

ALPS Emerging Sector Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Monthly Insights | March 2022

Key Takeaways

- The ALPS Emerging Sector Dividend Dogs ETF (EDOG) gained 2.82% in March 2022.
- EDOG's Consumer Discretionary sector was its best performing sector for the month, gaining 10.39%.
- EDOG's month-end price-to-earnings ratio (P/E ratio) of 9.52x remains at a sizeable discount to that of the Morningstar Emerging Markets Index P/E of 13.79x.

Performance Notes

- The ALPS Emerging Sector Dividend Dogs ETF (EDOG) gained 2.82% in March, outperforming broad emerging markets, as measured by the Morningstar Emerging Markets Index (MEMMN). EDOG's deep value names in eleven countries, including its overweight in South Africa, Poland, and Turkey provided positive performance for the month. EDOG's relative underweight to China also benefitted the fund due to COVID lockdowns in China, while its overweight to Russia hurt the fund on continued geopolitical risks.
- In March, emerging markets saw a reprieve from recent volatility shocks as they digested global inflationary pressures. In our opinion, with commodity prices skyrocketing and supply chains receiving little relief, value-oriented sectors including Energy, Materials, and Industrials are poised to continue their run in emerging markets.

Performance Summary

	Mar-22	YTD	1 Y	3 Y
EDOG (NAV)	2.82%	-3.85%	5.30%	6.95%
S-Network Emerging Sector Dividend Dogs Index - NTR	2.44%	-3.68%	6.16%	7.81%
Morningstar Emerging Markets Index - NR	-1.65%	-5.94%	-8.57%	6.23%

As of 3/31/2022

Performance data quoted represents 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 current month-end performance call 1-866-759-5679 or visit www.alpsfunds.com. Performance includes reinvested distributions and capital gains. For standardized performance please see page 3.

Strategy

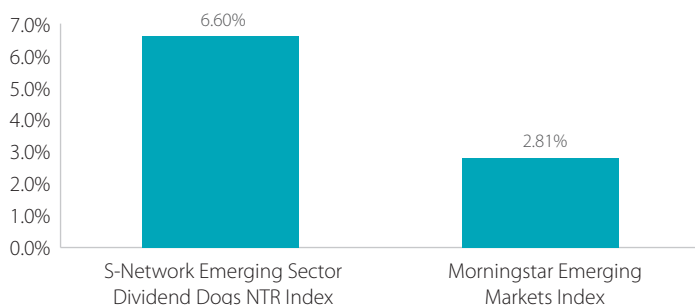
- EDOG is an Exchange-Traded Fund that applies the 'Dogs of the Dow Theory' on a sector-by-sector basis, using the S-Network Emerging Markets Index as its starting universe of eligible securities.
- The strategy provides high dividend exposure across all sectors of the market by selecting the five highest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



Dividend Yields of Broad Market Indexes

- As of March 31, 2022, EDOG's underlying index carries a higher trailing twelve-month dividend yield relative to major emerging market indices due to its relative overweight to higher-yielding names in Malaysia, South Africa, and Chile.
- EDOG has a 7.87%* overweight to Malaysia, 5.98%* to South Africa, and 9.36%* to Chile relative to the Morningstar Emerging Markets Index.

Trailing Twelve Month Dividend Yield



* Weight in EDOG as of 3/31/2022

Source: Bloomberg L.P., as of 3/31/2022

Past performance is no guarantee of future results.

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Contribution to Return by Sector

- Last month, EDOG received a boost from its Consumer Discretionary, Communication Services, and Energy sectors while its allocation within Information Technology and Materials were the largest detractors from the fund's performance. Within EDOG's Consumer Discretionary sector, LPP SA (LPP PW, 2.21% weight*), a clothing distributor in Central and Eastern Europe, jumped nearly 33% as treaty talks surrounding the Russia-Ukraine conflict created optimism that the company's operations could return to business as usual.
- Additionally, Communication Services sector name and cellular network provider, Vodacom Group Ltd. (VOD SJ, 1.94% weight*), gained over 14%, benefitting from winning low and mid-frequency radio spectrum in a South African auction, which would increase capacity and coverage within the company's cellular network.
- Within EDOG's Energy sector, China Shenhua Energy Co. (1088 HK, 2.16% weight*), a Beijing based coal miner and producer, rose 16.49% last month after reporting an increase of +44% in year-over-year revenues within its 2021 results, exceeding analyst estimates.

Contribution to Return by Country

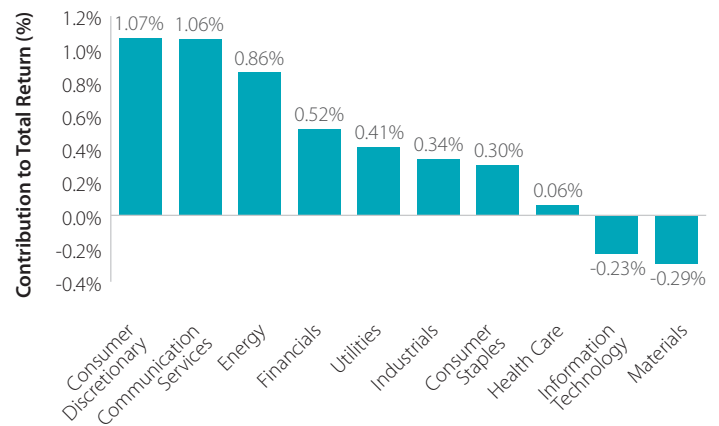
- South Africa (+1.50%) and Turkey (+1.26%) were the largest contributors to return by country for EDOG, while Russia (-1.43%) was the largest detractor (note: EDOG's Russian holdings were zero-priced during the month of March).
- Within EDOG's South Africa allocation, the top two total returns by sector were Energy (+18.37%) and Materials (+15.32%).
- South African coal miner and producer, Exxaro Resources Ltd. (EXX SJ, 2.70% weight*), gained over 18% following expectations of the company's attributable earnings per share for 2021 to increase between 70% to 84% as elevated coal prices and domestic sales offset rising costs.
- Within EDOG's Turkey allocation, the top two returns by sector were Industrials (+23.75%), and Materials (+11.36%).

Valuation Update

- EDOG's underlying index, EDOGX, carries a dividend yield of 6.60%, which far exceeds a comparable benchmark yield for the Morningstar Emerging Markets Index (MEMMN) of 2.81%.
- The current P/E ratio on the S-Network Emerging Sector Dividend Dogs Index currently sits below its three-year average as of March 31, 2022.

* Weight in EDOG as of 3/31/2022

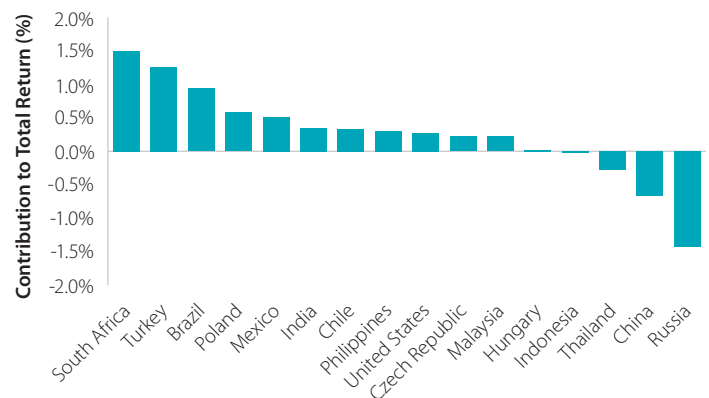
Contribution to Return by Sector



Source: Bloomberg L.P., as of 3/31/2022

Past performance is no guarantee of future results.

Contribution to Return by Country



Source: Bloomberg L.P., as of 3/31/2022

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Price Multiples

	EDOGX Index		Morningstar Emerging Markets Index	
	Current	3 Year Avg	Current	3 Year Avg
Price/Earnings Ratio	9.52x	12.49x	13.79x	14.44x
Price/Book Ratio	1.46x	1.49x	1.69x	1.58x
Price/Cash Flow Ratio	5.74x	5.45x	8.43x	6.73x
Trailing Twelve Month Yield	6.60%	5.73%	2.81%	1.26%
EDOG 30-Day SEC Yield	5.33%			

Source: Bloomberg L.P., as of 3/31/2022

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ALPS Emerging Sector Dividend Dogs ETF (EDOG) Performance

Total Returns	Cumulative as of 3/31/2022				Annualized as of 3/31/2022			
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	SI ¹
NAV (Net Asset Value)	2.82%	-3.85%	-3.85%	27.67%	5.30%	6.95%	4.39%	3.10%
Market Price	-0.01%	-3.54%	-3.54%	27.40%	5.12%	6.94%	4.22%	3.07%
S-Network Emerging Sector Dividend Dogs Index - NTR	2.44%	-3.68%	-3.68%	36.50%	6.16%	7.81%	5.19%	3.96%
Morningstar Emerging Markets Index - NR	-1.65%	-5.94%	-5.94%	49.43%	-8.57%	6.23%	6.60%	5.14%

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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.

¹ Fund inception date: 3/27/2014

Total Operating Expenses: **0.60%**

Top 10 Holdings

Ford Otomotiv Sanayi AS	2.26%
LPP SA	2.21%
Centrais Eletricas Brasileiras SA	2.17%
China Shenhua Energy Co Ltd	2.16%
Engie Brasil Energia SA	2.12%
Grupo Aeroportuario del Sureste SAB de CV	2.12%
Vibra Energia SA	2.12%
Top Glove Corp Bhd	2.10%
CEZ AS	2.10%
Delta Electronics Thailand PCL	2.10%

Source: Bloomberg L.P., as of 3/31/2022, subject to change

Daily holdings are available at www.alpsfunds.com.

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Important Disclosures & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. This material must be preceded or accompanied by the [prospectus](#). 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.

Performance data quoted represents past performance. Past performance is no guarantee of future results; current performance may be higher or lower than performance quoted.

All investments are subject to risks, including the loss of money and the possible loss of the entire principal amount invested. 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-US issuers may involve unique risks compared to investing in securities of US issuers, including, among others, less liquidity generally, greater market volatility than US securities and less complete financial information than for US 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 US dollar, which may affect the value of the investment to US investors.

The Fund employs a "passive management" - or indexing - investment approach and seeks investment results that correspond (before fees and expenses) generally to the performance of its underlying index. Unlike many investment companies, the Fund is not "actively" managed. Therefore, it would not necessarily sell or buy a security unless that security is removed from or added to the underlying index, respectively.

30-Day SEC Yield: reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses.

Dividend Yield: a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Dogs of the Dow Theory: an investment strategy which proposes that an investor annually select for investment the ten Dow Jones Industrial Average stocks whose dividend is the highest fraction of their price.

Price/Book (P/B) 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 (P/CF) Ratio: 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/Earnings (P/E) Ratio: a valuation ratio of a company's current share price compared to its per-share earnings.

Trailing 12-Month Yield: refers to the percentage of income a portfolio has returned to investors over the last 12 months.

Morningstar Emerging Markets Index: captures the performance of the stocks located in the emerging countries across the world. Stocks in the index are weighted by their float capital, which removes corporate cross ownership, government holdings and other locked-in shares.

S-Network Emerging Sector Dividend Dogs Index (EDOGX): a rules-based index intended to give investors a means of tracking the overall performance of the highest dividend paying stocks in the S-Network Emerging Markets Index, a universe of mainly large capitalization stocks domiciled in emerging markets on a sector-by-sector basis. Emerging market countries are countries that major international financial institutions, such as the World Bank, generally consider to be less economically mature than developed nations.

One may not invest directly in an index.

ALPS Advisors, Inc. is affiliated with ALPS Portfolio Solutions Distributor, Inc.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Fund.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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