

Ticker: CCNR

# ALPS | CoreCommodity Natural Resources ETF

Commentary | December 31, 2024

## Performance as of 12/31/2024

Total Returns	1 M	3 M	YTD	SI
NAV (Net Asset Value)	-6.69%	-8.29%	-6.16%	-6.16%
Market Price	-6.80%	-8.26%	-6.20%	-6.20%
Bloomberg Commodity Index - TR	1.02%	-0.45%	0.59%	0.59%

**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.**

Fund inception date: 7/10/2024; cumulative return presented

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.

Total Operating Expenses: **0.39%**

## Fourth Quarter Fund Review

The ALPS | CoreCommodity Natural Resources ETF (CCNR) returned (8.3%) during the final quarter of 2024. The negative performance for the quarter was primarily driven by a volatile December, particularly in international equity markets, and was seen across all four sectors (energy, agriculture, base metals and precious metals). Foreign equity holdings were further pressured by a stronger US dollar over the period as well.

CCNR's investments in traditional oil and gas-related companies within the energy sector declined modestly during the quarter. Investments in solar, wind and other renewable energy holdings fell by double-digits over the period, further weighing on the sector's returns. Increased exposure to the sector based on lighter short interest positioning relative to other sectors detracted from performance during the quarter.

Within the agriculture sector, dairy and fertilizer companies contributed positively to performance during the quarter as a result of egg shortages (due to bird-flu related culling) and higher fertilizer prices (due to increased natural gas prices). The remaining industries, however, detracted as lower crop prices persisted, keeping pressure on farmers to manage costs and impacting their ability to spend. Increased exposure to value names within the sector was additive to performance during the quarter.

Base metals prices fell sharply during the quarter, which weighed heavily on miners already facing uncertainties around tariffs and trade as the new US administration prepared to take control. Steel-related industries, including iron ore, metallurgical coal and specialty metals fell double-digits during the quarter on Chinese growth concerns as well as the potential for more hostile trade relations between the United States and China under the incoming Trump administration. An analysis of industry health metrics led to a reduction in exposure to steel producers within the sector which added to performance during the quarter.

Precious metals miners declined during the quarter as precious metals prices fell. Platinum group metals miners, though a small part of CCNR's precious metals allocation, led the decline during the period. A lower allocation to the sector based on relatively higher short interest positioning aided performance during the quarter.

Valuations of natural resource equities broadly continue to sit at low levels relative to both their own historical averages and the broader equity market. At these favorable valuations, with an implied dividend yield of over 4% as of year-end, and given the strong underlying fundamentals for the companies which produce the world's vital natural resources, we believe the investment case for the asset class remains strong.

## Top 10 Holdings

HORMEL FOODS CORP	1.90%	BOLIDEN AB	1.34%
CAL-MAINE FOODS INC	1.73%	CNH INDUSTRIAL NV	1.31%
TYSON FOODS INC-CL A	1.49%	INGREDION INC	1.29%
FMC CORP	1.42%	ARCHER-DANIELS-MIDLAND CO	1.27%
CHINA MENGNIU DAIRY CO	1.41%	MURPHY OIL CORP	1.21%

As of 12/31/2024, subject to change

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1-866-759-5679

**SS&C** | ALPS ADVISORS

## 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.*

*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 new and has limited operating history.*

*Diversification does not eliminate the risk of experiencing investment losses.*

*The Fund's investments in securities of natural resource companies involve risks. The market value of securities of natural resource companies may be affected by numerous factors, including changes in overall market movements; economic, geographical or financial events; events occurring in nature; inflationary pressures; and domestic and international politics. Because the Fund invests significantly in natural resource companies, there is the risk that the Fund will perform poorly during a downturn in the natural resource sector. Certain natural resources may be produced in a limited number of countries and may be controlled by a small number of producers. As a result, political, economic and supply related events in such countries could have a disproportionate impact on the prices of such natural resources and the value of securities of companies involved in such natural resource. Another principal risk of investing in the Fund is equity risk, which is the risk that the value of the securities held by the Fund will fall due to general market and economic conditions, perceptions regarding the industries in which the issuers of securities held by the Fund participate or factors relating to specific companies in which the Fund invests. The Fund's investments in non-US issuers may be even more volatile and may present more risks than investments in US issuers. Equity investments in natural resources-related companies may not move in the same direction and to the same extent as the underlying natural resources.*

*Bloomberg Commodity Index: an unmanaged index used as a measurement of change in commodity market conditions based on the performance of a basket of different commodities. One may not invest directly in an index.*

*ALPS Advisors, Inc. and CoreCommodity 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 CoreCommodity 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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