

# ALPS | Smith Core Plus Bond ETF

Ticker: SMTH

Partner Focus | Strategy Summary

## About Smith Capital Investors

Smith Capital Investors is a boutique fixed income manager based in Denver, Colorado, dedicated to delivering consistent, risk-adjusted returns with a strong emphasis on capital preservation. The team believes active security selection and sector rotation can improve portfolio outcomes, while a deep understanding of traditional indices helps avoid unintended risks. The firm is supported by a team with deep experience, a collaborative culture and a fundamental process cultivated over years of working together. Smith Capital Investors is focused on achieving strong results aligned with investor needs.

## Why SMTH

Traditional fixed income portfolios often struggle to balance income, downside protection and flexibility. The ALPS | Smith Core Plus Bond ETF (SMTH) was designed as an actively managed core plus solution seeking attractive income, capital appreciation and risk-adjusted returns.

### Key Features:

- Dynamic portfolio positioning across defensive, neutral and opportunistic allocations as market conditions evolve.
- A flexible fixed income approach designed to navigate interest rate changes, credit cycles and shifting macro environments.
- No derivatives, leverage or esoteric products.
- True bottom-up, fundamentally driven approach to security selection.

## Investment Objective and Approach

### Goal:

The Fund seeks above average total return from a combination of current income and capital appreciation.

### Active Management:

A smaller, more nimble fund structure may provide greater flexibility in navigating changing market conditions.

### Dynamic Portfolio Positioning:

Defensive, neutral and opportunistic positioning for allocation flexibility.

## Typical Fund Constraints

Duration	+/- 40% of the Index
Cash Holdings	0-15%
Liquid Holdings	> 85%
Credit Allocation	0-90%
Geographic Allocation	Primarily US Focused
Sector Limits	None
Position Size	Single Credit < 5%
Industry Limits	Single Industry < 10% (maximum 25%)
High Yield Securities	< 20%
Preferred Stock	< 10%
Minimum Issue Size	Approx. \$100mm

## Portfolio Characteristics

The strategy seeks above average total return, defined as outperformance of the Bloomberg US Aggregate Bond Index, net of Fund fees and expenses, through a combination of current income and capital appreciation. Under normal market conditions, the Fund invests at least 80 percent of its net assets, plus any borrowings for investment purposes, in bonds. Investments in high yield bonds are expected to represent less than 20 percent of the Fund's net assets.

## Macro Perspective

- Top-down macroeconomic analysis using model driven forecasts and real time analysis.
- Aggregate real time company commentary into macro themes.
- Monetary and fiscal policy as key drivers of decision process and direction of interest rates.
- Challenge market consensus driving strategic positioning around duration exposure and across yield curves.

## Portfolio Role

### **Core Portfolio Holding:**

Designed to serve as a core fixed income allocation, seeking risk-adjusted returns through bottom-up fundamental analysis with a macro-overlay. The approach introduces the potential for lower risk and improved return outcomes relative to the Bloomberg US Aggregate Bond Index, while emphasizing capital preservation.

### **Risk Diversification:**

May help diversify portfolio risk by potentially reducing volatility and offering lower correlation to equities.

## Key Takeaways

- Actively managed core plus bond strategy focused on risk-adjusted returns and capital preservation.
- Security selection, sector rotation and flexible positioning drive returns across market environments.
- Designed as a core fixed income holding to support income generation and portfolio diversification.

## Investment Team



### Gibson Smith, Founder, CEO, CIO, Portfolio Manager

Gibson Smith has more than 35 years of investment experience. He previously served as Chief Investment Officer, Fixed Income of Janus Henderson, formerly Janus Capital Group, a position he held from January 2006 through March 2016. In that position, Gibson was also a member of the Janus Executive Committee, sat on the Perkins Investment Management Board and was the Portfolio Manager on Janus Fixed Income strategies. As Chief Investment Officer, Gibson was responsible for Janus' investment process within the firm's fixed income division and served as Portfolio Manager on most of Janus' Fixed Income strategies and funds. Two of the funds he managed became the largest strategies at Janus before his departure—the Janus Balanced Fund and the Janus Flexible Bond Fund. Gibson joined Janus in 2001 after spending the first 10 years of his career at Morgan Stanley in Manhattan and San Francisco.

*Gibson Smith is a Registered Representative of ALPS Distributors, Inc.*



### Eric Bernum, CFA, Deputy Chief Investment Officer

Eric Bernum is a Portfolio Manager and Investor at Smith Capital Investors, a position he has held since May 2018. Eric also brings primary focus on the securitized market. Before joining the team, he served as Executive Director, Senior Portfolio Manager at J.P. Morgan Asset Management. In that position, Eric was a part of the Portfolio Management team, managing assets across various fixed income institutional portfolios and mutual funds. Before his time at J.P. Morgan Asset Management, Eric was at Janus Capital Management LLC in a multitude of roles across the trading, fundamental analysis and portfolio management functions—culminating in Eric's role as the Co-Head of Fixed Income Trading and Assistant Portfolio Manager. In these roles, Eric managed a global team of seven traders and contributed to portfolio management decisions across all major fixed income strategies ranging from Intermediate/Core, High-Yield, Credit only, Money Markets, Limited Duration and Liability Driven/Long Duration strategies. Eric was also active in asset raising, client servicing and compliance and systems build-out and function across the fixed income platform. Eric earned his Bachelor of Science degree in finance from Colorado State University, earning the Distinguished Scholar Award and attended the University of South Australia. He earned the Chartered Financial Analyst (CFA) designation and is a member of the CFA Society of Colorado.

*Eric Bernum is a Registered Representative of ALPS Distributors, Inc.*

## Solution Based Partnership

- SS&C ALPS Advisors serves as the Adviser to the Fund and specializes in manager oversight and evaluation; focuses on delivering innovative asset management solutions.
- Smith Capital Investors offers a deeply experienced, investment centric team with a process grounded in fundamental research, complemented by quantitative validation and use of technology.

## 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](http://www.alpsfunds.com). Read the prospectus carefully before investing.**

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

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.

A rise in interest rates typically causes bond prices to fall. The longer the duration of the bonds held by a fund, the more sensitive it will likely be to interest rate fluctuations. Duration measures the weighted average term to maturity of a bond's expected cash flows. Duration also represents the approximate percentage change that the price of a bond would experience for a 1% change in yield. For example: the price of a bond with a duration of 5 years would change approximately 5% for a 1% change in yield. The price of a bond with a duration of 10 years would be expected to decline by approximately 10% if its yield was to rise by +1%. Bond yields tend to fluctuate in response to changes in market levels of interest rates. Generally, if interest rates rise, a bond's yield will also rise in response; the duration of the bond will determine how much the price of the bond will change in response to the change in yield.

The Fund's investments in fixed-income securities and positions in fixed-income derivatives may decline in value because of changes in interest rates. As nominal interest rates rise, the value of fixed-income securities and any long positions in fixed-income derivatives held by the Fund are likely to decrease, whereas the value of its short positions in fixed-income derivatives is likely to increase.

Overall securities market risks may affect the value of individual instruments in which the Fund invests. Factors such as domestic and foreign economic growth and market conditions, interest rate levels, and political events affect the securities and derivatives markets. When the value of the Fund's investments goes down, your investment in the Fund decreases in value and you could lose money.

Active Management: the practice of selecting individual investments with discretion. The opposite of Passive Management.

Bloomberg US Aggregate Bond Index: a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, fixed-rate agency MBS, ABS and CMBS (agency and non-agency). One may not invest directly in an index.

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

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

Not FDIC Insured • No Bank Guarantee • May Lose Value

SMI000161 11/30/2026