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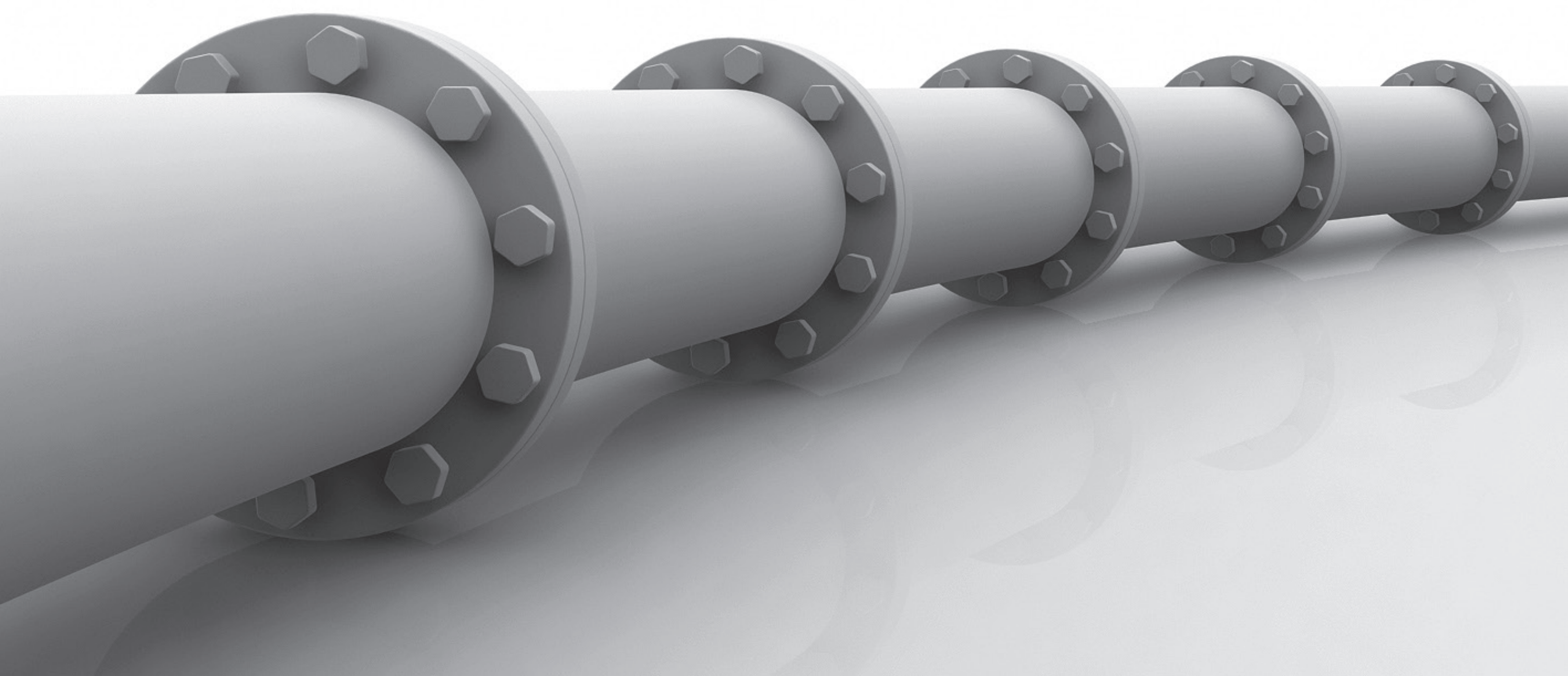
STRATEGIC INDEXES

MILLER/HOWARD
MLP Fundamental Index



The Miller/Howard MLP Fundamental Index is a composite of 25 energy Master Limited Partnerships ("MLPs") that are modified equal weighted based on certain quantitative fundamental factors of publicly traded MLPs.

METHODOLOGY

The Miller/Howard MLP Fundamental Index®* (the Index) is a composite of 25 energy master limited partnerships ("MLPs") that are modified equal weighted based on certain quantitative fundamental factors of publicly traded MLPs. The Index utilizes three main factors in its selection process: historical distribution growth, estimated future distribution growth, and distribution coverage. In addition, a portion of the Index is allocated to mid- and small-cap MLPs. The Index, which is calculated using a modified equal-weighted methodology, is disseminated real-time on a price-return basis (MLPMP) and on a total-return basis (MLPMH).

Rebalance Schedule

The Miller/Howard MLP Fundamental Index is rebalanced quarterly. Selection Date will be on the third Friday of each May, August, November, and February. In the event the major US exchanges are closed on the third Friday of May, August, November, or February, the Selection Date will be the following date on which the major US exchanges are open. Changes to Index Constituents will be announced at the end of the fourth business day following the Selection Date. Rebalancing will begin at the close of business on the fifth business day after the Selection Date and will take place over a period of four business days.

Unscheduled Rebalancing

Special rebalancing is triggered by corporate actions and will take place following the event. In the event of a corporate action resulting in the replacement of a security from the Index, the security is replaced by the next eligible MLP company. The new security is assigned the same weight as the exiting security, as of the effective date of the corporate action.

Treatment of Distributions

The price-return index does not account for cash distributions. The total-return index accounts for cash distributions by reinvesting them across the Index after market close on the Ex-Dividend Date.

Base Date and Calculation Agent

The Index is independently calculated by the Chicago Board Options Exchange. The base date for the Index is August 23, 2013, with a base value of 100.000.

Data Integrity

All reasonable efforts are made to ensure the correctness of data used in real-time Index calculations. If incorrect price or corporate action data affect Index daily highs or lows, it is corrected retroactively as soon as feasible. Incorrect pricing and corporate action data for individual issues in the database will be corrected upon detection.

Overview

The MLPs included in the Index will be energy MLPs, as more fully described below, and energy MLPs may be classified by their place in the energy supply chain. Generally, "upstream" MLPs include companies that explore for and produce oil and natural gas; "midstream" MLPs gather, process, transport, and store oil, natural gas, and refined petroleum products; and "downstream" MLPs refine, market, and sell products to the end user. The Methodology provides that at least 70% of the Index will be composed of midstream MLPs, with no more than 15% of the Index allocated to upstream MLPs and no more than 15% of the Index allocated to downstream MLPs. These 15% thresholds are maximum allocations, and therefore, at any time there may be few or no upstream or downstream MLPs included in the Index. In addition, large-cap MLPs (as described below) will comprise 75% of the Index, and mid- or small-cap MLPs (as described below) will comprise the remaining 25% of the Index.

The Index is premised on the assumption that certain observable fundamental factors influence the overall performance and growth of an MLP. This Index seeks to de-emphasize the importance of market capitalization in the weighting of its Constituents as compared to other MLP-linked indexes that are market capitalization weighted. The Index allocates exposure to the MLPs that it identifies according to select quantitative fundamental factors, including historical distribution growth, estimated future distribution growth, and distribution coverage.

At each Rebalancing Date, the MLP Investable Universe and Index Eligibility are defined based on the criteria described below. The Investable Universe and Index Eligibility criteria are applied in the sequence listed below.

Investable Universe

To be considered for inclusion in the Miller/Howard MLP Fundamental Index, a security must meet the following criteria:

1. Its equity securities must be listed on (a) the New York Stock Exchange (including NYSE Arca and NYSE Amex), (b) NASDAQ Global Select Market, (c) NASDAQ Select Market, or (d) NASDAQ Capital Market.
2. It must have existed for at least 12 months.
3. It must be a publicly traded partnership or limited liability company exempt from corporate taxation as a result of the Tax Reform Act of 1986 or any subsequent federal tax acts, as described above, engaged in the

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exploration, production, transportation, storage, or processing of crude oil, natural gas, or their derivative products.

4. It must represent either limited or general partner interests, or both, of a Master Limited Partnership that is an operating company, or common units of a limited liability company that is an operating company. C-corporations, open-end mutual funds, closed-end funds, exchange-traded funds (ETFs), royalty or income trusts, and other pooled investment vehicles are not eligible for inclusion.
5. It must have a capitalization of at least $500 million, subject to adjustment by the Index Sponsor to ensure consistency with developments affecting the MLP industry generally.
6. It must be classified as belonging one of the following Bloomberg Industry Classifications. System Codes (each, a "BICS Code"): Basics & Diversified Chemicals (BICS Code: 171011), Exploration & Production (BICS Code: 131011), Marine Transp Services (BICS Code: 161612), Midstream – Oil & Gas (BICS Code: 131014), Oil & Gas Services (BICS Code: 131015), Refining & Marketing (BICS Code: 131016), or Utility Networks (BICS Code: 191014). The Index Sponsor may expand this list of BICS Codes to ensure consistency with developments affecting the MLP industry generally. Additionally, the Index Sponsor may reclassify or exclude an MLP where necessary using good faith reasonable discretion.
7. It must have a three-month average daily trading volume (ADTV) of at least (a) $3.0 million if it was selected as a Constituent on the immediately preceding Selection Date and (b) $4.0 million if it was not selected as a Constituent on the immediately preceding Selection Date. The three-month ADTV in clauses (a) and (b) above will use the Bloomberg field "AVG_DAILY_VALUE_TRADED_3M" to determine the dollar value cutoff. Each of the thresholds in clauses (a) and (b) above may be adjusted by the Index Sponsor to ensure consistency with developments affecting the MLP industry generally.
8. Excluding any extraordinary or special distributions, its Historical Distribution Growth must be zero or positive as defined in factor one of the Selection Criteria below. The Index Sponsor may waive this criterion if necessary to obtain an Eligible Universe of at least 25 MLPs.
9. It must have accessible data for the relevant Selection Criteria. If the relevant data is not available from publicly available sources, the MLP will not be included in the Eligible Universe.

   We refer to each MLP included in the Eligible Universe according to the above criteria as an "Eligible Constituent."

Selection Criteria

Once the Eligible Universe is determined, the Eligible Constituents are ranked according to their market capitalization in order to determine the Final Investment Universe. If there are more than 40 Eligible Constituents, they are then sorted into two groups: the "Large Group" and the "Mid-Small Group." The first 25 Eligible Constituents with the 25 largest market capitalizations are allocated to the Large Group and the next 25 Eligible Constituents with the 25 next largest market capitalizations (beginning with the 26th largest MLP according to the initially ranked Eligible Universe) are allocated to the Mid-Small Group. In this case, the Large Group and the Mid-Small Group together constitute the Final Investment Universe. If there are 40 or fewer Eligible Constituents, all such MLPs will be allocated to one group so that there is no division between the Large Group and the Mid-Small Group, and all of those MLPs will be included in the Final Investment Universe. Not more than 50 securities may be included in the Final Investment Universe.

If there are more than 40 MLPs in the Eligible Universe, a total of 15 MLPs will be chosen quarterly from the Large Group and a total of 10 MLPs will be chosen from the Mid-Small Group to be included in the Index. Each of the Constituents chosen from the Large Group will be assigned a weighting of 5%, while each of the Constituents chosen from the Mid-Small Group will be assigned a weighting of 2.5%. If there are 40 or fewer MLPs in the Eligible Universe, a total of 25 MLPs will be chosen quarterly from the Final Investment Universe, and of those 25, the first 15 MLPs with the largest market capitalization will be assigned a weighting of 5%, while the next 10 MLPs with the 10 next largest market capitalizations will be assigned a weighting of 2.5%.

The market capitalization of each Eligible Constituent will be determined on the relevant Selection Date by the Index Calculation Agent and the Index Sponsor by reference to the Bloomberg field "CUR_MKT_CAP" for that security.

Determining the Constituents and Weightings

Once the Final Investment Universe is determined, the MLPs are subjected to further ranking and filtering according to the following quantitative fundamental factors:

1. *Historical Distribution Growth.* Historical Distribution Growth for each MLP will be measured as the sum of the relevant MLP's cash distributions per unit with an Ex-Dividend Date occurring during the 12 months immediately preceding and ending on the relevant Selection Date *divided by* the product of (i) sum of that MLP's cash distributions per unit with an Ex-Dividend Date occurring during the previous three months *(i.e.,* the 13th through 15th month immediately preceding the relevant Selection Date) and (ii) four. If the relevant MLP has no cash distributions that have gone ex-dividend in the months 13 through 15 or have only a pro rata distribution in months 13 through 15, the Historical Distribution Growth will equal 0. Regular cash distributions, and not special distributions or stock distributions, will be used in these calculations.

2. *Estimated Future Distribution Growth.* Estimated Future Distribution Growth for each MLP will be calculated by comparing consensus estimated future distribution per unit four quarters forward with the current distribution per unit as of the Selection Date. The consensus estimate for each MLP, as reported by Bloomberg, represents the compiled mean estimate of analysts' current forecasts of that MLP's future distribution per unit. The calculation will be (Consensus estimated future Distribution per Unit)/(Current Distribution per Unit)-1 where "Consensus estimated future Distribution per Unit" will use Bloomberg formula ("TICKER Equity","BEST_DPS","BEST_FPERIOD_OVERRIDE=yyQx") and "Current Distribution per Unit" will use Bloomberg formula ("TICKER Equity","LAST_DPS_GROSS").

3. *Distribution Coverage.* Distribution coverage for each MLP will be measured by dividing the EBITDA (earnings before interest, taxes, depreciation, and amortization) of that MLP for the trailing four-quarter period ending as of the date of its most recent quarterly or annual report, as the case may be, filed with the SEC immediately prior to the relevant Selection Date by the total cash distributions of that MLP with an Ex-Dividend Date occurring during the 12 months immediately preceding and ending on the relevant Selection Date. EBITDA per unit for each MLP will be calculated using Bloomberg field "TRAIL_12M_EBITDA_Per_Share." Regular cash distributions, and not special distributions or stock distributions, will be used in these calculations.

If there are more than 40 MLPs in the Eligible Universe, the Methodology will apply the factors above separately to each of the Large Group and the Mid-Small Group as follows:

- With respect to the Large Group, the MLPs are ranked according to the first factor above (Historical Distribution Growth). The Methodology then selects the top 20 MLPs according to their Historical Distribution Growth ranking. From this group of 20 MLPs, the Methodology then selects the top 17 MLPs according to their Estimated Future Distribution Growth ranking. Finally, from this group of 17 MLPs, the Methodology selects the top 15 MLPs according to their Distribution Coverage ranking. In the event there is a tie for any factor, the Methodology selects the MLP with the highest three-month ADTV. Each of these final 15 MLPs will be a Constituent in the Index for the next quarter. The Constituents for each quarter will remain the Constituents until the next quarterly Selection Date and Rebalancing Period, subject to removal and replacement. Each Constituent selected from the Large Group will be assigned a weighting of 5%, for a total notional weight of 75% for the Large Group.
- With respect to the Mid-Small Group, the MLPs are ranked according to the first factor above (Historical Distribution Growth). The Methodology then selects the top 15 MLPs according to their Historical Distribution Growth ranking, and from this group of 15 MLPs, the Methodology then selects the top 10 MLPs according to their Estimated Future Distribution Growth ranking. In the event there is a tie for the 10th position, the Methodology selects the MLP with the highest Distribution Coverage ranking. In the event of a further tie, the Methodology Selects the MLP with the highest three-month ADTV. Each of these final 10 MLPs will be a Constituent in the Index for the next quarter. Each Constituent selected from the Mid-Small Group will be assigned a weighting of 2.5%, for a total notional weight of 25% for the Mid-Small Group.

If there are 40 or fewer MLPs in the Eligible Universe, the Methodology will eliminate MLPs until there are only 25 MLPs remaining using the factors described above. The Methodology goes sequentially through each of the large cap sorts eliminating half of the number of MLPs that exceed 25 at each step until the final sort, which eliminates all the remaining MLPs that exceed 25. Once only 25 MLPs remain, those MLPs are reranked according to their market capitalization, and the first 15 MLPs with the largest market capitalization will be assigned a weighting of 5%, while the next 10 MLPs with the 10 next largest market capitalizations will be assigned a weighting of 2.5%.

Potential Adjustment of Selected Constituents and Weightings

The Index is designed to allocate at least 70% of its notional value to "midstream" MLPs. As a result, if after applying the previous three steps, the aggregate notional weight of upstream MLPs included in the Index is greater than 15% or the aggregate notional weight of downstream MLPs included in the Index is greater than 15%, then the Methodology may replace the lowest-ranking MLP that is upstream or downstream, as the case may be, with a new Constituent. This potential adjustment will only apply if there are more than 40 MLPs in the Eligible Universe on the relevant Selection Date.

In order to select the replacement Constituent, the Methodology will select the next ranked MLP that would have been selected for the Index. For example, if the upstream MLP to be removed is in the Large Group, the Methodology will select the next MLP that would have been selected from the Large Group according to the third factor (Distribution Coverage). If this group of 2 Constituents is insufficient to replace the upstream MLP and to maintain 15 Large Group Constituents, the Methodology will then select the next ranked MLP that would have been selected from the Large Group according to the second factor (Estimated Future Distribution Growth). Similarly, if this group of 3 additional Constituents is insufficient to replace the upstream MLP and to maintain 15 Large Group Constituents, the Methodology will finally select the next ranked MLP of that would have been selected from the Large Group according the first factor (Historical Distribution Growth). In the event that the upstream MLP to be removed is in the Mid-Small Group, the Methodology will select the next ranked MLP that would have been selected for the Index from the Mid-Small Group according to the second factor (Estimated Future Distribution Growth). If this group of Constituents is insufficient to replace the upstream MLP and to maintain 10 Mid-Small Constituents, the Methodology will select the next ranked MLP that would have been selected from the Mid-Small Group according the first factor (Historical Distribution Growth). In the event there are upstream or downstream MLPs in both the Large Group and Mid-Small Group that contribute to the 15% or more allocation, the Methodology will first replace MLPs from the Large Group as described above.

Downstream and upstream MLPs are eligible to replace an upstream or downstream MLP, respectively, if the 15% maximum for the downstream or upstream allocation has not been met or exceeded. If the notional weight of both the upstream MLPs and the downstream MLPs are at or would exceed 15%, then only a midstream MLP would be eligible as a replacement Constituent.

Each MLP will be classified as upstream, midstream, or downstream according to its BICS Code. Each MLP identified by the "Exploration & Production" BICS Code will be considered to be "upstream"; each MLP identified by the "Midstream—Oil & Gas" or "Marine Transp Services" BICS Code will be considered to be "midstream"; and each MLP identified by the "Refining & Marketing," "Basics & Diversified Chemicals," "Oil & Gas Services," or "Utility Networks" BICS Code will be considered to be "downstream." The Index Sponsor may also expand this list of BICS Codes to ensure consistency with developments affecting the MLP industry generally. If, however, the Index Sponsor determines by reference to an MLP's SEC filings that the majority of its revenues are generated by activities that do not fall into the Bloomberg subgroup to which it has been assigned, the Index Sponsor may reclassify that MLP as "upstream," "midstream," or "downstream," using its good faith reasonable discretion.

The Index Divisor and Index Calculation Math

An index divisor is a crucial number in the calculation of the value of an index. It is the basis for comparability across time, and the starting point for adjustments that need to be made due to changes in the equity composition of the underlying companies in the index.

The simplest capitalization-weighted index can be thought of as a portfolio consisting of all available shares of the stocks in the index. Assume a 10-stock index and the total of the share prices is 857. You want the index to have an initial value of 100, so you apply a divisor of 8.57, bringing the initial value of your new index to 100. After the launch, as the share prices of your index stocks change, the divisor will be applied to the new totals, showing index changes from the initial 100 level.

Adjustments will only be made to the divisor for the corporate actions and events as described in the table on page 7.

While most indexes are either price-weighted (totals of the share prices of the component stocks) or market-cap-weighted (the largest companies receive the greatest weight in the index), the Miller/Howard MLP Fundamental Index is a modified equal-weighted index. It is considered "modified" equal-weighted because holdings will be equal-weighted in two separate categories, each with its own target weight.

Under normal circumstances, the portfolio will consist of 25 companies. The first group of 15 companies (under normal circumstances) will be equal weighted at 5% each, comprising 75% of the portfolio weight. The second group of 10 companies (under normal circumstances) will be equal weighted at 2.5% each, comprising 25% of the portfolio.

As stock prices move, the weights will shift, and exact equality will be lost. Therefore, an equal-weighted index must be rebalanced from time to time to re-establish the proper weighting. (In contrast, a cap-weighted index requires no rebalancing as long as there aren't any changes to share counts, returns of capital, or stocks added or deleted.) The Miller/Howard MLP Fundamental Index is rebalanced to its target equal weights each quarter.

The level of the Index is deemed to have been 100.000 on August 23, 2013 (the Base Index Date). For each index constituent, the number of units in the Index on the Base Index Date is calculated according to the following formula:

$$U_0^i = \frac{w_0^i I_0}{P_0^i}$$

Where:

U_0^i is the number of units of i-th Index Constituent in the Index on the Base Index Date;

I_0 is the level of the Index on the Base Index Date, which is equal to 100.000;

p_0^i is the price of i-th Index Constituent as of the close of the Base Index Date; and

w_0^i is the weight of the i-th Index Constituent on the Base Index Date.

Index Rebalance

After Index Constituents are selected on the quarterly Selection Date, the notional number of units will be determined during the Rebalancing Period. For each Index Constituent the number of units is determined according to the following formula:

Former Constituents:

$$U_{R_T}^j = U_{R_{T-1}}^j \left(\frac{N-T}{1+N-T}\right)$$

with $T=1,\dots,N$ *and* $j=1,\dots,f$

Where:

$U^j_{R_T}$ denotes the number of units of the j-th Former Constituent, to be held on the close of the T-th Rebalancing Day. This will be adjusted for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

$U^j_{R_{T-1}}$ denotes the number of units of the j-th Former Constituents held on the close of the Index business day immediately preceding the T-th Rebalancing Day. This will be adjusted for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

N is the total number of days in the Rebalancing Period;

T refers to the ordinal number of the current Rebalancing Day; and

f is the number of Former Index Constituents.

New Constituents:

$$U_{R_T}^i = U_{R_{T-1}}^i + \frac{w_{New}^i}{P_{R_T}^i}\left(\sum_{j=1}^{f} \frac{P_{R_T}^j U_{R_{T-1}}^j}{1+N-T}\right)$$

with $T = 1,\dots,N$ *and* $j = 1,\dots,f$

Where:

$U^i_{R_T}$ denotes the number of units of the i-th New Constituent, to be held on the close of the T-th Rebalancing Day. This will be adjusted for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

$U^i_{R_{T-1}}$ denotes the number of units of the i-th New Constituent held on the close of the Index business day immediately preceding the T-th Rebalancing Day. This will be adjusted for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

$U^{j}_{R_{T-1}}$ denotes the number of units of the j-th Former Constituents held on the close of the Index business day immediately preceding the T-th Rebalancing Day. This will be adjusted for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

$P^{i}_{R_T}$ is price of the i-th New Index Constituent on the relevant Rebalancing Day R_T;

$P^{j}_{R_T}$ is the Index Constituent level of the j-th Former Constituent on the relevant Rebalancing Day R_T;

w^{i}_{New} is the weight of the i-th New Constituent;

N is the number of Rebalancing Days;

T refers to the ordinal number of the current Rebalancing Day; and

f is the number of Former Index Constituents.

Index Level Calculation

The Index level will be calculated by the Index Sponsor using the following formula:

$$I_t = \frac{\sum_{i=1}^{q} U_t^i P_t^i}{V_t}$$

Where:

U_t^i is the number of units of i-th Index Constituent held in the Index as of the close of Index business day t. The number of units will not change between rebalancing periods except due to adjustments for corporate events that do not result in a divisor change (e.g., a 2 for 1 stock split).

P_t^i is the price of the i-th Index Constituent as of the close of Index business day t;

V_t is the Index Divisor as of the close of Index business day t; on the Base Date the Index Divisor will be equal to 1; and q is the number of the Index Constituents. For the avoidance of doubt, on roll dates, this will include both Former Constituents and New Constituents.

Corporate Actions and Index Adjustments

The table on this page shows the necessary adjustments to the Index and the divisor for managing an equal-weighted index. One key issue is how to handle events when one stock is replaced by another.

Index Actions

Type of Action	Adjustment Made to the Equal-Weighted Index	Divisor Adjustment
Constituent change—even number of adds and drops	The company entering the Index goes in at the weight of the company coming out. This weight is used to compute the adjusted weight factor of the added stock. If a company is being removed at a price of 0.00, then there is no replacement.	No
Constituent change—deletion only	The weights of all stocks in the Index will not be adjusted.	Yes
Stock splits	No change in divisor; modified Index shares and price will be adjusted as per the split ratio resulting in no change in Index market capitalization.	No
Spin-off, de-listing, or suspension	In the event of a spin-off, the Constituent with the larger market capitalization will remain, and the other constituent will be removed. The remaining MLP will maintain the same weight in the Index. In the event of a de-listing or suspension, the Constituent will be removed and replaced by a new Constituent at the same weight.	No
Share issuance or share repurchase	None.	No
Special dividends/ distributions	The special dividend/ distribution will be reinvested into the stock that paid the special dividend/distribution.	No

Total Return Calculations

The total return construction differs from the price index and builds the Index from the price index and daily total dividend/distribution returns. The first step is to calculate the total dividend/distribution paid on a given day and convert this figure into points of the price index:

$$D_t = \sum_{i=1}^{q} d_t^i \, U_t^i$$

Where:

D_t is the total dividend/distribution amount that went Ex-Dividend on Index business day *t;*

d_t^i is the dividend/distribution per share that went Ex-Dividend for the *i*-th Index Constituent held in the Index as of the close of index business day *t,* excluding special dividends/distributions;

U_t^i is the number of units of the *i*-th Index Constituent held in the Index as of the close of Index business day *t;* and

q is the number of the Index Constituents. For the avoidance of doubt on roll dates, this will include both Former Constituents and New Constituents.

This is done for each trading day. D_t is measured in dollars. This is converted to Index points by dividing by the divisor for the underlying price index:

$$D_t^I = \frac{D_t}{V_t}$$

Where:

D_t^I is the Index Dividend/Distribution amount for Index business day *t;*

D_t is the total dividend/distribution amount that went Ex-Dividend on Index business day *t;* and

V_t is the Index Divisor as of the close of Index business day *t;* and

The daily total return is calculated as follows:

$$R_t^I = \left(\frac{P_t^I + D_t^I}{P_{t-1}^I}\right) - 1$$

Where:

R_t^I is the Index's Total Return for Index business day *t;*

P_t^I is the Price Index amount for Index business day *t;*

D_t^I is the Index Dividend/Distribution amount for Index business day *t;* and

P_{t-1}^I is the Price Index amount for the preceding Index business day.

The total return Index is equal to:

$$ITR_t = ITR_{t-1}(1 + R_t^I)$$

Where:

ITR_t is the Index Value for Index business day *t;*

ITR_{t-1} is the Index Value for the preceding Index business day; and

R_t^I is the Index's Total Return for Index business day *t.*

For more information about Miller/Howard Strategic Indexes visit: www.mhindexes.com.

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