

# ALPS Disruptive Technologies ETF

Monthly Insights | November 2020

## Key Takeaways

- The ALPS Disruptive Technologies ETF (DTEC) gained 14.27% in November 2020, as presidential results and positive COVID vaccine news sent the markets soaring higher.
- Mobile Payments was DTEC's best performing theme, with all but one underlying name in the green, including three names that gained at least 20%.
- Robotics & Artificial Intelligence name, Brooks Automation (BRKS; 1.46% weight\*), was DTEC's top performer, after beating earnings estimates.

## Performance

- DTEC gained 14.27% last month, beating the Morningstar Global Markets Index (MSGMUSDN), as the presidential race resulted in a decisive outcome and positive COVID-19 vaccine news calmed investor's fears and drove markets forward.
- DTEC's overweight allocation to the Industrials and Information Technology sectors, relative to MSGMUSDN, led to the bulk of outperformance this month. Industrial solar name, Sunrun Inc. (RUN; 1.00% weight\*), soared 23.18% last month after posting strong residential solar sales and earnings, which drove positive analyst sentiment. Sunrun, within DTEC's Clean Energy theme, is up an impressive 264% in 2020 as green stimulus plans have accelerated the adoption of solar, globally.

	Nov-20	Year to Date	1 Year
DTEC (NAV)	14.27%	33.80%	35.42%
IDTEC Index - NTR	14.37%	34.34%	36.02%
Morningstar Global Markets Index - NR	12.61%	10.69%	14.52%

As of 11/30/2020. **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

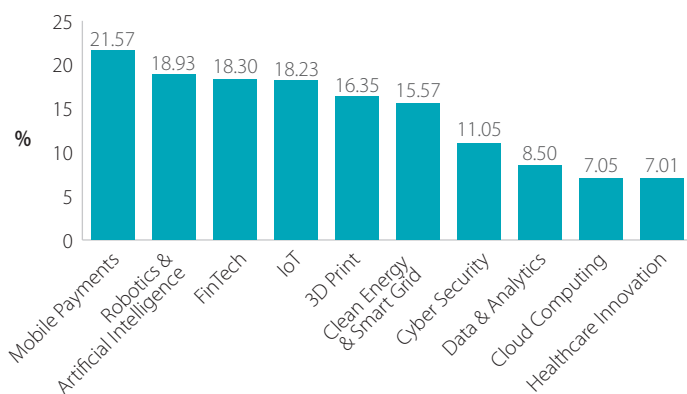
- Diversification: Access to 10 Equally Weighted Disruptive Technology Themes
- Long-term Capital Appreciation: Thematic Alpha
- Exposure: Global All-cap Equity Exposure



## Attribution

- Mobile Payments was the leader among DTEC's 10 disruptive themes, gaining +21.57% in November, while Healthcare Innovation was the "laggard", rising +7.01%. Eight out of the ten holdings in the Healthcare Innovation theme were positive in a month that saw all 10 themes firmly in the green.
- Within the Mobile Payments theme, Square Inc. (SQ; 1.31% weight\*), rose 36.21% on strong payment transactions & earnings, highlighted below in the Company Snapshot. American Express (AXP; 1.01% weight\*) was up 29.98% during the month on renewed hopes for corporate travel as vaccines are within reach.
- Brooks Automation (BRKS; 1.46% weight\*), was the best performing security in DTEC this month after posting impressive earnings. The Robotics & Artificial Intelligence name topped analyst estimates for the quarter, followed by a slew of analyst upgrades for the company that specializes in automation for semiconductors and related industries.

## DTEC Theme Performance - November 2020



Source: Bloomberg, as of 11/30/20.

**Past performance does not guarantee future results**

\* Weight in DTEC as of 11/30/2020

# ALPS Disruptive Technologies ETF

## Valuation

- As of the end of November 2020, DTEC's underlying index (IDTEC) had a price-to-earnings ratio (P/E ratio) of 46.95x and a price-to-cashflow ratio of 16.44x.

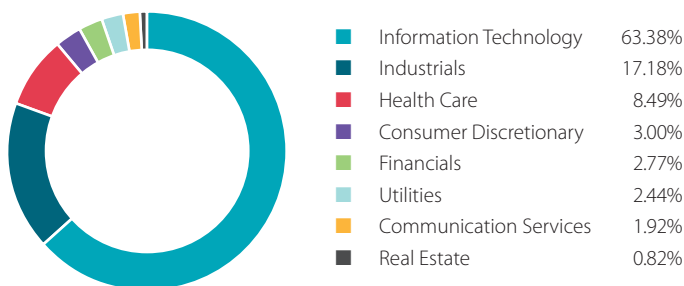
## DTEC Top/Bottom Performers November 2020

Leaders	Performance	Theme
BROOKS AUTOMATION INC (BRKS US)	56.30%	Robotics & Artificial Intelligence
VIVINT SMART HOME INC (VVNT US)	41.67%	IoT
STONECO LTD-A (STNE US)	39.36%	FinTech

Laggards	Performance	Theme
NORTONLIFELOCK INC (NLOK US)	-10.77%	Cyber Security
EQUINIX INC (EQIX US)	-4.24%	Cloud Computing
DIASORIN SPA (DIA IM)	-3.90%	Healthcare Innovation

*Past performance is not indicative of future returns*

## Sector Allocations



## Price Multiples

	IDTEC Index	Morningstar Global Markets Index
Price/Earnings Ratio	46.95x	23.89x
Price/Cash Flow Ratio	16.44x	7.44x
Price/Sales Ratio	4.99x	1.82x
Average Market Capitalization (in Mil, \$)	45,232	258,276

Source: Morningstar, as of 11/30/2020

## November 2020 Company Snapshot

**Company: Square Inc.**  
(SQ; 1.31% weight\*)



**Theme:**  
**Mobile Payments**

- Square, founded by Jack Dorsey, who is also the CEO of Twitter (TWTR), is a mobile payments company based in San Francisco.
- Square gained 36.21% this month, largely due to an earnings report which beat expectations handily:
  - Quarterly sales more than doubled, beating estimates by ~\$1 billion (\$3.03 billion vs \$2.05 billion expected).
  - Square's Cash App, a peer-to-peer payments app, provided much of the sales boom for the quarter as the pandemic and the addition of in app bitcoin transactions translated to impressive growth.
- The company is positioned well to continue growing and is already +237.21% year to date.

## ALPS Disruptive Technologies ETF

## DTEC Performance as of 11/30/2020

Total Returns	Cumulative as of 11/30/2020				Annualized as of 9/30/2020			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I. <sup>1</sup>
ALPS Disruptive Technologies ETF (Net Asset Value)	14.27%	10.34%	33.80%	72.72%	33.21%	N/A	N/A	17.08%
ALPS Disruptive Technologies ETF (Market Price) <sup>2</sup>	14.08%	10.25%	33.73%	72.84%	33.22%	N/A	N/A	17.16%
Indxx Disruptive Technologies Index	14.38%	10.47%	34.66%	75.14%	34.04%	N/A	N/A	17.63%
Indxx Disruptive Technologies Index - NTR (Benchmark)	14.37%	10.45%	34.34%	74.10%	33.67%	N/A	N/A	17.38%
Morningstar Global Markets Index - NR	12.61%	6.72%	10.69%	25.92%	9.54%	N/A	N/A	4.98%

**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](http://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: **0.50%**

<sup>1</sup> Fund inception date of 12/28/2017

<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>

XINJIANG GOLDWIND SCI&TEC-H	1.73%
BROOKS AUTOMATION INC	1.46%
XINYI SOLAR HOLDINGS LTD	1.38%
SQUARE INC - A	1.31%
SOLAREDGE TECHNOLOGIES INC	1.30%
ALIGN TECHNOLOGY INC	1.28%
BROOKFIELD RENEWABLE PARTNER	1.26%
STONECO LTD-A	1.25%
XERO LTD	1.25%
GMO PAYMENT GATEWAY INC	1.24%

<sup>^</sup> Source: Bloomberg as of 11/30/20, subject to change

## ALPS Disruptive Technologies 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](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 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.*

*Companies that the Index Provider believes are developing disruptive technologies may not in fact do so or may not be able to capitalize on those technologies. Companies that develop disruptive technologies may face political, legal or regulatory challenges. Such companies may also be exposed to risks applicable to industries or sectors other than the disruptive technology Theme for which they are chosen and may underperform relative to other companies that are also focused on a particular Theme. Smaller and mid-size companies often have narrower markets, 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. The large capitalization companies in which the Fund invests may underperform other segments of the equity market or the equity market as a whole.*

*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.*

*One cannot invest directly in an index.*

*There is no assurance that the market developments and sector growth discussed in this Insight will come to pass.*

*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.*

*Index Disruptive Technologies Index is based around companies that enter traditional markets with new digital forms of production and distribution, are likely to disrupt an existing market and value network, displace established market leading firms, products and alliances and increasingly gain market share.*

*The Morningstar® Global Markets Index consists of liquid equities that provide investors with accurate benchmarks for performance measurement, as well as offering discrete building blocks for portfolio construction. These indexes provide an accurate, comprehensive depiction of the performance and fundamental characteristics of global equity markets through a comprehensive portfolio of accessible and liquid stocks.*

*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 Index Disruptive Technologies Index. Similarly, the Fund does not buy a security because the security is deemed attractive unless that security is added to the Index Disruptive Technologies Index.*

*ALPS Portfolio Solutions Distributor, Inc. is the distributor for the ALPS Disruptive Technologies ETF*

*DTG000329 12/31/2021*