

# ALPS Clean Energy ETF

Monthly Insights | November 2021

## Key Takeaways

- The ALPS Clean Energy ETF (ACES) fell 6.61% in November 2021 as the new Omicron variant brought new uncertainty to the markets.
- Electric Vehicles was the best performing segment, with several names in the green despite the down month.
- Blink Charging Co. (**BLNK**; **1.33% weight\***), an Electric Vehicles name, was the top performer in ACES, +20.85%, after the EV charging company received several analyst BUY recommendations.

## Performance

- The ALPS Clean Energy ETF (ACES) fell 6.61% in November 2021, trailing the WilderHill Clean Energy Index (ECO) as the Omicron variant brings new uncertainty to the markets. ECO benefitted from a higher weight to EV and lithium-mining names that helped buoy relative clean energy performance, while ACES' nearly 29% weight to more defensive clean energy utilities helped buffer its downside capture.
- Mid-month the Biden Administration signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law, boosting the clean energy space with its many clean energy incentives. Funding for renewable energy projects, including solar, investment into battery technology and production, and \$7.5 billion for an Electric Vehicle infrastructure buildout are some of the highlights. With several other areas of emphasis, including funding for innovation and energy efficiency, ACES seven segments are all well positioned to capture future growth in the space.

|                                      | Nov-21 | Year to Date | 1 Year |
|--------------------------------------|--------|--------------|--------|
| ACES (NAV)                           | -6.61% | -7.08%       | 6.16%  |
| NACEXT-CIBC Atlas Clean Energy Index | -6.58% | -6.76%       | 6.57%  |
| ECO-WilderHill Clean Energy Index    | -4.12% | -17.25%      | -6.82% |

As of 11/30/2021

**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

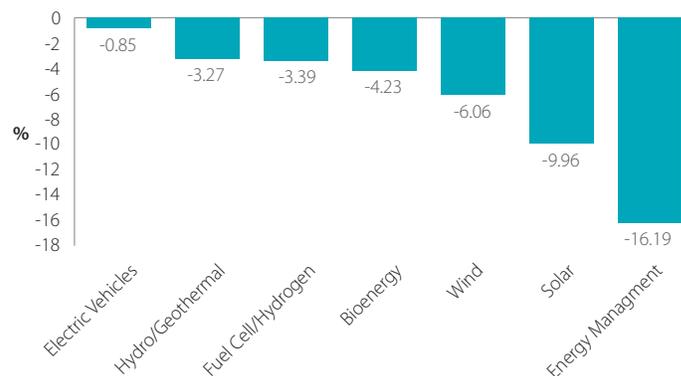
- 7 thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



## Attribution

- Electric Vehicles was ACES best performing segment, while Energy Management & Storage was the laggard, down over 16% this month with American Superconductor Corp (**AMSC**; **0.31% weight\***) falling 30.36% after the company's earnings missed estimates.
- The Electric Vehicle segment led all forward this month, although slightly down, -0.85%. Within the segment, Blink Charging Co (**BLNK**; **1.33% weight\***) was the top performer in ACES this month, gaining 20.85%. The company, which operates charging stations, reported record revenues in the middle of the month, prompting several analysts to raise their price targets for the Florida based company.
- Bioenergy name, Ameresco Inc. (**AMRC**; **2.54% weight\***), was the second best performing security in ACES for the month of November, +9.98%. Ameresco reported earnings on the first day of the month that impressed investors, leading to a handful of increased price targets from analysts, citing its large contract with Southern California Edison (SCE) to build battery storage systems as the main catalyst for future growth potential.

## ACES Thematic Segment Performance - November 2021



Source: Bloomberg, as of 11/30/21

**Past performance does not guarantee future results**

\* Weight in ACES as of 11/30/2021

## 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 50.09x and a price-to-cash flow ratio of 17.08x.
- ACES ~29% 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 November 2021

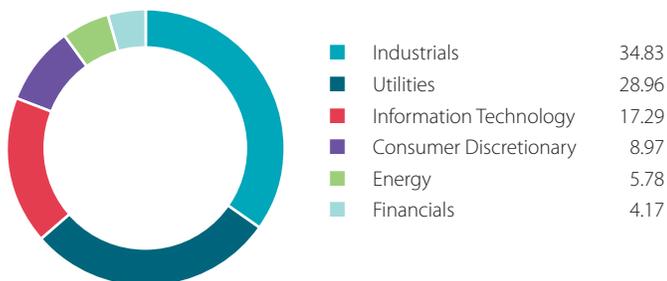
| Leaders                      | Performance | Sub Segment       |
|------------------------------|-------------|-------------------|
| BLINK CHARGING CO (BLNK US)  | 20.85%      | Electric Vehicles |
| AMERESCO INC-CL A (AMRC US)  | 9.98%       | Bioenergy         |
| ENPHASE ENERGY INC (ENPH US) | 7.93%       | Solar             |

| Laggards                               | Performance | Theme                       |
|--|-------------|-----------------------------|
| TPI COMPOSITES INC (TPIC US)           | -46.98%     | Wind                        |
| AMERICAN SUPERCONDUCTOR CORP (AMSC US) | -30.36%     | Energy Management & Storage |
| RENEWABLE ENERGY GROUP INC (REGI US)   | -25.34%     | Bioenergy                   |

ALPS as of 11/30/2021

Past performance is not indicative of future results

### Sector Allocations



### Price Multiples

|  | NACEXT Index | ECO index | CELS index |
|--|--------------|-----------|------------|
| Price/Earnings Ratio                       | 50.09x       | 30.60x    | 47.31x     |
| Price/Cash Flow Ratio                      | 17.08x       | 14.79x    | 26.45x     |
| Price/Sales Ratio                          | 3.57x        | 2.30x     | 5.29x      |
| Average Market Capitalization (in Mil, \$) | \$96,008     | \$30,186  | \$141,816  |

Source: Bloomberg, as of 11/30/2021

### November 2021 Company Snapshot

Company: **Enphase Energy Inc. (ENPH; 7.00% weight\*)**



Segment:  
**Solar**

- Enphase Energy, the largest holding in ACES, is a micro inverter solar systems manufacturer based in California.
- Enphase was the third best performing security this month, +7.93%, after favorable policy propelled the name higher in November.
- The U.S. Department of Commerce rejected an earlier request for tariffs on some Southeast Asia manufacturers, boosting several U.S. solar names, as tariffs would have increased costs domestically for solar panel developers. The infrastructure bill mentioned above also benefitted Enphase energy with its solar energy incentives.
- Enphase also bought ClipperCreek, a provider of EV charging stations. This acquisition brings Enphase into the EV space and allows for charging solutions to be sold alongside existing solar and battery offerings.
- This month, coupled with Enphase reporting blockbuster earnings at the end of October, has led to returns of 42.47% in 2021.

\* As of 11/30/2021 in ACES

## ALPS Clean Energy ETF

## ACES Performance as of 11/30/2021

| Total Returns                                     | Cumulative<br>as of 11/30/2021 |        |        |         | Annualized<br>as of 9/30/2021 |        |                   |
|---|--------------------------------|--------|--------|---------|-------------------------------|--------|-------------------|
|   | 1 Mo.                          | 3 Mo.  | YTD    | S.I.    | 1 Yr.                         | 3 Yr.  | S.I. <sup>1</sup> |
| ALPS Clean Energy ETF (Net Asset Value)           | -6.61%                         | 5.07%  | -7.08% | 208.23% | 20.01%                        | 39.30% | 36.48%            |
| ALPS Clean Energy ETF (Market Price) <sup>2</sup> | -6.58%                         | 5.11%  | -7.24% | 208.19% | 20.01%                        | 38.95% | 36.49%            |
| CIBC Atlas Clean Energy Index (Benchmark)         | -6.58%                         | 5.23%  | -6.76% | 214.61% | 20.54%                        | 39.84% | 37.31%            |
| S&P 1000 Total Return Index                       | -2.74%                         | -1.33% | 19.48% | 43.90%  | 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 visit [www.alpsfunds.com](http://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%**

<sup>1</sup> Fund inception date of 6/29/2018

<sup>2</sup> 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 (%)<sup>^</sup>

|                              |      |
|------------------------------|------|
| TESLA INC                    | 7.60 |
| PLUG POWER INC               | 7.35 |
| ENPHASE ENERGY INC           | 7.00 |
| FIRST SOLAR INC              | 5.36 |
| NEXTERA ENERGY PARTNERS LP   | 5.11 |
| SUNRUN INC                   | 4.92 |
| NORTHLAND POWER INC          | 4.29 |
| BROOKFIELD RENEWABLE PARTNER | 4.25 |
| HANNON ARMSTRONG SUSTAINABLE | 4.17 |
| CHARGEPOINT HOLDINGS INC     | 4.14 |

<sup>^</sup> Source: Bloomberg as of 11/30/21

Holdings subject to change

Daily holdings are available on the [alpsfunds.com](http://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 contains this and other information call 866.759.5679 or visit [www.alpsfunds.com](http://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, or 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.

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