

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 November 30, 2020



TICKER: CYBR (Hedged)

MUTUAL FUND FUNDSERV CODE: EVF150 (Class F) EVF151 (Class A)

MACROECONOMIC HIGHLIGHTS:

According to new report from KPMG, 90% of Canadians already cautious with their personal and financial information, are leery of sharing details with any organization that has suffered a data breach or cyberattack. 84% would consider taking their business elsewhere after a breach, making high-risk stakes for organizations.

The Covid-19 pandemic has forced organizations to set aside existing business and strategic plans to quickly pivot delivery of secure remote connectivity at massive scale for their workforces. Security teams also had to deal with escalating threats to their new cloud deployments, as hackers sought to take advantage of the pandemic's disruption. 71% of security professionals reported an increase in cyber-threats since lockdowns started, according to cyber security expert Check Point (Nasdaq: CHKP).

In 2021, Covid-19 will still be impacting our lives, businesses and societies, and those impacts will change as the year progresses. Following the rush to remote and flexible working, organizations need to better secure their new distributed networks and cloud deployments to keep their applications and data protected. This means enforcing and automating threat prevention at all points of the network – from employees' mobiles and endpoints, to IoT devices and clouds – in order to stop advanced attacks spreading rapidly across organizations, and exploiting weaknesses to breach sensitive data. Automating prevention will be critical, as 78% of organizations say they have a cyber-skills shortage and 76% are struggling to recruit new cyber-security talent.

News of vaccine developments or new national restrictions will continue to be used in phishing campaigns. The pharma companies developing vaccines will also continue to be targeted by malicious attacks from criminals or nation-states looking to exploit the situation. Recently, a Montreal health agency was forced to go off-line to deal with a cyberattack. In the U.S., the largest fertility clinic operator was attacked with Social Security numbers stolen.

Financial institutions are among the victims of cyberattacks, RBC is one of the top worldwide brands whose domains are mimicked by cybercriminals to make fake websites look more real. Palo Alto Networks (NYSE: PANW) says RBC was the third most common brand and domain abused by crooks, behind PayPal and Apple and slightly ahead of Netflix, LinkedIn and Amazon.





Schools and universities have pivoted to large-scale use of e-learning platforms, so perhaps it's no surprise that the sector experienced a 30% increase in weekly cyber-attacks during the month of August, in the run up to the start of new semesters. Attacks launched by these digital 'class clowns' will continue to disrupt remote learning activities over the coming year.

Software enabling remote work and related security is a trend that will last beyond Covid-19. Organizations are expected to increase spending in cloud-based collaboration software and cloud security on the back of pandemic-related disruptions.

CrowdStrike (Nasdaq: CRWD) with its mature product and proven track record in protecting large-scale Linux deployments for other cloud leaders, recently teamed up with Zoom to help the videoconferencing giant protect its critical cloud and Linux workloads following the rapid transition to working and socializing from home. CrowdStrike's revenue for the recent quarter skyrocketed to \$199 million, up 84 percent from \$108.1 million a year earlier.

Zscaler (Nasdaq: ZS) is a leader in the cloud security space, and its differentiated architecture positions it to generate more durable growth, according to Credit Suisse. In addition, RBC Capital maintained an outperform rating on the company and increased its price target, believing Zscaler continues to be well positioned for a cloud-first world.

SOURCE: Bloomberg, WP, CRN, Check Point, Palo Alto

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