

ALPS Clean Energy ETF

Monthly Insights | October 2020

Key Takeaways

- The ALPS Clean Energy ETF (ACES) fell 0.29% in October 2020, as markets sold off on COVID-19 pandemic uncertainty.
- Biomass/Biofuel was the best performing segment, with all four underlying names gaining at least 5%.
- First Solar Inc. (**FSLR; 5.39% weight***), a solar name, was the top performer in ACES after reporting stellar earnings this month.

Performance

- The ALPS Clean Energy ETF (ACES) fell 0.29% in October 2020, trailing the WilderHill Clean Energy Index (ECO), as markets sold off to end the month on COVID-19 pandemic fears and election uncertainty.
- US corporates had their second largest year for commercial solar installations, according to the Solar Energy Industry association. In 2019, US companies installed 1,286 MW of solar, behind the record set in 2017 but up from 2018. Apple and Amazon were the two largest installers, with 389 MW and 369 MW respectively. While many large companies are announcing significant carbon reduction goals and installing solar, two thirds of the installations were from companies outside of the Fortune 500.

	Oct-20	Year to Date	1 Year
ACES (NAV)	-0.29%	65.54%	79.66%
NACEXT-CIBC Atlas Clean Energy Index	-0.23%	66.04%	80.27%
ECO-WilderHill Clean Energy Index	4.24%	86.47%	118.22%

As of 10/31/2020

Performance data quoted represent past performance. Past performance is no guarantee of future results so that shares, when redeemed may be worth more or a 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

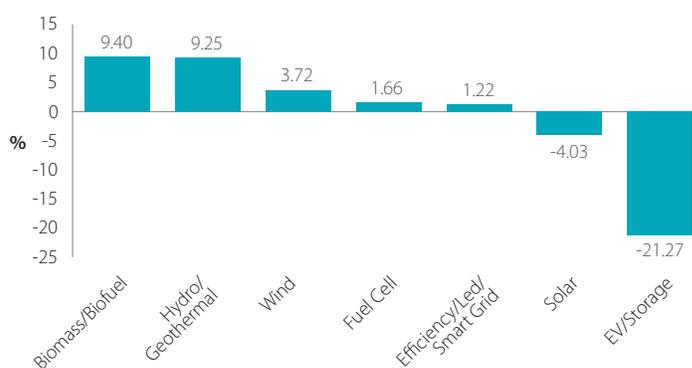
- 7 thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility
- Incorporates sustainability guidelines into the portfolio management process to meet ESG standards**



Attribution

- Biomass/Biofuel was ACES best performing segment for the second straight month while EV/Storage again was the laggard.
- Biomass/Biofuel led all segments higher in part due to Xebec Adsorption Inc. (**XBC CN; 0.46% weight***) gaining 22.76%. The manufacturer of systems for renewable gas purification/production, recently added to the fund in September, rose on several analysts buy recommendations.
- The solar segment, despite having a down month, saw First Solar (**FSLR; 5.39% weight***) & SunPower Corp (**SPWR; 1.73% weight***) gain 31.49% & 27.82%, respectively. First Solar is highlighted below and most solar names benefitted this month after the Trump administration's latest attempt to kill a solar tariff loophole (tariff exemption on bifacial panels) was blocked once again, as it had been a year ago. However, Sunrun (**RUN; 7.08% weight***), the largest holding in the solar segment, fell this month after completing its acquisition of Vivint Solar (**VSLR; formerly in ACES**).

ACES Thematic Segment Performance - October 2020



Source: Bloomberg, as of 10/31/20.

Past performance does not guarantee future results

* Weight in ACES as of 10/31/2020

** ESG: Investments that consider environmental, social, and governance impact

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 36.41x, a premium to both the WilderHill Clean Energy Index and NASDAQ Clean Edge U.S. Liquid Series Index.
- ACES ~32% 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 October 2020

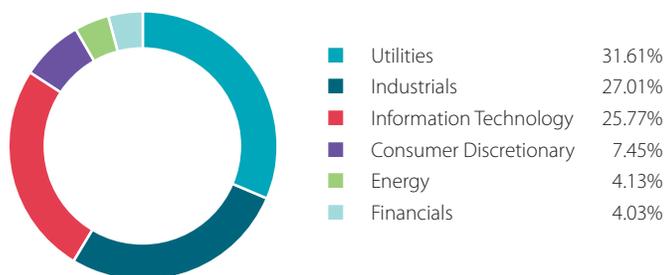
Leaders	Performance	Sub Segment
FIRST SOLAR INC (FSLR US)	31.49%	Solar
SUNPOWER CORP (SPWR US)	27.82%	Solar
XEBEC ADSORPTION INC (XBC CN)	22.76%	Biomass/Biofuel

Laggards	Performance	Theme
CLEANSK INC (CLSK US)	-39.55%	Efficiency/LED/Smart Grid
WORKHORSE GROUP INC (WKHS US)	-39.16%	EV/Storage
SUNRUN INC (RUN US)	-32.50%	Solar

ALPS as of 10/31/2020.

Past performance is not indicative of future results.

Sector Allocations



Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	36.41x	22.29x	33.19x
Price/Cash Flow Ratio	12.15x	12.93x	16.68x
Price/Sales Ratio	3.31x	1.66x	3.58x
Average Market Capitalization (in Mil, \$)	\$21,655	\$13,821	\$31,530

Source: Bloomberg, as of 10/31/2020

October 2020 Company Snapshot

Company: **First Solar**
(FSLR; 5.39% weight*)

 Segment:
Solar

- First Solar (FSLR US) manufactures photovoltaic (PV) solar cells (i.e. solar panels) as well as operates some of the world's largest PV power plants.
- First Solar initially got a boost this month with some positive news flow around tariffs (mentioned above) before re-instating guidance and reporting favorable earnings:
 1. Reported earnings beat analyst estimates by a healthy margin, and year over year sales growth was nearly 70%, beating revenue estimates by \$235.44 million.
 2. First Solar also reinstated full year guidance, which was initially impacted by the pandemic.
- Several analyst price upgrades followed this stellar earnings report and FSLR is up 55% year to date.

* As of 10/31/2020 in ACES

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ACES Performance as of 10/31/2020

Total Returns	Cumulative as of 10/31/2020				Annualized as of 9/30/2020	
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	S.I. ¹
ALPS Clean Energy ETF (Net Asset Value)	-0.29%	22.82%	65.54%	128.83%	82.11%	44.48%
ALPS Clean Energy ETF (Market Price)	-0.18%	22.70%	65.21%	129.12%	81.55%	44.49%
CIBC Atlas Clean Energy Index (Benchmark)	-0.23%	22.70%	66.04%	132.51%	82.70%	45.47%

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 (%)^

SUNRUN INC	7.08%
ENPHASE ENERGY INC	6.49%
PLUG POWER INC	5.44%
FIRST SOLAR INC	5.39%
BROOKFIELD RENEWABLE PARTNER	5.35%
NORTHLAND POWER INC	5.20%
UNIVERSAL DISPLAY CORP	5.14%
NEXTERA ENERGY PARTNERS LP	4.88%
CREE INC	4.67%
TESLA INC	4.28%

^ As of 10/31/20

Holdings subject to change.

Daily holdings are available on the 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 contain this and other information call 866.759.5679 or visit www.alpsfunds.com. Read the prospectus carefully before investing.

ALPS Clean Energy ETF Shares are not individually redeemable. Investors buy and sell shares of the ALPS Disruptive Technologies ETF 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&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.

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

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