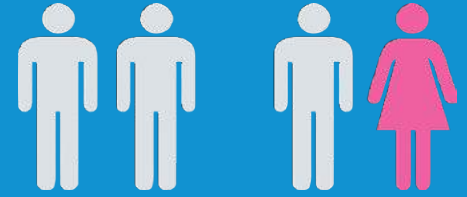


Evolve North American Gender Diversity Index ETF

HERS invests in equity securities of North American companies that have demonstrated commitment to gender diversity as part of their corporate social responsibility strategy.

As at December 31, 2018



TICKER: HERS (Hedged); HERS.B (Unhedged)

MACROECONOMIC HIGHLIGHTS:

- Gender diversity as part of corporate social responsibility continued to make headlines in 2018, with an increasing number of women breaking through the corporate glass ceiling, gaining representation on boards, and acquiring leadership positions in government.
- For instance, the Canadian Parliament included a record number of female Members of Parliament and the country's Prime Minister has committed to maintain a gender-balanced cabinet. Meanwhile, a record number of women also won seats in the US congress.
- Various studies show that gender diversity on corporate boards was linked to higher corporate governance scores, which in turn had a strong correlation to better financial performance, giving credence to gender diversity.
- On the social front, the #Me Too movement dramatically increased awareness to workplace harassment, highlighting gender-based issues in the workplace.
- The launch of two gender themed ETFs during the year increased participation in the space, indicating the growing importance gender-themed investing, pioneered by Evolve in Canada.

ESG IMPACT:

The ETF's holdings are focused on U.S. and Canadian companies that have demonstrated commitment to gender diversity as part of their corporate social responsibility strategy, which satisfies ESG mandates. All companies held within the Solactive Equileap North American Gender Equality Index are ranked according to Equileap's 19-point gender diversity criteria.

DISCLAIMER

Commissions, management fees and expenses all may be associated with exchange traded mutual funds (ETFs). Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. There are risks involved with investing in ETFs. Please read the prospectus for a complete description of risks relevant to the ETF. Investors may incur customary brokerage commissions in buying or selling ETF units.



Evolve Cyber Security Index ETF

CYBR invests primarily in equity securities of companies located domestically or internationally that are involved in the cyber security industry through hardware and software development.

As at December 31, 2018



TICKER: CYBR (Hedged); CYBR.B (Unhedged)

MACROECONOMIC HIGHLIGHTS:

- Cybersecurity remained a major threat in 2018, fuelled by increasing cybercriminal activity. During the year, several major data breaches, among them hacks perpetrated on Marriot Hotels, WhatsApp, and Facebook, highlighted the vulnerability of businesses, governments and private and public entities to cybercrime.
- As a result, spending on cyber security continued to rise, fuelled by the ransomware epidemic; the refocusing of malware from PCs and laptops to smartphones and mobile devices; the deployment of billions of under-protected Internet of Things devices; the growing use of cloud-based services; and the potential for attacks on businesses, governments, and various institutions.
- It is estimated that the average cost of a data breach rose 6.4% in 2018 to reach US\$3.86 million. In similar vein, the total number of records compromised in the first half of 2018 was 3.4 billion, up 72% over the first half of 2017.
- This trend benefited both domestic and global hardware and software companies that are involved in providing cybersecurity services to an ever expanding market.
- The Evolve Cyber Security Index ETF, which invests in the equity securities of such companies was Canada's top performing equity ETF in the category of 510 Canadian-listed unlevered equity ETFs based on Bloomberg data, with the unhedged class of CYBR posting a total return of 19.40%, net of fees.

ATTRIBUTION:

- Cyberark Software Ltd. was the best performing stock in the ETF for the year with a gain of 95.2%, followed by Rapid7 Inc. which was up 82% and Sailpoint Technologies Holdings 75.6%.

ESG IMPACT:

Cyber security has become an increasingly important component of ESG as significant breaches like the Equifax Inc. and Uber hacks appear to be just the beginning of cyber attacks on vulnerable institutions and businesses.

Evolve Automobile Innovation Index ETF

CARS invests primarily in equity securities of companies that are directly or indirectly involved in developing electric drivetrains, autonomous driving or network connected services for automobiles.



As at December 31, 2018

TICKER: CARS (Hedged); CARS.B (Unhedged); CARS.U (USD)

MACROECONOMIC HIGHLIGHTS:

- The adoption of electric vehicles (EV) gained momentum in 2018, fuelled by increasing demand, the rapid advance of technology, and strong infrastructure spending.
- Tesla, the world's number one electric car maker outsold its competitors in the U.S. premium automotive market, including brands such as Mercedes-Benz, BMW, Lexus, Infiniti, and Acura. It also expanded deliveries into Europe and China and announced plans to set up a manufacturing facility in China.
- Several legacy automakers, including Ford, GM, Fiat Chrysler and Volkswagen outlined plans to expand into EV production. China also announced plans to expand EV production.
- In the auto supply chain and auto parts and equipment segments of the market, technology innovations played a major role in the development of safety features such as back-up cameras, the development of autonomous cars and evolution of new products such as electric drive trains.

ATTRIBUTION:

- At the end of the year, the ETF held 68% of its portfolio by weight in companies in the Auto Supply Chain; and 16% each in Auto Parts and Equipment and Auto Makers.
- The top performing stock in the ETF for 2018 was the multinational semi-conductor company Advanced Micro Devices with a gain of 98.3%, followed by Integrated Device Technology Inc. which was up 77.5%.
- Gentherm Inc, which developed the first "Climate Control Seat" system for the auto industry, was the best performing stock in the Auto Parts and Equipment segment, with a gain of 37.2%, while Tesla Inc., which was up 16.5%, was the best performing stock in the Auto Makers segment.

ESG IMPACT:

The ETF invests in several companies that have ESG mandates, including holdings in companies that develop electric vehicles and other clean-driving technologies.