

ALPS Active REIT ETF

ACTIVE AND FLEXIBLE INVESTMENT APPROACH

Monthly Insights | August 2021

Key Takeaways

- REIT ETF underperformed its benchmark by 130 bps during August 2021 and 93 bps since inception (2/25/2021).
- REIT ETF had P/FFO* of 26.23, lower than its benchmark's P/FFO of 28.83.
- A recent academic study highlighted that listed REITs outperformed private unlisted real estate funds, challenging the assumption that private investments provide an "illiquidity premium" for investors.
- Simon Property Group (SPG), a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations, gained 6.27% in August after announcing strong results for Q2 2021 from increases in shopper traffic, retailer sales, and leasing activity.

Performance Notes

- REIT ETF underperformed its benchmark by 130 bps during August 2021 and 93 bps since inception (2/25/2021).
- Underperformance in Health Care, Office and Diversified REITs contributed to the August underperformance.
- REIT ETF category allocations vs benchmark
 - Higher – Residential
 - Lower – Specialized, Retail, Office, Industrial, Health Care REITs
- REIT ETF valuations vs benchmark
 - REIT ETF P/FFO: 26.23
 - S&P USA REIT Index P/FFO: 28.83

* P/FFO - Price to funds from operations ratio

Performance Summary

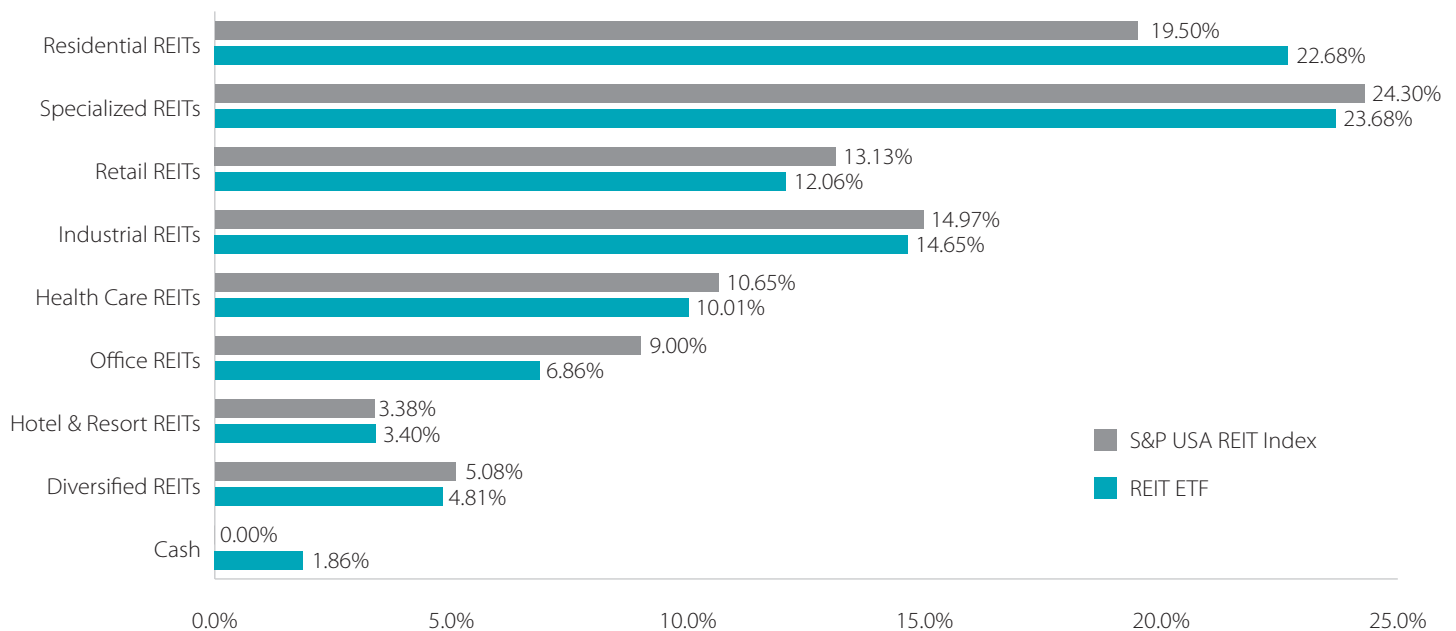
	Cumulative as of 8/31/2021			
	1 Month	3 Months	6 Months	S.I.
ALPS Active REIT ETF (NAV)	0.57%	8.71%	23.83%	22.22%
S&P US REIT Index	1.87%	9.67%	24.88%	23.15%

Performance as of 8/31/2021. Inception Date 2/25/2021

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.

For standardized performance, please see Page 2.

REIT ETF vs Benchmark Sub Category Allocations



Sources: SS&C ALPS Advisors, Bloomberg, as of 8/31/2021

ALPS Active REIT ETF

Portfolio Highlights

Listed REITs Outperform Private Real Estate Funds

A recent academic study** highlighted that listed REITs outperformed private unlisted real estate funds over comparable investment horizons, challenging the assumption that private investments provide an “illiquidity premium” for investors. Rather than compare benchmarks over specific periods, the authors used a “horse race” methodology to match the performance of private funds with the FTSE EPRA/NAREIT US Net Total Return Index over each private fund’s investment horizon.

The authors found that, for the 375 horse races between specific closed-end private equity real estate funds and the REIT index over various periods of time between 2000 and 2014, REITs outpaced private equity real estate funds in 53% of the head-to-head comparisons and outperformed the average private real estate fund by 165 basis points.

Simon Property Group (SPG)***

Simon Property Group, a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations, gained 6.27% in August after announcing strong results for Q2 2021. The firm increased full year guidance and raised quarterly dividend by 7.7%. Net operating income (NOI) increased 32.5% from the prior year period. The company was encouraged by increases in shopper traffic, retailer sales, and leasing activity.

** Arnold, Thomas; Ling, David; Naranjo, Andy. *Private Equity Real Estate Fund Performance: A Comparison to REITs and Open End Core Funds*, Journal of Portfolio Management, Oct 2021.

*** Part of REIT ETF portfolio as of 8/31/2021. Subject to change.

Performance as of 6/30/21

	Cumulative as of 6/30/21			Annualized as of 6/30/21		Gross Expense Ratio
	1 Month	YTD	S.I.	1 Year	S.I.	Expense Ratio
ALPS Active REIT ETF (NAV)	2.99%	15.79%	15.79%			0.68%
ALPS Active REIT ETF (MOP) ¹	3.10%	14.11%	14.11%			
S&P US REIT Index ²	2.66%	15.27%	15.27%			

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 866.759.5679. Performance includes reinvested distributions and capital gains.

Fund inception date of 2/25/2021.

¹ 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.

² S&P US REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

ALPS Active REIT ETF

Top 10 Proxy Basket[^]

EQUINIX INC	9.32%	CUBESMART	5.22%
AVALONBAYCOMMUNITIES INC	6.49%	ESSEX PROPERTY TRUST INC	4.76%
REXFORD INDUSTRIAL REALTY IN	6.11%	WP CAREY INC	4.59%
FIRST INDUSTRIAL REALTY TR	5.97%	VENTAS INC	4.46%
EQUITY LIFESTYLE PROPERTIES	5.59%	INVITATION HOMES INC	3.89%

[^] Source: ALPS, 8/31/2021. Subject to change.

This ETF is different from traditional ETFs.

Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may create additional risks for your investment. For example:

- You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared to other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- The ETF will publish on its website each day a "Portfolio Reference Basket" designed to help trading in shares of the ETF. While the Portfolio Reference Basket includes all the names of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF portfolio secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance.

For additional information regarding the unique attributes and risks of the ETF, see the fund's prospectus.

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 Active REIT ETF Shares are not individually redeemable. Investors buy and sell shares of the ALPS Active REIT ETF on a secondary market. Only market makers or "authorized participants" may trade directly with the Fund, typically in blocks of 50,000 shares.

An investment in the Fund is subject to investment risk, including the possible loss of principal. Ownership of real estate is subject to fluctuations in the value of underlying properties, the impact of economic conditions on real estate values, the strength of specific industries renting properties and defaults by borrowers or tenants. Real estate is a cyclical business, highly sensitive to general and local economic conditions and developments, and characterized by intense competition and periodic overbuilding. Credit and interest rate risk may affect real estate companies' ability to borrow or lend money.

The Fund may invest only in ETFs, exchange-traded notes, exchange listed common stocks, common stocks listed on a foreign exchange that trade on such exchange contemporaneously with the shares, exchange-traded preferred stocks, exchange-traded American depository receipts, exchange-traded real estate investment trusts, exchange-traded commodity pools, exchange-traded metals trusts, exchange-traded currency trusts, and exchange-traded futures that trade contemporaneously with the shares, as well as cash and cash equivalents.

The Funds' bid-ask spreads and premiums/discounts may be larger than those for traditional ETFs due to the lack of transparency, thus making trading in the Funds' shares more expensive.

Diversification does not eliminate the risk of experiencing investment loss.

The Fund is new and has limited operating history.

Market participants may attempt to reverse engineer a Fund's trading strategy, which, if successful, could increase opportunities for trading practices that may disadvantage the Fund and its shareholders.

Real Estate Investment Trust (REIT): Companies that own or finance income-producing real estate across a range of property sectors.

GSI Capital Advisors and ALPS Portfolio Solutions Distributor, Inc. are not affiliated.

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

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