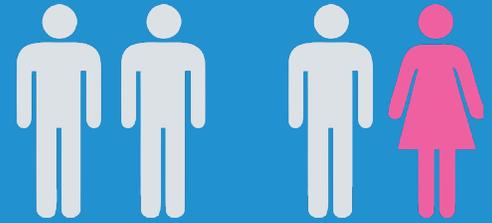


Evolve North American Gender Diversity Index Fund

HERS invests in equity securities of North American companies that have demonstrated commitment to gender diversity as part of their corporate social responsibility strategy.



As at July 31, 2019

TICKER: HERS (Hedged); HERS.B (Unhedged)

MACROECONOMIC HIGHLIGHTS:

Gender diversity remained a hot issue in July as companies increasingly seek to incorporate the theme as part of their ESG mandates. However, there is often conflict between the commitment to gender diversity and what actually happens in practice.

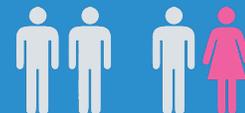
For instance, Equileap, a leading organisation providing data and insights on gender equality in the corporate sector found that ninety-seven leading US-based investors were concerned that companies are more willing to make promises regarding workplace equality than to provide corroborating data. In 2018, 84% of the S&P 100 companies made public commitments to gender equality but only 51% disclosed their parental leave policies and a mere 1% published gender pay information.ⁱ

To demonstrate its commitment to gender diversity, Procter & Gamble (P&G) donated \$529K to help U.S. women’s soccer win equal pay and threw its support behind the team’s battle for pay equity in a full-page New York Times ad in July. The women’s team earns 18 cents on the dollar compared with the men’s team and has sued the U.S. Soccer Federation, alleging pay discrimination.

Yet, Equileap noted that P&G UK pays female employees 28.5% less than men in median hourly wages. However, P&G commented that the matter is more complex. For instance, at two of its other divisions - manufacturing and warehousing - women make 3.4% more than men in median hourly wages. The company noted that the two main drivers of P&G’s pay gap in the U.K. are the number of men and women in the company’s highest paid and lowest paid jobs, and “the choices those employees make” about when they receive their pay and bonuses, when they sell stock options, and whether they give up part of their salary in exchange for a benefit like child care, the company.

At P&G U.K. for example, women occupy 72.3% of the lowest paid jobs and 51.8% of the highest paid jobs. In the US, the most recent audit of the company’s workforce, showed no “appreciable” pay gap between male and female employees “with similar roles and performance.”

According to Catalyst, a non-profit that advocates for women in the workplace, among the world’s biggest companies, women held 17.3% of board seats in 2017, up from 15.8% in 2016. Across Fortune 500 companies in the U.S., 39.8% of managers were women in 2017, Catalyst found.ⁱⁱ



Equileap revealed that some of the top companies in the UK are offering fully paid maternity leave. When looking at UK public companies with a market capitalisation above USD 2 billion, Diageo, Investec and Insurance Giant Aviva are the three companies at the top of the table, offering 26 weeks' full pay for both primary and secondary carers.

Equileap research also disclosed that only 15% of executive-level roles in the EURO STOXX 50 Index companies are held by women; and the top 5 European companies for gender equality are: L'Oréal, Kering, Société Générale, Schneider Electric and Intesa Sanpaolo. The majority of the EURO STOXX 50 Index companies (58%) do not have a sexual harassment policy in place.ⁱⁱⁱ

PERFORMANCE ATTRIBUTION:

The fund held a widely diversified portfolio, with exposure of less than 1% to each holding. The top performing stock for the month was United Parcel Service, Class B, followed by Hasbro Inc.

SOURCE:

ⁱ <https://www.marketwatch.com/story/procter-gamble-donated-529k-to-help-us-womens-soccer-win-equal-pay-while-paying-some-of-its-uk-female-workers-28-less-than-men-2019-07-18?mod=personal-finance>

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ⁱⁱⁱ <https://mail.equileap.org/investors-representing-usd-1.6-trillion-in-assets-demand-disclosure-of-gender-equality-data>

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.