

Portfolio managers

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Funds under management

Invesco SteelPath MLP Alpha

Invesco SteelPath MLP Income

Invesco SteelPath MLP Select 40

Invesco SteelPath MLP Alpha Plus

Invesco SteelPath MLP & Energy
Infrastructure ETF

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Midstream equities were up for the month of July, outperforming the S&P 500 Index as second quarter earnings reporting season kicked off and as sector merger and acquisition (M&A) continued. Midstream equities are having another strong year in absolute and relative terms, outperforming the S&P 500 Index and real estate investment trusts (REITs)¹ and only modestly lagging Utilities'² performance.

MLP Market Overview

Midstream MLPs, as measured by the Alerian MLP Index (AMZ), ended July up 2.63% from a price basis and up 3.17% on a total return basis. The AMZ outperformed the S&P 500 Index's 2.24% total return for the month. The best performing midstream subsector for July was the Propane group, while the Compression subsector underperformed, on average.

For the year through July, the AMZ is up 6.01% on a price basis, resulting in a 10.45% return once distributions are considered. This compares to the S&P 500 Index's 7.78% and 8.59% price and total returns, respectively. The Propane group has produced the best average total return year-to-date, while the Compression subsector has lagged.

MLP yield spreads, as measured by the AMZ yield relative to the 10-Year U.S. Treasury Bond, narrowed by 33 basis points (bps) over the month, exiting the period at 288 bps. This compares to the trailing five-year average spread of 495 bps and the average spread since 2000 of approximately 434 bps. The AMZ's distribution yield at month-end was 7.25%.

West Texas Intermediate (WTI) crude oil exited the month at \$69.26 per barrel, up 6.4% over the period and 11.1% lower year-over-year. Natural gas prices ended July at \$3.11 per million British thermal units (MMBtu), down 10.1% over the month and 52.6% higher than July 2024. Natural gas liquids (NGL) priced at Mont Belvieu exited the month at \$27.63 per barrel, 0.3% lower than the end of June and 4.4% higher than the year-ago period.

News

Second quarter reporting begins. Second quarter reporting season began in July. Through month-end, 27 midstream entities had announced distributions for the quarter, including seven distribution increases and 20 distributions that were unchanged from the previous quarter. Through the end of July, five sector participants had reported second quarter financial results. Operating performance has been, on average, slightly above expectations with EBITDA, or Earnings Before Interest, Taxes, Depreciation and Amortization, coming in 0.1% higher than consensus estimates and 3.6% lower than the preceding quarter.

MPLX buys Northwind. MPLX LP (NYSE: MPLX) announced the acquisition of Northwind Midstream (private) for \$2.375 billion. Northwind provides sour gas gathering, treating, and processing services in Lea County, New Mexico via over 200,000 dedicated acres, more than 200 miles of gathering pipelines and two acid gas injection (AGI) wells. The system currently has 150 million cubic feet per day (MMcf/d) of sour gas treating capacity and in-process expansion activity will increase capacity to 440 MMcf/d in the second half of 2026. The system is supported by minimum volume commitments by top regional producers.

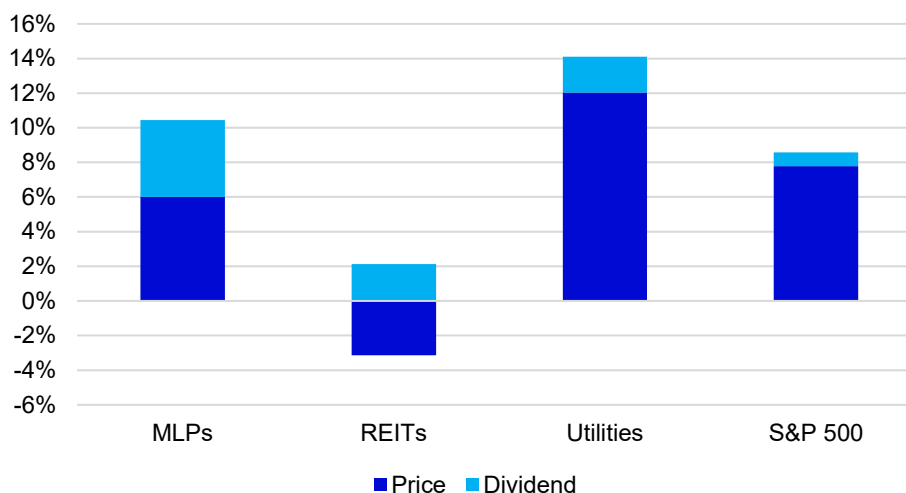
More natural gas projects moving forward. In July, several gas projects moved forward and several projects already in progress were expanded. Kinder Morgan (NYSE: KMI) added more than \$1 billion of projects to its backlog, including the Texas Access Pipeline project, and several system expansions, including an expansion of the Trident gas pipeline that is still in the early stages of construction. Trident will move Permian gas around Houston toward LNG demand near the

Texas-Louisiana state line. TC Energy (NYSE: TRP CN) also announced expansions of the Maysville and Pulaski projects, mainline extension projects off their Columbia Gulf system, to support incremental load growth in the region, including data center development. Additionally, DT Midstream (NYSE: DTM) greenlit an expansion of its recently acquired Guardian Pipeline system to move more natural gas into Wisconsin to serve growing demand.

Chart of the month: Checking-in on returns - Midstream is having another great year

Midstream equities, as measured by the Alerian MLP Index (AMZ), have fared well over the seven months of 2025, outperforming REITs and the S&P 500 Index while modestly trailing Utilities. Through the end of July, the AMZ generated a total return of 10.45% as compared to the S&P 500's 8.58% total return while REITs and utilities posted total returns of -1.02% and 14.10%, respectively.

Total return year to date through July 2025 for select asset classes



Source: Bloomberg L.P. and Invesco. REITs represented by the FTSE NAREIT Equity REITS Index. Utilities represented by the Dow Jones Utility Average.

Important information

Source: All data sourced from Bloomberg L.P. as of 7/31/2025 unless otherwise stated.

1. REITs represented by the FTSE NAREIT Equity REITS Index. The FTSE Nareit All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs.
2. Utilities represented by the Dow Jones Utility Average. The Dow Jones Utility Average is a stock index from S&P Dow Jones Indices that tracks the performance of 15 prominent utility companies traded in the United States.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

The opinions referenced above are those of the author as of August 4, 2025. These comments should not be construed as recommendations, but as an illustration of broader themes. Forward-looking statements are not guarantees of future results. They involve risks, uncertainties and assumptions; there can be no assurance that actual results will not differ materially from expectations. The opinions are based on current market conditions and are subject to change. They may differ from those of other Invesco investment professionals.

Midstream companies are engaged in the transportation, storage, processing, refining, marketing, exploration, and production of natural gas, natural gas liquids, crude oil, refined products or other hydrocarbons.

Propane companies specialize in transporting and delivering propane to customers.
Compression companies provides the equipment and oversight to move natural gas through the US pipeline system.

The mention of specific companies, industries, sectors, or issuers does not constitute a recommendation by Invesco Distributors, Inc. A list of the top 10 holdings of each fund can be found by visiting [invesco.com](https://www.invesco.com). Holdings are subject to change and are not buy/sell recommendations.

As of 6/30/2025, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund, Invesco SteelPath MLP Alpha Plus Fund and Invesco SteelPath MLP & Energy Infrastructure ETF held 13.26%, 13.47%, 6.89%, 12.99% and 4.34% respectively in MPLX LP.

As of 6/30/2025, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund, Invesco SteelPath MLP Alpha Plus Fund and Invesco SteelPath MLP & Energy Infrastructure ETF held 2.99%, 0.00%, 4.64%, 2.85% and 5.05% respectively in KinderMorgan Inc.

As of 6/30/2025, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund, Invesco SteelPath MLP Alpha Plus Fund and Invesco SteelPath MLP & Energy Infrastructure ETF held 2.28%, 0.00%, 1.43%, 2.22% and 5.34% respectively in TC Energy.

As of 6/30/2025, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund, Invesco SteelPath MLP Alpha Plus Fund and Invesco SteelPath MLP & Energy Infrastructure ETF held 1.08%, 0.00%, 1.02%, 1.05% and 2.20% respectively in DT Midstream.

The S&P 500 Index is a stock market index that measures the stock performance of 500 large companies listed on stock exchanges in the United States. The Alerian MLP Index is a float-adjusted, capitalization-weighted index measuring master limited partnerships, whose constituents represent approximately 85% of total float-adjusted market capitalization. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. An investment cannot be made into an index. Past performance does not guarantee future results.

A yield spread is the difference between yields on differing debt instruments of varying maturities, credit ratings, issuer, or risk level, calculated by deducting the yield of one instrument from the other.

A basis point is one hundredth of a percentage point.

Most MLPs operate in the energy sector and are subject to the risks generally applicable to companies in that sector, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. MLPs are also subject the risk that regulatory or legislative changes could eliminate the tax benefits enjoyed by MLPs which could have a negative impact on the after-tax income available for distribution by the MLPs and/or the value of the portfolio's investments. Although the characteristics of MLPs closely resemble a traditional limited partnership, a major difference is that MLPs may trade on a public exchange or in the over-the-counter market. Although this provides a certain amount of liquidity, MLP interests may be less liquid and subject to more abrupt or erratic price movements than conventional publicly traded securities. The risks of investing in an MLP are similar to those of investing in a partnership and include more flexible governance structures, which could result in less protection for investors than investments in a corporation. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

Energy infrastructure MLPs are subject to a variety of industry specific risk factors that may adversely affect their business or operations, including those due to commodity production, volumes, commodity prices, weather conditions, terrorist attacks, etc. They are also subject to significant federal, state and local government regulation.

There are risks involved with investing in ETFs, including possible loss of money. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Actively managed ETFs are subject to risks similar to stocks, including those related to short selling and margin maintenance. Ordinary brokerage commissions apply. The Fund's return may not match the return of the Index. The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the Fund.

Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 10,000, 20,000, 25,000, 50,000, 80,000, 100,000 or 150,000 Shares.

Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their financial professionals for a prospectus/summary prospectus or visit [invesco.com](https://www.invesco.com).