



Master Limited Partnerships: Unveiling the Income Potential for Your Portfolio

In today's investment landscape, finding stocks that provide a reliable income stream with growth potential can be challenging. Master Limited Partnerships (MLPs) are an often-overlooked asset class that offers attractive benefits for income-focused investors. Here are a few reasons why MLPs might be a valuable addition to your portfolio:

Steady Cash Flow: Unlike traditional corporations, MLPs are required to distribute 80% to 90% of their taxable income to investors, translating to regular cash flow. This provides stability and predictability, ideal for income-seekers. Think of it as collecting rent from properties you partially own but without the hassles of direct management.

Tax Advantages May Boost Your Returns: MLPs offer distinct tax benefits. Their distributions are typically categorized as qualified dividends, subject to lower tax rates compared to ordinary income. This means you keep more of your money working for you.

Diversification Beyond the Usual Suspects: Investing in MLPs lets you tap into diverse sectors of the economy like energy infrastructure (pipelines, storage facilities), transportation (tankers, barges) and real estate (warehouses, cell towers). This diversification can spread your risk, reduce volatility and potentially enhance your portfolio's resilience.

Inflation Risk Management: Many MLPs operate in sectors naturally linked to inflation, such as energy transportation. As inflation rises, they can adjust their rates or fees, potentially leading to growing distributions over time.

Growth Potential Beyond Income: While income is a major draw, some MLPs also offer capital appreciation. You can also reinvest distributions to increase your investment and potentially grow your overall investment value.

While investing in MLPs offers some clear benefits, no investment is without its risks:

MLPs can be susceptible to changes in underlying commodity prices and broader market conditions, known as "market risk." The distinctive structure of MLPs also requires research and due diligence to better understand the risks and tax implications. Finally, some MLPs trade less often, which means that buying and selling might be less convenient.

One way to invest in MLPs would be to use a professional investment manager, who has the experience and tools to research individual MLPs and build a diversified portfolio. You can invest in this asset class through a mutual fund or an ETF, which would allow you to invest in a diversified portfolio of several companies with one simple purchase.

By carefully considering the benefits and risks, MLPs can offer a compelling option for income-focused investors seeking to diversify their portfolios and potentially add an innovative growth catalyst.

Diversification does not assure a profit or protect against loss in a declining market.



To determine if this Fund is an appropriate investment for you, carefully consider the Fund's investment objectives, risk factors, and charges and expenses before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling 800.994.0755. Please read the prospectus carefully before investing.

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There is no guarantee the holdings will continue to pay dividends. This investment may not be suitable for all investors and ETFs are subject to loss of principal.

Tax Risk The Fund's ability to meet its objective will depend, in part, on the level of taxable income and distributions received from the equity securities in which the Fund invests. If an MLP were treated as a corporation for federal income tax purposes, such MLP would be obligated to pay federal income tax on its income at the corporate tax rate and the amount of cash available for distribution would be reduced and distributions received by the Fund would be taxed under federal income tax laws applicable to corporate dividends (as dividend income, return of capital, or capital gain).

Industry Specific Risk The MLPs (including Midstream MLPs) in which the Fund may invest are subject to risks specific to the industry they serve, including the following:

- Fluctuations in commodity prices may impact the volume of commodities transported, processed, stored or distributed.
- Reduced volumes of natural gas or other energy commodities available for transporting, processing, storing or distributing may affect the profitability of a company or MLP.
- Volatility in commodity prices and changes in supply and demand, which may affect the volume of energy commodities transported, processed, stored and or distributed.