

# ALPS Global Travel Beneficiaries ETF

Quarterly Insights | Q3 2023

## Key Takeaways

- The ALPS Global Travel Beneficiaries ETF (JRNY) returned -9.67% in Q3 2023. Although JRNY struggled to keep pace with broad global markets due to rapidly rising interest rates hitting growth stocks, multiple companies within JRNY reported better-than-expected earnings on the back of recovering travel demand.
- Booking & Rental Agencies was JRNY's best-performing segment for the quarter, contributing 0.48% to fund performance.
- Sabre Corp (**SABR US, 0.23% weight\***) was the top performer for JRNY, gaining over 40% in Q3 2023 as the company posted better-than-expected earnings and raised its full-year guidance.

## Performance Notes

- The ALPS Global Travel Beneficiaries ETF (JRNY) returned -9.67% last quarter, underperforming broad global markets as represented by the Morningstar Global Markets Index (MSGMUSDN), which returned -3.29%. While JRNY lagged the Morningstar Global Markets Index, the space looks primed for strength, with multiple companies reporting better-than-expected earnings during the last quarter. Additionally, according to the US Travel Association's most recent data, travel spending was 1.2% higher year-to-date through July 2023 versus the same period last year, along with air travel demand ticking 12% higher in July 2023 compared to the same month last year.
- JRNY's relative underweight to the Information Technology sector provided positive performance against the Morningstar Global Markets Index, while its overweight towards the Industrials sector caused the fund to underperform.

## Strategy

- **Diversification:** Access to a broad global travel ecosystem and other travel beneficiaries to provide holistic exposure to secular tailwinds in global travel
- **Long-term Capital Appreciation:** Thematic Alpha
- **Exposure:** Global All-cap Equity Exposure

## Attribution

- During the third quarter of 2023, the Booking & Rental Agencies segment had the highest contribution-to-return (CTR) for JRNY, returning (+0.48%). Global Travel Beneficiaries had the lowest CTR, returning (-4.96%). Within JRNY's Airlines & Airport Services segment, Booking Holdings Inc. (**BKNG US, 4.68% weight\***) jumped 14.21% last quarter after the online travel agency reported earnings that beat expectations in Q2 on the back of strong travel demand.
- Luggage manufacturer, Samsonite International SA (**1910 HK, 0.81% weight\***), gained nearly 22% last quarter in JRNY's Global Travel Beneficiaries segment after announcing strong Q2 earnings thanks to a recovery within its Asia market segment.
- Finally, JRNY's global exposure within the Airlines & Airport Services segment, Turk Hava Yollari (**THYAO TI, 0.65% weight\***), a Turkish Airline, gained 19.06% during the last quarter after reporting a 12% year-over-year increase in passengers, driven by a 26% increase in domestic passengers.

## Performance Summary

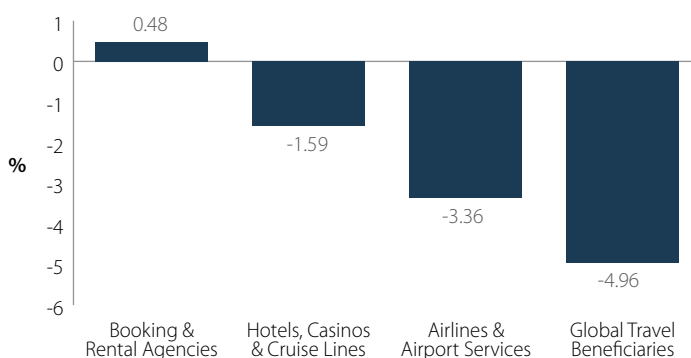
	Q3 2023	YTD	1 Y
JRNY (NAV)	-9.67%	6.63%	17.97%
S-Network Global Travel Index - NTR	-9.53%	7.12%	18.59%
Morningstar Global Markets Index - NTR	-3.29%	9.26%	20.35%

As of 9/30/2023

**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 3.

## JRNY Thematic Segment Performance – Q3 2023



Source: Bloomberg L.P., as of 9/30/2023

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

\* Weight in JRNY as of 9/30/2023

# ALPS Global Travel Beneficiaries ETF

## Valuation Update

As of the quarter ended September 30, 2023, JRNY exhibited a price-to-earnings (P/E) ratio of 17.25x. JRNY exhibits a slightly higher P/E multiple relative to the MSGMUSDN due to its higher global growth allocation, providing exposure to a myriad of goods, entertainment and leisure businesses set to rebound as travel spending continues to grow, as inflationary pressures are expected to start easing in 2024.

## JRNY Top/Bottom Performers Q3 2023

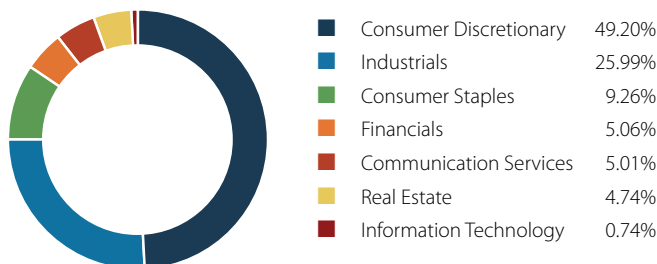
Leaders	Performance	Theme
Sabre Corp	40.75%	Global Travel Beneficiaries
Samsonite International SA	21.79%	Global Travel Beneficiaries
Turk Hava Yollari AO	19.06%	Airlines & Airport Services

Laggards	Performance	Theme
Hertz Global Holdings Inc	-33.39%	Booking & Rental Agencies
Euronet Worldwide Inc	-32.37%	Global Travel Beneficiaries
Alaska Air Group Inc	-30.27%	Airlines & Airport Services

Source: SS&C ALPS Advisors, as of 9/30/2023

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

## Sector Allocations



\* Weight in JRNY as of 9/30/2023

## Price Multiples

	JRNY	Morningstar Global Markets Index
Price/Earnings Ratio	17.25x	16.45x
Price/Cash Flow Ratio	7.92x	10.61x
Price/Sales Ratio	1.36x	1.60x
Average Market Capitalization (in Mil, \$)	68,885	362,277

Source: Bloomberg L.P, as of 9/30/2023

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

## Q3 2023 Company Spotlight

**Company: Sabre Corp.**  
(SABR US, 0.23% weight\*)

**Segment: Global Travel Beneficiaries**

- Sabre Corp. provides technology solutions to the global travel and tourism industry.
- Sabre Corp. rallied during the third quarter of 2023 after the travel and tourism technology company beat Q2 '23 expectations, reporting revenue and bookings significantly above analyst expectations. Sabre's Q2 earnings beat expectations on the back of new distribution capability (NDC) agreements with multiple airlines and adding new customers to their intelligent retailing solutions.
- Sabre Corp. returned +40.75% in JRNY for the third quarter of 2023.

ALPS Global Travel Beneficiaries ETF (JRNY) Performance as of 9/30/2023

Total Returns	Cumulative				Annualized	
	1 M	3 M	YTD	SI <sup>1</sup>	1 Y	SI <sup>1</sup>
NAV (Net Asset Value)	-6.56%	-9.67%	6.63%	-14.02%	17.97%	-7.07%
Market Price	-6.64%	-9.79%	6.69%	-14.02%	17.97%	-7.07%
S-Network Global Travel Index - NTR	-6.53%	-9.53%	7.12%	-13.11%	18.59%	-6.60%
Morningstar Global Markets Index - NTR	-4.11%	-3.29%	9.26%	-9.14%	20.35%	-4.55%

**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.**

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.

<sup>1</sup> Fund inception date: 9/8/2021

Total Operating Expenses: **0.65%**

Top 10 Holdings

Hilton Worldwide Holdings Inc	4.76%	LVMH Moet Hennessy Louis Vuitton SE	4.60%
Walt Disney Co/The	4.73%	Airbnb Inc	4.50%
Booking Holdings Inc	4.68%	American Express Co	4.47%
Uber Technologies Inc	4.67%	Estee Lauder Cos Inc/The	4.37%
Marriott International Inc/MD	4.62%	Oriental Land Co Ltd/Japan	4.32%

Source: Bloomberg L.P., as of 9/30/2023, subject to change

Daily holdings are available at [www.alpsfunds.com](http://www.alpsfunds.com).

## ALPS Global Travel Beneficiaries ETF

### 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.

Diversification does not eliminate the risk of experiencing investment losses.

The Fund is subject to investment and operational risks associated with the travel industry. Companies engaged in the travel industry may be adversely affected by a downturn in economic conditions that can result in decreased demand for travel. These companies may be significantly impacted by the performance of the overall economy, changing consumer tastes and demands, consumer discretionary income levels, intense competition, technological developments, and government regulation. Additionally, uncertainty regarding international travel and other events such as political or social violence, terrorist attacks, and biological outbreaks may significantly impact the travel and vacation industry.

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.

**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.

**Thematic Alpha:** the excess return of an investment relative to the return of a benchmark index that can be attributed to thematic investment strategies.

**Morningstar Global Markets Index:** measures the performance of the stocks located in the developed and emerging countries across the world. Stocks in the index are weighted by their float capital, which removes corporate cross ownership, government holdings and other locked-in shares.

**S-Network Global Travel Index:** a rules-based methodology developed by S-Network Global Indexes Inc., which is designed to identify exchange-traded stocks of companies that are materially engaged in the global travel industry, including four segments: Airlines & Airport Services; Hotels, Casinos, Cruise Lines; Booking & Rental Agencies; and Ancillary Beneficiaries, which is based on the research of the Index Provider.

One may not invest directly in an index.

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

TVL000173 2/29/2024