

ALPS Disruptive Technologies ETF

Monthly Insights | May 2021

Key Takeaways

- The ALPS Disruptive Technologies ETF (DTEC) fell -0.79% in May 2021 in a turbulent month for technology stocks.
- Cyber Security was DTEC's best performing theme, with all but one name in the green.
- NortonLifeLock Inc (**NLOK**; **1.29% weight***), a Cyber Security name, was DTEC's top performer, +28% after announcing strong earnings.

Performance

- The ALPS Disruptive Technologies ETF (DTEC) fell -0.79% last month, trailing the Morningstar Global Markets Index (MSGMUSDN) as technology names continue to have a turbulent 2021 amid valuation concerns.
- DTEC's relative overweight to the Information Technology sector and stock selection within the Industrial sector hindered the fund in May. However, one Industrial name that fared well was ADT Inc. (**ADT**; **1.20% weight***). ADT had a strong month, +12.39% and received a price target increase from Credit Suisse.

	May-21	Year to Date	1 Year
DTEC (NAV)	-0.79%	0.04%	37.80%
IDTEC Index - NTR	-0.84%	0.11%	38.27%
Morningstar Global Markets Index - NR	1.47%	11.02%	42.76%

As of 5/31/2021. **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

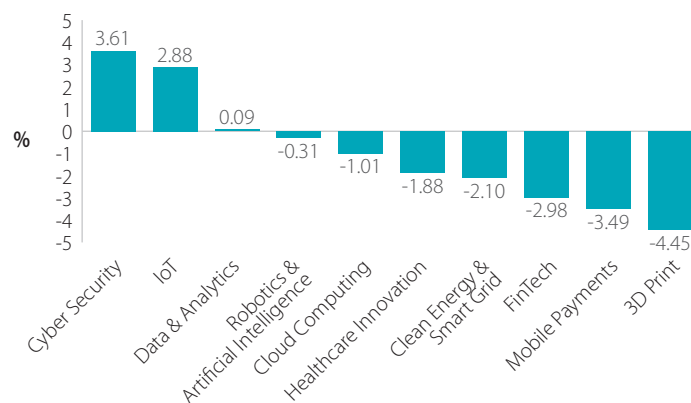
- **Diversification:** Access to 10 Equally Weighted Disruptive Technology Themes
- **Long-term Capital Appreciation:** Thematic Alpha
- **Exposure:** Global All-cap Equity Exposure



Attribution

- Cyber Security was the leader among DTEC's 10 disruptive technology themes for the second consecutive month after the Colonial Pipeline hack again highlighted the vital importance of cyber security in today's world. 3D Printing was the laggard, down 4.45%, with Proto Labs Inc. (**PRLB**; **0.66% weight***) causing much of the downturn after an analyst downgraded the stock, citing near term margin pressure.
- The Cyber Security theme, led by NortonLifeLock Inc. (**NLOK**; **1.29% weight***) & Fortinet Inc. (**FTNT**; **1.17% weight***), gained 3.61% in May. NortonLifeLock is highlighted below in the company snapshot and Fortinet gained after a Cowen analyst began coverage of the name, touting it as an industry leader that is well positioned going forward.
- The Internet of Things (IoT) theme was the second best performer in DTEC, spearheaded by Vivint Smart Home Inc. (**VVNT**; **0.86% weight***) & AMS AG (**AMS SW**; **0.95% weight***) gaining 16.11% and 13.15%, respectively. Both names gained after reporting solid earnings.

DTEC Theme Performance - May 2021



Source: Bloomberg, as of 5/31/21.

Past performance does not guarantee future results

* Weight in DTEC as of 5/31/2021

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Valuation

- As of the end of May 2021, DTEC's underlying index (IDTEC) had a price-to-earnings ratio (P/E ratio) of 43.26x and a price-to-cashflow ratio of 19.56x.

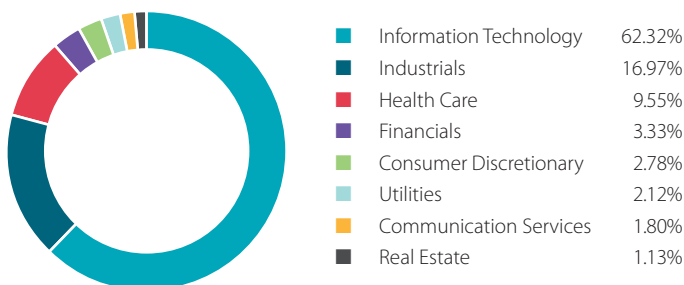
DTEC Top/Bottom Performers May 2021

Leaders	Performance	Theme
NORTONLIFELOCK INC (NLOK US)	28.00%	Cyber Security
VIVINT SMART HOME INC (VVNT US)	16.11%	IoT
AMS AG (AMS SW)	13.15%	IoT

Laggards	Performance	Theme
AFTERPAY LTD (APT AU)	-21.48%	FinTech
PROTO LABS INC (PRLB US)	-20.23%	3D Printing
OKTA INC (OKTA US)	-17.52%	Cyber Security

Past performance is not indicative of future returns

Sector Allocations



Price Multiples

	IDTEC Index	Morningstar Global Markets Index
Price/Earnings Ratio	43.26x	22.60x
Price/Cash Flow Ratio	19.56x	7.88x
Price/Sales Ratio	5.44x	2.10x
Average Market Capitalization (in Mil, \$)	51,560	278,563

Source: Morningstar, as of 5/31/2021

May 2021 Company Snapshot

Company: **NortonLifeLock Inc. (NLOK; 1.29% weight*)**



Theme:
Cyber Security

- NortonLifeLock provides cybersecurity solutions for customers nationwide to help protect their devices and networks.
- Earlier this month, the company reported earnings that beat analyst expectations, including record profits and revenues while bringing in 2 million new customers. A share buyback boost of \$1.5 billion was also announced, capping off an impressive quarter for the company.
- A slew of analyst BUY upgrades followed from the likes of Bank of America, Morgan Stanley, and several others. NortonLifeLock has gained 34% year to date.

* As of 5/31/2021 in DTEC

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DTEC Performance as of 5/31/2021

Total Returns	Cumulative as of 5/31/2021				Annualized as of 3/31/2021			
	1 Mo.	3 Mo.	YTD	S.I.	1 Yr.	3 Yr.	5 Yr.	S.I. ¹
ALPS Disruptive Technologies ETF (Net Asset Value)	-0.79%	0.00%	0.04%	86.29%	69.32%	19.78%	N/A	19.96%
ALPS Disruptive Technologies ETF (Market Price) ²	-0.82%	-0.13%	0.09%	86.29%	70.26%	19.50%	N/A	20.02%
Indxx Disruptive Technologies Index	-0.82%	-0.01%	0.15%	89.11%	70.61%	20.26%	N/A	20.52%
Indxx Disruptive Technologies Index - NTR (Benchmark)	-0.84%	-0.04%	0.11%	87.90%	70.43%	20.02%	N/A	20.29%
Morningstar Global Markets Index - NR	1.47%	8.56%	11.02%	46.59%	56.49%	11.85%	N/A	10.52%

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. 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 (%)^

PROOFPOINT INC	1.37%
NORTONLIFELOCK INC	1.29%
XERO LTD	1.21%
ADT INC	1.20%
NUANCE COMMUNICATIONS INC	1.19%
BROOKS AUTOMATION INC	1.19%
NEMETSCHEK SE	1.18%
WOLTERS KLUWER	1.17%
FORTINET INC	1.17%
MOODY'S CORP	1.15%

^ Source: Bloomberg as of 5/31/21, 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.

ALPS Disruptive Technologies 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.

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.

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

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