

Ticker: ACES

ALPS Clean Energy ETF

Quarterly Insights | Q1 2025

Key Takeaways

- The ALPS Clean Energy ETF (ACES) fell -11.69% in the first quarter of 2025 as political and Federal Reserve (Fed) policy uncertainty continue to drive clean energy stocks lower to begin the new year.
- Wind was the best performing segment with the top two performing securities in the fund.
- Innergex Renewable Energy Inc. (**INE CN, 2.79% weight***), a Wind segment name, was the top performer in ACES, +69.15% after announcing in February it will be acquired by a large Canadian pension fund in an all-cash deal.

Performance Notes

- The ALPS Clean Energy ETF (ACES) fell -11.69% in the first quarter of 2025, outperforming the WilderHill Clean Energy Index (ECO). The clean energy space continues to be impacted by political uncertainty and high project financing costs, leading to underperformance against the broad market this quarter. ACES, however, outperformed ECO this quarter, in part due to its allocation to only US and Canadian based names. ECO's more global allocation, particularly in Asia and Eastern Europe led it to underperform in the first quarter of 2025.
- The clean energy space continues to be surrounded with uncertainty as investors await policy information from the new administration. That, coupled with uncertainty with Fed rate cuts, continues to leave clean energy names in limbo.

Performance Summary

	Q1 2025	YTD	1 Y
ACES (NAV)	-11.69%	-11.69%	-21.76%
NACEX - CIBC Atlas Clean Energy Index - TR	-11.62%	-11.62%	-21.71%
ECO - WilderHill Clean Energy Index	-21.61%	-21.61%	-31.04%

As of 3/31/2025

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 4.

Strategy

- 7 thematic segments across 2 categories (Renewables and Clean Technology).
- Pure Play: Constituent companies derive a majority of their value from clean energy businesses.
- US and Canadian based companies for increased business transparency and reduced volatility.



* Weight in ACES as of 3/31/2025

Attribution

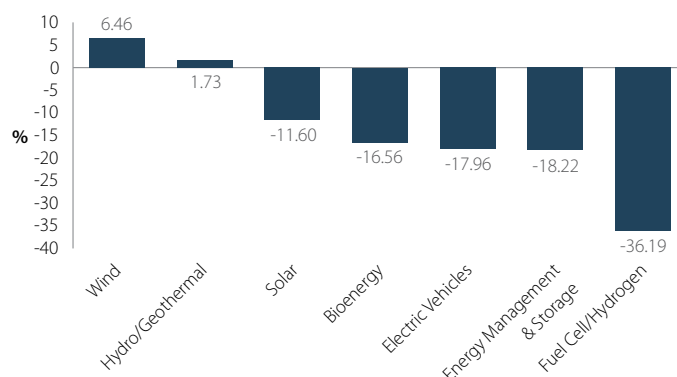
- Wind was ACES best performing segment this quarter, while Fuel Cell/Hydrogen was the laggard. The Fuel Cell/Hydrogen segment was dragged down by Plug Power Inc. (**PLUG, 2.29% weight***) which fell -36.62% this quarter on future uncertainty with the new administration's policy.
- The Wind segment was the leader in Q1, with Innergex Renewable Energy Inc. (**INE CN, 2.79% weight***), highlighted below in the Company Spotlight, leading all names forward, +69.15%. Clearway Energy Inc. (**CWEN, 4.54% weight***), another name under the Wind segment, was the second-best performing name in ACES this quarter, gaining +18.27%. Clearway Energy rose with a steady quarter in which it acquired a 137-megawatt (MW) Wind project in Washington while also increasing its dividend +1.70%.
- Solar was the third best performing segment in Q1 2025, spearheaded by Nextacker Inc. (**NXT, 5.21% weight***) which climbed +15.36% this quarter with Royal Bank of Canada (RBC) highlighting the growth prospects and operational strength of the California-based solar tracking solutions provider. On the other hand, Sunnova Energy International Inc. (**NOVA, dropped in December Rebalance**) fell -88.05% this quarter after issuing a going concern warning, dragging down the segment.

* Weight in ACES as of 3/31/2025

Valuation Update

- ACES's underlying index, the CIBC Atlas Clean Energy Index, has a price-to-earnings (P/E) ratio of 15.43x and a price-to-cash flow (P/CF) ratio of 8.12x.
- ACES ~28% weight to US and Canadian-based utilities is within more expensive Yieldco's, which garner higher P/E's but lower (P/CF) metrics.

ACES Thematic Segment Performance – Q1 2025



Source: Bloomberg L.P., as of 3/31/2025

Past performance is no guarantee of future results.

Price Multiples

	NACEX Index	ECO Index	CELS Index
Price/Earnings Ratio	15.43x	22.62x	16.95x
Price/Cash Flow Ratio	8.12x	9.86x	12.60x
Price/Sales Ratio	1.29x	0.86x	2.39x
Average Market Capitalization (in Mil, \$)	\$47,670	\$19,827	\$70,170

Source: Bloomberg L.P., as of 3/31/2025

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ACES Top/Bottom Performers
Q1 2025

Leaders	Performance	Sub-Segment
INNERGEX RENEWABLE ENERGY (INE CN)	69.15%	Wind
CLEARWAY ENERGY INC-C (CWEN US)	18.27%	Wind
NEXTRACKER INC-CL A (NXT US)	15.36%	Solar

Laggards	Performance	Theme
SUNNOVA ENERGY INTERNATIONAL (NOVA US)	-88.05%	Solar
FLUENCE ENERGY INC (FLNC US)	-69.46%	Energy Management & Storage
WOLFSPEED INC (WOLF US)	-54.05%	Electric Vehicles

Source: SS&C ALPS Advisors, as of 3/31/2025
Past performance is no guarantee of future results.

Q1 2025 Company Spotlight

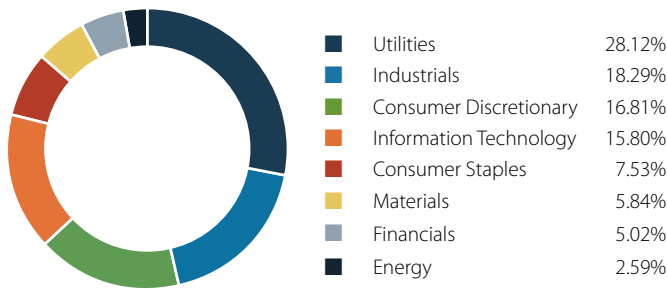
Company: **Innergex Renewable Energy Inc.**
(INE CN, 2.79% weight*)



Segment:
Wind

- Innergex Renewable Energy is a renewable power producer headquartered in Canada. The company, serving customers in the United States, Canada, France and Chile, was the top performing name in ACES this quarter, +69.15%.
- Innergex gained this month after announcing it will be acquired by a large Canadian pension fund, CDPQ, in an all-cash deal. The deal, representing a 58% premium at the time of announcement, is a move to position the company for long-term success and highlights the potential for mergers and acquisitions activity within the clean energy space. The Acquisition is expected to close by the end of 2025.

Sector Allocations



* Weight in ACES as of 3/31/2025

ALPS Clean Energy ETF (ACES) Performance as of 3/31/2025

Total Returns	Cumulative				Annualized			
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	SI ¹
NAV (Net Asset Value)	-3.77%	-11.69%	-11.69%	-0.80%	-21.76%	-27.86%	-3.53%	-0.12%
Market Price	-3.77%	-11.62%	-11.62%	-0.85%	-21.71%	-27.89%	-3.47%	-0.13%
CIBC Atlas Clean Energy Index - TR	-3.74%	-11.70%	-11.70%	0.69%	-22.02%	-28.01%	-3.45%	0.10%
S&P 1000 Index - TR	-5.68%	-7.00%	-7.00%	57.86%	-2.92%	3.29%	16.36%	6.99%

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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: 6/28/2018

Total Operating Expenses: **0.55%**

Top 10 Holdings

Rivian Automotive Inc	5.73%	Ormat Technologies Inc	5.15%
Lucid Group Inc	5.42%	Itron Inc	5.09%
NEXTracker Inc	5.21%	Tesla Inc	5.07%
Enphase Energy Inc	5.17%	Brookfield Renewable Partners	5.06%
Northland Power Inc	5.16%	HA Sustainable Infrastructure	5.02%

Source: Bloomberg L.P., as of 3/31/2025, 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. To obtain a prospectus containing this and other information, call 1-866-759-5679 or visit 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.

There is no assurance that the market developments and sector growth discussed in this Insight will come to pass.

Obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants and general economic conditions can significantly affect companies in the clean energy sector. In addition, intense competition and legislation resulting in more strict government regulations and enforcement policies and specific expenditures for cleanup efforts can significantly affect this sector. Risks associated with hazardous materials, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations can significantly affect companies in the clean energy sector. Also, supply and demand for specific products or services, the supply and demand for oil and gas, the price of oil and gas, production spending, government regulation, world events and economic conditions may affect this sector. Currently, certain valuation methods used to value companies involved in the clean energy sector, particularly those companies that have not yet traded publicly, have not been in widespread use for a significant period of time. As a result, the use of these valuation methods may serve to increase further the volatility of certain clean energy company share prices.

The Fund seeks to track the underlying index, which itself may have concentration in certain regions, economies, countries, markets, industries or sectors. Underperformance or increased risk in such concentrated areas may result in underperformance or increased risk in the Fund.

The Fund may be subject to risks relating to its investment in Canadian securities. The Canadian economy may be significantly affected by the US economy, given that the United States is Canada's largest trading partner and foreign investor. Any negative changes in commodity markets could have a great impact on the Canadian economy. Because the Fund will invest in securities denominated in foreign currencies and the income received by the Fund will generally be in foreign currency, changes in currency exchange rates may negatively impact the Fund's return.

Micro-cap stocks involve substantially greater risks of loss and price fluctuations because their earnings and revenues tend to be less predictable (and some companies may be experiencing significant losses), and their share prices tend to be more volatile. The shares of micro-cap companies tend to trade less frequently than those of larger, more established companies, which can adversely affect the pricing of these securities and the future ability to sell these securities.

Smaller and mid-size companies often have a more limited track record, narrower markets, less liquidity, 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 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.

CIBC Atlas Clean Energy Index (NACEX): an adjusted market cap weighted index designed to provide exposure to a diverse set of US or Canadian based companies involved in the clean energy sector including renewables and clean technology. The clean energy sector is comprised of companies that provide the products and services which enable the evolution of a more sustainable energy sector.

NASDAQ Clean Edge Green Energy Index (CELS): a modified market capitalization weighted index designed to track the performance of companies that are primarily manufacturers, developers, distributors and/or installers of clean energy technologies, as defined by Clean Edge.

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/Sales (P/S) Ratio: represents the weighted average of the price/sales ratios of the stocks in a portfolio. Price/sales represent the amount an investor is willing to pay for a dollar generated from a particular company's operations.

S&P 1000 Index: combines the S&P MidCap 400 and the S&P SmallCap 600 to form an investable benchmark for the mid- to small-cap segment of the US equity market.

WilderHill Clean Energy Index (ECO): a modified equal dollar weighted index comprised of publicly traded companies whose businesses stand to benefit substantially from societal transition toward the use of cleaner energy and conservation.

Yield Company (YieldCo): publicly traded companies that are focused on returning cash flows generated from renewable energy assets to shareholders. These assets largely consist of solar and wind farms that have entered into long-term energy delivery contracts with customers.

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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