

Evolve Innovation Index ETF

EDGE provides investors with access to global companies that are involved in innovative or disruptive trends across a broad range of industries.

As at February 28, 2019



TICKER: EDGE (Hedged)

MACROECONOMIC HIGHLIGHTS:

- The shift to driverless cars continued to gain momentum in February with Volkswagen announcing plans to invest some \$1.7bn in Ford's Argo AI, an autonomous vehicle start-up unit owned by Ford. The two auto giants are seeking to combine efforts to lead the self-driving vehicle marketplace worldwide.
- As the 5G market gains prominence, Chinese companies appear to have cornered the space, leaving the US behind, according to an article in Wired Magazine. This development will give Chinese companies a competitive edge over its rivals and threatens to shut them out of markets in which the Chinese currently dominate.
- In Toronto, New-York Sidewalk Labs LLC's controversial ambitions to build a futuristic city on the city's waterfront is set to gain steam. Evidently, the urban innovation unit of Alphabet Inc., sister company to Google, is proposing to speed up its plans to redevelop 350 derelict acres on the city's waterfront in return for a cut of property taxes, development charges and increased land values. Sidewalk has offered to finance the infrastructure required to get the project off the ground, including a light-rail line, in return for a slice of the proceeds, which it estimates could be about C\$6 billion over the next 30 years.
- Amazon appears to have plans to move AI from hype to reality. In an interview with the health website Stat, Amazon's Taha Kass-Hout noted that the company sees big potential in developing AI tools for health. Incidentally, Amazon launched Comprehend Medical, a machine learning service for health information in 2018.
- Zscaler Inc. beat earnings and revenue estimates, sending its stock to a record high in February. The company's revenue grew 65% YoY. Zscaler, which has a globally distributed cloud security platform, is disrupting the traditional cybersecurity market.
- In the genomics space, BeiGene Ltd, reported a 223% year-over-year revenue growth, stemming largely from increased product revenue in China, achieved through collaboration with the pharma giant, Celgene. Headquartered in China, BeiGene is a commercial-stage biopharmaceutical company focused on developing innovative molecularly-targeted drugs for treating cancer.





- In a controversial development in the genomics space, it was discovered that China's CRISPR twins might have had their brains inadvertently enhanced in a procedure aimed at preventing HIV. Though the experiment has been widely condemned as irresponsible, it demonstrated the potential for interesting new research in this area.

PERFORMANCE ATTRIBUTION:

- The ETF tracks a benchmark index designed to provide investors with returns tied to six disruptive and innovative sectors: big data and cloud computing, robotics and automaton, cyber security, automotive innovation and social media, which together account for 86% of the weight of the portfolio in roughly equal individual segment weights; and genomics – which has a 14% weight.

SOURCES:

- [https://www.wired.com/story/china-will-likely-corner-5g-market-us-no-plan/?CNDID=55807936&CNDID=55807936&bx-id=MzMONzUzMTQwODgyS0&hasha=b33419f598455472e9dc864c6dcd5d2a&hashb=e8ec941e02dd1025d2b9c5decc485a1a8f-767c9a&mbid=nL022019_daily_list1_p2&source=DAILY_NEWSLETTER&utm_brand=wired&utm_mailing=WIRED%20NL%20022019%20\(1\)&utm_medium=email&utm_source=nl](https://www.wired.com/story/china-will-likely-corner-5g-market-us-no-plan/?CNDID=55807936&CNDID=55807936&bx-id=MzMONzUzMTQwODgyS0&hasha=b33419f598455472e9dc864c6dcd5d2a&hashb=e8ec941e02dd1025d2b9c5decc485a1a8f-767c9a&mbid=nL022019_daily_list1_p2&source=DAILY_NEWSLETTER&utm_brand=wired&utm_mailing=WIRED%20NL%20022019%20(1)&utm_medium=email&utm_source=nl)
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