



# Center Coast MLP Collective Fund R2

## General Information

Center Coast MLP Collective Fund is a Collective Investment Fund (CIF) created by the Hand Composite Employee Benefit Trust and sponsored by Hand Benefits & Trust Company that invest in a strategy of Center Coast Capital Advisors, LP which serves as the advisor to the CIF.

## Trustee Information

Hand Benefits & Trust Company, headquartered in Houston, Texas, is one of the largest full service trust companies in the U.S. dedicated to retirement plans.

## Investment Advisor

Center Coast Capital Advisors, LP is a leading investment manager focusing on energy-related master limited partnerships with an investment process focused on due diligence from an owner-operator perspective.

## Fund Information

<b>Share Class</b>	R2
<b>CUSIP</b>	41023X476
<b>Total Expense Ratio</b>	115 bpts or \$11.50 per \$1,000 investment. <i>(The expense ratio includes 25bpts service fees payable to the plan's service providers)</i>
<b>Investment Category</b>	Energy Infrastructure
<b>Inception Date</b>	Oct. 1st, 2011
<b>Turnover Rate</b>	20%

## Top 5 Holdings

	Company	%
1	Oneok Partners LP	7.65%
2	Targa Resources Partners LP	7.63%
3	El Paso Pipeline Partners LP	7.59%
4	Plains All American Pipeline LP	7.59%
5	Enterprise Products Partners LP	7.53%

## Fund Objective & Principal Strategy:

The CIF will strive for long-term capital appreciation through exposure to the energy infrastructure Master Limited Partnership (MLP) asset class.

The CIF intends to invest in a focused portfolio of approximately 20 to 25 high-quality MLP positions, which Center Coast Capital Advisors, LP believes will have strong risk-adjusted returns. The CIF intends to make the majority of its investments in midstream MLPs which are toll-based, fee oriented businesses that typically generate more consistent and less commodity price-sensitive cash flows.

## Fund Highlights

- **The CIF seeks to provide investors with long term capital appreciation**
- **Experienced Management Team:** Access to a seasoned manager of MLPs with owner-operator experience, Focus is on durability and growth of distributions, leading to additional potential excess capital appreciation
- **Tax Efficient Structure:** CIF is not taxed at corporate level providing a tax efficient structure for investors
- **UBTI:** The Trustee estimates and accrues a tax liability (if any) for UBTI, making a single tax filing on behalf of the CIF
- **Institutional Pricing**

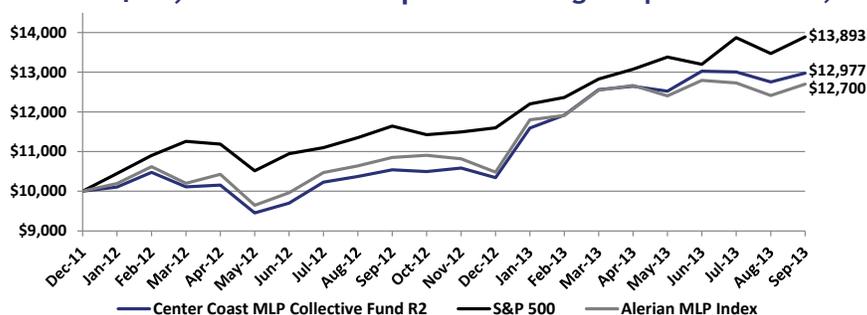
## Performance Information (as of June 30<sup>th</sup>, 2013)

	Total Returns	1 Month	3 Month	YTD	1 Year	ITD
Center Coast MLP R2	1.76%	-0.50%	-0.50%	25.56%	23.21%	16.13%
S&P 500 Index	3.14%		5.25%	19.79%	19.34%	19.70%
Alerian MLP Index	2.32%		-0.73%	21.18%	17.04%	14.63%

Past performance is no guarantee of future results. Returns presented are net of the 80 basis points management and administration fees and include the reinvestment of all income. The Fund had a different advisor prior to August 1<sup>st</sup>, 2013.

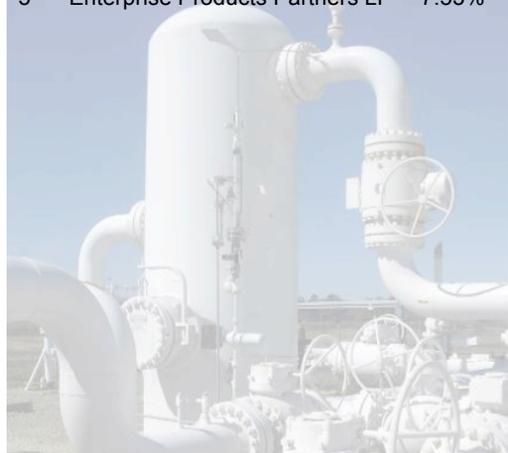
*Indices do not include fees or operating expenses and are not available for actual investment. Indices presented are representative of various broad base asset classes. They are unmanaged and shown for illustrative purposes only. The Alerian MLP Infrastructure Index (AMZI), is comprised of 25 energy infrastructure MLPs whose constituents earn the majority of their cash flow from the transportation, storage, and processing of energy commodities. The AMZI Index is a liquid, midstream-focused subset of the Alerian MLP Index (AMZ). The S&P 500 Index is a capitalization-weighted index that measures the performance of 500 large-capitalization domestic stocks representing all major industries. An investor cannot invest directly in an index. The total annual operating expense for this fund is 80 bps, or \$8.00 per \$1,000 investment. Fees are in compliance with DOL 408 (b)(2).*

## Growth of \$10,000 Since Inception-Through September 30<sup>th</sup>, 2013



## Risk Metrics (as of September 30<sup>th</sup>, 2013)

	Beta	Correlation	Standard Deviation	Max Drawdown	Sharpe Ratio
Center Coast MLP R2	0.74	0.55	13.26	-9.73	1.19
S&P 500 Index	1.00	1.00	9.93	-6.60	1.95
Alerian MLP Index	0.81	0.56	14.21	-9.18	1.03



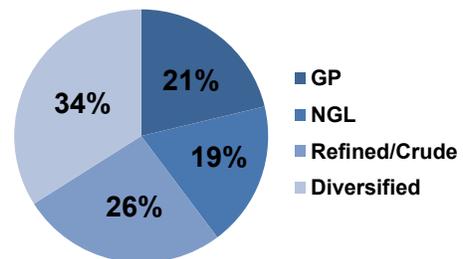


### Lead Portfolio Managers (as of August 1<sup>st</sup>, 2013)

**Dan Tutcher:** 40 years experience owning, operating, and acquiring midstream energy assets. Former President of Enbridge Energy Company, Inc. & President & Director of Enbridge Energy Partners, LP, one of the largest MLPs, from 2001-2006. Previously, founded & served as CEO of MidCoast Energy Resources. Currently a member of the Board of Directors of Enbridge, Inc.

**Robert Chisholm:** 14 years midstream energy logistic industry experience. Previously worked in Morgan Keegan's Energy Investment Banking Division, and worked alongside Dan as Senior Project Advisor at Enbridge Energy Partners, LP, where he advised on \$8B in MLP mergers & acquisitions.

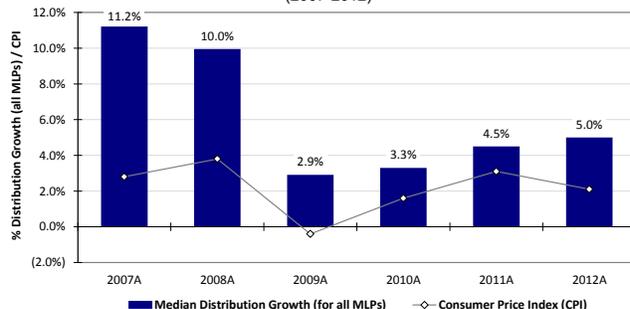
### Subsector Composition



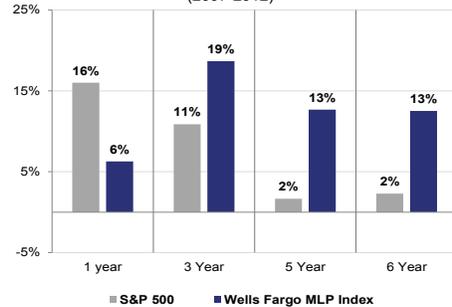
### Why Invest in Midstream MLPs? *Past performance is not indicative of future results*

- **Historically stable and growing cash distributions**, as represented by the Wells Fargo MLP Index. (Figure 1)
  - As of 12/31/12 the Wells Fargo MLP Index had a current distribution rate of 6.5%.
- **Strong historical track record of total return** as represented by the past performance Wells Fargo MLP Index. (Figure 2)
  - MLPs' total return has averaged approximately 13% over the past 6 years (as of 12/31/12)
- **Potential to act as an inflation hedge:** Historically MLP distribution growth has outpaced inflation. MLPs may have Producer Price Index ("PPI") escalators built into their contracted pricing models, which may provide predictable growth and an inflation hedge for investors. (Figure 1)
- **Low correlation** to the broad equity market and other asset classes.
- **Midstream "Toll Collector" fee model** allows for investor participation in potential growth of U.S. oil and natural gas industries without business model fundamentals directly correlating to movements in the price of oil and natural gas.
- **Estimated 25 Years of Continued Expansion:** Over \$250 Billion in U.S. Energy Infrastructure build out is estimated over the next 25 years, according to a study prepared in March of 2012 for The Interstate Natural Gas Association of America.
- **U.S. Domiciled Business:** All assets and operations are located in the US and North America.

**Figure 1. 6 Year MLP Index Distribution Growth vs. Inflation (CPI)**  
(2007-2012)



**Figure 2. Annualized Historical Index Total Return**  
(2007-2012)



All MLP data above is illustrated by the Wells Fargo MLP Index (inception date of 12/11/06). The Wells Fargo MLP Index data is not representative of the Fund and the Fund's investment portfolio may be materially different from the Wells Fargo MLP Index. The Wells Fargo MLP Index is a market-cap weighted, float-adjusted index which tracks the performance of the energy Master Limited Partnerships (MLPs) with market-caps of at least \$200M. **Past performance is not indicative of future results.**

*Principal Risks: Industry Risk: Infrastructure companies are subject to risks specific to the industry they serve including, but not limited to fluctuations in commodity prices, reduced volumes of natural gas or other energy commodities available for transporting, processing, storing or distributing, changes in the economy or the regulatory environment or extreme weather. MLP Risk: Investments in securities of MLPs involve risks that differ from investments in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. Concentration Risk: Under normal circumstances, the Strategy concentrates its investments in the energy infrastructure sector, with an exclusive emphasis on securities issued by MLPs. Strategies that concentrate their investments in a single industry may face increased risk of price fluctuation over more diversified strategies due to adverse developments within that industry.*

*Additionally, investing in MLPs involves material income tax risks and certain other risks. Actual results, performance or events may be affected by, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) changes in laws and regulations and (5) changes in the policies of governments and/or regulatory authorities.*

*UBTI Disclaimer: The Trustee will estimate and accrue a tax liability for unrelated business taxable income. A single form 990-T and any applicable state or foreign tax forms will be filed by a tax preparer on behalf of the CIF each year.*

*The CIF is not a mutual fund. Its shares are not deposits of Hand Benefits & Trust Company or Liberty Street Advisors, Inc., and are not insured by the Federal Deposit Insurance Corporation or any other agency. The CIF is a security that has not been registered under the Securities Act of 1933 and is exempt from investment company registration under the Investment Act of 1940. The performance quoted here does not guarantee future results. As market conditions fluctuate, the investment return and principal value of any investment will change. Diversification may not protect against market risk. There are risks involved with investing, including possible loss of principal. Before investing in any investment portfolio, the client and the financial professional should carefully consider client investment objectives, time horizon, risk tolerance, and fees.*

*Investing directly in MLPs may generate unrelated business taxable income (UBTI) for tax-exempt investors both during the holding period and at time of sale.*