

Alerian MLP ETF

Monthly Insights | November 2023

Key Takeaways

- The Alerian MLP ETF (AMLPL) was up 7.38% in November as companies wrapped up third quarter earnings and equities broadly gained.
- Most AMLPL holdings have been paying down debt and have continued to lower target leverage ratios. Portfolio companies mostly have target leverage ratios between 3x and 4x.
- At the end of November, AMLPL's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 7.48% and trading in line with its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLPL gained 7.38% on a total-return basis for November as equities broadly rallied. MLPs finished reporting earnings for the third quarter in early November, with results generally coming in ahead of consensus expectations and some portfolio companies raising 2023 guidance. Energy price volatility continued through the month, as oil prices declined 6.25% and natural gas prices fell 21.62%. Year-to-date through the end of November, AMLPL has gained 25.99% on a total-return basis, outperforming the 20.79% gain for the S&P 500 and the 0.69% loss for the Energy Select Sector Index (IXE).

Digging into portfolio performance for the month, Liquefaction, which only includes Cheniere Energy Partners (CQP, 5.64% Weight*) led all subgroups, up 12.70% on a total-return basis in November, followed by Gathering and Processing, which was up 10.75%.

Outlook

Third quarter earnings season highlighted MLPs' continued emphasis on free cash flow generation and returning capital to unitholders, particularly through distribution growth. Excess cash flow has also supported debt reduction, and target leverage ratios (Net Debt / Adjusted EBITDA) have trended lower over time. Alongside its third quarter results, Plains All American (PAA, 13.99% Weight*) lowered its target leverage ratio by 0.5x to 3.25x - 3.75x. The chart below shows stated leverage ratio targets for AMLPL holdings that provide them, with targets ranging from 3.0x to 4.25x based on the midpoint of provided ranges. Looking ahead to 2024, AMLPL holdings are expected to continue to enjoy the tailwinds provided by free cash flow generation, including distribution growth and opportunistic buybacks. If the macro environment proves challenging or commodity prices remain volatile, MLPs' fee-based business models and generous yields can be supportive for performance.

* Weight in AMLPL as of 11/30/2023

November 2023 Performance

	Nov-23	QTD	YTD	1 Y
Alerian MLP ETF (AMLPL) (NAV)	7.38%	6.98%	25.99%	19.82%
Alerian MLP Infrastructure Index (AMZI)	6.99%	6.66%	28.16%	22.18%
Gathering & Processing	10.75%	10.96%	23.80%	18.00%
Natural Gas Transportation	4.33%	0.62%	24.21%	19.03%
Liquefaction	12.70%	15.96%	17.69%	7.81%
Petroleum Transportation	5.57%	6.63%	37.89%	32.22%
Energy Select Sector Index (IXE)	-0.75%	-6.45%	-0.69%	-3.70%
Crude Oil (WTI)	-6.25%	-16.33%	-5.36%	-5.70%

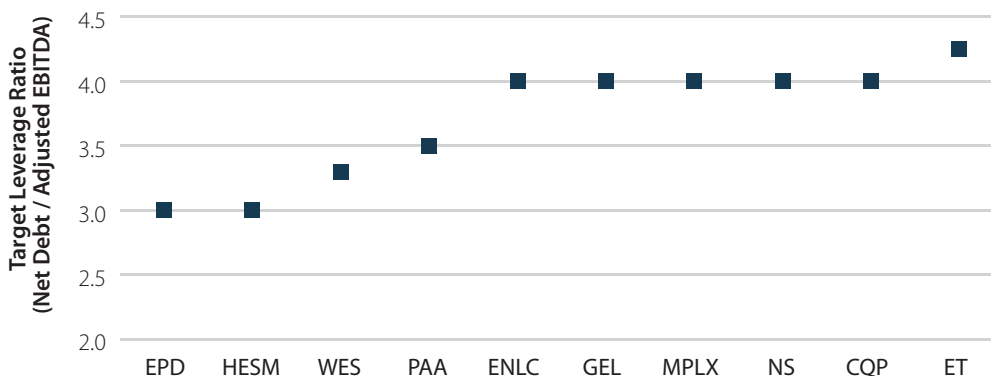
Source: Bloomberg L.P., as of 11/30/2023

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 2.

Index returns are total returns.

Most AMLP Holdings Have Target Leverage Ratios Between 3x and 4x



Excludes DKL which has not announced a leverage ratio target.
Midpoint used when range was given.
Source: VettaFi Analysis of Company Reports, as of 11/30/2023

Constituent News

- Plains All American (PAA, 13.99% Weight*) raised its 2023 Adjusted EBITDA guidance by \$125 million at the midpoint and intends to recommend a 19% increase to its quarterly distribution payable in February 2024.
- Energy Transfer (ET, 18.90% Weight*) completed its all-equity acquisition of Crestwood Equity Partners for ~\$7.1 billion including debt.
- Western Midstream Partners (WES, 13.09% Weight*) beat consensus expectations for the third quarter. WES repurchased \$127.5 million in equity from Occidental Petroleum (OXY, not in AMLP) and repurchased \$159.1 million in near-term senior notes during 3Q23.

Valuation Update

- AMLPLP's underlying index, AMZI, finished November with a forward EV/EBITDA multiple of 8.86x – roughly in line with its three-year average of 8.83x.
- AMZI is currently yielding 7.48%, which is below its three-year average of 7.79%.

* Weight in AMLPLP as of 11/30/2023

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	5.98x	5.36x	11.63%
Enterprise Value/EBITDA	8.86x	8.83x	0.35%
Yield	7.48%	7.79%	-3.98%
AMLPLP 30-Day SEC Yield	9.02%		

Source: Bloomberg L.P. and VettaFi, as of 11/30/2023
Past performance is no guarantee of future results.

Alerian MLP ETF (AMLPLP) Performance

Total Returns	Cumulative as of 11/30/2023				Annualized as of 9/30/2023				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	7.38%	9.58%	25.99%	63.49%	19.82%	31.10%	7.57%	1.28%	3.77%
Market Price	7.36%	9.37%	25.88%	63.31%	19.47%	31.09%	7.57%	1.27%	3.77%
Alerian MLP Infrastructure Index - TR	6.99%	9.19%	28.16%	119.07%	22.18%	34.50%	9.72%	2.04%	6.09%
Alerian MLP Index - TR	6.86%	10.78%	29.37%	116.41%	23.29%	34.51%	10.33%	2.29%	5.99%

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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: 8/24/2010

Total Operating Expenses: **0.85%**

Top 10 Holdings

ENERGY TRANSFER LP	18.90%	ENLINK MIDSTREAM LLC	7.51%
PLAINS ALL AMER PIPELINE LP	13.99%	CHENIERE ENERGY PARTNERS LP	5.64%
MPLX LP	13.69%	HESS MIDSTREAM LP - CLASS A	4.96%
ENTERPRISE PRODUCTS PARTNERS	13.10%	NUSTAR ENERGY LP	4.95%
WESTERN MIDSTREAM PARTNERS LP	13.09%	GENESIS ENERGY L.P.	3.09%

As of 11/30/2023, 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.

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, including current or deferred income tax expense (if any).

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.

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.

Alerian MLP Infrastructure Index (AMZI): a composite 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.

One may not invest directly in an index.

MLPs represented by the Alerian MLP Infrastructure Index (AMZI).

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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