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# Yorkville Seasoned MLP Investment Team – Recognized Experts

- Investing & Researching MLPs Since Early 1990s
- One of the Longest Audited MLP Strategy Track Records
- Performance Recognition (Morningstar, Pensions & Investments)
- 2013 Barron's MLP Roundtable
- 2012-2014 Research Magazine MLP Roundtable
- Regular Media Appearances (CNBC & Bloomberg)



# What Investors Want to Know

- What do lower energy (oil) prices mean for the outlook for Master Limited Partnerships?
- What should investors expect from MLP distributions given lowered oil prices?





# MLPs Recent Pullback in Perspective

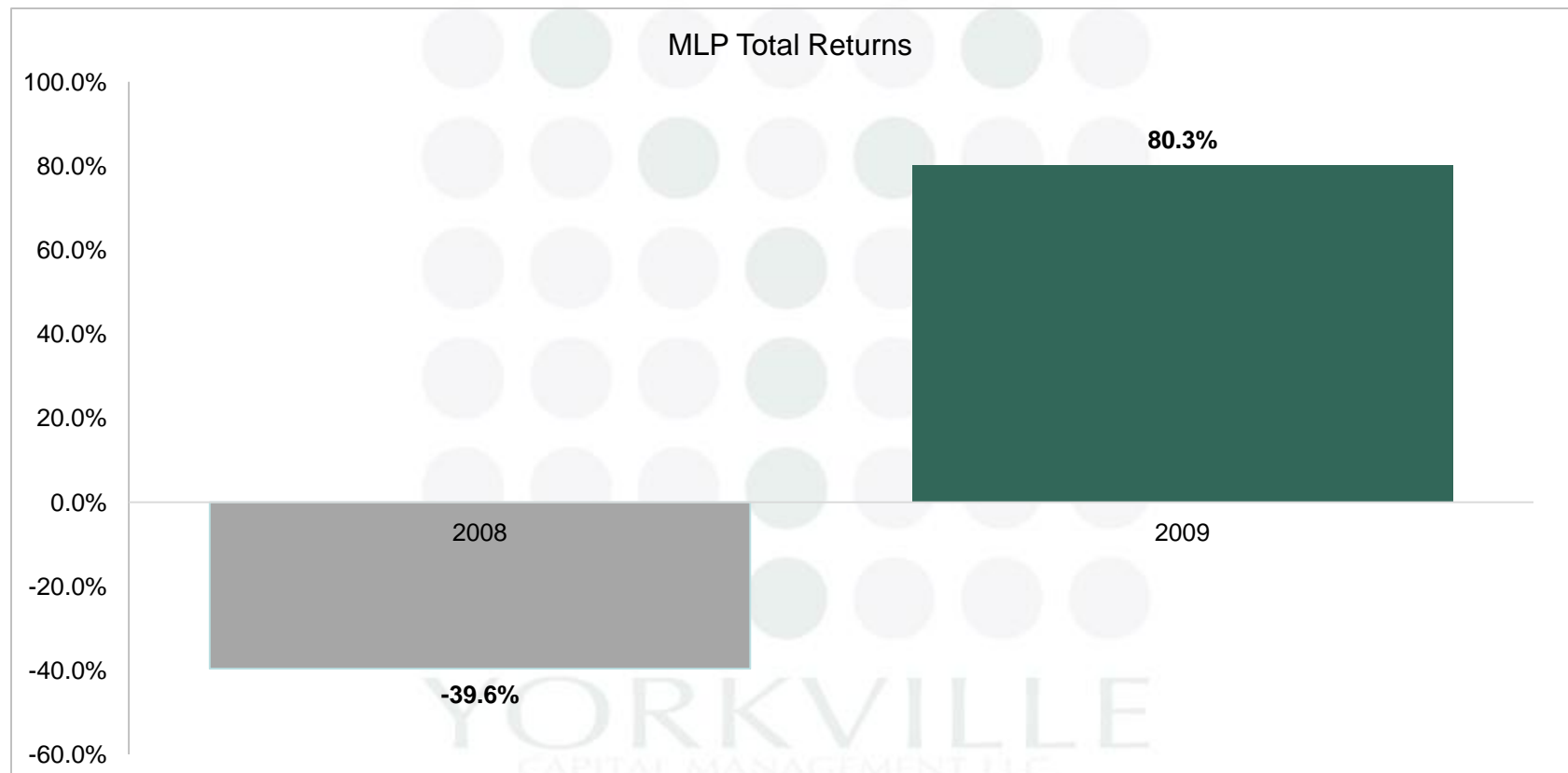
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# Master Limited Partnerships (MLPs) – Pullbacks Have Been Buying Opportunities

Top 10 MLP Pullbacks		
Date Range	Total Pullback	Recovery (Days)
9/1/14 – 10/14/14	16%	N/A
5/2/11 - 10/27/11	16%	58
4/26/10 - 7/7/10	13%	34
2/27/09 - 3/16/09	12%	5
5/3/12 - 7/7/12	11%	31
11/1/12 - 1/3/13	9%	34
6/12/09 - 7/15/09	9%	16
8/3/09 - 9/16/09	8%	10
5/28/13 - 7/1/13	6%	5
8/5/10 - 9/28/10	6%	33
<b>AVERAGE</b>	<b>11%</b>	<b>25</b>

Source: Bloomberg, Yorkville. Based on Yorkville MLP Universe Index. Return figures are based on total returns

# Master Limited Partnerships (MLPs) – Strong Fundamentals Support Price



Source: Bloomberg, Yorkville. Based on Yorkville MLP Universe Index. Return figures are based on total returns



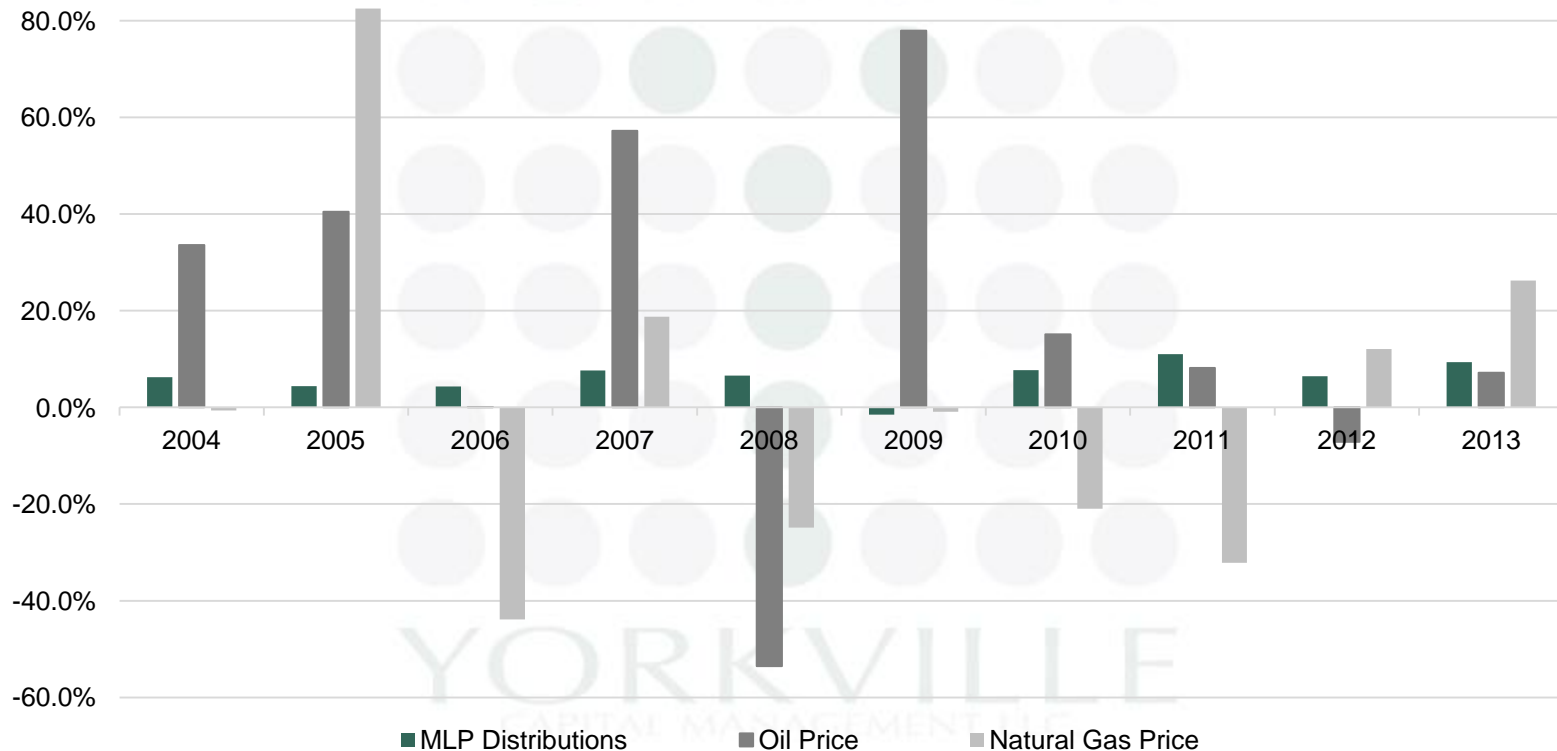
# Master Limited Partnerships (MLPs) – Historically Uncorrelated to Oil

Beginning Month	Top Ten Oil Declines Since 2000		MLPs
	Ending Month	Oil	
6/30/2008	1/30/2009	-70%	-26%
2/28/2003	4/30/2003	-30%	9%
8/31/2001	11/30/2001	-29%	-1%
6/30/2014	10/14/14	-22%	-13%
7/31/2006	10/31/2006	-21%	6%
11/30/2000	12/29/2000	-21%	9%
4/30/2012	6/29/2012	-19%	-5%
7/29/2011	9/30/2011	-17%	-6%
8/31/2005	11/30/2005	-17%	-4%
4/29/2011	6/30/2011	-16%	-4%
<b>AVERAGE</b>		<b>-26%</b>	<b>-3%</b>

Source: Bloomberg, Yorkville. Based on Yorkville MLP Universe Index. Return figures are based on total returns

# Master Limited Partnerships (MLPs) – Fundamentals Not Tied to Energy Prices

MLP Distributions vs. Oil and Natural Gas Prices  
Annual % Change



Source: Bloomberg, Yorkville. MLP Distributions based on Alerian MLP Index.



# Master Limited Partnerships (MLPs) – Monitoring Fundamentals

**Stability  
Score**

**9.8**

**Growth  
Score**

**7.1%**

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Source: Bloomberg, Yorkville. Based on Yorkville MLP Universe Index. 3Q14 versus 3Q13.



# Distribution Growth

# The Investment Thesis Underpinning MLPs

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# MLPs – The Power of Distribution Growth

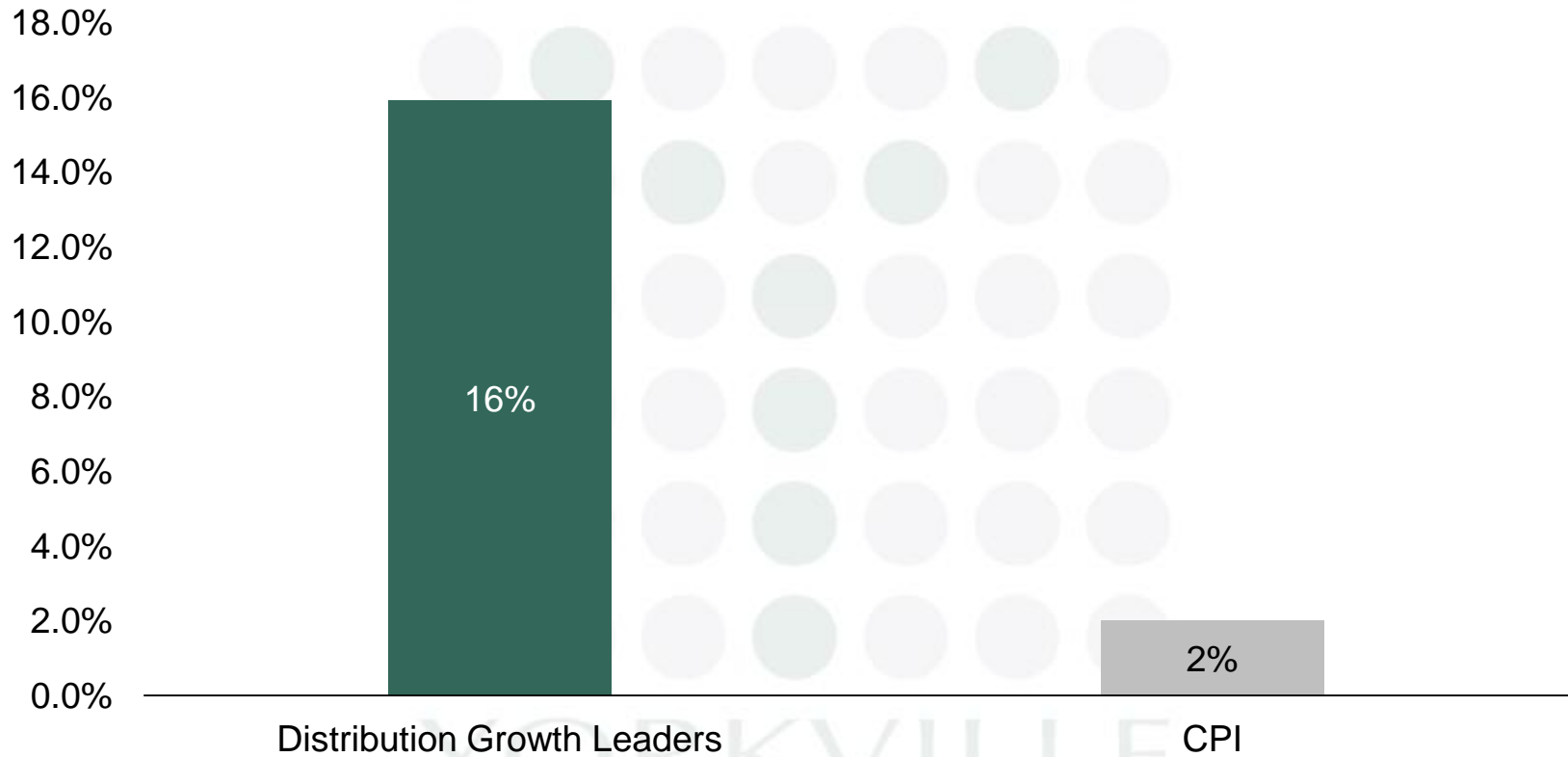
## The Primary Benefits of Distribution Growth

- Hedge Against Inflation
- Protection Against Rising Interest Rates
- Improves Income Quality
- Drives Price Appreciation



# MLPs – The Power of Distribution Growth

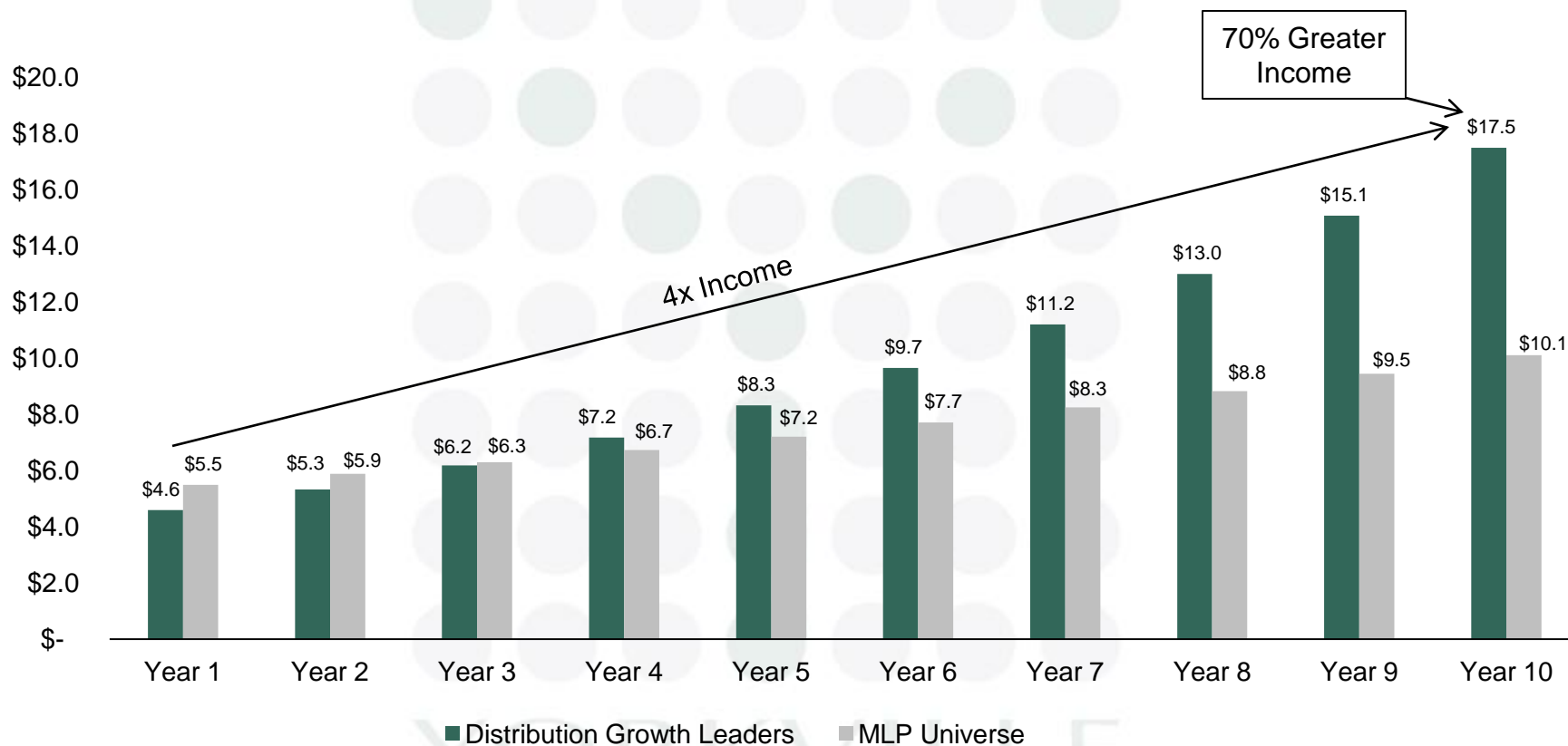
## Distribution Growth vs. Inflation



Source: Yorkville, Bloomberg.  
Data based on average year-over-year distribution growth of holdings of Yorkville MLP Distribution Growth Leaders Liquid Index from 2Q08-2Q14. CAGR CPI calculated from 1Q08-2Q14.

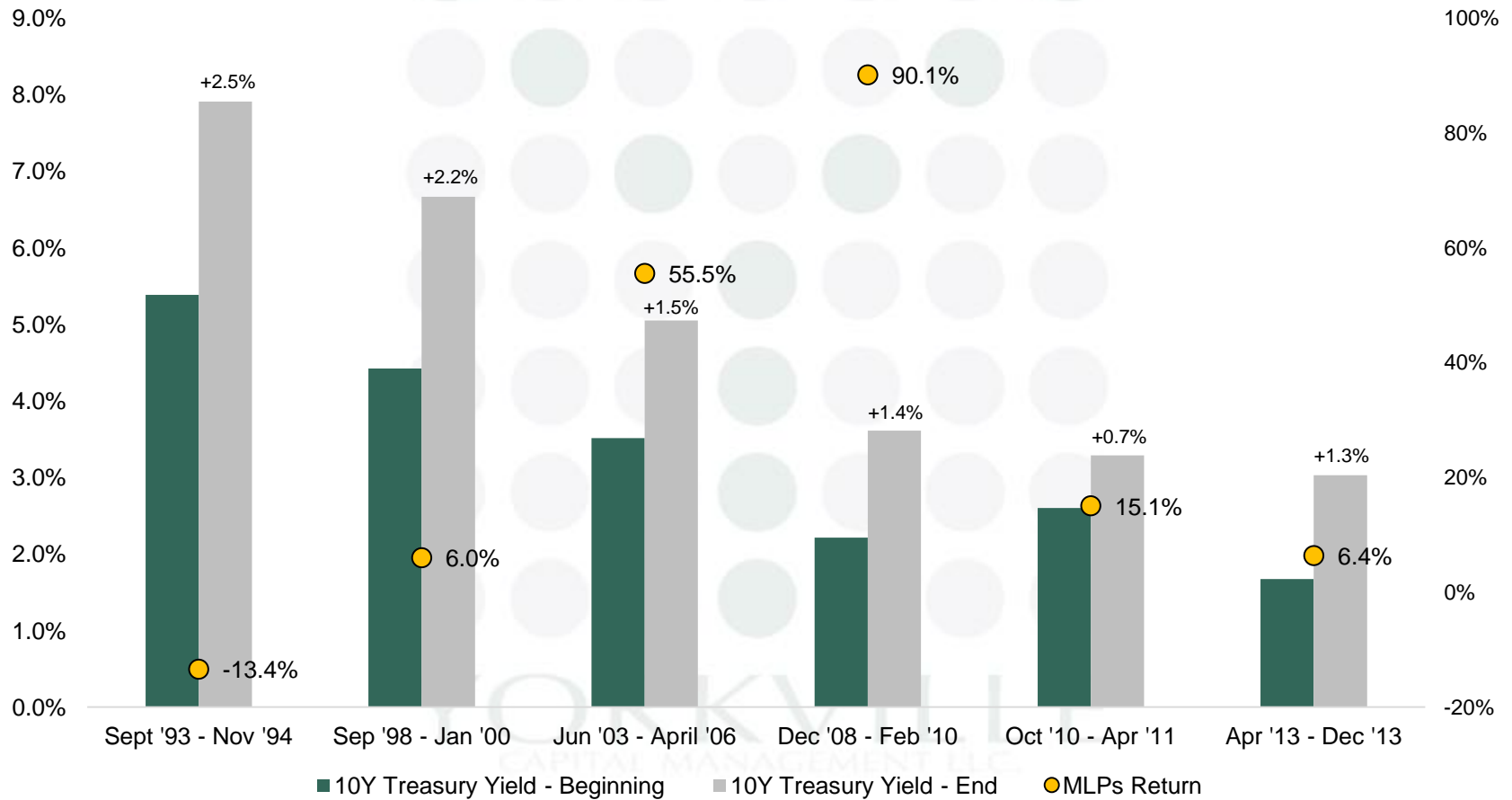
# MLPs – The Power of Distribution Growth

## Distribution Growth Means Greater Income



Source: Bloomberg, Yorkville. Based on Yorkville MLP Distribution Growth Leaders Liquid Index and Yorkville MLP Universe Index.

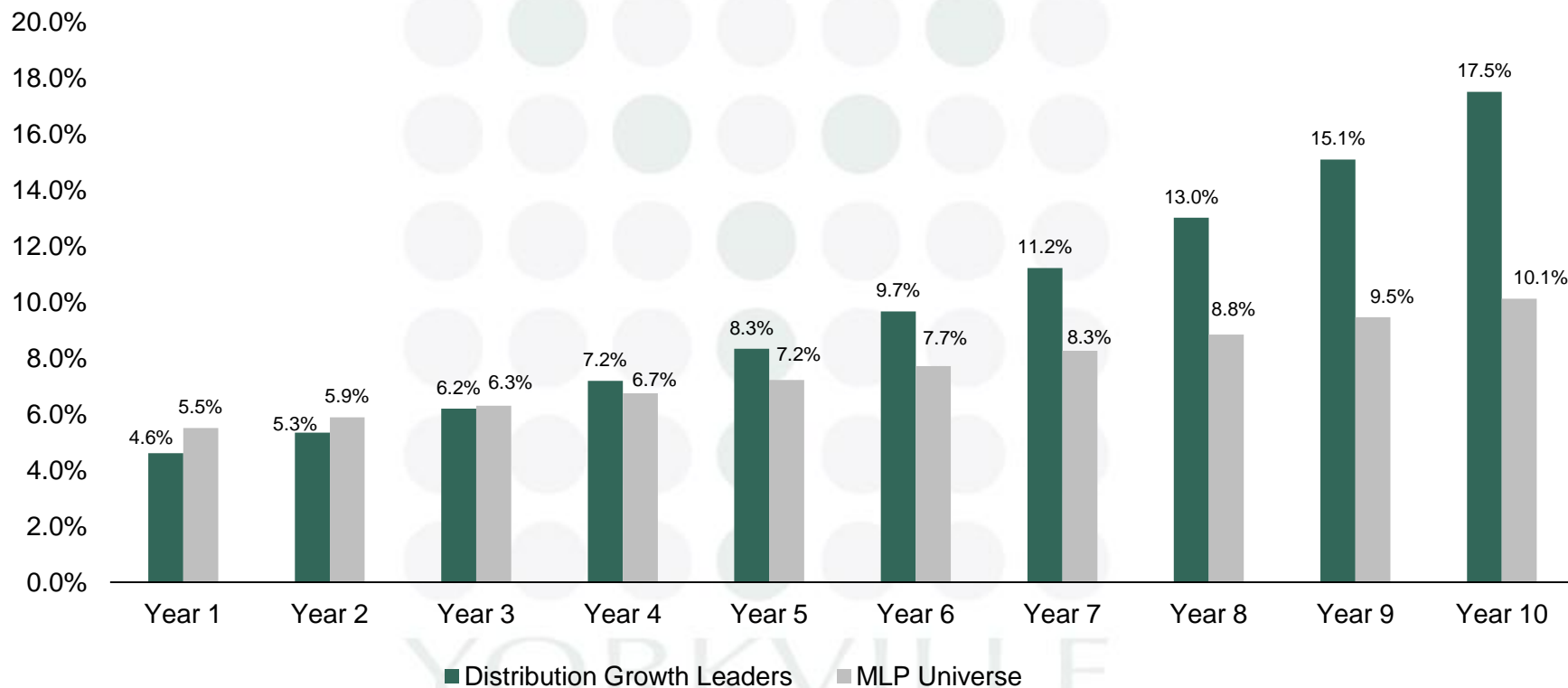
# MLPs – The Power of Distribution Growth Protection Against Rising Interest Rates



MLP Returns are based on the total returns of the Yorkville MLP Universe Index. Source: Yorkville, Bloomberg.

# MLPs – The Power of Distribution Growth

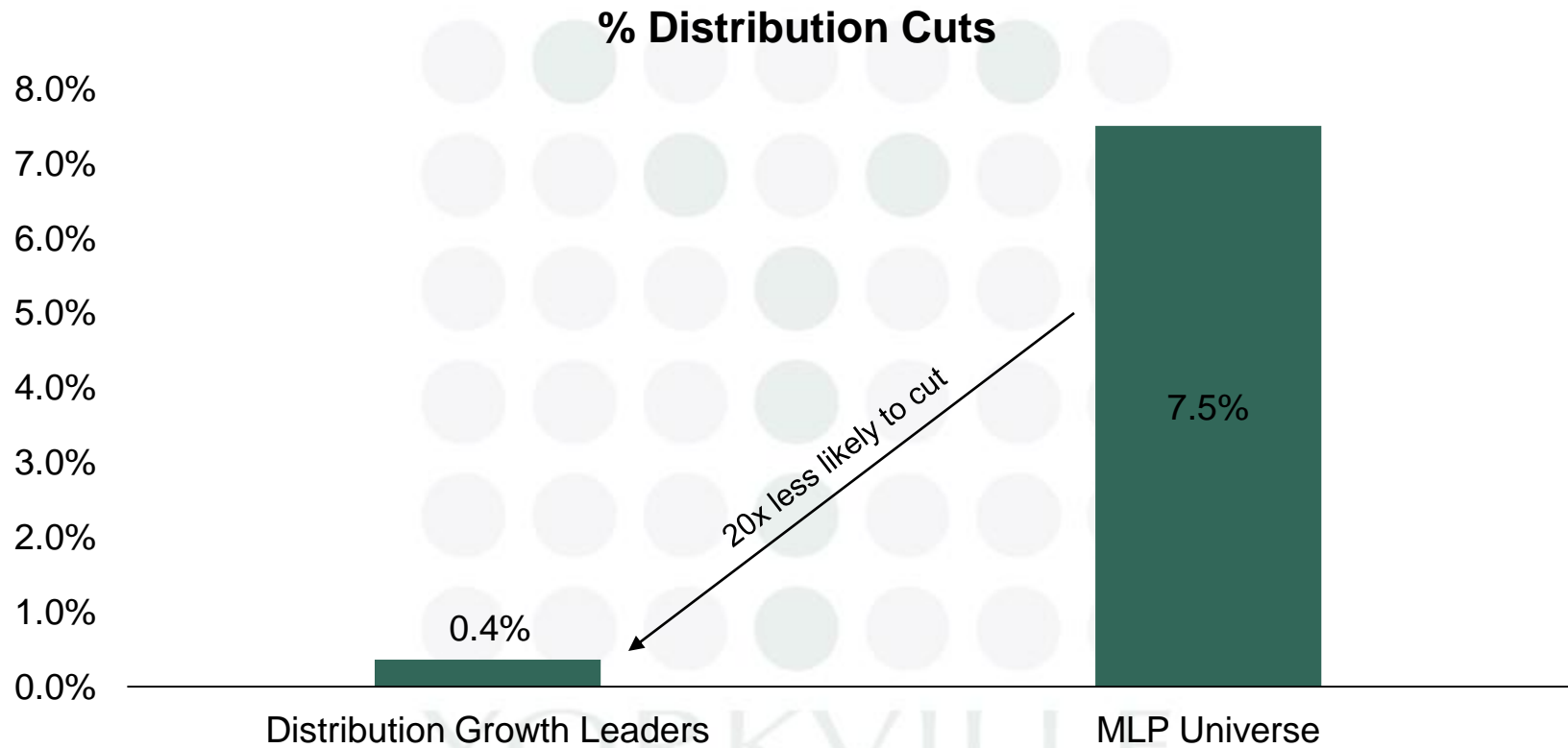
## Distribution Growth Means Higher Yields



Source: Bloomberg, Yorkville. Based on Yorkville MLP Distribution Growth Leaders Liquid Index and Yorkville MLP Universe Index.

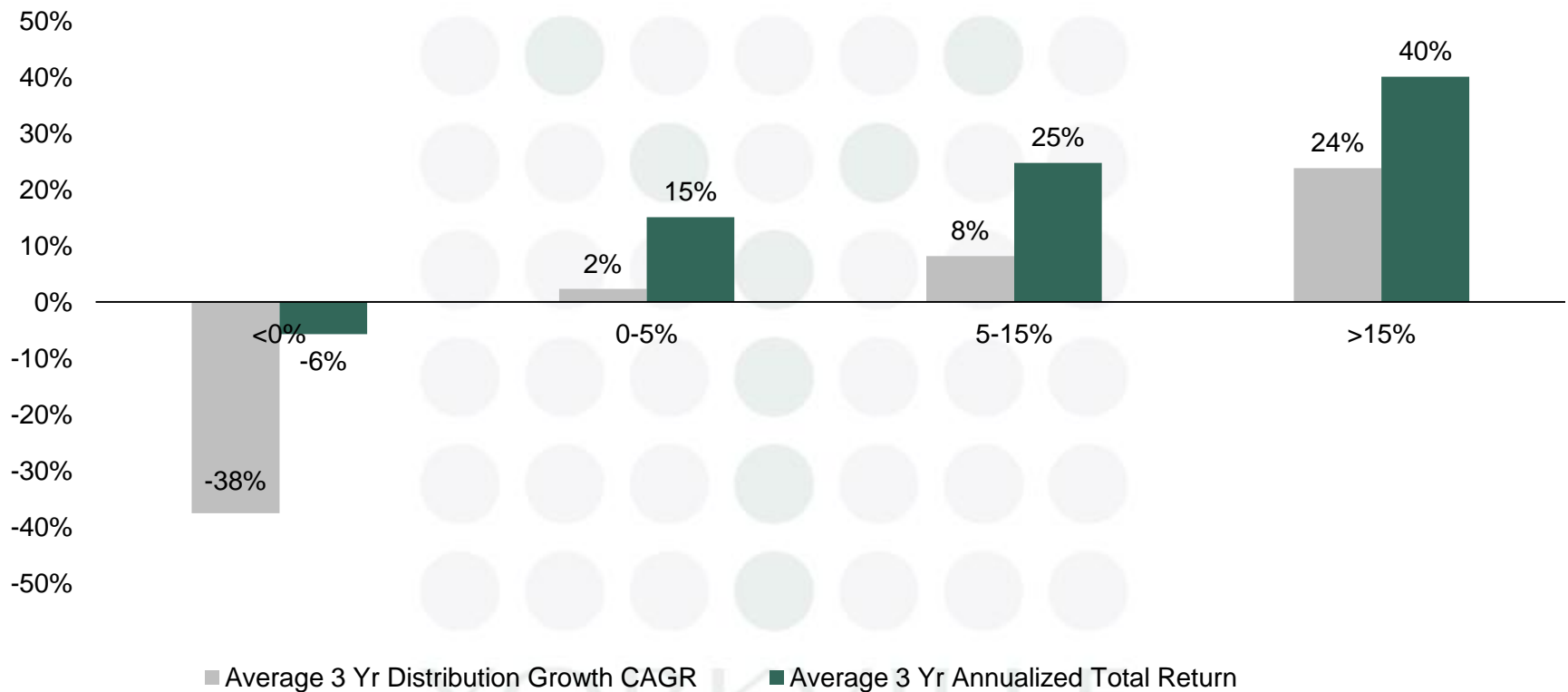


# MLPs – The Power of Distribution Growth Improves Income Quality



Data based on year-over-year distribution changes of holdings of Yorkville MLP Distribution Growth Leaders Liquid Index and Yorkville MLP Universe Index from 2Q08-2Q14  
Source: Yorkville, Bloomberg.

# MLPs – The Power of Distribution Growth Higher Total Returns



Source: Bloomberg, Yorkville. Based on Yorkville MLP Universe Index.

Annualized total returns calculated from 9/30/2011-9/30/2014. 3yr distribution growth based on sum of distributions from 4Q13-3Q14 divided by sum of distributions from 4Q10-3Q11, annualized. 16

# Yorkville MLP Distribution Growth Leaders Liquid Index – Portfolio Characteristics

## Portfolio Characteristics

Portfolio Focus	<b>U.S. Energy Infrastructure</b>
Weighted Portfolio Yield	<b>4.6%</b>
Weighted Distribution Growth (y-o-y)	<b>13.6%</b>
Weighted Average Market Cap	<b>\$ 14.6B</b>

Source: Bloomberg, Yorkville.

Distribution growth based on percentage change in distributions year-over year, weighted based on index composition as of 9/30/2014.

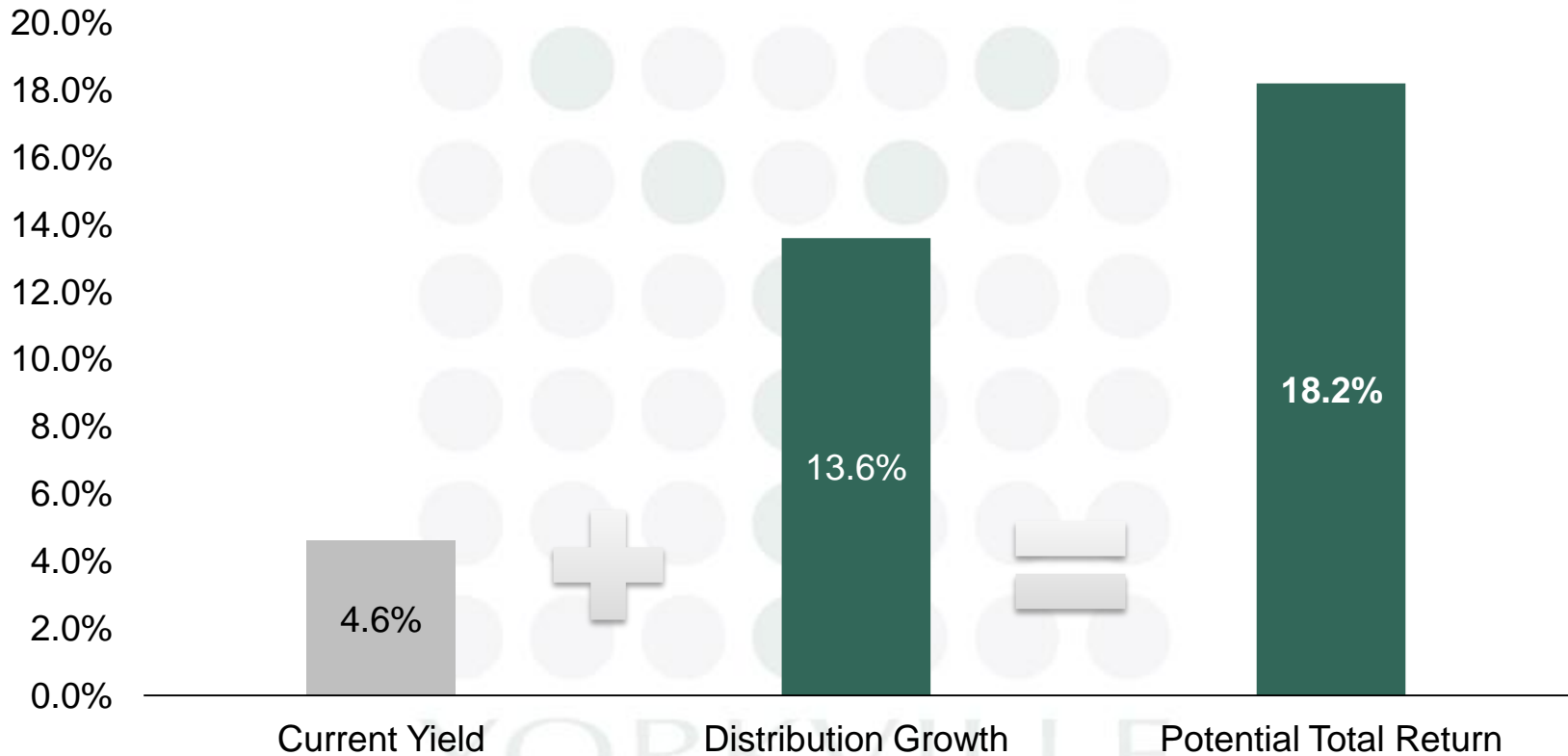
Current yield weighted based on the index composition as of 9/30/2014.

# Master Limited Partnerships (MLPs) – Deconstructing Total Returns



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# Yorkville MLP Distribution Growth Leaders Liquid Index – Total Return Potential



Source: Bloomberg, Yorkville.

Distribution growth based on percentage change in distributions year-over year, weighted based on index composition as of 9/30/2014.

Current yield weighted based on the index composition as of 9/30/2014.

# Yorkville Capital Management – Keeping Investors Current on MLPs

- Monthly MLP Newsletter
  - MLP Webinars
  - MLP Whitepapers

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