

## Portfolio managers

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(Since 3/10)

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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

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visit our website at  
[www.invesco.com](http://www.invesco.com)

Midstream equities outperformed the S&P 500 Index in January as fourth quarter earnings season began. Two new liquified natural gas (LNG) export facilities recently started taking gas, with one facility ramping so sharply as to account for as much as 13% of US LNG feedgas in January. Multiple new LNG facilities are expected to contribute to an 85% increase in U.S. LNG exports over the next four years.

## MLP Market Overview

Midstream MLPs, as measured by the Alerian MLP Index (AMZ), ended January up 8.2% on price basis and up 8.8% after distributions are considered. The AMZ outperformed the S&P 500 Index's 2.8% total return loss for the month. The best performing midstream subsector for January was the Propane group, while the Marine subsector underperformed, on average.

MLP yield spreads, as measured by the AMZ yield relative to the 10-Year U.S. Treasury Bond, narrowed by 92 basis points (bps) over the month, exiting the period at 155 bps. This compares to the trailing five-year average spread of 592 bps and the average spread since 2000 of approximately 437 bps. The AMZ's distribution yield at month-end was 6.10%.

West Texas Intermediate (WTI) crude oil exited the month at \$72.53 per barrel, up 1.1% over the period and 4.4% lower year-over-year. Natural gas prices ended November at \$3.04 per million British thermal units (MMbtu), down 16.2% over the month and 45.0% higher than January 2024. Natural gas liquids (NGL) priced at Mont Belvieu exited the month at \$33.13 per barrel, 0.8% higher than the end of December and 3.6% higher than the year-ago period.

## News

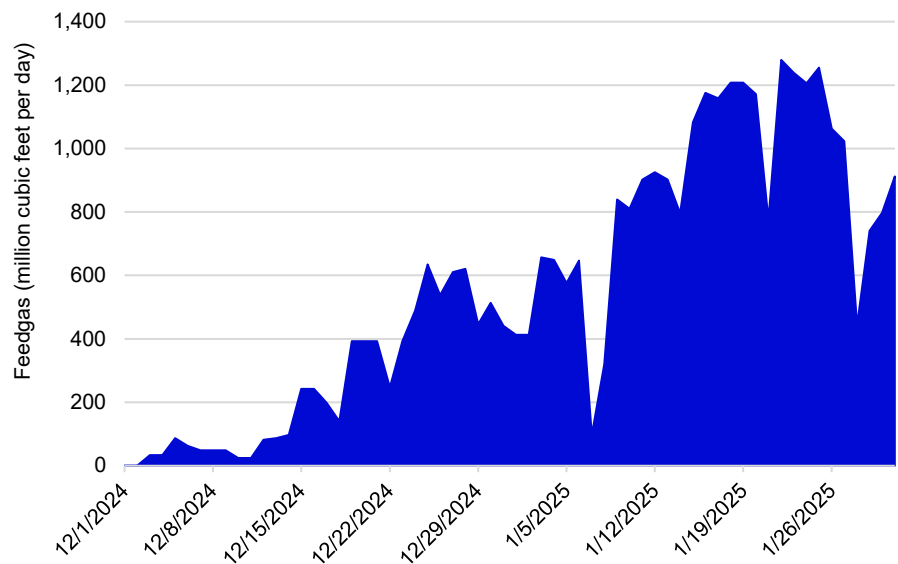
**Plains Starts the Year Off Strong.** In early January, Plains All American Pipeline, LP (NYSE: PAA) announced a series of updates that included three bolt-on acquisitions totaling \$670MM, a 20% distribution increase, and an agreement to buy-in 18% of its Series A preferred stock for \$330MM. PAA noted that it expects to execute these actions while remaining at or below the partnership's 3.25x to 3.75x leverage target.

**OKE Closes ENLC Deal Prompting Special Rebalance of Alerian Indexes.** In late January EnLink Midstream, LLC (NYSE: ENLC) unitholders approved ONEOK's (NYSE: OKE) previously announced acquisition of the remaining publicly held common units of ENLC and the transaction was completed the following day. Consequently, VettaFi, per the Alerian index methodology, executed a special rebalance of the Alerian MLP Index and Alerian MLP Infrastructure Index (AMZI).

**Fourth Quarter Earnings Season Begins.** Fourth quarter reporting season began in January. Through month-end, 29 midstream entities had announced distributions for the quarter, including 14 distribution increases, 14 distributions that were unchanged from the previous quarter, and one distribution reduction (by an entity with a variable/irregular distribution policy). Through the end of January, two sector participants had reported fourth quarter financial results. Though limited, operating performance has been, on average, modestly below expectations with EBITDA, or Earnings Before Interest, Taxes, Depreciation and Amortization, coming in 1.8% lower than consensus estimates and 10.6% higher than the preceding quarter.

**Chart of the month: Next phase of LNG export growth begins in earnest**

U.S. exports of liquified natural gas (LNG) are expected to increase substantially over the next several years as multiple new liquefaction facilities are placed into service. Two such projects began making LNG in late December and one of these facilities increased volumes sharply over January. Venture Global’s (NYSE: VG) Plaquemines facility in Louisiana began taking meaningful volumes of feedgas in mid-December and has subsequently increased volumes to more than 1.2 billion cubic feet per day (Bcf/d). Plaquemines averaged 0.9 Bcf/d over January, accounting for approximately 6% of US LNG feedgas for the month and more than 13% on certain days. Plaquemines is expected to eventually exceed 3 Bcf/d of LNG exports by 2026. Other projects, including Cheniere Energy’s (NYSE: LNG) Corpus Christi Stage 3 and QatarEnergy and ExxonMobil’s (NYSE: XOM) Golden Pass facility, are expected to contribute to an 85% increase in U.S. LNG exports over the next four years.



Source: Bloomberg L.P. as of 1/31/2025. Past performance does not guarantee future results.

## Important information

Source: All data sourced from Bloomberg L.P. as of 1/31/2025 unless otherwise stated.

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 February 10, 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.

Marine companies are dedicated to marine transportation of oil and natural gas.

Propane companies specialize in transporting and delivering propane to customers.

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 12/31/2024, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund and Invesco SteelPath MLP Alpha Plus Fund held 0.92%, 0.00%, 0.00% and 0.95% respectively in Cheneire Energy.

As of 12/31/2024, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund and Invesco SteelPath MLP Alpha Plus Fund held 5.67%, 6.39%, 4.36% and 5.76% respectively in Plains All American Pipeline LP.

As of 12/31/2024, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund and Invesco SteelPath MLP Alpha Plus Fund held 0.93%, 3.98%, 3.96% and 0.93% respectively in EnLink Midstream LLC.

As of 12/31/2024, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Income Fund, Invesco SteelPath MLP Select 40 Fund and Invesco SteelPath MLP Alpha Plus Fund held 6.79%, 0.00%, 2.79% and 6.77% respectively in ONEOK.

As of 12/31/2024, none of the SteelPath funds were invested in Venture Global and ExxonMobil.

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. The Alerian MLP Infrastructure Index is a composite of energy infrastructure Master Limited Partnerships (MLPs). 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 to 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.

**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).**

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