

Alerian Energy Infrastructure ETF

Monthly Insights | June 2025

Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) rose 3.00% on a total-return basis in June as broader equities and energy stocks gained.
- Since 2023, ENFR holdings have collectively repurchased almost \$8 billion in common equity, led largely by Cheniere Energy (LNG, 5.16% Weight*).
- At the end of June, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.38% and was trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

ENFR gained 3.00% on a total-return basis in June, as equities broadly gained and energy stocks enjoyed positive momentum from an improvement in oil prices. The S&P 500 Index rose 5.09%, while the Energy Select Sector Index (IXE) was up 4.75% on total-return basis. Amid geopolitical unrest, the US oil benchmark closed above \$75 per barrel (bbl) in mid-June but ended the month at \$65/bbl or up 7% as tensions deescalated. US natural gas prices were flat for the month. For the first half of 2025, ENFR is up 6.12% on a total-return basis, which is just slightly ahead of the 6.20% total return for the S&P 500. Midstream has more noticeably outperformed the IXE, which was essentially flat year-to-date through June.

Digging into portfolio performance for June, all subsectors ended the month with gains for the second month in a row. Storage, which only includes Gibson Energy (GEI CN, 1.94% Weight*), was the best-performing subsector, followed by Gathering & Processing.

June 2025 Performance				
	Jun-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	3.00%	-0.50%	6.12%	27.19%
Alerian Midstream Energy Select Index (AMEI)	3.09%	-0.35%	6.49%	28.17%
Subsector Total Return:				
Gathering & Processing	5.39%	-0.92%	10.14%	28.05%
Liquefaction	3.30%	6.41%	13.99%	42.15%
Natural Gas Transportation	2.14%	-1.40%	0.39%	29.97%
Petroleum Transportation	1.78%	-0.79%	10.76%	23.66%
Storage	8.21%	15.19%	6.93%	10.98%
Energy Select Sector Index (IXE)	4.75%	-8.47%	0.66%	-3.83%
Crude Oil (WTI)	7.11%	-8.91%	-9.22%	-20.15%
Crude Oil (WCS - Western Canadian Select)	4.70%	-11.80%	-8.23%	-19.36%

Source: Bloomberg L.P., as of 6/30/2025

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. Performance includes reinvested distributions and capital gains.

For standardized performance please see page 3.

Index returns are total returns.

Outlook

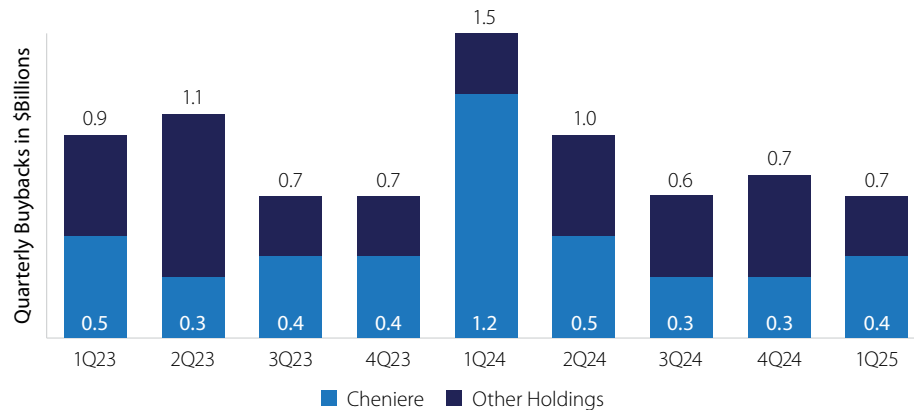
The first half of the year has been characterized by volatility for equities, oil prices and energy stocks. Energy was the best-performing sector in 1Q25 and the worst-performing sector in 2Q25. US oil prices briefly rose above \$80/bbl in January but fell below \$60/bbl in May. Through the volatility, ENFR has been largely resilient thanks to its defensive characteristics, including healthy dividends and fee-based business models. Looking to the balance of the year, ENFR can remain defensive if oil prices weaken. If oil prices can hold around \$60-65 per barrel, US oil production likely continues to grow.

Meanwhile, midstream companies are poised to benefit from an expected step change in North American natural gas demand over the coming years, driven by liquefied natural gas exports and a growing electricity demand, including from data centers. Natural gas pipeline announcements remain a potential catalyst for ENFR holdings. Growing natural gas demand and a supportive regulatory backdrop are even reviving natural gas pipeline projects in the Northeast US.

Broadly, companies are expected to continue generating free cash flow and prioritizing returns to shareholders. Dividend growth is expected to remain a tailwind, and buybacks can also be supportive. As shown below, ENFR holdings have collectively spent nearly \$8 billion on equity repurchases since the start of 2023, including \$4.1 billion in repurchases by Cheniere Energy (LNG, 5.16% Weight*). Repurchases for 1Q25 totaled \$0.7 billion.

*Weight in ENFR as of 6/30/2025

ENFR Holdings Have Spent Almost \$8 Billion on Buybacks Since 2023



Source: Company reports, VettaFi as of 6/30/2025

Constituent News

- Plains All American (**PAGP, 5.10% Weight***) is selling its Canadian natural gas liquids business to Keyera (**KEY CN, 5.07% Weight***) for \$5.15 billion CAD (\$3.75 billion USD). Expected to close in 1Q26, the transaction will make Plains a midstream oil pure play, while reducing commodity price exposure and enhancing the company's free cash flow profile. For Keyera, the assets complement its existing footprint, and the company expects \$100 million in run-rate synergies in the near-term after closing.
- Cheniere (**LNG, 5.16% Weight***) announced plans to begin construction of two more midscale trains at Corpus Christi, which will add three million tons per annum (MTPA) of liquefaction capacity. Combining the project with debottlenecking, Cheniere raised its run rate capacity by ~6 MTPA to 60-63 MTPA. The company sees a path to grow its capacity to 75 MTPA by the early 2030s. Cheniere expects to raise its dividend for 3Q25 by 11%.
- ONEOK (**OKE, 4.92% Weight***) has acquired the remaining 49.9% interest in its Delaware basin gathering and processing joint venture from NGP for \$940 million, including \$530 million in cash and \$410 million in OKE shares. The acquisition fits with OKE's Permian growth strategy.

Valuation Update

- At the end of June, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.31x based on 2026 consensus estimates – above its three-year average ratio of 9.65x.
- The current yield for AMEI is 5.38%, which is below its three-year average of 5.97%.

* Weight in ENFR as of 6/30/2025

	AMEI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.60x	6.00x	26.55%
Enterprise Value/EBITDA [^]	10.31x	9.65x	6.89%
Yield	5.38%	5.97%	-9.88%
ENFR 30-Day SEC Yield	5.05%		

Source: Bloomberg L.P. and VettaFi, as of 6/30/2025

Past performance is no guarantee of future results.

[^] NEXT and TELL were excluded from the current EV/EBITDA calculation as outliers.

Alerian Energy Infrastructure ETF (ENFR) Performance

Total Returns	Cumulative as of 6/30/2025				Annualized as of 6/30/2025				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	3.00%	-0.50%	6.12%	122.75%	27.19%	23.25%	25.61%	7.77%	7.11%
Market Price	2.94%	-0.59%	6.02%	122.75%	27.19%	23.29%	25.61%	7.76%	7.11%
Alerian Midstream Energy Select Index - TR	3.09%	-0.35%	6.49%	145.20%	28.17%	24.12%	26.65%	8.63%	7.99%
Alerian MLP Index - TR	2.56%	-4.91%	7.06%	64.90%	13.16%	26.11%	27.96%	5.60%	4.38%

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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.

¹ Fund inception date: 10/31/2013

Total Operating Expenses: **0.35%**

Top 10 Holdings

ENERGY TRANSFER LP	8.82%
ENBRIDGE INC	7.82%
ENTERPRISE PRODUCTS PARTNERS	7.12%
WILLIAMS COS INC	6.06%
KINDER MORGAN INC	5.30%
CHENIERE ENERGY INC	5.16%
DT MIDSTREAM INC	5.16%
TARGA RESOURCES CORP	5.13%
PLAINS GP HOLDINGS LP-CL A	5.10%
KEYERA CORP	5.07%

As of 6/30/2025, subject to change

Daily holdings are available at 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) Trailing Twelve Month (TTM) Ratio: represents the weighted average of the price/cash flow ratios (generated over the trailing twelve months) 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.

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

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