

Ticker: LGRO

# Level Four Large Cap Growth Active ETF

Quarterly Insights | Q2 2025

## Key Takeaways

- The Level Four Large Cap Growth Active ETF (LGRO) returned 16.18% in Q2 2025, outpacing the Bloomberg US 1000 Growth Total Return Index by 0.94%.
- Outperformance was driven by exposure to Information Technology and Communication Services, while more defensive securities within the Health Care sector were detractors.
- We maintain a disciplined portfolio approach, deeply rooted around investing in high-quality companies that are well-positioned to benefit from durable secular themes that are trading at discounts to their intrinsic value.

## Market Review and Outlook

- After adopting a more defensive posture in the quarter prior, investors looked past a slew of market headwinds, ranging from tariffs to geopolitical tensions in Q2 2025. As investors looked through the noise, sentiment improved, leading to a rotation into growth-oriented sectors that led to strong performance in Information Technology and Communication Services, which was additive to the portfolio, and helped neutralize idiosyncratic company exposure to more defense areas, such as Health Care.
- Looking ahead, we remain committed to our long-term investment approach, anchored around fundamental stock selection and prudent risk management. We believe LGRO is well-positioned to perform across a range of market environments, with targeted exposure to undervalued, high-quality companies benefiting from powerful secular themes, like artificial intelligence (AI), and exhibit strong growth and cash flow characteristics.

## Performance Summary

	Q2 2025	YTD	1 Y
LGRO (NAV)	16.18%	6.17%	18.90%
Bloomberg US 1000 Growth Index - TR	15.24%	6.30%	16.50%

Source: Bloomberg L.P., 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](http://www.alpsfunds.com). Performance includes reinvested distributions and capital gains.**

For standardized performance please see page 2.

## Investment Philosophy

- Invest primarily in equity securities of carefully selected, high-quality US companies that are trading at or below their intrinsic value.
- Seek high return on capital, high quality financial reporting, a strong management team and powerful product, service or market position.
- Adhere to a long-term, portfolio-oriented approach.

## Sector Allocations

- In Q2 2025, outperformance was driven by the Information Technology sector, where large capital investments in secular themes like AI fueled strong growth. US Large Cap companies benefited, leveraging their competitive moats to protect profitability. Looking ahead, we see continued growth opportunities not only in AI, but also across software, medical technology and industrials.
- On a relative basis, sector allocation (notably underweights to Health Care and Consumer Staples, and an overweight to Information Technology) and stock selection in Financials and Information Technology drove outperformance versus the Bloomberg US 1000 Growth Index, which offset less favorable security selection in Consumer Discretionary and Health Care.

## Sector Allocations (%)

	LGRO	Bloomberg US 1000 Growth Index	LGRO Overweight / (Underweight)
Comm Svcs	11.91%	10.88%	1.03%
Cons Disc	16.02%	12.42%	3.60%
Cons Staples	1.63%	4.13%	-2.50%
Energy	1.03%	0.53%	0.50%
Financials	11.50%	11.22%	0.28%
Health Care	4.44%	8.28%	-3.84%
Industrials	7.72%	9.59%	-1.87%
Info Tech	44.94%	39.01%	5.93%
Materials	0.00%	1.63%	-1.63%
Real Estate	0.82%	1.72%	-0.90%
Utilities	0.00%	0.59%	-0.59%

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

# Level Four Large Cap Growth Active ETF

## Performance Review

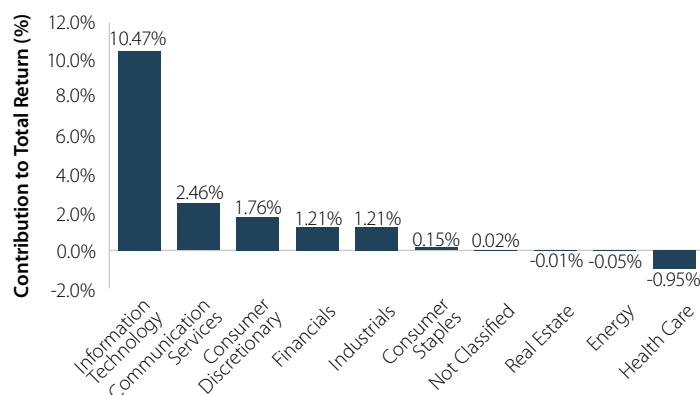
- During the quarter, LGRO generated returns of 16.18%, exceeding the Bloomberg US 1000 Growth Index, which increased 15.24%.
- On a total return basis, LGRO's leading contributors to performance by sector in Q2 2025 were Information Technology (+10.47%), Communication Services (+2.46%) and Consumer Discretionary (+1.76%), while Health Care (-0.95%), Energy (-0.05%) and Real Estate (-0.01%) were the main detractors.
- The portfolio benefited from significant contributions from NVIDIA Corp. (NVDA, 5.17% weight\*), Snowflake Inc. (SNOW, 4.53% weight\*), Broadcom Inc. (AVGO, 2.79% weight\*), Dexcom Inc. (DXCM, 1.16% weight\*) and Morgan Stanley (MS, 2.37% weight\*), while detractors included Apple, Inc. (AAPL, 5.93% weight\*), UnitedHealth Group (UNH, 1.28% weight\*), and DocuSign, Inc. (DOCU, 2.10% weight\*).
- Top contributor:** NVIDIA Corp. (NVDA, 5.17% weight\*), the leading provider of Graphic Processing Unit (GPU) hardware for computing, AI, data science and robotic applications. Shares rose 45.77% during the quarter, driven by sound financial results and the successful rollout of its new Blackwell datacenter platform, which helped neutralize headwinds from export restrictions on its previous-generation Hopper platform.
- Largest detractor:** Apple, Inc. (AAPL, 5.93% weight\*), who designs, manufactures and markets smartphones, personal computers, tablets and wearables. Shares declined 7.64% and lagged the broader market recovery, as incremental tariff-related costs (estimated at \$900M on most recent earnings call) and more measured progress integrating AI into hardware and services weighed on investor sentiment.

## Valuation Update

- LGRO targets high-quality companies with strong management teams, enduring business models, solid balance sheets and high returns on invested capital (ROIC). This focus has contributed to the portfolio's premium valuation, as investors reward businesses with resilient fundamentals and long-term growth potential.
- As of Q2 2025, LGRO's Price/Free Cash Flow (P/FCF) valuation multiple of 42.43x, a modest premium to the Bloomberg US 1000 Growth Index's 41.81x, reflects recent strength in large cap growth stocks. We continue to believe the current valuation multiple of LGRO is appropriate, when balancing growth and profit contribution prospects of the positions in the portfolio.

\* Weight in LGRO as of 6/30/2025

## Contribution to Return by Sector



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

**Past performance is no guarantee of future results.**

## Price Multiples

	LGRO	Bloomberg US 1000 Growth Index
Price/Earnings Ratio	32.75x	35.29x
Price/Book Ratio	8.05x	8.49x
Price/Cash Flow Ratio	26.48x	28.24x
Price/Free Cash Flow Ratio	42.43x	41.81x
Trailing Twelve Month Yield	0.29%	0.75%
LGRO 30-Day SEC Yield	0.23%	

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

**Past performance is no guarantee of future results.**

## Level Four Large Cap Growth Active ETF Performance as of 6/30/2025

Total Returns	Cumulative			Annualized	
	1 M	3 M	YTD	1 Y	5Y†
NAV	6.44%	16.18%	6.17%	18.90%	23.88%
Market Price	6.41%	16.12%	6.05%	18.79%	23.86%
Bloomberg US 1000 Growth Index - TR	5.69%	15.24%	6.30%	16.50%	25.20%

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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.

† Fund inception date: 8/22/2023

## Top 10 Holdings

Microsoft Corp	6.35%	Snowflake Inc	4.53%
Apple Inc	5.93%	Lam Research Corp	3.49%
Amazon.com Inc	5.51%	Meta Platforms Inc	3.39%
Alphabet Inc	5.26%	Uber Technologies Inc	3.28%
NVIDIA Corp	5.17%	Blackrock Inc	3.19%

Source: Bloomberg L.P., as of 6/30/2025, subject to change  
Daily holdings are available at [www.alpsfunds.com](http://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.

Diversification does not eliminate the risk of experiencing investment losses.

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

Bloomberg US 1000 Growth Index: provides exposure to companies with superior growth factor scores based on their earnings yield, valuation, dividend yield and growth.

Free Cash Flow (FCF): a measure of cash earnings that excludes the non-cash expenses of the income statement but includes capital assets as well as changes in working capital from the balance sheet.

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.

Price/Free Cash Flow (P/FCF) Ratio: an equity valuation metric that compares a company's per-share market price to its free cash flow (FCF). This metric is very similar to the valuation metric of price/cash flow but uses free cash flow, which subtracts capital expenditures (CAPEX) from a company's total operating cash flow, thereby reflecting the actual cash flow available to fund non-asset-related growth.

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

One may not invest directly in an index.

ALPS Advisors, Inc. and Level Four Capital Management, LLC, registered investment advisers with the SEC, are the investment adviser and sub-adviser to the Fund, respectively. ALPS Advisors, Inc. and ALPS Portfolio Solutions Distributor, Inc., affiliated entities, are unaffiliated with Level Four Capital Management, LLC.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Fund.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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