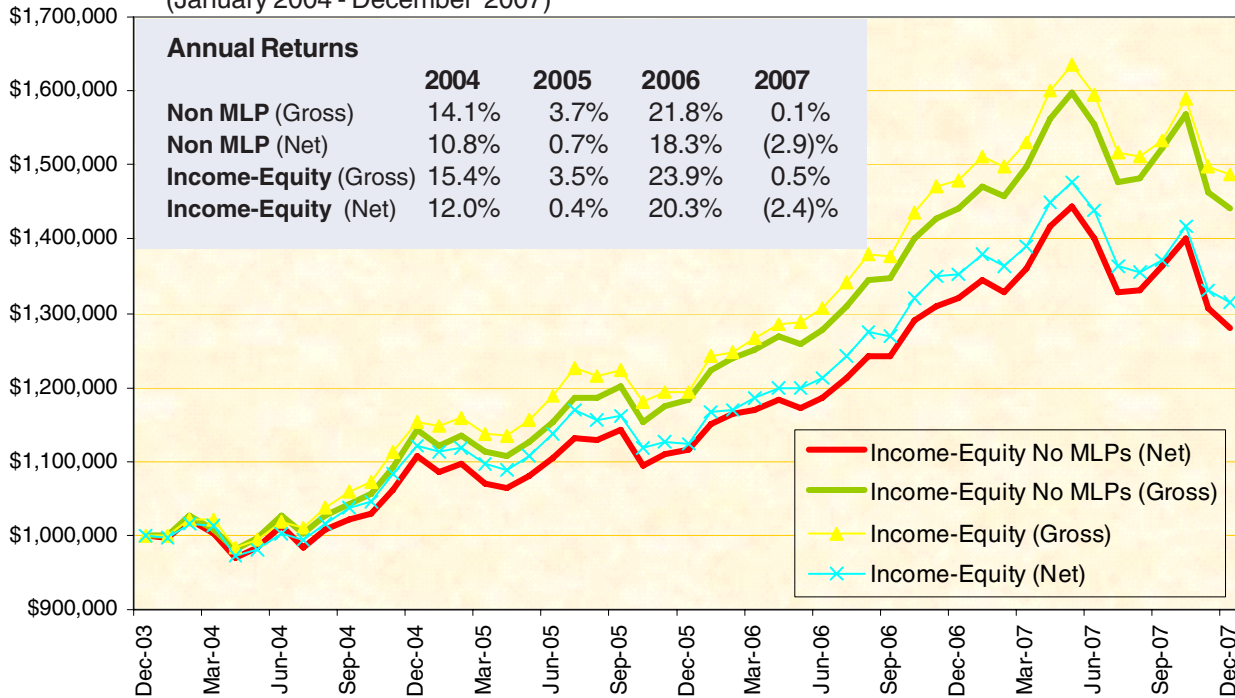


Certain non-taxable investors may have some concerns about investing in Master Limited Partnerships (MLPs) and the unrelated business taxable income (UBTI) that MLPs generate. To address this concern, we have made available a version of our Income-Equity strategy that holds no MLPs. The charts on this page show the differences between the two portfolios since inception, December of 2003.

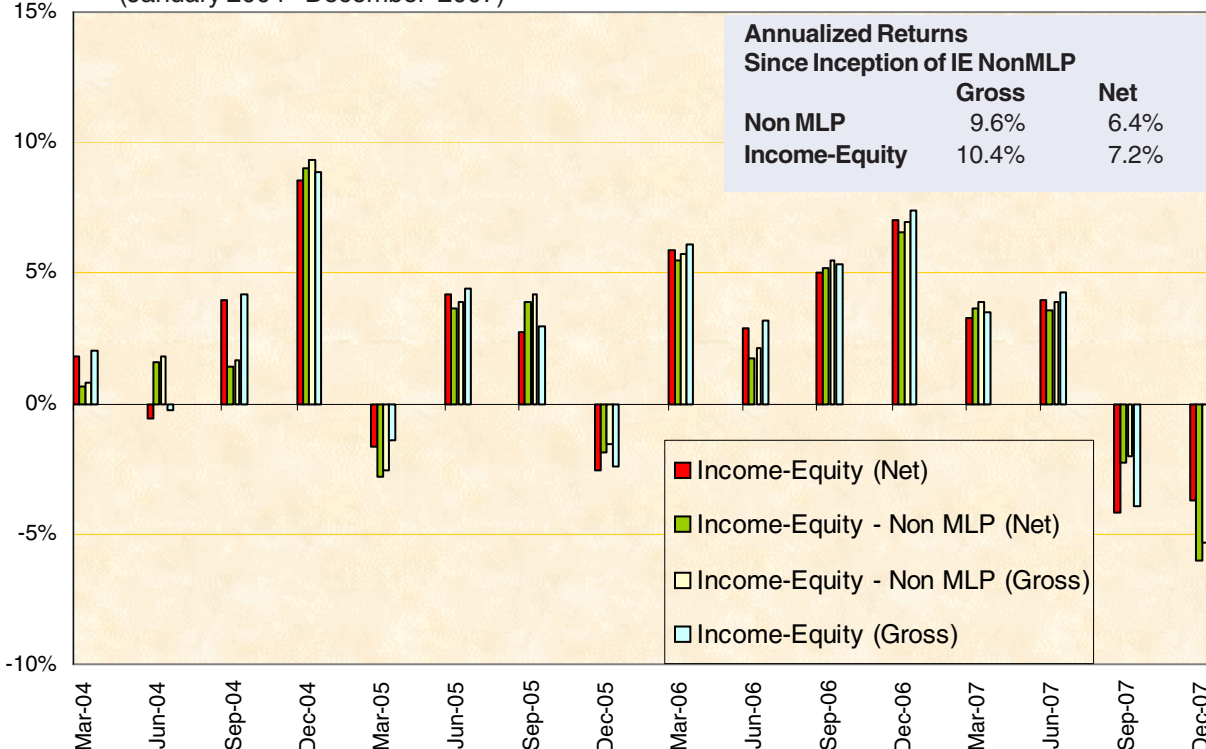
Growth of \$1 Mil

(January 2004 - December 2007)



Quarterly Net of Fees Returns Since Inception (of non-MLP version)

(January 2004 - December 2007)



Top Ten Holdings as of 12/31/07
Income-Equity Strategy

Enterprise Prods Partners	5.3%
Energy Transfer Partners	5.2
Capitalsource Inc	4.9
Enerplus Res FD	4.3
Macquarie Infrastructure Co	3.6
AT&T	3.6
Colgate Palmolive Co	3.5
Hugoton Rty Tr Tex	3.4
Kinder Morgan Energy Partn.	3.3
Oneok Partners	3.2

Income-Equity Strategy Non MLP

Capitalsource Inc	4.8%
Enerplus Res FD	4.4
Macquarie Infrastructure Co	3.8
Kinder Morgan Mgmt LLC	3.8
AT&T	3.6
Colgate Palmolive Co	3.6
Hugoton Rty Tr Tex	3.4
Spectra Energy Corp	3.3
Diana Shipping Inc	3.2
Johnson & Johnson	3.1

Portfolio Characteristics as of 12/31/07	Income-Equity Strategy		Income-Equity Strategy Non MLP
	Since incept of I-E (5/31/97)	Since incept of I-E NonMLP (12/31/03)	Since incept of I-E NonMLP (12/31/03)
Current Yield	6.0%	6.0%	5.9%
Projected Dividend Growth	9.5%	9.5%	8.4%
Payout Ratio	58%	58%	54%
Market Cap	\$36.3Bil	\$36.3Bil	\$38.2Bil
Price/Book	2.8	2.8	2.7
Beta*	0.6	0.8	0.9
P/E Ratio**	14.5	14.5	16
Standard Deviation	11.7%	8.0%	8.4%
S&P Debt Rating	BBB+	BBB+	A-
* Relative to the S&P 500	** REITs use P/FFP ratio		

Sectors as of 12/31/07
Income-Equity Strategy

Pipelines	19.5%
Financial	15.5
Consumer Staples	13.4
Healthcare	9.6
Transportation Services	8.3
Energy	7.7
Basic Material	6.5
Telecom Services	5.3
Business Services	4.7
Utilities	3.0
Technology	2.6
Real Estate	1.5
Consumer Discretionary	1.2
Cash	1.2

Income-Equity Strategy Non MLP

Pipelines	7.1%
Financial	15.0
Consumer Staples	13.5
Healthcare	10.0
Transportation Services	10.9
Energy	8.7
Basic Material	9.8
Telecom Services	5.5
Business Services	5.8
Utilities	7.7
Technology	1.9
Real Estate	1.6
Consumer Discretionary	1.3
Cash	1.2

GIPS Composite Disclosure, Shown in US \$	Period to Date (3 mths to 12/31/07)	1 Year (ending 12/31/07)	3 Years per annum (ending 12/31/07)	5 Years per annum (ending 12/31/07)	7 Years per annum (ending 12/31/07)
Income-Equity Strategy (Includes MLPs) (Gross)	-3.0%	0.5%	8.8%	13.6%	6.4%
Income-Equity Strategy (Includes MLPs) (Net)	-3.7%	-2.5%	5.6%	10.3%	3.2%
Income-Equity Strategy (Non MLP) (Gross)	-5.3%	0.1%	8.1%	Not enough data	Not enough data
Income-Equity Strategy (Non MLP) (Net)	-6.0%	-2.9%	5.0%	Not enough data	Not enough data
Russell 1000	-3.2%	5.7%	9.1%	13.4%	3.7%

GIPS Performance Disclosure

Miller/Howard Investments Inc. is an SEC registered investment advisor specializing in dividend and dividend-growth core equity strategies. Miller/Howard Investments Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The firm is currently undergoing a firm wide verification being conducted by Ashland Partners & Company LLP. To receive a complete list and description of Miller/Howard Investments' composites and/or a presentation that adheres to the GIPS standards, contact Marilyn Marecek at 845-679-9166, or write Miller/Howard Investments, P O Box 549, Woodstock, NY 12498, or marilyn@mhinvest.com. The Income-Equity Strategy Composite focuses on multi-cap, high-quality, high-yield dividend-growth investments across the broad market, including American Depository Receipts. The Non MLP portfolio excludes exchange traded Master Limited Partnerships. For comparison purposes this strategy is measured against the Russell 1000 Index which offers investors access to the extensive large-cap segment of the US equity universe representing approximately 92 % of the US market.