

# ALPS EMERGING SECTOR DIVIDEND DOGS ETF

## MONTHLY INSIGHTS

September 2017

### Key Takeaways

- The ALPS Emerging Sector Dividend Dogs ETF (Ticker: EDOG) returned -1.2% last month, bringing its total return to 15.2% YTD and 13.6% for the one year period ending September 30, 2017.
- Emerging Markets cooled off after a stellar start to the year, with the MSCI EM Index down -0.4% for the month.
- Large Cap names outperformed Small Cap as the U.S. Dollar rebounded.

### Performance

EDOG returned -1.2% during the final month of the third quarter, underperforming the MSCI EM Index's return of -0.4%. As economic data in the developed world continues to improve for the most part, hawkish tones from the Fed on rate hikes and balance sheet unwinding helped the U.S. Dollar rebound off of YTD lows made in September, taking some steam out of EM's YTD run.

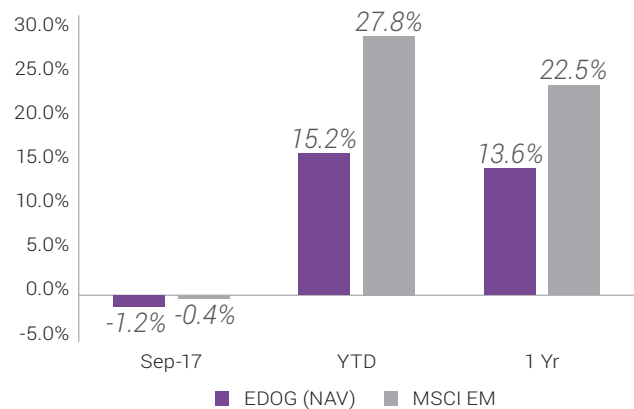
From an attribution perspective, EDOG's large tilt to Mid Cap names relative to the MSCI EM Index was a key source of underperformance, as smaller cap names, which are typically more isolated from the global economy, significantly underperformed large cap counterparts.

Source: Bloomberg

**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 visit [www.alpsfunds.com](http://www.alpsfunds.com).**

For standardized performance, please see Page 3.

EDOG Performance (NAV)



### Country Attribution – South Africa

South Africa was the largest detractor to the fund from a country perspective. Macroeconomic data has been largely negative for the country, and forecasts have been coming in largely negative as well. However, from a dividend yield standpoint, none of the investments in South Africa have cut dividend payments.

### Contribution to Return



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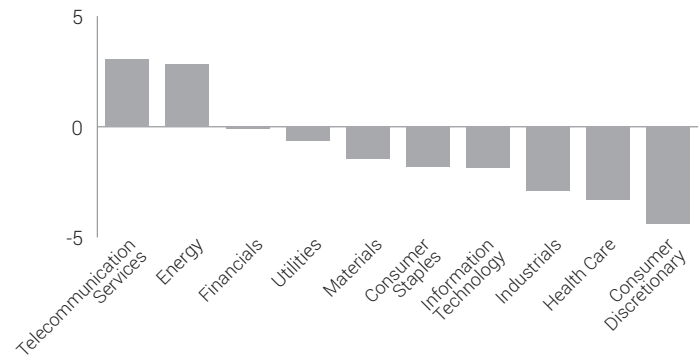
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### Sector Performance

At the sector level, performance was positive across 2 of the 10 GICS sectors (ex-Real Estate) in the month of September. The top performing sectors were Telecom and Energy, up 3.0% and 2.8% respectively. The laggards at the sector level were Consumer Discretionary and Health Care, which fell -4.4% and -3.3% respectively.

EDOG Sector Performance - September 2017



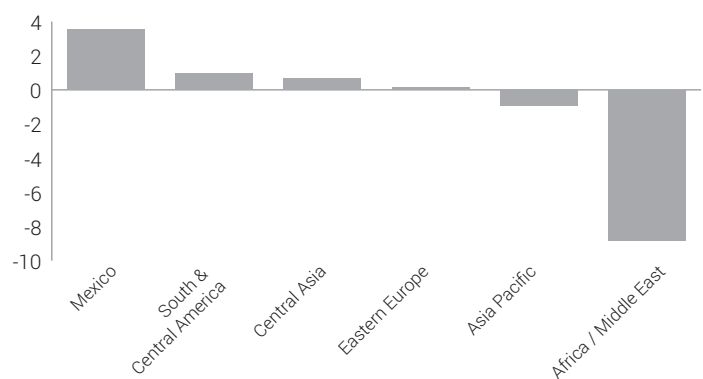
Source: Bloomberg L.P. as of 09/30/17.

Past performance is not indicative of future results.

### Geographical Performance

Performance across emerging market regions was mixed in September. Mexico was the top regional performer while Africa/Middle East and Asia Pacific were the top regional detractors for EDOG.

EM Regional Total Return - September



Leaders	Performance	Sector
MEGAFON-REG S GDR	16.53%	Telecommunication Services
DR. REDDY'S LABORATORIES-ADR	10.84%	Health Care
ASTRO MALAYSIA HOLDINGS BHD	7.58%	Consumer Discretionary
Laggards	Performance	Sector
LIFE HEALTHCARE GROUP	-13.31%	Health Care
TURK SISE VE CAM FABRIKALARI	-10.29%	Industrials
IMPERIAL HOLDINGS LTD	-10.08%	Consumer Discretionary

### Company Spotlight

Company: MegaFon PJSC (MFON LI)  
Sector: Telecom

MFON LI was a new addition to the 2017 portfolio at reconstitution in December 2016.

- MegaFon PJSC is a telecom service provider, operating in all segments of the telecom market in all regions of Russia.
- The strong return last month was catalyzed by anticipated growth after the firm applied for 5G spectrum. In addition, buy ratings from sell-side research institutions and credit rating upgrades also contributed to the firm's increased stock performance.
- MFON LI returned 16.53% last month, and is up 28.76% YTD.

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EDOG Performance as of 9/30/17

Total Returns	Cumulative				Annualized		
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	S.I. <sup>1</sup>
ALPS Emerging Sector Dividend Dogs ETF (Net Asset Value)	-1.19%	4.93%	15.20%	11.18%	13.55%	1.01%	3.06%
ALPS Emerging Sector Dividend Dogs ETF (Market Price) <sup>2</sup>	-1.06%	5.08%	15.70%	11.82%	13.13%	1.16%	3.23%
MSCI EM TR Net Index (Benchmark)	-0.40%	7.89%	27.78%	21.13%	22.46%	4.90%	5.61%
S-Network <sup>®</sup> Emerging Sector Dividend Dogs NTR Index <sup>3</sup>	-1.10%	5.16%	15.78%	14.82%	14.40%	1.96%	4.01%

Performance data quoted represents past performance. Past performance does not guarantee future results. Current performance may be higher or lower than actual data quoted. Call 1.866.675.2639 or visit [www.alpssectordividenddogs.com](http://www.alpssectordividenddogs.com) for current month end performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

<sup>1</sup> Fund inception date of 3/27/2014.

<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.

<sup>3</sup> The S-Network<sup>®</sup> Emerging Sector Dividend Dogs Index (Ticker: EDOGX) is a portfolio of stocks derived from a universe of mainly large capitalization stocks domiciled in emerging markets (the "S-Network Emerging Markets Index" "SNEMX"). One cannot invest directly in an index.

### ETF Stats

Ticker:	EDOG	MEGAFON-REG S GDR	2.33
Underlying Index:	EDOGXTR	DR. REDDY'S LABORATORIES	2.18
Listing Exchange:	NYSE Arca	SURYA CITRA MEDIA PT TBK	2.14
CUSIP:	0016Q668	ASTRO MALAYSIA HOLDINGS	2.13
Fund Inception:	3/27/14	LUKOIL PJSC-SPON ADR	2.13
Dividends Paid:	Quarterly	CEZ AS	2.13
Most Recent Dividend*:	\$0.24	IRPC PCL	2.11
Gross Expense Ratio:	0.60%	PHOSAGRO PJSC-GDR REG S	2.11
NAV**:	\$24.50	LENOVO GROUP LTD	2.10
Shares Outstanding:	1.90 Million	KIMBERLY-CLARK DE MEXICO	2.07

\* Dividend Paid on September 27, 2017

\*\* As of September 30, 2017

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

<sup>^</sup> As of September 30, 2017. Holdings subject to change.

### 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 Emerging Sector Dividend Dogs ETF Shares are not individually redeemable. Investors buy and sell shares of the ALPS Emerging Sector Dividend Dogs 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.

The Fund is subject to the additional risks associated with concentrating its investments in companies in the market sector. Diversification does not eliminate the risk of experiencing investment losses. 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, 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. Financial reporting standards for companies based in foreign markets differ from those in the United States. 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. An investor cannot invest directly in an index. Investing in emerging markets accentuates these risks.

The S-Network<sup>®</sup> Emerging Sector Dividend Dogs Index (Ticker: EDOGX) is a portfolio of stocks derived from a universe of mainly large capitalization stocks domiciled in emerging markets (the "S-Network<sup>®</sup> Emerging Markets Index" "SNEMX"). The EDOGX methodology selects the five stocks in each of the ten GICS sectors that make up the universe which offer the highest dividend yields as of the last trading day of November. The fifty stocks that are selected for inclusion in the portfolio are equally weighted. The universe includes stocks whose domicile and primary exchange listings are in countries identified by the World Bank as Upper Middle Income (certain lower middle income countries are also included, as well as stocks traded on the Taiwan Stock Exchange despite non-recognition by the World Bank). The selection criteria for the universe, in addition to the aforementioned country qualifications, also include requirements for sector inclusion, primary exchange listing, minimum market capitalization, share price, average daily trading volume and other factors.

Dogs of the Dow Theory: an investment strategy which proposes that an investor annually select for investment the ten Dow Jones Industrial Average stocks whose dividend is the highest fraction of their price.

MSCI EM TR Net Index: a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Emerging Sector Dividend Dogs ETF

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