

Monthly Midstream Energy Market Report

October 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 30/09/2023

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

Midstream Energy ETF Key Takeaways

At the end of September, the underlying index for the Midstream Energy ETF, AEDW, was yielding 6.9%. Companies with investment-grade credit ratings represented 88.9% of the index by weighting. Approximately 85% of MMLP's underlying index by weighting have grown their dividends over the last year.

AEDW was essentially flat in September (up 0.05%) on a net total-return basis, while the STOXX Europe 600 Oil and Gas Index (SXEP) gained 5.3% on a price-return basis as Brent oil prices closed as high as \$96.55 per barrel in late September. The rally in oil prices has boosted broader energy with less direct benefit for energy infrastructure companies given their fee-based business models.

Energy infrastructure companies continue to generate free cash flow, which has supported dividend growth and equity buybacks. The chart below shows 2023 free cash flow yields for some of the top holdings in MMLP along with their index weightings. With stable cash flows, energy infrastructure companies can generate significant free cash flow even amidst commodity price volatility.

Looking ahead to 2024, energy infrastructure companies remain well positioned to generate free cash flow and return cash to shareholders through dividends and buybacks. Dividend growth trends are expected to continue. If oil prices weaken, midstream is well positioned to provide defensive energy exposure, while continued strength could be beneficial for energy sentiment broadly.

Constituent News

ONEOK (OKE, 7.91% Weight) completed its ~\$19 billion acquisition of Magellan Midstream Partners following successful shareholder votes.

Enbridge (ENB CN, 8.89% Weight) announced the acquisition of three US-based utilities companies from Dominion Energy (D) for \$14.0 billion USD, creating the largest natural gas utility platform in North America.

Western Midstream (WES, 2.35% Weight) agreed to acquire Meritage Midstream for \$885 million. The deal will expand the company's gathering and processing footprint in the Powder River Basin in Wyoming.

Gibson Energy (GEI CN, 0.47% Weight) resumed its buyback authorization (normal course issuer bid), which allows the company to repurchase up to 7.5% of its public float over the next 12 months. Gibson also signed a 15-year renewable power purchase agreement as it pursues emission reduction targets. Including Gibson, nine constituents in MMLP have net zero targets by 2050. Sources available upon request. Data as of 31.08.2023. 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 ETF Performance

As of 30.09.2023

	1M	3M	6M	YTD	12M	2Y	3Y	SI
Alerian Midstream Energy Dividend UCITS ETF	0.00%	3.63%	7.28%	7.50%	17.77%	29.56%	113.88%	95.76%
<i>Alerian Midstream Energy Dividend Index (NTR)</i>	<i>0.06%</i>	<i>3.46%</i>	<i>6.92%</i>	<i>6.93%</i>	<i>16.97%</i>	<i>28.00%</i>	<i>109.10%</i>	<i>90.54%</i>

Please note that all performance figures are showing net data. Source: Bloomberg / HANetf. Data as of 30/09/2023
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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 - ii. 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
 - iii. 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.

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