

ALERIAN MLP ETF MONTHLY INSIGHTS (AMLPL)

October 2018

Key Takeaways

- MLPs continued to move lower in October 2018, finishing down -8.20% as represented by the Alerian MLP Infrastructure Index (AMZI).
- WTI Crude reversed its recent rally and finished down -10.84% in October 2018.
- Crude oil closed at \$65.31/barrel (bbl) for the month of October 2018 as demand concerns and the potential for an oil surplus came into focus.

Performance Notes

- While AMZI was down for the month of October 2018 -8.20% it outperformed the broader Energy Sector, represented by the Energy Select Sector Index (XLE, -11.35%) and its more oil-dependent peers Producers (S&P Oil & Gas E&P, -16.60%) and Services (S&P Oil & Gas Equip, -18.76%).
- The International Energy Agency cut their forecasts for oil demand growth for 2018 and 2019 by 110,000 barrels per day (b/d) to 1.3 million b/d and 1.4 million b/d, respectively. Headwinds from weaker economic outlooks, rising oil prices, and volatile emerging markets drove down expected oil demand.
- Colorado's Proposition 112 was also an overhang on some constituents in October 2018; however, voters in Colorado did not approve the 2500' setback.
- Crude price differentials between Bakken barrels at the Clearbrook, MN hub and WTI at Cushing, OK widened to \$17/bbl on Oct 31, 2018. The largest spread since March 2012 comes on the back of takeaway constraints resulting from production growth and reduced demand due to refinery maintenance. This bodes well for the continued buildout of midstream infrastructure.
- The Energy Information Administration (EIA) estimates that US oil production was 11.4 million b/d in October 2018, a modest decrease from the prior month due to hurricane-related outages in the Gulf of Mexico. EIA currently projects US oil production will average 10.9 million b/d for 2018 and 12.1 million b/d for 2019.

October 2018 Performance

	Oct-18	YTD	1YR
AMZI (MLP Infrastructure Index)	-8.20%	-3.42%	-0.54%
<i>Gathering & Processing</i>	-6.20%	2.13%	6.46%
<i>Natural Gas Transportation</i>	-8.59%	-1.87%	1.80%
<i>Petroleum Transportation</i>	-9.36%	-8.62%	-7.22%
Energy Select Sector Index	-11.35%	-4.98%	1.58%
S&P Oil & Gas E&P Select Index	-16.60%	-2.60%	6.09%
S&P Oil & Gas Equip Select Index	-18.76%	-20.38%	-11.30%
Crude Oil (WTI)	-10.84%	8.09%	20.10%
10 YR Treasury Yield (Return)	2.69%	30.68%	32.12%

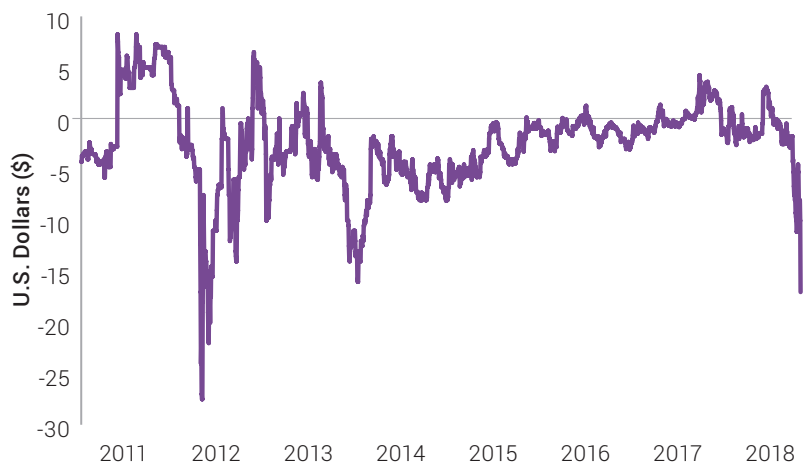
Index returns are total returns.

Source: Bloomberg, L.P., as of 10/31/2018.

Past performance does not guarantee future results.

For standardized performance, please see page 3.

Bakken to Cushing Crude Price Differential



Source: Bloomberg as of 10/31/2018

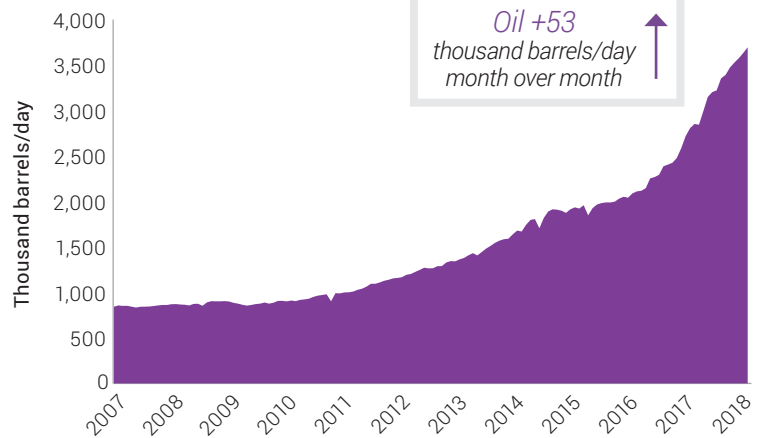
ALERIAN MLP ETF MONTHLY INSIGHTS (AMLPL)

October 2018

Constituent News

- Enterprise Products Partners LP (EPD; 7.27% of AMEI) announced at the end of October 2018 third quarter earnings before interest, tax, depreciation and amortization (EBITDA) beating estimates by 8%. EPD set 16 operational and financial records in the quarter, as evidence of the strong fundamental environment for U.S. midstream. In addition to quarterly results, EPD announced an expansion to their fractionation capacity at Mont Belvieu. With capacity currently constrained on the Gulf Coast, midstream companies are capitalizing on growth opportunities to add fractionation capacity.
- Phillips 66 Partners (PSXP; 2.60% of AMZI) was down -2.58% for the month; however, as evidence of continued growth opportunities in the Permian, they announced an expansion to their Gray Oak oil pipeline, which is under construction. Capacity will increase by 200,000 b/d to 900,000 b/d. The pipeline is expected to start up by the end of 2019.
- TC PipeLines (TCP; 1.64% of AMZI) finished the month up 1.38%. TCP caught a tailwind after lowering the estimated impact to revenue and cash flow of the Federal Energy Regulatory Commission's (FERC) policy change by 50% to \$20 – 30 million.

Permian Region Oil Production



Increasing Permian production requires additional infrastructure, both takeaway and gathering pipelines. This creates growth opportunities for MLPs going forward.

Source: EIA, 10/31/2018.

Past performance does not indicate future returns.

Valuation Update

- As MLPs struggled in October with negative returns, they continue to trade at depressed valuations to historic norms.
- The AMZI trades more competitively than the broader energy market (the Energy Select Sector Index) on a Price/Cash flow basis: **6.09x vs. 8.15x**

AMZI Current Valuations

	Current	3YR Avg	Delta
Price/Cash Flow (TTM)	6.09x	8.15x	-25.20%
Enterprise Value/EBITDA	10.30x	11.20x	-8.00%
Yield	8.30%	7.70%	0.60%

Source: Bloomberg, L.P., as of 10/31/2018

AMLPL Performance as of September 30, 2018

Total Returns	Cumulative				Annualized			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I.
Alerian MLP ETF (Net Asset Value)	-1.57%	6.74%	4.49%	24.45%	2.42%	2.93%	-2.48%	2.74%
Alerian MLP ETF (Market Price)	-1.66%	6.64%	4.68%	24.45%	2.60%	2.91%	-2.47%	2.74%
Alerian MLP Infrastructure Index	-1.95%	6.99%	5.20%	49.91%	3.34%	3.86%	-2.80%	5.12%

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. The investment return and principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Gross Expense Ratio: 0.85%

Fund inception date of 8/25/2010

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.

ALERIAN MLP ETF MONTHLY INSIGHTS (AMLPL)

October 2018

Top 10 Holdings[^]

MAGELLAN MIDSTRE	10.42%
ENTERPRISE PRODU	10.35%
ENERGY TRANSFER	10.09%
MPLX LP	9.54%
PLAINS ALL AMER	9.15%
BUCKEYE PARTNERS	4.73%
WESTERN GAS PART	3.92%
EQM MIDSTREAM PA	3.76%
ANDEAVOR LOGISTI	3.51%
DCP MIDSTREAM LP	3.21%

[^] As of October 31, 2018

Daily holdings are available on the alpsfunds.com website

Holdings are subject to change

Important Disclosure & 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 AMZI Index is a composite of energy infrastructure Master Limited Partnerships. 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.

MLPs represented by the Alerian MLP Infrastructure Index (AMZI)

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 ties 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 of 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.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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

ALR000775 11/1/2019