Miller/Howard INVESTMENTS

Diversification Has Left the Building: Dividends Can Provide a Solution

SEPTEMBER 30, 2026

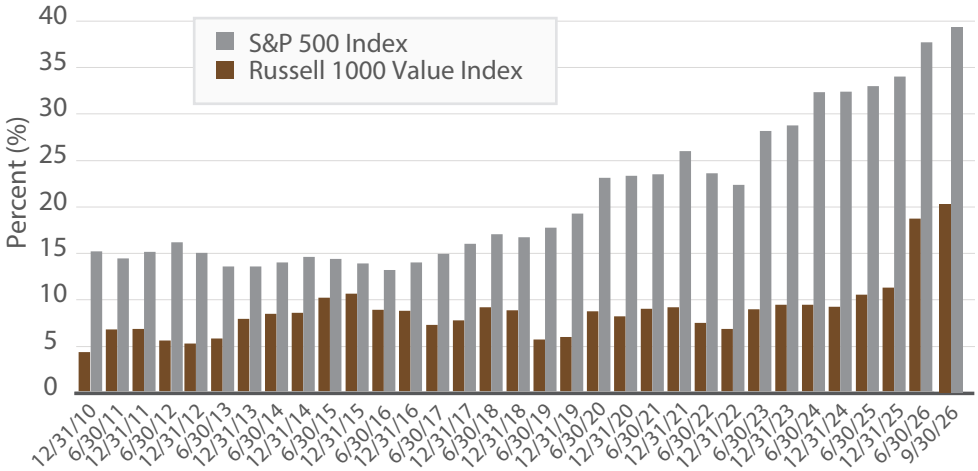
DESPITE PERSISTENT INFLATION and rising interest rates, US markets continued to march higher during the quarter on… stop us if you've heard this one… the back of continued momentum in tech. For the last decade, equity markets have witnessed unprecedented outperformance from the tech-focused companies with the largest market capitalizations. These companies' dominant returns have created a flywheel in which an increasingly concentrated group of companies increasingly dominate major markets and market indices.

From a sector perspective, information technology (IT) is the largest allocation within the S&P 500 Index, comprising nearly 40% of the index and more than three times that of the second largest sector (financials). Over the last 10 years, IT's weight in the index has increased nearly twofold from ~21% to the aforementioned 40%.

While the S&P 500 has become the poster child for market concentration, many other indices are also becoming heavily influenced by mega-cap tech. Counterintuitively, this has even led to indices that purport to provide value exposure being driven by the very same names (see Miller/Howard's 4Q25 Quarterly—*Is There Growth in Your Value?*). The Russell 1000 Value Index is participating in the same growing concentration, with IT more than doubling over the last five years from ~9% to ~21% of the index.

As dominant as the IT sector has been, it is worth noting that these figures understate the true exposure to "tech." Companies such as Alphabet, Meta, and Amazon* are currently classified as communication services and consumer discretionary by the Global Industry Classification Standard (GICS), despite owning AI and cloud infrastructure.

Continued Index Concentration in the Technology Sector



As of September 30, 2026. Sources: Bloomberg; Miller/Howard Research & Analysis. Based in the information technology sector weights in the S&P 500 Index and Russell 1000 Value Index.

*All not held

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INVESTMENT PRODUCTS: ARE NOT FDIC INSURED • MAY LOSE VALUE • ARE NOT BANK GUARANTEED

FTSE Russell periodically reconstitutes its indices, and these changes have heavily influenced the IT weighting within the Russell 1000 Value, particularly since June 2025. For the Russell 1000 Growth and Value indices, FTSE Russell evaluates the companies in the broad market Russell 1000 Index to determine where they lie along the investment style spectrum. FTSE Russell uses three metrics (one value- and two growth-oriented) to calculate a composite value score that reflects how strongly each company displays value and growth characteristics. The constituents are ranked and an algorithm is applied to determine style index membership weights. Since a continuous style-scoring system is used (versus a binary system), constituent weights can be divided and allocated to both growth and value indices.

At their most recent reconstitution in June 2026, the majority of Amazon's weight shifted out of the Russell 1000 Growth Index and into the Russell 1000 Value. Apple and Microsoft* transitioned from being exclusively growth allocations to being split between the growth and value benchmarks. Due to the companies' large market capitalizations, Amazon, Apple, and Microsoft became the top three index holdings, comprising over 15% of the Russell 1000 Value. After the reconstitution, the IT sector weight was over 800 basis points higher year-over-year (and, as we mentioned, this dramatic shift excludes Amazon since it is not in the IT sector).

* Both not held

Reconstitution Added More Tech Exposure

Top 10 Holdings in the Russell 1000 Value Index

As of June 30, 2026	Ticker	Weight
Amazon	AMZN	5.9%
Apple	AAPL	5.4%
Microsoft	MSFT	3.9%
Berkshire Hathaway	BRKB	2.6%
JPMorgan Chase	JPM	2.5%
Intel	INTC	1.7%
Johnson & Johnson	JNJ	1.7%
Exxon Mobil	XOM	1.6%
Cisco Systems	CSCO	1.3%
Walmart	WMT	1.3%

As of June 30, 2025	Ticker	Weight
Berkshire Hathaway	BRKB	3.2%
JPMorgan Chase	JPM	2.9%
Alphabet	GOOGL/ GOOG**	2.4%
Amazon	AMZN	2.1%
Exxon Mobil	XOM	1.7%
Walmart	WMT	1.4%
Procter & Gamble	PG	1.3%
Johnson & Johnson	JNJ	1.3%
Bank of America	BAC	1.1%
Meta Platforms	META	1.0%

As of June 30, 2026. Sources: LSEG; Miller/Howard Research & Analysis. Highlighted names reflect the IT sector and other AI and cloud infrastructure companies. **Reflects the combined weight of GOOG and GOOGL. June 30, 2025 and June 30, 2026 compare the year-over-year FTSE Russell rebalance dates of the Russell 1000 Value Index.

IT has had an outsized and growing impact on major investment benchmark performance. Within the S&P 500, the sector contribution averaged 47% of the index's total return from 2023 to 2025. This took another massive step forward in 2026, with IT accounting for an astonishing 77% of the index's year-to-date total return. During the third quarter, IT contributed more than 100% of the S&P 500 Index's total return—meaning all other sectors, in aggregate, had a negative return.

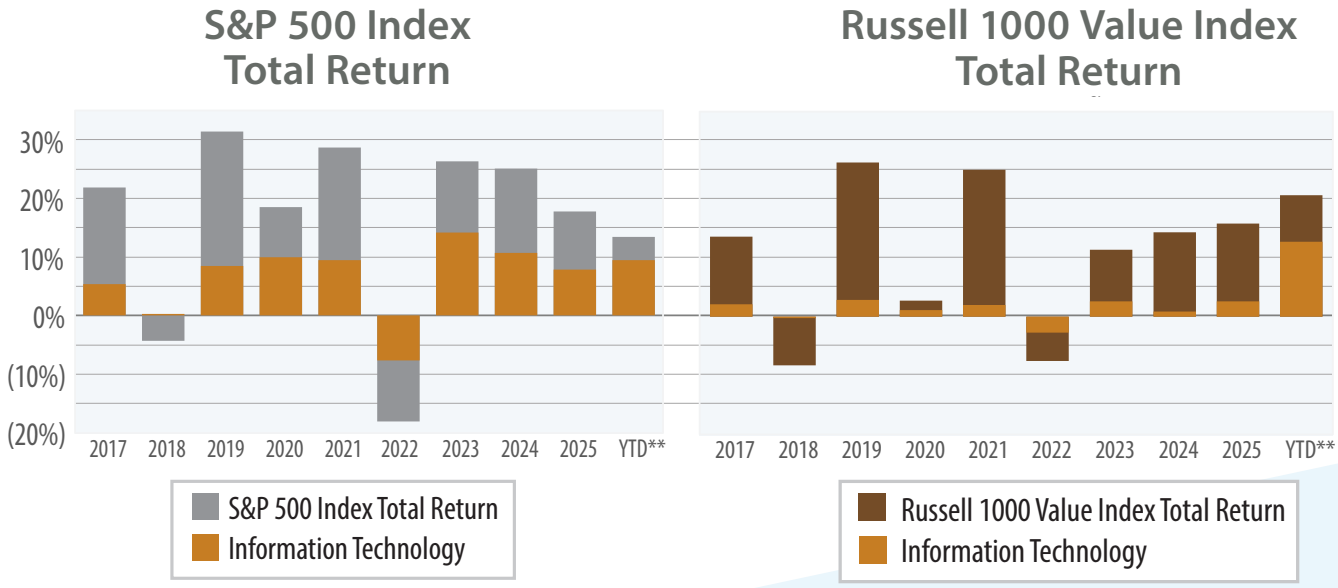
Within the Russell 1000 Value, the IT sector's contribution averaged ~15% of the index's total return from 2023 to 2025, despite an average 9% weight. And as we witnessed in the S&P 500, the IT sector was a dominant force in 2026 accounting for ~65% of the Russell 1000 Value's total return.

A natural byproduct of highly concentrated positions outperforming is an increasingly narrow market. One simple way of monitoring market breadth is by comparing the returns on the market-cap-weighted S&P 500 to the returns of the equal-weighted S&P 500. When the market-cap weighted index outperforms, it typically means fewer names are advancing, indicating less market breadth.

Narrow market breadth has historically been considered indicative of late-stage market advances. Early cycle is generally marked by broad advances as interest rates fall, earnings recover from depressed levels, and valuations are attractive. As the cycle progresses, conditions generally become less forgiving with rates beginning to rise and earnings beginning to slow. Market breadth generally narrows as only the strongest companies (those with superior balance sheets and growth profiles) are able to continue advancing. This can result in crowding and stretched valuations. This market structure is considered more vulnerable as returns are concentrated in a handful of names with higher expectations.

The market-cap-weighted S&P 500 has outperformed the equal-weighted S&P 500 in eight of the last 10 years, including a streak of four consecutive years. Over the last 10 years, the market-cap weighted index has outperformed by over 110%.** While narrow markets can persist for longer than expected, the last time the market-cap-weighted index outperformed by this magnitude was 1994-1999, when it outperformed by over 125%. Notably, or perhaps presciently, this period of outperformance was followed by the Dot-Com Crash and a 6-year period in which the equal-weighted index outperformed by over 50%.

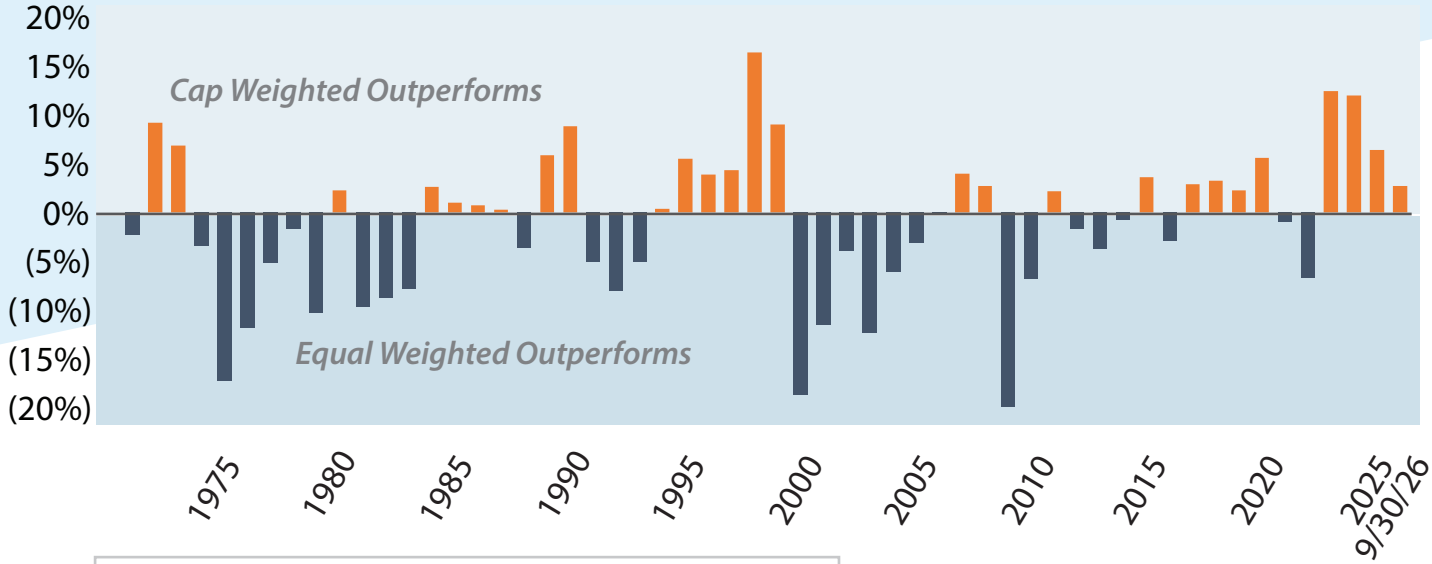
Narrow Markets Have Been Driven by Tech —Even Within Value Stocks



As of September 30, 2026. Sources: Bloomberg; Miller/Howard Research and Analysis. Based on total returns and the information technology sector's contribution to total returns during each period shown. ** 2026 YTD treated as a full year.

Mega-Cap Tech Names Continue to Run

Relative Performance of S&P 500 Index vs. S&P 500 Equal-Weighted Index



Difference in Total Returns for S&P 500 Index vs S&P 500 Equal-Weighted Index

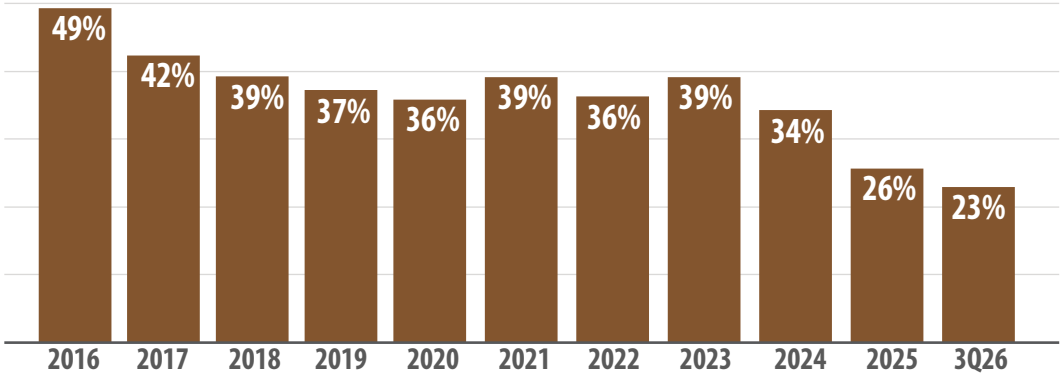
As of September 30, 2026. Sources: Morningstar; Bloomberg; Miller/Howard Research & Analysis.

With markets increasingly concentrated and all styles moving deeper into tech exposure, diversification has been harder to find, even among actively managed products. We believe a disciplined approach to high dividend yielding stocks provides one of the purer ways to diversify exposure to the market. Dividend investing creates a natural barrier to chasing growth as high and secure (well-covered) dividends are naturally incompatible with high price-to-earnings (P/E) ratios. It also creates a philosophical difference from companies that are often prioritizing aggressive investment over the return of capital to shareholders.

Even within the Russell 1000 Value Index, the largest sectors by weight have been poor hunting grounds for high dividend yielding stocks. At quarter end, the IT sector comprised over 20% of the value index, an amount greater than the four highest dividend paying sectors combined. What's more, of the 97 IT holdings, 57 did not pay a dividend at all, making the median yield within the sector 0.0%. Only six IT positions had a yield of over 2.5%, and this group made up a fairly inconsequential 1% of the index. Conversely, the real estate and utilities sectors had median yields of 4.3% and 3.5%, respectively, but made up less than 7% of the index. **For many portfolios—whether active or passive—including a high dividend yield approach can provides natural diversification in a market where both growth and value are piling into similar stocks and sectors.**

Where Have The Dividends Gone?

Top 40% of Dividend-Yielders in Russell 1000 Value Index

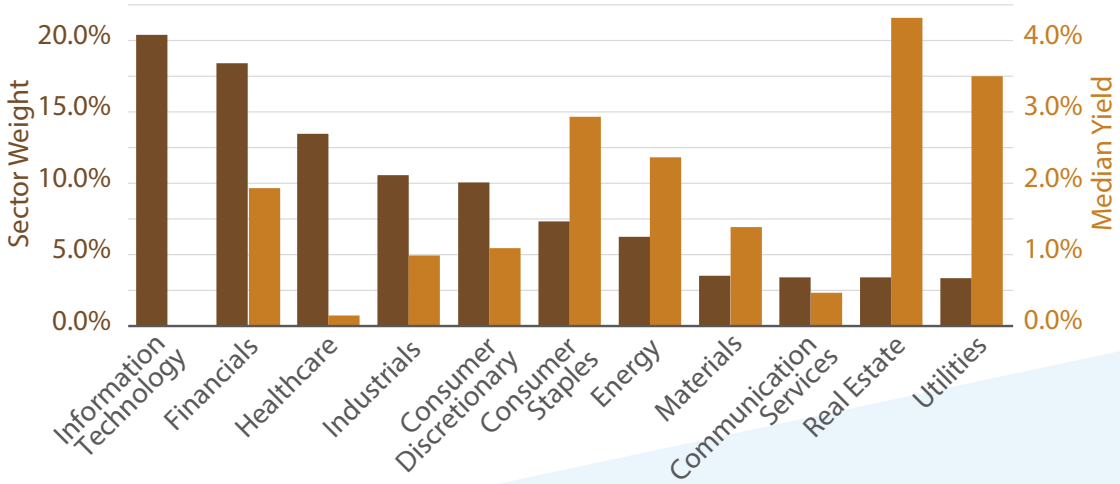


As of September 30, 2026. Sources: Bloomberg; Miller/Howard Research & Analysis. The universe is dividend-paying stocks within the Russell 1000 Value Index. High-yield dividend stocks are classified as the Top 40% of payers. The ticker GOOGL US was excluded so as not to count Alphabet Inc. market cap twice.

The natural conclusion to this dynamic is high-yield dividend stocks (classified as the top 40% of dividend paying equities) now comprise a decade-low component of the Russell 1000 Value Index. Since 2016, high-yield dividend stocks have dropped from 49% of the market capitalization of the index to 23%.

The market's tech run has been extraordinary, and we certainly don't question investors for allocating capital to companies with strong growth and margin profiles. At the same time, tech has been a barren wasteland for dividend harvesting. We view this as a positive for our clients' asset allocations and an opportunity for investors growing increasingly concerned with overexposure, as dividend investing offers invaluable diversification in an increasingly crowded and narrow market. Given that markets can't become more concentrated indefinitely, we expect that this diversification will provide a welcome respite when trends reverse. Miller/Howard Investments will continue to provide the same disciplined approach to dividend investing, making it unique in its ability to provide disciplined diversifying products for our clients.

Value Investors are Under-Exposed to High-Yield Dividend Stocks



As of September 30, 2026. Sources: Bloomberg; Miller/Howard Research & Analysis. Based on the Russell 1000 Value Index.

Income-Equity

QUARTERLY REPORT 3Q 2026

LAST QUARTER, WE DISCUSSED THE inverse relationship between valuation and subsequent 10-year returns. The data showed that buying at lower valuations had historically led to higher future returns. Our Income-Equity portfolios, because of their emphasis on a high and well-covered dividend yield, will mathematically have a lower valuation than the broad market.

This discipline forces us to hold different stocks, in different weights, than our benchmark index. This differentiation can be measured by active share.*

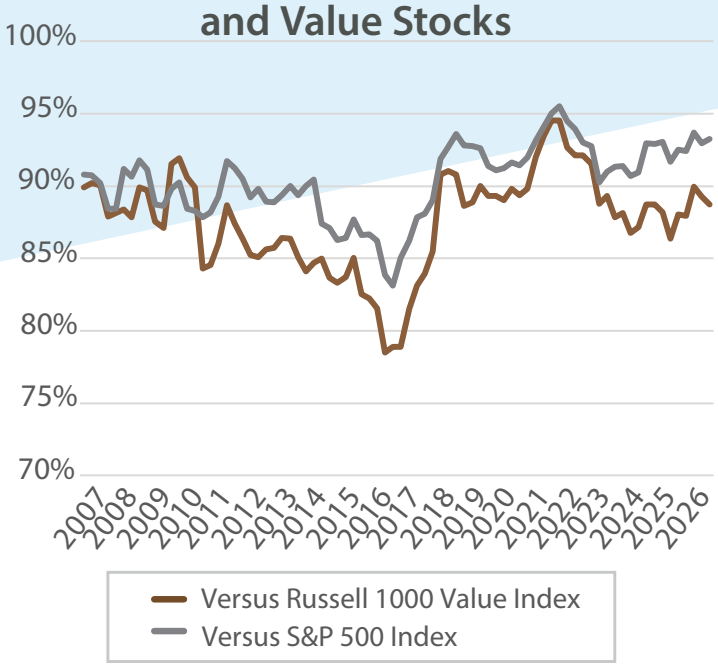
Because of the portfolios' mandate (high current income, growth of income, and financial strength), the current active share for our Income-Equity (No MLPs) portfolio versus the Russell 1000 Value Index is 89%, meaning that 89% of our portfolio is different from the index. Looking at our portfolio against the S&P 500 Index tells a similar story, with an active share of 93%.

Why should investors care about active share? We recently met with a prospective client that had a "diversified" portfolio. They had investments in products focused on broad market US equities, US growth equities, US value equities, a global stock portfolio, and a couple of actively-managed formulaic products specializing in areas such as income, quality, and momentum. It all looked good on the surface, but we noticed a lot of similarities in the top 10 holdings across the portfolio components. The product names sounded diversified, but their low active share relative to each other revealed they had many large holdings in common. Their "diversified" equity approach was unintentionally contributing to further concentration in specific underlying stocks and industries.

*Active share compares a portfolio's positions and weights with that of an index and totals those differences (and divides them by two) to show just how different a portfolio is from an index. An active share of 100% means that the portfolio shares nothing in common with the index, while an active share of 0% would indicate a perfect index fund.

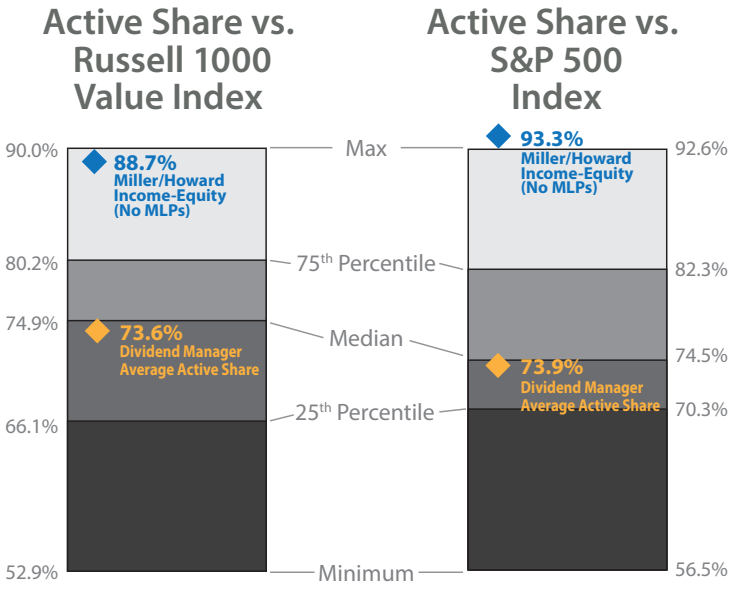
Income-Equity (No MLPs) Looks Different

Active Share vs. the Broad Market and Value Stocks



As of June 30, 2026. Sources: Morningstar; Miller/Howard Research & Analysis. Based on the S&P 500 Index to represent the broad market and the Russell 1000 Value Index for value stocks.

Income-Equity (No MLPs) is Unique Versus Peers



As of June 30, 2026. Sources: Morningstar; Miller/Howard Research & Analysis. Based on the 25 largest (by AUM) actively-managed US Large Cap Value SMA products in Morningstar, using holdings as of June 30, 2026. "Dividend Managers" are those within the 25 largest with income or dividend in the product name.

Income-Equity *(continued)*

For investors who are concerned about the US stock market's concentration and about increasingly overlapping and overexposed equity positions, a portfolio with high active share can offer a differentiated source of returns that should help investors sleep a little more soundly at night. However, the potential benefits of diversification don't only apply in market environments like today. As described in a study by a Notre Dame professor and a Rutgers professor, "A necessary condition for long-term outperformance is that the actively-managed portfolio is substantially different than the benchmark."* In other words, closet indexers historically underperformed.

Our Income-Equity portfolios have consistently offered investors a high active share—and continue to do so now. This is not because it is an explicit objective of our approach, but it is a result of our discipline and commitment to our clients' goals.

Looking Ahead

Our portfolios' weighted average earnings-per-share (EPS) growth over the next 12 months is expected to be +17.2%, somewhat less than the S&P 500's +20.4% consensus increase (measured by FactSet). Importantly though, our portfolio's projected growth comes without the index's AI spending related controversies, as AI spending is expected to drive about half of S&P 500's EPS growth (estimated by Goldman Sachs). Meanwhile, our portfolios' expected dividend growth over the next 12 months is about 6%, well below projected EPS growth, providing a margin of safety that could either result in higher financial strength, better dividend coverage, or faster dividend growth—each of which would support our discipline of high current income, growth of income, and financial strength.

*"Patient Capital Outperformance: The Investment Skill of Long-Term Active Management" (2015) by finance professors Martijn Cremers (University of Notre Dame) and Ankur Pareek (Rutgers Business School).

Portfolio Highlights

- Our Income-Equity portfolios lagged the Russell 1000 Value and S&P 500 during the quarter as low-yielding technology stocks led the market. In fact, 65% of the Russell 1000 Value Index's total return year-to-date is attributable to technology-related stocks. However, our portfolios offer a robust income stream with a dividend yield of 3.2% compared to only 1.7% for the Russell 1000 Value.
- **Dividend increases:** Income-Equity (No MLPs) had 10 dividend increases (the version of our portfolio with MLPs had 11) during the quarter. Significant increasers included **Bank of America (+14.3%), Regions Financial (+13.2%), Citigroup (+11.7%),** and **Goldman Sachs (+11.1%).** Goldman had previously increased its dividend in January, so this latest increase means that GS's income has risen +25% year-over-year.
- **Exited positions:** We exited **Stag Industrial REIT (STAG)**, as our research suggests that this industrial REIT is getting squeezed by both increased competition and cost inflation that's above its contractual rent increases.
- **New buys:** We bought several new names in both of our Income-Equity portfolios. Drug maker **Novartis (NVS)** was added because of its manageable patent expirations, high growth, and expected new drug approvals; unfortunately, later in the quarter, one of those new drugs' Phase III trial disappointed pushing the stock down. We are continuing to monitor the situation. We also added **Home Depot (HD)** for its high dividend yield, prospects for dividend growth, strong balance sheet, and its plans to increase home-builder market share. We also bought retail mall REIT **Regency Centers (REG)** that has a high dividend yield with good expected growth and a very strong financial position. In Income-Equity (No MLPs), we also bought midstream energy name **SunocoCorp (SUNC)** as this high-yielder has proven to be stable in multiple challenging environments.

MLP & Midstream Energy Income

QUARTERLY REPORT 3Q 2026

OUR MLP AND MIDSTREAM ENERGY INCOME portfolio outperformed its benchmark, but the midstream energy industry slightly trailed the broad market during the quarter. The industry lagged on a combination of lower crude prices (due to somewhat more normalized flows from the Middle East) and higher interest rates. Despite this, the earnings season provided a bright picture for the continuing health of the midstream industry, in our view.

A recurring theme was that demand for secure, reliable energy continues to grow, and international customers are increasingly turning to North America as a preferred supplier. There were several project announcements during the quarter in response to the call on North American energy. Midstream energy companies continue to raise EBITDA guidance for the year. Capex also continues to increase given the opportunity set of projects.

Looking Ahead

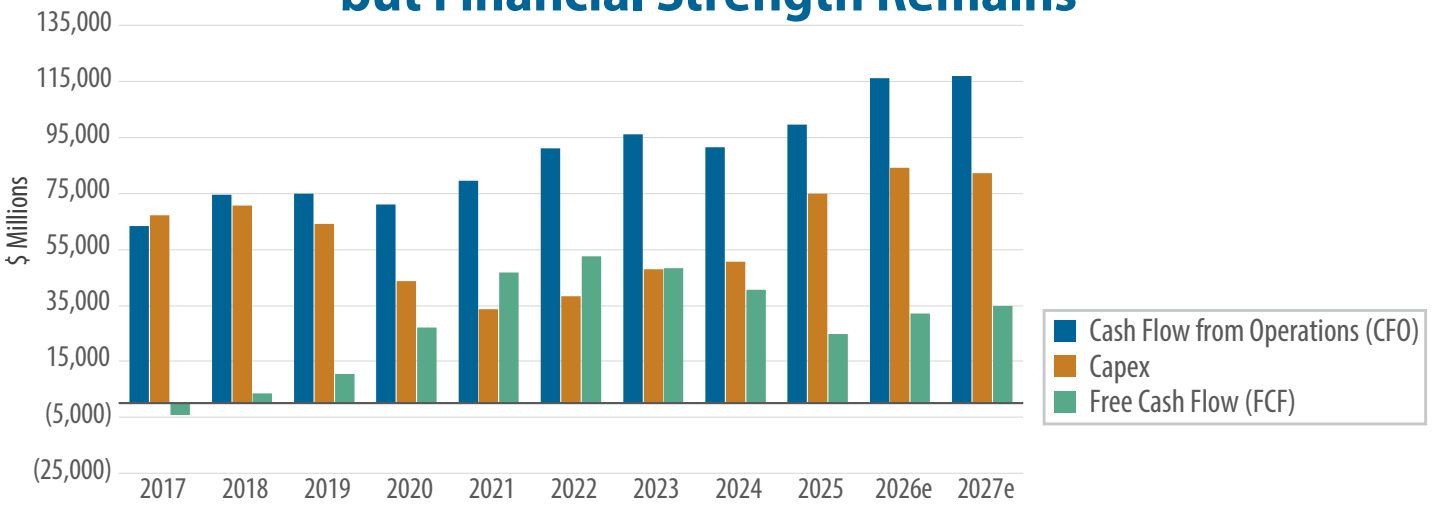
Coming out of the pandemic, the midstream industry was in harvest mode, rather than growth mode, with a focus on returning value to shareholders through distribution increases and share buybacks. However, industry dynamics started to change a few years ago, as emerging tailwinds—primarily, but not exclusively, related to natural gas—began to emerge.

Portfolio Highlights

- **Distribution increases:** This quarter 5 of our 16 holdings announced dividend increases. The average increase was 8.9% year-over-year.
- **Sales:** We trimmed **Genesis Energy (GEL)** as offshore Gulf of Mexico projects had a slower ramp-up than expected, negatively impacting the company's EBITDA growth.
- **Buys:** We increased our positions in **Enterprise Products (EPD)** and **Energy Transfer (ET)** as these companies screen well on income, growth of income, and financial strength.

While we view this new step-change in growth as a positive development, it comes with certain challenges. Investors would not be blamed for questioning: *Will midstream companies revert to being serial issuers of debt and equity, with no free cash flow?* We do not believe this to be the case. Certainly, free cash flow has declined as capex has increased, given the amount of infrastructure that needs to be built to meet the rising consumption. However, the one key point that we believe is being overlooked is the increasing cash flow from operations. This is important, as those cash flows will be used, along with debt, to finance the additional midstream assets. Once the projects become fully operational, we believe cash flow should increase again, supporting high and rising income for investors.

Increasing Capex for New Growth Opportunities, but Financial Strength Remains



As of September 30, 2026. Sources: LSEG; company reports; Miller/Howard Research & Analysis.

Infrastructure

QUARTERLY REPORT 3Q 2026

INFRASTRUCTURE OUTPERFORMED ITS benchmark this quarter, but the sector was unable to keep pace with the broad market that continues to be driven by a concentrated group of tech companies. While AI-related growth remained a powerful tailwind for a narrow portion of the market, rising interest rates created a headwind for much of the market. Despite the pullback in the sector this quarter, the Infrastructure portfolio continues to materially outperform its benchmark year to date.

Within the portfolio, higher-yielding positions generally outperformed. Telecom followed this trend on strong earnings. Energy was mixed with refining and liquefied natural gas (LNG) exposure exhibiting strength while natural gas pipelines and Canadian-exposed names showed weakness. Utilities lagged as intensifying data center pushback and interest-rate sensitivity created headwinds for the group.

Portfolio Highlights

- **Dividend increases:** This quarter, 4 of our 36 holdings announced dividend increases with an average increase of 9.3%.
- **Focused on growth:** We trimmed **Sempra (SRE), CMS Energy (CMS),** and **Atmos Energy (ATO)** to reallocate capital into **Ameren (AEE)** and **Xcel Energy (XEL).** Overall, the transactions increase the growth profile of our utility exposure (and reduce exposure to California).
- **All-time high:** We trimmed our position in **Marathon Petroleum (MPC)** after it hit an all-time high driven by strong crack spreads. We then increased our position in **SunocoCorp (SUNC)** which has proven to be stable in multiple challenging environments, and we expect it to benefit from commodity price volatility and industry consolidation.

DATA CENTER CONTRACT STRUCTURE: Who's Footing the Bill?

Data centers have changed the game, stressing existing systems and structures and—at times—creating some less-than-desirable outcomes.

For utility companies, key among the opportunities and risks is the impact on customer bills. Reports that data center development has driven customer bills higher AND lower correctly highlight the incredible complexity of the issue.

Miller/Howard supports initiatives that have data centers pay their own way, and we think there are real, attainable paths to accomplishing this objective. In regulated markets, this includes large load structures that identify cost causation and stranded asset risk. In competitive wholesale markets, regulatory clarity would go a long way toward ultimately providing the required generation. New builds require creating a durable investment signal, potentially accomplished through prioritizing load bringing its own long-term contracted supply. Speeding up the interconnection queue would also help alleviate the timing differences of new demand and supply.

Our recent conversations lead us to believe that most utilities and stakeholders are trying—in earnest—to protect other rate payers. We remain optimistic the industry can and will find the necessary solutions to enable development while protecting consumers.

The story is complex and nuanced, and responsible development and structuring should be the aim. We take a deep dive into regulated and competitive utility markets as well as trends towards behind-the-meter solutions and policy initiatives to protect residential electricity customers in our new white paper, available on our blog.

DATA CENTER CONTRACT STRUCTURE: Who's Footing the Bill?

Utilities Plus

QUARTERLY REPORT 3Q 2026

THE UTILITIES SECTOR REMAINED UNDER pressure as the yield on the 10-year Treasury broke 5.00% and finished the quarter at ~5.29%. Investor sentiment was further weighed down by intensifying data center pushback over rising electric bills and environmental concerns. This led to additional moratoriums, a pause on data center interconnections in Texas, and ongoing legislative efforts across PJM* states to address bill pressures. As a result, investors grew concerned around the timing of data center load growth and utilities' ability to recover costs. Despite headwinds facing the utilities sector, our Utilities Plus portfolio outperformed its benchmark this quarter.

Within the group, water utilities and pure-play natural gas local distribution companies (LDCs) outperformed on lower exposure to the data center buildout, while regulated utilities underperformed given their higher data center exposure. Independent power producers continue to stall amid limited incremental data center deals, and California utilities performed the worst among the group as legislatures failed to meaningfully reduce wildfire liability for utilities.

Portfolio Highlights

- **Dividend increases:** This quarter, 5 of our 30 holdings announced dividend increases with an average increase of ~3.4%.
- **Increased conviction:** We added to our position in **Ameren (AEE)** due to its above-average EPS growth profile and strong balance sheet. We also increased our position in **MDU Resources (MDU)** as we believe the Bakken East Pipeline will be accretive to its EPS growth profile. Finally, we added to **NRG Energy (NRG)** as we believe independent power producers (IPPs) will benefit from tightening power markets driven by data center development.
- **Exited/trimmed positions:** We exited our position in **Fortis (FTS)** as it traded at a premium to the group despite a weaker balance sheet and average growth profile. We also trimmed our position in **Sempra (SRE)** from risks associated with the company's California assets.

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DATA CENTER CONTRACT STRUCTURE: Who's Footing the Bill?

*The PJM Interconnection serves 13 states and the District of Columbia (Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia and West Virginia)

North American Energy (without K-1s)

QUARTERLY REPORT 3Q 2026

OIL PRICES ENTERED THE THIRD QUARTER near their lowest levels since the war in Iran began, then rose as the quarter progressed, lifting energy stocks with them. While our North American Energy portfolio slightly trailed its benchmark during the quarter, it has outperformed its benchmark and significantly outperformed the broad market year-to-date. The biggest contributors during the quarter were the refiners, where the supply/demand balance has led to elevated crack spreads. Our natural gas-focused exploration and production (E&P) and midstream holdings were modest detractors.

Looking Ahead

For most of the past decade, North American rig count has run in one direction: down. August rig counts fell from 1,268 in 2018 to 712 in 2025—a near-halving that, taken at face value, would suggest an industry in retreat. But the headline numbers obscure what actually happened at the wellsite. Rigs became dramatically more productive. Operators pushed longer laterals, drilled faster, and cut non-productive time between wells, so each active rig now delivers a multiple of the footage and output versus history.

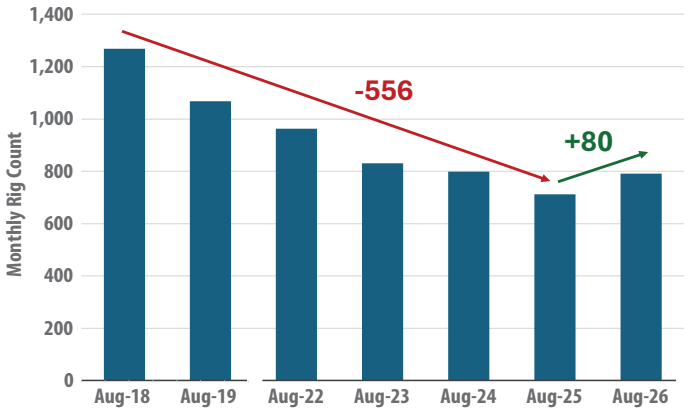
That makes the recent inflection all the more notable. After years of declines, monthly rig additions have turned decisively positive, and August 2026 counts stood 80 rigs above the prior year. The gains were broad-based: US oil (+41) and Canadian oil (+24) led, with Canadian gas (+9) and US gas (+6) rounding out the increase.

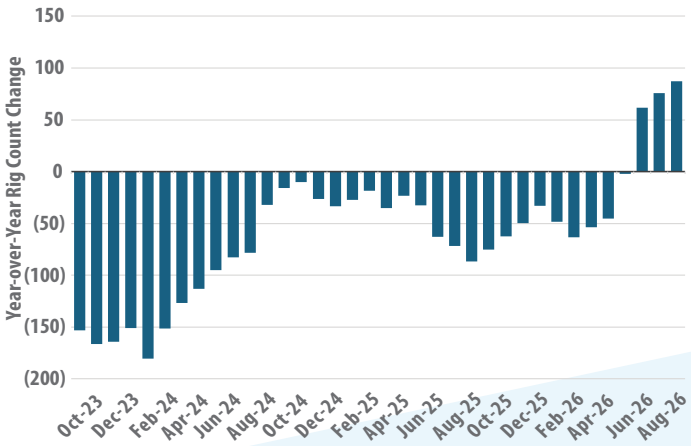
Producers do not invest in new rigs when they see a spike in commodity prices—otherwise we would have seen rig-count increases in March when WTI first crossed $90/barrel in the early days of the war in Iran. Producers tend to invest when they are convinced that prices will stay higher-for-longer—driven by a call on North American energy.

Portfolio Highlights

- **Dividend increases:** This quarter, 1 of our 28 holdings announced dividend increases. The average increase was 16.7% year-over-year.
- **Sales:** We exited **Liberty Energy (LBRT)** as we became uncomfortable with its leverage and trimmed **Valero (VLO)** after a big run-up in refinery stock prices. We also slightly reduced our Canadian exposure by trimming **Suncor Energy (SU)** and **Canadian Natural Resources (CNQ).**
- **Buys:** We entered into positions in **Permian Resources (PR)** and **Diamondback (FANG)**, two Permian-focused E&P companies with top-tier acreage. We also bought **Patterson-UTI (PTEN)**, which we expect will be a beneficiary of the call on North American energy, and **SunocoCorp LLC (SUNC)**, a midstream company that has proven to be stable in multiple challenging environments.

An Inflection in North American Rig Count





As of August 31, 2026. Source: Baker Hughes; Miller/Howard Research & Analysis. Rig count excludes outlier years of 2020 and 2021 during the pandemic.

Yield, Growth, Strength, Stability

- Our Income-Equity portfolios each offer a high dividend yield that is 2.9x to 3.2x the yield on the S&P 500 Index, and have ample dividend coverage and reasonable leverage levels (net debt/EBITDA).
- Both portfolios trade at a significant discount to the broad market on price-to-earnings as well.
- We believe the portfolios are well-positioned for dividend growth throughout the full market cycle.

Income-Equity (with MLPs)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	3Q2026
Income-Equity Yield	4.0	3.7	4.3	3.7	3.6	3.3	3.6	3.7	3.6	3.6	3.5
S&P 500 Yield	2.1	1.9	2.2	1.9	1.5	1.5	1.8	1.5	1.3	1.2	1.1
Ratio	1.9x	2.0x	2.0x	2.0x	2.3x	2.2x	2.0x	2.4x	2.7x	3.1x	3.2x
Income-Equity Projected Dividend Growth*	5.0	6.3	7.8	7.3	5.1	6.0	6.1	5.5	5.5	5.0	5.3
S&P 500 Projected Dividend Growth**	4.0	4.2	5.2	4.2	3.3	5.9	4.8	4.5	5.3	5.0	6.5
Ratio	1.2x	1.5x	1.5x	1.7x	1.5x	1.0x	1.3x	1.2x	1.0x	1.0x	0.8x
Income-Equity Dividend Coverage Ratio	1.3x	1.5x	1.9x	2.3x	2.1x	2.0x	2.7x	2.1x	2.1x	2.1x	1.9x
Income-Equity Net Debt/EBITDA***	2.0x	1.9x	1.4x	1.9x	1.9x	1.2x	2.0x	1.8x	2.2x	2.6x	2.6x
Income-Equity P/E Ratio Trailing	17.2	17.7	12.6	12.8	16.7	14.0	13.6	14.5	15.2	14.7	15.2
S&P 500 P/E Trailing	20.5	21.7	16.5	21.6	27.6	24.1	18.6	21.9	24.7	25.4	23.3
Premium/Discount	-16%	-18%	-23%	-41%	-40%	-42%	-27%	-34%	-38%	-42%	-35%

Income-Equity (No MLPs)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	3Q2026
Income-Equity (No MLPs) Yield	3.9	3.7	4.2	3.6	3.5	3.2	3.5	3.4	3.4	3.4	3.3
S&P 500 Yield	2.1	1.9	2.2	1.9	1.5	1.5	1.8	1.5	1.3	1.2	1.1
Ratio	1.9x	2.0x	2.0x	2.0x	2.3x	2.1x	2.0x	2.2x	2.6x	2.9x	2.9x
Income-Equity (No MLPs) Projected Dividend Growth*	5.0	6.4	7.9	7.5	5.2	6.0	6.0	5.6	5.3	4.8	4.9
S&P 500 Projected Dividend Growth**	4.0	4.2	5.2	4.2	3.3	5.9	4.8	4.5	5.3	5.0	6.5
Ratio	1.2x	1.5x	1.5x	1.8x	1.5x	1.0x	1.3x	1.2x	1.0x	0.9x	0.8x
Income-Equity (No MLPs) Dividend Coverage Ratio	1.3x	1.5x	1.9x	2.3x	2.1x	2.0x	2.8x	2.3x	2.3x	2.1x	1.9x
Income-Equity (No MLPs) Net Debt/EBITDA***	2.2x	2.1x	1.4x	1.9x	1.9x	1.2x	1.8x	1.6x	2.1x	2.5x	2.5x
Income-Equity (No MLPs) P/E Ratio Trailing	18.2	18.0	12.9	13.5	16.8	14.0	13.8	14.6	15.3	15.2	15.3
S&P 500 P/E Trailing	20.5	21.7	16.5	21.6	27.6	24.1	18.6	21.9	24.7	25.4	23.3
Premium/Discount	-12%	-17%	-22%	-38%	-39%	-42%	-26%	-33%	-38%	-40%	-34%

As of September 30, 2026. Sources: Bloomberg; S&P; Miller/Howard Research & Analysis. The data above are based on representative accounts in our Income-Equity portfolios both with and without MLPs and are subject to change. Median P/E ratio trailing is published for our Income-Equity portfolios.
* Projected Dividend Growth—Miller/Howard Portfolio Team's 3-year annualized projected dividend growth based on data from various sources, adjusted to reflect our view of future economic and market conditions. There is no assurance projections will be realized.
** Bloomberg Dividend per Share 3-year forward estimates.
*** Excludes financials.
Dividend yields are indicated; Miller/Howard portfolios exclude cash.
All data are as of year-end, unless otherwise noted.
Common stocks do not assure dividend payments. Dividends are paid only when declared by an issuer's board of directors, and the amount of any dividend may vary over time. Dividend yield is one component of performance and should not be the only consideration for investment. See definitions and full disclosure on last page.

Infrastructure: Essential Service Providers with High Barriers to Entry

- Our Infrastructure portfolio offers a high dividend yield that is 2.8x the yield on the S&P 500 Index, strong prospects for dividend growth, and ample dividend coverage.
- The portfolio offers overall client portfolio diversification, as its active share relative to the S&P 500 is high and investors are under-exposed to these stocks through the broad market, as evidenced by low common holdings.
- In an uncertain market environment, we believe lower beta, high current income, and growth of income will prove to be an advantageous combination for investors.

Miller/Howard's Infrastructure Portfolio

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	3Q2026
Infrastructure Yield	3.1	3.8	3.7	3.8	4.4	3.9	3.5	3.0	3.6	3.9	3.3	3.2	3.1
S&P 500 Index Yield	2.0	2.2	2.1	1.9	2.2	1.9	1.5	1.5	1.8	1.5	1.3	1.2	1.1
Ratio	1.6x	1.8x	1.8x	2.0x	2.1x	2.1x	2.3x	1.9x	2.0x	2.6x	2.5x	2.7x	2.8x
Infrastructure Projected Dividend Growth*	7.8	5.9	6.9	8.2	7.5	6.5	6.0	8.3	7.2	6.2	6.1	5.7	5.9
S&P 500 Index Projected Dividend Growth**	4.7	4.2	4.0	4.2	5.2	4.2	3.3	5.9	4.8	4.5	5.3	5.1	6.5
Ratio	1.7x	1.4x	1.7x	2.0x	1.4x	1.6x	1.8x	1.4x	1.5x	1.4x	1.2x	1.1x	0.9x
Infrastructure Dividend Coverage Ratio	2.5x	1.9x	1.6x	1.4x	1.6x	1.5x	1.9x	1.9x	3.4x	2.8x	2.9x	2.0x	2.3x
Infrastructure Beta (3-Year Rolling)†	0.8	0.9	0.8	0.8	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.6	0.3
Common Holdings with S&P 500 Index††	5.5	3.9	4.9	4.4	5.4	4.6	4.2	3.3	3.5	3.5	3.4	3.0	2.8
Active Share vs S&P 500 Index†††	94.4	95.9	95.0	95.5	94.5	95.3	95.9	96.7	96.5	96.6	96.5	97.0	97.2

As of September 30, 2026.
Sources: Bloomberg; S&P; Miller/Howard Research & Analysis.
All data are as of year-end, unless otherwise noted. Holdings based on a representative account in our Infrastructure portfolio, and are subject to change.
Dividend yields are indicated; Miller/Howard portfolios exclude cash.
Performance characteristics, such as dividend yield, are calculated without the deduction of fees and expenses.

*Miller/Howard's 3-year annualized projected dividend growth, adjusted to reflect our view of future economic and market conditions. There is no assurance projections will be realized.
** Bloomberg Dividend per Share 3-year forward estimates.
† Vs. S&P 500 Index
†† The percentage of assets for the S&P 500 Index that are held in common with the Miller/Howard Infrastructure portfolio, as a percentage of S&P 500's market value.

††† Active share compares a portfolio's positions and weights with that of an index and totals those differences (and divides them by two) to show just how different a portfolio is from an index. An active share of 100% means that the portfolio shares nothing in common with the index, while an active share of 0% would indicate a perfect index fund.

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
Income-Equity (Gross)	(1.85)	9.46	14.01	18.11	11.50	12.37	10.88
Income-Equity (Pro Forma 0.75% Net)*	(2.04)	8.85	13.17	17.24	10.68	11.53	10.06
Income-Equity (Pro Forma 3% Net)*	(2.59)	7.05	10.67	14.66	8.23	9.07	7.63
Russell 1000 Index	1.80	12.30	15.01	22.48	13.01	15.85	15.04
Russell 1000 Value Index	2.61	19.27	23.81	20.07	11.92	12.29	11.43

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
Income-Equity (No MLPs) (Gross)	0.11	12.08	16.04	17.97	11.48	12.34	10.75
Income-Equity (No MLPs) (Pro Forma 0.75% Net)*	(0.08)	11.46	15.19	17.10	10.66	11.51	9.93
Income-Equity (No MLPs) (Pro Forma 3% Net)*	(0.64)	9.61	12.65	14.53	8.21	9.04	7.50
Russell 1000 Index	1.80	12.30	15.01	22.48	13.01	15.85	15.04
Russell 1000 Value Index	2.61	19.27	23.81	20.07	11.92	12.29	11.43

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
MLP & Midstream Energy Income (Gross)	2.73	21.51	24.05	21.57	24.00	15.67	10.77
MLP & Midstream Energy Income (Pro Forma 0.75% Net)*	2.54	20.85	23.14	20.68	23.09	14.82	9.95
MLP & Midstream Energy Income (Pro Forma 3% Net)*	1.97	18.86	20.44	18.03	20.39	12.28	7.51
Alerian MLP Index	1.87	20.70	25.27	20.05	22.39	14.74	9.28

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
Infrastructure (Gross)	(5.08)	7.38	4.49	16.01	10.26	9.40	8.70
Infrastructure (Pro Forma 0.75% Net)*	(5.26)	6.78	3.71	15.16	9.44	8.58	7.89
Infrastructure (Pro Forma 3% Net)*	(5.80)	5.00	1.40	12.62	7.02	6.18	5.50
Dow Jones Brookfield Global Infrastructure Index	(7.90)	1.76	1.81	12.69	6.01	5.39	6.10

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
North American Energy (without K-1s)(Gross)	15.23	42.89	44.58	18.94	23.09	21.60	13.65
North American Energy (w/o K-1s)(Pro Forma Net 0.75%)*	15.02	42.12	43.53	18.06	22.18	20.70	12.80
North American Energy (w/o K-1s)(Pro Forma Net 3%)*	14.41	39.82	40.42	15.46	19.50	18.04	10.31
S&P 1500 Energy Index	15.93	39.66	41.94	14.10	22.65	15.95	9.55

ANNUALIZED PERFORMANCE	QTD	YTD	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
Utilities Plus (Gross)	(11.80)	(5.42)	(7.50)	15.63	8.98	6.97	8.59
Utilities Plus(Pro Forma Net 0.75%)*	(11.97)	(5.96)	(8.20)	14.78	8.17	6.17	7.78
Utilities Plus(Pro Forma Net 3%)*	(12.49)	(7.54)	(10.26)	12.25	5.77	3.81	5.40
S&P 500 Utilities Index	(12.39)	(5.65)	(6.97)	13.63	7.57	6.16	8.33

As of September 30, 2026. Source: Morningstar Direct. Parentheses represent negative performance data. Results are shown in US dollars. Past performance is not indicative of future results. *Pro Forma 0.75% net returns are a simulation using a 0.75% annual fee, deducted monthly. Pro Forma 3% net returns are a simulation of the effects of a bundled annual fee of 3%, deducted monthly, which would include advisor and consultant's fees, transactions costs, and maintenance fees. MHI's highest annual management fee as stated in our ADV is 0.75%. Note: Investment returns include the reinvestment of dividends and other income. The Dow Jones index is net of dividend withholding taxes.

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DEFINITIONS: High-Yield Stocks reflects a basket of the total returns for deciles 7, 8, & 9 as provided by Fama/French (value-weighted). **Inflation** is the year-over-year change of the Consumer Price Index for All Urban Consumers (CPI Index). **Free Cash Flow Margin** is free cash flow (defined as cash flow from operations minus capital expenditure) divided by revenue. **Price-Earnings Ratio (P/E)**—The ratio of a company's share price to its earnings per share. The ratio is used as a valuation tool and can help determine whether a company is overvalued or undervalued. **EBITDA** = earnings before interest, taxes, depreciation, and amortization. **MLP** = Master Limited Partnership. **S&P 500 Index®** widely regarded as the best single gauge of large-cap US equities and serves as the foundation for a wide range of investment products. The Index includes 500 leading companies and captures approximately 80% coverage of available market capitalization. **Russell 1000 Index®** measures the performance of the large-cap segment of the US equity universe. It is a subset of the Russell 3000 Index® and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 Index® represents approximately 92% of market capitalization of the US market. **Russell 1000 Value Index** offers investors access to the broad value segment of US equity value universe and is constructed to provide a comprehensive and unbiased barometer of the broad value market.

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