

ALPS | DORSEY WRIGHT SECTOR MOMENTUM ETF MONTHLY INSIGHTS

July 2018

Key Takeaways

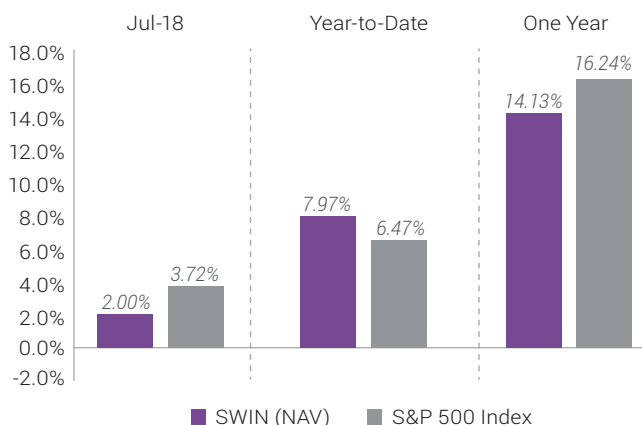
- The ALPS/Dorsey Wright Sector Momentum ETF (SWIN) jumped 2.0% last month, bringing its return for the 12 months ended July 31, 2018 to 14.13%.
- SWIN's Industrial names performed well in July, adding 72 basis points (bps) of performance.
- SWIN's current price-to-earnings ratio (P/E ratio) of 28x is slightly below the trailing 12-month average of 28.1x.

Performance Notes

- In July, SWIN was aided by overweight's in the Energy and Industrial sectors. The fund's best-performing energy name was refiner Marathon Petroleum Corp. (MPC), which added 29 bps of performance.
- Last month, SWIN topped the MSCI USA Momentum Index by 14 bps.

Source: Bloomberg L.P., ALPS, as of 07/31/2018.
Past performance is not indicative of future returns.
For standardized performance, please see Page 3.

SWIN vs Benchmarks (NAV)



Strategy Breakdown

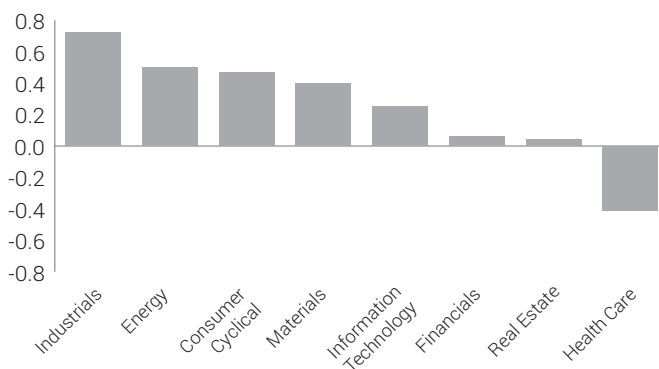
- High conviction tilt towards momentum, screening begins on the sector level followed by 10 equity selections from the top 3 performing momentum sectors and 5 equity selections from the next 4 performing sectors.
- SWIN provides high momentum exposure across the 7 sectors of the market, which had demonstrated the strongest relative strength and equally weighting at the stock level. This provides diversification at both the stock and sector level.

Return Attribution

- Healthcare security selection hindered SWIN last month as ABIOMED, Inc. (ABMD) and Sarepta Therapeutics, Inc. (SRPT) each posted double-digit monthly losses.
- Apparel maker V.F. Corporation (VFC), one of SWIN's components, surged 12.94% last month, bringing its year-to-date (ytd) return to 23.38%. VF's July jolt was buoyed by the company's popular Vans brand and ongoing international growth, including in China.

Source: Bloomberg L.P., as of 07/31/2018.
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Contribution to Return by Sector – July 2018



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Valuation Notes

- SWIN's price multiples exhibit a growth bias relative the S&P 500 Index, which is in line with the funds current holdings.

Source: Bloomberg L.P., as of 07/31/2018.

Price Multiples

	SWIN		S&P 500 Index	
	Current	1 Yr	Current	1 Yr
Price/Earnings Ratio	28.1	28.0	20.7	21.5
Price/Book Ratio	6.0	5.2	3.4	3.3
Price/Cash Flow Ratio	16.1	15.9	14.0	14.3
Price/Sales Ratio	2.6	2.8	2.2	2.2

SWIN Leaders/Laggards – July 2018

Leaders	1 Month Performance (%)	Sector
Marathon Petrol	15.21	Energy
VF CORP	12.94	Consumer Cyclical
O'Reilly Automot	11.85	Consumer Cyclical
Lockheed Martin	10.38	Industrials
Roper Technolog	9.58	Industrials
Laggards	1 Month Performance (%)	Sector
Abiomed Inc	-13.33	Health Care
Sarepta Therapeu	-12.06	Health Care
Facebook Inc - A	-11.19	Information Technology
Electronic Arts	-8.70	Information Technology
Domino's Pizza	-6.91	Consumer Cyclical

Source: Bloomberg L.P., as of 07/31/2018.

Holdings subject to change.

Past performance is not indicative of future returns.

Company Snapshot:

Company: V.F. Corporation (VFC)

Sector: Consumer Goods

- Weight: 2.18% (as of Aug. 1)
- Apparel maker V.F. Corporation (VFC) jumped 12.94% last month, making it the second-best performer in SWIN's lineup behind only Marathon Petroleum.
- Last month, V.F. reported fiscal first-quarter earnings per share (EPS) of 43 cents, easily topping the consensus estimate of 32 cents. Adjusted earnings jumped 56%. Sales for the quarter climbed to \$2.79 billion.
- More than the first-quarter results, investors cheered V.F.'s bullish guidance for the rest of 2018. The company forecast EPS of \$3.52 to \$3.57 on sales of \$13.6 billion to \$13.7 billion. Analysts were expecting EPS of \$3.56 on sales of \$13.594 billion.
- Last month, at least half a dozen sell-side analysts issued positive calls on V.F. As both Bank of America/Merrill Lynch and JPMorgan upgraded the stock. Stifel raised its price target on V.F. twice in July first to \$100 from \$91 and later to \$105 from \$100. RBC Capital Markets initiated coverage of V.F., the parent of the popular Timberland brand, with an Outperform rating and a price target of \$102.
- Shares of V.F. closed just over \$92 on July 31.

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SWIN Performance as of 6/30/18

Total Returns	Cumulative			Annualized	
	1 Mo.	3 Mo.	YTD	1 yr.	S.I. ¹
ALPS Dorsey Wright Sector Momentum ETF (Net Asset Value)	-0.45%	4.72%	5.88%	16.04%	16.78%
ALPS Dorsey Wright Sector Momentum ETF (Market Price) ²	-0.35%	4.68%	6.16%	16.23%	16.91%
Dorsey Wright US Sector Momentum Index	-0.53%	4.73%	5.92%	15.83%	16.40%
S&P 500® Total Return Index	0.62%	3.43%	2.65%	14.37%	15.32%

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 and investment return of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Gross Expense Ratio: 0.40%

¹ Fund inception date of 1/10/17.

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 (%)[^]

SAREPTA THERAPEU	2.29
TRANSDIGM GROUP	2.23
MARATHON PETROLE	2.22
SHERWIN-WILLIAMS	2.21
VF CORP	2.20
O'REILLY AUTOMOT	2.18
BECTON DICKINSON	2.18
AMERICAN TOWER C	2.16
ROPER TECHNOLOGI	2.14
LOCKHEED MARTIN	2.12

[^] As of 07.31.2018. Holdings subject to change.

Daily holdings are available on the 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. 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.

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.

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.

"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.

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