

From: Katha Kissman
Sent: Friday, March 16, 2018 12:44 PM
To: John A. Papa; Marjorie Raines; Michael O'Reilly; Michael Toner
Cc: Debbie Dutton
Subject: Additional information on the MLP/FERC ruling

Dear Members of the Finance Committee,

More from Ed, attached and below:

I wanted to pass on a piece that Advisory Research (our MLP manager) put together last night on the MLP / FERC ruling news.

Although early, they estimate that in their 100% MLP separate account, the potential earnings impact is less than 5%. They also estimate that in the INFIX mutual fund (which is what we are invested in and is structured as a RIC with a 25% limit on MLPs) the impact should be much smaller. Additionally, note that the FERC ruling does not affect the vast majority of energy and infrastructure assets, but instead primarily impacts just natural gas and oil pipeline MLPs. The change would go into effect for natural gas MLPs this fall, but not until 2020 for oil pipelines.

See attached pdf and let us know if you have any questions. We will continue to monitor the situation and discuss this with the committee at the next meeting.

Katha

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