

ALPS International Sector Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Quarterly Insights | Q4 2023

Key Takeaways

- The ALPS International Sector Dividend Dogs ETF (IDOG) rallied 10.17% in Q4 of 2023 as international developed markets rallied on depressed valuations and a more positive outlook for future growth.
- IDOG's Financials sector was the top-performing sector in Q4, contributing +1.61% to overall fund performance.
- IDOG's deep value holdings exhibited a price-to-earnings (P/E) ratio of 8.38x December-end and remains at a sizeable discount compared to the Morningstar Developed Markets ex-North America Index (MSDINUS) P/E of 13.75x.

Performance Notes

- Last quarter, the ALPS International Sector Dividend Dogs ETF (IDOG) gained 10.17%, slightly underperforming the Morningstar Developed Markets ex-North America Index (MSDINUS) by 32 basis points (bps). IDOG's cyclical value exposure with companies that have lower valuation multiples, high dividend yields and strong pricing power drove the fund to outpace broader developed markets in 2024 as growth equities were pressured by rising yields.
- International developed markets rallied in Q4 of 2023 on the back of depressed valuations and a positive trend in earnings growth, despite some resurgence in inflation across Europe. The elevated interest rate environment continues to favor IDOG's higher-yielding cyclical value sectors including Energy and Materials, which have benefitted from elevated crude and natural gas prices, while pressure on growth-oriented sectors remains as earnings growth and credit conditions falter for more expensive stocks.

Performance Summary

	Q4 2023	YTD	1 Y	3 Y
IDOG (NAV)	10.17%	22.64%	22.64%	9.36%
S-Network International Sector Dividend Dogs Index - NTR	10.46%	23.16%	23.16%	9.73%
Morningstar Developed Markets ex-North America Index - NTR	10.49%	16.88%	16.88%	3.28%

As of 12/31/2023

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. Performance includes reinvested distributions and capital gains.

For standardized performance please see page 3.

Strategy

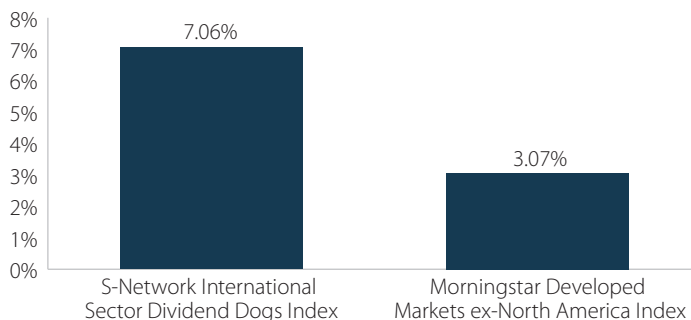
- IDOG is an Exchange-Traded Fund (ETF) that applies the 'Dogs of the Dow Theory' on a sector-by-sector basis using the S-Network Developed International Equity 1000 Index as its starting universe of eligible securities.
- The strategy provides high dividend exposure across most sectors of the market by selecting the five highest yielding securities in 10 of the 11 GICS sectors (Real Estate sector excluded).
- Equally weighting at the stock and sector level may provide diversification while avoiding sector biases.



Dividend Yields of Broad Market Indexes

- IDOG's underlying index carries a higher trailing twelve month dividend yield relative to major developed international indices due to its relative overweight to higher-yielding geographic exposures within Italy, Norway and the United Kingdom.
- IDOG is 5.55% overweight* Italy, 5.33% overweight* Norway and 4.26% overweight* the United Kingdom relative to the Morningstar Developed Markets ex-North America Index.

Trailing Twelve Month Dividend Yield



* Weight in IDOG as of 12/31/2023

Source: Bloomberg L.P., as of 12/31/2023

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Contribution to Return by Sector

- All 10 of IDOG's sector allocations (ex-Real Estate) posted positive performance in Q4. IDOG's Financials (+1.61%), Materials (+1.47%) and Information Technology (+1.43%) sectors were the best-performing in terms of overall contribution to returns in Q4, while Health Care (+0.01%) lagged other sectors in the fund. Within IDOG's Financials sector, investment service provider, Amundi SA (**AMUN FP, 2.19% weight* as of December reconstitution**), rose over 20% during Q4 on the back of higher reported assets under management along with expectations of future rate cuts stemming from the European Central Bank (ECB). Banking and Financial services provider, Intesa Sanpaolo SpA (**ISP IM, 1.92% weight***), also rallied 19.44% last quarter, moving higher on strong interest income from lending services, which could continue to boost profit margins as central banks take a slower approach to cutting rates.
- Within IDOG's Materials sector, Fortescue Ltd. (**FMG AU, 2.25% weight***), surged nearly 47% in Q4 following a rebound of industrial metal exports and production in China, where Fortescue is a major supplier of Iron for Chinese steel producers.
- Additionally, IDOG Information Technology name, LM Ericsson (**ERICB SS, 2.10% weight***), rose 27.63% last quarter following reports that the network software developer inked a deal with AT&T (not in IDOG) to supply 5G network equipment over the next five years. Ericsson expects the deal to amount to a notable 10% of annual sales and bolster 2024 revenues.

Contribution to Return by Country

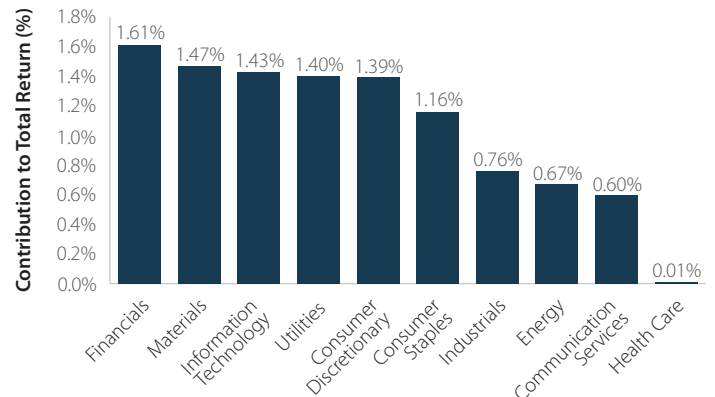
- For Q4 of 2023, IDOG's exposure to France (+1.75%), Sweden (+1.47%) and Australia (+1.23%) led country gains in the fund, with Israel (-0.13%) and Denmark (-0.01%) detracting from overall performance. Within IDOG's exposure to France in Q4, automobile part manufacturer, Michelin (CGDE) (**ML FP, 1.99% weight***), rose nearly 20% following analyst price target upgrades on production recoveries for automobile suppliers as well as a pickup in profitability after the company closed three underperforming tire plants in Germany.
- Telecommunication services provider, Telia Co. (**TELIA, 2.41% weight* as of December reconstitution**), was a top-performing name in IDOG's exposure to Sweden in Q4 of 2023, notching a 23.31% gain in IDOG due to strong EBITDA numbers in the prior quarter in addition to higher expected demand and price hikes for European telecom services in 2024.
- Within IDOG's exposure to Australia, base metal manufacturer, BHP Group Ltd. (**BHP AU, 2.10% weight***), jumped over 20% in Q4 following rising production and demand expectations of base metals including copper, iron and nickel for industrial use, specifically in China.

Valuation Update

- IDOG's underlying index, IDOGX, continues to display depressed valuations when compared to its historical averages.
- IDOGX's current P/E ratio of 8.38x currently sits at a sizeable discount to the MSDINUS's current P/E ratio of 13.75x.

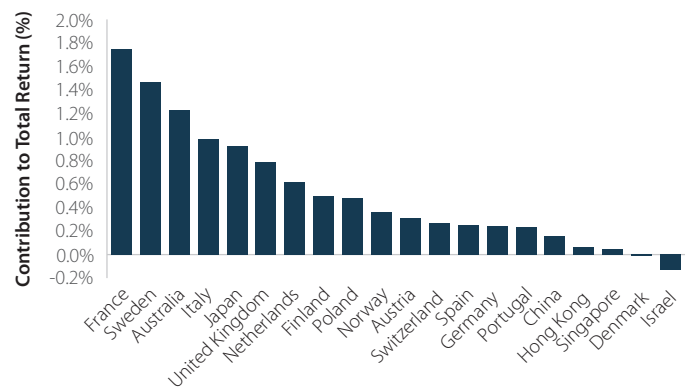
* Weight in IDOG as of 12/31/2023

Contribution to Return by Sector



Source: Bloomberg L.P., as of 12/31/2023
Past performance is no guarantee of future results.

Contribution to Return by Country



Source: Bloomberg L.P., as of 12/31/2023
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Price Multiples

	IDOGX Index		Morningstar Developed Markets ex-North America Index	
	Current	3 Year Avg	Current	3 Year Avg
Price/Earnings Ratio	8.38x	9.94x	13.75x	15.26x
Price/Book Ratio	1.03x	1.19x	1.66x	1.64x
Price/Cash Flow Ratio	5.19x	5.29x	8.40x	7.57x
Trailing Twelve Month Yield	7.06%	5.91%	3.07%	2.77%
IDOG 30-Day SEC Yield	5.77%			

Source: Bloomberg L.P., as of 12/31/2023
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ALPS International Sector Dividend Dogs ETF

ALPS International Sector Dividend Dogs ETF (IDOG) Performance as of 12/31/2023

Total Returns	Cumulative				Annualized				
	1 M	3 M	YTD	SI ¹	1 Y	3 Y	5 Y	10 Y	SI ¹
NAV (Net Asset Value)	4.68%	10.17%	22.64%	84.31%	22.64%	9.36%	9.29%	4.58%	5.99%
Market Price	4.67%	10.59%	23.49%	84.87%	23.49%	9.65%	9.46%	4.52%	6.02%
S-Network International Sector Dividend Dogs Index - NTR	4.84%	10.46%	23.16%	92.07%	23.16%	9.73%	9.72%	4.98%	6.41%
Morningstar Developed Markets ex-North America Index - NTR	5.49%	10.49%	16.88%	79.40%	16.88%	3.28%	7.90%	4.25%	5.72%

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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: 6/27/2013

Total Operating Expenses: **0.50%**

Top 10 Holdings

AP Moller - Maersk A/S	2.26%	Telefonaktiebolaget LM Ericsson	2.11%
Norsk Hydro ASA	2.25%	BHP Group Ltd	2.10%
Fortescue Ltd	2.25%	BASF SE	2.10%
Kuehne + Nagel International AG	2.20%	ACS Actividades de Construccion y Servicios SA	2.10%
Hong Kong & China Gas Co Ltd	2.15%	CITIC Ltd	2.09%

Source: Bloomberg L.P., as of 12/31/2023, 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. This material must be preceded or accompanied by the prospectus. 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 subject to the additional risks associated with concentrating its investments in companies in the market sector.

Diversification does not eliminate the risk of experiencing investment losses.

The Fund's investments in non-US issuers may involve unique risks compared to investing in securities of US issuers, including, among others, less liquidity generally, greater market volatility than US securities and less complete financial information than for US issuers. In addition, adverse political, economic or social developments could undermine the value of the Fund's investments or prevent the Fund from realizing the full value of its investments. Finally, the value of the currency of the country in which the Fund has invested could decline relative to the value of the US dollar, which may affect the value of the investment to US investors.

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.

30-Day SEC Yield: reflects the dividends and interest earned during the period, after the deduction of the Fund's expenses.

Basis Point (bps): a unit that is equal to 1/100th of 1% and is used to denote the change in a financial instrument.

Dividend Yield: a financial ratio that shows how much a company pays out in dividends each year relative to its share price.

Dogs of the Dow Theory: an investment strategy which proposes that an investor annually select for investment the ten Dow Jones Industrial Average stocks whose dividend is the highest fraction of their price.

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): a measure of a company's overall financial performance.

Morningstar Developed Markets ex-North America Index: measures the performance of companies in developed markets ex-North America. It covers approximately 97% of the full market capitalization in the Developed Markets ex-North America.

Price/Book (P/B) Ratio: the weighted average of the price/book ratios of all the stocks in a portfolio. The P/B ratio of a company is calculated by dividing the market price of its stock by the company's per-share book value.

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.

S-Network International Sector Dividend Dogs Index (IDOGX): a portfolio of stocks derived from a universe of mainly large capitalization stocks domiciled in developed markets outside the Americas (the "S-Network Developed International Equity 1000 Index"). The IDOGX methodology selects the five stocks in each of the ten GICS sectors that make up the universe which offer the highest dividend yields as of the last trading day of November. The fifty stocks that are selected for inclusion in the portfolio are equally weighted.

Trailing Twelve Month Yield: refers to the percentage of income a portfolio has returned to investors over the last 12 months.

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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