

Ticker: OEUR

# ALPS | O'Shares Europe Quality Dividend ETF

Quarterly Insights | Q1 2025

## Key Takeaways

- The ALPS | O'Shares Europe Quality Dividend ETF (OEUR) gained 9.10% in the first quarter of 2025 as European stocks moved higher on record amounts of government defense spending and a weakening U.S. Dollar.
- OEUR's Industrials allocation was the top-performing sector in Q1, contributing +3.01% to overall fund performance.
- OEUR exhibits a slightly lower month-end price-to-earnings (P/E) ratio of 19.51x compared to the EURO STOXX 50 Net Return USD Index P/E of 16.65x while offering a mix of higher-quality holdings.

## Performance Notes

- Last quarter, the ALPS | O'Shares Europe Quality Dividend ETF (OEUR) returned 9.10%, underperforming broad European markets as measured by the EURO STOXX 50 NR USD Index, which returned 12.18%. While OEUR's allocation to quality, dividend-paying names across defensive sectors, including Consumer Staples and Health Care helped boost relative sector performance against the EURO STOXX 50 NR USD Index during the last quarter, the fund's relative underweight towards lower-quality Financials caused the fund to underperform the Index.
- In Q1 of 2025, European markets continued their strength on expectations of continued interest rate cuts by the European Central Bank (ECB), while fiscal stimulus aimed at improving the Eurozone's defense infrastructure amidst geopolitical turmoil added to positive catalysts. Europe's outlook for 2025 has significantly improved in recent months in the wake of a weak U.S. Dollar, where economic growth has begun to shift in Europe's favor as U.S. stocks contend with expensive price multiples and potential margin declines from trade wars. Although the macro environment remains challenging, companies within OEUR's quality portfolio continue to post strong earnings, demonstrating the importance of investing in high-quality companies in Europe and across developed markets. Quality company valuations historically fare better as economic growth prospects deteriorate, providing a positive outlook for OEUR's quality dividend strategy.

## Performance Summary

	Q1 2025	YTD	1 Y	3 Y
OEUR (NAV)	9.10%	9.10%	4.07%	8.43%
O'Shares Europe Quality Dividend Index - NTR <sup>1</sup>	9.15%	9.15%	4.40%	8.91%
EURO STOXX 50 Net Return USD Index - NTR	12.18%	12.18%	5.85%	12.09%

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](http://www.alpsfunds.com). Performance includes reinvested distributions and capital gains.**

Performance data prior to 6/21/2022 reflects the performance of the Fund as managed under the OSI ETF Trust.

For standardized performance please see page 3.

<sup>1</sup> The O'Shares Europe Quality Dividend Index performance information reflects the blended performance of the FTSE Developed Europe Qual/Vol/Yield 5% Capped Factor Index through 5/31/2020 and the O'Shares Europe Quality Dividend Index thereafter.

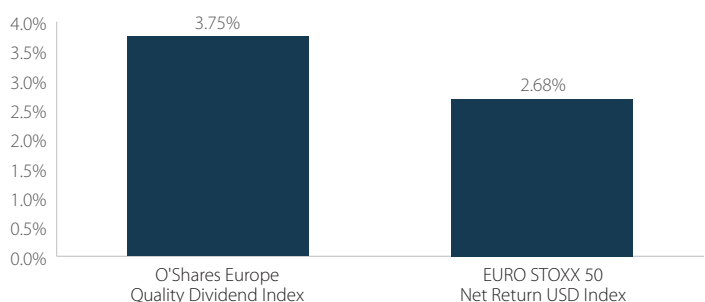
## Why OEUR?

- **Quality Europe Growth Stocks:** Seeks European companies with strong balance sheets, profitability and dividend quality.
- **Performance:** Aims to provide strong performance with less risk.
- **Reduced Risk of Yield Traps:** Emphasis on dividend quality to help avoid dividend cuts and suspensions.

## Dividend Yields of Broad Market Indexes

- As of Q1 2025, OEUR's underlying index carries a trailing twelve month (TTM) dividend yield of 3.75%, compared to the EURO STOXX 50 Net Return USD Index TTM yield of 2.68%.

## Trailing Twelve Month Dividend Yield



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

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

## ALPS | O'Shares Europe Quality Dividend ETF

### Contribution to Return by Sector

- OEUR's Industrials (+3.01%), Health Care (+1.42%) and Financials (+1.28%) sectors led overall contributions to fund returns in Q1, while the fund's Consumer Discretionary (-0.01%) allocation was the only sector in the red. Within OEUR's Industrials allocation, defense and aerospace company, BAE Systems Plc. (**BA/ LN, 2.90% weight\***), surged nearly 40% in Q1 after European Union NATO countries announced plans to boost defense spending to a 3% of GDP minimum target (1% of EU GDP equates to ~\$280 billion per 2024 IMF data), boosting future profit expectations for defense and infrastructure-focused companies in Europe. The defense spending news provided a broadly encompassing positive shock across cyclical sectors tied to economic output, with OEUR construction company, Vinci SA (**DG FP, 2.36% weight\***), gaining 21.62% on the news as the company is expected to be a beneficiary of European infrastructure contracts.
- Within OEUR's Health Care sector allocation, drug and healthcare equipment manufacturer, Roche Holding AG (**ROG SW, 4.31% weight\***), rallied over 20% last quarter following the announcement of a deal worth \$5.3 billion with Zealand Pharma (not in OEUR) to co-develop Zealand's obesity drug, Petrelintide, which has shown fewer side-effects than existing GLP-1 drugs in the red-hot weight loss treatment market.

### Contribution to Return by Country

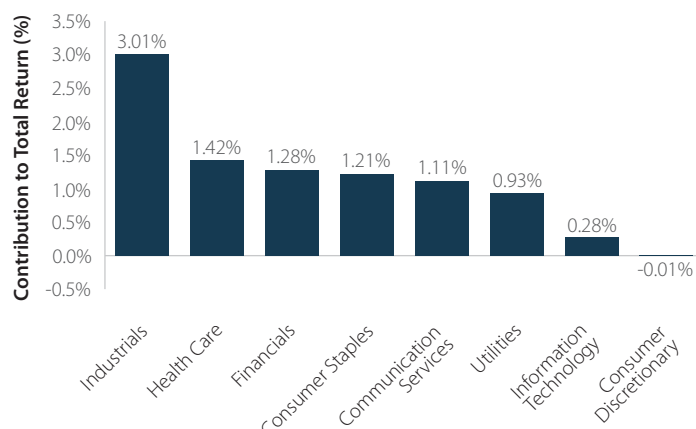
- For Q1 of 2025, OEUR's exposure to the UK (+2.44%) and Germany (+2.37%) led gains by country in the fund, while OEUR's exposure to Denmark (-0.68%) detracted from overall fund performance. Within OEUR's exposure to the United Kingdom, banking and financial services provider, HSBC Holdings Plc. (**HSBA LN, 2.46% weight\***), gained 18.34% in Q1 on an improved net interest income and lending profit environment in 2025/2026, while also moving higher on news that the ECB may delay certain capital requirements for banks as they assess the effects of tighter monetary policy.
- Lastly, freight and logistics company, Deutsche Post AG (**DTE GR, 1.94% weight\***), returned 21.18% in OEUR's allocation to Germany last quarter after the telecom company reported Q4 earnings above analyst estimates, highlighting strong growth in the company's express shipping segment (EBIT +43% y/y) despite a drop in freight revenues.

### Valuation Update

- As of last month-end, OEURX exhibits a P/E ratio of 19.51x, which is slightly higher than the EURO STOXX 50 Net Return USD Index P/E of 16.65x due to its higher-quality holdings.

\*Weight in OEUR as of 3/31/2025

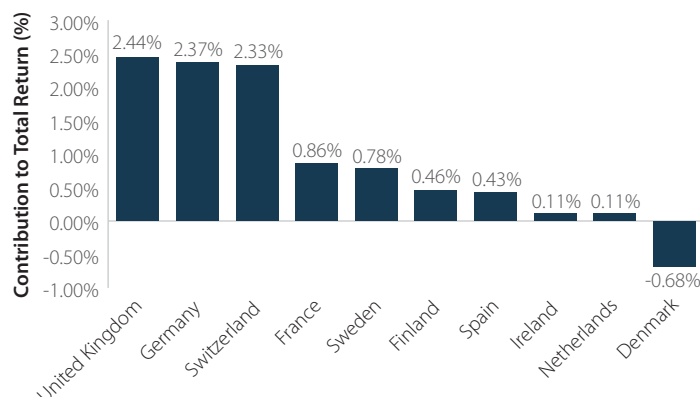
### Contribution to Return by Sector



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

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

### Contribution to Return by Country



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

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

### Price Multiples

	O'Shares Europe Quality Dividend Index <sup>1</sup>		EURO STOXX 50 Net Return USD Index	
	Current	3 Year Avg	Current	3 Year Avg
Price/Earnings Ratio	19.51x	17.11x	16.65x	14.35x
Price/Book Ratio	3.20x	3.21x	2.05x	1.88x
Price/Cash Flow Ratio	11.25x	11.50x	10.53x	9.27x
Trailing Twelve Month Yield	3.75%	2.89%	2.68%	3.10%
OEUR 30-Day SEC Yield	2.42%			

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

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

<sup>1</sup> The O'Shares Europe Quality Dividend Index performance information reflects the blended performance of the FTSE Developed Europe Qual/Vol/ Yield 5% Capped Factor Index through 5/31/2020 and the O'Shares Europe Quality Dividend Index thereafter.

# ALPS | O'Shares Europe Quality Dividend ETF

## ALPS | O'Shares Europe Quality Dividend ETF (OEUR) Performance as of 3/31/2025

Total Returns	Cumulative				Annualized			
	1 M	3 M	YTD	SI <sup>^</sup>	1 Y	3 Y	5 Y	SI <sup>^</sup>
NAV (Net Asset Value)	0.06%	9.10%	9.10%	62.28%	4.07%	8.43%	11.67%	5.16%
Market Price	0.23%	10.05%	10.05%	62.87%	4.07%	8.93%	12.21%	5.20%
O'Shares Europe Quality Dividend Index - NTR <sup>1</sup>	0.05%	9.15%	9.15%	69.53%	4.40%	8.91%	12.27%	5.64%
EURO STOXX 50 Net Return USD Index - NTR	-0.12%	12.18%	12.18%	84.92%	5.85%	12.09%	15.76%	6.60%

**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.

Performance data prior to 6/21/2022 reflects the performance of the Fund as managed under the OSI ETF Trust.

<sup>^</sup> Fund inception date: 8/19/2015, date reflects the commencement of investment operations.

<sup>1</sup> The O'Shares Europe Quality Dividend Index performance information reflects the blended performance of the FTSE Developed Europe Qual/Vol/Yield 5% Capped Factor Index through 5/31/2020 and the O'Shares Europe Quality Dividend Index thereafter.

Total Operating Expenses: **0.48%**

## Top 10 Holdings

Sap Se	4.83%	Lvmh Moet Hennessy Louis Vuitton	3.26%
Roche Holding Ag	4.31%	Deutsche Telekom Ag	3.22%
Nestle Sa	4.29%	Unilever Plc	3.16%
Novartis Ag	3.86%	Iberdrola Sa	3.11%
Siemens Ag	3.75%	Relx Plc	2.94%

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

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

## ALPS | O'Shares Europe Quality Dividend ETF

### 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.

Concentration in a particular industry or sector will subject the Fund to loss due to adverse occurrences that may affect that industry or sector. The Fund may use derivatives which may involve risks different from, or greater than, those associated with more traditional investments. A Fund's emphasis on dividend-paying stocks involves the risk that such stocks may fall out of favor with investors and underperform the market. Also, a company may reduce or eliminate its dividend after the Fund's purchase of such a company's securities. Returns on investments in foreign securities could be more volatile than, or trail the returns on, investments in US securities. Exposures to foreign securities entail special risks, including political, diplomatic, economic, foreign market and trading risks. In addition, a Fund's investments in securities denominated in other currencies could decline due to changes in local currency relative to the value of the US dollar, which may affect the Fund's returns.

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.

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

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

EURO STOXX 50 Net Return USD Index: represents the performance of the 50 largest companies among the 20 supersectors in terms of free-float market cap in Eurozone countries.

FTSE Developed Europe Qual/Vol/Yield 5% Capped Factor Index: designed to measure the performance of publicly-listed large-capitalization and mid-capitalization dividend-paying issuers in Europe that meet certain requirements for market capitalization, liquidity, high quality, low volatility and dividend yield.

O'Shares Europe Quality Dividend Index: designed to reflect the performance of publicly-listed large-capitalization and mid-capitalization dividend-paying issuers in Europe that meet certain market capitalization, liquidity, high quality, low volatility and high dividend yield thresholds. The quality and low volatility requirements are designed to reduce exposure to high dividend equities that have experienced large price declines.

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.

Return on Equity (ROE): a measure of financial performance calculated by dividing net income by shareholders' equity. ROE is considered a gauge of profitability.

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. and ALPS Portfolio Solutions Distributor, Inc., affiliated entities, are unaffiliated with O'Shares Investments.

ALPS Portfolio Solutions Distributor, Inc. is the distributor for the Fund.

Not FDIC Insured • No Bank Guarantee • May Lose Value

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