

Ticker: AMLP

Alerian MLP ETF

Monthly Insights | April 2024

Key Takeaways

- The Alerian MLP ETF (AMLP) fell a modest -1.08% for April, as weak economic sentiment challenged equities broadly and oil prices retreated.
- Total shareholder yield for AMLP's underlying index has remained attractive at around 8% even with solid performance in recent years.
- At the end of April, AMLP's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 7.48% and trading below its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLP fell a modest -1.08% on a total-return basis in April as equities broadly weakened. AMLP outperformed the S&P 500 in April, which was down -4.08% on a total-return basis for the month. Oil prices cooled off a bit, as WTI finished April down -1.49%, while natural gas prices were up 12.93%. April also saw the start of 1Q24 earnings season with a few portfolio names reporting favorable results relative to consensus expectations. Notably, April is the only month so far in 2024 that AMLP has had a negative total return.

Year-to-date, AMLP is up 12.44% on a total-return basis, slightly ahead of the broad energy sector represented by the Energy Select Sector Index (IXE) and noticeably outpacing the 6.04% total return for the S&P 500.

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

April 2024 Performance

	Apr-24	QTD	YTD	1 Y
Alerian MLP ETF (AMLP) (NAV)	-1.08%	-1.08%	12.44%	29.89%
Alerian MLP Infrastructure Index (AMZI)	-1.32%	-1.32%	13.22%	33.25%
Subsector Total Return:				
Gathering & Processing	-1.69%	-1.69%	17.49%	39.88%
Natural Gas Transportation	-1.02%	-1.02%	13.56%	24.31%
Liquefaction	-1.90%	-1.90%	-0.67%	13.98%
Marketing and Distribution	-3.70%	-3.70%	1.98%	7.48%
Compression	-7.22%	-7.22%	10.68%	2.51%
Petroleum Transportation	0.17%	0.17%	16.40%	40.91%
Energy Select Sector Index (IXE)	-0.89%	-0.89%	11.88%	13.81%
Crude Oil (WTI)	-1.49%	-1.49%	14.35%	6.71%

Source: Bloomberg L.P., as of 4/30/2024

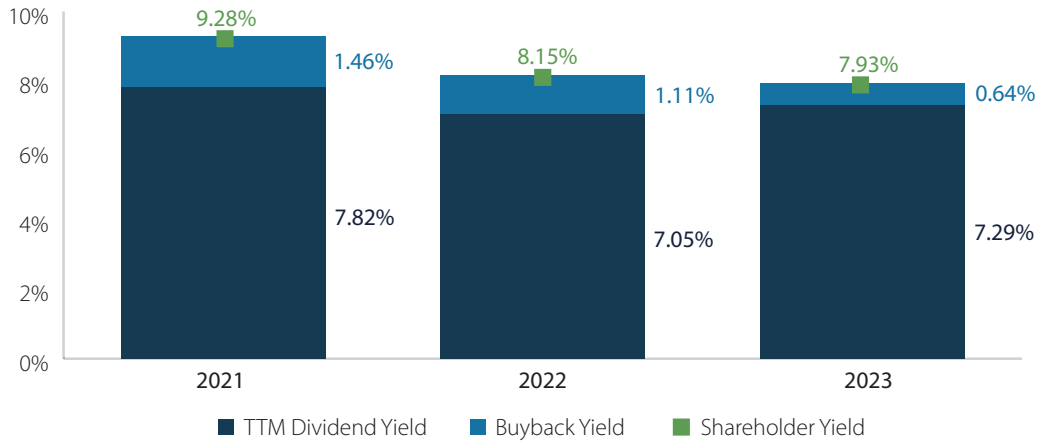
Performance data quoted represents past performance. Past performance is no guarantee of future results so that shares, when redeemed, may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance 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 3.
Index returns are total returns.

Outlook

AMLP holdings continue to execute well and provide compelling returns to shareholders through distribution growth and buybacks. As of April 30, four AMLP holdings had increased their distributions on a year-over-year basis. Distribution growth continues to support solid yields, while buyback activity has enhanced total shareholder yield over the years as shown below. At the end of April, 72.60% of AMLP by weighting had a buyback authorization in place. Earnings season for portfolio companies will continue through the first part of May, providing companies with the opportunity to highlight continued free cash flow generation and returns to shareholders. Complementing a strong company-level outlook, the macro picture for energy thus far in 2024 has been stronger than anticipated mainly driven by higher oil prices. Though commodity prices may prove volatile, AMLP holdings are well positioned to generate stable cash flows and continue to execute on distribution growth and opportunistic buybacks regardless of oil price moves.

AMLP's Underlying Index Has Provided Compelling Total Shareholder Yield



Yields based on price for last trading day of the year. Buyback yield based on annual repurchase amounts and includes Magellan Midstream Parter's (MMP) repurchases through 6/30/2023. MMP was acquired in 3Q23. Source: VettaFi, Company reports, as of 4/23/2024

Constituent News

- Western Midstream Partners (**WES, 12.27% Weight***) increased its distribution 52% sequentially to \$0.8750 per unit for the first quarter of 2024 in line with previously issued guidance.
- MPLX (**MPLX, 12.76% Weight***) reported first quarter 2024 results ahead of consensus expectations and repurchased \$75 million common units during the quarter.
- Hess Midstream (**HESM, 5.62% Weight***) announced earnings results for the first quarter ahead of Wall Street forecasts and increased its distribution 2.7% sequentially to \$0.6516 per share for the first quarter of 2024.
- Sunoco (**SUN, 6.54% Weight***) closed on its EUR 170 million acquisition of Zenith Energy Netherlands Amsterdam B.V. liquids import terminal and the Bantry Bay storage facility in Ireland, as well as its divestiture of 204 convenience stores in West Texas, New Mexico and Oklahoma to 7-Eleven for approximately \$1 billion.

Valuation Update

- AMLP's underlying index, AMZI, finished April with a forward EV/EBITDA multiple of 8.43x based on 2025 consensus EBITDA estimates – slightly below its three-year average of 8.80x.
- AMZI is currently yielding 7.48%, which is just below its three-year average of 7.54%.

* Weight in AMLP as of 4/30/2024

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	6.26x	5.52x	13.38%
Enterprise Value/EBITDA	8.43x	8.80x	-4.21%
Yield	7.48%	7.54%	-0.80%
AMLP 30-Day SEC Yield	10.31%		

Source: Bloomberg L.P. and VettaFi, as of 4/30/2024
Past performance is no guarantee of future results.

Alerian MLP ETF (AMLP) Performance

Total Returns	Cumulative as of 4/30/2024				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)	-1.08%	7.58%	12.44%	77.12%	33.51%	25.59%	8.01%	2.07%	4.38%
Market Price	-1.16%	7.54%	12.49%	77.12%	33.70%	25.55%	8.00%	2.07%	4.38%
Alerian MLP Infrastructure Index - TR	-1.32%	8.49%	13.22%	139.52%	37.32%	29.22%	10.37%	2.86%	6.74%
Alerian MLP Index - TR	-1.22%	7.72%	12.50%	138.16%	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

ENERGY TRANSFER LP	12.84%	ENLINK MIDSTREAM LLC	7.00%
MPLX LP	12.76%	SUNOCO LP	6.54%
PLAINS ALL AMER PIPELINE LP	12.70%	HESS MIDSTREAM LP - CLASS A	5.62%
ENTERPRISE PRODUCTS PARTNERS	12.39%	NUSTAR ENERGY LP	5.46%
WESTERN MIDSTREAM PARTNERS LP	12.27%	CHENIERE ENERGY PARTNERS LP	4.07%

As of 4/30/2024, 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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