

ALPS Clean Energy ETF

Monthly Insights | October 2021

Key Takeaways

- The ALPS Clean Energy ETF (ACES) gained 19.83% in October 2021 as favorable policy and earnings reports pushed markets higher this month.
- Fuel Cell/Hydrogen was the best performing segment, with both underlying holdings firmly in the green.
- Enphase Energy Inc. (**ENPH; 5.91% weight***), a Solar name, was the top performer in ACES after reporting better than expected earnings.

Performance

- The ALPS Clean Energy ETF (ACES) gained 19.83% in October 2021, outpacing the WilderHill Clean Energy Index (ECO),
- Positive earnings from several companies and favorable policy developments led to a strong month for ACES pure-play clean energy companies, despite lingering supply chain concerns.
- The Biden Administration has its eyes set on turbo-charging the pace of decarbonization, with the President's goal of decarbonizing the electric sector by 2035. In addition to massive infrastructure spending being debated within Congress, the administration recently announced opening up areas for major wind farm projects along the US Coasts and in the Gulf of Mexico.
- Further outlining clean energy support, the most current proposed U.S. Infrastructure Bill outlines a maximum of \$12,500 federal EV tax credit, including a bonus for U.S. union-made vehicles

	Oct-21	Year to Date	1 Year
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ACES (NAV)	19.83%	-0.51%	44.22%
NACEXT-CIBC Atlas Clean Energy Index	19.87%	-0.21%	44.83%
ECO-WilderHill Clean Energy Index	15.00%	-13.69%	40.64%

As of 10/31/2021

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 4

Strategy

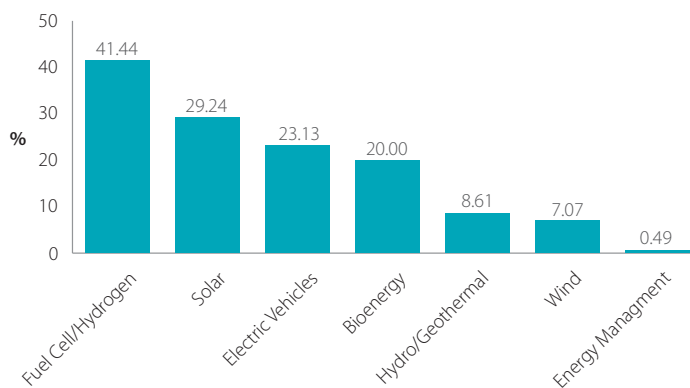
- 7 thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



Attribution

- Fuel Cell/Hydrogen was ACES best performing segment, with both underlying names up big. Energy Management & Storage was the laggard, although just slightly down on the month with Eos Energy Enterprises (**EOSE; 0.34% weight***) being the biggest detractor for the segment. Eos fell -24.80% this month after announcing a \$25M equipment financing deal.
- The Fuel Cell/Hydrogen segment led all forward this month, +41.44%, after Plug Power (**PLUG; 6.44% weight***) & Ballard Power (**BLDP; 3.74% weight***) soared 49.84% and 28.97%, respectively. PLUG gained on exciting new partnerships that are highlighted below in the company snapshot and BLDP gained on similar momentum from fuel cell deals being announced around the globe.
- Solar name, Enphase Energy (**ENPH; 5.91% weight***), was the top performer this month after reporting Q3 earnings that beat expectations with strong Q4 guidance. Microinverter revenues nearly doubled in Q3, providing a bullish sign for the residential solar market that boosted other names in the segment, such as SunPower Corp (**SPWR; 2.45% weight***).

ACES Thematic Segment Performance - October 2021



Source: Bloomberg, as of 10/31/21.

Past performance does not guarantee future results

* Weight in ACES as of 10/31/2021

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 45.82x and a price-to-cash flow ratio of 17.24x.
- ACES ~28% 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 October 2021

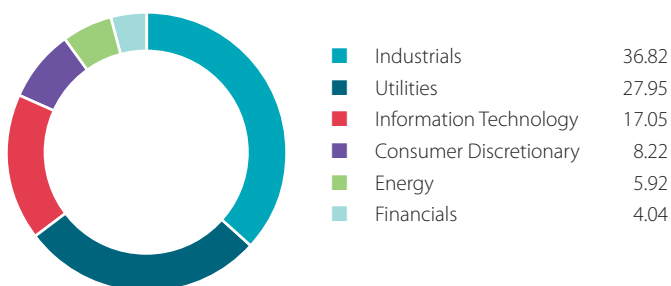
Leaders	Performance	Sub Segment
ENPHASE ENERGY INC (ENPH US)	54.45%	Solar
PLUG POWER INC (PLUG US)	49.84%	Fuel Cell/ Hydrogen
SUNPOWER CORP (SPWR US)	48.41%	Solar

Laggards	Performance	Theme
EOS ENERGY ENTERPRISES INC (EOSE US)	-24.80%	Energy Management & Storage
ROMEO POWER INC (RMO US)	-12.32%	Electric Vehicles
WORKHORSE GROUP INC (WKHS US)	-12.03%	Electric Vehicles

ALPS as of 10/31/2021.

Past performance is not indicative of future results

Sector Allocations



Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	45.82x	31.16x	48.06x
Price/Cash Flow Ratio	17.24x	15.45x	25.84x
Price/Sales Ratio	3.57x	2.39x	5.40x
Average Market Capitalization (in Mil, \$)	\$83,873	\$27,524	\$133,296

Source: Bloomberg, as of 10/31/2021

October 2021 Company Snapshot

Company: **Plug Power Inc. (PLUG; 6.44% weight*)**



Segment:
Fuel Cell/Hydrogen

- Plug Power is a hydrogen fuel cell manufacturer headquartered in New York.
- Plug Power surged 49.84% this month on news of multiple different partnerships to utilize hydrogen technology to reduce greenhouse emissions:
 1. A partnership with Airbus aims to develop hydrogen-powered airplanes, with the goal of bringing zero-emission aircraft to market by 2035.
 2. A partnership with Phillips 66 targeting reduced emissions in the industrial sector by developing low-carbon hydrogen technology within the company's US oil refinery operations.
 3. An agreement with Fortescue Metals Group to jointly develop an Australian green hydrogen plant with the goal to produce two gigawatts of electrolyzers per year.

* As of 10/31/2021 in ACES

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ACES Performance as of 10/31/2021

Total Returns	Cumulative as of 10/31/2021				Annualized as of 9/30/2021		
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	S.I. ¹
ALPS Clean Energy ETF (Net Asset Value)	19.83%	9.68%	-0.51%	230.03%	20.01%	39.30%	36.48%
ALPS Clean Energy ETF (Market Price) ²	19.76%	9.74%	-0.70%	229.91%	20.01%	38.95%	36.49%
CIBC Atlas Clean Energy Index (Benchmark)	19.87%	9.85%	-0.21%	236.74%	20.54%	39.84%	37.31%
S&P 1000 Total Return Index	5.13%	3.45%	22.85%	47.96%	47.67%	10.57%	11.06%

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 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: **0.65%**

¹ Fund inception date of 6/29/2018

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 (%)[^]

TESLA INC	6.75
PLUG POWER INC	6.44
ENPHASE ENERGY INC	5.91
FIRST SOLAR INC	5.65
SUNRUN INC	5.62
NEXTERA ENERGY PARTNERS LP	4.73
BROOKFIELD RENEWABLE PARTNER	4.28
NORTHLAND POWER INC	4.20
HANNON ARMSTRONG SUSTAINABLE	4.04
BALLARD POWER SYSTEMS INC	3.74

[^] Source: Bloomberg as of 10/31/21,

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

Shares are not individually redeemable. Investors buy and sell shares on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 5,000, 25,000 or 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. NACE 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.

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