

ALPS Clean Energy ETF

Monthly Insights | December 2020

Key Takeaways

- The ALPS Clean Energy ETF (ACES) gained 14.25% in December 2020 on more U.S. pandemic stimulus and the beginning of COVID-19 vaccine rollouts, which led the markets to finish positive in the final month of the year.
- Fuel Cell was the best performing segment, with both underlying names gaining over 10% on the month.
- CleanSpark Inc. (CLSK; 0.55% weight*), an Efficiency/LED/Smart Grid name, was the top performer in ACES, +166.51% after a news filled month.

Performance

- The ALPS Clean Energy ETF (ACES) gained 14.25% in December 2020, beating the WilderHill Clean Energy Index (ECO) by 1.64%.
- The year-end rush to pass Coronavirus aid and the omnibus spending bill has left renewables with an early holiday present, with a host of renewable incentives included in the omnibus bill that passed at the end of December. Some of the more notable benefits include: 1) a 2 year extension to the solar investment tax credit, 2) a one year extension to the wind (as well as biomass, geothermal, landfill gas, and small hydro) production tax credit, 3) a 5 year extension to the offshore wind production tax credit, 4) a host of increases in research and development funding for various renewable projects including energy storage, and 5) a national renewable mandate on federal lands and a national renewable energy coordination office.

	Dec-20	Year to Date	1 Year
ACES (NAV)	14.25%	139.96%	139.96%
NACEXT-CIBC Atlas Clean Energy Index	14.31%	140.98%	140.98%
ECO-WilderHill Clean Energy Index	12.61%	203.86%	203.86%

As of 12/31/2020

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

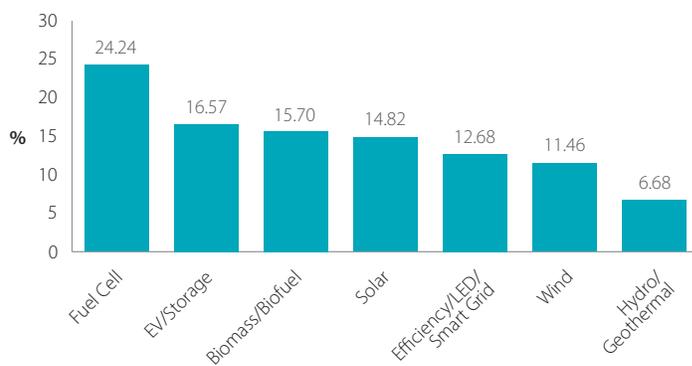
- Seven thematic segments across two categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



Attribution

- Fuel Cell was ACES best performing segment in December for the second straight month, gaining 24.24%, while Hydro/Geothermal was the "laggard," up 6.68%.
- Plug Power Inc. (PLUG; 5.92% weight*) and Ballard Power Systems Inc. (BLDP; 4.78% weight*) propelled the Fuel Cell segment to a 24.24% return. Plug Power announced they are expanding their e-commerce partnership with Walmart (WMT), leading to an uptick. Plug Power finished 2020 up an impressive 973.10% and Ballard Power Systems gained 225.91% in the same period.
- The EV/Storage segment was the second best performer in December, climbing 16.57%, with several individual names gaining over 50%. Beam Global (BEEM; 0.49% weight*), a new addition in the December rebalance, climbed 66.36% on more U.S. stimulus dollars dedicated to EV charging stations.

ACES Thematic Segment Performance - December 2020



Source: Bloomberg, as of 12/31/20.

Past performance does not guarantee future results

* Weight in ACES as of 12/31/2020

ALPS Clean Energy ETF

Valuation

- ACES underlying index, the CIBC Atlas Clean Energy Index, has a price-to-earnings ratio (P/E ratio) of 48.05x and a price-to-cashflow ratio of 14.49x.
- ACES ~29% weight to 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 December 2020

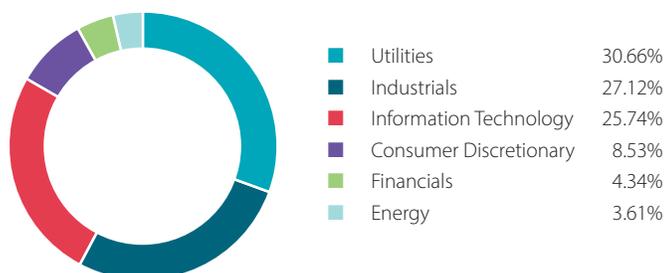
Leaders	Performance	Sub Segment
CLEANSARK INC (CLSK US)	166.51%	Efficiency/LED/ Smart Grid
BLINK CHARGING CO (BLNK US)	69.31%	EV/Storage
BEAM GLOBAL (BEEM US)	66.36%	EV/Storage

Laggards	Performance	Theme
WORKHORSE GROUP INC (WKHS US)	-22.03%	EV/Storage
AYRO INC (AYRO US)	-10.19%	EV/Storage
ORION ENERGY SYSTEMS INC (OESX US)	-4.36%	Efficiency/LED/ Smart Grid

ALPS as of 12/31/2020.

Past performance is not indicative of future results.

Sector Allocations



Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	48.05x	32.02x	49.13x
Price/Cash Flow Ratio	14.49x	15.08x	22.87x
Price/Sales Ratio	4.35x	2.18x	5.00x
Average Market Capitalization (in Mil, \$)	\$41,917	\$22,059	\$73,415

Source: Bloomberg, as of 12/31/2020

December 2020 Company Snapshot

Company: **CleanSpark Inc.**
(CLSK; 0.55% weight*)



Segment:
Efficiency/LED/Smart Grid

- CleanSpark, a renewable energy software and services company, gained 166.51% in the final month of 2020.
- The month started with CleanSpark agreeing to buy ATL Data Centers. The company plans to deploy its technology to the data centers to increase efficiency through several microgrids, highlighting the power of CleanSpark technologies for future applications.
- They also announced a partnership with Symmetric Energy, a solar and storage company based in California. "We believe that partnering with CleanSpark for design and controls software along with the co-marketing capabilities of our team will allow Symmetric to rapidly generate many more microgrid projects"¹ – CleanSpark CRO.
- A solid earnings report and strong guidance for next year, highlighted the rest of the month, with the ATL Data Center driving a third of their anticipated 300% increase in revenues for 2021.

* As of 12/31/2020 in ACES

¹ <https://www.prnewswire.com/news-releases/cleanspark-announces-partnership-with-solar-and-storage-developer-symmetric-energy-301193088.html>

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ACES Performance as of 12/31/2020

Total Returns	Cumulative as of 12/31/2020				Annualized as of 12/31/2020	
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	S.I. ¹
ALPS Clean Energy ETF (Net Asset Value)	14.25%	44.54%	139.96%	231.71%	139.96%	61.25%
ALPS Clean Energy ETF (Market Price)	14.35%	44.75%	139.56%	232.25%	139.56%	61.36%
CIBC Atlas Clean Energy Index (Benchmark)	14.31%	44.80%	140.98%	237.46%	140.98%	62.36%
S&P 1000 Total Return Index	7.05%	26.36%	12.98%	20.44%	12.98%	7.69%

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 and investment return 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 6/28/2018

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 (%)^

PLUG POWER INC	5.92%
ENPHASE ENERGY INC	5.83%
SUNRUN INC	5.21%
TESLA INC	5.11%
CREE INC	4.91%
FIRST SOLAR INC	4.81%
BALLARD POWER SYSTEMS INC	4.78%
BROOKFIELD RENEWABLE PARTNER	4.74%
NEXTERA ENERGY PARTNERS LP	4.55%
NORTHLAND POWER INC	4.51%

^ Source: Bloomberg, as of 12/31/20.

Holdings subject to change.

Daily holdings are available on the Alpsfunds.com website.

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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.

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. 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.

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&P100 Total Return Index combines the S&P MidCap 400® and the S&P SmallCap 600® to form an investable benchmark for the mid- to small-cap segment of the U.S. equity market.

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.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Clean Energy ETF

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