

ALPS Emerging Sector Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Monthly Insights | April 2022

Key Takeaways

- The ALPS Emerging Sector Dividend Dogs ETF (EDOG) returned -6.19% in April 2022.
- EDOG's Utilities sector was its best performing sector for the month, returning -0.90%.
- EDOG's month-end price-to-earnings ratio (P/E ratio) of 8.78x remains at a sizeable discount to that of the Morningstar Emerging Markets Index P/E of 12.72x.

Performance Notes

- The ALPS Emerging Sector Dividend Dogs ETF (EDOG) returned -6.19% in April, slightly underperforming broad emerging markets, as measured by the Morningstar Emerging Markets Index (MEMMN). EDOG's deep value names in China provided positive performance on the month while EDOG's relative overweight to Mexico assisted with performance amidst inflationary pressures across emerging market countries.
- In April, emerging markets were negatively affected by continuing inflationary pressures and rising interest rates across central banks. With commodity prices elevated and supply chains receiving little relief from China's renewed COVID lockdown, value-oriented sectors including Energy, we believe Materials and Industrials are well-positioned to continue their run in emerging markets compared to their growth-oriented counterparts.

Performance Summary

	Apr-22	YTD	1 Y	3 Y
EDOG (NAV)	-6.19%	-9.80%	-2.97%	3.90%
S-Network Emerging Sector Dividend Dogs Index - NTR	-6.22%	-9.67%	-2.14%	4.69%
Morningstar Emerging Markets Index - NR	-5.06%	-10.70%	-15.71%	3.76%

As of 4/30/2022

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

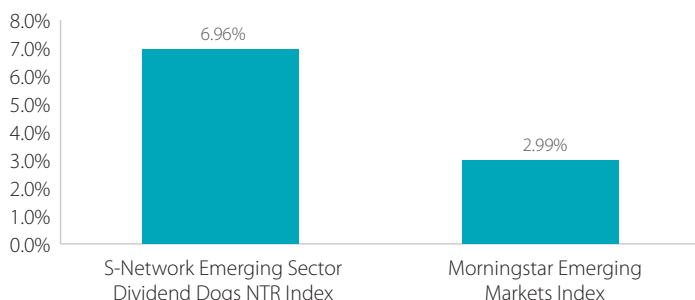
- EDOG is an Exchange-Traded Fund that applies the 'Dogs of the Dow Theory' on a sector-by-sector basis, using the S-Network Emerging Markets Index as its starting universe of eligible securities.
- The strategy provides high dividend exposure across all sectors of the market by selecting the five highest 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 April 29, 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 7.76%* overweight to Malaysia, 5.91%* to South Africa, and 8.43%* to Chile relative to the Morningstar Emerging Markets Index.

Trailing Twelve Month Dividend Yield



* Weight in EDOG as of 4/30/2022

Source: Bloomberg L.P., as of 4/30/2022

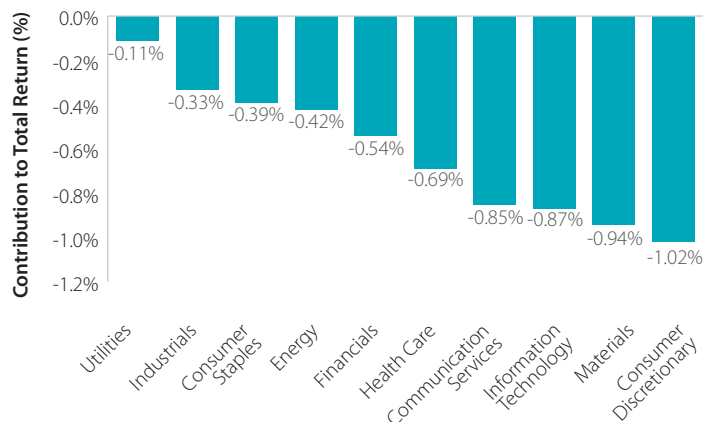
Past performance is no guarantee of future results.

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Contribution to Return by Sector

- Last month, EDOG saw names within its Utilities sector assist with performance, while its largest detractors stemmed from its Consumer Discretionary and Materials sectors. Within EDOG's Utilities sector, Huadian Power Intl Corp. (1071 HK, 2.02% weight*), a China based provider of electricity, rose over 13% after the company beat EPS estimates despite higher input costs.
- Additionally, Utilities sector name and electricity producer, Centrais Electricas BR (EBR US, 2.44% weight*), gained nearly 5%, moving higher after Brazil's Energy Minister calmed fears of a disruption in the company's privatization, stating the upcoming Presidential election in October would not be a risk for the state-controlled company's deal.
- Within EDOG's Materials sector, Eregli Demir Ve Cellik Fabrik (EREGL TI, 1.93% weight*), a Turkey based steel producer, gained 2.14% last month, driven by expectations of strong steel output and pricing power for producers in Europe.

Contribution to Return by Sector



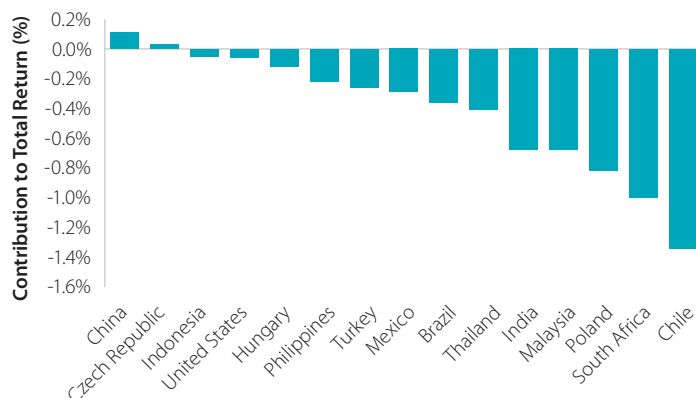
Source: Bloomberg L.P., as of 4/30/2022

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Contribution to Return by Country

- China (+0.11%) was the largest contributor to return by country for EDOG, while Chile (-1.34%) was the largest detractor.
- Within EDOG's China allocation, the top two total returns by sector were Utilities (+13.47%) and Energy (+0.60%).
- China based producer of rail systems and communication signals, China Railway Signal (3969 HK, 1.99% weight*), gained 5.82% following the China State Council's pledge to support operations in transportation and logistics by allowing tax exemptions through 2022.

Contribution to Return by Country



Source: Bloomberg L.P., as of 4/30/2022

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Valuation Update

- EDOG's underlying index, EDOGX, has a dividend yield of 6.96%, which far exceeds a comparable benchmark yield for the Morningstar Emerging Markets Index (MEMMN) of 2.99%.
- The current P/E ratio on the S-Network Emerging Sector Dividend Dogs Index currently sits below its three-year average as of April 29, 2022.

Price Multiples

	EDOGX Index		Morningstar Emerging Markets Index	
	Current	3 Year Avg	Current	3 Year Avg
Price/Earnings Ratio	8.78x	12.34x	12.72x	14.48x
Price/Book Ratio	1.39x	1.48x	1.57x	1.58x
Price/Cash Flow Ratio	5.47x	5.35x	8.39x	6.78x
Trailing Twelve Month Yield	6.96%	5.76%	2.99%	1.32%
EDOG 30-Day SEC Yield	5.33%			

Source: Bloomberg L.P., as of 4/30/2022

Past performance is no guarantee of future results.

* Weight in EDOG as of 4/30/2022

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ALPS Emerging Sector Dividend Dogs ETF (EDOG) Performance

Total Returns	Cumulative as of 4/30/2022				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)	-6.19%	-9.43%	-9.80%	19.77%	5.30%	6.95%	4.39%	3.10%
Market Price	-6.29%	-9.90%	-9.61%	19.38%	5.12%	6.94%	4.22%	3.07%
S-Network Emerging Sector Dividend Dogs Index - NTR	-6.22%	-9.37%	-9.67%	28.00%	6.16%	7.81%	5.19%	3.96%
Morningstar Emerging Markets Index - NR	-5.06%	-8.67%	-10.70%	41.88%	-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

Centrais Eletricas Brasileiras SA	2.44%
Ford Otomotiv Sanayi AS	2.39%
China Shenhua Energy Co Ltd	2.32%
CEZ AS	2.29%
Grupo Aeroportuario del Sureste SAB de CV	2.24%
JBS SA	2.17%
Enka Insaat ve Sanayi AS	2.17%
BIM Birlesik Magazalar AS	2.15%
Kimberly-Clark de Mexico SAB de CV	2.13%
Engie Brasil Energia SA	2.12%

Source: Bloomberg L.P., as of 4/30/2022, 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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