

ALPS Disruptive Technologies ETF

Monthly Insights | August 2020

Key Takeaways

- The ALPS Disruptive Technologies ETF (DTEC) gained 4.96% in August 2020, as the continually adopted work from home trend continues to drive many disruptive technology companies forward.
- Cloud Computing was DTEC's best performing theme, boasting the top two individual gaining securities for the month.
- Cloud Computing name, Salesforce.com Inc. (CRM; **1.36% weight***), was DTEC's top performer after posting blockbuster earnings.

Performance

- The ALPS Disruptive Technologies ETF (DTEC) gained 4.96% last month, but trailed the MSCI ACWI Index (MXWD). However, DTEC is still outpacing MXWD by 16.51% year to date and assets continue to pour into the thematic technology space (~\$13 billion year to date).
- This month, DTEC lagged MXWD in part due to its smaller relative allocation to consumer discretionary names. Large names within this sector such as Amazon (AMZN; currently not held) & Tesla (TSLA; currently not held) helped drive the broader market in August. DTEC only holds more focused pure play names in disruptive technology themes that earn over 50% of their revenues from the particular theme.
- Despite having roughly the same amount allocated to the Healthcare sector, DTEC's stock selection within the sector led to some outperformance. Cyberdyne Inc. (7779 JP; **1.13% weight***), a surgical equipment company, rose 20.78% this month on some positive news, including its HAL (Hybrid Assistive Limb) becoming available in a wider range of markets.

	Aug-20	Year to Date	1 Year
DTEC (NAV)	4.96%	21.26%	34.92%
IDTEC Index - NTR	4.96%	21.63%	35.43%
MSCI ACWI	6.12%	4.75%	16.53%

As of 8/31/2020. 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

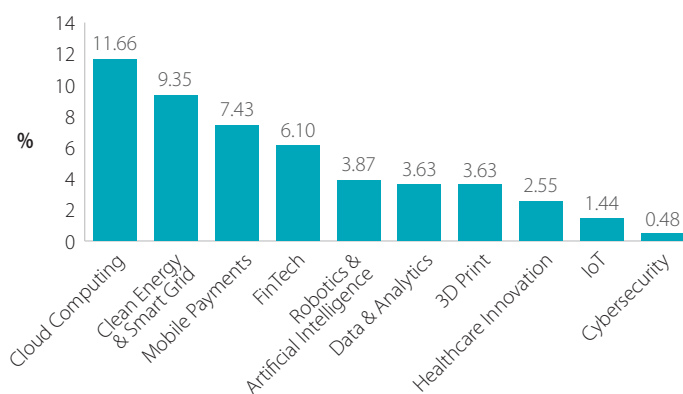
- Diversification: Access to 10 Equally Weighted Disruptive Technology Themes
- Long-term Capital Appreciation: Thematic Alpha
- Exposure: Global All-cap Equity Exposure



Attribution

- Cloud Computing was the leader among DTEC's 10 disruptive themes this month, up 11% with two names driving the space. Cyber Security, although still positive, was the laggard.
- Cloud Computing was the best performing theme in DTEC, with Salesforce.com Inc. (CRM; **1.36% weight***) & Adobe Inc. (ADBE; **1.13% weight***) leading the pack. Salesforce.com is highlighted below and Adobe soared due in part to great Salesforce.com earnings that boosted the cloud software space, as well as the announcement of a new partnership with Genesys to enhance the customer experience and engagement within organizations using their platforms.
- As Clean Energy continues to make headlines, First Solar (FSLR; **1.34% weight***) was able to spearhead the theme after posting strong second quarter earnings that easily beat expectations. The solar company also plans on selling its North American operations and maintenance business to a private equity firm.

DTEC Theme Performance - August 2020



Source: Bloomberg, as of 8/31/2020.

Past performance does not guarantee future results

* Weight in DTEC as of 8/31/2020

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Valuation

- As of the end of August 2020, DTEC's underlying index (IDTEC) had a price-to-earnings ratio (P/E ratio) of 42.79x and a price-to-cash flow ratio of 20.50x, below its three-year averages of 52.04x and 22.58x, respectively.

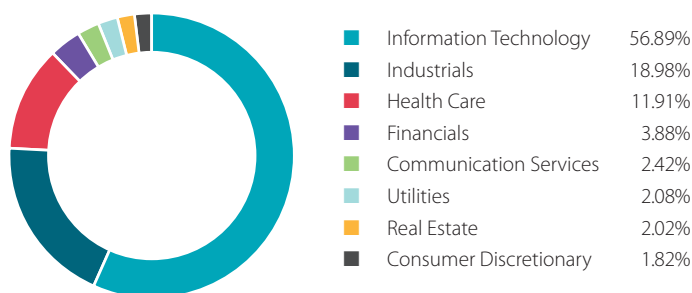
DTEC Top/Bottom Performers August 2020

Leaders	Performance	Theme
SALESFORCE.COM INC (CRM US)	39.93%	Cloud Computing
WORKDAY INC-CLASS A (WDAY US)	32.50%	Cloud Computing
FIRST SOLAR INC (FSLR US)	28.61%	Clean Energy & Smart Grid
Laggards	Performance	Theme
3D SYSTEMS CORP (DDD US)	-16.69%	3D Printing
ALARM.COM HOLDINGS INC (ALRM US)	-14.52%	IoT
XINJIANG GOLDWIND SCI&TEC-H (2208 HK)	-14.48%	Clean Energy & Smart Grid

Source: ALPS as of 8/31/2020

Past performance is not indicative of future returns

Sector Allocations



Price Multiples

	IDTEC Index		MSCI ACWI Index	
	Current	3YR Avg	Current	3YR Avg
Price/Earnings Ratio	42.79x	52.04x	23.00x	18.13x
Price/Cash Flow Ratio	20.50x	22.58x	10.86x	10.89x
Price/Sales Ratio	4.11x	3.48x	1.83x	1.60x
Average Market Capitalization (in Mil, \$)	46,605	28,480	326,794	21,512

Source: Bloomberg, as of 8/31/2020

August 2020 Company Snapshot

Company: **Salesforce.com Inc. (CRM; 1.36% weight*)**



Theme:

Cloud Computing

- Salesforce.com is a cloud based platform that provides relationship management solutions, as well as other services.
- The San Francisco based firm posted blockbuster earnings this month that reverberated throughout the cloud computing space. As the shift to work from home continues to require an upgrade in technology, the company is in an excellent position to continue to capture new customers. Subscription & support revenue rose 29% year over year and the firm upgraded guidance as well.
- Salesforce.com surged nearly 40% this month after its strong earnings report. It also rose after being added to the DOW Jones Industrial Average Index, replacing Exxon Mobile (XOM) and highlighting the growing dominance of technology stocks in major indices.

* As of 8/31/2020 in DTEC

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DTEC Performance as of 8/31/2020

Total Returns	Cumulative as of 8/31/2020				Annualized as of 6/30/2020			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I. ¹
ALPS Disruptive Technologies ETF (Net Asset Value)	4.96%	15.78%	21.26%	56.52%	13.96%	N/A	N/A	13.96%
ALPS Disruptive Technologies ETF (Market Price) ²	4.86%	16.06%	21.29%	56.77%	14.05%	N/A	N/A	14.03%
Indxx Disruptive Technologies Index - NTR (Benchmark)	4.96%	16.00%	21.63%	57.63%	14.20%	N/A	N/A	14.20%
MSCI All Country World Index - NR	6.12%	15.30%	4.75%	20.02%	2.11%	N/A	N/A	2.90%

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: **0.50%**

¹ Fund inception date of 12/28/2017

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 (%)[^]

SQUARE INC - A	1.59%
SOLAREDGE TECHNOLOGIES INC	1.36%
SIEMENS GAMESA RENEWABLE ENERGY	1.36%
SALESFORCE.COM INC	1.36%
SPOTIFY TECHNOLOGY SA	1.35%
FIRST SOLAR INC	1.34%
VESTAS WIND SYSTEMS A/S	1.28%
STONECO LTD-A	1.26%
ZSCALER INC	1.19%
WORKDAY INC-CLASS A	1.18%

[^] as of 8/31/2020, 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 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 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. Companies that the Index Provider believes are developing disruptive technologies may not in fact do so or may not be able to capitalize on those technologies. Companies that develop disruptive technologies may face political, legal or regulatory challenges. Such companies may also be exposed to risks applicable to industries or sectors other than the disruptive technology Theme for which they are chosen and may underperform relative to other companies that are also focused on a particular Theme.

Smaller and mid-size companies often have narrower markets, 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.

The large capitalization companies in which the Fund invests may underperform other segments of the equity market or the equity market as a whole.

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.

The MSCI ACWI Indexes offer a modern, seamless, and fully integrated approach to measuring the full equity opportunity set with no gaps or overlaps. MSCI ACWI represents the Modern Index Strategy and captures all sources of equity returns in 23 developed and 24 emerging markets.

The Morningstar® Global Markets Index consists of liquid equities that provide investors with accurate benchmarks for performance measurement, as well as offering discrete building blocks for portfolio construction. These indexes provide an accurate, comprehensive depiction of the performance and fundamental characteristics of global equity markets through a comprehensive portfolio of accessible and liquid stocks.

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 Index Disruptive Technologies Index. Similarly, the Fund does not buy a security because the security is deemed attractive unless that security is added to the Index Disruptive Technologies Index.

Indxx Disruptive Technologies Index (IDTEC): based around companies that enter traditional markets with new digital forms of production and distribution, are likely to disrupt an existing market and value network, displace established market leading firms, products and alliances and increasingly gain market share. One may not invest directly in the index.

Price-to-earnings ratio: This is the ratio for valuing a company that measures its current share price relative to its per-share earnings.

Price-to-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.

Thematic Investing: Designed to participate in longer term technological disrupters, economic and political developments and social trends.

Thematic Alpha: The excess return of an investment relative to the return of a benchmark index that can be attributed to thematic investment strategies.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Disruptive Technologies ETF

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