Ticker: ENFR

Alerian Energy Infrastructure ETF

Monthly Insights | May 2025

Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) gained 2.54% in May, lagging the S&P 500 Index but outperforming the broader energy sector.
- Just over 90% of ENFR by weighting have increased their payouts in the last year, highlighting a strong bias towards dividend growth.
- At the end of May, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.48% and was trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

ENFR gained 2.54% on a total-return basis in May, as equities broadly rebounded led by the technology sector. Energy saw modest gains for the month as oil and natural gas benchmark prices rose modestly. ENFR lagged the 6.29% total return for the S&P 500 in May but outperformed the 1.47% gain for the Energy Select Sector Index (IXE). On May 14, ENFR announced a distribution of $0.37707 per share, which was up just over 10% from the May 2024 payout. Year-to-date, ENFR is up 3.03% on a total-return basis, outperforming the 1.06% gain for the S&P 500 and the negative returns for the IXE.

Digging into portfolio performance for the month, all subsectors ended May with gains. Storage, which only includes Gibson Energy (**GEI, 2.11% Weight***), was the best-performing subsector, followed closely by Natural Gas Transportation.

May 2025 Performance

	May-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	2.54%	-3.40%	3.03%	27.07%
Alerian Midstream Energy Select Index (AMEI)	2.61%	-3.34%	3.29%	28.06%
Subsector Total Return:				
Gathering & Processing	1.39%	-5.98%	4.51%	25.22%
Natural Gas Transportation	4.63%	-3.47%	-1.72%	30.48%
Petroleum Transportation	0.67%	-2.52%	8.82%	23.06%
Storage	4.95%	6.46%	-1.18%	6.13%
Liquefaction	3.54%	3.02%	10.35%	54.24%
Energy Select Sector Index (IXE)	1.40%	-12.62%	-3.90%	-9.41%
Crude Oil (WTI)	4.43%	-14.96%	-15.24%	-21.04%
Crude Oil (WCS - Western Canadian Select)	6.80%	-15.76%	-12.35%	-21.33%

Source: Bloomberg L.P., as of 5/31/2025

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.

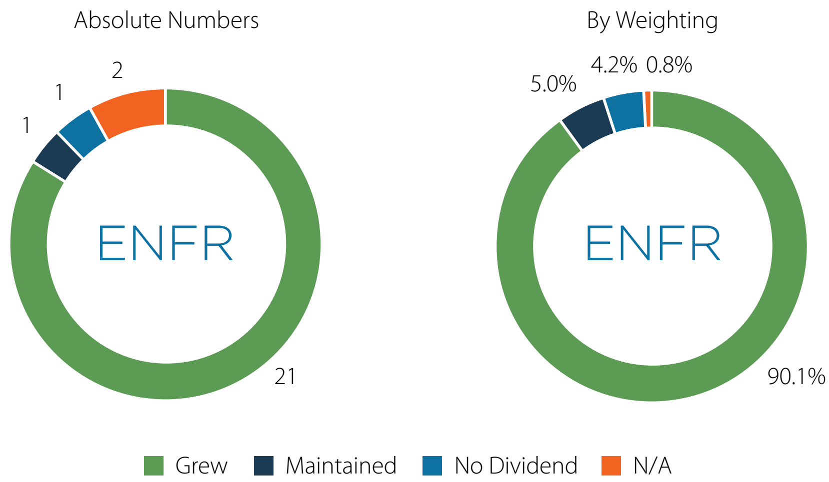
Outlook

Despite market volatility in 2025, midstream companies continue to execute well with free cash flow generation, ongoing dividend growth and steady outlooks. ENFR holdings that issue guidance reaffirmed their financial expectations for 2025 during first quarter earnings season. Long-term contracts and fee-based business models continue to support stable cash flows. This marks a notable contrast with companies in other sectors that pulled their financial guidance for 2025 due to tariff uncertainty. Midstream companies are also advancing growth opportunities, primarily related to natural gas, with a few companies announcing new projects during earnings season. These projects are backed by long-term contracts (often 20 years) and provide attractive returns. Even with rising capital spending for some names, the tailwinds from free cash flow generation remain intact as cash flows also grow.

With rising cash flows, ENFR holdings are expected to continue growing their dividends. Eleven companies in ENFR raised their payouts sequentially for 1Q25. On a year-over-year basis, just over 90% of ENFR by weighting have grown their payouts as shown below, representing 21 holdings.

** Weight in ENFR as of 5/31/2025*

1Q25 Y/Y Dividend Comparison: Strong Bias To Growth



Weightings as of 5/31/2025.

**South Bow Corporation (SOBO CN) was spun off from TC Energy (TRP CN) on October 1. TRP's 4Q24 dividend was adjusted to reflect the spinoff and then increased for 1Q25. SOBO paid its first dividend in January 2025 and is classified as N/A.*

1Q25 dividends refer to dividends paid in 2Q25 based on 1Q25 performance.

Source: VettaFi, SS&C ALPS Advisors, Company Reports as of 5/31/2025

Constituent News

- Energy Transfer (**ET, 9.03% Weight***) reported first quarter results above market expectations and reaffirmed 2025 financial guidance, which reflects a 5% year-over-year increase in adjusted EBITDA at the midpoint. ET highlighted requests from about 200 data centers in 14 states and over 60 power plants for its natural gas pipeline business.
- Enbridge (**ENB CN, 8.17% Weight***) beat analyst expectations with its first quarter results and reaffirmed 2025 adjusted EBITDA guidance of $19.7 billion at the midpoint. ENB continues to expect 7-9% growth in adjusted EBITDA for 2023 to 2026 and adjusted EBITDA growth of 5% annually beyond 2026.
- Williams (**WMB, 5.93% Weight***) announced first quarter earnings ahead of Wall Street consensus forecasts and raised 2025 adjusted EBITDA guidance by $50 million at the midpoint. WMB also announced the Power Express expansion for the Transco system. The project is expected to come online in 2030.

Valuation Update

- At the end of May, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.28x based on 2026 consensus estimates – above its three-year average ratio of 9.65x.
- The current yield for AMEI is 5.48%, which is below its three-year average of 5.97%.

* *Weight in ENFR as of 5/31/2025*

AMEI Current Valuations

	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.43x	5.98x	24.34%
Enterprise Value/EBITDA^	10.28x	9.65x	6.57%
Yield	5.48%	5.97%	-8.21%
ENFR 30-Day SEC Yield	5.18%		

Source: Bloomberg L.P. and VettaFi, as of 5/31/2025

Past performance is no guarantee of future results.

^ *NEXT and TELL were excluded from the current EV/EBITDA calculation as outliers.*

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Alerian Energy Infrastructure ETF (ENFR) Performance

	Cumulative as of 5/31/2025				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)	2.54%	-2.03%	3.03%	116.26%	35.43%	19.36%	33.92%	7.32%	7.32%
Market Price	2.70%	-1.99%	3.00%	116.40%	35.55%	19.33%	34.21%	7.33%	7.32%
Alerian Midstream Energy Select Index - TR	2.61%	-1.90%	3.29%	137.85%	36.54%	20.19%	35.17%	8.19%	8.21%
Alerian MLP Index - TR	1.71%	-7.24%	4.38%	60.78%	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	9.03%
ENBRIDGE INC	8.17%
ENTERPRISE PRODUCTS PARTNERS	7.26%
WILLIAMS COS INC	5.93%
DT MIDSTREAM INC	5.61%
CHENIERE ENERGY INC	5.60%
TC ENERGY CORP	5.44%
KINDER MORGAN INC	5.29%
KEYERA CORP	5.13%
ANTERO MIDSTREAM CORP	4.96%

As of 5/31/2025, 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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