

Why REITs Now?

ALPS Active REIT ETF (Ticker: REIT)

Diversify portfolios with an under-owned, under-valued asset class in the early stages of a recovering growth cycle.

June 30, 2025

Property Values Have Reset

Commercial real estate prices have reset and we are in the early stages of a recovering growth cycle for property investment, earnings and valuations, which will be led by publicly traded Real Estate Investment Trusts (REITs).



Source: Green Street, June 2021 - June 2025

Change in Commercial Property Values

▼ **18%**
since 2022 peak

▲ **5%**
since 2023 trough

Healthy Fundamentals with Declining Supply

Fundamentals, net operating income and dividends are generally healthy with a tailwind of declining supply due to rising replacement costs tightening market conditions, increasing the value of existing properties and supporting higher rents.

Public REIT
Implied Cap Rate⁽¹⁾

7%

Net Operating
Income Growth⁽²⁾

3.3%

Dividend
Yield⁽³⁾

4%

Occupancy⁽⁴⁾

93%

Declining Supply⁽⁵⁾

Industrial

▼ **55%**

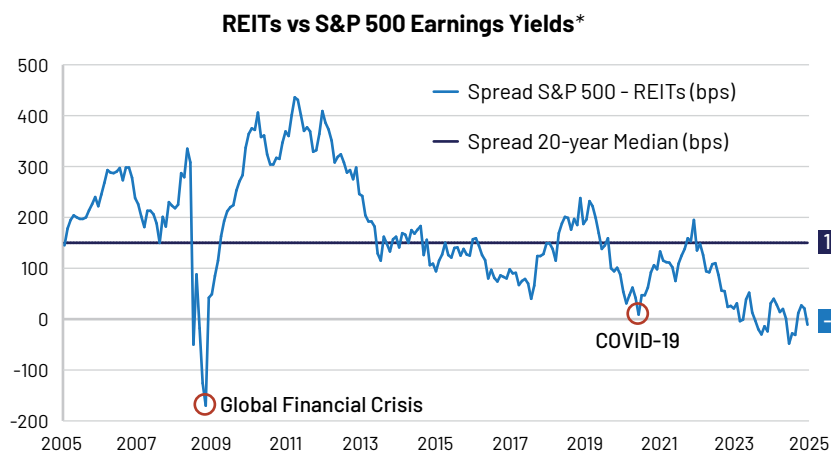
Apartment

▼ **28%**

decline since 2023 peak

Compelling Entry Point with Attractive Relative Valuations

REITs are discounted relative to equities and private real estate.



Source (LHS): Green Street, June 2005 - June 2025; Sources (RHS): NCREIF and Green Street, as of 6/30/2025

REITs are represented REITs in the Green Street Coverage Universe of approximately 90 US-listed real estate companies.

* 3-year forward S&P 500 Index earnings per share (EPS) yield minus listed REIT adjusted funds from operations (AFFO) yield presented in basis points (bps).

Public REIT Implied Cap Rates vs Private Real Estate Appraisal Cap Rates

Sector	Private Real Estate	Public REITs	Public REIT Discount
Apartment	4.5%	5.8%	-22%
Industrial	4.1%	5.7%	-28%
Office	6.0%	7.9%	-24%
Retail	5.6%	7.1%	-21%

Ticker: REIT Performance as of 6/30/2025

Total Returns	3 M	YTD	1 Y	3 Y	SI
NAV (Net Asset Value)	-2.75%	-2.14%	6.52%	4.54%	5.25%
Market Price	-2.90%	-2.25%	6.39%	4.56%	5.25%
S&P US REIT Index - TR	-1.15%	-0.22%	8.59%	5.28%	5.50%

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.

Returns for periods greater than one year are annualized.

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.

Fund inception date: 2/25/2021

Total Operating Expenses: **0.68%**

30-Day SEC Yield as of 6/30/2025: 3.23%

Endnotes

⁽¹⁾ Source: Green Street, implied cap rate of public REITs (represented by REITs in the Green Street Coverage Universe of approximately 90 US-listed real estate companies) over the next 12 months, equal weight, as 6/30/2025

⁽²⁾ Source: Green Street, US weighted average net operating income 2025E-2029E, as of May 2025, latest available

⁽³⁾ Source: NAREIT, dividend yield of the FTSE NAREIT All Equity REITs Index, as of 6/30/2025

⁽⁴⁾ Source: NAREIT T-Tracker, as of 3/31/2025, latest available

⁽⁵⁾ Industrials Source: Green Street, industrial new supply completions, peak in 4Q 2023, as of 3/31/2025, latest available; Apartments Source: US Census Bureau and US Department of Housing and Urban Development, survey of construction, 5 units or more seasonally adjusted, peak in July 2023, as of 6/30/2025

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.

When buying REITs there can be fees applied, including, but not limited to, ordinary brokerage fees.

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 will primarily invest in publicly traded common equity securities of US REITs. The Fund may also invest a portion of its assets in publicly traded common equity of US real estate operating companies (not structured as REITs), publicly traded preferred equity of US REITs and real estate operating companies, and cash and cash equivalents.

The Fund is considered nondiversified and as a result may experience greater volatility than a diversified fund.

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

Adjusted Funds From Operations (AFFO): a measure of the financial performance of a Real Estate Investment Trust (REIT) which takes into consideration the maintenance costs of the real estate property over its life.

Appraisal Capitalization (Cap) Rate: in commercial real estate, an estimate of the rate of return on an investment property determined by a professional appraiser using various valuation methods. The appraisal cap rate is a more subjective and potentially lagging indicator, especially in volatile markets.

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 security pays out in dividends each year relative to its share price.

FTSE NAREIT All Equity REITs Index: a free-float adjusted, market capitalization-weighted index of US equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

Green Street Commercial Property Price Index (CPPI): a time series of unleveraged US commercial property values that captures the prices at which commercial real estate transactions are currently being negotiated and contracted. Features that differentiate this index are its timeliness, its emphasis on high-quality properties, and its ability to capture changes in the aggregate value of the commercial property sector.

Implied Capitalization (Cap) Rate: in commercial real estate, an estimate of the rate of return on an investment property reached by dividing its net operating income by its current market value. The implied cap rate is a more immediate reflection of market sentiment.

S&P US REIT Index: defines and measures the investable universe of publicly traded real estate investment trusts (REITs) domiciled in the United States.

One may not invest directly in an index.

ALPS Advisors, Inc. and GSI Capital Advisors, LLC, registered investment advisers with the SEC, are the investment adviser and sub-adviser to the Fund, respectively. ALPS Advisors, Inc. and ALPS Portfolio Solutions Distributor, Inc., affiliated entities, are unaffiliated with GSI Capital Advisors, LLC.

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

Not FDIC Insured • No Bank Guarantee • May Lose Value

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