

# Alerian Energy Infrastructure ETF

Monthly Insights | August 2025

## Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) posted modest gains in August, up 0.89% on a total-return basis as equities, including energy stocks, broadly rose.
- The outlook for North American natural gas demand growth remains robust, driven in large part by rising liquefied natural gas (LNG) export capacity. Approximately 70% of ENFR by weighting is primarily focused on natural gas infrastructure.
- At the end of August, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.43% and was trading above its three-year average forward EV/EBITDA multiple.

## Performance Notes

ENFR edged higher in August, up 0.89% on a total-return basis as portfolio companies finished reporting second quarter results early in the month. ENFR announced a distribution of \$0.38617, which was up 2.41% from the May 2025 payout and up 12.90% from the August 2024 payout. Oil prices fell 7.58% during the month, but the broad Energy Select Sector Index (IXE) logged a total return of 3.62%, likely helped by technology sector weakness. US natural gas prices fell 3.51% to end August at \$3.00 per million British thermal units (MMBtu). A milder summer has weighed on natural gas prices. Year-to-date through the end of August, ENFR is up 6.64% on a total-return basis, which is largely in line with the 7.24% total return for the IXE but trailing the 10.79% gain for the S&P 500 Index.

Digging into portfolio performance for August, Storage, which only includes Gibson Energy (GEI CN, 2.11% Weight\*), was the best-performing subsector for the third month in a row. Gathering & Processing, which can be more sensitive to commodity price fluctuations, was the only subsector with losses.

## Outlook

For midstream, 2Q25 earnings were generally in line. Dividends were largely maintained, though a handful of MLPs increased their payouts. Altogether, ENFR holdings spent \$950 million on equity repurchases, taking advantage of some of the weakness seen during the quarter.

Notably, company announcements reinforced the growth opportunities being driven by rising natural gas demand and production in the coming years. Energy Transfer (ET, 8.67% Weight\*) announced a new natural gas pipeline project from the Permian to Arizona expected online in 4Q29, and a group including three ENFR holdings announced a new natural gas pipeline from the Permian to the Gulf Coast (see constituent news below).

LNG exports are expected to be the largest driver of incremental US natural gas demand over the next few years. As shown below, projects under construction are expected to add 13 billion cubic feet per day (Bcf/d) of export capacity. Another six projects representing almost 8 Bcf/d of capacity are expecting to greenlight construction by the end of this year. With US natural gas production currently at 118 Bcf/d as of June, additional natural gas demand for LNG exports is meaningful and will likely require more production growth. Additionally, natural gas demand for power generation is expected to increase with rising electricity demand, including for data centers. For midstream, rising natural gas demand and production creates opportunities across the value chain, from the well to the power plant, LNG facility or data center. Approximately 70% of ENFR by weighting is primarily focused on natural gas infrastructure.

\*Weight in ENFR as of 8/31/2025

## August 2025 Performance

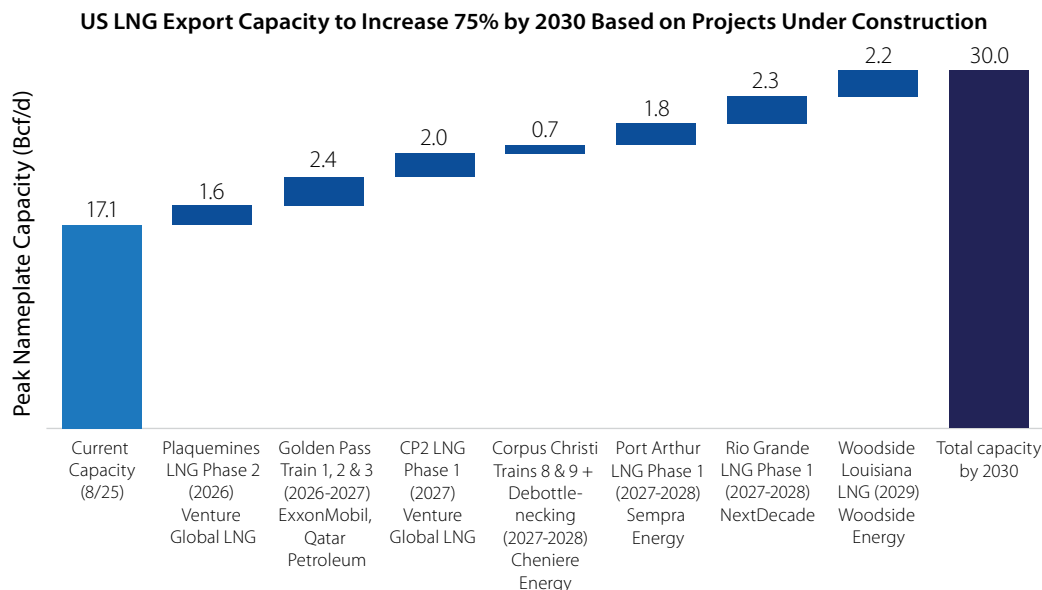
	Aug-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	0.89%	0.49%	6.64%	19.36%
Alerian Midstream Energy Select Index (AMEI)	0.91%	0.53%	7.05%	20.21%
Subsector Total Return:				
Gathering & Processing	-1.17%	-1.83%	8.13%	18.55%
Liquefaction	1.40%	2.15%	16.45%	39.30%
Natural Gas Transportation	0.68%	-0.73%	-0.34%	18.93%
Petroleum Transportation	2.89%	3.77%	14.94%	18.54%
Storage	5.13%	7.99%	15.48%	23.42%
Energy Select Sector Index (IXE)	3.62%	6.53%	7.24%	2.40%
Crude Oil (WTI)	-7.58%	-1.69%	-10.75%	-12.97%
Crude Oil (WCS - Western Canadian Select)	-9.24%	-4.47%	-12.33%	-13.50%

Source: Bloomberg L.P., as of 8/31/2025

**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](http://www.alpsfunds.com). Performance includes reinvested distributions and capital gains.**

For standardized performance please see page 3.

Index returns are total returns.



Based on peak nameplate capacity in billion cubic feet per day (Bcf/d)  
Source: Energy Information Administration, Company Reports as of 8/25/2025

## Constituent News

- ONEOK (**OKE, 4.63% Weight\***), in a joint venture with WhiteWater, Enbridge (**ENB CN, 8.40% Weight\***) and MPLX (**MPLX, 4.91% Weight\***), announced the Eiger Express Pipeline, a new natural gas pipeline designed to transport up to 2.5 Bcf/d from the Permian basin to the Gulf Coast. The ~450-mile pipeline is supported by firm transportation agreements of 10+ years and is expected to be completed in mid-2028.
- Targa Resources (**TRGP, 4.97% Weight\***) reported 2Q25 results in-line with consensus expectations and repurchased \$324 million in common stock during the quarter. The company also announced a new, incremental \$1.0 billion share repurchase authorization, bringing their total available capacity to ~\$1.6 billion.
- Williams (**WMB, 5.61% Weight\***) announced 2Q25 results in-line with consensus expectations and raised their 2025 adjusted EBITDA guidance range by \$50 million, citing strong base business performance and their recent acquisition of Saber Midstream. The transaction enhances the company's Haynesville gathering and processing footprint.

## Valuation Update

- At the end of August, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.25x based on 2026 consensus estimates – above its three-year average ratio of 9.67x.
- The current yield for AMEI is 5.43%, which is below its three-year average of 5.92%.

\* Weight in ENFR as of 8/31/2025

	AMEI Current Valuations		
	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	7.24x	6.09x	18.79%
Enterprise Value/EBITDA <sup>^</sup>	10.25x	9.67x	6.00%
Yield	5.43%	5.92%	-8.20%
ENFR 30-Day SEC Yield	5.13%		

Source: Bloomberg L.P. and VettaFi, as of 8/31/2025

**Past performance is no guarantee of future results.**

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

## Alerian Energy Infrastructure ETF (ENFR) Performance

Total Returns	Cumulative as of 8/31/2025				Annualized as of 6/30/2025				
	1 M	3 M	YTD	SI <sup>1</sup>	1 Y	3 Y	5 Y	10 Y	SI <sup>1</sup>
NAV (Net Asset Value)	0.89%	3.50%	6.64%	123.84%	27.19%	23.25%	25.61%	7.77%	7.11%
Market Price	0.83%	3.47%	6.57%	123.91%	27.19%	23.29%	25.61%	7.76%	7.11%
Alerian Midstream Energy Select Index - TR	0.91%	3.64%	7.05%	146.50%	28.17%	24.12%	26.65%	8.63%	7.99%
Alerian MLP Index - TR	-0.58%	5.20%	9.81%	69.14%	13.16%	26.11%	27.96%	5.60%	4.38%

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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.

<sup>1</sup> Fund inception date: 10/31/2013

Total Operating Expenses: **0.35%**

## Top 10 Holdings

ENERGY TRANSFER LP	8.67%
ENBRIDGE INC	8.40%
ENTERPRISE PRODUCTS PARTNERS	7.42%
WILLIAMS COS INC	5.61%
TC ENERGY CORP	5.21%
CHENIERE ENERGY INC	5.15%
PLAINS GP HOLDINGS LP	5.09%
KEYERA CORP	5.03%
PEMBINA PIPELINE CORP	4.97%
TARGA RESOURCES CORP	4.97%

As of 8/31/2025, subject to change

Daily holdings are available at [www.alpsfunds.com](http://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) Trailing Twelve Month (TTM) Ratio: represents the weighted average of the price/cash flow ratios (generated over the trailing twelve months) 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.

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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