

ALPS Clean Energy ETF

Monthly Insights | April 2022

Key Takeaways

- The ALPS Clean Energy ETF (ACES) fell -20.71% in April 2022 as markets fell on rising inflation and uncertainty surrounding Fed decisions.
- Bioenergy was the best performing segment this month with three names in the green.
- Enviva Inc. (**EVA; 2.66% weight***), a Bioenergy name, was the top performer in ACES, +6.56%, after announcing a new investment for a wood pellet production plant.

Performance Notes

- ALPS Clean Energy ETF (ACES) fell -20.71% in April 2022, outpacing the WilderHill Clean Energy Index (ECO) on its lower solar weighting, as rising inflation and Fed uncertainty continues to grip the markets in 2022.
- A US probe into Chinese solar producers possibly evading tariffs by sending components to other Asian nations affected some solar names this month. This could impact US companies who rely on these countries for supply of components, with domestic supply usually not accounting for a large share.

Performance Summary

	Apr-22	YTD	1 Y
ACES (NAV)	-20.71%	-21.72%	-30.60%
NACEXT - CIBC Atlas Clean Energy Index - TR	-20.71%	-21.69%	-30.38%
ECO - WilderHill Clean Energy Index	-21.99%	-28.71%	-42.96%

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

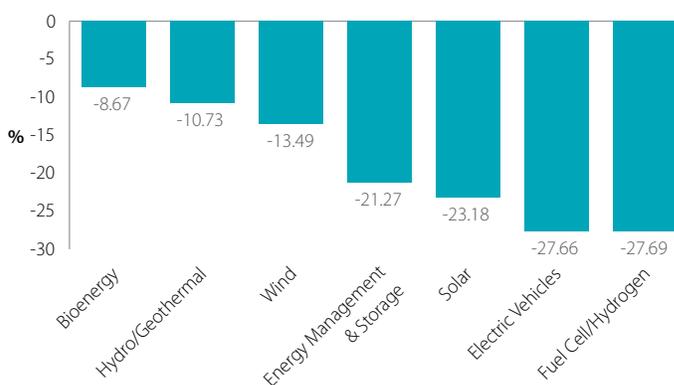
- Seven thematic segments across 2 categories (Renewables and Clean Technology)
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses
- U.S. and Canadian based companies for increased business transparency and reduced volatility



Attribution

- Bioenergy was ACES best performing segment, while Fuel Cell/Hydrogen was the laggard. The Fuel Cell/Hydrogen segment was hit along with most clean energy names amid rising interest rates, however, Plug Power Inc. (**PLUG; 5.01% weight***) did announce a new deal with Walmart (WMT; not in ACES) to supply up to 20 tons of liquid green hydrogen a day to Walmart, to power material handling trucks such as forklifts.
- The Bioenergy segment was the best performing segment in April as energy prices skyrocket, reinforcing the need for alternative energy sources. The segment contained three names that gained on the month, including Enviva Inc. (**EVA; 2.66% weight***) and Renewable Energy Group Inc. (**REGI; 3.11% weight***). Enviva is highlighted below in the Company Snapshot and REGI withstood market weakness given the pending all-cash buyout offer by CVX.
- Ormat Technologies Inc. (**ORA; 3.02% weight***) fell this month but the Hydro/Geothermal segment name did announce a new 15-year geothermal power supply deal in California with Peninsula Clean Energy.

ACES Thematic Segment Performance – April 2022



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

Past performance is no guarantee of future results.

* Weight in ACES as of 4/30/2022

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Valuation Update

- ACES's underlying index, the CIBC Atlas Clean Energy Index, has a price-to-earnings ratio (P/E ratio) of 42.06x and a price-to-cash flow ratio (P/CF) of 15.39x.
- ACES ~29% weight to US and Canadian-based utilities is within more expensive Yieldco's, which garner higher P/E's but lower P/CF metrics.

ACES Top/Bottom Performers April 2022

Leaders

Leaders	Performance	Sub-Segment
ENVIVA INC (EVA US)	6.56%	Bioenergy
RENEWABLE ENERGY GROUP INC (REGI US)	0.68%	Bioenergy
ARCHAEA ENERGY INC (LFG US)	0.32%	Bioenergy

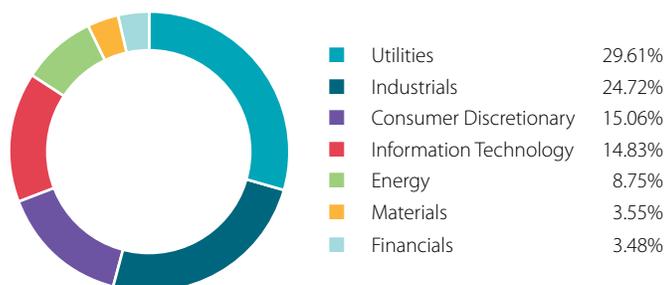
Laggards

Laggards	Performance	Theme
ARRAY TECHNOLOGIES INC (ARRY US)	-42.06%	Solar
SHOALS TECHNOLOGIES GROUP -A (SHLS US)	-41.43%	Solar
RIVIAN AUTOMOTIVE INC-A (RIVN US)	-39.81%	Electric Vehicles

Source: SS&C ALPS Advisors, as of 4/30/2022

Past performance is no guarantee of future results.

Sector Allocations



* Weight in ACES as of 4/30/2022

Price Multiples

	NACEXT Index	ECO Index	CELS Index
Price/Earnings Ratio	42.06x	17.22x	30.87x
Price/Cash Flow Ratio	15.39x	19.14x	23.19x
Price/Sales Ratio	3.43x	1.33x	3.43x
Average Market Capitalization (in Mil, \$)	\$59,189	\$16,640	\$94,454

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

Past performance is no guarantee of future results.

April 2022 Company Spotlight

Company: **Enviva Inc. (EVA; 2.66% weight*)**



Segment:
Bioenergy

- Enviva, based out of Maryland, is a biomass fuel company that is the world's largest producer of industrial wood pellets used to displace coal to generate power.
- Enviva was the top performing security in ACES this month after announcing a \$250 million investment in a new wood pellet production plant in Mississippi. With construction set to begin in early 2023, the facility will assist with the company trying to reach its goal of doubling production over the next 5 years. This is Enviva's third facility in Mississippi.
- JP Morgan also upgraded their price target for the stock, citing renewed demand in Europe for alternative energy amid the energy crisis.

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ALPS Clean Energy ETF (ACES) 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	SI ¹
NAV (Net Asset Value)	-20.71%	-6.22%	-21.72%	109.53%	-18.21%	34.36%	29.53%
Market Price	-20.84%	-6.23%	-21.81%	109.33%	-18.24%	34.39%	29.55%
CIBC Atlas Clean Energy Index - TR	-20.71%	-6.21%	-21.69%	114.00%	-17.94%	34.84%	30.26%
S&P 1000 Index - TR	-7.32%	-5.20%	-12.05%	32.78%	3.55%	13.97%	10.04%

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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: 6/28/2018

Total Operating Expenses: **0.55%**

Top 10 Holdings

TESLA INC	5.70%
ENPHASE ENERGY INC	5.61%
FIRST SOLAR INC	5.58%
BROOKFIELD RENEWABLE PARTNER	5.21%
NORTHLAND POWER INC	5.17%
PLUG POWER INC	5.01%
NEXTERA ENERGY PARTNERS LP	4.57%
LUCID GROUP INC	4.39%
SUNRUN INC	4.19%
ORMAT TECHNOLOGIES INC	3.62%

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. To obtain a prospectus containing this and other information, call 1-866-759-5679 or visit 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 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.

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

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.

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.

The Fund may be subject to risks relating to its investment in Canadian securities. The Canadian economy may be significantly affected by the US 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-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.

Smaller and mid-size companies often have a more limited track record, 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.

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 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.

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.

Price/Sales (P/S) Ratio: 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.

CIBC Atlas Clean Energy Index (NACEX): an adjusted market cap weighted index designed to provide exposure to a diverse set of US or Canadian based companies involved in the clean energy sector including renewables and clean technology. The clean energy sector is comprised of companies that provide the products and services which enable the evolution of a more sustainable energy sector.

NASDAQ Clean Edge Green Energy Index (CELS): a modified market capitalization weighted index designed to track the performance of companies that are primarily manufacturers, developers, distributors and/or installers of clean energy technologies, as defined by Clean Edge.

S&P 1000 Index: combines the S&P MidCap 400 and the S&P SmallCap 600 to form an investable benchmark for the mid- to small-cap segment of the US equity market.

WilderHill Clean Energy Index (ECO): a modified equal dollar weighted index comprised of publicly traded companies whose businesses stand to benefit substantially from societal transition toward the use of cleaner energy and conservation.

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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