

Ticker: AMLP

Alerian MLP ETF

Monthly Insights | November 2024

Key Takeaways

- The Alerian MLP ETF (AMLP) rose 12.19% on a total-return basis in November outperforming broader energy and the S&P 500 after a post-election rally.
- Over 90% of AMLP holdings by weighting have increased their distributions over the last year.
- At the end of November, AMLP's underlying index, the Alerian MLP Infrastructure Index (AMZI), was yielding 6.62% and trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

AMLP saw strong performance in November, gaining 12.19% on a total-return basis, as energy rallied following the US election. The broad Energy Select Sector Index (IXE) gained 7.73% on a total-return basis in November, outpacing the S&P 500's 5.87% total return for the month. Oil prices were down modestly, while the US natural gas benchmark broke through \$3 per million British thermal units for the first time since June. Natural gas ended the month up 24.23% as temperatures cooled. The remainder of AMLP holdings reported third quarter earnings results in November. AMLP also paid a quarterly distribution of \$0.95 per share, which was up 7.95% compared to the November 2023 payout. Year-to-date, AMLP is up 30.50% on a total-return basis, significantly outperforming the IXE and S&P 500, which have risen 16.76% and 28.07%, respectively.

Digging into portfolio performance for the month, Natural Gas Pipeline Transportation was the best-performing subsector, followed by Liquefaction, which only includes Cheniere Energy Partners (CQP, 4.09% Weight*). All AMLP subsectors saw double-digit percentage total returns in November.

*Weight in AMLP as of 11/30/2024

Outlook

As we close out 2024 and look ahead into 2025, the outlook for midstream MLPs is constructive, underpinned by both company-level and macro tailwinds. As highlighted by third quarter earnings, companies continue to generate free cash flow and prioritize cash returns to investors. These trends are expected to remain intact into 2025. Over 90% of AMLP holdings by weighting have increased their distributions over the past year as shown below. Collectively, AMLP holdings repurchased \$197 million in equity during the third quarter, and buybacks are likely to remain opportunistic. Companies are expected to see moderate EBITDA growth in 2025 and provide more color on growth projects, primarily related to natural gas and natural gas liquids.

From a macro perspective, the outlook for oil prices in 2025 is somewhat lackluster, given comfortable market balances. Midstream MLPs can work well against a muted oil backdrop given their defensive qualities, namely generous yields and fee-based businesses with stable cash flows. Improvement in US natural gas prices continues as new liquefied natural gas export capacity comes online that could support a rebound in production, which would drive more volumes for midstream MLPs. Lower interest rates may also add to MLPs' appeal given healthy yields. The Republican sweep sets up a friendlier political landscape in Washington for energy broadly, with permitting reform a potential benefit for energy infrastructure if it passes Congress.

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November 2024 Performance

	Nov-24	QTD	YTD	1 Y
Alerian MLP ETF (AMLP) (NAV)	12.19%	10.53%	30.50%	25.74%
Alerian MLP Infrastructure Index (AMZI)	15.24%	13.80%	36.59%	31.89%
Subsector Total Return:				
Gathering & Processing	10.14%	9.18%	42.68%	35.89%
Natural Gas Transportation	21.47%	23.27%	48.20%	46.60%
Liquefaction	17.09%	21.48%	21.52%	0.98%
Marketing and Distribution	13.63%	10.11%	11.25%	17.25%
Compression	10.00%	7.20%	14.74%	6.27%
Petroleum Transportation	15.81%	11.76%	39.16%	35.23%
Energy Select Sector Index (IXE)	7.73%	8.71%	16.76%	16.88%
Crude Oil (WTI)	-1.82%	-0.25%	-5.09%	-10.48%

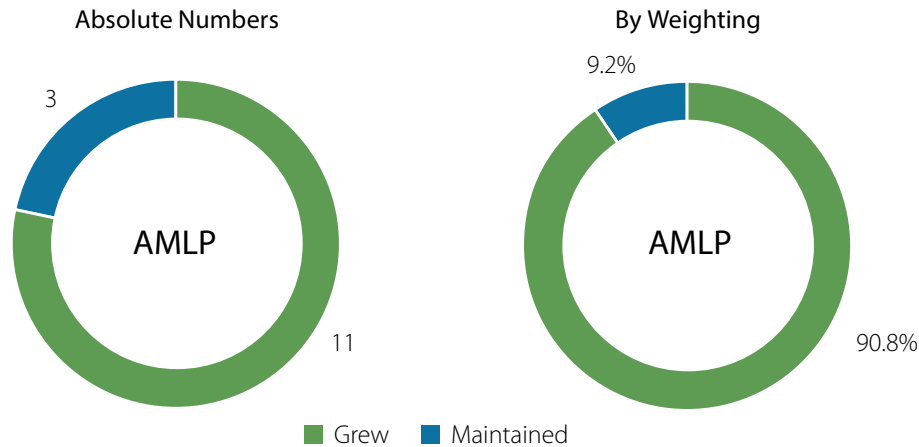
Source: Bloomberg L.P., as of 11/30/2024

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.

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3Q24 Y/Y Dividend Comparison Highlights Growth Trend



Weightings as of 11/30/2024

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.

3Q24 distributions refer to distributions paid in 4Q24 for 3Q24 performance.

Source: Company Reports, SS&C ALPS Advisors, as of 11/30/2024

Constituent News

- Sunoco (SUN, 10.58% Weight*) reported adjusted EBITDA for the third quarter of 2024 ahead of Wall Street estimates and expects to increase its distribution in early 2025, per management's comments on the earnings call.
- MPLX (MPLX, 12.77% Weight*) reported adjusted EBITDA for the third quarter of 2024 ahead of Wall Street estimates and repurchased \$76 million in equity during the quarter, bringing its year-to-date buyback spend to \$226 million.
- Energy Transfer (ET, 13.29% Weight*) highlighted requests from ~45 power plants and over 40 prospective data centers on its earnings call, representing 16 billion cubic feet per day of natural gas demand in aggregate.

Valuation Update

- AMLP's underlying index, AMZI, finished November with a forward EV/EBITDA multiple of 9.08x based on 2026 consensus EBITDA estimates – above its three-year average of 8.77x.
- AMZI is currently yielding 6.62%, which is below its three-year average of 7.48%.

* Weight in AMLP as of 11/30/2024

	AMZI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.63x	5.86x	30.18%
Enterprise Value/EBITDA	9.08x	8.77x	3.48%
Yield	6.62%	7.48%	-11.47%
AMLP 30-Day SEC Yield	-29.74%		

Source: Bloomberg L.P. and VettaFi, as of 11/30/2024

Past performance is no guarantee of future results.

Alerian MLP ETF (AMLP) Performance

Total Returns	Cumulative as of 11/30/2024				Annualized as of 9/30/2024				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	12.19%	10.53%	30.50%	105.58%	21.21%	21.58%	9.91%	1.26%	4.47%
Market Price	12.44%	10.59%	30.69%	105.78%	21.21%	21.59%	9.90%	1.26%	4.47%
Alerian MLP Infrastructure Index - TR	15.24%	13.29%	36.59%	188.94%	23.62%	25.32%	12.46%	1.62%	6.83%
Alerian MLP Index - TR	14.60%	12.74%	34.05%	183.78%	24.46%	25.47%	13.50%	1.82%	6.74%

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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	13.29%
MPLX LP	12.77%
ENTERPRISE PRODUCTS PARTNERS	12.54%
PLAINS ALL AMER PIPELINE LP	11.49%
WESTERN MIDSTREAM PARTNERS L	11.22%
SUNOCO LP	10.58%
ENLINK MIDSTREAM LLC	7.24%
HESS MIDSTREAM LP - CLASS A	5.99%
CHENIERE ENERGY PARTNERS LP	4.09%
USA COMPRESSION PARTNERS LP	2.94%

As of 11/30/2024, 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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