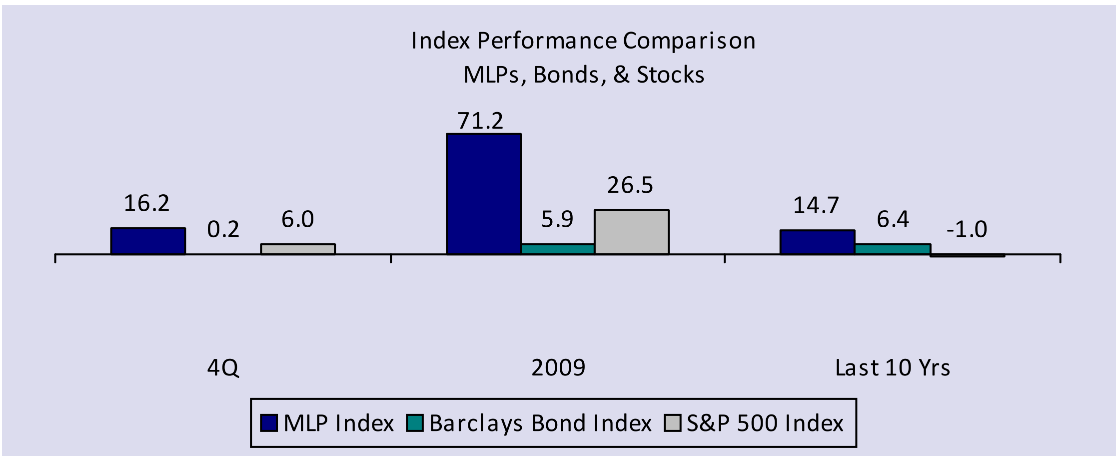
EAGLE GLOBAL ADVISORS

December 31, 2009

Master Limited Partnership Update

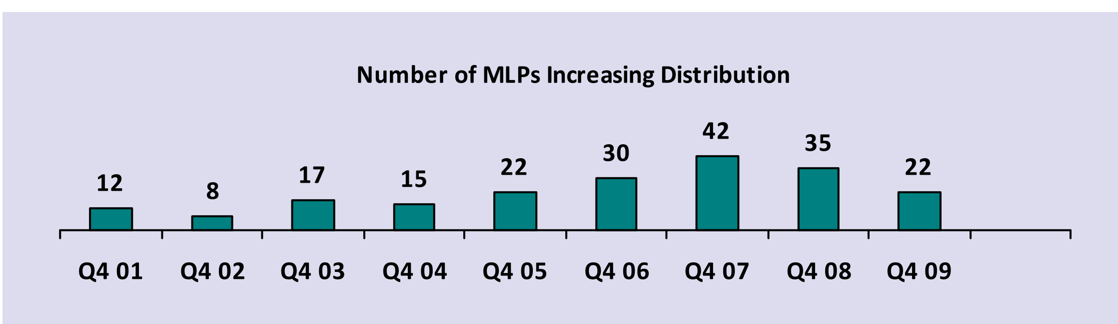
MLPs Have Best Year Ever in 2009

Master Limited Partnerships (MLPs) finished out an exceptional year with a very strong quarter, as returns were in the double digits for the fourth consecutive quarter. MLPs continued to benefit from their high absolute yields and improving distribution growth prospects. MLPs remain very attractive to investors, particularly with lingering uncertainty about the economy and continued ultra-low rates on deposits. The long term returns from MLP investments remain well above the returns from bonds or stocks as shown below.



Distribution Increases

A key component in long term MLP returns is increases in distributions to limited partners, and last quarter continued the string of quarters with numerous distribution increases. For the quarter, 22 MLPs raised their distribution compared to 35 the year before (see chart). The weighted average distribution increase for all MLPs for the quarter was 0.5%, and for the year was 1.1% (for Eagle managed portfolios the weighted average increases were 1.6% and 6.4%, respectively). Three MLPs cut or eliminated their distribution during the quarter, as the lingering effects of weak debt management or poor business models took their toll. The total number of poorly managed MLPs that have reduced or eliminated their distribution this year stands at twelve. We expect distribution increases of 4% or greater for the entire MLP market in 2010 (and 7% or greater for Eagle managed portfolios).



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MLP Distribution Growth Set to Improve in 2010

As shown on the first page, MLPs had a tremendous year in 2009, as prices recovered from the fire sale prices that occurred at the end of 2008. Although MLP prices are closer to recovering in price, we believe that value remains as MLP cash flows rose throughout the period of decline and recovery.

The chart below shows the weighted average distribution growth for the MLP Index from 1991 through 2009. Importantly these calculations include the MLPs that have reduced or eliminated their distribution, as well as those that have increased their payments. The MLP market has grown average distributions every year, although 2009 was the smallest increase on record.

The dotted bar on the far right shows our estimated distribution growth for 2010, which is a material increase from the distribution increases seen last year. We believe that the distribution growth rate will likely end the year higher than our estimates, as MLPs acquire assets from third party sellers at attractive and accretive prices. The environment for acquisition activity is favorable, as capital markets are available for both MLP equity and debt, and the cost of investment grade debt is particularly attractive. It takes two to tango, so it is important to note that many large energy companies are in the process of selling infrastructure assets that are appealing to MLPs.

The combination of improving distribution growth and additional upside from acquisition activity should continue to be a positive for long term appreciation by MLP LP units.