

# ALPS Clean Energy ETF

Monthly Insights | June 2021

## Key Takeaways

- The ALPS Clean Energy ETF (ACES) gained 9.79% in June 2021 as positive policy and growth sentiment continues to boost the space.
- Solar was the best performing segment, with 7 out of 8 names in the green this month.
- Workhorse Group Inc. (**WKHS; 1.49% weight\***), an EV/Storage name, was the top performer in ACES after reporting quarterly results, officially challenging a contract award they were bidding on, and seeing renewed retail investor interest in June.

## Performance

- The ALPS Clean Energy ETF (ACES) gained 9.79% in June 2021, trailing the WilderHill Clean Energy Index (ECO), but ACES continues to outpace ECO year to date. ECO benefitted from its Asian Pacific allocation this month (ACES only holds pure play U.S. and Canada based companies), however, the Biden Administration did announce it will ban solar imports by four key Chinese solar companies located in Xinjiang, where the US and other Western Governments have accused China of forced labor in predominantly Uyghur prisons and re-education centers.
- The Biden Administration also detailed their infrastructure plan in June, which includes \$579 billion in new spending, a deal that if passed upon reconciliation will result in a boost in spending on clean energy projects across the space.

	Jun-21	Year to Date	1 Year
ACES (NAV)	9.79%	-4.97%	95.15%
NACEXT-CIBC Atlas Clean Energy Index	9.70%	-4.84%	96.07%
ECO-WilderHill Clean Energy Index	12.50%	-9.59%	129.85%

As of 6/30/2021

**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

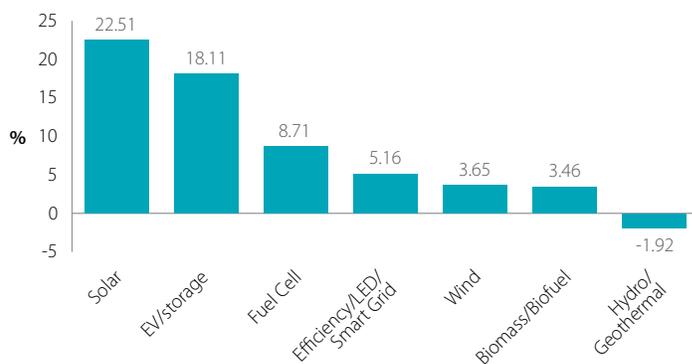
- 7 thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



## Attribution

- Solar was ACES best performing segment in June as favorable policy boosted the space, while Hydro/Geothermal was the laggard, although it detracted only .19 bps of return to the fund's overall monthly performance.
- With 7 out of 8 names returning over +15%, solar led all segments forward this month. Sunnova Energy International (**NOVA; 2.52% weight\***), Enphase Energy Inc. (**ENPH; 6.13% weight\***), SunPower Corp (**SPWR; 1.99% weight\***), and Sunrun Inc. (**RUN; 5.93% weight\***) all gained over 24%, propelling the segment to a 22.51% overall return.
- The three best performing securities in ACES were in the Ev/Storage segment, with Workhorse Group Inc. (**WKHS; 1.49% weight\***), Arcimoto Inc. (**FUV; 0.37% weight\***), and Beam Global (**BEEM; 0.25% weight\***) gaining 77.05%, 76.31%, and 31.24%, respectively. WKHS & FUV rose on retail momentum, while BEEM benefitted from a few new partnerships, including one for off grid charging for the U.S. Marine Corps.

ACES Thematic Segment Performance - June 2021



Source: Bloomberg, as of 6/30/21

**Past performance does not guarantee future results**

\* Weight in ACES as of 6/30/2021

## 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 40.17x and a price-to-cash flow ratio of 15.45x.
- ACES ~26% weight to U.S. and Canadian-based 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 June 2021

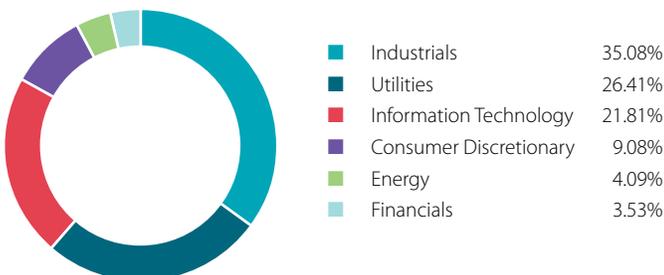
Leaders	Performance	Sub Segment
WORKHORSE GROUP INC (WKHS US)	77.05%	EV/Storage
ARCIMOTO INC (FUV US)	76.31%	EV/Storage
BEAM GLOBAL (BEEM US)	31.24%	EV/Storage

Laggards	Performance	Theme
XEBEC ADSORPTION INC (XBC CN)	-21.33%	Biomass/Biofuel
AEMETIS INC (AMTX US)	-17.69%	Biomass/Biofuel
EOS ENERGY ENTERPRISES INC (EOSE US)	-11.44%	EV/Storage

ALPS as of 6/30/2021

Past performance is not indicative of future results

### Sector Allocations



### Price Multiples

	NACEXT Index	ECO index	CELS index
Price/Earnings Ratio	40.17x	32.89x	45.91x
Price/Cash Flow Ratio	15.45x	14.67x	21.80x
Price/Sales Ratio	4.00x	2.32x	4.80x
Average Market Capitalization (in Mil, \$)	\$41,373	\$17,125	\$70,103

Source: Bloomberg, as of 6/30/2021

### June 2021 Company Snapshot

Company: **ChargePoint Holdings Inc.**  
(CHPT; 4.24% weight\*)



Segment:  
**EV/Storage**

- ChargePoint provides the largest network for electric vehicle (EV) charging stations in the world.
- Based in California, the EV company was added to ACES in the most recent June rebalance and has since returned 4.83%.
- ChargePoint started the month with strong earnings that beat expectations, while also announcing a partnership with Mercedes to provide charging solutions for their current and future EV lineup.

\* As of 6/30/2021 in ACES

## ALPS Clean Energy ETF

## ACES Performance as of 6/30/2021

Total Returns	Cumulative as of 6/30/2021				Annualized as of 6/30/2021		
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	S.I. <sup>1</sup>
ALPS Clean Energy ETF (Net Asset Value)	9.79%	-2.43%	-4.97%	215.23%	95.15%	46.29%	46.52%
ALPS Clean Energy ETF (Market Price)	9.81%	-2.54%	-5.13%	215.19%	95.07%	46.13%	46.52%
CIBC Atlas Clean Energy Index (Benchmark)	9.70%	-2.38%	-4.84%	221.11%	96.07%	47.20%	47.43%
S&P 1000 Total Return Index	-0.60%	3.90%	19.36%	43.76%	57.32%	12.87%	12.84%

**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](http://www.alpsfunds.com). The investment return and principal value of an investment will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.**

Gross Expense Ratio: **0.55%**

<sup>1</sup> Fund inception date of 6/28/2018

<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 (%)^

ENPHASE ENERGY INC	6.13%
SUNRUN INC	5.93%
FIRST SOLAR INC	5.37%
TESLA INC	5.10%
PLUG POWER INC	5.03%
NEXTERA ENERGY PARTNERS LP	4.73%
UNIVERSAL DISPLAY CORP	4.65%
NORTHLAND POWER INC	4.55%
ACUITY BRANDS INC	4.46%
BROOKFIELD RENEWABLE PARTNER	4.44%

<sup>^</sup> Source: Bloomberg as of 6/30/21,

Holdings subject to change.

Daily holdings are available on the [Alpsfunds.com](http://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](http://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.

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

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.

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