

ALPS Disruptive Technologies ETF

Monthly Insights | October 2021

Key Takeaways

- The ALPS Disruptive Technologies ETF (DTEC) gained 6.59% in October 2021 as markets rallied on surprisingly strong tech earnings.
- Clean Energy & Smart Grid was DTEC's best performing theme, with several names gaining over 25%.
- Stratasys Ltd. (**SSYS; 1.32% weight***), a 3D Printing name, was DTEC's top performer, +46.56%, after a bullish analyst report boosted the stock.

Performance

- The ALPS Disruptive Technologies ETF (DTEC) gained 6.59% last month, beating the Morningstar Global Markets Index (MSGMUSDN) as tech names rose on several strong earnings announcements.
- DTEC's relative overweight to the information technology sector led to the bulk of the outperformance vs MSGMUSDN this month. DTEC has a 63.49% allocation to info tech, with one such name, Silicon Laboratories (**SLAB; 1.30% weight***), soaring after posting earnings. The semiconductor company reported revenues that increased 39% over the same quarter a year prior after a strategic sale of its automotive business earlier this year paved the way for the company to become a strong pure-play competitor in the Internet of Things (IoT) space going forward.

	Oct-21	Year to Date	1 Year
DTEC (NAV)	6.59%	11.78%	37.72%
IDTEC Index - NTR	6.65%	12.15%	38.29%
Morningstar Global Markets Index - NR	4.80%	16.39%	37.43%

As of 10/31/2021. 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

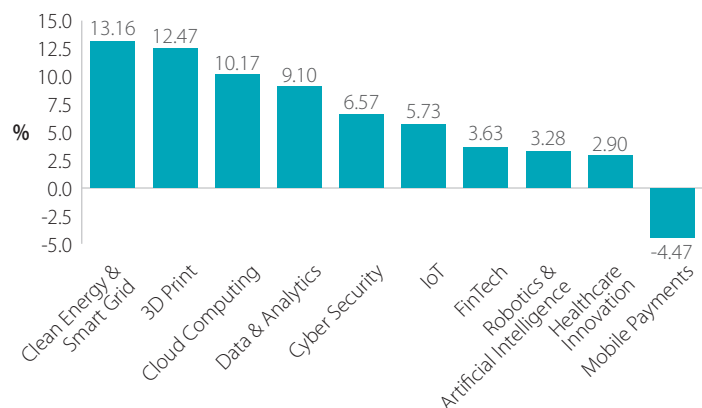
- **Diversification:** Access to 10 Equally Weighted Disruptive Technology Themes
- **Long-term Capital Appreciation:** Thematic Alpha
- **Exposure:** Global All-cap Equity Exposure



Attribution

- Clean Energy & Smart Grid was the leader among DTEC's 10 disruptive technology themes, with all but one underlying name in the green. Mobile Payments was the laggard after PagSeguro Digital (**PAGS; 0.64% weight***) fell sharply after Brazil's Central Bank announced it is exploring fee caps on prepaid card transactions, potential impacting the Brazil based digital payment provider.
- The Clean Energy & Smart Grid theme led this month after Tesla (**TSLA; 1.47% weight***) continued to march to record highs. The electric vehicle (EV) maker soared in October in part due to an announcement of a 100,000 Model 3 car deal with Hertz. The order will account for close to 20% of Hertz's entire vehicle fleet by the end of 2022 with half of the Tesla cars rented to Uber drivers, initially.
- The 3D Printing theme was the second best performing in DTEC with two names providing the bulk of the returns; Stratasys Ltd. (**SSYS; 1.32% weight***) & Materialise NV (**MTLS; 0.98% weight***). Stratasys is highlighted below in the company snapshot and Materialise gained on strong earnings that included 28% year-on-year revenue growth amid limited pandemic impact for the Belgium based company.

DTEC Theme Performance - October 2021



Source: Bloomberg, as of 10/31/21.

Past performance does not guarantee future results

* Weight in DTEC as of 10/31/2021

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Valuation

- As of the end of October 2021, DTEC's underlying index (IDTEC) had a price-to-earnings ratio (P/E ratio) of 42.63x and a price-to-cashflow ratio of 26.16x.

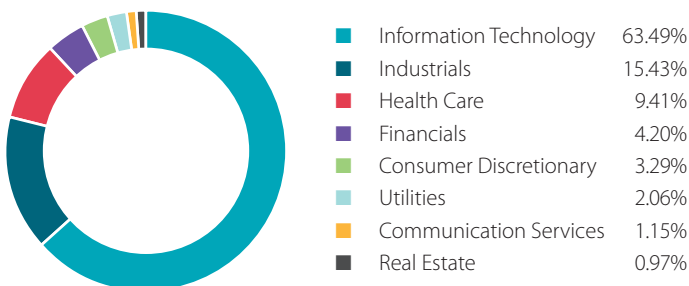
DTEC Top/Bottom Performers October 2021

Leaders	Performance	Theme
STRATASYS LTD (SSYS US)	46.56%	3D Printing
TESLA INC (TSLA US)	43.65%	Clean Energy & Smart Grid
SILICON LABORATORIES INC (SLAB US)	34.67%	IoT

Laggards	Performance	Theme
PAGSEGURO DIGITAL LTD-CL A (PAGS US)	-30.01%	Mobile Payments
FANUC CORP (6954 JP)	-11.30%	Robotics & Artificial Intelligence
PAYPAL HOLDINGS INC (PYPL US)	-10.61%	Mobile Payments

Past performance is not indicative of future returns

Sector Allocations



Price Multiples

	IDTEC Index	Morningstar Global Markets Index
Price/Earnings Ratio	42.63x	19.71x
Price/Cash Flow Ratio	26.16x	9.29x
Price/Sales Ratio	5.64x	2.12x
Average Market Capitalization (in Mil, \$)	72,833	349,723

Source: Morningstar, as of 10/31/2021

October 2021 Company Snapshot

Company: **Stratasys Ltd. (SSYS; 1.32% weight*)**



Theme:
3D Printing

- Stratasys is a manufacturer of 3D Printers and production systems for several industries.
- The company started the month by acquiring the remaining shares of Xaar 3D Ltd (owned 45% prior) to help further advance its 3D production technology.
- The bulk of the performance for Stratasys came after a bullish research report from an analyst at Craig-Hallum, increasing his price target from \$27 to \$42. He cites exciting new future products and positive sentiment from current customers and competitors as catalysts for the BUY rating.
- Stratasys has gained 52.22% year to date.

* As of 10/31/2021 in DTEC

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DTEC Performance as of 10/31/2021

Total Returns	Cumulative as of 10/31/2021				Annualized as of 9/30/2021			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I. ¹
ALPS Disruptive Technologies ETF (Net Asset Value)	6.59%	4.39%	11.78%	108.15%	26.45%	18.29%	N/A	19.50%
ALPS Disruptive Technologies ETF (Market Price) ²	6.73%	4.51%	12.00%	108.47%	26.25%	18.03%	N/A	19.51%
Indxx Disruptive Technologies Index	6.66%	4.56%	12.23%	111.93%	27.01%	18.80%	N/A	20.06%
Indxx Disruptive Technologies Index - NTR (Benchmark)	6.65%	4.54%	12.15%	110.51%	26.90%	18.57%	N/A	19.84%
Morningstar Global Markets Index - NR	4.80%	3.17%	16.39%	53.68%	28.27%	12.29%	N/A	10.73%

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.

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%**

¹ Fund inception date of 12/28/2017

² 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 (%)^

TESLA INC	1.47%
STRATASYS LTD	1.32%
SILICON LABORATORIES INC	1.30%
SOLAREEDGE TECHNOLOGIES INC	1.28%
BROOKS AUTOMATION INC	1.28%
FIRST SOLAR INC	1.20%
DATADOG INC - CLASS A	1.18%
NETFLIX INC	1.15%
SALESFORCE.COM INC	1.14%
ZSCALER INC	1.13%

^ Source: Bloomberg as of 10/31/21, subject to change

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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 which contain 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.

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.

The fund is new and has limited operating history.

Indxx Disruptive Technologies Index (IDTEC): 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.

One may not invest directly in the index.

Thematic Investing: Designed to participate in longer term technological disrupters, economic and political developments and social trends.

Thematic Alpha: The excess return of an investment relative to the return of a benchmark index that can be attributed to thematic investment strategies.

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

DTG000372 11/30/2022