

Fourth Canadian marijuana ETF to begin trading next week



Medical marijuana plants at a greenhouse in Ontario. Evolve Funds Group Inc.'s Evolve Marijuana ETF, with the ticker SEED, is expected to begin trading on Monday on the TSX.

GEOFF ROBINS/THE GLOBE AND MAIL

CLARE O'HARA >
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The marijuana sector continues to expand in the ETF market, with the country's fourth cannabis-focused exchange-traded fund set to begin trading next week.

Evolve Funds Group Inc. received regulatory approval late this week to launch the Evolve Marijuana ETF, a fund that will invest in its own actively managed portfolio comprising companies listed domestically and globally with business activities in the recreational and/or medical marijuana industry.

With the ticker SEED, the fund is expected to begin trading on Monday on the Toronto Stock Exchange.

"We believe the international cannabis industry is poised to exceed \$30-billion by 2021, which would be a 60-per-cent compounded annual growth rate in the next few years," Raj Lala, president and CEO of Evolve ETFs, said in a statement.

"The next wave of growth could be driven by the globalization of the industry. Active management in SEED allows us to capitalize on these opportunities."

The fund will be managed by Evolve Funds and has a management fee of 0.75 per cent.

Marijuana stocks have seen a surge in investor activity this year, prompting the ETF industry to get in on the action.

Earlier this month, Horizons ETFs Management (Canada) Inc. received regulatory approval for its second marijuana-focused fund – Horizons Junior Marijuana Growers Index ETF (HMJR) – with the aim to capture small-cap companies in the industry. This will begin trading Feb. 14.

Horizons launched the world's first marijuana-focused ETF – the Horizons Marijuana Life Sciences Index ETF – last April.

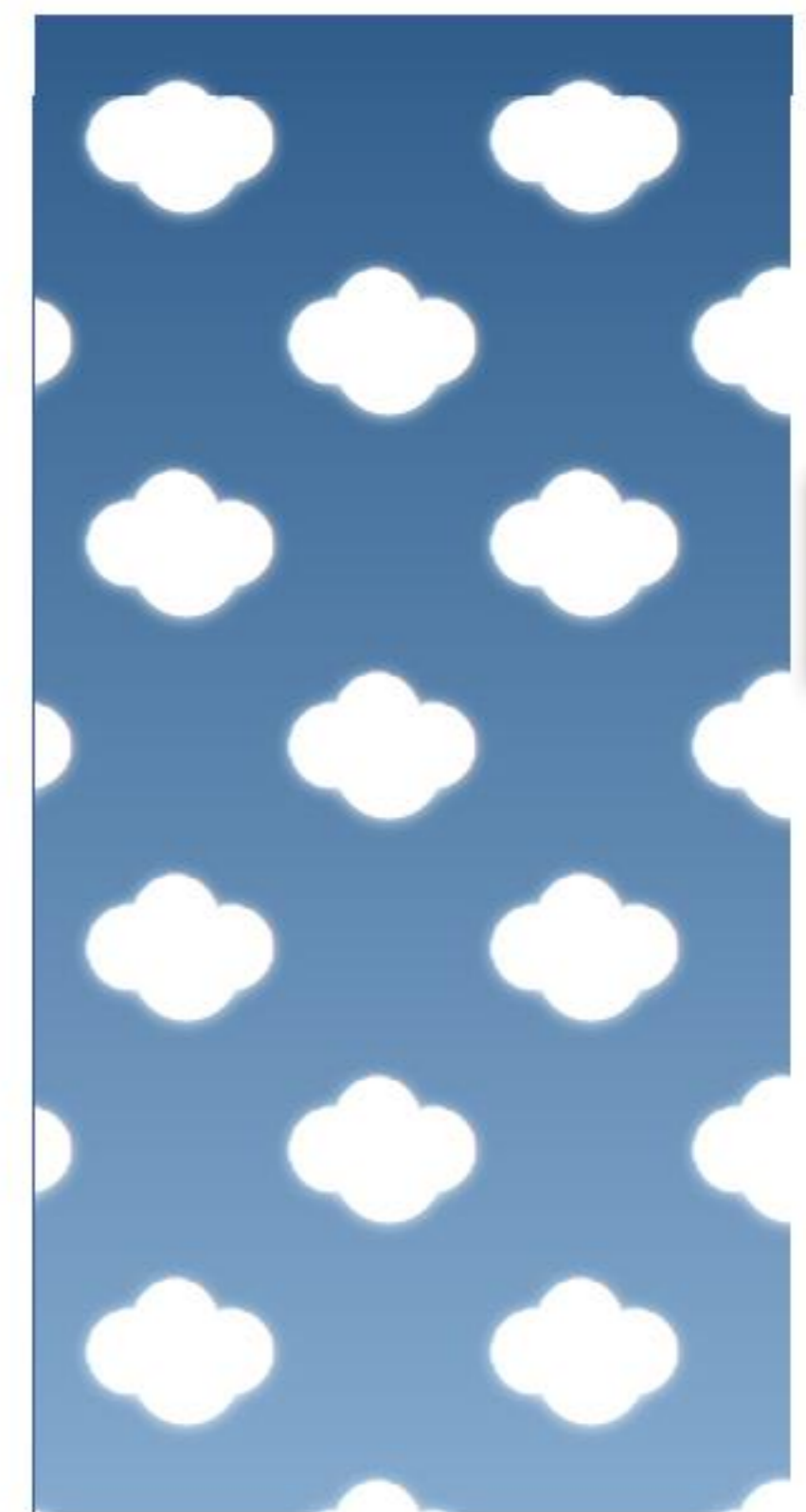
The fund, which goes by the ticker HMMJ – reached more than \$100-million in assets under management within the first month. It currently has more than \$800-million under management.

Evolve was the first company to file for an actively managed marijuana fund in the second week of January, but it was Redwood Asset Management that surprised the industry with launching the Marijuana Opportunities Fund ETF on Feb. 1 – an actively managed fund with the ticker MJJ that currently has \$6-million in assets.

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