

## Evolve Marijuana ETF

SEED is an actively managed ETF that provides investors with exposure to a diversified portfolio of companies, both domestic and international, that are involved in the marijuana industry.

As at December 31, 2018



**TICKER:** SEED (Unhedged)

### MACROECONOMIC HIGHLIGHTS:

The global cannabis market expanded dramatically in 2018 to become a mainstream product for individuals as well as investors in several parts of the world. Canada became the first country in the developed world to legalize recreational use of marijuana and also approved the sale of marijuana for medical use through licensed facilities. Canada is the second country after Uruguay to legalize marijuana. Several other countries, including Mexico, Thailand, New Zealand, among others also approved either recreational or medical use of marijuana; while Israel approved exports of medical marijuana.

As the Canadian marijuana industry expanded during the year, companies were focused on improving business processes, expanding cultivation, developing marijuana-related products and increasing their global reach.

Over the year, the industry experienced several large corporate transactions. Constellation Brands Inc., the parent company of Corona beer and other alcoholic drinks, made a \$4 billion investment in Canopy Growth Corp., a major Canadian pot producer; U.S. cigarette maker Altria invested \$2.4 billion in the Canadian marijuana company Cronos Group; Aurora Cannabis Inc. acquired CanniMed Therapeutics Inc. and MedReleaf Corp. in all Canadian transaction; and Molson Coors Canada partnered with the cannabis company, The Hydropothecary Corporation to produce and distribute non-alcoholic, cannabis-infused beverages.

It is estimated that Investors poured \$10 billion into cannabis in North America in 2018, twice what was invested in the last three years combined.

### PORTFOLIO ATTRIBUTION:

At the end of the year, the ETF held a 39.7% exposure by weight in the Big 4 Canadian cannabis companies; 7.8% in non-pure cannabis companies and 52.5% in emerging companies in the space.

#### DISCLAIMER

Commissions, management fees and expenses all may be associated with exchange traded mutual funds (ETFs). Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. There are risks involved with investing in ETFs. Please read the prospectus for a complete description of risks relevant to the ETF. Investors may incur customary brokerage commissions in buying or selling ETF units.