

ALPS CLEAN ENERGY ETF (ACES)

MONTHLY INSIGHTS

November 2018

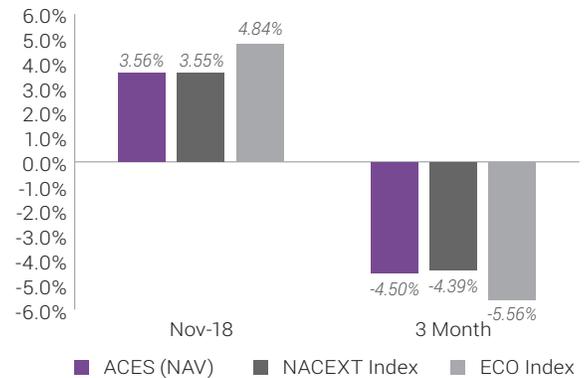
Key Takeaways

- The ALPS Clean Energy ETF (ACES) climbed 3.56% in November 2018.
- Solar was the fund's best-performing theme last month.
- Sunrun Inc. (RUN) was ACES's best-performing individual name last month, gaining 19.49%.

Performance Notes

- The ALPS Clean Energy ETF (ACES) jumped 3.56% last month, but trailed the WilderHill Clean Energy Index (ECO) by 1.28%. For the trailing three months, however, ACES is beating ECO by 1.06%.
- ACES features significant mid- and small-cap exposure. Just as it did in October 2018, ACES once again beat the S&P 1000 Index (SPK) in November 2018. ACES topped SPK by .96% this month.
- ACES has a defensive tilt via a 42.54% weight to the utilities sector, which benefited the fund last month. Most of ACES's utilities holdings are wind power companies.

ACES vs Benchmarks (NAV)



Source: ALPS, Bloomberg L.P., as of 11/30/2018
Past performance is not indicative of future returns.
 For standardized performance, please see Page 3.

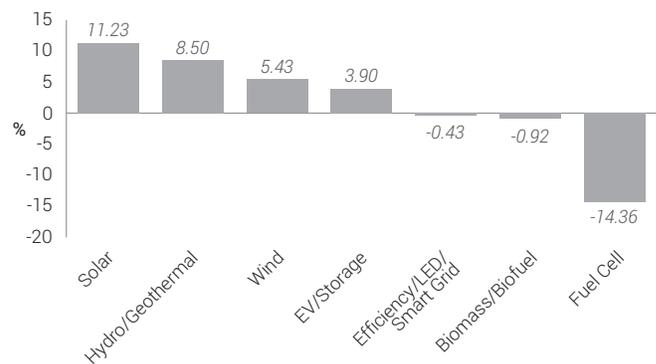
Strategy Breakdown

- 7 thematic sub-segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Company derives a majority of their value from clean energy businesses
- U.S. and Canadian based companies

Return Attribution

- Solar was ACES's best-performing sub-segment last month while Fuel Cell was the worst performer.
- Solar names Sunrun Inc. (RUN, 3.84% weight) and Enphase Energy Inc. (ENPH, 1.45% weight) were the best-performing names in ACES in November 2018. Positive news in the solar space coupled with strong earnings reports boosted both companies.
- Surging battery demand is expected to attract \$620 billion in investments by 2040, driven by falling production costs and increased demand for electric vehicles and solar power.
- On Election Day, seven pro-renewables candidates won governorships across the U.S. One of those incoming governors, Colorado Governor-Elect Jared Polis, is setting a goal of 100% renewables for his state by 2040.

ACES Thematic Sub-Segment Performance - November 2018



Source: Bloomberg L.P., as of 11/30/2018
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Valuation Notes

- ACES's underlying index, the CIBC Atlas Clean Energy Index, has a price-to-earnings ratio (P/E ratio) of 21.76x, a premium to both the WilderHill Clean Energy Index and NASDAQ Clean Edge U.S. Liquid Series Index.

Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	21.76x	13.94x	18.92x
Price/Cash Flow Ratio	8.80x	10.24x	12.12x
Price/Sales Ratio	1.57x	0.86x	1.88x
Average Market Capitalization (in Mil, \$)	6,701	5,559	10,255

Source: Bloomberg L.P., as of 11/30/2018.

ACES Top/Bottom Performers - November 2018

Leaders	Performance	Theme
SUNRUN INC (RUN US)	19.49%	Solar
ENPHASE ENERGY INC (ENPH US)	18.94%	Solar
PATTERN ENERGY GROUP INC -A (PEGI US)	15.46%	Wind
Laggards	Performance	Theme
RENEWABLE ENERGY GROUP INC (REGI US)	-13.29%	Biomass/Biofuel
BALLARD POWER SYSTEMS INC (BLDP US)	-19.89%	Fuel Cell
UNIVERSAL DISPLAY CORP (OLED US)	-25.34%	Efficiency/LED/Smart Grid

Source: Bloomberg L.P., as of 11/30/2018.

Holdings subject to change.

Past performance is not indicative of future results.

November 2018 Company Snapshot

Company: Sunrun Inc. (RUN)

Sub-Segment: Solar

- Sunrun Inc. (RUN), the maker of residential solar energy systems, gained almost 19.50% last month to rank as the best-performing individual name in ACES.
- The company posted a third-quarter loss of 2 cents a share on revenue of \$204.96 million. Analysts expected a loss of 34 cents a share. A year earlier, Sunrun lost 25 cents on revenue of \$141.29 million.
- "Americans are united on the value of rooftop solar energy and batteries in their homes," said Sunrun CEO Lynn Jurich. "It's the future: clean, affordable and reliable energy, which results in less pollution and healthier communities. Our employees are proud to accelerate the country toward a carbon-free and resilient power system with our Brightbox home solar and battery service."¹
- Shares of Sunrun have more than doubled year-to-date, a jaw-dropping departure from the MAC Global Solar Energy Index, which is sporting a double-digit loss for the year.
- In addition to declining production costs, other fundamental factors bode well for long-term residential solar adoption. California recently passed legislation requiring every new home built there starting in 2020 to include rooftop solar panels.
- China reduced solar subsidies earlier this year, which could temper global installation numbers for 2018, but the 2019 outlook is bright.
- "For 2019, however, the analysts expect a significant increase in demand, with module sales estimated at around 112 GW. The reasons are the upgrading of China's solar targets up to 2020, and renewed market growth in India and the U.S.," according to PV Magazine.²
- Sunrun, currently a small-cap stock with a market value of \$1.55 billion, trades at 21.51x forward earnings.³

¹ Source: Sunrun Corporate Statement Nov. 7, 2018 <https://finance.yahoo.com/news/sunrun-reports-third-quarter-2018-210500017.html>

² Source: PV Magazine Dec. 1, 2018 <https://pv-magazine-usa.com/2018/12/01/pv-info-link-expects-solar-demand-to-reach-112-gw-in-2019/>

³ Source: Morningstar <https://www.morningstar.com/stocks/xnas/run/quote.html>

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ACES Performance as of 9/30/18

Total Returns	Cumulative as of 9/30/18			Annualized as of 9/30/18	
	1 Mo.	3 Mo.	S.I.	1 Yr.	S.I. ¹
ALPS Clean Energy ETF (Net Asset Value)	-3.01%	1.19%	1.88%	N/A	1.88%
ALPS Clean Energy ETF (Market Price) ²	-2.51%	1.67%	2.69%	N/A	2.69%
CIBC Atlas Clean Energy Index (Benchmark)	-3.00%	1.31%	1.98%	N/A	N/A

Performance data quoted represents past performance, which is not a guarantee of future results. Current performance may be lower or higher than the performance quoted. You can obtain performance data current to the most recent month end by calling (866)759-5679 or www.alpsfunds.com. The investment return and principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Gross Expense Ratio: **0.65%**

¹ Fund inception date of 06/29/2018

² Market Price is based on the midpoint of the bid/ask spread at 4 p.m. ET and does not represent the returns an investor would receive if shares were traded at other times.

Top 10 Holdings (%)[^]

TESLA INC	6.83%
ORMAT TECHNOLOGIES INC	5.46%
PATTERN ENERGY GROUP INC	5.42%
NORTHLAND POWER INC	5.18%
CREE INC	5.02%
NEXTERA ENERGY PARTNERS	5.01%
BROOKFIELD RENEWABLE PARTNERS	4.78%
COVANTA HOLDING CORP	4.77%
FIRST SOLAR INC	4.70%
SUNRUN INC	4.27%

[^] As of 11.30.2018

Holdings subject to change.

Daily holdings are available on the alpsfunds.com website.

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Important Disclosure & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus which contain this and other information call 866.759.5679 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

ALPS Clean Energy ETF Shares are not individually redeemable. Investors buy and sell shares of the ALPS Disruptive Technologies ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares.

There are risks involved with investing in ETFs including the loss of money. Additional information regarding the risks of this investment is available in the prospectus.

An investment in the Fund is subject to investment risk including the possible loss of the entire principal amount that you invest.

Clean Energy Sector Risk. Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions can significantly affect companies in the clean energy sector. In addition, intense competition and legislation resulting in more strict government regulations and enforcement policies and specific expenditures for cleanup efforts can significantly affect this sector. Risks associated with hazardous materials, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations can significantly affect companies in the clean energy sector. Also, supply and demand for specific products or services, the supply and demand for oil and gas, the price of oil and gas, production spending, government regulation, world events and economic conditions may affect this sector. Currently, certain valuation methods used to value companies involved in the clean energy sector, particularly those companies that have not yet traded publicly, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to increase further the volatility of certain clean energy company share prices.

Concentration Risk. The fund seeks to track the underlying index, which itself may have concentration in certain regions, economies, countries, markets, industries or sectors. Underperformance or increased risk in such concentrated areas may result in underperformance or increased risk in the fund.

Canadian Investment Risk. The fund may be subject to risks relating to its investment in Canadian securities. The Canadian economy may be significantly affected by the U.S. economy, given that the United States is Canada's largest trading partner and foreign investor. Any negative changes in commodity markets could have a great impact on the Canadian economy. Because the fund will invest in securities denominated in foreign currencies and the income received by the fund will generally be in foreign currency, changes in currency exchange rates may negatively impact the fund's return.

Micro-Capitalization Company Risk. Micro-cap stocks involve substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities.

Small- and Mid-Capitalization Company Risk. Smaller and mid-size companies often have narrower markets, less liquidity, more limited

managerial and financial resources and a less diversified product offering than larger, more established companies. As a result, their performance can be more volatile, which may increase the volatility of the Fund's portfolio.

Large Capitalization Company Risk. The large capitalization companies in which the Fund invests may underperform other segments of the equity market or the equity market as a whole. NACEX Index – The CIBC Atlas Clean Energy Index is an adjusted market cap weighted index designed to provide exposure to a diverse set of U.S. or Canadian based companies involved in the clean energy sector including renewables and clean technology.

One cannot invest directly in an index.

The fund is new and has limited operating history.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Clean Energy ETF

There is no assurance that the market developments and sector growth discussed in this Insight will come to pass.

The Fund's investments in non-U.S. issuers may involve unique risks compared to investing in securities of U.S. issuers, including, among others, less liquidity generally, greater market volatility than U.S. securities and less complete financial information than for U.S. issuers. In addition, adverse political, economic or social developments could undermine the value of the Fund's investments or prevent the Fund from realizing the full value of its investments. Finally, the value of the currency of the country in which the Fund has invested could decline relative to the value of the U.S. dollar, which may affect the value of the investment to U.S. investors.

Price/Earnings Ratio - A valuation ratio of a company's current share price compared to its per-share earnings.

Price/Book Ratio - The weighted average of the price/book ratios of all the stocks in a portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value.

Price/Cash Flow Ratio - This represents the weighted average of the price/cash-flow ratios of the stocks in a portfolio. Price/cash-flow represents the amount an investor is willing to pay for a dollar generated from a particular company's operations.

Price/Sales Ratio - This represents the weighted average of the price/sales ratios of the stocks in a portfolio. Price/sales represent the amount an investor is willing to pay for a dollar generated from a particular company's operations.

The NASDAQ Clean Edge U.S. Liquid Series Indexes are modified market capitalization weighted indexes designed to track the performance of clean-energy companies that are publicly traded in the U.S.

*The WilderHill Clean Energy Index is a modified equal dollar weighted index comprised of publicly traded companies whose business's stand to benefit substantially from societal transition toward the use of cleaner energy and conservation. The index benchmark value is 100.00 at the close of trading on December 30, 2002. * Disseminated by AMEX **

The S&P Global Clean Energy Index provides liquid and tradable exposure to 30 companies from around the world that are involved in clean energy related businesses. The index is comprised of a diversified mix of Clean Energy Production and Clean Energy Technology and Equipment Providers companies.

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