

Alerian MLP ETF

Monthly Insights | February 2024

Key Takeaways

- The Alerian MLP ETF (AMLPL) was up 4.69% for February, with strong 2023 earnings and 2024 guidance throughout the month contributing to performance.
- Over 80% of AMLPL holdings by weighting grew their distributions on a year-over-year basis, with select companies guiding to additional distribution growth in 2024.
- At the end of February, AMLPL's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 7.22% and trading below its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLPL rose 4.69% on a total-return basis for February as 4Q23 earnings season wrapped up, with AMLPL holdings largely reporting results in-line or above consensus expectations. Positive earnings updates accompanied announcements of distribution growth for some AMLPL holdings as discussed below. AMLPL performed relatively in line with the S&P 500 in February, which rose 5.17% on a total-return basis and outperformed the Energy Select Sector Index (IXE), which gained 3.21% on a total-return basis. US Energy prices were mixed at the end of the month, as oil rose 3.18% while natural gas fell by 11.42%.

Digging into portfolio performance for the month, Gathering and Processing (G&P) was the best-performing subsector, up 9.64%. The strength in G&P was driven by Western Midstream Partners (WES, 13.10% Weight*), which gained 16.43% in February on strong 4Q23 earnings and 2024 guidance. WES also gained on headlines that Occidental Petroleum (OXY, not in AMLPL) was considering a sale of its interest in WES. Petroleum Pipeline Transportation was the second best-performing subsector, gaining 4.40% on a total-return basis.

Outlook

AMLPL holdings finished reporting earnings for 2023 in February, highlighting strong free cash flow generation that has been a continued tailwind for the space in recent years. Free cash flow has helped support distribution growth, which continued in 2023. As shown below, 82.1% of AMLPL by weighting as of February 29th have increased distribution payouts on a year-over-year basis. Looking ahead, MLP distributions are expected to continue growing, and a handful of AMLPL holdings have provided guidance around their intention to continue growing payouts in 2024 and beyond. From a macro perspective, the energy commodity price environment has continued to be volatile, and midstream's fee-based business models provide defensiveness and relative insulation from commodity volatility. AMLPL holdings are largely expected to continue generating free cash flow regardless of the oil and gas price environment, which can continue to support distribution growth.

* Weight in AMLPL as of 2/29/2024

February 2024 Performance

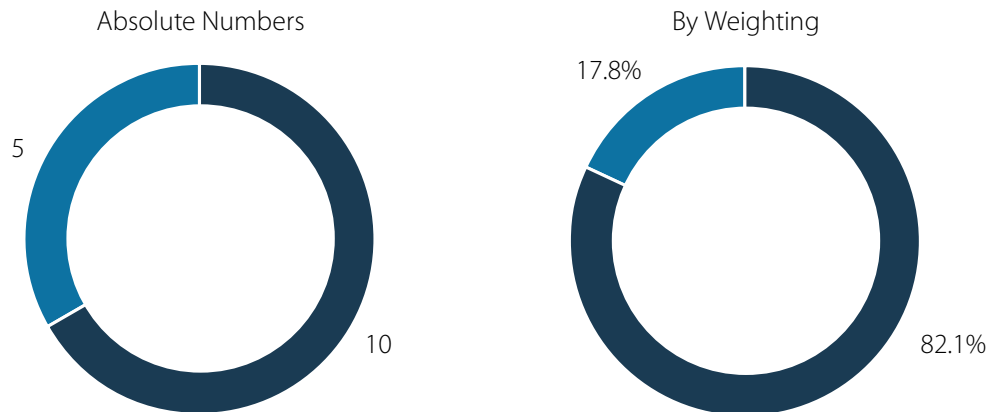
	Feb-24	QTD	YTD	1 Y
Alerian MLP ETF (AMLPL) (NAV)	4.69%	9.42%	9.42%	27.51%
Alerian MLP Infrastructure Index (AMZI)	4.80%	9.38%	9.38%	29.97%
Subsector Total Return:				
Gathering & Processing	9.64%	11.34%	11.34%	31.13%
Natural Gas Transportation	3.66%	7.34%	7.34%	20.85%
Liquefaction	-6.21%	-0.32%	-0.32%	4.80%
Marketing and Distribution	4.22%	8.50%	8.50%	12.19%
Compression	0.08%	11.70%	11.70%	1.75%
Petroleum Transportation	4.41%	10.93%	10.93%	35.64%
Energy Select Sector Index (IXE)	3.21%	2.70%	2.70%	6.73%
Crude Oil (WTI)	3.18%	9.23%	9.23%	1.57%

Source: Bloomberg L.P., as of 2/29/2024

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.

4Q23 AMLP Dividend Growth: Most Holdings Frew Payouts in 2023



Weightings as of 2/29/2024.
Year-over-year change shown by comparing 4Q23 dividends to those made for 4Q22.
4Q23 distributions refer to distributions paid in 1Q23 for 4Q23 performance.
Source: VettaFi, SS&C ALPS Advisors, Company reports, as of 2/29/2024.

Constituent News

- Western Midstream Partners (**WES, 13.10% Weight***) announced guidance for 2024 expecting around 10% growth in Adjusted EBITDA and plans to recommend to its board a 52% increase to its base distribution for 1Q24.
- Enterprise Products Partners (**EPD, 11.56% Weight***) acquired ownership interest in the Whitethorn crude oil pipeline, the EF78 natural gas liquids (NGL) plants, and the Panola NGL pipeline in Texas from WES for a combined \$400 million.
- EnLink Midstream (**ENLC, 6.13% Weight***) reported in its 2023 earnings that it repurchased \$72 million in equity in the fourth quarter of 2023, bringing its full-year 2023 equity buybacks to \$235 million. ENLC reauthorized its \$200 million share repurchase program for 2024.

Valuation Update

- AMLPL's underlying index, AMZI, finished February with a forward EV/EBITDA multiple of 8.36x based on 2025 consensus EBITDA estimates – slightly below its three-year average of 8.83x.
- AMZI is currently yielding 7.22%, which is below its three-year average of 7.62%.

* Weight in AMLPL as of 2/29/2024

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	6.40x	5.49x	16.55%
Enterprise Value/EBITDA	8.36x	8.83x	-5.37%
Yield	7.22%	7.62%	-5.25%
AMLPL 30-Day SEC Yield	4.23%		

Source: Bloomberg L.P. and VettaFi, as of 2/29/2024
Past performance is no guarantee of future results.

Alerian MLP ETF (AMLPL) Performance

	Cumulative as of 2/29/2024				Annualized as of 12/31/2023				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
Total Returns									
NAV (Net Asset Value)	4.69%	5.43%	9.42%	72.37%	21.39%	28.44%	8.66%	0.86%	3.46%
Market Price	4.69%	5.59%	9.52%	72.44%	21.37%	28.42%	8.67%	0.85%	3.46%
Alerian MLP Infrastructure Index - TR	4.80%	5.62%	9.38%	131.37%	23.76%	31.84%	10.87%	1.61%	5.77%
Alerian MLP Index - TR	4.33%	6.59%	8.96%	130.66%	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	13.10%	SUNOCO LP	7.09%
PLAINS ALL AMER PIPELINE LP	12.14%	ENLINK MIDSTREAM LLC	6.13%
ENERGY TRANSFER LP	12.14%	NUSTAR ENERGY LP	5.68%
MPLX LP	11.84%	HESS MIDSTREAM LP - CLASS A	4.80%
ENTERPRISE PRODUCTS PARTNERS	11.56%	CHENIERE ENERGY PARTNERS LP	4.12%

As of 2/29/2024, 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.

Debt-to-EBITDA Ratio: compares a company's total obligations to the actual cash the company brings in from its operations. It reveals how capable the firm is of paying its debt and other liabilities if taxes and the expenses from depreciation and amortization are deferred.

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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