

# Alerian Energy Infrastructure ETF

Monthly Insights | March 2025

## Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) rose 1.42% in March, handily outperforming the S&P 500 but slightly lagging the broader energy sector.
- Midstream free cash flow yields remain attractive based on 2025 estimates. Excess cash is expected to continue fueling dividend growth and buyback activity.
- At the end of March, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.13% and was trading above its three-year average forward EV/EBITDA multiple.

## Performance Notes

ENFR rose 1.42% on a total-return basis in March, significantly outperforming the broader market as the S&P 500 Index fell 5.63%. Energy was the only sector with positive performance in March as inflation concerns took hold. Energy tends to do well in periods of elevated inflation and is less sensitive to interest rates, which may remain steady in an inflationary environment. The Energy Select Sector Index (IXE) gained 3.47% in March as oil prices increased 2.47%. Natural gas prices rose more than 7% to end the month above \$4 per million British thermal units.

Year to date through March 31, ENFR is up 6.66%, noticeably outperforming the 4.27% loss for the S&P 500 and modestly underperforming the 9.98% total return for the IXE.

Digging into portfolio performance for the month, Storage, which only includes Gibson Energy (GEI, **1.89% Weight\***), was the best-performing subsector, followed by Gathering & Processing. All subsectors in the portfolio saw gains in March.

March 2025 Performance				
	Mar-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	1.42%	6.66%	6.66%	35.43%
Alerian Midstream Energy Select Index (AMEI)	1.50%	6.87%	6.87%	36.54%
Subsector Total Return:				
Gathering & Processing	3.13%	11.16%	11.16%	40.56%
Natural Gas Transportation	0.53%	1.81%	1.81%	38.42%
Petroleum Transportation	1.29%	11.64%	11.64%	29.25%
Storage	6.32%	-7.17%	-7.17%	-2.13%
Liquefaction	0.47%	7.12%	7.12%	48.28%
Energy Select Sector Index (IXE)	3.47%	9.98%	9.98%	2.32%
Crude Oil (WTI)	2.47%	-0.33%	-0.33%	-14.06%
Crude Oil (WCS - Western Canadian Select)	7.60%	4.05%	4.05%	-13.29%

Source: Bloomberg L.P., as of 3/31/2025

**Performance data quoted represents past performance. Past performance is no guarantee of future results so that shares, when redeemed, may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance quoted. For current month-end performance call 1-866-759-5679 or visit [www.alpsfunds.com](http://www.alpsfunds.com). Performance includes reinvested distributions and capital gains.**

For standardized performance please see page 3.

Index returns are total returns.

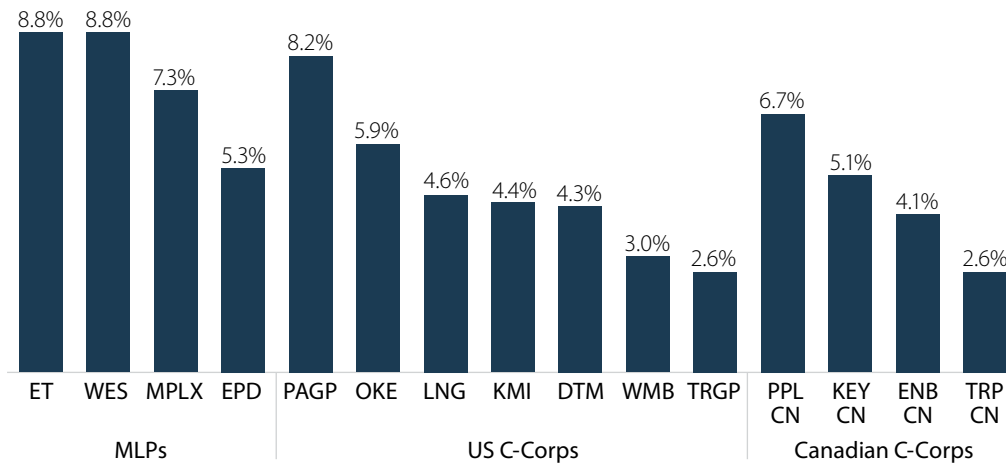
## Outlook

While equity markets have grappled with volatility and uncertainty this year, energy infrastructure has performed well. Recall, midstream companies largely provide services for fees under long-term contracts that often include annual inflation adjustments. The space is well positioned for growing concerns around inflation, which have likely contributed to strong performance for the energy sector in 2025 amid flattish oil prices year to date. Midstream companies are also enjoying tailwinds from expected multi-year growth in natural gas demand and ongoing free cash flow generation.

While capital spending is anticipated to tick upwards in 2025, largely driven by growth opportunities related to natural gas and natural gas liquids, free cash flow (FCF) yields across ENFR holdings are expected to remain healthy. Excess cash is expected to continue fueling generous dividend growth and opportunistic buybacks. As shown in the chart below, FCF yields using company guidance and Wall Street consensus estimates for 2025 remain compelling. For context, the trailing 12 month FCF yield for the S&P 500 as of March 31 was only 3.22%.

\*Weight in ENFR as of 3/31/2025

2025E FCF Yields for ENFR Holdings by Category



FCF yield based on prices as of 3/31/2025.  
Operating cash flow is based on consensus estimates. Capital spending is based on company guidance. Capital spending for LNG and ENB CN are based on consensus estimates. FCF numbers provided for PAGP and WES are based on company guidance.  
Source: VettaFi, LSEG, Company Reports as of 3/31/2025

Constituent News

- Williams (**WMB, 5.60% Weight\***) entered an agreement with an investment-grade customer to provide onsite natural gas and power generation infrastructure, pledging to invest \$1.6 billion. The project is backed by a ten-year, largely fixed-fee power purchase agreement and has an estimated build multiple of 5x EBITDA, implying returns of 20%.
- Cheniere Energy (**LNG, 5.23% Weight\***) completed the first of seven liquefaction trains in the Corpus Christi Stage three expansion. The expansion will add 10 million tons per annum of production capacity in total when completed. Train one started up ahead of schedule and on budget.
- Enbridge (**ENB CN, 7.43% Weight\***) reaffirmed 2025 adjusted EBITDA guidance of \$19.7 billion at the midpoint. ENB expects average annual adjusted EBITDA growth of 7-9% through 2026 and dividend growth of up to 3% through 2026, building on thirty consecutive years of annual dividend increases.

Valuation Update

- At the end of March, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.60x based on 2026 consensus estimates – above its three-year average ratio of 9.66x.
- The current yield for AMEI is 5.13%, which is below its three-year average of 5.97%.

\* Weight in ENFR as of 3/31/2025

	AMEI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.55x	5.92x	27.41%
Enterprise Value/EBITDA <sup>^</sup>	10.60x	9.66x	9.71%
Yield	5.13%	5.97%	-14.07%
ENFR 30-Day SEC Yield	4.82%		

Source: Bloomberg L.P. and VettaFi, as of 3/31/2025

**Past performance is no guarantee of future results.**

<sup>^</sup> NEXT and TELL were excluded from the current EV/EBITDA calculation as outliers.

## Alerian Energy Infrastructure ETF (ENFR) Performance

Total Returns	Cumulative as of 3/31/2025				Annualized as of 3/31/2025				
	1 M	3 M	YTD	SI <sup>1</sup>	1 Y	3 Y	5 Y	10 Y	SI <sup>1</sup>
NAV (Net Asset Value)	1.42%	6.66%	6.66%	123.87%	35.43%	19.36%	33.92%	7.32%	7.32%
Market Price	1.48%	6.65%	6.65%	124.08%	35.55%	19.33%	34.21%	7.33%	7.32%
Alerian Midstream Energy Select Index - TR	1.50%	6.87%	6.87%	146.08%	36.54%	20.19%	35.17%	8.19%	8.21%
Alerian MLP Index - TR	0.05%	12.58%	12.58%	73.41%	22.99%	25.00%	40.21%	5.47%	4.94%

**Performance data quoted represents past performance. Past performance is no guarantee of future results so that shares, when redeemed, may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance quoted. For current month-end performance call 1-866-759-5679 or visit [www.alpsfunds.com](http://www.alpsfunds.com). Performance includes reinvested distributions and capital gains.**

Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

<sup>1</sup> Fund inception date: 10/31/2013

Total Operating Expenses: **0.35%**

## Top 10 Holdings

ENERGY TRANSFER LP	9.17%
ENTERPRISE PRODUCTS PARTNERS	7.69%
ENBRIDGE INC	7.43%
WILLIAMS COS INC	5.60%
TARGA RESOURCES CORP	5.24%
CHENIERE ENERGY INC	5.23%
KINDER MORGAN INC	5.14%
ONEOK INC	5.08%
KEYERA CORP	5.00%
PEMBINA PIPELINE CORP	4.97%

As of 3/31/2025, subject to change

Daily holdings are available at [www.alpsfunds.com](http://www.alpsfunds.com).

## Important Disclosures & Definitions

**An investor should consider the investment objectives, risks, charges and expenses carefully before investing. This material must be preceded or accompanied by the [prospectus](#). Read the prospectus carefully before investing.**

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemable.

Performance data quoted represents past performance. Past performance is no guarantee of future results; current performance may be higher or lower than performance quoted.

All investments are subject to risks, including the loss of money and the possible loss of the entire principal amount invested. Additional information regarding the risks of this investment is available in the prospectus.

Investments in securities of Master Limited Partnerships (MLPs) involve risks that differ from an investment in common stock. MLPs are controlled by their general partners, which generally have conflicts of interest and limited fiduciary duties to the MLP, which may permit the general partner to favor its own interests over the MLPs.

A portion of the benefits you are expected to derive from the Fund's investment in MLPs depends largely on the MLPs being treated as partnerships for federal income tax purposes. As a partnership, an MLP has no federal income tax liability at the entity level. Therefore, treatment of one or more MLPs as a corporation for federal income tax purposes could affect the Fund's ability to meet its investment objective and would reduce the amount of cash available to pay or distribute to you. Legislative, judicial, or administrative changes and differing interpretations, possibly on a retroactive basis, could negatively impact the value of an investment in MLPs and therefore the value of your investment in the Fund.

The Fund invests primarily in a particular sector and could experience greater volatility than a fund investing in a broader range of industries.

The Fund may be subject to risks relating to its investment in Canadian securities. Because the Fund will invest in securities denominated in foreign currencies and the income received by the Fund will generally be in foreign currency, changes in currency exchange rates may negatively impact the Fund's return.

Investments in the energy infrastructure sector are subject to: reduced volumes of natural gas or other energy commodities available for transporting, processing or storing; changes in the regulatory environment; extreme weather and; rising interest rates which could result in a higher cost of capital and drive investors into other investment opportunities.

The Fund employs a "passive management" - or indexing - investment approach and seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index. Unlike many investment companies, the Fund is not "actively" managed. Therefore, it would not necessarily sell or buy a security unless that security is removed from or added to the underlying index, respectively.

30-Day SEC Yield: reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses.

Alerian Midstream Energy Select Index (AMEI): a composite of North American energy infrastructure companies. The capped, float-adjusted, capitalization-weighted index constituents are engaged in midstream activities involving energy commodities.

Alerian MLP Index (AMZ): the leading gauge of energy infrastructure MLPs. The capped, float-adjusted, capitalization-weighted index constituents earn the majority of their cash flow from midstream activities involving energy commodities.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): a measure of a company's overall financial performance.

Enterprise Multiple (EV/EBITDA): a ratio used to determine the value of a company by considering the company's debt. The enterprise multiple is the enterprise value (EV) (market capitalization + total debt - cash and cash equivalents) divided by EBITDA (earnings before interest, taxes, depreciation and amortization).

Price/Cash Flow (P/CF) Ratio: represents the weighted average of the price/cash flow ratios of the stocks in a portfolio. Price/cash flow represents the amount an investor is willing to pay for a dollar generated from a particular company's operations.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization. One may not invest directly in an index.

Trailing Twelve Month Yield: refers to the percentage of income a portfolio has returned to investors over the last 12 months.

One may not invest directly in an index.

ALPS Advisors, Inc., registered investment adviser with the SEC, is the investment adviser to the Fund. ALPS Advisors, Inc. and ALPS Portfolio Solutions Distributor, Inc., affiliated entities, are unaffiliated with VettaFi and the Alerian Index Series.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Fund.

Not FDIC Insured • No Bank Guarantee • May Lose Value

ALR001919 8/31/2025