RDOG

ALPS REIT Dividend Dogs ETF
VALUE, INCOME, DIVERSIFICATION

Quarterly Insights | Q4 2023

Key Takeaways

- The ALPS REIT Dividend Dogs ETF (RDOG) gained 17.72% in Q4 of 2023, performing in line with the broader US REIT market return of 17.57%, as measured by the S-Network Composite US REIT Index.
- Office REITs was the best-performing segment in RDOG in Q4 as hopes for rate cuts in 2024 boosted the segment.
- RDOG's underlying index's trailing twelve month (TTM) yield currently sits at 6.92%, nearly 300 basis points (bps) higher than the S-Network Composite US REIT Index yield of 4.28%.

Performance Notes

- The ALPS REIT Dividend Dogs ETF (RDOG) returned 17.72% last quarter, performing in line with the broader REIT market, as represented by the S-Network Composite US REIT Index (SNREIT). During the fourth quarter, RDOG's relative overweight to Office REITs and relative underweight to Specialized REITs provided relative segment outperformance against the SNREIT Index.

- REITs performed better than expected through the fourth quarter, buoyed by talks around Federal Reserve rate cuts in 2024. Over the fourth quarter of 2023, the Real Estate sector was the best-performing sector, with REITs trading higher as hopes for rate cuts and better-than-expected quarterly financial results outweighed current headwinds. 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

	Q4 2023	YTD	1 Y
RDOG (NAV)	17.72%	10.29%	10.29%
S-Network REIT Dividend Dogs Index - TR	17.94%	10.90%	10.90%
S-Network Composite US REIT Index - TR	17.57%	11.33%	11.33%

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 2.
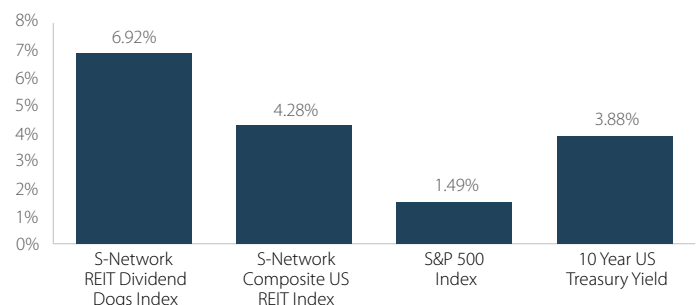
Strategy

- 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 December 31, 2023, RDOG's underlying index (S-Network REIT Dividend Dogs Index) yields 6.92%, which is higher than its starting universe (SNREIT) due to a relative overweight in higher-yielding names within the Hotel & Resort REITs and Office REITs segments.
- RDOG's Hotel & Resort REITs segment and Office REITs segment carry a trailing twelve month dividend yield of 10.19% and 9.69%, respectively.

Trailing Twelve Month Dividend Yield

S-Network REIT Dividend Dogs Index	6.92%
S-Network Composite US REIT Index	4.28%
S&P 500 Index	1.49%
10 Year US Treasury Yield	3.88%

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

ALPS REIT Dividend Dogs ETF

Contribution to Return

- RDOG's top contributing REIT segments in Q4 were Office REITs (+3.44%), Technology REITs (+2.67%) and Specialized REITs (+2.57%). Residential REITs (+0.57%) and Health Care REITs (+0.68%) contributed the least to fund performance but still added towards quarterly gains in RDOG. Office REITs name, Office Properties Income Trust (**OPI, 2.46% weight***), soared nearly 90% in Q4 after reporting better-than-expected earnings and funds from operations in Q3 on the back of improved leasing activity. Piedmont Office Realty Trusts, Inc. (**PDM, 2.21% weight* as of December reconstitution**) rallied 32.99% last quarter benefitting from broad-based gains for Office REITs after inflation showed to be cooling in November, a signal that the Federal Reserve's rate-hike campaign will be coming to an end with rate cuts on the horizon.

- Within RDOG's Technology REITs segment, broadcast tower operator American Tower Corp. (**AMT, 2.20% weight***), gained 33.66% in Q4 after the company boosted guidance with strong quarterly results due to their resilient operating strategy that delivered beats across the board despite lower levels of leasing activity. Another tower and wireless communications operator with RDOG's Technology REITs segment, Crown Castel Inc. (**CCI, 2.09% weight***), rallied over 26% after Elliott Investment Management (not in RDOG) confirmed a $2 billion position in the company. Elliott Investment Management's stake came on the back of a letter to the board asking for changes around leadership, later in the quarter, Crown Castel executed the requested changes by Elliott, which was seen as a positive by investors and analysts, resulting in price target upgrades and new coverage.

- Adding to gains in RDOG's Specialized REITs segment last quarter, OUTFRONT Media Inc. (**OUT, 2.31% weight***), rose nearly 42% rallying on broad-based gains with the rest of RDOG's specialized REITs portfolio with rate cut hopes on the horizon, as well as benefitting from an upbeat outlook during the company's Q3 earnings calls. The positive outlook comes on the back of strength in local advertising that the company's CEO sees continuing into 2024.

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 7.04x compared to SNREIT's current P/FFO ratio of 13.88x. Similarly, RDOG's underlying index TTM dividend yield of 6.92% is far in excess of SNREIT's dividend yield of 4.28%.

*   *Weight in RDOG as of 12/31/2023*

Contribution to Return by Segment

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

Past performance is no guarantee of future results.

Price Multiples

	RDOGX Index	SNREIT Index
Price/Funds From Operations Ratio	7.04x	13.88x
Price/Book Ratio	1.14x	2.15x
Price/Cash Flow Ratio	8.09x	14.50x
Trailing Twelve Month Yield	6.92%	4.28%
RDOG 30-Day SEC Yield	6.40%	

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

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ALPS REIT Dividend Dogs ETF (RDOG) Performance** as of 12/31/2023

	Cumulative				Annualized				
Total Returns	1 M	3 M	YTD	SI[1]	1 Y	3 Y	5 Y	10 Y	SI[1]
NAV (Net Asset Value)	9.84%	17.72%	10.29%	51.60%	10.29%	3.66%	3.76%	4.15%	2.69%
Market Price	9.97%	17.66%	10.46%	51.48%	10.46%	3.60%	3.93%	4.12%	2.69%
S-Network REIT Dividend Dogs Index - TR[2]	9.98%	17.94%	10.90%	–	10.90%	4.08%	–	–	–
S-Network Composite US REIT Index - TR[2]	8.79%	17.57%	11.33%	–	11.33%	5.30%	–	–	–

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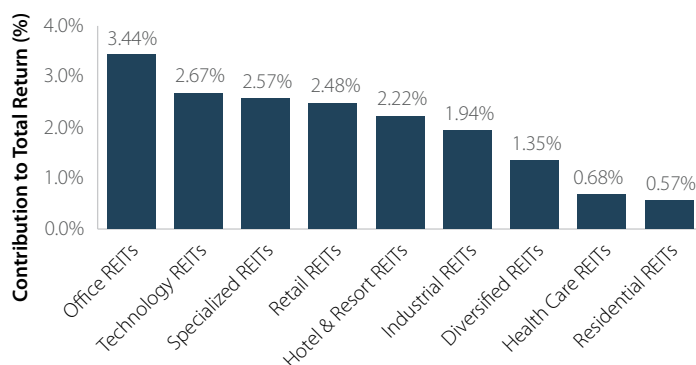
** *Effective 1/2/2020, the ETF changed its underlying index and principal investment strategies; consequently, the ETF's total returns shown for the periods prior to 1/2/2020 are not necessarily indicative of the performance of the ETF as it is currently managed.*

[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%**

Top 10 Holdings

Office Properties Income Trust	2.46%	Outfront Media Inc	2.31%
Macerich Co/The	2.42%	Host Hotels & Resorts Inc	2.31%
Innovative Industrial Properties Inc	2.41%	Braemar Hotels & Resorts Inc	2.30%
National Storage Affiliates Trust	2.37%	Healthcare Realty Trust Inc	2.28%
Service Properties Trust	2.34%	Brandywine Realty Trust	2.28%

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

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.

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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