

Portfolio managers

Stuart Cartner

Brian Watson, CFA

Bob Coble

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

For additional information, please
visit our website at
www.invesco.com

Midstream equities had another year of respectable returns in 2025. For the year, the Alerian MLP Index (AMZ) generated a total return of 9.76%, its fifth straight year of attractive, positive returns, comfortably outperforming the S&P 500 Index, real estate investment trusts (REITs),¹ and Utilities² over the trailing five-year period.

MLP market overview

Midstream MLPs, as measured by the Alerian MLP Index, ended December down 1.62% from a price perspective and after distributions are considered. The AMZ underperformed the S&P 500 Index's 0.06% total return for the month. The best performing midstream subsector for December was the Gathering and Processing group, while the Other subsector underperformed, on average.

For the year, the AMZ generated a 2.04% return on a price basis, resulting in a 9.76% return once distributions are considered. This compares to the S&P 500 Index's 16.39% and 17.86% price and total returns, respectively. The Propane group produced the best average total return for the year, while the Gathering and Processing subsector lagged.

MLP yield spreads, as measured by the AMZ yield relative to the 10-Year U.S. Treasury Bond, narrowed by 38 basis points (bps) over the month, exiting the period at 352 bps. This compares to the trailing five-year average spread of 427 bps and the average spread since 2000 of approximately 433 bps. The AMZ's distribution yield at month-end was 7.69%.

West Texas Intermediate (WTI) crude oil exited the month at \$57.42 per barrel, down 1.93% over the period and 19.94% lower year-over-year. Natural gas prices ended December at \$3.69 per million British thermal units (MMbtu), down 24.00% over the month and 1.46% higher than December 2024. Natural gas liquids (NGL) priced at Mont Belvieu exited the month at \$24.69 per barrel, 7.72% lower than the end of November and 24.69% lower than the year-ago period.

News

ET's Desert Southwest projects gets even larger. Energy Transfer (NYSE: ET) announced an increase in the transportation capacity of its planned Desert Southwest expansion project to meet additional customer demand resulting from continued population growth and positive economic momentum throughout Arizona and New Mexico. To meet the need for additional capacity identified through a recent open season, the project's mainline pipeline diameter will be upsized from 42 inches to 48 inches, which will increase the project's capacity to up to 2.3 billion cubic feet per day, depending on final compression configuration. Energy Transfer continues to expect the project to be in service by the fourth quarter of 2029.

Targa buys multiple Permian assets. Targa Resources (NYSE: TRGP) announced agreements to acquire Stakeholder Midstream and Dovetail Midstream. The \$1.25 billion Stakeholder deal included natural gas gathering, treating, and processing services and crude gathering and storage services in the Permian Basin anchored by long-term, fee-based contracts across approximately 170,000 dedicated acres. Separately, Dovetail Midstream's natural gas gathering infrastructure serving production in Eddy County, New Mexico was acquired for \$111 million alongside the \$10 million acquisition of certain compression assets from a separate seller associated with Dovetail.

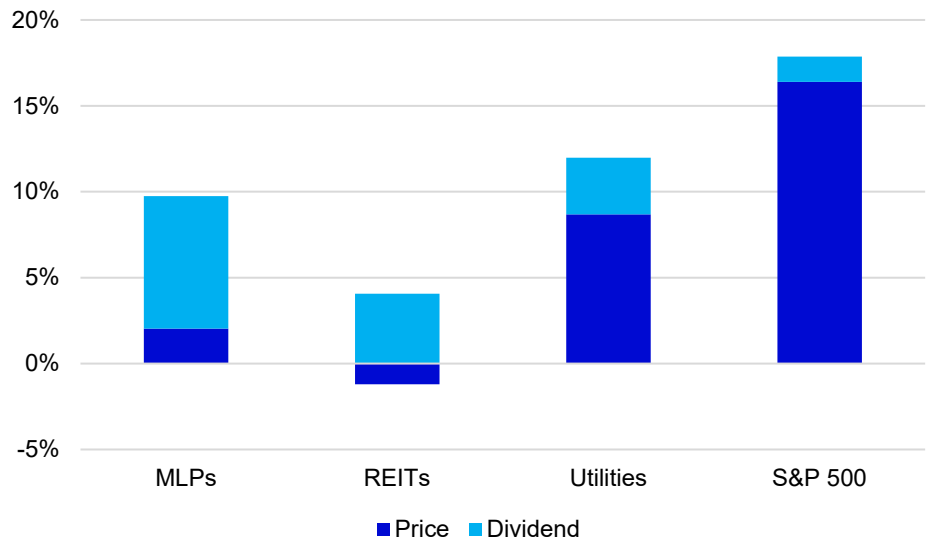
Antero Trades Out of the Utica and Into More Marcellus Assets. Antero Midstream (NYSE: AM) announced the \$1.1 billion acquisition of HG Midstream, a strategic bolt-on acquisition contiguous to AM's assets in the core of the West Virginia Marcellus Shale serving its sponsor, Antero Resources (NYSE: AR), who

concurrently acquired HG's upstream assets. Alongside the HG acquisitions, AR and AM announced the sale of their respective upstream and midstream assets in the Utica Shale in Ohio. AM expects to receive \$400 million in proceeds from the Utica midstream sale.

Chart of the month: Midstream generates another year of solid returns

Midstream equities had another year of respectable returns in 2025. For the year, the Alerian MLP Index generated a total return of 9.76%, handily outperforming the total returns of REITs¹ and modestly lagging Utilities² and the broader S&P 500 Index. The AMZ has amassed five straight years of attractive, positive returns, generating a 5-year cumulative total return of 213.86% (25.69% annualized), as compared to the S&P 500's 95.98% cumulative total return (14.40% annualized) and REITs¹ and Utilities² at 37.85% (6.63% annualized) and 44.69% (7.66% annualized), respectively.

2025 total return comparison



Source: Bloomberg L.P. as of December 31, 2025. MLPs are represented by the Alerian MLP Index. 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 12/31/2025 unless otherwise stated.

1. REITs represented by the FTSE NAREIT Equity REITs Index. The FTSE Nareit Equity REITs Index is a benchmark tracking U.S. Real Estate Investment Trusts (REITs) listed on major exchanges, representing the performance of income-producing real estate across various property types (like apartments, offices, retail, industrial, healthcare) and sectors.
2. Utilities represented by the Dow Jones Utility Average. The Dow Jones Utility Average is a stock market index tracking 15 major U.S. utility companies (electric, gas, water).

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 January 2, 2026. 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.

Gathering companies involve connecting oil and/or natural gas wells to major pipelines through a series of small pipelines. Processing is required for natural gas and involves the removal of potential contaminants and separation of NGLs so that the gas can meet purity standards for pipeline transmission.

Propane companies specialize in transporting and delivering propane to customers.

Other midstream companies include companies that do not fit into the core midstream subsector categories (natural gas transportation, petroleum transportation, gathering and processing etc) and include, but are not limited to, companies that focus on compression and shipping.

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 9/30/2025, 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 13.47%, 13.42%, 6.69%, 18.21% and 4.68% respectively in Energy Transfer LP.

As of 9/30/2025, 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 11.44%, 0.00%, 4.99%, 15.52% and 6.08% respectively in Targa Resources Corp.

As of 9/30/2025, 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 0.00%, 7.02%, 3.06%, 0.00% and 3.52% respectively in Antero Midstream Corp.

As of 9/30/2025, none of the SteelPath Funds held Antero Resources Corp.

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.

MLPs are represented by the Alerian MLP Index. 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 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.

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).