

ALPS Sector Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Quarterly Insights | Q2 2025

Key Takeaways

- In Q2 of 2025, The ALPS Sector Dividend Dogs ETF (SDOG) returned -0.11%, significantly underperforming the broader equities markets as returns reversed, with Q1 losers, namely the Magnificent 7, posting strong gains in Q2. This reversal was caused by Trump's tariff pause, which brought favor back to the mega-cap tech stocks.
- SDOG's Information Technology sector had the best contribution to overall fund returns in Q2 '25 as growth-heavy sectors saw strong performance on a reversal of Q1 trends, mostly driven by higher demand thanks to Artificial Intelligence products.
- SDOG's deep value holdings exhibit a price-to-earnings (P/E) ratio of 18.25x as of quarter-end, which remains at a sizeable discount to the S&P 500's P/E of 26.77x.

Performance Notes

- The ALPS Sector Dividend Dogs ETF (SDOG) returned -0.11% last quarter, underperforming the S&P 500 Index, which returned 10.94% for the same period due to S&P 500's Mag-7 exposure. Market leadership once again reversed during the quarter, with growth names gaining favor over value as Trump announced a 90 day pause to global tariffs. Despite growth's recent favor over value, SDOG's cheaper cyclical value exposure with companies that exhibit lower valuation multiples, high dividend yields and strong pricing power may continue to be better suited for the current elevated interest rate environment, specifically with tariffs on the horizon that will likely result in higher prices.
- In the second quarter of 2025, US equities saw a strong rebound after a rocky start to 2025. Mega-cap tech names reversed Q1 losses, with the Magnificent 7-heavy Information Technology and Communication Services gaining the most during the quarter. Despite strong returns in the first quarter for broad-based US markets, uncertainty remains with the full impact of tariffs yet to be seen. While future tariffs remain uncertain, the US still struggles to battle sticky inflation, despite the rest of the world cutting rates on the back of lower inflation. Value sectors historically fare better amidst a higher-for-longer interest rate backdrop, and with the valuation dispersion between value and growth still elevated, SDOG's deep value and high dividend portfolio may present investors with a robust pairing to the growth-heavy S&P 500.

Performance Summary

	Q2 2025	YTD	1 Y	3 Y
SDOG (NAV)	-0.11%	3.62%	12.93%	9.02%
S-Network Sector Dividend Dogs Index - TR	-0.12%	3.72%	13.29%	9.35%
S&P 500 Pure Value Index - TR	2.27%	5.48%	15.51%	10.69%
S&P 500 Pure Growth Index - TR	19.89%	11.29%	23.53%	17.04%
S&P 500 Index - TR	10.94%	6.20%	15.16%	19.71%

As of 6/30/2025

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

- SDOG is an Exchange-Traded Fund that applies the 'Dogs of the Dow Theory' on a sector-by-sector basis using the S-Network US Equity WR Large-Cap 500 Index (SNR 500) as its starting universe of eligible securities.
- The strategy provides high dividend exposure across multiple sectors of the market by selecting the five highest yielding securities in 10 of the 11 GICS sector (Real Estate sector excluded).
- Equally weighting at the stock and sector level may provide diversification while avoiding sector biases.



ALPS Sector Dividend Dogs ETF

Dividend Yields of Broad Market Indexes

- As of June 30, 2025, SDOG's underlying index carries a higher trailing twelve month dividend yield relative to major domestic market-focused indexes due to a relative overweight to higher-yielding sectors including Utilities, Energy and Materials.
- SDOG has a 7.52% overweight* to Utilities, 7.79% overweight* to Materials and 6.84% overweight* to Energy, relative to the S&P 500 Index.

Contribution to Return

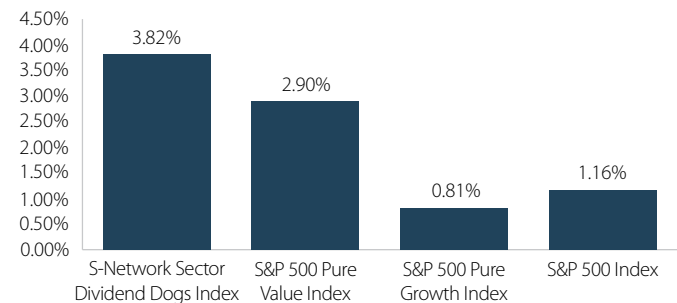
- SDOG's leading contributors to performance by sector in Q2 were Information Technology (+2.09%), Financials (+0.62%) and Consumer Discretionary (+0.12%), while Energy (-0.81%) and Health Care (-0.81%) detracted from overall fund performance. SDOG Information Technology name and computer hardware company, Seagate Technology Holdings (**STX, 2.24% weight***), jumped a staggering 70.78% last quarter as its hard drive storage saw inflecting demand from cloud storage providers, resulting in a large earnings beat. International Business Machines Corp (**IBM, 2.10% weight***) gained over 19% last quarter within SDOG's Information Technology sector after the global technology company announced a new \$150 billion five-year investment plan, focusing on research and development of IBM's mainframes and quantum computers, to accelerate its global computing leadership.
- SDOG Consumer Staples name and tobacco company, Phillips Morris International (**PM, 1.96% weight***), gained 15.60% in Q2 after the company's smoke-free tobacco products garnered strong demand, resulting in a quarterly earnings beat. Another SDOG Consumer Staples name with a strong performance during the Q2, Archer-Daniels-Midland Co. (**ADM, 2.01% weight***), an agricultural commodities producer, jumped over 11% after President Trump announced new quotas for oil refiners next year to blend biofuels into conventional diesel and gasoline in an attempt to combat biofuel imports. Archer-Daniels-Midland, a producer of corn (for ethanol) and soybeans (for biodiesel), is expected to see increased demand for its products to meet these new quotas.
- Despite a difficult period for cyclical value names, SDOG's Materials name rounded out top performers last quarter. Newmont Corp. (**NEM, 1.99% weight***), returned over 21% in Q2 as the gold miner benefited from global uncertainty which has sent the price of gold skyrocketing. During the second quarter, Newmont reported earnings above expectations thanks to higher margins as a result of higher gold prices.

Valuation Update

- SDOG's underlying index continues to exhibit attractive valuations relative to broad US market Indices.
- The S-Network Sector Dividend Dogs Index's (SDOGX) current P/E multiple of 18.25x sits at a notable discount to the S&P 500's current P/E multiple of 26.77x. Additionally, the trailing twelve month dividend yield for SDOGX is over 3x that of the S&P 500 Index.

* Weight in SDOG as of 6/30/2025

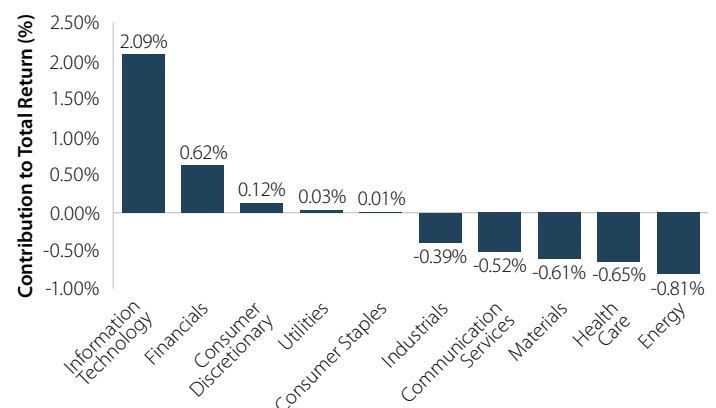
Trailing Twelve Month Dividend Yield



Source: Bloomberg L.P., as of 6/30/2025

Past performance is no guarantee of future results.

Contribution to Return by Sector



Source: Bloomberg L.P., as of 6/30/2025

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Price Multiples

	SDOGX Index		S&P 500 Index	
	Current	3 Year Avg	Current	3 Year Avg
Price/Earnings Ratio	18.25x	15.69x	26.77x	23.48x
Price/Book Ratio	2.09x	2.11x	5.24x	4.54x
Price/Cash Flow Ratio	9.52x	8.90x	21.97x	17.06x
Trailing Twelve Month Yield	3.82%	3.90%	1.16%	1.50%
SDOG 30-Day SEC Yield	4.03%			

Source: Bloomberg L.P., as of 6/30/2025

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ALPS Sector Dividend Dogs ETF (SDOG) Performance as of 6/30/2025

Total Returns	Cumulative				Annualized				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	2.48%	-0.11%	3.62%	276.77%	12.93%	9.02%	13.99%	8.67%	10.74%
Market Price	2.52%	-0.15%	3.56%	276.70%	12.89%	8.99%	13.99%	8.68%	10.74%
S-Network Sector Dividend Dogs Index - TR	2.51%	-0.12%	3.72%	297.79%	13.29%	9.35%	14.39%	9.11%	11.20%
S&P 500 Index - TR	5.08%	10.94%	6.20%	480.11%	15.16%	19.71%	16.64%	13.65%	14.48%

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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: 6/29/2012

Total Operating Expenses: **0.36%**

Top 10 Holdings

T-Mobile US Inc	2.07%	Ford Motor Co	2.06%
Omnicom Group Inc	2.05%	Genuine Parts Co	2.01%
AT&T Inc	2.03%	Darden Restaurants Inc	1.98%
Comcast Corp	2.02%	McDonald's Corp	1.92%
Verizon Communications Inc	1.99%	Best Buy Co Inc	1.91%

Source: Bloomberg L.P., as of 6/30/2025, subject to change

Daily holdings are available at www.alpsfunds.com.

Important Disclosures & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. This material must be preceded or accompanied by the prospectus. Read the prospectus carefully before investing.

Shares of ETFs are bought and sold at market price (not NAV) and are not individually redeemable.

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.

The Fund is subject to the additional risks associated with concentrating its investments in companies in the market sector.

Diversification does not eliminate the risk of experiencing investment losses.

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.

30-Day SEC Yield: reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses.

Basis Point (bps): a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

Dividend Yield: a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Dogs of the Dow Theory: an investment strategy which proposes that an investor annually select for investment the ten Dow Jones Industrial Average stocks whose dividend is the highest fraction of their price.

Price/Book (P/B) 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 (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.

Trailing Twelve Month Yield: refers to the percentage of income a portfolio has returned to investors over the last 12 months.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

S&P 500 Pure Growth Index: a style-concentrated index designed to track the performance of stocks that exhibit the strongest growth characteristics by using a style-attractiveness-weighting scheme.

S&P 500 Pure Value Index: a style-concentrated index designed to track the performance of stocks that exhibit the strongest value characteristics by using a style-attractiveness-weighting scheme.

S-Network Sector Dividend Dogs Index (SDOGX): a rules-based index intended to give investors a means of tracking the overall performance of the highest dividend paying stocks in the S-Network US Equity WR Large-Cap 500 Index (SNR 500) on a sector-by-sector basis.

S-Network US Equity WR Large-Cap 500 Index: includes the 500 largest US stocks by market capitalization.

One may not invest directly in an index.

ALPS Advisors, Inc., registered investment adviser with the SEC, is the investment adviser to the Fund. 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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