

Advantages of Equal-Sector Weight Investing

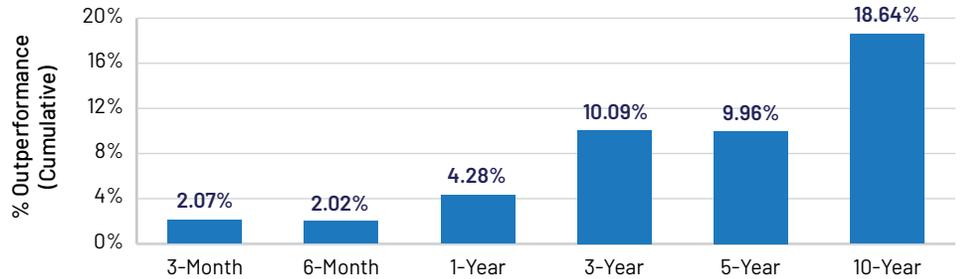
With the S&P 500 Index reaching extreme levels of concentration risk among the largest holdings, despite their earnings growth expected to decelerate in 2025, now is the time to consider an equal-sector weight strategy on the S&P 500 to take advantage of the possible broadening out of market returns.

March 2025

S&P 500 Equal-Sector Weight Investing May Offer Advantages Over Equal-Stock Weight

As investors look to diversify away from the market-cap-weighted S&P 500 that has become a proxy for seven mega-cap companies, an equal-sector weight approach to US large-cap investing has historically outperformed an equal-stock weight approach with less volatility over every timeframe.

Equal-Sector Weight on the S&P 500 Historically Provides Excess Returns Over Equal-Stock Weight



Source: Bloomberg, as of 2/28/2025

Cumulative performance as measured by the NYSE Equal Sector Weight Index versus the S&P 500 Equal Weight Index.

Past performance is no guarantee of future results. One may not invest directly in an index.

See page 4 for standardized performance of the ALPS Equal Sector Weight ETF (EQL).

Question:

What % of stocks in the S&P 500 Index, since its inception, have outperformed the Index?

Answer:

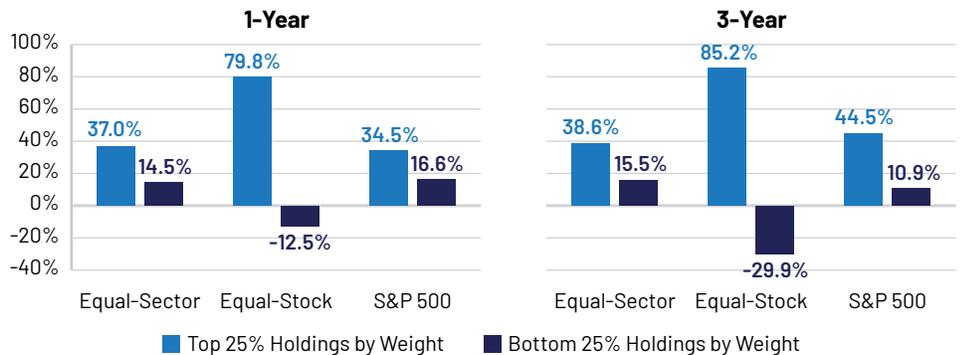
Less than 31% of stocks have outperformed the Index, while over 69% have underperformed.

Source: BofA US Equity & Quant Strategy, as of 2/28/2025

Diversification Doesn't Need to Come at a Cost

Both equal-sector and equal-stock weighting methodologies reduce the heavy concentration risk of the mega-cap companies in the S&P 500, however, equal-sector weighting provides an advantage by preserving the weights of the higher market-cap leaders within each sector while equal-stock weight tends to overemphasize the lower market-cap laggards within each sector. Equal-sector weighting shows a better balance of returns between the top and bottom quartiles, relative to equal-stock weighting.

Contribution to Return (% of Index Return)



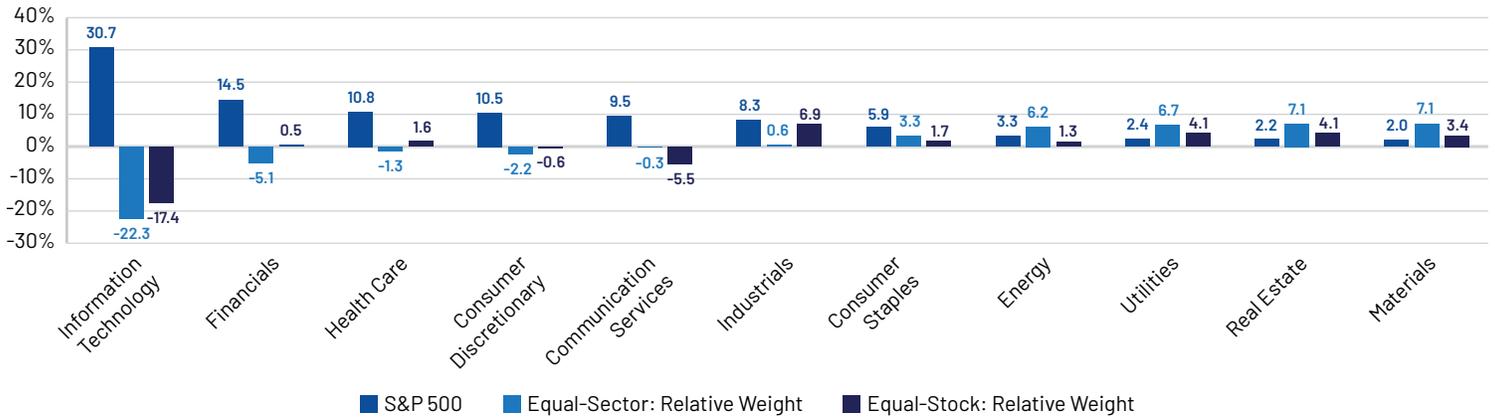
Source: Bloomberg, as of 2/28/2025

Equal-Sector as represented by the NYSE Equal Sector Weight Index. Equal-Stock as represented by the S&P 500 Equal Weight Index.

The ALPS Equal Sector Weight ETF (EQL)

The ALPS Equal Sector Weight ETF (EQL) equal-weights 11 S&P 500 sector ETFs—the Select Sector SPDR ETFs—to reduce the S&P 500's risky overweight to the Information Technology sector and place more emphasis on the real economy in sectors like Energy, Utilities, Real Estate and Materials. Conversely, equal-stock weighting on the S&P 500 will overweight sectors that hold more companies, resulting in a similar S&P 500 sector composition that actually detracts from diversification with the high correlation of returns of the companies in each sector.

Sector Weights vs. S&P 500 Index



Source: Bloomberg, as of 2/28/2025

Equal-Sector as represented by the NYSE Equal Sector Weight Index. Equal-Stock as represented by the S&P 500 Equal Weight Index.

Question:

Over the last ten years, what is the average dispersion between the top and bottom performing stock in the S&P 500?

Answer:

The average dispersion between the top and bottom performing stock in the S&P 500 has been over 230%.

Source: Bloomberg, as of 12/31/2024

EQL's Equal-Sector Methodology May Lead to a Smoother Ride for Investors

More Diversification, Less Volatility

As the S&P 500 continues to drift away from a balanced representation of US large-cap companies, investors may want a better way to access the "Un-Magnificent" 493 stocks in the Index. The ALPS Equal Sector Weight ETF (EQL) provides greater exposure to the bulk of the US large-cap universe, while demonstrating less volatility and smaller drawdowns than an equal-stock weighted portfolio on the S&P 500 that tends to witness greater peaks and valleys in performance caused by inordinate sector bets.

Equal-Weighting Methodologies vs. S&P 500: Rolling Annual Returns



Source: Bloomberg, as of 2/28/2025

Equal-Sector as represented by the NYSE Equal Sector Weight Index. Equal-Stock as represented by the S&P 500 Equal Weight Index.

Past performance is no guarantee of future results. One may not invest directly in an index.

See page 4 for standardized performance of the ALPS Equal Sector Weight ETF (EQL).

ALPS Equal Sector Weight ETF (EQL) Portfolio Composition



■ Energy (XLE)	9.52%	■ Materials (XLB)	9.13%
■ Health Care (XLV)	9.49%	■ Utilities (XLU)	9.12%
■ Financials (XLF)	9.46%	■ Industrials (XLI)	8.96%
■ Real Estate (XLRE)	9.31%	■ Information Technology (XLK)	8.41%
■ Communication Services (XLC)	9.16%	■ Consumer Discretionary (XLY)	8.30%
■ Consumer Staples (XLP)	9.14%		

Percentages are based off of total investments as of 2/28/2025.

Underlying Sectors - Top 10 Holdings

Energy (XLE)		Real Estate (XLRE)		Materials (XLB)		Information Technology (XLK)	
Exxon Mobil Corp	22.61%	Prologis Inc	10.37%	Linde PLC	22.16%	Apple Inc	15.39%
Chevron Corp	15.88%	American Tower Corp	8.68%	Sherwin-Williams Co/The	8.36%	NVIDIA Corp	12.90%
ConocoPhillips	7.68%	Welltower Inc	8.21%	Air Products and Chemicals Inc	7.00%	Microsoft Corp	12.43%
Williams Cos Inc/The	4.67%	Equinix Inc	7.89%	Ecolab Inc	6.75%	Broadcom Inc	5.20%
EOG Resources Inc	4.42%	Simon Property Group Inc	5.16%	Freeport-McMoRan Inc	5.28%	Salesforce Inc	3.15%
ONEOK Inc	4.35%	Realty Income Corp	4.51%	Newmont Corp	4.86%	Oracle Corp	2.96%
Schlumberger NV	4.11%	Digital Realty Trust Inc	4.41%	Corteva Inc	4.31%	Cisco Systems Inc	2.83%
Phillips 66	3.74%	Public Storage	4.32%	DuPont de Nemours Inc	3.40%	International Business Machines	2.59%
Kinder Morgan Inc	3.66%	CBRE Group Inc	3.86%	Vulcan Materials Co	3.25%	Accenture PLC	2.41%
Marathon Petroleum Corp	3.37%	Crown Castle Inc	3.70%	Nucor Corp	3.22%	Adobe Inc	2.14%
Health Care (XLV)		Communication Services (XLC)		Utilities (XLU)		Consumer Discretionary (XLY)	
Eli Lilly & Co	13.35%	Meta Platforms Inc	20.13%	NextEra Energy Inc	11.96%	Amazon.com Inc	20.84%
UnitedHealth Group Inc	8.04%	Alphabet Inc	9.13%	Southern Co/The	8.15%	Tesla Inc	13.62%
Johnson & Johnson	7.31%	Alphabet Inc	7.52%	Duke Energy Corp	7.52%	Home Depot Inc/The	6.56%
AbbVie Inc	6.80%	Netflix Inc	7.09%	Constellation Energy Corp	6.49%	McDonald's Corp	5.14%
Abbott Laboratories	4.41%	AT&T Inc	5.24%	American Electric Power Co Inc	4.68%	Booking Holdings Inc	4.68%
Merck & Co Inc	4.29%	T-Mobile US Inc	5.17%	Dominion Energy Inc	3.94%	Lowe's Cos Inc	4.05%
Intuitive Surgical Inc	3.76%	Take-Two Interactive Software	5.00%	Vistra Corp	3.77%	TJX Cos Inc/The	4.04%
Thermo Fisher Scientific Inc	3.72%	Verizon Communications Inc	4.61%	Sempra	3.76%	Starbucks Corp	3.77%
Amgen Inc	3.05%	Walt Disney Co/The	4.46%	Exelon Corp	3.68%	NIKE Inc	2.72%
Boston Scientific Corp	2.82%	Charter Communications Inc	4.31%	Xcel Energy Inc	3.43%	O'Reilly Automotive Inc	2.27%
Financials (XLF)		Consumer Staples (XLP)		Industrials (XLI)		<p>The holdings presented, as of 2/28/2025 and subject to change, are indirectly held in the ALPS Equal Sector Weight ETF (EQL) via the Fund's investment in the 11 Select Sector SPDR ETFs.</p>	
Berkshire Hathaway Inc	12.84%	Costco Wholesale Corp	10.77%	General Electric Co	5.34%		
JPMorgan Chase & Co	10.16%	Walmart Inc	9.92%	RTX Corp	4.22%		
Visa Inc	8.54%	Procter & Gamble Co/The	9.49%	Caterpillar Inc	3.96%		
Mastercard Inc	6.44%	Coca-Cola Co/The	6.40%	Uber Technologies Inc	3.81%		
Bank of America Corp	4.19%	Philip Morris International Inc	5.60%	Union Pacific Corp	3.56%		
Wells Fargo & Co	3.55%	PepsiCo Inc	4.88%	Honeywell International Inc	3.30%		
Goldman Sachs Group Inc/The	2.66%	Altria Group Inc	4.52%	Boeing Co/The	3.11%		
S&P Global Inc	2.31%	Mondelez International Inc	4.50%	Automatic Data Processing Inc	3.06%		
American Express Co	2.28%	Colgate-Palmolive Co	4.32%	Deere & Co	2.91%		
Progressive Corp/The	2.25%	Target Corp	3.32%	Eaton Corp PLC	2.76%		

ALPS Equal Sector Weight ETF (EQL) Performance

Total Returns	Cumulative as of 2/28/2025		Annualized as of 12/31/2024				
	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI
NAV (Net Asset Value)	-1.55%	4.22%	16.32%	6.72%	11.70%	10.64%	13.29%
Market Price	-1.55%	4.25%	16.29%	6.72%	11.73%	10.63%	13.30%
NYSE Equal Sector Weight Index - TR	-1.50%	4.25%	16.53%	6.86%	11.87%	10.81%	13.53%
S&P 500 Index - TR	-0.97%	1.44%	25.02%	8.94%	14.53%	13.10%	15.08%

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.

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: 7/6/2009

Important Disclosures & Definitions

An investor should consider the investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus containing this and other information, call 1-866-759-5679 or visit www.alpsfunds.com. 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's investment performance, because it is a fund of funds, depends on the investment performance of the Underlying Sector ETFs in which it invests.

An investment in the Fund is subject to the risks associated with the Underlying Sector ETFs that comprise the Underlying Index. The Fund will indirectly pay a proportional share of the asset-based fees of the Underlying Sector ETFs in which it invests.

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

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.

Diversification does not eliminate the risk of experiencing investment losses.

NYSE Equal Sector Weight Index: consists of a strategy that holds all active Select Sector[®] SPDR[®] ETFs in an equal-weighted portfolio.

S&P 500 Index: widely regarded as the best single gauge of large-cap US equities. The index includes 500 leading companies and covers approximately 80% of available market capitalization.

S&P 500 Equal Weight Index: the equal-weight version of the widely-used S&P 500. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the index is allocated a fixed weight.

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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