

ALPS WEEKLY ETF SPOTLIGHT

SDOG – ALPS Sector Dividend Dogs ETF

09.07.2018

Domestic Dividend Factors	S-Net Sector Dividend Dogs Total Return Index (SDOGXTR)	S&P 500 Index (SPX)	S&P 500 Value Index (SVX)	S&P 500 Pure Value (SPXPV)
1 Week Return	-0.28%	-1.03%	-0.29%	-0.71%
QTD Return	3.50%	6.05%	5.22%	4.90%
YTD Return	2.66%	8.86%	2.88%	5.24%

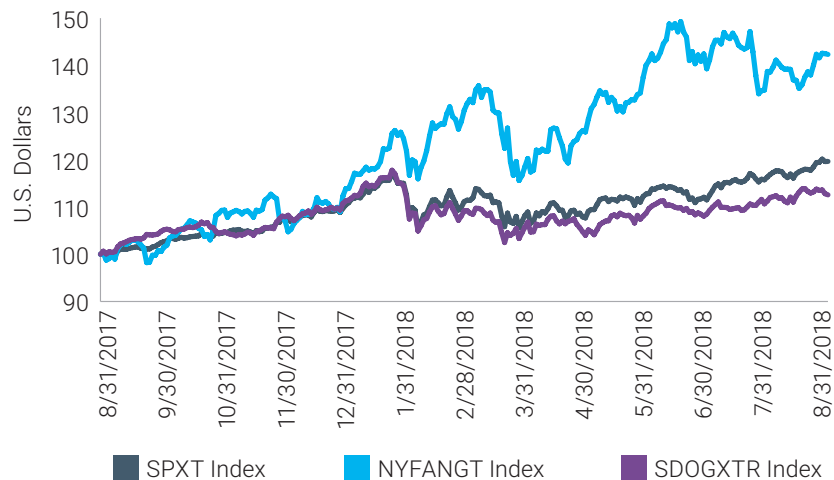
Source: Bloomberg, as of September 7, 2018. **Past performance is not indicative of future results.** For standardized performance of the fund please [click here](#).

- Last week, headline risk around government regulations on some of the hyper-growth market leaders, such as Facebook (FB), Amazon (AMZN), and Google (GOOG), prompted a visible rotation into value stocks.
- Talk of government regulations come on the heels of weaker earnings for some of these market darlings, such as Facebook, Nvidia (NVDA) and Netflix (NFLX), which had also resulted in a brief rotation to value stocks over the past few months.
- In addition, fears of an Emerging Market contagion last week led investors to bid up the more defensive (value) sectors, such as Utilities, Telecom, and Consumer Staples, which benefited the ALPS Sector Dividend Dogs ETF (SDOG).

"It's not a question of 'if' regulation, it's a question of 'what type'; we're open to regulation. We work with lawmakers all over the world." – Sheryl Sandberg, COO Facebook Inc.

"New regulations are expensive in terms of compliance, as companies need to transform data tracking and gathering systems, reporting functions and, in some cases, their organizational structures. At the same time, these regulations can limit revenue growth and profitability." – Kasia Morena, Forbes

SDOG v SPX v NYFANG 1YR Growth of \$100



SDOG: A Possible FAANG Hedge?

- Over the last year, the S-Net Dividend Dogs Total Return Index has outperformed the S&P500 Index 29% of the time when FAANG stocks show weakness.
- Over the last year, the S-Net Dividend Dogs Total Return Index has underperformed the S&P500 Index 39% of the time when FAANG stocks show strength.
- FAANG stocks represent almost 12% of the S&P 500 index, yet contributed to almost 25% of its 1yr returns. SDOGXTR, which does not hold FAANG stocks, may benefit relative to the S&P 500 index with any rotation away from FAANG stocks.

Source: Bloomberg, as of 08/31/18. **Past performance is not indicative of future results.**

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Top 10 Holdings*

CENTURYLINK INC	2.56%
ELI LILLY & CO	2.52%
PPL CORP	2.48%
CF INDUSTRIES HOLDINGS	2.43%
QUALCOMM INC	2.40%
FIRSTENERGY CORP	2.34%
TARGET CORP	2.34%
PFIZER INC	2.34%
MERCK & CO. INC.	2.28%
ARCHER-DANIELS-MIDLAN	2.27%

* Source Bloomberg, L.P., as of 9/6/2018
(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. Read the prospectus carefully before investing.

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

An investor cannot invest directly in an index.

The S-Network Sector Dividend Dogs Index is designed to serve as a fair, impartial and transparent measure of the performance of US large cap equities with above average dividend yields.

The S&P 500® is an index of 500 stocks chosen for market size, liquidity and industry grouping among other factors. S&P 500: an index of 500 stocks chosen for market size, liquidity and industry grouping among other factors.

The S&P 500 Pure Value Index is a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics by using a style-attractiveness-weighting scheme.

The S&P 500 Value Index measures value stocks using three factors: the ratios of book value, earnings, and sales to price. S&P Style Indices divide the complete market capitalization of each parent index into growth and value segments. Constituents are drawn from the S&P 500.

The NYSE FANG+ Index is an equal-dollar weighted index designed to represent a segment of the technology and consumer discretionary sectors consisting of highly-traded growth stocks of technology and tech-enabled companies such as Facebook, Apple, Amazon, Netflix, and Alphabet's Google.

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

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