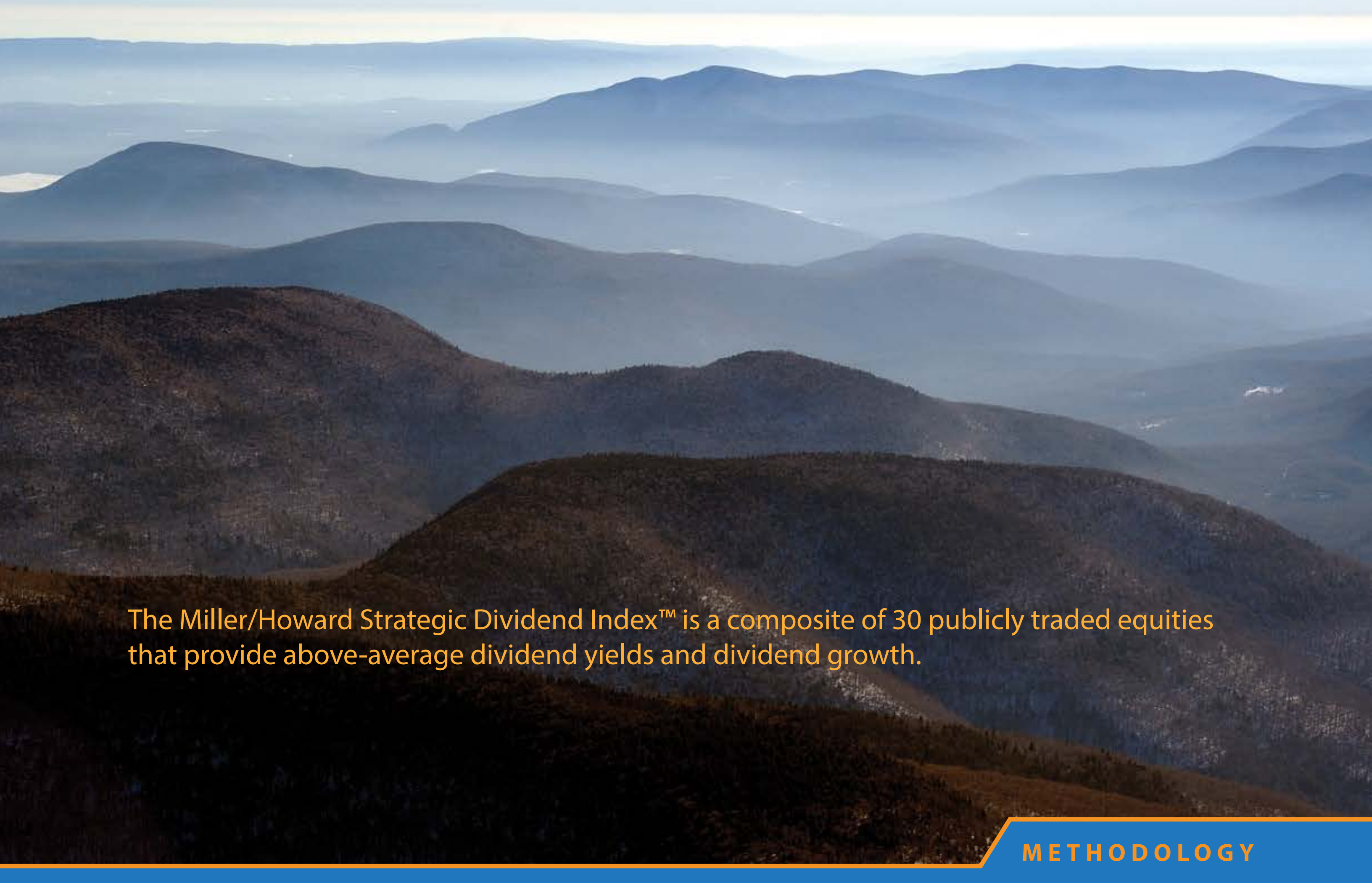
MILLER/HOWARD
STRATEGIC INDEXES

MILLER/HOWARD STRATEGIC DIVIDEND INDEX™



The Miller/Howard Strategic Dividend Index™ is a composite of 30 publicly traded equities that provide above-average dividend yields and dividend growth.

METHODOLOGY

The Miller/Howard Strategic Dividend Index™ (the Index) is a composite of 30 publicly traded equities that provide above-average dividend yields and dividend growth, and are equal weighted based on certain quantitative fundamental factors. The Index utilizes several factors in its selection process: dividend yield relative to market averages, estimated growth of dividend yield, valuation based on asset values as well as return on invested capital, and recent price momentum. All capitalization sizes of stocks may qualify, with a minimum of $1 billion, and stocks in any sector may be eligible, with the exception of publicly traded partnerships. All dividends are reinvested in the stocks in the Index that provides those dividends. The Index, which is calculated using an equal-weighted methodology, is disseminated real-time on a price-return basis (MHDP) and on a total-return basis (MHDT).

Rebalance Schedule

The Miller/Howard Strategic Dividend Index™ is rebalanced quarterly. Selection Date will be on the last Friday of each March, June, September, and December. In the event the major US exchanges are closed on the last Friday of March, June, September, and/or December, 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 second business day following the Selection Date. Rebalancing will begin at the close of business on the second business day after the Selection Date and will take place over a period of one business day.

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 company. The new security is assigned the same weight as the exiting security, as of the effective date of the corporate action. The Index may also exclude or remove companies under investigation by federal regulatory agencies, and may exclude or remove companies whose financial reports are not submitted in a timely manner.

Treatment of Dividends

The price-return index does not account for cash dividends. The total-return index accounts for cash dividends by reinvesting them in all Index Constituents proportionally to their existing weights within the Index.

Base Date and Calculation Agent

The Index is independently calculated by the Chicago Board Options Exchange. The base date for the Index is July 2, 2014, 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 companies included in the Index will be companies of significant size and liquidity, traded on US exchanges. They may include companies from any and all sectors, and may include ADRs of foreign companies traded on US exchanges. Generally, the Index provides a rules-based model for selecting stocks at three-month intervals, which as closely as possible replicates the approach of successful managers employing higher-yielding stocks, and which replicates the historic risk/return characteristics of the higher-yielding deciles of dividend-paying stocks among public equities.

The Methodology provides that 100% of the Index will be invested at all times in the stocks selected by the model, and that each stock will represent 3.33% of the Index at any rebalance date. There are no constraints or limitations on industry or sector representation, as the philosophy of the Index construction is that the momentum factor included in stock selection will guide the portfolio to the most beneficial stocks at any point in time.

The Index is premised on the assumption that certain observable fundamental factors influence the overall performance and growth of stocks with above-average dividend yields. This Index seeks to de-emphasize the importance of market capitalization in the weighting of its Constituents by employing an equal-weight methodology, though based on prior portfolios it is expected that the portfolio will generally contain mid- to large-capitalization stocks. There is no attempt to weight the stocks, as they are weighted in the widely disseminated equity market indexes that are capitalization weighted. The Index allocates exposure to the equities that it identifies according to select quantitative fundamental factors, including yield, expected growth of yield, valuation based on assets, valuation based on an equalized return on total capital (profitability) relative to valuation, and recent stock-price momentum.

At each Rebalancing Date, the 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 Strategic Dividend 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 recorded quarterly dividends in the previous two quarters based on Ex-Date prior to the Index Selection Date. It must not have declared a dividend decrease in the past 12 months.

   In the case of equities that pay an Annual or Semi-Annual Dividend, a comparison between the Trailing 12-Month Distribution and the prior Trailing 12-Month Distribution is performed.
3. It must be a corporation or ADR.
4. It may not represent either limited or general partner interests, or both, of a Master Limited Partnership. 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. It may not be a REIT. Effective as of the June 24, 2016, rebalance of the Index, it may not be a Business Development Corporation (BDC) (as defined by Bloomberg field "BICS_LEVEL_4_SUB_INDUSTRY_NAME" where the value is "BDCs").
5. It must have a capitalization of at least $1 billion, subject to adjustment by the Index Sponsor, to ensure consistency with developments affecting the equity markets generally.
6. It must have a three-month average daily trading volume (ADTV) of at least $4 million on the Selection Date. This three-month ADTV will use the Bloomberg field "AVG_DAILY_VALUE_TRADED_3M" to determine the dollar-value cutoff. This threshold may be adjusted by the Index Sponsor to ensure consistency with developments affecting the equity markets generally.
7. It must have a positive Book Value per Share to be eligible for inclusion. If it has a negative Book Value per Share, it will be excluded. Book Value per Share for each security will use Bloomberg field "BOOK_VAL_PER_SH."

   Outages may be researched by the Index Sponsor using publicly available sources.
8. Excluding any extraordinary or special dividends, its one-year Dividend Growth must be zero or positive. The Index Sponsor calculates Dividend Growth as: (a) for quarterly payers, multiplying the 5th quarter by four and comparing to the Trailing 12-Month (Quarters 1, 2, 3, 4) Dividend paid as of the Selection Date; (b) for Annual or Semi-Annual dividend payers, comparing the Trailing 12-Month Dividend as of the Selection Date with the prior Trailing 12-Month Dividend; (c) if a quarterly payer has paid less than 5 distributions but greater than 1 distribution by Ex-Date as of the Selection Date, 1-Year Dividend Growth will be considered zero.

   The Index Sponsor may waive this criteria if necessary to obtain an Eligible Universe of at least 30 equity securities.
9. It must have accessible data for the relevant Selection Criteria. If the relevant data is not available from publicly available sources, the security will not be included in the Eligible Universe.

   We refer to each equity security 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 indicated dividend yield in order to determine the Final Investment Universe. The indicated dividend yield must fall within deciles 7, 8, 9, and 10 of stocks with greater than $1 billion market capitalization, where decile 10 is the highest yield.

The market capitalization and indicated yield 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 fields "CUR_MKT_CAP" and "EQY_DVD_YLD_IND" for that security.

If two or more constituents have a matching indicated yield, they will be ranked highest-to-lowest by momentum. Momentum is to be defined as the Eligible Constituent's 26-week total return as of the Selection Date.

Determining the Constituents and Weightings

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

1. *Dividend Established in Top 4 Deciles.* Dividends for each company must have been declared for at least the previous two quarters in succession, immediately preceding the relevant Selection Date. The current dividend of the company, calculated as "indicated yield" or dividend as a percentage of current market

price of the company, must fall within deciles 7, 8, 9, or 10 of the Investable Universe, as calculated by the Index Sponsor from widely available public data sources. (An exception to the two quarters rule is made for Annual and Semi-Annual payers.)

2. *Reducing the Highest-Yielding Equities.* From the Final Investment Universe the Index Sponsor determines the 350 lowest-yielding stocks, to reduce the impact of the highest-yielding stocks on the portfolio.

3. *Asset Valuation.* From the resultant group of 350 stocks in #2 above, the Index Sponsor selects the 300 stocks with the lowest market valuation relative to the respective company's stated Book Value, calculated from widely available public data sources. Book Value per Share for each security is determined using Bloomberg field "BOOK_ VAL_PER_SH" as the divisor for market price/Book Value per Share, the numerator being "PX_LAST." Outages may be researched by the Index Sponsor using publicly available sources.

4. *Profitability.* From the resultant group of 300 stocks in #3 above, the Index Sponsor selects the 150 stocks that are most profitable per unit of cost based on estimated Return on Invested Capital. The Index Sponsor will calculate estimated ROIC by using consensus estimates provided by Bloomberg and multiplying by the company's effective tax rate, and dividing the product by the Average Total Invested Capital. The resulting Bloomberg formula will read (("BEST_EBIT","Selection Date","Selection Date", "BEST_FPERIOD_OVERRIDE=1BF")* ((1-("EFF_TAX_RATE"/100)))/("AVG_TOTAL_ INVESTED_CAPITAL"). Where Data Outages oc-cur using the aforementioned formula, the Index Sponsor will rely only upon the most recently reported ROIC using the Bloomberg field "RETURN_ ON_INV_CAPITAL." Estimated ROIC/ROIC data is divided by the current PE ratio Bloomberg Field "PE_RATIO," to equalize the cost per unit of Return on Invested Capital across the various industries and company types. Outages may be researched by the Index Sponsor using publicly available sources.

5. *Estimated Growth of Yield.* A traditional method of generating expected returns from a security is the summation of current yield and expected growth of yield. Utilizing the Bloomberg field "BDVD_ PROJ_3Y_DIV_GROWTH" the expected distribution growth over the next three years is added to the current indicated yield, and the remaining resultant 150 stocks from #4 above are sorted in descending order. From this ranking the 50 stocks with the highest combined indicated yield and projected growth of yield are selected. Members with a negative forecasted Dividend Growth are removed. Outages may be researched by the Index Sponsor using publicly available sources.

6. *Reducing Dividend Growth Outliers.* A variety of anomalies and database errors can result in a stock displaying an extraordinary high growth-of-yield expectation that may not be sustained. From the remaining resultant 50 stocks from #5 above, the bottom 45 stocks in the ranking for yield plus growth of yield are selected.

7. *Momentum.* The Index Sponsor's methodology includes a factor to capture the "momentum effect" that has been widely documented in academic literature. From the resultant 45 stocks from #6 above, the 35 stocks with the highest 26-week total returns are selected. =BDP ("ticker","CUST_ TRR_RETURN_HOLDING_PER","CUST_TRR_ START_DT=YYYYMMDD","CUST_TRR_END_ DT=YYYYMMDD").

8. *Reducing Momentum Outliers.* A stock may display extraordinary 26-week momentum for a variety of speculative reasons, including merger speculation, merger reality, and short covering, that are not fundamental factors. From the 35 stocks ranked for 26-week total returns in #7 above, the 30 stocks with the lowest 26-week total returns are selected. Each of these final 30 companies, equally weighted, 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 as limited by the Methodology.

Potential Adjustment of Selected Constituents and Weightings

The Index is designed to allocate 100% of its notional value to moderately valued higher-yielding dividend growth equities displaying excess relative momentum. A Constituent may be replaced at the discretion of the Index Sponsor if the company is subject to regulatory investigation, is subject to an offer of merger, fails to meet required filing deadlines, is delisted from the national exchanges, or is in default on its debt obligations.

In order to select the replacement Constituent, the Methodology will select the highest-ranked company that is not an Index Constituent after steps 1-8 above have been performed. If more than one replacement is required, the Index Sponsor will continue to perform steps 1-8 until the portfolio is fully populated.

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.

Some of the adjustments that may need to be made to the divisor include changes in the number of shares floated by a company, any rights offerings made to employees or management, and any share repurchases.

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 *Index Actions* table (on right).

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 Strategic Dividend Index™ is an equal-weighted index.

Under normal circumstances, the portfolio will consist of 30 equally weighted companies.

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 Strategic Dividend Index™ is rebalanced to its target equal weights each quarter.

The level of the Index is deemed to have been 100.000 on July 2, 2014 (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:

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

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 company 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 in all Index Constituents proportionally to their existing weights within the Index.	No

Where:
U^i_0 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^i_0 is the price of i-th Index Constituent as of the close of the Base Index Date; and

w^i_0 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:

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

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:

$$U^i_{R_T} = U^i_{R_{T-1}} + \frac{w^i_{New}}{P^i_{R_T}} \left(\sum_{j=1}^{f} \frac{P^j_{R_T} U^j_{R_{T-1}}}{1+N-T} \right)$$

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 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.

Index Level Calculation

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

$$I_t = \frac{\sum_{i=1}^{q} U^i_t P^i_t}{V_t}$$

Where:
U^i_t 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^i_t 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 the previous 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.

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^i_t 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^I_t 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^I_t is the Index Dividend/Distribution amount for Index business day *t;* and

P^I_{t-1} 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^I_t is the Index's Total Return for Index business day *t.*

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