Ticker: ENFR

Alerian Energy Infrastructure ETF

Monthly Insights | April 2025

Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) fell -5.79% in April, lagging the S&P 500 but outperforming the broader energy sector, as weak oil and gas prices weighed on energy stocks.
- Growth opportunities for North American midstream companies are primarily around natural gas infrastructure, driven in part by growing liquefied natural gas (LNG) exports. US LNG export capacity is poised to grow over 65% by 2030 based on projects under construction.
- At the end of April, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.60% and was trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

ENFR fell -5.79% on a total-return basis in April, as energy equities broadly declined amid oil and gas weakness and market volatility. Oil prices fell -18.56% to $58.21 per barrel on demand concerns and news of incremental supply from OPEC+. Meanwhile, natural gas prices fell almost -20% to $3.33 per million British thermal units. ENFR lagged the S&P 500 Index, which fell just -0.68% for the month, while the Fund significantly outperformed broader energy, with the Energy Select Sector Index (IXE) falling 13.82%. Year-to-date, ENFR is up 0.48% on a total-return basis, outperforming the IXE and S&P 500, which are down -5.23% and -4.92%, respectively.

Digging into portfolio performance for the month, Storage, which only includes Gibson Energy (**GEI, 2.04% Weight***), was the only subsector to end the month with gains. Liquefaction closely followed, ending the month nearly flat.

April 2025 Performance

	Apr-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	-5.79%	-5.79%	0.48%	28.34%
Alerian Midstream Energy Select Index (AMEI)	-5.80%	-5.80%	0.67%	29.37%
Subsector Total Return:				
Gathering & Processing	-7.28%	-7.28%	3.07%	29.05%
Natural Gas Transportation	-7.74%	-7.74%	-6.07%	29.62%
Petroleum Transportation	-3.17%	-3.17%	8.10%	25.41%
Storage	1.44%	1.44%	-5.83%	3.05%
Liquefaction	-0.50%	-0.50%	6.59%	52.11%
Energy Select Sector Index (IXE)	-13.82%	-13.82%	-5.23%	-11.03%
Crude Oil (WTI)	-18.56%	-18.56%	-18.84%	-28.95%
Crude Oil (WCS - Western Canadian Select)	-21.13%	-21.13%	-17.93%	-30.51%

Source: Bloomberg L.P., as of 4/30/2025

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.

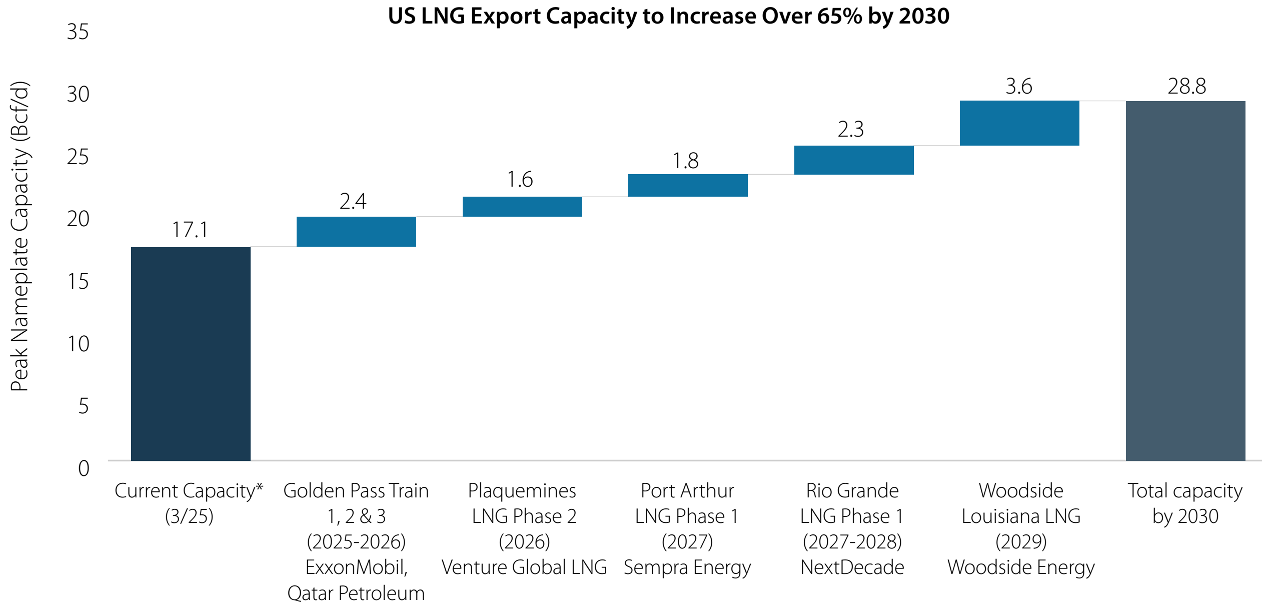
Index returns are total returns.

Outlook

Midstream is well positioned to weather ongoing volatility in energy markets and equities more broadly. Companies continue to execute well in pursuing growth projects, generating free cash flow and prioritizing returns to shareholders. Fee-based businesses supported by long-term contracts provide relative insulation from commodity price volatility. Portfolio companies that reported results in April reaffirmed financial guidance provided earlier this year, reinforcing the stable cash flows of midstream. As of April 30, 88.72% of ENFR by weighting has announced 1Q25 dividends, with 37.65% by weighting growing their payouts sequentially and the rest maintaining. Healthy yields, fee-based business models, lower leverage and larger, more diversified businesses add to midstream's defensive characteristics.

Natural gas continues to be a growth driver for energy infrastructure and adds to a constructive outlook for the space. Liquefied natural gas (LNG) export capacity growth is expected to drive a step change in natural gas demand, which will require more natural gas production. As shown below, US LNG export capacity is expected to increase over 65% by 2030, creating growth opportunities for midstream across the natural gas value chain. Projects under development could add upside to natural gas demand, with a number of LNG projects making strides towards starting construction. As of April 30, 70.46% of companies in ENFR by weighting are focused on natural gas infrastructure, including liquefaction, gathering & processing and pipeline transportation companies. Other demand drivers for natural gas include reshoring and power demand, including for data centers.

** Weight in ENFR as of 4/30/2025*



Based on peak nameplate capcity.
Source: Energy Information Administration, company reports as of 4/28/2025

Constituent News

- Kinder Morgan (**KMI, 5.05% Weight***) reported first quarter earnings in line with Wall Street consensus forecasts and noted minimal impact from steel tariffs for its major projects. The company also increased its quarterly dividend by 1.7% and announced approximately $900 million in new growth projects in natural gas infrastructure.
- Energy Transfer (**ET, 8.69% Weight***) signed an equity partnership for the Lake Charles LNG export project with MidOcean Energy (not in ENFR). MidOcean agreed to fund 30% of project costs and will be entitled to 30% of future LNG.
- DT midstream (**DTM, 5.31% Weight***) reported first quarter earnings in line with Wall Street consensus forecasts, and reaffirmed its 2025 adjusted EBITDA guidance of $1.125 billion at the midpoint.
- The Traverse Pipeline, partially owned by MPLX (**MPLX, 4.95% Weight***) and Targa Resources (**TRGP, 4.76% Weight***), is designed to transport up to 1.75 billion cubic feet per day bi-directionally between Houston, TX and the Agua Dulce hub in South Texas. The pipeline was sanctioned by ownership and is expected to be in service in 2027.

Valuation Update

- At the end of April, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.17x based on 2026 consensus estimates – above its three-year average ratio of 9.65x.
- The current yield for AMEI is 5.60%, which is below its three-year average of 5.98%.

* *Weight in ENFR as of 4/30/2025*

AMEI Current Valuations

	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.09x	5.95x	19.20%
Enterprise Value/EBITDA^	10.17x	9.65x	5.37%
Yield	5.60%	5.98%	-6.35%
ENFR 30-Day SEC Yield	5.23%		

Source: Bloomberg L.P. and VettaFi, as of 4/30/2025
Past performance is no guarantee of future results.
^ *NEXT and TELL were excluded from the current EV/EBITDA calculation as outliers.*

Alerian Energy Infrastructure ETF (ENFR) Performance

	Cumulative as of 4/30/2025				Annualized as of 3/31/2025				
Total Returns	**1 M**	**3 M**	**YTD**	**SI[1]**	**1 Y**	**3 Y**	**5 Y**	**10 Y**	**SI[1]**
NAV (Net Asset Value)	-5.79%	-2.80%	0.48%	110.91%	35.43%	19.36%	33.92%	7.32%	7.32%
Market Price	-5.97%	-2.96%	0.28%	110.70%	35.55%	19.33%	34.21%	7.33%	7.32%
Alerian Midstream Energy Select Index - TR	-5.80%	-2.71%	0.67%	131.80%	36.54%	20.19%	35.17%	8.19%	8.21%
Alerian MLP Index - TR	-8.84%	-5.66%	2.63%	58.08%	22.99%	25.00%	40.21%	5.47%	4.94%

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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: 10/31/2013*

Total Operating Expenses: ***0.35%***

Top 10 Holdings

ENERGY TRANSFER LP	8.69%
ENBRIDGE INC	8.35%
ENTERPRISE PRODUCTS PARTNERS	7.17%
WILLIAMS COS INC	5.85%
CHENIERE ENERGY INC	5.57%
TC ENERGY CORP	5.51%
KEYERA CORP	5.31%
DT MIDSTREAM INC	5.31%
KINDER MORGAN INC	5.05%
PEMBINA PIPELINE CORP	5.05%

As of 4/30/2025, 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.

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 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.

Alerian Midstream Energy Select Index (AMEI): a composite of North American energy infrastructure companies. The capped, float-adjusted, capitalization-weighted index constituents are engaged in midstream activities involving energy commodities.

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.

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.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

Trailing Twelve Month Yield: refers to the percentage of income a portfolio has returned to investors over the last 12 months.

One may not invest directly in an index.

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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