

Ticker: AMLP

Alerian MLP ETF

Monthly Insights | August 2024

Key Takeaways

- The Alerian MLP ETF (AMLP) rose just 0.33% on a total-return basis in August, as portfolio companies finished announcing distributions and results for the second quarter of 2024 and mergers and acquisitions (M&A) returned to midstream.
- Over 85% of AMLP by weighting as of August 31 have increased their distributions within the last year based on the latest announcements.
- At the end of August, AMLP's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 7.23% and trading in line with its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLP ended August up just 0.33% on a total-return basis, as M&A activity returned to midstream amid a volatile month for equities and commodities. MLPs outperformed the broader energy sector, with the Energy Select Sector Index (IXE) falling 2.13% on a total-return basis during the month but lagged the S&P 500 which posted a 2.42% gain. US oil and natural gas prices came under pressure in August, with WTI crude falling 5.60% and natural gas prices temporarily falling below \$2 per MMBtu for the first time since May. Year to date through August 31, AMLP is up 18.07% on a total return basis, handily outperforming the 10.64% gain for the IXE but lagging the S&P 500's total return of 19.53%.

Digging into portfolio performance for the month, Marketing and Distribution was the best-performing subsector, followed by Natural Gas Transportation. EnLink Midstream (ENLC, 6.72% Weight*) had the greatest contribution to performance of any constituent, following news of ONEOK's (OKE, not in AMLP) plan to buy Global Infrastructure Partners' interest in ENLC (see more below).

*Weight in AMLP as of 8/31/2024

Outlook

AMLP holdings continue to generate free cash flow and return excess cash to shareholders through growing distributions and opportunistic buybacks. As shown below, over 85% of AMLP holdings have increased their distribution over the past year. For the second quarter of 2024, three holdings repurchased a combined \$165 million in equity. Looking to the balance of the year, MLPs are expected to maintain their focus on free cash flow and shareholder returns. Expected interest rate cuts from the Federal Reserve (Fed) could make MLPs' generous yields more attractive to income investors, while November's election is not expected to have a material impact on the midstream space. Energy commodities are likely to remain volatile as oil grapples with demand concerns and the potential unwind of production cuts from OPEC+, while natural gas prices will be closely tied to the weather. With an uncertain outlook for commodities, the defensiveness of MLPs' fee-based business models and stable cash flows are likely to remain appealing, while MLPs' income potential also provides defensive benefits.

August 2024 Performance

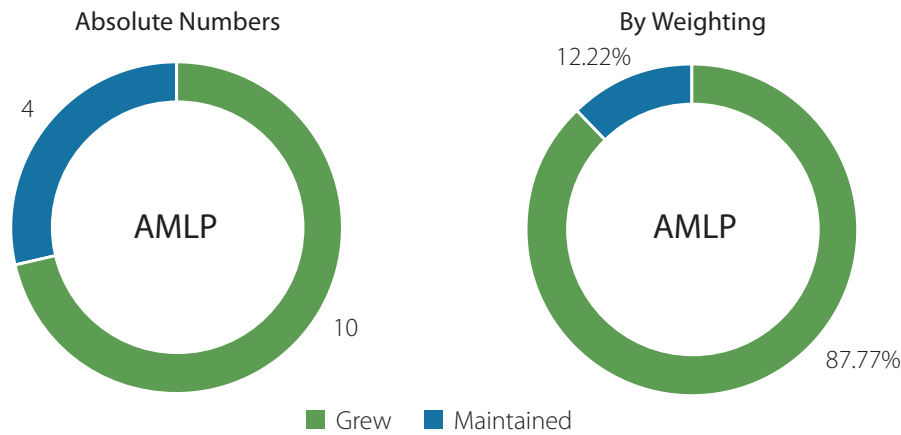
	Aug-24	QTD	YTD	1 Y
Alerian MLP ETF (AMLP) (NAV)	0.33%	5.34%	18.07%	24.66%
Alerian MLP Infrastructure Index (AMZI)	0.45%	1.19%	20.56%	27.12%
Subsector Total Return:				
Gathering & Processing	0.24%	2.25%	32.37%	41.04%
Natural Gas Transportation	1.31%	2.16%	20.89%	24.43%
Liquefaction	-5.50%	1.33%	3.62%	1.18%
Marketing and Distribution	1.70%	-2.62%	0.86%	6.30%
Compression	-1.87%	-3.02%	5.12%	-2.64%
Petroleum Transportation	0.28%	2.00%	24.74%	32.72%
Energy Select Sector Index (IXE)	-2.13%	0.05%	10.64%	6.13%
Crude Oil (WTI)	-5.60%	-9.80%	2.65%	-12.05%

Source: Bloomberg L.P., as of 8/31/2024

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 3.
Index returns are total returns.

2Q24 Y/Y Distribution Comparison Highlights Growth Trend



Weightings as of 8/31/2024
 Cheniere Energy Partners (CQP) lowered the variable component of its quarterly distribution for 1Q24 (paid in May), while maintaining its base payout. CQP is included as maintained.
 2Q24 distributions refer to distributions paid in 3Q24 for 2Q24 performance.
 Source: Company Reports, SS&C ALPS Advisors, as of 8/31/2024

Constituent News

- ONEOK (OKE, not in AMLP) agreed to acquire Global Infrastructure Partners' 43% interest in EnLink Midstream (ENLC, 6.72% Weight*) for \$3.3 billion, including \$300 million for the managing member interest. OKE will pay \$14.90 per common unit, which is a 12.8% premium to ENLC's closing price on August 27. OKE plans to pursue an acquisition of the public's remaining interest in ENLC.
- Enterprise Products Partners (EPD, 12.04% Weight*) is acquiring Piñon Midstream for \$950 million in an all-cash transaction that will increase its gathering and processing presence in the Permian Basin.
- Genesis Energy (GEL, 2.85% Weight*) will be increasing its November 2024 distribution by 10% to \$0.165 per unit, marking the first time the company has raised its distribution since cutting its payout in 2020.
- MPLX (MPLX, 12.11% Weight*) reported second quarter earnings results ahead of Wall Street forecasts and announced \$75 million in equity repurchases during the quarter.

Valuation Update

- AMLP's underlying index, AMZI, finished August with a forward EV/EBITDA multiple of 8.74x based on 2025 consensus EBITDA estimates – in line with its three-year average of 8.76x.
- AMZI is currently yielding 7.23%, which is below its three-year average of 7.50%.

* Weight in AMLP as of 8/31/2024

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.36x	5.68x	29.52%
Enterprise Value/EBITDA	8.74x	8.76x	-0.18%
Yield	7.23%	7.50%	-3.60%
AMLP 30-Day SEC Yield	3.64%		

Source: Bloomberg L.P. and VettaFi, as of 8/31/2024
Past performance is no guarantee of future results.

Alerian MLP ETF (AMLP) Performance

Total Returns	Cumulative as of 8/31/2024				Annualized as of 6/30/2024				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	0.33%	5.34%	18.07%	85.99%	32.38%	18.71%	8.64%	1.47%	4.52%
Market Price	0.37%	5.36%	18.17%	86.07%	32.56%	18.77%	8.72%	1.48%	4.53%
Alerian MLP Infrastructure Index - TR	0.45%	5.90%	20.56%	155.04%	34.25%	22.35%	11.14%	1.92%	6.90%
Alerian MLP Index - TR	0.39%	5.51%	18.90%	151.71%	35.79%	22.74%	12.17%	2.03%	6.81%

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.

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	12.49%
ENERGY TRANSFER LP	12.23%
MPLX LP	12.11%
ENTERPRISE PRODUCTS PARTNERS	12.04%
WESTERN MIDSTREAM PARTNERS L	11.69%
SUNOCO LP	11.14%
ENLINK MIDSTREAM LLC	6.72%
HESS MIDSTREAM LP - CLASS A	6.47%
CHENIERE ENERGY PARTNERS LP	3.81%
USA COMPRESSION PARTNERS LP	3.06%

As of 8/31/2024, 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

ALR001828 1/31/2025