What’s Inside

Performance, Characteristics and Allocations

At the conclusion of Q3 2016, ALPS Medical Breakthroughs ETF (SBIO) closed at $26.08, up 14.89% from the previous quarter. SBIO underperformed the S&P Biotechnology Select Industry TR Index (SPSIBITR) performance of 22.42%.

Constituent Analysis

For the quarter, total return was positive for 59 names and negative for 22. The top performing security was Clovis Oncology Inc. (CLVS) with a total return of 162.76% for the quarter, while the worst performer was Seres Therapeutics Inc. (MCRB) at -57.69%.

Drug Pipeline

Out of 1009 total drugs in the pipeline for the 80 SBIO constituents, 43.90% were in Phase II or Phase III FDA trials as of 09/30/2016. In Q3, 2 pharmaceutical drugs in the fund received FDA approval while 1 tentatively received approval.

Performance as of 9/30/16

<table>
<thead>
<tr>
<th>Total Returns</th>
<th>3 Month</th>
<th>6 Month</th>
<th>YTD</th>
<th>1 Year</th>
<th>Cumulative</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALPS Medical Breakthroughs ETF (Net Asset Value)</td>
<td>14.89%</td>
<td>18.76%</td>
<td>-17.83%</td>
<td>-6.56%</td>
<td>5.84%</td>
<td>3.30%</td>
</tr>
<tr>
<td>ALPS Medical Breakthroughs ETF (Market Price)</td>
<td>14.90%</td>
<td>18.82%</td>
<td>-17.79%</td>
<td>-6.53%</td>
<td>5.80%</td>
<td>3.27%</td>
</tr>
<tr>
<td>Poliwogg Medical Breakthroughs Total Return Index</td>
<td>15.01%</td>
<td>19.07%</td>
<td>-17.53%</td>
<td>-6.08%</td>
<td>6.80%</td>
<td>3.83%</td>
</tr>
</tbody>
</table>

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 1.844.234.5852 or visit www.alpsfunds.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.

1 Fund inception date of 12/31/14. Total Return for a period less than one year is not annualized.

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.

Contact Info

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ETF Stats

Ticker: SBIO
Underlying Index: Poliwogg Medical Breakthroughs Index (PMBI)
Listing Exchange: NYSE Arca
CUSIP: 00162Q 593
Fund Inception: 12/30/14
Dividends Paid: Annually
Gross Expense Ratio: 0.50%
Performance & Characteristics

SBIO 1 Year Performance (NAV)

11/27/15
High – $32.76

2/8/16
Low – $20.01

*Source: Bloomberg NAV returns as of 9/30/16. Past performance is not indicative of future results.

Fundamentals & Risk

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price to Earnings Ratio</td>
<td>21.65</td>
</tr>
<tr>
<td>Price to Earnings Ratio using FY1 Est</td>
<td>9.54</td>
</tr>
<tr>
<td>Price to Earnings Ratio using FY2 Est</td>
<td>8.00</td>
</tr>
<tr>
<td>Price to Book Ratio</td>
<td>3.40</td>
</tr>
<tr>
<td>Price to Sales Ratio</td>
<td>6.20</td>
</tr>
<tr>
<td>Price to Cash Flow Ratio</td>
<td>12.79</td>
</tr>
<tr>
<td>Beta</td>
<td>1.46</td>
</tr>
<tr>
<td>Volatility</td>
<td>36.08%</td>
</tr>
</tbody>
</table>

Profile

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max Market Cap (Million $)</td>
<td>$4,488</td>
</tr>
<tr>
<td>Min Market Cap (Million $)</td>
<td>$55</td>
</tr>
<tr>
<td>Total Market Cap (Agg, Million $)</td>
<td>$107,008</td>
</tr>
<tr>
<td>Weighted Avg. Market Cap (Agg, Million $)</td>
<td>$2,318</td>
</tr>
</tbody>
</table>

Market Cap Breakdown

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Cap</td>
<td>0.00%</td>
</tr>
<tr>
<td>Mid Cap</td>
<td>53.13%</td>
</tr>
<tr>
<td>Small Cap</td>
<td>46.87%</td>
</tr>
</tbody>
</table>

Geography

- United States: 93.42%
- France: 3.05%
- Belgium: 2.81%
- Israel: 0.38%
- Canada: 0.34%

Sector

- Biotechnology: 75.88%
- Pharmaceuticals: 24.12%

Market Cap

- Mid Cap: 53.13%
- Small Cap: 46.87%

*Source: Bloomberg Data as of 9/30/16. Beta is to the S&P 500 Index.*

*Source: Bloomberg as of 9/30/2016*
Constituent Analysis
Total Return Dispersion - 3Q 2016

Past performance is not indicative of future results. Subject to change.
*Bloomberg as of 9/30/2016
**Drug Pipeline**

PMBI Drug Development Pipeline

- **Pre-Clinical**: 260
- **Phase I**: 256
- **Phase II**: 319
- **Phase III**: 124
- **Regulatory Filing for Approval**: 45
- **Other**: 5

*The median cash burn for SBIO constituents is 39 months*

**Merger And Acquisition Watch**

<table>
<thead>
<tr>
<th>Action Type</th>
<th>Announcement Date</th>
<th>Effective Date</th>
<th>Target Company</th>
<th>Acquirer</th>
<th>% Sought/ Acquired</th>
<th>Deal Value</th>
<th>Premium Announced*</th>
<th>Premium Final*</th>
</tr>
</thead>
<tbody>
<tr>
<td>M/A</td>
<td>9/14/16</td>
<td>12/31/16</td>
<td>Vitae Pharmaceuticals Inc. (VTAE)</td>
<td>Allergan plc (AGN)</td>
<td>100%</td>
<td>$540.6M</td>
<td>175.21%</td>
<td>0.19%</td>
</tr>
</tbody>
</table>

*Bloomberg as of 9/30/16.*
Important Disclosures & 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 844.234.5852 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

Shares of Exchange Traded Funds (ETFs) are not individually redeemable and owners of the shares may acquire those shares from the ETF and tender those shares for redemption to the ETF in Creation Units only, see the ETF prospectus for additional information regarding Creation Units. Investors may purchase or sell ETF shares throughout the day through any brokerage account, which will result in typical brokerage commissions.

This fund may not be suitable for all investors. There are risks involved with investing in ETFs including the loss of money. The Fund is considered non-diversified and as a result may experience greater volatility than a diversified fund. The Fund’s investments are concentrated in the pharmaceutical and biotechnology industries, and underperformance in these areas may result in underperformance in the Fund. Investments in small and micro capitalization companies are more volatile than companies with larger market capitalizations.

Companies in the pharmaceutical and biotechnology industry may be subject to extensive litigation based on product liability and similar claims. Legislation introduced or considered by certain governments on such industries or on the healthcare sector cannot be predicted.

Companies in the pharmaceutical industry are subject to competitive forces that may make it difficult to raise prices and, in fact, may result in price discounting. The profitability of some companies in the pharmaceuticals industry may be dependent on a relatively limited number of products. In addition, their products can become obsolete due to industry innovation, changes in technologies or other market developments. Many new products in the pharmaceuticals industry are subject to government approvals, regulation and reimbursement rates. The process of obtaining government approvals may be long and costly. Many companies in the pharmaceuticals industry are heavily dependent on patents and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

The development of new drugs generally has a high failure rate, and such failures may negatively impact the stock price of the company developing the failed drug. Biotechnology companies may have persistent losses during a new product’s transition from development to production. In order to fund operations, biotechnology companies may require financing from the capital markets, which may not always be available on satisfactory terms or at all.

Basis Point - A basis point, or bp, is a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001), and is used to denote the percentage change in a financial instrument.

Beta - A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. The beta of the market is 1.00 by definition. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile.

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

Price to Sales - A valuation metric for stocks calculated by dividing the company’s market cap by the revenue in the most recent year; or, equivalently, divide the per-share stock price by the per-share revenue. A ratio for valuing a stock relative to its own past performance, other companies or the market itself.

Price to Cash Flow - The ratio of a stock’s price to its cash flow per share. The price-to-cash-flow ratio is an indicator of a stock’s valuation. A measure of the market’s expectations of a firm’s future financial health.

Volatility - A statistical measure of the dispersion of returns for a given security or market index and expressed as a percentage of the stock price, indicating a standard deviation move over the course of a year.

Cash Burn - The rate at which a new company depletes its cash resources or capital before producing a positive cash flow. The burn rate is usually expressed as the amount of capital used per month.

S&P Biotechnology Select Industry Index: The Index comprises stocks in the S&P Total Market Index that are classified in the GICS biotechnology sub-industry.

GICS Biotech Sub-Industry - Companies primarily engaged in the research, development, manufacturing and/or marketing of products based on genetic analysis and genetic engineering. Includes companies specializing in protein-based therapeutics to treat human diseases. Excludes companies manufacturing products using biotechnology but without a healthcare application.

Poliwogg Medical Breakthroughs Index: The index consists of small and mid-cap pharmaceutical and biotechnology stocks listed on US stock exchanges that have one or more drugs in either Phase II or Phase III US FDA clinical trials.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Medical Breakthroughs ETF.

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