

ALERIAN MLP ETF MONTHLY INSIGHTS (AMLPL)

January 2019

Key Takeaways

- Master Limited Partnerships (MLPs) started the year strong, finishing January 2019 up 12.96% as represented by the Alerian MLP Infrastructure Index (AMZI).
- WTI rebounded this month after a weak December 2018, finishing up 18.45% as crude production cuts by OPEC and its partners came into effect and Saudi Arabia further reduced production.
- Over 60% of the AMZI Index is tilted to large cap MLPs, which have outperformed their smaller peers over a one-year period.

Performance Notes

- The AMZI Index was up for the month of January 12.96% and outperformed the broader energy sector, as represented by the Energy Select Sector Index (IXE), which was up 11.27%.
- The Petroleum Transportation segment led the AMZI Index for the month as the price of WTI crude gained 18.45% on news that OPEC and its allies' oil production fell by the most in two years. Plains All American (PAA; 9.54% in AMZI) had the largest contribution to the Petroleum Transportation segment, adding 1.47% for the month. PAA continues to benefit from rising oil production in the Permian Basin.

January 2019 Performance

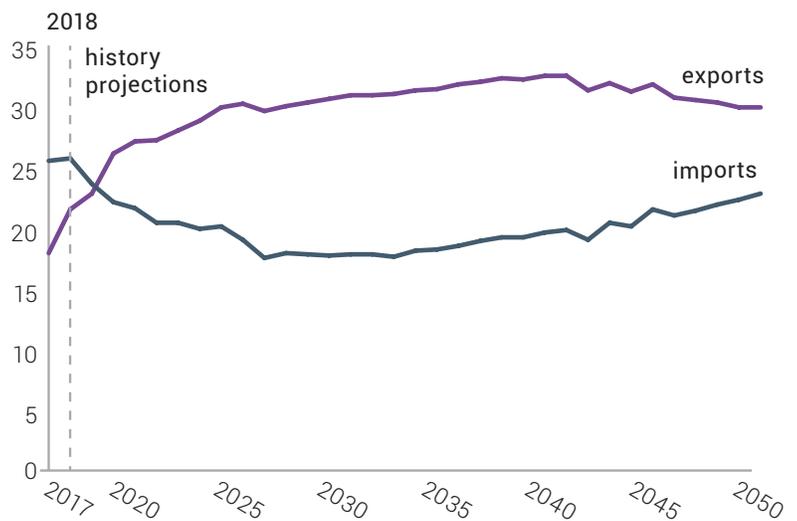
	Jan-19	1YR
AMZI (MLP Infrastructure Index)	12.96%	-6.11%
Gathering & Processing	4.38%	0.16%
Natural Gas Transportation	3.18%	-1.93%
Petroleum Transportation	5.40%	-4.48%
Energy Select Sector Index	11.27%	-12.15%
S&P Oil & Gas E&P Select Index	15.11%	-16.31%
S&P Oil & Gas Equip Select Index	21.65%	-36.96%
Crude Oil (WTI)	18.45%	-16.90%
10 YR Treasury Yield (Return)	-2.05%	-2.80%

Index returns are total returns.
Source: Bloomberg, L.P., as of 1/31/2019.

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by calling (866)759-5679 or www.alpsfunds.com. The investment return and principal value and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. Standardized performance on page 3.

- In the U.S. Energy Information Administration's (EIA) Annual Energy Outlook 2019, the EIA expects the U.S. to become a net energy exporter by 2020. Significant increases in crude oil, natural gas, and natural gas liquids (NGL) production, combined with more moderate growth in U.S. energy consumption, will shift the U.S. from a net importer to net exporter of energy. This dynamic supports the continued build out of midstream energy infrastructure.
- In 2019 and 2020, the EIA forecasts average U.S. crude oil production will increase to 12.1 million barrels per day (MMBpd) and 12.9 MMBpd, respectively, up from 10.9 MMBpd in 2018. Oil production growth may be slowing from the record 1.6 MMBpd increase seen in 2018 but remains robust and continues to support midstream growth opportunities.

Gross energy trade (Reference case) quadrillion British thermal units



Source: U.S. Energy Information Administration, Annual Energy Outlook 2019, released 01/24/2019. Units are in BTU's, British Thermal Units.

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Constituent News

- Enterprise Products Partners (EPD; 10.11% in AMZI) announced a \$2 billion multi-year common unit buyback program with its solid 4Q18 results. Strong credit metrics and self-funding equity has put EPD in a better position to return cash to unitholders, with management noting investor preference for buybacks over distribution growth.
- EnLink Midstream Partners LP (ENLK) was acquired by EnLink Midstream LLC (ENLC; 1.78% in AMZI as of 1/25/19) on 1/25/19. ENLK was removed from the AMZI Index, and ENLC was added. The simplification transaction eliminated IDRs (incentive distribution rights) and will allow ENLC to improve its distribution coverage and retain cash flow in pursuit of self-funding the equity portion of growth capital.
- DCP Midstream LP (DCP; 3.10% in AMZI) was up over 26% in January on the rebounding crude price and a number of positive broker comments about improving NGL (natural gas liquids) prices in 2019, primarily higher ethane prices. As shown in the adjacent table, SMID (small-to-mid) cap MLPs, including DCP, had a strong January, which is encouraging for the space as they underperformed large cap MLPs over the one-year period.

Large Cap MLP vs Small/Mid Cap MLP performance



Source: Bloomberg LP as of 1/31/2019.

Past performance does not indicate future returns.

Valuation Update

- Even with the AMZI rebounding in January 2019, its current yield remains above its 3-year average.
- Price-to-cash-flow and enterprise-value-to-EBITDA for the AMZI are at steep discounts to their 3-year averages, highlighting the disconnect between strong MLP fundamentals and valuations.

	AMZI Current Valuations		
	Current	3YR Avg	Delta
Price/Cash Flow (TTM)	5.86x	7.93x	-26.1%
Enterprise Value/EBITDA	9.50x	11.09x	-14.3%
Yield	7.90%	7.64%	0.3%

Source: Bloomberg, L.P., as of 1/31/2019.

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AMLPL Performance as of January 31, 2019

Total Returns	Cumulative as of 1/31/2019				Annualized as of 12/31/2018			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I.
Alerian MLP ETF (Net Asset Value)	12.91%	2.81%	12.91%	17.45%	-12.67%	-2.49%	-6.37%	0.47%
Alerian MLP ETF (Market Price)	12.13%	1.56%	12.13%	16.49%	-12.61%	-2.66%	-6.41%	0.46%
Alerian MLP Infrastructure Index	12.96%	3.00%	12.96%	41.74%	-11.94%	-1.58%	-6.88%	2.75%

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Gross Expense Ratio: 0.85%

Fund inception date of 8/25/2010

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.

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Top 10 Holdings[^]

MPLX LP	10.35%
ENERGY TRANSFER LP	10.15%
ENTERPRISE PRODUCTS PARTNERS	10.11%
MAGELLAN MIDSTREAM PARTNERS	9.94%
PLAINS ALL AMER PIPELINE LP	9.54%
WESTERN GAS PARTNERS LP	5.23%
BUCKEYE PARTNERS LP	4.81%
EQM MIDSTREAM PARTNERS LP	4.09%
ANDEAVOR LOGISTICS LP	4.06%
TALLGRASS ENERGY LP	3.79%

[^] As of January 31, 2019

Daily holdings are available on the alpsfunds.com website

Holdings are subject to change

Important Disclosure & Definitions

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, call 1.877.398.8461 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers or “authorized participants” may trade directly with the Fund, typically in blocks of 50,000 shares.

Performance data quoted represents past performance. Past performance is not a guarantee of future results; current performance may be higher or lower than performance quotes.

The AMZI Index is a composite of energy infrastructure Master Limited Partnerships. The capped, float-adjusted, capitalization weighted index constituents earn the majority of their cash flow from midstream activities involving energy commodities.

One may not invest directly in an index.

MLPs represented by the Alerian MLP Infrastructure Index (AMZI)

Investments in securities of 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.

The benefit 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 of 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.

Not FDIC Insured • No Bank Guarantee • May Lose Value

ALPS Portfolio Solutions, Inc. is the distributor for the Alerian MLP ETF

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