

ALPS REIT Dividend Dogs ETF

VALUE, INCOME, DIVERSIFICATION

Quarterly Insights | Q3 2023

Key Takeaways

- The ALPS REIT Dividend Dogs ETF (RDOG) lost 4.76% in Q3 of 2023, outperforming the broader US REIT market return of -8.04%, as measured by the S-Network Composite US REIT Index.
- Office REITs was the best-performing segment in RDOG in Q3 as bank stocks bounced from lows, adding confidence to commercial real estate.
- RDOG's underlying index's trailing twelve month (TTM) yield currently sits at 7.51%, nearly 300 basis points (bps) higher than the S-Network Composite US REIT Index yield of 4.79%.

Performance Notes

- The ALPS REIT Dividend Dogs ETF (RDOG) returned -4.76% last quarter, outperforming the broader REIT market, as represented by the S-Network Composite US REIT Index (SNREIT). RDOG's relative overweight to Office REITs and relative underweight to Technology REITs provided relative segment outperformance against the SNREIT Index.
- Office REITs performed better than expected through the third quarter, buoyed by additional confidence in the commercial real estate sector as bank stocks found a bottom early in the period. Over the third quarter of 2023, REITs have traded higher as positive analyst activity has ramped up with some headwinds beginning to ease as downward earnings revisions begin to stabilize. Current valuations and funds from operations (FFO) numbers highlight optimal operating performance for public REITs within RDOG, showcasing the resiliency across the fund's nine equally-rated US REIT segments in the wake of higher interest rates.

Performance Summary

	Q3 2023	YTD	1 Y
RDOG (NAV)	-4.76%	-6.31%	-4.21%
S-Network REIT Dividend Dogs Index - TR	-4.70%	-6.00%	-3.92%
S-Network Composite US REIT Index - TR	-8.04%	-5.31%	-1.00%

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. Performance includes reinvested distributions and capital gains.

For standardized performance please see page 2.

Strategy

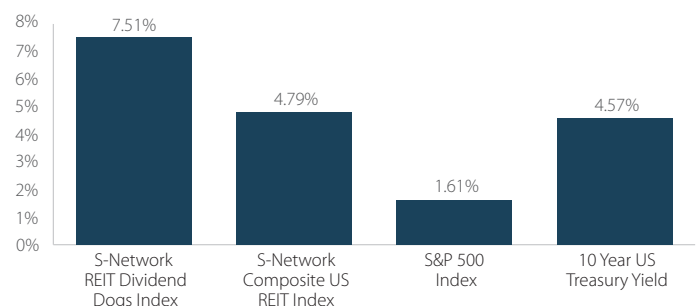
- RDOG is an Exchange-Traded Fund that applies the 'Dogs of the Dow Theory' to nine US REIT segments using the S-Network Composite US REIT Index as its starting universe of eligible securities.
- The strategy selects the five highest yielding US REITs ("Dividend Dogs") within nine equally-weighted REIT segments. Constituent REITs must have Trailing Twelve Month (TTM) Funds From Operations (FFO) per share greater than TTM Dividend Payout per Share (DPS).
- Equally weighting at the individual REIT and segment level provides diversification, avoids segment biases and helps to smooth volatility.



Yield Comparison

- As of September 30, 2023, RDOG's underlying index (S-Network REIT Dividend Dogs Index) yields 7.51%, which is higher than its starting universe (SNREIT) due to a relative overweight in higher-yielding names within the Health Care REITs and Office REITs segments.
- RDOG's Health Care REITs segment and Office REITs segment carry a trailing twelve month dividend yield of 8.96% and 10.38%, respectively.

Trailing Twelve Month Dividend Yield



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

Past performance is no guarantee of future results.

Contribution to Return

- RDOG's top contributing REITs segment in Q3 was Office REITs (+0.22%), the only segment with a positive return during the quarter, while Specialized REITs (-1.52%), Residential REITs (-1.02%) and Health Care REITs (-0.67%) detracted from overall fund performance. Office REITs name, SL Green Realty Corp (SLG, 2.22% weight*), soared nearly 27% in Q3 after selling half of its interest in a NYC skyscraper at a \$2 billion valuation, as well as gaining from broad-based gains in the Office REITs segment as major banks bounced early in the quarter. Hudson Pacific Properties Inc. (HPP, 2.21% weight*) rocketed 57.58% last quarter also benefitting from positive results in major banks as well as receiving a price target upgrade thanks to Hudson Pacific's promising growth catalysts, with the effects of the Hollywood strike and a dividend suspension expected to reverse into 2024.
- Within RDOG's Health Care REITs segment, nursing home and living center operator Sabra Health Care REIT Inc. (SBRA, 2.55% weight*), gained 21.40% in Q3 rallying on the back of analyst activity, where Wells Fargo (WFC, not in RDOG) announced Sabra Health was a top performer among skilled nursing REITs. Sabra Health also received a rating upgrade from Jefferies because of the company's compelling valuation and tailwinds in the senior housing space. Another beneficiary of analyst activity was healthcare facility operator, Omega Healthcare Investors Inc. (OHI, 2.48% weight*), which rallied over 10% after also being named one of the top performers by Wells Fargo and additionally receiving numerous rating upgrades thanks to restructuring that began during the COVID-19 pandemic, resulting in lower debt.
- Adding to gains in RDOG's Retail REITs segment last quarter, Necessity Retail REIT Inc. (RTL, 2.48% weight*), rose nearly 16% rallying days before its merger with Global Net Lease, Inc. (GNL, not in RDOG) after Orange Capital (not in RDOG) dropped its oppositional vote against the merger.

Valuation Update

- RDOG's underlying index continues to exhibit depressed valuations when compared to its historical averages, while the S-Network Composite US REIT Index (SNREIT) exhibits historically high valuations.
- The S-Network REIT Dividend Dogs Index remains at a discount with a current P/FFO ratio of 7.98x compared to SNREIT's current P/FFO ratio of 15.49x. Similarly, RDOG's underlying index TTM dividend yield of 7.51% is far in excess of SNREIT's dividend yield of 4.79%.

* Weight in RDOG as of 9/30/2023

ALPS REIT Dividend Dogs ETF (RDOG) Performance** as of 9/30/2023

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)	-7.55%	-4.76%	-6.31%	28.78%	-4.21%	4.46%	-0.44%	2.31%	1.66%
Market Price	-7.50%	-4.66%	-6.12%	28.74%	-4.21%	4.47%	-0.40%	2.31%	1.65%
S-Network REIT Dividend Dogs Index - TR ²	-7.56%	-4.70%	-6.00%	-	-3.92%	4.86%	-	-	-
S-Network Composite US REIT Index - TR ²	-6.90%	-8.04%	-5.31%	-	-1.00%	2.70%	-	-	-

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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.

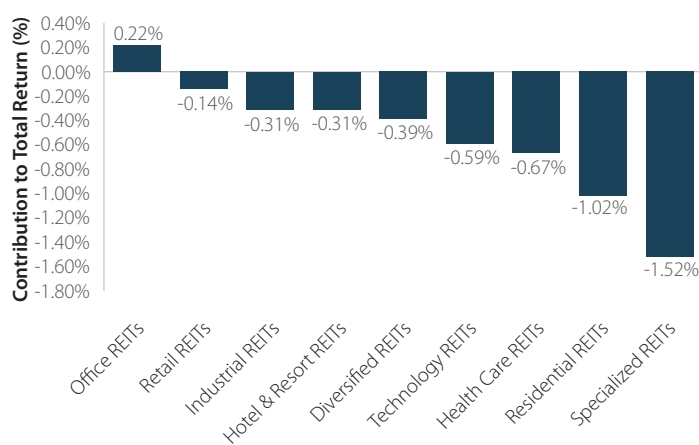
** Effective 1/2/2020, the ETF changed its underlying index and principal investment strategies; consequently, the ETF's total returns shown for the periods prior to 1/2/2020 are not necessarily indicative of the performance of the ETF as it is currently managed.

¹ Fund inception date: 5/7/2008

² The Indexes commenced operations after RDOG's inception date. The S-Network REIT Dividend Dogs Index commenced operations on 10/29/2019 and the S-Network Composite US REIT Index commenced operations on 2/12/2016.

Total Operating Expenses: **0.35%**

Contribution to Return by Segment



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

Past performance is no guarantee of future results.

Price Multiples

	RDOGX Index	SNREIT Index
Price/Funds From Operations Ratio	7.98x	15.49x
Price/Book Ratio	1.06x	1.88x
Price/Cash Flow Ratio	6.59x	12.17x
Trailing Twelve Month Yield	7.51%	4.79%
RDOG 30-Day SEC Yield	7.85%	

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

Past performance is no guarantee of future results.

Top 10 Holdings

Sabra Health Care REIT Inc	2.55%	One Liberty Properties Inc	2.33%
Omega Healthcare Investors Inc	2.48%	Centerspace	2.33%
Uniti Group Inc	2.38%	RLJ Lodging Trust	2.33%
Service Properties Trust	2.35%	Park Hotels & Resorts Inc	2.29%
CBL & Associates Properties Inc	2.34%	UMH Properties Inc	2.29%

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

Ownership of real estate is subject to fluctuations in the value of underlying properties, the impact of economic conditions on real estate values, the strength of specific industries renting properties and defaults by borrowers or tenants. Real estate is a cyclical business, highly sensitive to general and local economic conditions and developments, and characterized by intense competition and periodic overbuilding. Credit and interest rate risk may affect real estate companies' ability to borrow or lend money.

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.

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/Funds from Operations (P/FFO) Ratio: a valuation ratio of a company's current share price compared to its per-share funds from operations.

Real Estate Investment Trust (REIT): companies that own or finance income-producing real estate across a range of property sectors. Listed REITs have characteristics of both the income potential of bonds and growth potential of stocks.

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

S-Network Composite US REIT Index (SNREIT): a benchmark index for the Real Estate Investment Trust component of the US stock market.

S-Network REIT Dividend Dogs Index (RDOGX): a portfolio of stocks derived from the S-Network Composite US REIT Index (SNREIT). The RDOGX methodology selects the five stocks in each of the nine segments that make up SNREIT which offer the highest dividend yields as of the last trading day of November.

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

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