

## Evolve Global Materials & Mining Enhanced Yield Index ETF

BASE invests directly or indirectly in equity securities of global issuers engaged in the manufacturing, mining and/or integration of metals and materials, with added value of a covered call strategy on up to 33% of the portfolio.

As at June 28, 2019



**TICKER:** BASE (Hedged); BASE.B (Unhedged)

### MACROECONOMIC HIGHLIGHTS:

- Launched on June 12, 2019, the ETF seeks to replicate the performance of the Solactive Global Materials & Mining Index. At the end of June, it held a diversified portfolio of securities, with almost 50% domiciled in the US, approximately 10% in each of Brazil and Luxembourg, and about 5% in each of South Africa, Australia, Russia, India, Britain and Peru.
- It benefited significantly from its holdings in gold stocks which performed well on the back of a sharp increase in the price of gold in June.
- Gold, a safe haven investment, rose on the back of several factors, including the assumption of a peak U.S. dollar, expectations of Federal Reserve rate cuts, as well as geopolitical conflict stemming US trade protectionist measures with China and the European Union.<sup>i</sup>
- In the meanwhile, chemical and metal stocks were hurt by their exposure to China.<sup>ii</sup> Lower demand from China due to a slowdown in economic growth has had a negative impact on exporters of metals, particularly from Brazil and Australia. China has traditionally been one of the largest importers of raw materials such as base metals.

### PERFORMANCE ATTRIBUTION:

- At the end of June, the ETF held its largest exposure to AngloGold Ashanti Sponsored ADR, which was the best performing stock, as well as the largest contributor to its return. AngloGold Ashanti is the third-largest gold mining company in the world, measured by production. The next best performing stock was Steel Dynamics Inc., one of the largest steel producers and metals recyclers in the United States.

### SOURCES:

<sup>i</sup> <https://www.kitco.com/news/2019-07-02/Gold-Prices-Breach-1-430-In-Asian-Trading-On-Rising-Demand-Risk-Off-Appetite.html>

<sup>ii</sup> <https://www.bloomberg.com/news/articles/2019-05-07/trade-war-has-wiped-out-22-billion-for-material-investors>

TSX

BASE

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#### 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.



Evolve ETFs

The world is evolving.

Your investments should too.

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