

# ALPS | DORSEY WRIGHT SECTOR MOMENTUM ETF

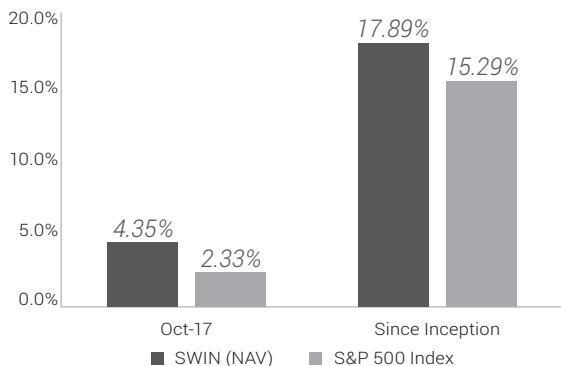
## MONTHLY INSIGHTS

October 2017

### Key Takeaways

- SWIN returned 4.35% in October bringing its total return to 17.89% since its inception on January 10<sup>th</sup> of this year
- Security selection and strong earnings boosted SWIN during October
- Growth strategies widened the gap over value strategies on the back of robust earnings during October 2017

### SWIN Performance (NAV)



### October ALPS | Dorsey Wright Sector Momentum Performance

The ALPS/Dorsey Wright Sector Momentum ETF finished up 4.35% during October, gaining 2.02% more than the S&P 500. SWIN had positive attribution from both its sector allocations and security selection during the month. The strategy avoided Energy, Consumer Staples, and Telecom, which all had negative performance during October. Although the Health Care sector finished negative for the month, SWIN's security selection in the sector contributed 1.22% of positive performance. As of October 31, 2017, SWIN is outperforming the S&P 500 since its launch on January 10<sup>th</sup> by 2.60%.

Source: ALPS, as of 10/31/2017

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](http://www.alpsfunds.com).

For standardized performance, please see Page 3.

### Security selection and strong earnings boosted SWIN during October

In the midst of another earnings season, SWIN had significant positive performance from a number of holdings across several sectors. The strategy's security selection attributed more than 100 basis points in outperformance over the S&P 500 during the month. While 18% of the portfolio had double digit returns, a few familiar names that have been driving SWIN's performance during 2017 contributed the most to SWIN's October performance.

Align Technology Inc.  
+ 28.30%  
Earnings beat by 24%

Nvidia Corp  
+ 15.68%  
Product Launch: GeForce  
GTX 1070 Ti Video Card

Amazon.com Inc  
+ 14.97%  
Adjusted Earnings and  
Revenue beat by 10.96% and  
3.67%, respectively

Huge gains continue this year for several SWIN holdings. Year to date through October 31, 2017: Align is up 148.60%, Nvidia up 94.36%, and Amazon up 47.40%

Source: Bloomberg as of 10/31/2017

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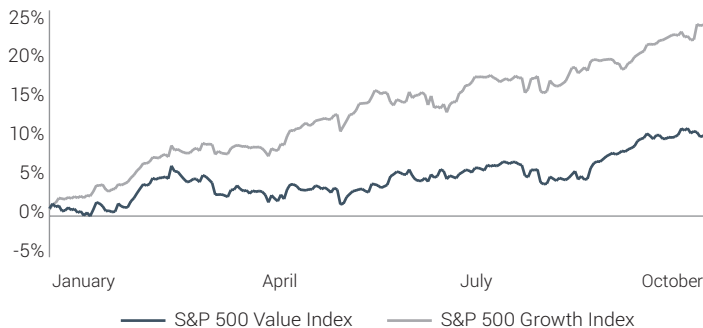
## MONTHLY INSIGHTS

### October 2017

#### Growth strategies widened the gap over value strategies on the back of robust earnings during October 2017

Several months ago, we discussed the 10% dispersion between growth and value strategies during 2017, and how we have not seen this wide of a dispersion among the two since the late 1990's before the tech bubble. Despite a brief swing back towards value in September, a robust earnings season for tech and other cyclical sectors during October has again boosted growth strategies over value strategies. As of the end of October 2017, the S&P Growth Index is outperforming the S&P Value Index by more than 13% year to date. After the large run by growth strategies during the late nineties, value outperformed for a six year period during the early 2000's.

#### Growth Dominates Value YTD



The S&P Growth Index now outperforms the S&P Value Index by 13% year to date, one of the widest dispersions we have seen in decades.

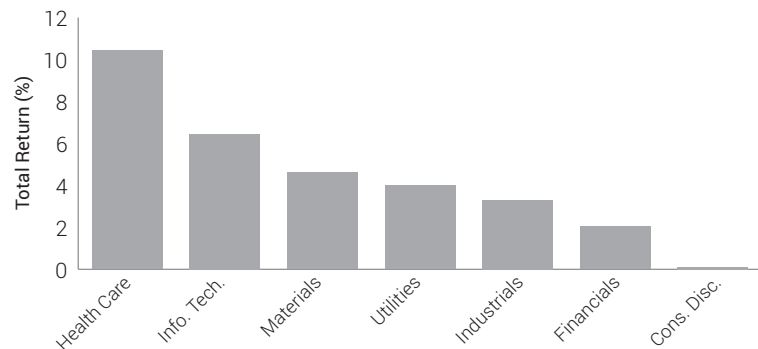
Source: Bloomberg, as of 10/31/17

**Past performance is not indicative of future results.**

#### Sector Performance – October 2017

Performance across the S&P 500 was mostly positive during October. SWIN added 0.87% of alpha from its sector allocations during October. Positive performance from all of SWIN's sector allocations helped drive alpha, while the fund avoided Telecom, Consumer Staples, and Energy: all of which were negative during the month.

#### SWIN Sector Performance – October 2017



Source: Bloomberg, as of 10/31/17

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Refresher: SWIN uses relative strength indicators to determine its sector allocations. The top three ranked sectors are allocated 20% each and the next four sectors receive 10%. The bottom three ranked sectors are avoided.

#### October 2017 Company Snapshot

Nvidia Corp (NVDA)

Sector: Information Technology

NVDA was added to the SWIN portfolio upon the fund's inception on January 10<sup>th</sup>, 2017.

- NVDA designs, develops, and markets three dimensional graphics processors and related software.
- During the month of October, Nvidia returned 15.68%, which makes it now up year to date 94.36%.
- The growth in cryptocurrency mining has been beneficial for Nvidia. Mining requires high computing power, which has driven the demand for high performing video cards. Nvidia launched GeForce GTX 1070 Ti Video Card in October, which is targeted for this purpose. It will be interesting to keep an eye on the growth in sales of this card as we see blockchain technology continue to grow.

#### SWIN Top/Bottom Performers – October 2017

Leaders	Performance	Sector
Align Technology Inc	28.30%	Healthcare
Nvidia Corp	15.68%	Information Technology
Amazon.com Inc	14.97%	Consumer Discretionary
Laggards	Performance	Sector
Advanced Micro Devices	-13.84%	Information Technology
Charter Communications Inc	-8.05%	Telecom
Domino's Pizza Inc	-7.83%	Consumer Discretionary

Source: Bloomberg, as of 10/31/17

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SWIN Monthly Performance as of 9/30/17

Total Returns	Cumulative			
	1 Mo.	3 Mo.	6 Mo.	S.I. <sup>1</sup>
ALPS   Dorsey Wright Sector Momentum ETF (Net Asset Value)	-0.11%	4.35%	7.92%	12.98%
ALPS   Dorsey Wright Sector Momentum ETF (Market Price) <sup>2</sup>	-0.11%	4.42%	7.87%	13.06%
Dorsey Wright US Sector Momentum Index	-0.17%	4.13%	7.51%	12.40%
S&P 500® Total Return Index	2.06%	4.48%	7.71%	12.66%

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Gross Expense Ratio: **0.40%**

<sup>1</sup> Fund inception date of 1/10/17

<sup>2</sup> 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.

### ETF Stats

Ticker:	SWIN
Underlying Index:	DWUSSR
Listing Exchange:	Nasdaq
CUSIP:	00162Q 486
Fund Inception:	1/10/17
Dividends Paid:	Quarterly
Most Recent Dividend*:	\$0.0490
Gross Expense Ratio:	<b>0.40%</b>
NAV**:	\$28.03
Shares Outstanding:	300,002

\* Dividend Paid on September 27, 2017

\*\* As of September 30, 2017

Daily holdings are available on the [Alpsfunds.com](http://Alpsfunds.com) website.

### 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 866.675.2639 or visit [www.alpsfunds.com](http://www.alpsfunds.com). Read the prospectus carefully before investing.

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

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

The Fund is subject to the additional risks associated with concentrating its investments in companies in the market sector.

The Fund is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than a diversified fund.

The fund is new and has limited operating history.

Dorsey Wright US Sector Momentum Index is a rules-based index intended to track the overall performance of the stocks with the highest relative strength or "momentum" within the NASDAQ US Large Mid Cap Index (the "NASDAQ Index") on a sector-by-sector basis.

S&P 500® Index is the Standard & Poor's composite index of 500 stocks, a widely recognized, unmanaged index of common stock prices.

An investor cannot invest directly in an index.

"Relative strength" is an investing strategy that seeks to determine the strongest performing securities by measuring certain factors, such as a security's relative positive performance against the overall market or a security's relative strength value, which is derived by comparing the rate of increase of the security's price to that of a benchmark index. Nasdaq, Inc. (the "Index Provider") uses a proprietary methodology to analyze the relative strength of each security within the universe of eligible securities and determine a "momentum" score. In general, momentum is the tendency of a security to exhibit persistence in its relative strength; a "momentum" style of investing emphasizes investing in securities that have had better recent performance compared to other securities. The momentum score for each security included in the Underlying Index is based on intermediate and long-term upward price movements of the security as compared to a representative benchmark and other eligible securities within the universe.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Dorsey Wright Sector Momentum ETF.

### Top 10 Holdings (%)<sup>^</sup>

Western Alliance Bancorp	2.24
Northrop Grumman Corp	2.15
Abiomed Inc	2.12
Heico Corp	2.12
Sherwin-Williams Co/The	2.09
Wyndham Worldwide Corp	2.07
Cadence Design Sys Inc	2.06
Marketaxess Holdings Inc	2.05
Lockheed Martin Corp	2.05
Amphenol Corp-Cl A	2.04

<sup>^</sup> Source: Bloomberg, as of September 30, 2017  
Subject to change.

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