

\_\_\_\_ NATIONAL ASSOCIATION OF \_\_\_\_  
PUBLICLY TRADED PARTNERSHIPS  
**2013 ANNUAL MEETING**

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**PUBLIC AND INVESTOR RELATIONS COMMITTEE REPORT**

We have had significant developments in the public and investor relations area this last year. To begin with, the Public and Investor Relations Committee, which had been without leadership for some time, has been organized under a new chair, Randy Burkhalter of Enterprise Products Partners. Also serving on the committee are Roy Lamoreaux with Plains All American Pipeline and Joe McCreery with Martin Midstream Partners.

Earlier this year NAPTP took the important step of negotiating a one-year contract with a Washington public affairs firm, Story Partners, to provide the Association with professional assistance in media relations and public affairs. Story Partners was selected through an interview process during which five of us visited with eight, highly-qualified PR firms in March. I will discuss this in more detail in a moment.

Also this year, we had record attendance at the annual MLP Investor Conference in May, reflecting increased interest from both the partnerships and the investor community. The 25% increase in attendance from the 2012 conference has made it clear that we need to upgrade the venue for the conference next year. We are currently evaluating a new location and hotel that is large enough to accommodate the increased crowd. There will be more to come on this issue.

Finally, ongoing activities such as participation in investor events, the MLP supplement in Research magazine, and the NAPTP website continue to provide channels for reaching and providing information to investors about MLPs.

**Committee Organization**

The Committee had been inactive since former chair Mark Easterbrook stepped down a few years ago. With increasing activity in the public and investor relations area, it seemed appropriate for the Association to activate this committee. Accordingly, Mary Lyman sent out an email to investor relations and investment people in the Association, and on November 20 held an initial conference call in which a number of people participated.

Among the most important items discussed was the need for an outside spokesperson. MLPs and consequently the Association are receiving increasing media attention due to the growing prominence of MLPs in the investment world and to the ongoing tax reform discussion in Washington. Everyone agreed it was time for the Association to appoint a media spokesperson rather than relying on the Executive Director as the initial point of contact. After much discussion, there was general agreement that we needed to hire an outside public affairs firm to be the point of

contact for the media. This discussion was eventually taken up by the Federal Affairs leadership and culminated in the hiring of Story Partners, as discussed below.

In addition to recruiting an outside firm, core functions of the Committee have been identified as assisting the Association and individual members in developing rapid responses to crises; providing feedback on proposed NAPTP statements and other communications materials; oversight of content on the website; and providing advice on investor relations events such as the MLP Investor Conference and participation in the Money Show or any other retail or financial advisor hosted events. There was also some discussion of coordinating other conferences, such as the annual IR roundtable and state tax conference. Some of these functions, particularly developing communications material, have been delegated to Story Partners with Committee review.

In this and later discussions among some of the participants, it was decided that the committee would be most effective if the number of decision makers were smaller rather than larger, with a limited number of members committed to achieving results in specific areas and participation by a larger group through subcommittees or ad-hoc groups organized for specific project. Randy Burkhalter agreed to chair the Committee and was approved by the Board of Directors. Assisting him as the core Committee leadership are Roy Lamoreaux of Plains All American Pipeline and Joe McCreery of Martin Midstream Partners.

To date the main activities, of the Committee have been participation in the selection of Story Partners as our outside public affairs firm, reviewing proposed communications material, and advising on this year's Investor Conference. As noted below, the Committee will be discussing and implementing changes in next year's conference.

### **Retention of a Public Relations Firm**

Concerns about increased media scrutiny of MLPs led the Federal Affairs Committee and the PR-IR Committee to start a search for a qualified public affairs firm to support the NAPTP in its communications and media efforts. We developed an RFP, identified potential candidates with the assistance of our Washington lobbyists, sent the candidates the RFP, and scheduled interviews with eight firms in Washington on March 14. Randy Burkhalter joined Mary Lyman and three government affairs people in conducting the interviews.

All the firms had impressive credentials, but we all were in agreement that Story Partners was the most impressive and qualified candidate. They were hired April 1, 2013. Their initial agenda included: (1) Positioning NAPTP as the main source for factual information on MLPs with Amos Snead with Story as our primary media contact; (2) Assisting in shaping the message about MLPs for Congress and the media; (3) Enhancing the understanding of MLPs through proactive, strategic media engagement; (4) Developing a strategic communications, as well as a crisis development plan; and, (5) Assisting with our advocacy on Capitol Hill through the development of collateral material, sharing information, as well as other means.

Since their retention, our team at Story Partners, including primarily Andrew Fimka and Amos Snead, has devoted itself to learning as much as possible about MLPs, including attendance at the Investor Conference in May. They have been regular participants in strategy meetings with our government relations group, have developed a list of press contacts, dealt with various press inquiries, developed an outline of the primary messages that we want to deliver in our communications, and the points supporting each message. They are also developing collateral and articles for potential media placement that incorporate those messages.

### **MLP Investor Conference**

The 2013 MLP Investor Conference, held on May 21-23, was the twelfth annual investor conference and the fifth since the Association took over the responsibility of organizing the annual conference from the banks. Once again it was a success, with both income and attendance significantly up from last year. The Association once again made a substantial profit, almost \$470,000 which will help fund our other activities. However, it was clear that in order to accommodate and build upon the great success that we have enjoyed so far, we will need to make some changes in the conference venue.

Every component of conference revenue increased substantially this year. Sponsorships increased from 24 sponsors contributing \$336,000 in 2012 to 33 sponsors contributing \$393,000 plus Simmons & Company's contribution to the first ever Association golf tournament. In addition, there was another big increase in MLP participation, thanks to continuing growth in MLP numbers and in NAPTP members. 210 people from some 68 MLPs came to the conference to present and/or hold one-on-one meetings (compared to 189 from 57 MLPs last year), which made it hard to find sufficient meeting space even in a larger hotel this year.

**MLP Investor Conference  
Income and Expense 2012-2013**

	2012	2013
<b>Income</b>		
Registration Fees (net)	161,330.00	235,300.00
Presenter Fees	160,000.00	192,000.00
Sponsorships	336,750.00	401,360.08
<b>Total Income</b>	<b>658,080.00</b>	<b>828,660.08</b>
<b>Expense</b>		
Golf Tournament	-	6,360.08
Meals, Breaks, and Reception	247,176.74	212,110.82
Hotel Meeting Space/Lodging	6,572.16	-
Gratuities	-	1,011.00
AV and Webcasting	39,159.42	42,718.87
Graphics, Design & Printing	3,242.00	4,040.50
Public Relations	-	687.60
Transportation (shuttle to hotels)	2,629.71	2,890.00
Shipping and Delivery	710.47	507.34
Supplies and Materials	17,240.74	21,040.57
Event Planner and Staff Fees	42,450	48,228.95
Staff Travel Expenses	3,262.56	7,630.60
Online Registration Costs	11,048.10	12,163.00
<b>Total Expense</b>	<b>373,491.90</b>	<b>359,300.23</b>
<b>Net Income</b>	<b>284,588.10</b>	<b>469,359.85</b>

Attendance this year increased to 927 attendees (out of 1,034 who registered). As noted, 210 of these were MLP representatives, with another 215 from sponsors and they attended for free as part of the sponsor benefit. The proportion of general attendees between presenter company representatives and sponsor representatives were similar to last year's, with about half being general attendees and roughly a quarter each were attendees from presenters and sponsors. It should be noted that some general attendees were affiliated with sponsors and were not on the free registration list.

**MLP Investor Conference  
Attendance and Registration 2013 vs. 2012**

	2013		2012	
Attended	927		743	
General Attendee	502	54%	382	51%
Presenting Company Rep.	210	23%	189	25%
Sponsor Company Rep.	215	23%	172	23%
Registered	1,034		810	
General Attendee	547	53%	411	51%
Presenting Company	224	22%	190	23%
Sponsor Company	263	25%	209	26%

The growth of the Investor Conference has been impressive and has mirrored the growth of the MLP space since the initial conference in 2002. It is clear to anyone who has attended the conference for the last several years, that recognition of the value of MLPs, both as an investment and as a means of raising capital, has steadily increased.

As the number of institutional and individual investors, MLP-oriented funds, bankers and analysts has steadily grown in tandem with the growth in MLPs, an ever-increasing number of people are interested in attending the conference to present, view presentations, meet individually with MLPs, and network with others in the MLP community. Clearly demand has reached a level that can no longer be satisfied by the type of meeting space that has housed the conference for the past few years.

Accordingly, we will move the conference and evaluate its elements over the next few months. Our event planner is in the process of scouting sites for next year's conference. It most likely will be at a hotel in Florida that has space and facilities to easily handle a conference of this size. We may lose some of the New York area attendees in the move, but we believe we will pick up additional serious investors.

We continue to examine the conference agenda. From all accounts, this year's golf tournament was very successful and we would like to continue it. We also will look at the conference programming for the best way to accommodate the increasing number of MLP presenters and to arrange the one-on-one meetings so they are the most useful for all involved.

In short, this year marked another in a series of increasingly successful and popular investment conferences. We look forward to the opportunity to build upon the growth that the conference has experienced since its modest inception and move it to a higher level

## **MoneyShow**

NAPTP continues to use the “Money Show” as a means of reaching individual investors. For those unfamiliar with the events, the Money Shows are trade shows for individual investors, including brokers and financial advisors, featuring both an exhibit hall with company booths and a variety of panels and lectures – some free, some requiring payment – on investment-related subjects. They are held every February in Orlando, which is the largest and best attended; in May in Las Vegas; and in San Francisco in August. A Chicago MoneyShow was tried in October for a couple of years but did not appear to catch on.

NAPTP has been participating in the MoneyShows since the February 2008 event in Orlando. Typically, several MLPs and one or more MLP funds will have booths in the exhibition hall, where they can discuss their companies with individual investors. NAPTP also has its own booth provided by the Money Show at no charge as long as a certain number of MLPs sign up. The booth is stocked with handouts on MLPs and on some of the common tax issues, which leaves the company representatives free to talk about their own companies rather than spend time answering general questions about MLPs. The booth has been a great success, with a good number of people stopping by to ask questions and pick up material. The Association incurs some extra cost to provide material and giveaways for the booth, but it is affordable and a good way to spread the word and respond to people’s questions about MLPs.

Another feature of the Money Shows has been the MLP panels, which are among the panels offered for free to attendees. For the first few years, the number of panels was based on the number of MLPs in attendance and was randomly timed on different days of the MoneyShow. The panels are well attended, and the level of questions from the audience has been very good; the attendees tend to be fairly sophisticated investors. NAPTP also pays to webcast the panels, which are available for replay on the Money Show site, so their reach extends beyond the people in the room.

More recently the panels have been organized into a sponsored MLP seminar held in one room throughout one day of the MoneyShow and featuring educational presentations as well as company presentations. After some initial issues this format is working well, and participants in this year’s Orlando MoneyShow agreed that participating was worthwhile.

Attendance at the other two shows has been more problematic—the Las Vegas show is very close in time to the MLP Investor Conference, and the San Francisco show does not attract as many people. We will continue to evaluate the usefulness of our participation in these events.

## **Research MLP Supplement**

Another highly successful public and investor relations activity in which the Association participates is the MLP supplements published each summer by *Research* magazine. First organized by Plains All American Pipeline, “The Research Magazine Guide to Master Limited Partnerships” has been distributed as a supplement to the July issue of *Research* for the past several years as a joint

effort of the participating MLPs and NAPTP. *Research* magazine targets financial consultants/advisors and has a readership of almost 100,000. Its content is focused on assisting financial consultants build their businesses and occasionally highlights different types of investment alternatives. The MLP Guide is one of a number of special advertising supplements that are sent out with the magazine.

This year's MLP supplement contains over 70 pages of material. It includes several articles about MLP investing as well as advertisements and fact sheets for various participating MLPs and funds. Advertisers have an option to have *Research* publish and distribute reprints of their company's fact sheets, and *Research* furnishes the Association with several hundred copies of the supplement at no charge. Both the fact sheets and the supplements themselves are excellent handouts at investor conferences and similar events, and are in much demand at the Money Shows. Some 36 MLPs and MLP funds participated in this year's supplement. The success of the supplement has led other publications to suggest similar arrangements; we have occasionally done this, but the *Research* partnership is by far our most successful.

## **Website**

The NAPTP website is another, very cost-effective, way that the Association reaches investors. It generates a steady input of phone calls and emails to the Association and is often praised for the amount of information it provides on MLPs. Keeping the information on the website current and accessible is one of the most important tasks of the Association's management. Visitors to the website can find educational material on MLPs, links to Association members' websites, a list of investor relations contacts, a list of research analyst contacts, a list of currently trading MLPs and MLP funds, a calendar of MLP investor events, and many other resources.

The website also contains extensive resources for Association members in the Members section, which is accessible through a login and password assigned to each member company. These include Annual Meeting materials going back to 2002, text and discussion of various tax regulations affecting PTPs, briefing and source material on legislative issues, and contact information for all MLPs and Association members. The Members section can be found at [http://www.naptp.org/Members/MSNavigation/MS\\_Main.htm](http://www.naptp.org/Members/MSNavigation/MS_Main.htm). If your company does not yet have a login and password, or you have forgotten it, you can get one by contacting Mary Lyman or Lindsay Sander.

One potential task for the Committee over the coming months is to review the website and look for possible improvements in appearance or content. This would be done in conjunction with Story Partners.