Cushing® MLP High Income Index

INDEX METHODOLODGY GUIDE

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Section 1. Introduction

This document summarizes the methodology and rules used to construct, calculate, and maintain the **Cushing® MLP High Income Index (the " Index").**

The **Cushing® MLP High Income Index** (Ticker: MLPY) provides a benchmark to achieve higher income from publicly traded master limited partnerships (MLPs). The Index is comprised of 30 MLPs and utilizes a three tiered weighting system, based upon current "indicative yields," to determine the constituents. "Indicative yield" is defined, for each MLP, as the last quarterly (annualized) distribution divided by current stock price. The 30 MLPs in the Index are tiered as follows: (I) the first tier includes those 10 MLPs that have the highest current indicative yield and a market capitalization of $1 billion or more. Each first tier constituent is assigned a 5%weighting of ; (II) the second tier includes those 10 MLPs that have the highest current indicative yield and a market capitalization $750 million or more. Each second tier constituent is assigned a 3.5% weighting; (III) the third tier includes those 10 MLPs that have the highest current indicative yield and a market capitalization $500 million or more. Each third tier constituent is assigned a 1.5% weighting. As a final screening mechanism, volume limitations are applied at each tier, as described further below. The Index is rebalanced quarterly. The Index is calculated by Standard & Poor's using the methodology set out by Cushing MLP Asset Management, LP ("Cushing") for the Index.. The Index is disseminated real-time on a price return basis and quoted under the ticker symbol "MLPY". The corresponding total return Index is calculated on an end-of-day basis and is disseminated daily through its ticker symbol, "MLPYTR".

Why use the Cushing® MLP High Income Index?

MLPs are natural resource-based companies that own, build and maintain the energy infrastructure (pipelines, storage facilities etc) of North America. They are an attractive asset class for many investors, ***providing relatively stable income, inflation protection and high total return prospects***. The business model of a typical MLP takes advantage of a high barrier to entry, little economic sensitivity and continued demand for the products and services due to overall energy demand.

The Cushing® MLP High Income Index is designed and constructed to provide investors a benchmark focused on higher yielding MLPs while providing diversification among 30 issuers selected through a market capitalization tiered screening process.

About Cushing® MLP Asset Management, LP

Cushing® MLP Asset Management, LP, a subsidiary of Swank Capital, LLC ("Cushing"), is an SEC registered investment manager based in Dallas, Texas, that manages assets (in various funds and separate account formats) primarily focused on midstream energy master limited partnerships. Swank Capital, LLC ("Swank") launched one of the first MLP hedge funds in 2003. Cushing's investment process focuses on bottom-up fundamental analysis through focused proprietary company research and models. Cushing's knowledge of the sector drivers, nuances across MLP subsectors and additional research teams that focus on energy and commodity companies give the firm a unique advantage in managing MLP assets. Cushing is one of the only firms with in-depth models on every infrastructure MLP and MLP-related security. In addition, Cushing maintains close ties with the MLP management teams. The Cushing investment team combines its fundamental research with an integrated portfolio risk management system (to reduce/mitigate non-MLP specific risks, such as interest rates) and its differential sourcing ability, mainly in the private MLP market, to provide key insights into the MLP sector and to maximize absolute total returns on a risk-adjusted basis. Cushing invests in both late stage private MLP and public MLP markets, providing insight into opportunities across the MLP spectrum.

Section 2. Index Description

The **Cushing® MLP High Income Index** is an index of 30 publicly traded MLPs that is constructed utilizing a three-tiered weighting system based upon current indicative yields to determine its constituents.

CUSHING MLP INCOME INDEX – SELECTION CRITIERA

Tier	Index Weighting	Market Capitalization	30 Day average Trading Volume Minimum
TIER I	5.00%	>= $1.0 billion	>= 200,000
TIER II	3.50%	>=$0.75 billion	>= 150,000
TIER III	1.50%	>=$0.5 billion	>= 100,000

The market capitalization and trading volume minimums will be reviewed periodically and may be adjusted due to changes in market conditions. Historical analysis did not include volume limitations. In addition to the criteria listed above, if a company has made a public announcement or guidance of its next quarter's distribution, then that quarterly distribution will be used to calculate the current indicative yield.

Cushing, creator of the Cushing® MLP High Income index, has enlisted S&P Custom Indicies to calculate and maintain the index. The index constituents may change quarterly based upon current indicative yields. The index is rebalanced quarterly by S&P Custom Indicies. The index will be disseminated real-time on a price return basis and quoted under the ticker symbol "MLPY". The corresponding total return index is calculated on an end-of-day basis and will be disseminated daily through its ticker symbol, "MLPYTR". Cushing will also publish relevant constituent data points, such as total market capitalization and dividend yield, on the publicly available website www.swankcapital.com. Companies are added or removed by Cushing based on the methodology described herein.

OBJECTIVE

The Cushing® MLP High Income Index is designed and constructed to provide investors a benchmark focused on higher yielding MLPs while providing diversification among 30 issuers selected through a market capitalization tiered screening process.

RATIONALE

Cushing believes a market capitalization weighted index inaccurately reflects the performance of an asset class because as stocks increase in value, they have a disproportionately high allocation in the index, and as stocks decrease in value, they develop a disproportionately low allocation to the index constituents. Market capitalization weighted indexes rely only upon size (in effect stock prices) to establish weighting percentages. Cushing believes The Cushing® MLP High Income Index will become a standard benchmark for investors who want to gain passive exposure to the MLP asset class with higher income potential. Using Standard & Poor's proprietary calculation methodology, the Index provides a reliable, transparent index to achieve high income from this growing asset class.

Section 3. Index Construction

This chapter outlines and defines the key steps in constructing and calculating the index, including eligibility requirements, formulas, initial component selection, and special adjustments.

3.1. Base Date and Value

The Cushing® MLP Income Index has the following base date and value:

Index	Base date	Base value
Cushing® MLP High Income Index	January 1, 2004	100

3.2. Constituent Eligibility Requirements

All of the following requirements must be met in order for an MLP to be eligible for inclusion:

1. The constituent security must be U.S.-based. Cushing uses several factors in determining a company's nationality, including, but not limited to, registration location, accounting principles used for financial reporting, and location of headquarters.
2. The constituent security must be a "reported security" as defined in Rule 11Aa3-1 under the Exchange Act, and its common stock listed on the New

York Stock Exchange (NYSE), American Stock Exchange (AMEX), or National Association of Securities Dealers Automated Quotations System (NASDAQ).

3. The constituent security must be a publicly traded partnership or limited liability company exempt from corporate taxation as a result of the Tax Reform Act of 1986, and engaged in the transportation, storage, processing, or production of energy commodities.
4. The constituent security must represent either limited or general partner interests, or both, of a master limited partnership that is an operating company, or common units of a limited liability company that is an operating company. 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.

Additional market capitalization, trading liquidity, and financial viability requirements must also be satisfied, as outlined below. These requirements were not applied in calculating historical performance prior to July 19, 2010 (the "Initial Constituents") so as to eliminate any selection bias in the calculation of the Index. All initial constituents will remain in future Index calculations and will be exempt from additional Index inclusion criteria. New Index constituents, however, in addition to the Index requirements listed above, will also be subject to the following conditions:

1. *Market capitalization.* Each constituent security must have a market capitalization of at least $500 million. This minimum requirement may be adjusted upward or downward to maintain a consistent number of securities that are eligible for inclusion in the Index.
2. *Adequate trading liquidity.* Each constituent security must maintain a ratio of annual dollar value traded to market capitalization of 0.30 or greater. Trading volume of each component security is required to have been in excess of 500,000 units per month for each of the prior six months.
3. *Public float.* Each constituent security must have a public float of at least 20% of the total outstanding common units.
4. *Distribution Stability.* Each constituent security must have maintained or increased its distributions over the previous four fiscal quarters. An exception will be made for new listings or issuers that move to one of the

main exchanges (defined as NYSE, AMEX or NASDAQ) from another dealer market or over the counter exchange. Such issuers must maintain the above standards moving forward from the new or re-listing date.

In order to avoid excessive turnover in Index membership, Cushing may choose to not remove an MLP from the Index where it appears that a security temporarily fails to satisfy one or more of the Index eligibility criteria specified in this Section. Similarly, the Cushing may choose not to add an MLP to the Index where it appears that the MLP meets the Index eligibility and inclusion criteria only temporarily.

3.3. Float Adjustment- Not Applicable to equal weight index

Constituents of the Index are equal-weighted and therefore there is no need for a float-adjustment.

3.4. Distribution Treatment

The price-only Index does not take distribution payments into account. The total-return Index reflects distributions by including them on their respective ex-dividend days. Distributions are then reinvested in the Index on a daily basis.

3.5. Index Equations

Approaches

The Index is equal-weighted and calculated by the divisor methodology used in all Standard & Poor's equity indices.

Index Calculations

The divisor was set to have a base index value of 100 on January 1, 2004. The index value is simply the index market value divided by the index divisor:

Index Value = Index Market Value / Divisor

For more information on the index calculation methodology, please refer to the Equal Weighted Indices section of Standard & Poor's Index Mathematics methodology. www.standardandpoors.com

In order to maintain index series continuity, it is also necessary to adjust the divisor at each rebalancing.

$$(\textit{Index Value})_{\textit{before rebalancing}} = (\textit{Index Value})_{\textit{after rebalancing}}$$

Therefore,

$$(\textit{Divisor})_{\textit{after rebalancing}} = (\text{Index Value})_{\textit{after rebalancing}} \,/\, (\text{Index Value})_{\textit{before rebalancing}}$$

Total Return and Net Return Indices

Each Index will have a total return counterpart, which assumes dividends are reinvested in the Index after the close on the ex-date. On any given date t:

$$\textit{Total Return Multiplier}_t = [\textit{Index Value}_t + \textit{Index Dividend Points}_t] \,/\, \textit{Index Value}_{t-1}$$

$$\textit{Total Return Index Value}_t = (\textit{Total Return Index Value}_{t-1}) * (\textit{Total Return Multiplier}_t)$$

$$\text{Index Dividend Points } t = \Sigma_{i=1}^{N} (\text{Index Shares})_{i,t} * (\text{Ex-dividends})_{i,t} \,/\, \text{Index Divisor}_t$$

3.6. Initial Constituent Selection

Cushing uses a proprietary scoring model to rank MLPs. The top 30 MLPs identified by the model are selected for inclusion in the Index. The scoring model is expected to remain constant throughout the life of the Index. However, the model may be amended as necessary at the discretion of Cushing to the extent that it determines that a change is necessary to address an error, ambiguity or omission that would prevent the Index from fulfilling the principles and objectives of the Index, as described in Section 2 above. Such amendments may include, for example, changes to eligibility requirements as described in Section 3.2 or weights. In addition, the following steps were taken to select the Initial Constituents for the Index.

1. Each constituent security was required to be U.S.-based. Cushing used several factors in determining a company's nationality, including, but not limited to, registration location, accounting principles used for financial reporting and location of headquarters.
2. Each constituent security was required to be a "reported security" as defined in Rule 11Aa3-1 under the Exchange Act, and its common stock listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX), or National Association of Securities Dealers Automated Quotations System (NASDAQ).
3. Each constituent security was required to be a publicly traded partnership or limited liability company exempt from corporate taxation as a result of the Tax Reform Act of 1986, and engaged in the transportation, storage, processing, or production of energy commodities.
4. Each constituent security was required to represent either limited or general partner interests, or both, of a master limited partnership that is an operating company, or common units of a limited liability company that is an operating company. Open-end mutual funds, closed-end funds, exchange-traded funds (ETFs), royalty or income trusts and other pooled investment vehicles were not eligible for inclusion.

Section 4. Index Maintenance

This section describes the circumstances that require Index changes, as well as the details on performing those changes.

4.1 Divisor Changes

Changes to Index composition due to corporate actions or constituent eligibility changes will require Index divisor adjustments, as follows:

Constituent Change	Adjustment
Constituent Replacement	New constituent replaces the dropped company in the Index with the same weight. When a constituent is removed from the Index at a price of \$0.00, its replacement will be added to the Index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted company was not valued at \$0.00.
Spinoff	No weight change. The price is adjusted by subtracting the following from the price of the parent company: $\left[\frac{\text{Spinoff unit price}}{\text{Unit Exchange Ratio}}\right]$ Index units change so that the constituent’s weight remains the same as its weight before the spin-off. A determination will then be made for the entity that is spun off as to inclusion in the Index. If a constituent being spun off is only trading on a “when-issued” basis, the “when-issued” price will be used to adjust the parent company’s closing price.
Rights Offering	The price is adjusted by subtracting the following from the price of the parent company of the constituent: $\left[\frac{\text{Price Of Rights}}{\text{Rights Ratio}}\right]$ Index units change so that the constituent’s weight remains the same as its weight before the spin-off.

Divisor changes are usually made on the date the corporate action affecting the constituent becomes effective.

4.2 Details of Unit Changes

Stock splits and reverse splits do not require Index divisor adjustments because the corresponding change to the stock price equally offsets the number of assigned units, therefore not affecting the constituent's weighting in the Index.

4.3 Index Rebalancing

The Cushing® MLP High Income Index is rebalanced quarterly in January, April, July, and October, each year. Rebalancings occur after the closing on the second Friday of the quarter in the first month of each calendar quarter, and become effective at the opening on the next trading day. Changes will be announced on the publicly available website, www.swankcapital.com

The goal of the Index is to maintain a portfolio of 30 of the currently higher yielding MLPs. As the unit prices of constituents move, the weightings in the index will change. A more frequent rebalancing will result in higher index turnover and less frequent rebalancing would result in more significant deviations from target weightings.

When a new constituent is added to the Index in the middle of the quarter, it takes the weight of the MLP that it replaced. The one exception is when a MLP is removed from an index at a price of $0.00. In such a case, the MLP's replacement will be added to the index at the weight using the previous day's closing value, or the most immediate prior business day that the deleted MLP was not valued at $0.00.

4.4 Interim Constituent Changes

Constituent changes may occur during scheduled quarterly or interim rebalancing or between review periods if a specific corporate event makes an existing constituent ineligible. The following events may require a constituent's replacement:

Event	**Action**
Merger or Acquisition	If a merger or acquisition results in one constituent absorbing another, the resulting company will remain a constituent and the absorbed company will be replaced. If a non-constituent company absorbs a constituent company, the original constituent will be removed and replaced.
Spin-off	If a constituent company splits or spins off a portion of its business to form one or more new companies, the resulting companies will all be eligible to remain as constituents as long as each meets the eligibility requirements but the Index will remain at 30 names therefore one company will have to be dropped and that will be determined by Cushing.
Bankruptcy	A constituent company will be removed and replaced immediately after bankruptcy filing. Exceptions are made on a case-by-case basis. For example, a security might not be removed immediately when a bankruptcy filing is not a result of operating or financial difficulties.
Delisting	A constituent company will be removed and replaced immediately after being delisted from its primary market.
Distribution Cut	A constituent company will be removed and replaced if a distribution cut has been announced. The change will take place the earlier of the ex-date or the end of the current month.

Interim constituent changes will be announced on the Index's website, www.swankcapital.com

Section 5. Index Calculation and Dissemination

This section summarizes calculation and dissemination practices, quality assurance practices, and the circumstances requiring calculation corrections.

5.1. Price Calculation

Price and total return indexes for the Cushing® MLP High Income Index are calculated by Standard & Poor's. The price Index is calculated on a real-time basis, and the total return Index is calculated and disseminated on an end-of-day basis. Each Index is calculated using the last traded price for each company in the index from the relevant exchanges and markets. Index values are rounded to two decimal places and divisors are rounded to 14 decimal places.

5.2. Calculation Frequency and Dissemination

The Cushing® MLP High Income Index is a price-only index calculated on a real-time basis beginning when the first traded price of any of the index constituents is received by Standard & Poor's. Prices are delivered to the New York Stock Exchange every 15 seconds and subsequently published to data vendors under the ticker symbol "MLPY". Total return Index values are calculated at the end of each day and will be disseminated to data vendors under the ticker symbol "MLPYTR".

If trading in a constituent is suspended prior to the market opening, the constituent's adjusted closing price from the previous day will be used in the index calculation until trading commences. If trading in a constituent is suspended while the relevant market is open, the last traded price for that constituent will be used for all subsequent index calculations until trading resumes.

5.3. Input Data

Standard & Poor's uses various quality assurance tools to audit, monitor, and maintain the accuracy of its input data. While every reasonable effort is taken to ensure high standards of data integrity, there is no guarantee against errors. Please refer to the Data Correction section for more detail.

The Index closing price is calculated using the closing prices issued by the primary exchange for each constituent stock in the Index. If the primary exchange changes the closing price of a constituent, the new price will be used to calculate the index closing price. A final check of closing prices generally is performed between one hour and one and one half hours after the close of markets. This time frame may be expanded at Standard & Poor's discretion on days where trading volume is unusually large at the close. For example, futures and options expiration dates, and large index rebalancing dates often result in unusually large volume. Only changes received prior to this final check are used in the closing price calculation.

5.4. Data Correction

Incorrect index constituent data, corporate action data, or index divisors will be corrected upon detection. If such errors are discovered within five days of occurrence, they will be corrected that same day. If discovered after five days, adjustments will be handled on a case-by-case basis depending on the significance of the error and the feasibility of a correction. Announcements will be made on at www.swankcapital.com prior to the change becoming effective. Incorrect intraday index tick data will not be corrected. However, incorrect opening and closing values will be corrected as soon as possible after detection.

Asset Management, LP. S&P and its affiliates shall have no liability for any errors or omissions in calculating the Index.