

Ticker: AMLP

Alerian MLP ETF

Monthly Insights | March 2024

Key Takeaways

- The Alerian MLP ETF (AMLP) was up 3.88% for March, with a rally in US oil prices contributing to strong energy sector performance.
- A number of AMLP holdings have provided 2024 adjusted EBITDA guidance, with most anticipating decent year-over-year growth.
- At the end of March, AMLP's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 6.88% and trading below its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLP rose 3.88% on a total-return basis in March, with broad-based gains for the month as energy equities rallied with a rise in oil prices. WTI crude rose 6.27% for the month on an improving macroeconomic outlook and incremental geopolitical risk. AMLP outperformed the S&P 500 in March, which rose 3.22% on a total-return basis, but lagged the broader Energy Select Sector Index (IXE) which gained 10.57%. However, for the first quarter of 2024, AMLP is up 13.66% on a total-return basis, outperforming both the IXE and the S&P 500.

Digging into portfolio performance for the month, Gathering & Processing was the best-performing subsector, followed by Natural Gas Transportation.

March 2024 Performance				
	Mar-24	QTD	YTD	1 Y
Alerian MLP ETF (AMLP) (NAV)	3.88%	13.66%	13.66%	33.51%
Alerian MLP Infrastructure Index (AMZI)	4.90%	14.74%	14.74%	37.32%
Subsector Total Return:				
Gathering & Processing	7.34%	19.51%	19.51%	39.89%
Natural Gas Transportation	6.88%	14.72%	14.72%	29.84%
Liquefaction	1.58%	1.26%	1.26%	9.61%
Marketing and Distribution	-2.40%	5.90%	5.90%	11.61%
Compression	6.81%	19.30%	19.30%	10.49%
Petroleum Transportation	4.76%	16.21%	16.21%	44.61%
Energy Select Sector Index (IXE)	10.57%	13.55%	12.88%	18.03%
Crude Oil (WTI)	6.27%	16.08%	16.08%	9.91%

Source: Bloomberg L.P., as of 3/31/2024

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.

Outlook

With US benchmark oil prices over \$80 per barrel at the end of March, energy sentiment has broadly improved. A stronger macro backdrop is beneficial for MLPs and complements company-level tailwinds from free cash flow generation, including distribution growth and opportunistic buybacks. That said, MLPs remain well positioned if the strength in oil fizzles given the defensive nature of their fee-based businesses. The outlook for 2024 remains constructive and a handful of AMLP holdings are anticipating solid EBITDA growth this year as shown below. Growth is being driven both by acquisitions and organic opportunities. Strong company fundamentals, including distribution growth, are expected to continue and provide support for this space.

Company Name	Ticker	AMLP Weight	2023 Adjusted EBITDA (\$ millions)	2024 Adjusted EBITDA Guidance (\$ millions)	Projected Y/Y Growth
Western Midstream Partners LP	WES	12.14%	2,069	2,300	11.2%
Energy Transfer LP	ET	12.19%	13,698	14,650	6.9%
Plains All American Pipeline LP	PAA	12.28%	2,711	2,675	-1.3%
Sunoco LP	SUN	6.64%	964	988	2.4%
EnLink Midstream	ENLC	6.60%	1,350	1,360	0.7%
Hess Midstream LP	HESM	5.65%	1,022	1,150	12.5%
USA Compression Partners	USAC	2.97%	512	565	10.4%
Genesis Energy LP	GEL	2.35%	756	710	-6.1%

Weightings as of 3/28/2024

Midpoint used when range was given.

Source: SS&C ALPS Advisors, VettaFi, Company reports, as of 3/28/2024

Constituent News

- MPLX (MPLX, 12.04% Weight*) acquired natural gas assets in the Utica portion of the Appalachian Basin in Ohio from Summit Midstream Partners (SMLP, not in AMLP) for \$625 million.
- Enterprise Products Partners (EPD, 12.22% Weight*) began service at the first phase of its Texas Western Products system at a new Permian terminal. The remainder of the system, which supplies gasoline and diesel to the Southwest, is expected to be in service in the first half of 2024.
- Hess Midstream (HESM, 5.65% Weight*) repurchased \$100 million of sponsor units held by affiliates of Hess Corporation and Global Infrastructure Partners.

Valuation Update

- AMLP's underlying index, AMZI, finished March with a forward EV/EBITDA multiple of 8.59x based on 2025 consensus EBITDA estimates – slightly below its three-year average of 8.82x.
- AMZI is currently yielding 6.88%, which is below its three-year average of 7.58%.

* Weight in AMLP as of 3/31/2024

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	6.26x	5.52x	13.38%
Enterprise Value/EBITDA	8.59x	8.82x	-2.60%
Yield	6.88%	7.58%	-9.15%
AMLP 30-Day SEC Yield	4.53%		

Source: Bloomberg L.P. and VettaFi, as of 3/31/2024

Past performance is no guarantee of future results.

Alerian MLP ETF (AMLP) Performance

Total Returns	Cumulative as of 3/31/2024				Annualized as of 3/31/2024				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	3.88%	13.66%	13.66%	79.05%	33.51%	25.59%	8.01%	2.07%	4.38%
Market Price	3.92%	13.81%	13.81%	79.20%	33.70%	25.55%	8.00%	2.07%	4.38%
Alerian MLP Infrastructure Index - TR	4.90%	14.74%	14.74%	142.72%	37.32%	29.22%	10.37%	2.86%	6.74%
Alerian MLP Index - TR	4.53%	13.89%	13.89%	141.10%	38.46%	29.44%	11.46%	3.05%	6.68%

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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

PLAINS ALL AMER PIPELINE LP	12.28%	SUNOCO LP	6.64%
ENTERPRISE PRODUCTS PARTNERS	12.22%	ENLINK MIDSTREAM LLC	6.60%
ENERGY TRANSFER LP	12.19%	HESS MIDSTREAM LP - CLASS A	5.65%
WESTERN MIDSTREAM PARTNERS L	12.14%	NUSTAR ENERGY LP	5.34%
MPLX LP	12.04%	CHENIERE ENERGY PARTNERS LP	3.94%

As of 3/31/2024, 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.

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.

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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