Alerian Energy Infrastructure ETF

Ticker: ENFR

Monthly Insights as of July 31, 2026

Key Takeaways

- The Alerian Energy Infrastructure ETF (ENFR) gained 3.65% on a total-return basis in July as a breakdown in the US-Iran ceasefire led to the effective closure of the Strait of Hormuz, driving strength in oil prices and the broader energy sector.
- With ~70% of the portfolio by weighting focused on natural gas infrastructure, ENFR holdings are capitalizing on surging natural gas demand from liquefied natural gas (LNG) exports and power generation. Six holdings have combined project backlogs over $160 billion, securing a durable runway for fee-based EBITDA growth backed by long-term contracts.
- At the end of July, ENFR's underlying index, the Alerian Midstream Energy Select Index (AMEI), was yielding 4.54% and was trading above its three-year average forward EV/EBITDA multiple.

Performance Notes

ENFR rose 3.65% on a total-return basis in July as the fragile ceasefire between the US and Iran broke down and conflict resumed, with Iran declaring the Strait of Hormuz closed once again and Saudi cargoes through the Bab el-Mandeb strait facing attacks. For the month, ENFR beat the S&P 500 Index, which was flat (-0.06%), but lagged the broad Energy Select Sector Index (IXE), which gained 11.96% for the month on a total-return basis. The US oil benchmark rose 21.83% to $84.67 per barrel, while US natural gas prices fell 16.12% to $2.75 per million British thermal units. Year to date through the end of July, ENFR has gained 28.41%, on a total-return basis while the S&P 500 is up 10.14%. Energy is now the best-performing sector in 2026, with the IXE up 35.00%.

All subsectors of the portfolio saw positive performance in July, with Liquefaction leading the way as international natural gas benchmarks surged above March highs. Storage was the second-best performing subsector.

Performance Summary

Total Returns	Jul-26	QTD	YTD	1 Y
Alerian Energy Infrastructure ETF (ENFR) (NAV)	3.65%	3.65%	28.41%	28.69%
Alerian Midstream Energy Select Index (AMEI)	3.69%	3.69%	28.97%	29.57%
Gathering & Processing Subsector	*1.98%*	*1.98%*	*32.57%*	*34.54%*
Liquefaction Subsector	*11.61%*	*11.61%*	*49.09%*	*0.75%*
Natural Gas Transportation Subsector	*2.52%*	*2.52%*	*24.19%*	*27.84%*
Petroleum Transportation Subsector	*4.55%*	*4.55%*	*26.13%*	*33.05%*
Storage Subsector	*7.68%*	*7.68%*	*24.12%*	*30.23%*
Energy Select Sector Index (IXE)	11.96%	11.96%	35.00%	40.93%
Crude Oil (WTI)	21.83%	21.83%	47.46%	22.25%
Crude Oil (WCS - Western Canadian Select)	20.10%	20.10%	51.45%	18.01%

Source: Bloomberg L.P., as of 7/31/2026

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.

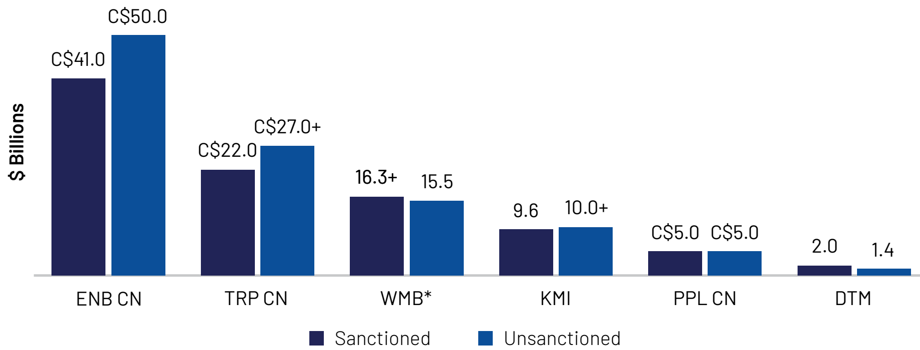
Crude Oil performance numbers are based on price return.

Outlook

The macro backdrop for energy remains volatile and headline-driven, with market focus squarely on escalating maritime chokepoint risks after Houthi militants expanded attacks in July to target Saudi oil exports through the Bab el-Mandeb strait, a route that handled roughly 6% of global oil supply and 5% of LNG trade in 1Q26. Even if maritime traffic normalizes, oil futures may remain "higher for longer" due to severe inventory depletion, with the International Energy Agency estimating total Middle Eastern supply losses of 1.3 billion barrels through late June. The US Energy Information Administration expects domestic oil production to reach a new record high in 2027. While producers remain largely disciplined, the volume uplift driven by a stronger oil price backdrop and the ongoing alleviation of Permian takeaway constraints are supportive for production growth into next year, providing a tailwind for midstream names.

While most ENFR holdings will report in August, early 2Q26 results in July were largely constructive and featured expanded capital spending plans to fund growing project backlogs. Companies continue to see substantial growth opportunities for natural gas infrastructure tied to LNG exports and power generation, driving collective backlogs for six holdings over $160 billion as shown below. Total US LNG export capacity is on track to roughly double by 2031, while domestic power demand is being driven by data center proliferation, coal-to-gas switching, and broader electrification. Notably, Kinder Morgan (**KMI, 5.01% weight as of 7/31/2026**) has tied roughly 60% of its $9.6 billion backlog to power demand, while most of Williams' (**WMB, 5.89% weight as of 7/31/2026**) $16.3 billion backlog supports power generation. Backed by long-term contracts extending up to 20 years, these projects secure a durable runway for fee-based EBITDA growth over the coming years for ENFR holdings with natural gas infrastructure.

Disclosed Backlogs for Natural Gas Midstream Companies Collectively Exceed $160 Billion



** Sanctioned backlog includes $9.6 billion dedicated to power generation solutions. Unsanctioned backlog excludes 6+ GW of potential power projects.*

Dollar amounts for Canadian companies are in CAD.

Source: Company reports as of 8/3/2026

Constituent News

- Kinder Morgan (**KMI, 5.01% weight as of 7/31/2026**) reported second quarter results above expectations and expects full-year 2026 adjusted EBITDA to be more than 5% favorable to its $8.6 billion budget. During the quarter, KMI placed $660 million in expansion projects into service, including the TGP Cumberland Project, Hiland Express, and Gulf Coast Express. The project backlog ended at $9.6 billion, expected to generate an aggregate first-full-year project EBITDA multiple of ~5.6x, with the board providing contingent approval on nearly $400 million in additional projects. KMI also announced new pipeline and tank expansions in the Houston Ship Channel hub.
- TC Energy (**TRP CN, 4.74% weight as of 7/31/2026**) reported second quarter results above expectations and expects to reach the upper end of its 2026 adjusted EBITDA guidance of C$11.6 billion - C$11.8 billion. The company sanctioned C$700 million in new growth projects serving power and data center demand, bringing year-to-date sanctions to C$3.0 billion. TRP's pending backlog grew to C$7.0 billion, while its longer-term origination backlog expanded to over C$20.0 billion, with approximately 67% driven by power generation.
- Williams (**WMB, 5.89% weight as of 7/31/2026**) secured a $5.34 billion capital commitment from a Blackstone-led group, including Apollo and KKR, to fund its five behind-the-meter Power Innovation projects. Under the agreement, Blackstone will receive a 49% noncontrolling equity interest, while Williams retains a 51% stake and maintains full commercial and operational control, alongside a buyout option between years 7 and 14.
- Pembina Pipeline (**PPL CN, 4.90% weight as of 7/31/2026**) reported second quarter results in line with expectations and reaffirmed its full-year 2026 adjusted EBITDA guidance. Alongside earnings, the company sanctioned the Greenlight Electricity Centre (GLEC). Developed in partnership with Morgan Stanley Infrastructure Partners, the $4.6 billion gross ($2.3 billion net to Pembina) GLEC gas-fired power plant will provide dedicated power for a Meta (META, not in ENFR) data center. Once operational in late 2030, GLEC is projected to generate ~$310 million in annual run-rate adjusted EBITDA net to Pembina.

Valuation Update

- At the end of July, ENFR's underlying index, AMEI, was trading at a forward EV/EBITDA multiple of 11.03x based on 2027 consensus estimates, above its three-year average ratio of 10.03x.
- The current yield for AMEI is 4.54%, which is below its three-year average of 5.53%.

AMEI Current Valuations

	Current	3 Year Avg	Delta
Price/Cash Flow (TTM)	8.61x	6.86x	25.54%
Enterprise Value/EBITDA^	11.03x	10.03x	9.94%
Yield	4.54%	5.53%	-17.96%
ENFR 30-Day SEC Yield	4.17%		

Source: Bloomberg L.P. and VettaFi, as of 7/31/2026

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 7/31/2026				Annualized as of 6/30/2026				
	1 M	3 M	YTD	SI	1 Y	3 Y	5 Y	10 Y	SI
NAV (Net Asset Value)	3.65%	1.98%	28.41%	185.50%	23.66%	26.55%	20.09%	11.55%	8.33%
Market Price	3.62%	1.92%	28.35%	185.64%	23.76%	26.61%	20.07%	11.57%	8.34%
Alerian Midstream Energy Select Index - TR	3.69%	2.17%	28.97%	216.52%	24.49%	27.44%	20.88%	12.47%	9.21%
Alerian MLP Index - TR	7.56%	4.42%	27.44%	115.44%	21.47%	23.12%	20.51%	9.20%	5.64%

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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

Energy Transfer LP	8.06%	Plains GP Holdings LP	5.27%
Enbridge Inc	8.02%	MPLX LP	5.04%
Enterprise Products Partners	7.07%	Kinder Morgan Inc	5.01%
Williams Cos Inc	5.89%	Oneok Inc	4.96%
Cheniere Energy Inc	5.36%	Pembina Pipeline Corp	4.90%

As of 7/31/2026, 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).

Net Debt-to-EBITDA Ratio: a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

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.

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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