

# Monthly Midstream Energy Market Report

May 2023

HANetf & VettaFi

Alerian Midstream Energy Dividend UCITS ETF

MMLP

40bps

IE00BKPTXQ89

Product Inception Date: 27/07/2020

For Professional Clients Only. Capital at risk.

All data as of 30/04/2022

This report was written by, and is the opinion of, the AEDW Index provider VettaFi.

## Key Takeaways

At the end of April, MMLP's underlying index, AEDW, was yielding 7.40%. Companies with investment-grade credit ratings represent approximately 90% of the index by weighting.

Most AEDW constituents have announced their dividends to be paid in 2Q23. Eight constituents increased their payouts sequentially and 18 maintained their payouts, while 5 have not yet announced.

AEDW gained 2.19% on a net total return basis in April as companies announced dividends and equities generally rose. Year-to-date through April, AEDW is up 2.20% on a net total return basis, which is in line with the 2.54% total return for the STOXX 600 Oil & Gas Index (SXEP). AEDW is outperforming the -1.70% loss for the Energy Select Sector Index (IXE).

A few companies announced 1Q23 results in April, which were generally positive. Most constituents report earnings in early May, providing an opportunity for companies to highlight solid operational execution, strong free cash flow generation, and generous returns to shareholders through dividends and buybacks.

With volatility in commodity prices and broader equity markets, midstream's fee-based business model provides more defensive energy exposure, as stable cash flows support generous dividends.

Midstream also remains well positioned for ongoing inflation, given real asset exposure and annual inflation adjustments typically included in long-term contracts.

## Constituent News

**Energy Transfer (ET, 10.17% AEDW)** increased its quarterly distribution by 0.8% sequentially and announced an annual distribution growth target of 3-5% going forward.

**Kinder Morgan (KMI, 7.52% AEDW)** reported 1Q23 results ahead of consensus estimates and repurchased \$113 million in equity during the quarter. Consistent with past guidance, KMI increased its dividend by 1.80% from the previous quarter to \$0.2825 per share.

**Western Midstream (WES, 2.36% AEDW)** declared an enhanced distribution of \$0.356 per unit pertaining to financial performance in 2022, in addition to its quarterly base distribution of \$0.50 per unit.

**Antero Midstream (AM, 1.37% AEDW)** reported an earnings beat for 1Q23 and raised its 2023 adjusted EBITDA guidance by \$20 million to \$970 million at the midpoint.

**Hess Midstream (HESM, 0.31% Weight)** increased its distribution by 2.7% sequentially and announced 1Q23 results slightly ahead of consensus expectations. HESM reaffirmed 2023 adjusted EBITDA guidance of \$1.01 billion at the midpoint, implying 2.8% growth relative to 2022.

Sources available upon request. **Please remember that all performance figures are showing net data.** Past performance is not indicative of future performance, and when you invest in ETFs your capital is at risk.

## Midstream Energy Performance

As of 30.04.2023

	1M	3M	6M	YTD	12M	2Y	3Y	SI
Alerian Midstream Energy Dividend UCITS ETF	2.23%	-2.41%	0.58%	2.44%	4.21%	29.90%	N/A	86.55%
Alerian Midstream Energy Dividend Index (NTR)	2.19%	-2.61%	0.24%	2.20%	3.59%	28.39%	79.96%	82.13%

**Please note that all performance figures are showing net data.** Source: Bloomberg / HANetf. Data as of 30/04/2023  
Performance before inception is based on back tested data. Back testing is the process of evaluating an investment strategy by applying it to historical data to simulate what the performance of such strategy would have been. Back tested data does not represent actual performance and should not be interpreted as an indication of actual or future performance. Past performance for the index is in USD. Past performance is not an indicator for future results and should not be the sole factor of consideration when selecting a product. Investors should read the prospectus of the Issuer ("Prospectus") before investing and should refer to the section of the Prospectus entitled 'Risk Factors' for further details of risks associated with an investment in this product. When you invest in ETFs and ETCs, your capital is at risk.

This report was written by, and is the opinion of VettaFi, the index provider of the Alerian Midstream Energy Dividend Index, the underlying index of MMLP. VettaFi does not issue, sponsor, endorse, sell, or promote MMLP.

### Product Details

The Alerian Midstream Energy Dividend UCITS ETF (MMLP) is a UCITS compliant Exchange Traded Fund domiciled in Ireland.

The fund seeks to provide diversified exposure to energy companies involved in the processing, transportation and storage of oil, natural gas and natural gas liquids in the US and Canadian markets and includes MLPs and C-corps.

It is the first UCITS ETF to provide exposure to the energy infrastructure sector via an Alerian index. By employing a synthetic strategy, MMLP enables efficient replication of the index.

Please remember that the value of your investment may go down as well as up and past performance is no indication of future performance.

Visit the [MMLP Fund Page](#) for more information.

Exchange	BBG Code	RIC	ISIN	Valoren	SEDOL	Currency	TER
London Stock Exchange	MMLP LN	MMLP.L	IE00BKPTXQ89	-	BMVFZ02	USD	0.40%
London Stock Exchange	PMLP LN	PMLP.L	IE00BKPTXQ89	-	BL96TT7	GBP	0.40%
Borsa Italiana	MMLP IM	MMLP.MI	IE00BKPTXQ89	-	BMHVZQ0	EUR	0.40%
Deutsche Boerse Xetra	JMLP GY	JMLP.DE	IE00BKPTXQ89	-	BMHVZP9	EUR	0.40%

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The content in this document is issued by the relevant Issuer.

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- HANetf ICAV, an open-ended Irish collective asset management vehicle issuing under the terms in the Prospectus and relevant Supplement for the ETF approved by the Central Bank of Ireland (“CBI”) (“ETF Prospectus”) is the issuer of the ETFs. Investors should read the current version of the ETF Prospectus before investing and should refer to the section of the ETF Prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the ETFs. Any decision to invest should be based on the information contained in the ETF Prospectus.
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  - the precious metals ETCs under the terms in the base prospectus approved by both the Central Bank of Ireland (“CBI”), the UK Financial Conduct Authority (“FCA”) and the final terms of the precious metals (together, “Metals ETC Prospectuses”);
  - the carbon securities ETCs under the terms in the base prospectus approved by the UK Financial Conduct Authority (“FCA”) and the relevant final terms of the carbon securities (together, “FCA Carbon ETC Prospectus”); and
  - the carbon securities ETCs under the terms in the base prospectus approved by the Central Bank of Ireland (“CBI”) and the final terms of the carbon securities (together, “CBI Carbon ETC Prospectus”).

Investors should read the latest versions of the relevant ETC prospectus before investing and should refer to the section of the relevant ETC prospectus entitled ‘Risk Factors’ for further details of risks associated with an investment in the ETCs. Any decision to invest should be based on the information contained in the relevant ETC prospectus.

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The ETF Prospectus, Metals ETC Prospectus, FCA Carbon ETC Prospectus, CBI Carbon ETC Prospectus and Cryptocurrency Prospectus can all be downloaded from [www.hanetf.com](http://www.hanetf.com).

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