

Structure of Various MLP Investment Vehicles

| MLP Access | Direct | C-Corp | RIC | Synthetic |
|---|------------------------------|--|--|------------------------------|
| Investment Vehicles | SMA | ETF, Mutual Fund, Closed-End Fund | ETF, Mutual Fund, Closed-End Fund | Exchange-Traded Note |
| Tax Classification | Partnership | Taxable C-Corp | Non-Taxable M-Corp | Forward Contract |
| Return of Capital (ROC)* | 70%-100% | 70%-100% | Varies | 0% |
| Tax Form | K-1 | 1099 | 1099 | 1099 |
| Eligibility for Non-Taxable Accounts | Taxable UBTI > \$1,000 | Yes | Yes | Yes |
| Leverage | No | No – ETF, Mutual Fund Yes – Closed-End Fund | No – ETF, Mutual Fund Yes – Closed-End Fund | No |
| Credit Risk | No | No | No | Yes |
| MLP Exposure | 100% | 100% | <25% | 100% |
| Tax Implications | Recapture Ordinary Income | Federal & State Taxes | Pass- Through | Dividends Ordinary Income |

* Estimate will vary based on basket of MLPs held.

Pros & Cons of Various MLP Investment Vehicles

| MLP Access | Direct | C-Corp | RIC | Synthetic |
|-----------------------|---------|--------------------------------------|--------------------------------------|-------------------------|
| Investment Vehicles | SMA | ETF, Mutual Fund, Closed-End Fund | ETF, Mutual Fund, Closed-End Fund | Exchange-Traded Note |
| Pure MLP Exposure | Yes | Yes | No | Yes |
| MLP Return Profile | Yes | No | No | Yes |
| Tax-Advantaged Income | Yes | Yes | Varies | No |
| Optimal Account Type | Taxable | Taxable | Taxable/ Non-Taxable | Non-Taxable |

CAPITAL MANAGEMENT LLC