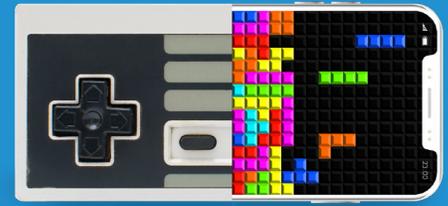


Evolve E-Gaming Index ETF

HERO invests in equity securities of companies listed domestically and globally with business activities in the electronic gaming industry.



As at November 30, 2020

TICKER: HERO (Hedged)

MACROECONOMIC HIGHLIGHTS:

Recently, the Sony PlayStation 5 outsold its forebear in the first two weeks, surpassing the initial sales of the PlayStation 4 which sold 7.6 million units, making it not only the biggest PlayStation launch but the biggest console launch of all time. As social distancing to combat Covid-19 continues to wane through the rest of 2020 and into 2021, the global eGaming industry maintains its continual growth phase.

Growth is particularly strong on mobile, which is likely to be the most accessible platform to a wide audience of consumers. It also remains the fastest growing segment of the global game market, with sales set to increase by more than 60% to \$114 billion. Consoles also saw notable increases, driven by families seeking options for group play and by those seeking options for online play.

With global eSports revenues estimated to reach \$1.6 billion by 2023, there are now more millennials with gaming subscriptions than paid TV subscriptions. Year over year growth for participation money spent on gaming have been significant among less traditional gaming segments as well, notably adults over 45 years of age. Time spent gaming for those between the ages of 45 and 54 saw an increase of 59%, while dollar spending increased 76%. Gamers ages 55 to 64 increased time and money spent by 48% and 73%, respectively; and those 65 and older increased time and money spent on gaming by 45% and 29%, respectively. For many consumers, this increased engagement with video games is likely to be part of a general increase in digital activities and device usage.

According to Bloomberg, game makers have outperformed global tech stocks: the Bloomberg Intelligence global video-game valuation peer group rose 1.4% in September, beating the Nasdaq Composite Index's -5.2% decline. The global video-game valuation peer group is currently traded at a 27.7% discount to the Nasdaq.

Sea Limited (NYSE: SE) Southeast Asia's most valuable company, saw its revenue double to \$1.2 billion, boosting forecasts for its key businesses as it reported a surge in revenue, a sign the company is benefiting from strong demand for gaming.

Nintendo (TYO: 7974) posted another round of knockout earnings and raised its forecast recently, showing that a surge in demand caused by the coronavirus pandemic isn't wearing off. The Kyoto-based firm said that operating profit for the first half of the fiscal year, which ended in September,





soared 209% to 291.4 billion Japanese yen (\$2.8 billion) compared to the same period the year before. Sales climbed 73% to 769.5 billion yen (\$7.4 billion). The success shows that months into the pandemic, people are still turning to the Switch game console in droves. Nintendo sold about 12.5 million of the devices from April through September, an 81% increase over the previous year.

Electronic Arts (Nasdaq: EA) is taking the world's game to the next level with the unveil of EA SPORTS™ FIFA 21 on PlayStation®5 and Xbox® Series X|S. Next-gen technology powered by Frostbite delivers an unprecedented level of player fidelity. Fans can enjoy deeper definition in player physiques, including flexing muscles after strikes and strand-based hair on some of the top footballers, combined with dynamic lighting that accentuates footballers' faces and kits for a whole new level of realism. New pre-game cinematics such as team buses arriving prior to kick-off and the buzz of fans entering through the turnstiles have been added to further immerse fans in the total matchday experience. During live games, new contextual player, bench, and fan reactions respond to key match situations, allowing players to feel the explosive passion and intense drama of big goal moments like last-minute winners or relegation-saving equalizers.

SOURCE: Bloomberg, Global Times, ETF Trends, Adobe, Business Wire

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