



## **“ALPS MEDICAL BREAKTHROUGHS ETF” LOOKS TO CAPITALIZE ON NEW ERA FOR DRUG COMPANIES**

### ***Thematic Fund Targets Innovative Biotechnology Firms Focusing On R&D***

**DENVER – December 31, 2014** – ALPS, a DST Company focused on asset management and asset servicing, today announced the launch of the ALPS Medical Breakthroughs ETF (NYSE Arca: SBIO), the first exchange-traded fund built specifically to capture R&D opportunities in the biotechnology and pharmaceutical industries.

The Fund has been designed to track the performance the Poliwogg Medical Breakthroughs Index<sup>SM</sup> (PMBI), a modified cap-weighted index consisting of small-cap and mid-cap pharmaceutical and biotechnology stocks listed on U.S. stock exchanges that have one or more drugs in either Phase II or Phase III U.S. FDA clinical trials.

Unlike the widely-followed NASDAQ Biotechnology Index, Poliwogg Medical Breakthroughs Index<sup>SM</sup> is tilted to small- and mid-cap firms where a larger portion of investors’ dollars are spent on R&D.

#### **A NEW ERA FOR DRUG COMPANIES**

According to Michael Akins, Senior Vice President, Portfolio Manager for the ALPS ETF Trust, the Fund is coming along as the era of blockbuster drugs draws to a close – the so-called “patent cliff.”

“Many of the blockbuster drugs from the 1990s and 2000s have lost patent protections over the past few years,” says Akins, “and Big Pharma is scrambling to fill its pipelines. Given the lengthy process and high rate of failure for new drug development, it makes sense for the established companies to look toward new therapies being developed by smaller innovative firms.”

#### **A FOCUS ON INNOVATION**

The S-Network Global Indexes, Inc. whose innovative financial services platform provides investment access to healthcare and life sciences companies, has constructed the PMBI to best capture research and development opportunities in the pharmaceutical industry. The 75 stocks that comprise the Index represent companies where a larger portion of investors’ dollars are spent on R&D compared to their larger counterparts.

Based on current PMBI constituents, the earlier-stage firms in the Poliwogg Medical Breakthroughs Index<sup>SM</sup> spent an amount equal to 2.7% of market cap on Research & Development, 29% more than did firms in the NASDAQ Biotech index. At the same time, firms in the PMBI spent an amount equal to 2.0% on non-R&D operating expenses compared to 2.6% for the more established firms.

#### **A BETTER WAY TO INVEST**

Historically, the biotechnology space, given its high failure rate, its non-traditional metrics, its need for specialized knowledge, and its extreme volatility, has been a particularly difficult industry for stock pickers. According to Tom Carter\*, President of ALPS Advisors, the Fund’s passive index-based approach will be appealing to investors and advisors.

“We know that biotech is a tough environment for stock pickers,” says Carter, “but we also know that it represents real investment opportunity. We believe the ALPS Medical Breakthroughs ETF offers an unprecedented way for smart advisors to build better portfolios.”

ALPS Advisors, Inc., a specialist in thematic and alternative investment strategies, will serve as the ALPS Medical Breakthroughs ETF’s Advisor. The Fund will be offered as part of the ALPS ETF Trust, an investment company consisting of 17 separate ETFs.

For more information on the ALPS Medical Breakthroughs ETF, call 844.234.5852 or visit [alpsfunds.com](http://alpsfunds.com).

*\* Tom Carter is register representative of ALPS Portfolio Solutions Distributor, Inc.*

#### **About ALPS**

Founded in 1985, ALPS is a leading provider of innovative investment products and customized servicing solutions to the financial services industry. Headquartered in Denver, ALPS has expanded the delivery of its Asset Management and Asset Servicing Solutions to include offices in Boston, New York, Seattle, and Toronto. ALPS is a wholly-owned subsidiary of Kansas City-based DST Systems, Inc. For more information about ALPS and its services, visit [www.alpsinc.com](http://www.alpsinc.com). Information about ALPS products is available at [www.alpsfunds.com](http://www.alpsfunds.com).

#### **Risks**

***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](http://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 great volatility than a diversified fund. The Fund’s investments are concentrated in the pharmaceuticals and biotechnology industries, and underperformance in these areas will result in underperformance in the Fund. Investments in small and micro capitalization companies are more volatile than companies with larger market capitalizations.*

*Poliwogg Medical Breakthroughs Index<sup>SM</sup> is a service mark of S-Network Global Indexes, Inc.<sup>SM</sup> and has been licensed for use by ALPS Advisors, Inc. The ALPS Medical Breakthroughs ETF is not sponsored, endorsed, sold or promoted by S-Network Global Indexes, Inc.<sup>SM</sup> and S-Network Global Indexes, Inc.<sup>SM</sup> makes no representation regarding the advisability of investing in the ALPS Medical Breakthroughs ETF.*

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