

ALERIAN ENERGY INFRASTRUCTURE ETF MONTHLY INSIGHTS

May 2018

Key Takeaways

- ENFR saw continued strong performance in May on the second consecutive month of gains.
 - U.S. crude and petroleum product exports remain near record highs in May.
 - Distribution payouts for most midstream energy infrastructure companies and Master Limited Partnerships (MLPs) are continuing to increase.¹
 - The Alerian Midstream Energy Select Index (AMEI) valuation relative to its 3YR averages are still attractive, despite the recent price improvement.
- The AMEI, the index that ENFR tracks, followed a strong month of April with an impressive month of May, up 5.04%, despite weaker oil prices.
 - Strength across the energy infrastructure segments was broad-based in May with quite a few U.S. MLPs and energy infrastructure companies up double digits on stronger earnings and project updates.
- Weekly U.S. exports of crude oil and petroleum products remained near record highs in May, averaging 6.9 million barrels per day.
 - Since curbing their production in 2017, OPEC's (Organization of Petroleum Exporting Countries) Gulf producers and Russia have about 1.3M barrels a day of idle output, per the IEA (International Energy Agency).
 - With Venezuelan oil production languishing by 700K barrels per day since 2016, per the EIA, and UBS predicting that re-imposed U.S. sanctions on Iran could lead to a reduction of oil exports by 200-500K barrels per day over the first 6 months, OPEC indicated it may have to pump more barrels. That statement weakened crude prices at the end of May.

May 2018 Performance			
	May	YTD	1Yr
Alerian Midstream Energy Select Index (AMEI)	5.04%	-4.16%	-1.12%
Canadian Energy Infrastructure Companies	1.06%	-2.01%	0.05%
US General Partners	0.97%	-1.10%	-0.68%
US Energy Infrastructure Companies	1.51%	-1.20%	-0.52%
US Energy Infrastructure MLPs	1.50%	0.15%	0.03%
Crude Oil (WTI)	-2.23%	10.96%	38.74%
Crude Oil (WTS-Western Canada)	-19.11%	22.14%	8.86%

Bloomberg Ticker: USCRWCAS

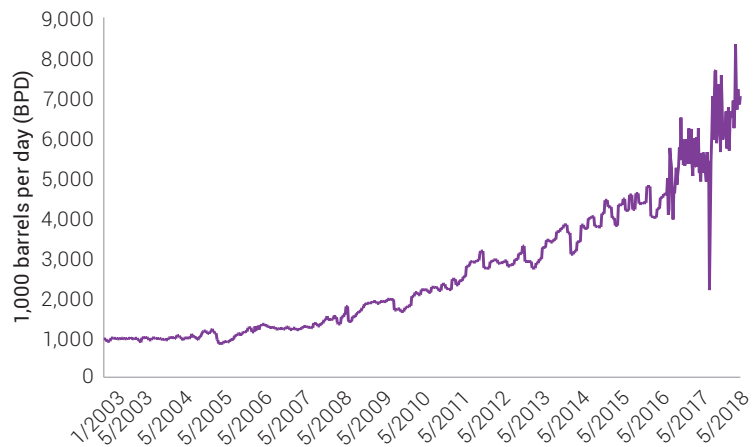
Source: Bloomberg, L.P., as of 5/31/2018.

Past performance does not indicate future returns.

Standardized performance on page 2.

As of June 29, 2018, the benchmark for the Fund changed from the Alerian Energy Infrastructure Index (AMEI) to the Alerian Midstream Energy Select Index (AMEI).

Weekly U.S. Exports of Crude & Petroleum Products



Source: Energy Information Administration, as of 5/31/2018.

¹ Source: Alerian, as of 5/31/2018.

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ENFR
Alerian Energy Infrastructure ETF

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Constituent news

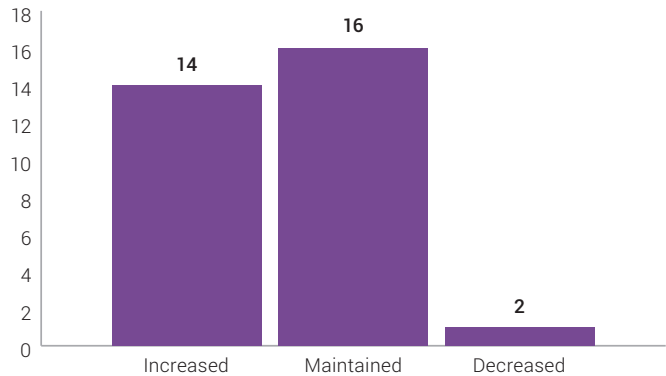
- Despite Nustar GP Holdings (**NSH; 0.15% in AMEI**) and Macquarie Infrastructure (**MIC; 4.57% in AMEI**), cutting their distributions, the weighted average distribution increase for the AMEI in the first quarter 2018 was 2.8% quarter-over-quarter.
- NSH announced in February that it would cut its distribution to better position the company for the future after it announced the merger with its MLP, Nustar Energy LP (NS). MIC also cut its distribution after citing low utilization rates in its International-Matex storage terminals back in February.
- It was a busy month for MLP simplifications. Williams Companies (**WMB; 4.63% in AMEI**) and Enbridge Inc (**4.66% in AMEI**) announced they would be acquiring the MLPs within their energy complex.

Midstream energy infrastructure companies and MLPs for the most part are continuing to increase or maintain their distribution payouts

Valuation update

- The AMEI Index continues to trade at a discount to its 3-year averages across the valuation metrics shown, despite the strong April and May price performance.

1Q18 AMEI Constituent Distribution Actions



Source: Bloomberg, L.P., as of 5/31/2018.

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AMEI Current Valuations

	Current	3YR Avg	Delta
Price/Cash Flow	7.39	7.59	-2.6%
Enterprise Value/EBITDA	11.52	13.03	-11.5%
Yield	6.06%	5.3%	0.7%

Source: Bloomberg, L.P., as of 5/31/2018.

Alerian Energy Infrastructure ETF Performance as of 3/31/2018

Total Returns	1 Month	3 Month	YTD	1 Year ¹	3 Year ¹	Since Inception ¹
Alerian Energy Infrastructure ETF (Net Asset Value)	-3.40%	-13.28%	-13.28%	-15.47%	-6.61%	-2.37%
Alerian Energy Infrastructure ETF (Market Price) ²	-3.87%	-13.32%	-13.32%	-15.65%	-6.63%	-2.38%
Alerian Midstream Energy Select Index	-3.40%	-13.21%	-13.21%	-14.80%	-5.93%	-1.58%
S&P 500® Total Return Index	-2.54%	-0.76%	-0.76%	13.99%	10.78%	11.99%

Source: ALPS, Bloomberg, as of 3/31/2018. Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by calling (866)759-5679 or www.alpsfunds.com.

¹ Annualized.

² 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.

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ETF Stats

Ticker:	ENFR
Underlying Index:	AMEI
Listing Exchange:	NYSE Arca
CUSIP:	00162Q 676
Fund Inception:	11/1/13
Net Assets:	\$35.73 million
Net Asset Value:	\$19.85
Last Quarterly Distribution:	\$0.1745
Last Payable Date:	3/29/18
Dividends Paid:	Quarterly
30 Day SEC Yield [‡]	6.29%
Gross Expense Ratio:	0.65%

[‡] The 30 day SEC yield figure reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses.

Top 10 Holdings[^]

ONEOK INC	5.78%
SEMGROUP CORP-CLASS A	5.45%
ENTERPRISE PRODUCTS PARTNERS	5.43%
MAGELLAN MIDSTREAM PARTNERS	5.30%
TARGA RESOURCES CORP	5.20%
OGE ENERGY CORP	5.17%
PEMBINA PIPELINE CORP	5.17%
KINDER MORGAN INC	4.92%
ENBRIDGE INC	4.67%
TRANSCANADA CORP	4.63%

[^] As of May 31, 2018, Holdings subject to change.

Important Disclosures & Definitions

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, call 1.877.398.8461 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares.

Performance data quoted represents past performance. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quotes.

The AMEI Index is a composite of energy infrastructure midstream companies and partnerships (MLPs). The capped, float-adjusted, capitalization weighted index constituents earn the majority of their cash flow from midstream activities involving energy commodities.

One may not invest directly in an index.

Crude Oil (WTS-Western Canada): a heavy blended "https://en.wikipedia.org/wiki/Crude_oil" \o "Crude oil" crude oil, composed mostly of "https://en.wikipedia.org/wiki/Bitumen" \o "Bitumen" bitumen blended with sweet synthetic and "https://en.wikipedia.org/wiki/Natural-gas_condensate" \o "Natural-gas condensate" condensate diluents and 25 existing streams of both conventional and unconventional.

Investments in securities of 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.

The benefit 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.

The Fund may be subject to risks relating to its investment in Canadian securities. Because the Fund will invest in securities denominated in foreign currencies and the income received by the Fund will generally be in foreign currency, changes in currency exchange rates may negatively impact the Fund's return.

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 Alerian Energy Infrastructure ETF is not suitable for all investors. Subject to investment risks, including possible loss of the principal amount invested MLP - Master Limited Partnership.

Not FDIC Insured • No Bank Guarantee • May Lose Value

ALPS Portfolio Solutions, Inc. is the distributor for the Alerian MLP ETF

ALR000714 9/30/2018

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