

ALPS Global Travel Beneficiaries ETF

Quarterly Insights | Q2 2024

Key Takeaways

- The ALPS Global Travel Beneficiaries ETF (JRNY) returned -6.52% in Q2 2024. Despite a difficult quarter for global travel stocks, multiple companies within JRNY’s globally diversified travel exposure reported better-than-expected earnings and raised guidance.
- Booking & Rental Agencies was JRNY’s best-performing segment for the second quarter.
- Agilysys Inc. (**AGYS US, 0.30% weight***) was the top performer in JRNY, gaining +23.59% in Q2 2024 after reporting better-than-expected earnings results thanks to a large growth in subscriber revenue.

Performance Notes

- The ALPS Global Travel Beneficiaries ETF (JRNY) returned -6.52% last quarter, underperforming broad global markets as represented by the Morningstar Global Markets Index (MSGMUSDN), which returned +2.43%. Despite the underperformance, numerous companies within JRNY’s diversified travel beneficiaries raised full-year guidance during the quarter, pointing to a brighter second half of 2024.
- During the second quarter of 2024, global equities struggled with a myriad of macroeconomic problems, with a surprisingly hot inflation print in the Euro area and political unrest in France, one of the worlds major travel destinations. Despite the current macroeconomic environment, China’s new visa-free travel regulation, which allows Chinese residents to travel to additional European countries without the need to obtain a visa, boosted travel demand. Additionally, leisure travel goods are at the forefront of declining inflation within the US, with the US Travel Association reporting a 1.4% drop in the Travel Price Index during the second quarter, a much larger drop than broad inflation, measured by the Consumer Price Index (CPI), which fell 0.1%.

Performance Summary

	Q2 2024	YTD	1 Y
JRNY (NAV)	-6.52%	0.58%	2.24%
S-Network Global Travel Index - NTR	-6.45%	0.78%	2.74%
Morningstar Global Markets Index - NTR	2.43%	10.44%	18.60%

As of 6/30/2024

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

- **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

* Weight in JRNY as of 6/30/2024

ALPS Global Travel Beneficiaries ETF

Attribution

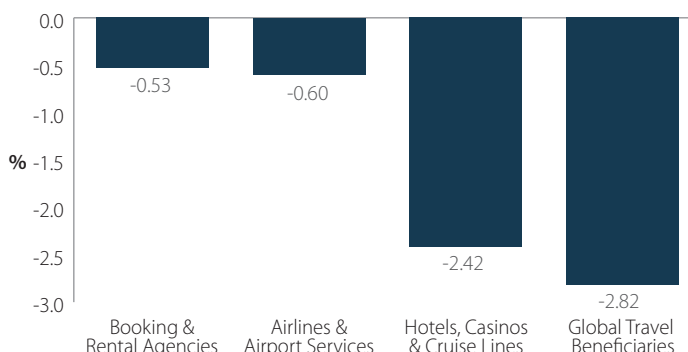
- JRNY's four travel segments struggled during the second quarter of 2024 as macroeconomic conditions weighed on consumer spending and travel demand. The Booking & Rental Agencies segment had the highest contribution-to-return (CTR) for JRNY, although it still detracted from overall performance, returning -0.52%. Global Travel Beneficiaries had the lowest CTR, detracting -2.82%. Within JRNY's Booking & Rental Agencies segment, Grab Holdings LTD (**GRAB US, 0.96% weight***), gained 13.06% last quarter as Grab's Southeast-Asia travel-based app added bottom line growth thanks to China's newly extended visa-free travel policy which resulted in increased travel.
- JRNY's Airlines & Airport Services segment was the next best segment, spearheaded by Eva Airways Corp. (**2618 TT, 0.61% weight***), which rose 16.21% last quarter rallying with other Asian airliners on aviation news in the US, where United Airlines (**UAL US, 1.92% weight***) posted better-than-expected earnings, mostly thanks to the United Next Plan which includes better in-flight options and an entirely new fleet of modern aircraft resulting in increased bookings across its customer base.
- Popular cruise line operator, Carnival Corp. (**CCL US, 2.01% weight***) was a top performer within JRNY's Hotels, Casinos & Cruise Lines during Q2 of 2024, returning nearly 17%, continuing JRNY's trend of better-than-expected quarterly results with the company posting a surprise 1Q profit thanks to record-setting demand as the trend for leisure travelers has switched to sailings versus land-based traveling. Lastly, OneSpaWorld Holdings LTD (**OSW US, 0.25% weight***), a health, fitness and wellness servicer on cruise lines rallied 16.18% during the second quarter after raising its full-year outlook and announcing a new share-buyback program thanks to the strong macro environment for cruise lines.

* Weight in JRNY as of 6/30/2024

Valuation Update

- As of the quarter ended June 30, 2024, JRNY exhibited a price-to-earnings (P/E) ratio of 17.38x. JRNY exhibits a P/E multiple in line with the MSGMUSDN, despite its higher global growth allocation which provides exposure to a myriad of goods, entertainment and leisure businesses set to rebound as travel spending continues to grow with inflationary pressures expected to ease throughout the rest of 2024.

JRNY Thematic Segment Performance – Q2 2024



Source: Bloomberg L.P., as of 6/30/2024

Past performance is no guarantee of future results.

Price Multiples

	JRNY	Morningstar Global Markets Index
Price/Earnings Ratio	17.38x	20.73x
Price/Cash Flow Ratio	8.26x	9.97x
Price/Sales Ratio	1.38x	2.45x
Average Market Capitalization (in Mil, \$)	66,784	602,795

Source: Bloomberg L.P., as of 6/30/2024

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JRNY Top/Bottom Performers Q2 2024

Leaders	Performance	Theme
Agilysys Inc (AGYS US)	23.59%	Global Travel Beneficiaries
Carnival Corp (CCL US)	16.49%	Hotels, Casinos & Cruise Lines
Eva Airways Corp (2618 TT)	16.21%	Airlines & Airport Services

Laggards	Performance	Theme
Hertz Global Holdings Inc (HTZ US)	-54.92%	Booking & Rental Agencies
TripAdvisor Inc (TRIP US)	-35.91%	Booking & Rental Agencies
Estee Lauder Cos Inc/The (EL US)	-30.61%	Global Travel Beneficiaries

Source: SS&C ALPS Advisors, as of 6/30/2024

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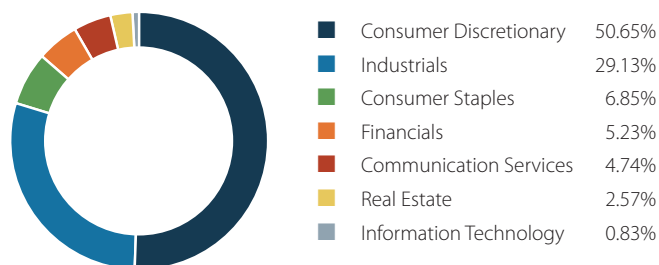
Q2 2024 Company Spotlight

Company: **Agilysys Inc.**
(AGYS US, 0.30% weight*)

Segment: Global Travel Beneficiaries

- Agilysys Inc., a hospitality software company, was the top performer in JRNY for the second quarter of the year returning +23.59%.
- Agilysys rallied during the second quarter of 2024 after subscription revenue grew during the fourth quarter of 2023, impressing analysts thanks to Agilysys' strong sales momentum. The subscription growth resulted in a better-than-expected earnings report and raised full-year guidance, ultimately resulting in several rating upgrades. While the hospitality industry has struggled amidst the current high inflation backdrop which has weighed on consumer spending, analysts see the hospitality industry as under-served, creating a strong demand catalyst for Agilysys and its unique software solutions.

Sector Allocations



As of 6/30/2024, subject to change

* Weight in JRNY as of 6/30/2024

ALPS Global Travel Beneficiaries ETF (JRNY) Performance as of 6/30/2024

Total Returns	Cumulative				Annualized	
	1 M	3 M	YTD	SI ¹	1 Y	SI ¹
NAV (Net Asset Value)	-0.99%	-6.52%	0.58%	-2.67%	2.24%	-0.96%
Market Price	-1.07%	-6.44%	0.88%	-2.51%	2.28%	-0.90%
S-Network Global Travel Index - NTR	-0.95%	-6.45%	0.78%	-1.33%	2.74%	-0.48%
Morningstar Global Markets Index - NTR	1.89%	2.43%	10.44%	11.43%	18.60%	3.93%

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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: 9/8/2021

Total Operating Expenses: **0.65%**

Top 10 Holdings

American Express Co	4.73%	Marriott International Inc	4.56%
Airbnb Inc	4.70%	Walt Disney Co/The	4.50%
Booking Holdings Inc	4.69%	Royal Caribbean Cruises Ltd	4.27%
Hilton Worldwide Holdings Inc	4.67%	L'Oreal Sa	4.11%
Uber Technologies Inc	4.65%	Delta Air Lines Inc	3.52%

Source: Bloomberg L.P., as of 6/30/2024, subject to change

Daily holdings are available at www.alpsfunds.com.

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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.

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.

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.

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-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.

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

Travel Price Index (TPI): measures the cost of travel away from home in the United States. It is based on the US Department of Labor price data collected for the monthly Consumer Price Index (CPI).

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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