Dividends, Performance And Total Returns

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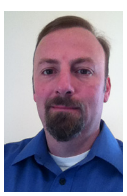

The Miller/Howard High Income Equity Fund pays a healthy and sustainable dividend, outperforms the Morningstar benchmark and offers substantial total returns for new and existing shareholders.

Miller/Howard High Income Equity Fund; Experience, Performance, Value and Total Returns

The Miller/Howard High Income Equity Fund (HIE) was launched with an IPO on November 25th, 2014. The fund is a unique closed end fund that frankly, stands head and shoulders above other funds with similar goals. The basic goal of the fund is to provide income with a secondary goal of capital appreciation based on undervalued stocks and the gains associated with stocks in a cycle of increasing distributions. What makes this fund so unique is two-fold; what they refer to as responsible dividends and the ten year term limit, two reasons underwriters and regulators agreed to allow the fund to come to market in the first place.

Responsible dividends means the fund pays distributions through earned income. Income earned through distributions from portfolio holdings and a small amount of options activity alleviating fears that dividends paid to shareholders are simply a return of money invested. The ten year term limit means that at the end of term, November 2024, the fund will liquidate all holdings and return full NAV to shareholders, alleviating fears of value traps.

Miller/Howard Investments is a boutique management firm with over $8.5 billion in managed assets focusing on income, dividend and energy market strategies. The High Income Equity Fund is the culmination of over 20 years of experience and incorporates many of the strategies used by the firm into one super strategy. Managers scour the market looking for the companies with the best yield, that are undervalued, have strong cash flows, positive outlook and the best chances of increasing distributions. They do not focus on any one sector but on any company meeting their criteria. The aim is to secure current cash flow as well as future dividend increases and the subsequent rise in share values associated with companies who have or are expecting to increase distributions.

To put this into perspective; more than 60% of portfolio companies increased their dividends in 2015, many of them double digits and many of them more than once.

Market Performance And Total Returns

It is no secret that NAV and share values have been on the decline since the funds inception but this can be explained away by a few factors. One is that the entire market has been trending sideways to down since the fund was IPO'd with a loss of -12% at the low. Another reason is that dividend paying companies have been out of favor over the past year or so while investors seek to put money to work in other areas of the market, the S&P 500 dividend tracking ETF SDY lost -17% in the same period. Another is that a substantial portion of the portfolio has been invested in the energy sector, a sector well known for its dividend and propensity for increasing dividend and one heavily hit by falling oil prices.

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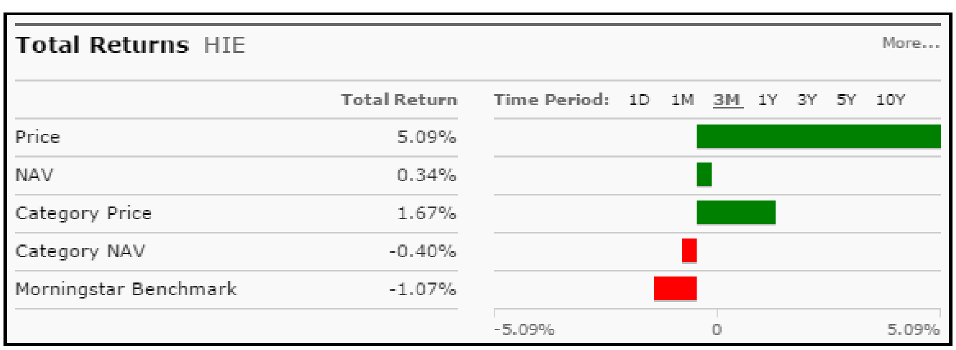
Recently the market has bottomed, and dividend producing stocks have returned to favor, resulting in an increase to NAV and a bottom in share prices. Over the course of the past month NAV has increased by nearly $2.00 or +17% with a comparable increase in share prices; HIE is up about $1.30 from 2/9 to 3/9, an increase of 20.5%. Now, in terms of NAV and the discount offered to investors that is narrowing but remains near the historic low of -12%. Over the past 3 months, since the market hit bottom, the fund has produced total returns in excess of 5% and well above the Morningstar benchmark.



Total Returns HIE — More...

Time Period: 1D 1M **3M** 1Y 3Y 5Y 10Y

	Total Return
Price	5.09%
NAV	0.34%
Category Price	1.67%
Category NAV	-0.40%
Morningstar Benchmark	-1.07%

-5.09% 0 5.09%

In terms of dividends and total returns outlook is quite good. The fund pays its dividend in monthly installments that yields $1.39 annually or about 12.5% at today's prices. This has been paid each and every month since inception for a total of $1.74 over the past 15 months with no expectation it will be halted or even reduced. Original shareholders can expect to receive

this payment every month until liquidation which would result in a total return greater than 32% at current NAV values. New investors can expect to see total returns in excess of 125%. If you think the market will be higher then than it is now those returns increase proportionally and based on earnings outlook for the broad market I would have to say the market will be.

The bull market in equities is long in the tooth but far from over. 2016 is expected to see a return to earnings growth, about 3% for the broad market, with that growth expanding into 2017, about 12% by last estimates. According to Standard & Poors Dividend Quarterly distributions hit a new all time high in the 3rd quarter of last year with that number growing into the 4th quarter and into 2016.

Portfolio Update

Over the course of the 4th quarter earnings season a number of positive

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factors have developed for the portfolio. The top holding, Seagate Technologies, beat on the top and bottom lines securing the health of the already substantial 7% dividend and upping the chances it could raise distributions in the current year. The second largest holding, AT&T, missed on revenue but increased earnings double digits aided by the acquisition of DirectTV. Forward guidance calls for another double digit gain in revenues and a high single digit gains in earnings for 2016, securing its 5% distribution and upping the chances it could raise the dividend this year. Telecom is expected to post the single largest increase in earnings for the 1st quarter, about 13.3%.

The third largest holding, Digital Reality Trust, also beat 4th quarter expectations on the top and bottom line. The company also raised its dividend by 3.5% and has seen an increase in share value greater than 6.25% over the course of the past month alone, +17.25% YTD. Dupont Fabros Technology beat 4th quarter revenues, provided positive forward guidance and maintained current distributions.

One of the biggest drags on NAV and performance over the past year was the energy sector. The HIE is heavily weighted in that sector directly and through MLP's, about 8% and 13% respectively. This drag may remain in 2016, expectations are not good with full year earnings growth expected in the range of -50% for the energy sector, but moving out to 2017 this will change with earnings growth projected near 150%.

Insiders Are Buying

Regardless your perspective on the market or your view of this fund insider buying says it all. Since the funds inception insiders ranging from fund managers to corporate officers and Lowell Miller himself have been steadily buying shares. In total, by my review of Edgar filings, 19,625 shares have been awarded over the past 12 months and that is not counting shares purchased by the firm itself. This is indeed a sign of the confidence of the team in the performance of the fund, its ability to pay distributions and the future health of both.