

Alerian MLP ETF

Monthly Insights | December 2023

Key Takeaways

- The Alerian MLP ETF (AMLPL) was down 3.65% for December but provided a healthy total return of 21.39% for 2023.
- MLPs outperformed most S&P 500 sectors on a total-return basis in 2023, lagging only Information Technology, Communications Services and Consumer Discretionary.
- At the end of December, AMLPL's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 7.52% and trading below its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLPL fell 3.65% on a total-return basis for December. While the S&P 500 gained 4.54% during the month, US benchmark oil and natural gas prices fell 5.67% and 10.27%, respectively. The weakness in AMLPL for the month can largely be attributed to Cheniere Energy Partners (CQP, 4.52% Weight*), which fell by 19.36% during December. Despite weakness in December, AMLPL was up 21.39% on a total-return basis for 2023, handily outperforming a negative total return for the broad energy sector represented by the Energy Select Sector Index (IXE) and modestly trailing the 26.29% total return of the S&P 500.

Digging into portfolio performance for the month, most subsectors ended the month lower. Performance in the table for Marketing and Distribution and Compression only reflects the period since these categories were added to the AMZI (December 15 to month end). With that caveat, Marketing and Distribution was the best-performing subsector, albeit performance is based on a shortened timeframe.

December 2023 Performance				
	Dec-23	QTD	YTD	1 Y
Alerian MLP ETF (AMLPL) (NAV)	-3.65%	3.08%	21.39%	21.39%
Alerian MLP Infrastructure Index (AMZI)	-3.44%	3.00%	23.76%	23.76%
Subsector Total Return:				
Gathering & Processing	-4.76%	5.67%	17.92%	17.92%
Natural Gas Transportation	-1.08%	-0.46%	22.87%	22.87%
Liquefaction	-19.36%	-6.48%	-5.09%	-5.09%
Marketing and Distribution [^]	5.40%	5.40%	5.40%	5.40%
Compression [^]	-7.38%	-7.38%	-7.38%	-7.38%
Petroleum Transportation	-2.82%	4.02%	33.80%	33.80%
Energy Select Sector Index (IXE)	0.10%	-6.35%	-0.59%	-0.59%
Crude Oil (WTI)	-5.67%	-21.08%	-10.73%	-10.73%

Source: Bloomberg L.P., as of 12/31/2023

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.

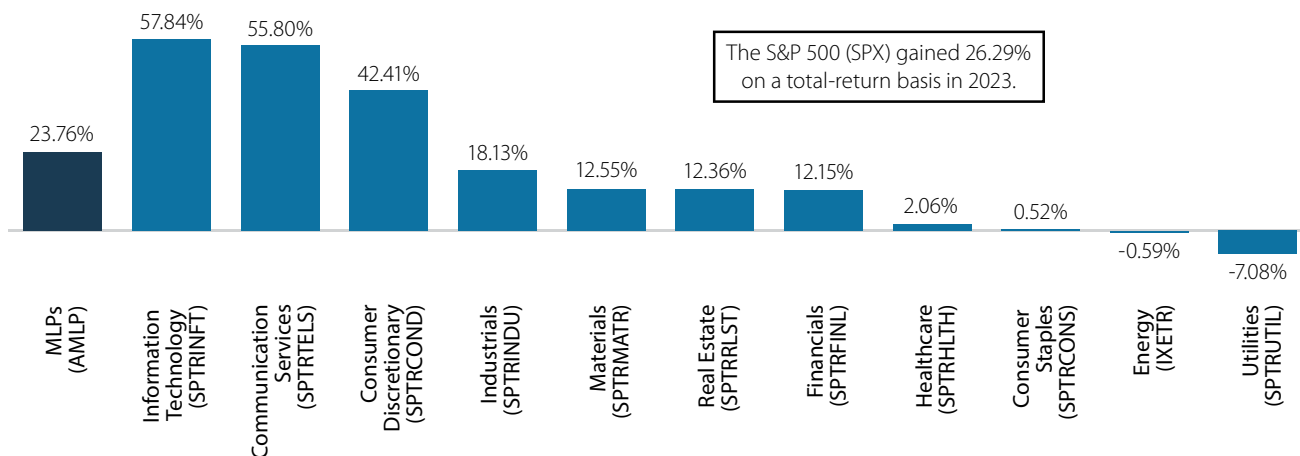
[^] December performance is based on the period since the quarterly rebalancing on December 15 (when the category was added to the AMZI Index) through month end.

Outlook

Despite weakness in the broad energy sector, AMLPL saw another strong year in 2023, outperforming most of the S&P 500 sectors as shown below. Looking ahead to 2024, AMLPL holdings are expected to continue generating free cash flow and returning excess cash to unitholders through distributions and opportunistic buybacks. Positive distribution trends are expected to continue, which may be particularly important for investors as interest rates likely retreat and income opportunities narrow. From a macro perspective, modest US energy production growth should be supportive. Continued volatility in oil and natural gas prices could reinforce the attractiveness of MLPs' defensive qualities, namely fee-based business models and compelling yields, which supported outperformance relative to the broad energy sector in 2023. Overall, the outlook for AMLPL holdings remains constructive.

* Weight in AMLPL as of 12/31/2023

MLPs Outperformed Most S&P 500 Sectors in 2023



Source: VettaFi, Bloomberg, as of 12/31/2023
Past performance is no guarantee of future results.

Constituent News

- A methodology change for AMLP’s underlying index was applied during the index’s quarterly rebalancing in December. Select compression and marketing MLPs were added to the index, specifically Sunoco (SUN, 7.44% Weight*), USA Compression Partners (USAC, 2.62% Weight*), Suburban Propane Partners (SPH, 2.49% Weight*) and Global Partners (GLP, 2.45% Weight*).
- Hess Midstream (HESM, 4.78% Weight*) gave an investor presentation reaffirming target growth in Adjusted EBITDA of over 10% and dividend per share growth of 5% in 2024 and 2025.
- GLP completed its acquisition of 25 liquids terminals from Motiva Enterprises for \$305.8 million. The acquisition is underpinned by a 25-year take-or-pay agreement with Motiva, which comes with minimum annual revenue commitments.

Valuation Update

- AMLP’s underlying index, AMZI, finished December with a forward EV/EBITDA multiple of 8.72x – slightly below its three-year average of 8.84x.
- AMZI is currently yielding 7.52%, which is below its three-year average of 7.72%.

* Weight in AMLP as of 12/31/2023

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	5.78x	5.41x	6.90%
Enterprise Value/EBITDA	8.72x	8.84x	-1.37%
Yield	7.52%	7.72%	-2.59%
AMLPLP 30-Day SEC Yield	7.53%		

Source: Bloomberg L.P. and VettaFi, as of 12/31/2023
Past performance is no guarantee of future results.

Alerian MLP ETF (AMLPLP) Performance

Total Returns	Cumulative as of 12/31/2023				Annualized as of 12/31/2023				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	-3.65%	3.08%	21.39%	57.53%	21.39%	28.44%	8.66%	0.86%	3.46%
Market Price	-3.58%	3.05%	21.37%	57.46%	21.37%	28.42%	8.67%	0.85%	3.46%
Alerian MLP Infrastructure Index - TR	-3.44%	3.00%	23.76%	111.54%	23.76%	31.84%	10.87%	1.61%	5.77%
Alerian MLP Index - TR	-2.17%	4.98%	26.56%	111.70%	26.56%	32.43%	12.03%	1.90%	5.78%

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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

WESTERN MIDSTREAM PARTNERS L	12.30%	SUNOCO LP	7.44%
ENERGY TRANSFER LP	12.28%	ENLINK MIDSTREAM LLC	6.49%
MPLX LP	12.15%	NUSTAR ENERGY LP	4.82%
PLAINS ALL AMER PIPELINE LP	12.03%	HESS MIDSTREAM LP - CLASS A	4.78%
ENTERPRISE PRODUCTS PARTNERS	11.91%	CHENIERE ENERGY PARTNERS LP	4.52%

As of 12/31/2023, 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).

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.

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.

One may not invest directly in an index.

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

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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