

Alerian Energy Infrastructure ETF

Ticker: ENFR

Monthly Insights as of October 31, 2025

Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) fell in October, down -6.61% on a total-return basis as energy stocks broadly lagged and one smaller holding fell significantly after announcing a negative arbitration outcome.
- The outlook for North American natural gas demand growth remains robust, and the momentum around data centers picked up in October. Just over 70% of ENFR by weighting is primarily focused on natural gas infrastructure.
- At the end of October, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 5.73% and was trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

ENFR fell in October, down -6.61% on a total-return basis as most names declined during the month and Venture Global (VG, **1.71% weight as of 10/31/2025**) fell -39.61% as it lost a key arbitration case. Oil prices fell -2.23% during the month, and the broad Energy Select Sector Index (IXE) also dropped, down -1.38% on a total-return basis. US natural gas prices rose 24.86% to end October at \$4.12 per million British thermal units. Year-to-date through the end of October, ENFR is up 0.67% on a total-return basis, lagging the 5.50% total return for the IXE and the 17.52% gain for the S&P 500 Index.

Digging into portfolio performance for October, all subsectors ended the month lower, and only three names saw gains during the month. Natural Gas Transportation was the most resilient subsector. Liquefaction was the worst-performing subsector, driven by the weakness in VG.

Outlook

A handful of ENFR holdings reported third quarter earnings in October, with results generally in line with expectations. Fundamentally, investors are focused on the outlook for 2026 given muted oil price expectations, but most companies will not provide guidance until December or early 2026. The US Energy Information Administration is forecasting flattish oil production in 2026 and modest growth for natural gas. Even with that backdrop, midstream companies should continue to generate free cash flow and deliver on shareholder returns (dividend growth, opportunistic buybacks).

More broadly, the outlook for natural gas demand growth in North America remains robust. ENFR holdings continue to announce agreements with data centers for natural gas supply or power in the case of Williams (WMB, **6.06% weight as of 10/31/2025**). Momentum has been picking up as data centers increasingly highlight energy as a bottleneck in their rapid growth. The table below highlights a few midstream-related data center developments that were in the news in October.

Performance Summary

Total Returns	Oct-25	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR)(NAV)	-6.61%	-6.61%	0.67%	7.95%
Alerian Midstream Energy Select Index (AMEI)	-6.60%	-6.60%	1.16%	8.66%
Gathering & Processing Subsector	-7.48%	-7.48%	2.47%	6.92%
Liquefaction Subsector	-19.79%	-19.79%	-12.52%	-0.02%
Natural Gas Transportation Subsector	-4.29%	-4.29%	-3.76%	7.24%
Petroleum Transportation Subsector	-4.92%	-4.92%	11.39%	14.87%
Storage Subsector	-8.29%	-8.29%	5.55%	10.16%
Energy Select Sector Index (IXE)	-1.38%	-1.38%	5.50%	2.83%
Crude Oil (WTI)	-2.23%	-2.23%	-14.97%	-11.97%
Crude Oil (WCS - Western Canadian Select)	-3.37%	-3.37%	-16.38%	-13.96%

Source: Bloomberg L.P., as of 10/31/2025

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.

Crude Oil performance numbers are based on price return.

Midstream Partnering with Data Centers

Company Name	Description	Expected In Service Date	Counterparty
Energy Transfer (ET)	Natural gas supply for data center	1Q 2026	Fermi America (FRMI)
Energy Transfer (ET)	Natural gas supply for data center	Not Provided	VoltaGrid, Oracle (ORCL)
William (WMB)	Two power innovation projects	1H 2027	Unnamed large, investment-grade company
Pembina Pipeline (PPL CN)	Gas-fired power facility JV	2030	Unnamed (reportedly META)

Source: Company reports, as of 10/31/2025

Alongside power demand, the massive, long-term structural tailwind from liquefied natural gas (LNG) exports continues to advance. This was highlighted in October by NextDecade (**NEXT, 0.45% weight as of 10/31/2025**) announcing a positive Final Investment Decision (FID) on Train 5 at its Rio Grande LNG facility. This FID is the latest in a wave of new projects that, once completed, will nearly double the current US LNG export capacity.

Constituent News

- Williams (**WMB, 6.06% weight as of 10/31/2025**) agreed to invest an additional ~\$3.1 billion in two power innovation projects backed by 10-year, fixed-price purchase agreements. The projects are expected to be completed in 1H 2027 at a ~5x EBITDA build multiple, which implies ~20% returns. Consequently, WMB raised its 2025 growth capital expenditures (CapEx) guidance to \$3.45 - \$3.75 billion. WMB also entered a strategic partnership with Woodside (WDS, not in ENFR), investing ~\$1.9 billion in the Louisiana LNG project and a related pipeline that WMB will build. Additionally, WMB sold its South Mansfield upstream minority interest to JERA for \$398 million, securing increased volume commitments for its Louisiana Energy Gateway (LEG) gathering system.
- Kinder Morgan (**KMI, 5.05% weight as of 10/31/2025**) reported third quarter results in line with expectations and affirmed its 2025 outlook. KMI maintained its \$9.3 billion project backlog and noted that it is pursuing ~\$10 billion in additional projects, primarily related to natural gas.
- Targa Resources (**TRGP, 4.95% weight as of 10/31/2025**) announced new Permian growth projects, including the 500,000-barrel-per-day Speedway Natural Gas Liquid (NGL) Pipeline and the Yeti gas processing plant, both expected to be in-service in 3Q 2027. Additionally, TRGP announced the Buffalo Run pipeline project to enhance connectivity between its Midland and Delaware systems, expected to be fully complete in early 2028. As a result, TRGP raised its 2025 net growth CapEx estimate to ~\$3.3 billion.
- Pembina Pipeline's (**PPL CN, 5.16% weight as of 10/31/2025**) joint venture Greenlight Electricity Centre is reportedly nearing a deal with Meta (META, not in ENFR). Following the media report, PPL confirmed a large-scale, unnamed customer secured a ~0.9-gigawatt grid allocation for the Greenlight project and announced a conditional ~\$190 million (net to PPL) land sale to the customer. Final investment decision for the first phase is targeted for 1H 2026.

Valuation Update

- At the end of October, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 10.11x based on 2026 consensus estimates, above its three-year average ratio of 9.71x.
- The current yield for AMEI is 5.73%, which is just below its three-year average of 5.88%.

AMEI Current Valuations

	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	6.78x	6.19x	9.67%
Enterprise Value/EBITDA [^]	10.11x	9.71x	4.09%
Yield	5.73%	5.88%	-2.55%
ENFR 30-Day SEC Yield	5.40%		

Source: Bloomberg L.P. and VettaFi, as of 10/31/2025

Past performance is no guarantee of future results.

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

Performance

Total Returns	Cumulative as of 10/31/2025				Annualized as of 9/30/2025				
	1 M	3 M	YTD	SI	1 Y	3 Y	5 Y	10 Y	SI
NAV (Net Asset Value)	-6.61%	-4.75%	0.67%	111.32%	19.98%	24.40%	28.56%	10.82%	7.09%
Market Price	-6.64%	-4.81%	0.61%	111.39%	19.97%	24.32%	28.59%	10.84%	7.10%
Alerian Midstream Energy Select Index - TR	-6.60%	-4.64%	1.16%	132.94%	20.81%	25.25%	29.53%	11.74%	7.97%
Alerian MLP Index - TR	-0.68%	-4.90%	5.03%	61.78%	10.97%	22.39%	32.26%	8.14%	4.18%

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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.

Fund inception date: 10/31/2013

Total Operating Expenses: 0.35%

Top 10 Holdings

Enbridge Inc	8.75%	MPLX LP	5.30%
Energy Transfer LP	8.73%	Pembina Pipeline Corp	5.16%
Enterprise Products Partners	7.51%	TC Energy Corp	5.12%
Williams Cos Inc	6.06%	Kinder Morgan Inc	5.05%
DT Midstream Inc	5.42%	Targa Resources Corp	4.95%

As of 10/31/2025, 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.

Capital Expenditures (CAPEX/Capex/CapEx): refers to investments in physical assets such as plant and machinery.

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.

Tailwind: a certain situation or condition that may lead to higher profits, revenue or growth.

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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