

ALPS Clean Energy ETF

Monthly Insights | May 2021

Key Takeaways

- The ALPS Clean Energy ETF (ACES) fell -4.90% in May 2021 as inflationary supply shortages continue to worry investors.
- Biomass/Biofuel was the best performing segment, with two of the top three performing securities in the fund.
- Eos Energy Enterprises Inc. (**EOSE; 0.73% weight***), an EV/Storage name, was the top performer in ACES after an earnings beat.

Performance

- The ALPS Clean Energy ETF (ACES) fell -4.90% in May 2021, but outpaced the WilderHill Clean Energy Index (ECO) once again and continues to lead ECO in 2021 due to its pure play methodology that only selects US and Canadian based companies.
- Last month, the International Energy Agency (IEA) released its eye-opening Path to Net Zero by 2050 report in which they discuss how to transition to a global net zero energy system by 2050 with decreased reliance on fossil fuels and robust growth of clean energy sources and technologies. This report illustrates the seismic shift that is required for carbon neutrality in 2050. Amongst many other things, the world needs to retrofit buildings and other infrastructure to drastically increase efficiency, reduce transportation emissions, reduce industry/factory emissions, reduce fossil fuel power emissions, and buildout and develop the clean technologies that can facilitate the type of shift to renewable energy. This shift to renewables will require an astounding level of investment. The IEA estimates that \$4 trillion needs to be spent on clean energy projects per year by 2030 in order for 2050 carbon emissions goals to be met.

	May-21	Year to Date	1 Year
ACES (NAV)	-4.90%	-13.44%	92.75%
NACEXT-CIBC Atlas Clean Energy Index	-4.78%	-13.26%	93.88%
ECO-WilderHill Clean Energy Index	-5.57%	-19.64%	138.33%

As of 5/31/2021

Performance data quoted represent past performance. Past performance is no guarantee of future results so that shares, when redeemed may be worth more or less than their original cost. The investment return and principal value will fluctuate. Current performance may be higher or lower than the performance quoted. For the most current month-end performance data please call 844.234.5852. Performance includes reinvested distributions and capital gains. For standard performance, please see page 3

Strategy

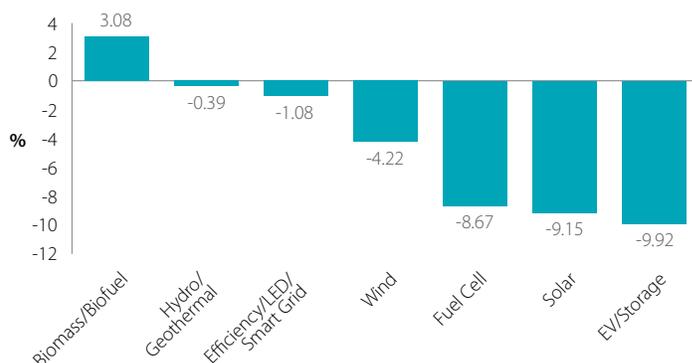
- 7 thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



Attribution

- Biomass/Biofuel was ACES best performing segment and the only one in the green, +3.08% in May. EV/Storage was the laggard, -9.92%. Despite the down month, Ford (F; not in ACES) did unveil their new all electric F-150 in the middle of the month to great fanfare, positively highlighting the EV space.
- Biomass/Biofuel had two of the top performing securities in ACES in May, Xebec Adsorption Inc. (**XBC CN; 0.58% weight***) and Renewable Energy Group Inc. (**REGI; 2.47 % weight***). Xebec Adsorption gained on price target upgrades and Renewable Energy Group rose in part due to the announcement of a note offering to raise funds for new and existing green projects.
- Plug Power Inc. (**PLUG; 4.10% weight***) saw a little rebound from 2021 lows caused by the Fuel Cell company restating its financial statements. Importantly, CEO Andy Marsh said the adjustments were non-cash and had no impact on business operations. Plug Power also raised capital recently to finance an ambitious buildout plan and forging partnerships with key industry players such as Amazon and Walmart.

ACES Thematic Segment Performance - May 2021



Source: Bloomberg, as of 5/31/21

Past performance does not guarantee future results

* Weight in ACES as of 5/31/2021

ALPS Clean Energy ETF

Valuation

- ACES's underlying index, the CIBC Atlas Clean Energy Index, has a price-to-earnings ratio (P/E ratio) of 37.34x and a price-to-cash flow ratio of 14.28x.
- ACES ~31% weight to U.S. and Canadian-based utilities is within more expensive Yieldco's, which garner higher P/E's but lower P/CF (Price to Cash flow) metrics.

ACES Top/Bottom Performers May 2021

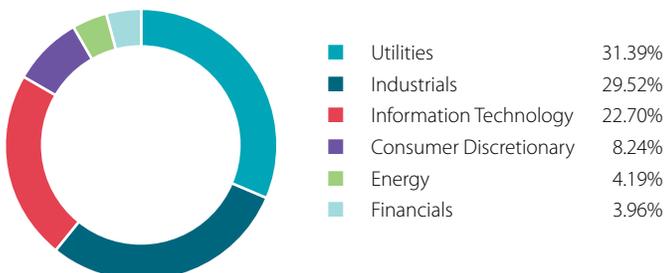
Leaders	Performance	Sub Segment
EOS ENERGY ENTERPRISES INC (EOSE US)	54.22%	EV/Storage
XEBEC ADSORPTION INC (XBC CN)	17.38%	Biomass/Biofuel
RENEWABLE ENERGY GROUP INC (REGI US)	10.00%	Biomass/Biofuel

Laggards	Performance	Theme
ARRAY TECHNOLOGIES INC (ARRY US)	-42.12%	Solar
AEMETIS INC (AMTX US)	-25.56%	Biomass/Biofuel
WORKHORSE GROUP INC (WKHS US)	-24.37%	EV/Storage

ALPS as of 5/31/2021

Past performance is not indicative of future results

Sector Allocations



Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	37.34x	31.03x	42.94x
Price/Cash Flow Ratio	14.28x	14.64x	20.50x
Price/Sales Ratio	3.59x	2.05x	4.32x
Average Market Capitalization (in Mil, \$)	\$39,896	\$17,909	\$65,509

Source: Bloomberg, as of 5/31/2021

May 2021 Company Snapshot

Company: **Eos Energy Enterprises Inc**
(EOSE; 0.73% weight*)



Segment:
EV/Storage

- Eos Energy Enterprises is a provider of energy storage solutions. Their zinc battery technology is used by utility, industrial, and commercial customers alike.
- Despite the down month for the EV/Storage space, Eos Energy Enterprises soared 54.22% to lead all ACES names forward.
- The company reported earnings mid-month and 2021 revenues are expected to exceed analyst expectations. This was reiterated at a Bank of America conference in May where the company provided positive commentary.

* As of 5/31/2021 in ACES

ALPS Clean Energy ETF

ACES Performance as of 5/31/2021

Total Returns	Cumulative as of 5/31/2021				Annualized as of 3/31/2021	
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	S.I. ¹
ALPS Clean Energy ETF (Net Asset Value)	-4.90%	-14.68%	-13.44%	187.13%	172.11%	53.04%
ALPS Clean Energy ETF (Market Price)	-4.95%	-14.65%	-13.60%	187.05%	173.43%	53.09%
CIBC Atlas Clean Energy Index (Benchmark)	-4.78%	-14.57%	-13.26%	192.71%	174.07%	54.04%
S&P 1000 Total Return Index	0.77%	8.97%	20.09%	44.63%	86.94%	12.50%

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. The investment return and principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Gross Expense Ratio: **0.55%**

¹ Fund inception date of 6/28/2018

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 (%)^

ACUITY BRANDS INC	7.01%
UNIVERSAL DISPLAY CORP	6.00%
TESLA INC	5.49%
FIRST SOLAR INC	5.43%
BROOKFIELD RENEWABLE PARTNER	5.41%
NORTHLAND POWER INC	5.34%
ENPHASE ENERGY INC	5.23%
NEXTERA ENERGY PARTNERS LP	5.19%
SUNRUN INC	4.47%
PLUG POWER INC	4.10%

^ Source: Bloomberg as of 5/31/21,

Holdings subject to change.

Daily holdings are available on the Alpsfunds.com website.

ALPS Clean Energy ETF

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 866.759.5679 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

ALPS Clean Energy ETF Shares are not individually redeemable. Investors buy and sell shares of the ALPS Disruptive Technologies 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.

An investment in the Fund is subject to investment risk including the possible loss of the entire principal amount that you invest.

Clean Energy Sector Risk. Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions can significantly affect companies in the clean energy sector. In addition, intense competition and legislation resulting in more strict government regulations and enforcement policies and specific expenditures for cleanup efforts can significantly affect this sector. Risks associated with hazardous materials, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations can significantly affect companies in the clean energy sector. Also, supply and demand for specific products or services, the supply and demand for oil and gas, the price of oil and gas, production spending, government regulation, world events and economic conditions may affect this sector. Currently, certain valuation methods used to value companies involved in the clean energy sector, particularly those companies that have not yet traded publicly, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to increase further the volatility of certain clean energy company share prices.

Concentration Risk. The fund seeks to track the underlying index, which itself may have concentration in certain regions, economies, countries, markets, industries or sectors. Underperformance or increased risk in such concentrated areas may result in underperformance or increased risk in the fund.

Canadian Investment Risk. The fund may be subject to risks relating to its investment in Canadian securities. The Canadian economy may be significantly affected by the U.S. economy, given that the United States is Canada's largest trading partner and foreign investor. Any negative changes in commodity markets could have a great impact on the Canadian economy. Because the fund will invest in securities denominated in foreign currencies and the income received by the fund will generally be in foreign currency, changes in currency exchange rates may negatively impact the fund's return.

Micro-Capitalization Company Risk. Micro-cap stocks involve substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities.

Small- and Mid-Capitalization Company Risk. Smaller and mid-size companies often have narrower markets, less liquidity, more limited managerial and financial resources and a less diversified product offering than larger, more established companies. As a result, their performance can be more volatile, which may increase the volatility of the Fund's portfolio.

Large Capitalization Company Risk. The large capitalization companies in which the Fund invests may underperform other segments of the equity market or the equity market as a whole. NACEX Index – The CIBC Atlas Clean Energy Index is an adjusted market cap weighted index designed to provide

exposure to a diverse set of U.S. or Canadian based companies involved in the clean energy sector including renewables and clean technology.

One cannot invest directly in an index.

The fund is new and has limited operating history.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Clean Energy ETF.

There is no assurance that the market developments and sector growth discussed in this Insight will come to pass.

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, less liquidity generally, 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. 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.

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.

The NASDAQ Clean Edge U.S. Liquid Series Indexes are modified market capitalization weighted indexes designed to track the performance of clean-energy companies that are publicly traded in the U.S.

The WilderHill Clean Energy Index is a modified equal dollar weighted index comprised of publicly traded companies whose business's stand to benefit substantially from societal transition toward the use of cleaner energy and conservation. The index benchmark value is 100.00 at the close of trading on December 30, 2002. * Disseminated by AMEX *

The S&P Global Clean Energy Index provides liquid and tradable exposure to 30 companies from around the world that are involved in clean energy related businesses. The index is comprised of a diversified mix of Clean Energy Production and Clean Energy Technology and Equipment Providers companies.

The Fund employs a "passive management"- or indexing- investment approach and seeks to track the investment results of an index composed of global companies that enter traditional markets with new digital forms of production and distribution, and are likely to disrupt an existing market or value network. Unlike many investment companies, the Fund is not "actively" managed. Therefore, it would not necessarily sell a security because the security's issuer was in financial trouble unless that security is removed from the CIBC Atlas Clean Energy Index. Similarly, the Fund does not buy a security because the security is deemed attractive unless that security is added to CIBC Atlas Clean Energy Index.

The inclusion or exclusion of a company in the CIBC Atlas Clean Energy Index is not a recommendation to buy or to sell securities, and not an offer to buy or sell securities.

CLN000306 6/30/2022