

ALPS | DORSEY WRIGHT SECTOR MOMENTUM ETF MONTHLY INSIGHTS

August 2018

Key Takeaways

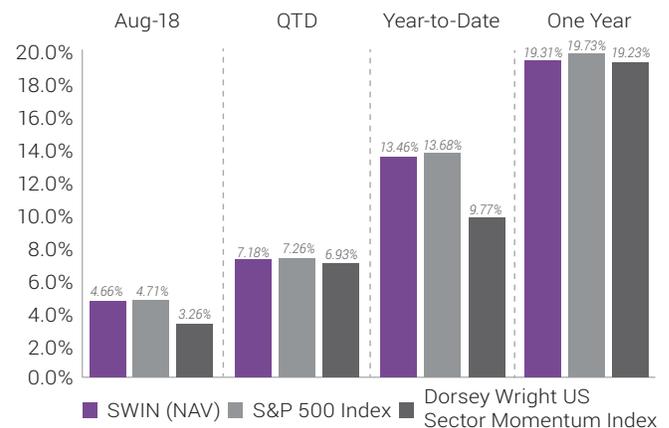
- The ALPS/Dorsey Wright Sector Momentum ETF (SWIN) jumped 4.66% last month, bringing its gain for the 12 months ended Aug. 31, 2018 to 19.31%.
- SWIN's Technology names performed well in August, adding 264 basis points (bps) of performance.
- SWIN's current price-to-earnings ratio (P/E ratio) of 28x is in line with the trailing 12-month average of 28x.

Performance Notes

- SWIN's large overweight in Technology boosted the fund last month. Mobile payments provider Square, Inc. (SQ) was SWIN's best-performing individual tech name in August, adding 75 bps of performance.

Source: Bloomberg L.P., ALPS, as of 08/31/2018.
Past performance is not indicative of future returns.
For standardized performance, please see Page 3.

SWIN vs Benchmarks (NAV)



Strategy Breakdown

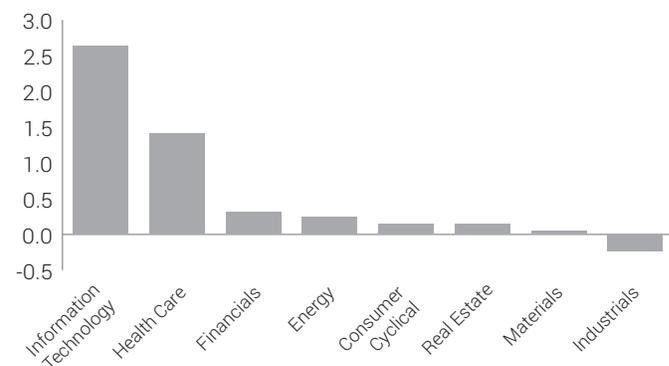
- High conviction tilt towards momentum, screening begins on the sector level followed by 10 equity selections from the top 3 performing momentum sectors and 5 equity selections from the next 4 performing sectors.
- SWIN provides high momentum exposure across the 7 sectors of the market, which had demonstrated 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 reversed for the better in August with Exact Sciences (EXAS) and Sarepta Therapeutics (SRPT) contributing 48 bps and 43 bps, respectively, of returns.
- Square was SWIN's best-performing individual name with a breathtaking August gain of 37.11%. Square's strong growth in its subscription and service revenues (127% year-over-year growth) combined with quick adoption of its recent acquisition of Caviar food delivery are driving strong performance.

Source: Bloomberg L.P., as of 08/31/2018.
Past performance is not indicative of future results.

Contribution to Return by Sector – August 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 08/31/2018.

Price Multiples

	SWIN		S&P 500 Index	
	Current	1 Yr	Current	1 Yr
Price/Earnings Ratio	27.9x	28.0x	21.0x	21.5x
Price/Book Ratio	6.4x	5.3x	3.5x	3.3x
Price/Cash Flow Ratio	16.4x	15.9x	13.7x	14.3x
Price/Sales Ratio	2.7x	2.8x	2.2x	2.2x

SWIN Leaders/Laggards – August 2018

Leaders	1 Month Performance (%)	Sector
SQUARE INC - A	37.11	Information Technology
EXACT SCIENCES	28.13	Health Care
SAREPTA THERAPEU	18.75	Health Care
APPLE INC	20.04	Information Technology
AMAZON.COM INC	13.24	Consumer Cyclical
Laggards	1 Month Performance (%)	Sector
SCIENTIFIC GAMES	-36.94	Consumer Cyclical
WESTLAKE CHEMICA	-11.57	Materials
ELECTRONIC ARTS	-11.91	Information Technology
TRANSDIGM GROUP	-6.80	Industrials
BOOKING HOLDINGS	-3.80	Consumer Cyclical

Source: Bloomberg L.P., as of 08/31/2018.

Holdings subject to change.

Past performance is not indicative of future returns.

Company Snapshot:

Company: Square, Inc. (SQ)

Sector: Information Technology

- Mobile payments provider Square, Inc. (SQ) surged 37.11% last month, making it not only one of the leading names in SWIN, but one of the best-performing domestic technology stocks. Shares of Square were boosted by a mid-August report that the company's Cash app, a mobile application, is beating PayPal's (PYPL) Venmo in terms of number of downloads.
- "The Cash app's cumulative downloads now total 33.5 million, exceeding Venmo's 32.9 million for the first time ever, after Square's service grew three times faster than its competitor from PayPal in July," reports CNBC, citing data from Sensor Tower and Nomura Instinet.
- In a note out last month, Nomura Instinet analyst Dan Dolev said Square's Cash app could contribute \$30 million to \$40 million in revenue this year. The analyst said Cash app could generate \$100 million in revenue for Square by 2020. Dolve has a Buy rating on Square and, last month, boosted his price target on the stock to \$86.
- At least three other sell-side analysts upped their price targets on Square in August with Guggenheim taking its Square target to \$100 from \$75 on Aug. 29th.
- In other news, Square is also working with Mastercard (MA) to reduce the irksome wait times associated with chip-based credit and debit cards. Square said it has been able to reduce the processing time on chip cards to two seconds, which is well below what some traditional retailers on chip-reading terminals in stores.

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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	2.50
SQUARE INC - A	2.29
O'REILLY AUTOMOT	2.27
APPLE INC	2.23
SHERWIN-WILLIAMS	2.20
AMAZON.COM INC	2.19
VF CORP	2.19
MARATHON PETROLE	2.18
BECTON DICKINSON	2.16
ASHLAND GLOBAL H	2.16

[^] As of 08.31.2018. 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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