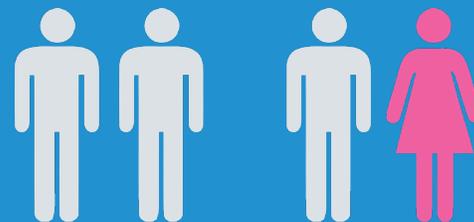


Evolve North American Gender Diversity Index Fund

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 March 29, 2019

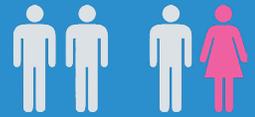


TICKER: HERS (Hedged); HERS.B (Unhedged)

MACROECONOMIC HIGHLIGHTS:

- Several research reports released during the month highlighted the importance of gender diversity in corporate performance.
- According to MSCI research, some of the most innovative publicly listed companies in the world — Amazon.com Inc., Nike Inc. and Visa Inc., among others — have something in common: more women on their boards than their industry peers. The research suggests that a culture that embraces new ideas might also be a culture that values diversity and that more diverse groups are more creative. Therefore, investors interested in innovation capacity might do well to take a hard look at gender diversity on corporate boards.ⁱ
- Based on a McKinsey Global Institute report, full gender equality in the work force could add as much as 26 per cent to global annual GDP by 2025. The research also shows that companies with gender-diverse executive teams were 21 per-cent more likely to experience above-average profits compared with less diverse teams.ⁱⁱ
- In addition, research by CIBC shows that since 2009 S&P/TSX Composite Index companies with a higher proportion of women directors on their boards have outperformed those with fewer female directors.ⁱⁱⁱ
- In spite of the importance of gender diversity, Canada's top public companies significantly lag their U.S. and global peers when it comes to gender equality in the workplace, according to research conducted by Equileap, a non-profit organization based in Amsterdam.
- Evolve FundsGroup Inc., a Canadian pioneer in gender-based investing, recognizes that investors are starting to pay closer attention to gender diversity in corporations based on the growing body of research which shows that it helps to improve corporate financial performance.
- During the month, Biogen Inc., a biotech company in which the ETF holds a stake, decided to discontinue two key phase 3 trials of its Alzheimer's disease drug. The research was halted because the drug was unlikely to be effective, resulting in a fall in the share price of its stock.





- Another holding in the portfolio, Johnson & Johnson, acquired Auris Health which specializes in developing robotic surgical tools for diagnosing and treating lung cancer; while Eli Lilly & Co. acquired an 84.9% stake in Loxo Oncology, giving it the ability to expand into precision medicines that target cancers which are caused by specific genetic abnormalities.

PERFORMANCE ATTRIBUTION:

- The fund produced a positive return in March. It held a widely diversified portfolio, with exposure of less than 1% to each holding. The top performing stock was Equitrans Midstream Corp., followed by Conagra Brands Inc. and Nvidia Corp.

SOURCE:

ⁱ <https://hub.biz/blog/what-innovative-companies-and-women-boards-have-common-8326568062849394315>

ⁱⁱ <https://www.theglobeandmail.com/investing/investment-ideas/article-canadas-top-public-companies-score-poorly-on-gender-equality-study/>

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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.

