



Evolve Innovation Index Fund

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

TSX

EDGE

ETF TICKERS: EDGE (HEDGED); EDGE.U (USD)

MUTUAL FUND FUNDSERV CODE: EVF160 (CLASS F); EVF161 (CLASS A)

Investment Thesis: Innovation is a long-term, key driver of global economic growth. Access 8 themes that are reshaping our world. Data and AI are at the center of technological innovation.

8 Themes

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| <p>1. Automobile Innovation: The car is becoming digital: Autonomous, Connected & Electric</p> <p>2. Cybersecurity: Non-discretionary need to protect our data infrastructure</p> <p>3. Cloud Computing: Store and access data through the internet</p> <p>4. E-Gaming: Largest and fastest-growing entertainment sector</p> | <p>5. 5G: Increasing wireless delivery speeds and efficiencies to connect the world</p> <p>6. Robotics and Automation: The rise of robots will boost productivity and economic growth</p> <p>7. Fintech: Transforming how financial services are delivered and consumed</p> <p>8. Genomics: Better drugs, developed in a fraction of the time at lower costs</p> |
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GENERAL INDUSTRY UPDATE

Automobile Innovation



Source: Teslarati.com/tesla_@GIGAFACTORY_4/Twitter

The demand for electric cars in China remains robust. In February 2022, passenger vehicle sales in China grew 4.7% year-over-year to 1.3 million. The boost in sales came on the back of new-energy vehicles.

In February, deliveries of electric cars jumped 180% to 272,000 units. BYD Co. Ltd, an electric carmaker backed by legendary investor Warren Buffett, shipped 87,473 hybrid and pure-electric vehicles (EVs) in February. Tesla Inc delivered 56,515 cars from its Shanghai factory—23,200 for the domestic market and 33,315 for export¹

Nickel, a key metal used in the lithium-ion battery cells of most EVs, has surged in price recently as Russia faces sanctions over its invasion of Ukraine. Russia is a key supplier of the metal. Not too long ago, the London Metal Exchange suspended nickel trading as its price more than doubled, surging past \$100,000 a ton.

According to Morgan Stanley's auto analyst, Adam Jonas, soaring nickel prices could result in a cost increase of \$1,000 for the average EV in the U.S.²

Cybersecurity

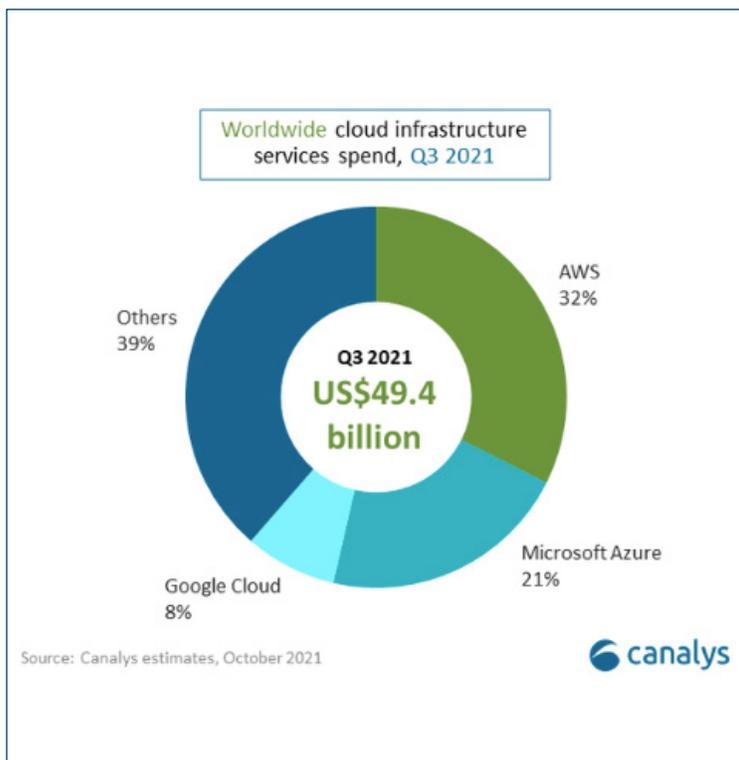
The U.S. Federal Bureau of Investigation (FBI) recently released its annual Internet Crime Report, which investigates the most prevalent internet scams. The report found that people lost more than \$6.90 billion to internet crimes in 2021, up by more than \$2.0 billion from 2020. The most prevalent cybercrimes in 2021 were phishing scams, non-payment/non-delivery and personal data breaches.

In 2021, a total of 847,376 internet crime complaints were filed to the FBI. This was seven percent higher than 2020 and 81% surge from 2019.³

As the need for more cybersecurity resources around the globe increases, the shortage of workers continue to increase as well. According to research by Cybersecurity Ventures, there will be 3.5 million cybersecurity jobs open globally by 2025. Microsoft Corporation is looking to tackle this problem having launched a skilling initiative in the U.S. last year. It partnered with 135 community colleges to skill and recruit workers into the cybersecurity industry.⁴



Source: Shutterstock



Source: Canalis.com

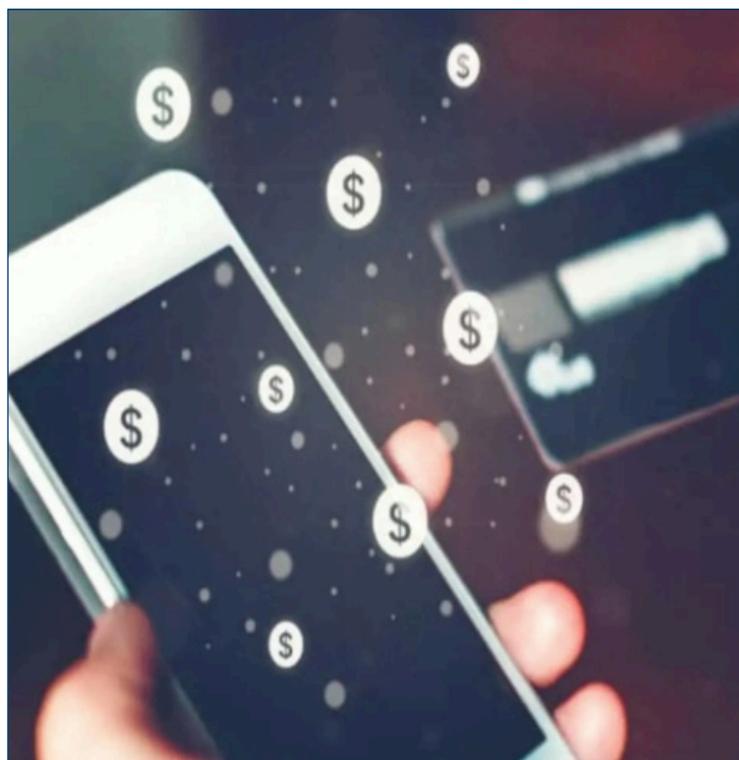
Cloud Computing

According to data from Canalis, a technology research, analytics and marketing firm, total cloud infrastructure services spending in 2021 amassed to \$191.7 billion. In 2020, this figure was \$142.0 billion, representing a 35% increase in cloud infrastructure spending.

The top three market leaders during the fourth quarter of 2021 were Amazon Web Services (AWS), Microsoft Azure, and Google Cloud. All together, these three cloud providers reported growth of 45% and were 64% of the total customers' spend during the quarter.

AWS accounted for 33% of total cloud infrastructure services spent in the fourth quarter of 2021. Recently, Meta Platforms, Inc. chose AWS as a long-term strategic cloud service provider, as the company moves away from social media and more towards the metaverse over the next five years.

Canalis' research analyst, Blake Murray, said that cloud service providers are well positioned as firms and individual developers are making strides into the metaverse. In the virtual and augmented reality environment, computing will be in high demand along with storage, machine learning, data analytics, and Internet of Things (IoT).⁵



Source: Shutterstock

E-Gaming

According to a report from App Annie Research, 2021 was a record year for mobile app spending and playtime. Popular mobile games like Roblox and other hyper casual games triggered a surge in mobile video game sales during the year—sales soared 16% year-over-year in 2021 to \$116.0 billion.

In 2021, 230 mobile apps and games registered annual customer spend of \$100 million or more. Of these mobile apps and games, 13 reported customer spend of over \$1.0 billion. This was up 20% year-over-year.

While mobile game spending was big in 2021, individuals are also spending on in-app stores. For the year, total mobile app store spending amounted to \$170 billion, an increase of 19% year-over-year. In other words: \$320,000 were spent in app stores per minute in 2021. Furthermore, new mobile app downloads grew five percent to 230 billion, or 435,000 apps downloaded per minute.

Users' attention is there as well. Once apps and mobile games are downloaded, users are spending about 4.8 hours on them—up 30% from 2019. This is significant considering in 2021, the average American watched 3.1 hours of television each day.⁶



Source: Martechube.com

5G

According to a report by Stellar Market Research, a consulting firm focused on providing advisory services and long-term planning, the 5G services market is expected to reach \$295.25 billion by 2027, representing a compound annual growth rate, or CAGR of 27.4% between 2021 and 2027.

In 2020, the 5G services market size was \$54.2 billion.⁷

Robotics & Automation

Nvidia Corp., a chipmaker held by the fund, recently invested \$10.00 million in Serve Robotics. A spinout from Uber, this start-up will use the money from Nvidia to increase its sidewalk delivery robot service outside of Los Angeles and San Francisco.

This is Nvidia's first investment in the sidewalk delivery space and part of a long-term collaboration between these two companies to advance their robotics technology.⁸



Source: lotworldtoday.com



Source: Automationworld-Mettler Toledo C33 PlusLine Washdown Checkweigher

Genomics

Mettler-Toledo International Inc., held by the fund, is a manufacturer and supplier of precision instruments and services globally. The company recently reported an 11% increase in revenue for the fourth quarter of 2021. Earnings at the company also jumped to \$9.94 per share versus \$9.03 in the previous year.

The growth for the company was strong in Americas and Asia/Rest of World. The company's laboratory and industrial product lines witnessed strong growth as well. While the current market conditions are good for the company, challenges remain due to the COVID-19 pandemic, global supply chain issues, and how both impact the global economy.⁹

PERFORMANCE (%)

TOTAL RETURNS*	1 MTH	YTD	1 YR	2 YR	3 YR	SI**
EDGE (HEDGED)	0.74	-11.50	-6.70	35.99	19.46	15.95
EDGE.U (USD)	1.12	-11.34	-7.09	-	-	-2.51

Source: Bloomberg, as at March 31, 2022.

** Performance of EDGE since inception on April 30, 2018.

Performance of EDGE.U since inception on January 7, 2021.

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