

ALPS International Sector Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Monthly Insights | December 2021

Key Takeaways

- The ALPS International Sector Dividend Dogs ETF (IDOG) gained 6.02% in December 2021.
- IDOG's Utilities sector was the top performing sector, returning over 10% on the month.
- IDOG's price-to-earnings ratio (P/E ratio) decreased to 10.50x from November due to the fund's December reconstitution, and remains at a sizeable discount to the Morningstar Developed Markets ex-North America Index (MSDINUS) P/E of 18.29x.

Performance Notes

- Last month, the ALPS International Sector Dividend Dogs ETF (IDOG) gained 6.02%, outpacing international developed markets as measured by the Morningstar Developed Markets ex-North America Index, which gained 5.02%. IDOG's deep value names within more cyclical sectors like Materials, Financials, and Energy helped drive performance last month.
- Inflation and supply shortages continue to spur volatility across developed markets, exacerbated by recurring COVID news. Looking ahead, market participants will be paying close attention to central banks and monetary policy actions for potential rate increases and actions to combat inflation.

IDOG vs Benchmarks (NAV)

Performance Summary as of December, 2021				
	Dec-21	YTD	1 Year	3 Year
IDOG (NAV Price)	6.02%	11.36%	11.36%	9.91%
S-Network International Sector Dividend Dogs NTR Index	6.05%	11.63%	11.63%	10.34%
Morningstar Developed Markets ex-North America Index - NR	5.02%	10.95%	10.95%	13.78%

Performance as of 12/31/21

Past performance is not indicative of future results. 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 1-866-759-5679 or visit www.alpsfunds.com. For standardized performance, please see Page 3.

IDOG Methodology

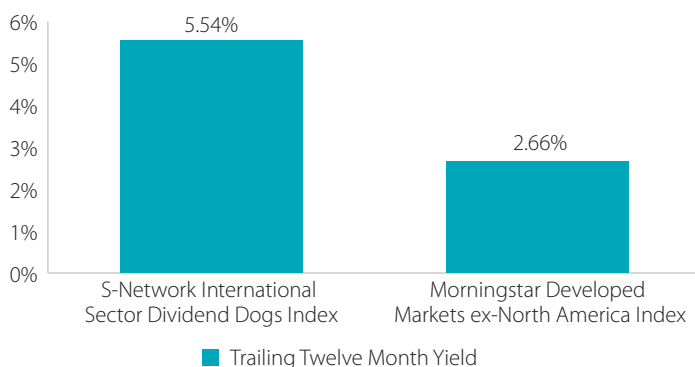
- IDOG is an Exchange Traded Fund (ETF) that applies the 'Dogs of the Dow Theory' on a sector-by-sector basis using the S-Network Developed Markets (ex-Americas) Index as its starting universe of eligible securities.
- The strategy provides high dividend exposure across most sectors of the market by selecting the five highest yielding securities in 10 of the 11 GICS sectors (Real Estate sector excluded).
- Equally weighting at the stock and sector level may provide diversification while avoiding sector biases.



Dividend Yields of Broad Market Indexes

- IDOG's underlying index carries a higher trailing twelve month dividend yield relative to major developed international indices, due to its relative overweight to higher yielding geographic exposures within Australia, Spain, and Italy.
- IDOG is 6.27% overweight* Australia, 6.01% overweight* Spain, and 3.90% overweight* Italy relative to the Morningstar Developed Markets ex-North America Index.

Trailing Twelve Month Dividend Yield



Source: Bloomberg L.P., as of 12/31/21

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Contribution to Return by Sector

- IDOG's Utilities and Materials sectors were the best performing sectors in December, although all other sectors remained positive. Within IDOG's Utilities sector, Naturgy Energy Group SA (**NTGY SM, 2.20% weight***), a Spain based natural gas and electricity provider, climbed nearly 19% last month due to elevated natural gas prices, amid limited supply and higher demand for energy.
- Fortescue Metals Group Ltd. (**FMG AU 2.09% weight***) was the top performing name in IDOG's Materials sector in December, rising 15.74%. The producer of iron ore jumped last month, after announcing it had internally designed an electrolyser to produce hydrogen, improving the company's green energy initiatives.
- IDOG Information Technology name, Canon Inc. (**7751 JP, 2.03% weight***) rose 12.63% in December, after the imaging solutions company announced a dividend hike for FY12/21.

Contribution to Return by Country

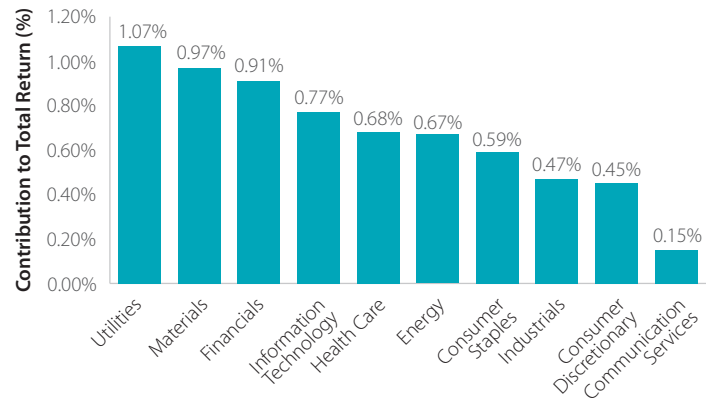
- Within IDOG's exposure to Australia, mining company BHP Group Ltd (**BHP AU, 2.00% weight***) rose over 8% in December, attributed to the sale of the company's petroleum related assets to Woodside Petroleum Ltd. (not in portfolio).
- Italy based natural-gas transporter, SNAM SPA (**SRG IM, 2.01% weight***), gained 7.60% in December, partly from announcing an agreement to construct the first hydrogen-ready fuel system at Italy's Torino Airport.

Valuations Update

- IDOG's underlying index, IDOGX, continues to display depressed valuations when compared to its historical averages, while the Morningstar Developed Markets ex-North America Index (MSDINUS) exhibits historically high valuations.
- IDOGX's current P/E ratio of 10.50x sits at a sizeable discount to MSDINUS's current P/E ratio of 18.29x.

* Weight in IDOG as of 12/31/21

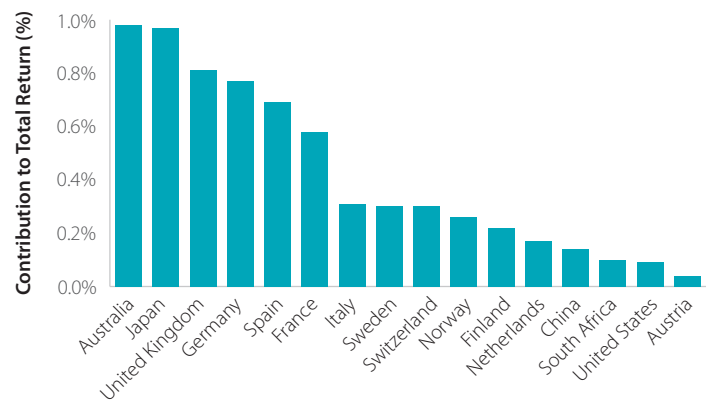
Contribution to Return by Sector



Source: Bloomberg L.P., as of 12/31/21

Past performance is not indicative of future results.

Contribution to Return by Country



Source: Bloomberg L.P., as of 12/31/21

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Price Multiples

	S-Network International Sector Dividend Dogs Index (IDOGX)		Morningstar Developed Markets ex-North America Index (MSDINUS)	
	Current	3 Year Average	Current	3 Year Average
Price/Earnings Ratio	10.50x	18.84x	18.29x	17.26x
Price/Book Ratio	1.37x	1.34x	1.78x	1.58x
Price/Cash Flow Ratio	4.92x	6.42x	9.94x	6.70x
Trailing Twelve Month Yield	5.65%	5.53%	2.66%	1.86%
IDOG SEC 30-Day Yield	x.xx%			

Source: Bloomberg L.P., as of 12/31/21

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IDOG Performance as of 12/31/21

Total Returns	Cumulative as of 12/31/21				Annualized as of 12/31/2021			
	1 Mo.	3 Mo.	YTD	S.I. ¹	1 Yr.	3 Yr.	5 Yr.	S.I. ¹
ALPS International Sector Dividend Dogs ETF (NAV)	6.02%	2.24%	11.36%	56.93%	11.36%	9.91%	7.74%	5.44%
ALPS International Sector Dividend Dogs ETF (Market Price) ²	6.00%	2.35%	11.52%	56.37%	11.52%	9.95%	7.66%	5.39%
Morningstar Developed Markets ex-North America Index - NR (Benchmark)*	5.02%	2.20%	10.95%	80.67%	10.95%	13.78%	9.68%	7.20%
S-Network International Sector Dividend Dogs NTR Index	6.05%	2.37%	11.63%	62.27%	11.63%	10.34%	8.15%	5.85%

SEC 30-Day Yield 4.59%

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 1-866-759-5679 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.

Gross Expense Ratio: **0.50%**

¹ Fund inception date of 6/27/2013

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.

*The benchmark changed to Morningstar Developed Markets ex-North America on 12/13/2019.

Top 10 Holdings (%)[^]

Naturgy Energy Group SA	2.20%
Novartis AG	2.11%
Fortescue Metals Group Ltd	2.09%
H & M Hennes & Mauritz AB	2.08%
Anglo American PLC	2.05%
Enel SpA	2.05%
BHP Group Ltd	2.05%
SAP SE	2.05%
Marubeni Corp	2.04%
Rio Tinto PLC	2.04%

[^] As of 12/31/21, holdings subject to change.

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Important Disclosures & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus which contains this and other information call 1-866-759-5679 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.

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.

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, 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. Financial reporting standards for companies based in foreign markets differ from those in the United States. 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.

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 S-Network International Sector Dividend Dogs NTR Index. Similarly, the Fund does not buy a security because the security is deemed attractive unless that security is added to the S-Network International Sector Dividend Dogs NTR Index.

The inclusion or exclusion of a company in the S-Network International Sector Dividend Dogs NTR Index is not a recommendation to buy or to sell securities, and not an offer to buy or sell securities.

The S-Network International Sector Dividend Dogs NTR Index (IDOGX) is a portfolio of stocks derived from a universe of mainly large capitalization stocks domiciled in developed markets outside the Americas (the "S-Network Developed Market (ex NA) Index"). The IDOGX methodology selects the five stocks in each of the ten GICS sectors that make up the universe which offer the highest dividend yields as of the last trading day of November. The fifty stocks that are selected for inclusion in the portfolio are equally weighted. An investor cannot invest directly in an index.

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

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.

Dividend Yield - 12 Month Yield is the sum of a fund's total trailing 12-month interest and dividend payments divided by the last month's ending share price (NAV) plus any capital gains distributed over the same period.

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