	Non-US -45.20%	Div Achievers 0.54%	Utility 6.46%	Commodity -13.32%	Commodity -1.06%	Bond -2.02%	Commodity -17.01%	MLP -32.59%	Non-US 5.11%	Energy -5.21%	Commodity -3.25%
REITs -15.69%	Energy -48.12%	Energy -5.46%	Energy -10.67%	Energy -16.01%	Energy -9.44%	Commodity -9.52%	Energy -39.36%	Energy -38.91%	Bond 2.65%	MLP -6.52%	Energy -12.44%

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Index Definitions

MLP = The Alerian MLP Index (AMZ) is the leading gauge of energy MLPs. The cap-weighted index, whose constituents represent approximately 85% of total market cap, was developed with a base level of 100 as of December 29, 1995.

S&P = S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-4 base period.

Div Achievers = The NASDAQ Dividend Achievers Index is designed to track the performance of companies that are incorporated in the United States, are listed on NASDAQ and meet the Dividend Achievers requirements of increased annual regular dividend payments for the last 10 or more consecutive years.

Utility = The Dow Jones Utility Average (Utility) is a price-weighted average of 15 utility companies that are listed on the New York Stock Exchange and are involved in the production of electrical energy. The average as it is known today began on January 2, 1929 with a base value of 50.

REITs = FTSE NAREIT All Equity REITS Total Return Index (REITS) is a free float adjusted market capitalization weighted index that includes all tax qualified REITs listed in the NYSE, AMEX, and NASDAQ National Market.

Small cap = The Russell 2000 Index (Small Cap) is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The index was developed with a base value of 135.00 as of December 31, 1986.

Non-US = The MSCI AC World Index (Non-US) is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1987.

Commodity = The Bloomberg Commodity Total Return Index (Commodity) is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13-week (3 Month) U.S. Treasury Bills.

Energy = Formerly known as Dow Jones-UBS Energy Sub-index (Energy), the index is a commodity group sub-index of the Bloomberg CI. It is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

HY bond = The Bloomberg Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market.

Bond = The Bloomberg Barclays US Aggregate Bond Index (Bond) is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

MLP Risk Disclosures

MLP Risks

Master Limited Partnerships (“MLPs”) may be generally less liquid than other publicly traded securities and as such can be more volatile and present higher liquidity risk. Investments in securities of an MLP involve risks that differ from investments in common stocks, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interests between the MLP and the MLP’s general partner, cash flow risks, dilution risks and risks related to the general partner’s right to require unit holders to sell their common units at an undesirable time or price. MLPs are also generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

Investors in MLPs should consult with their tax advisor regarding the tax consequences of investing in MLPs. Investors in MLPs should be aware that any changes in the current tax law could potentially result in future and retroactive tax consequences and should consult their tax advisors regarding any tax law changes.

Investors in MLPs may be required to file tax returns and pay tax in each state in which the MLP operates. Individual retirement arrangements, retirement plans, and other non-taxable entities investing in MLPs may be required to report unrelated business taxable income (UBTI) and pay unrelated business income tax (UBIT). Tax reporting information for MLPs is provided to investors on an annual Schedule K-1 issued by an MLP. The MLP’s Schedule K-1 issue date may be after April 15. While most MLP’s issue Schedule K-1s by March 31, some investors may need to file tax extensions for income tax returns, when an MLP has not issued its Schedule K-1 by April 15.

General Disclosures

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