

Evolve Automobile Innovation Index Fund

CARS invests primarily in equity securities of companies that are directly or indirectly involved in developing electric drivetrains, autonomous driving or network connected services for automobiles.

As at October 31, 2019



ETF TICKER: CARS (Hedged); CARS.B (Unhedged); CARS.U (USD)
MUTUAL FUND FUNDSERV CODE: EVF140 (Class F); EVF141 (Class A)

MACROECONOMIC HIGHLIGHTS:

Electric and autonomous vehicles (EVs and AVs) are set to gain increasing traction in Canada. In mid-October, the City of Toronto unveiled its Automated Vehicles Tactical Plan which was scheduled to go before the City Council for approval at the end of the month. Toronto currently has a goal of being emissions free by 2050; and wants to be ready for AVs by 2022.

The plan outlines tests and other research the city plans to undertake to ensure the transition to automated transportation is as smooth as possible, including an automated shuttle trial at the Rouge Hill GO station, a transportation innovation zone, response and incident preparation tests, and human interaction tests. As well, the city will also research areas like automated snow removal on sidewalks and the impact of AVs on land-use planning.ⁱ

In the meanwhile, Newfoundland and Labrador is taking a major step towards making EVs a more familiar site on the province's roads. On Oct. 23, the Province issued a tender soliciting bids for land leases for 14 high-speed Level 3 charging stations along the full length of the Trans-Canada Highway from Greater St. John's to Port Aux Basques. Currently only Level 2 stations exist at private businesses in the province. Once completed, the charging stations are expected to be accessible 24 hours a day, seven days a week.ⁱⁱ

In a similar move in Ontario, the Province's biggest power generator, Ontario Power Generation, and its largest transmission utility, Hydro One, have joined forces to deploy over 100 electric vehicle fast-chargers in 43 locations by end of 2020. Named the Ivy Charging Network, the first charging station was launched Huntsville, Ontario, with two 50-kW charging units, which can deliver a 128-kilometre charge in 20 minutes. Any electric vehicle equipped with a fast-charging option will be able to plug in.ⁱⁱⁱ

In a new development in EVs, the US aircraft giant, Boeing and the German sports car maker, Porsche, announced that they are teaming up to develop an electric vehicle that can fly, setting the stage for a new dimension of travel. Porsche's parent company, Volkswagen AG, earlier announced a major push into the development of EVs, setting a target of building 22 million electric cars across its brands over the next 10 years.^{iv}



PERFORMANCE ATTRIBUTION:

At the end of October, the ETF held 67% of its portfolio by weight in companies in the Auto Supply Chain; 18% in Auto Parts and Equipment and 15% in Auto Makers. For the month, the Auto Maker, Tesla Inc., followed by the Auto Supply Chain company, Cirrus Logic Inc., were the best performing stocks in the ETF.

SOURCES:

- ⁱ <https://electricautonomy.ca/2019/10/25/toronto-plan-sets-goal-to-be-autonomous-vehicle-ready-by-2022/>
- ⁱⁱ <https://electricautonomy.ca/2019/10/25/toronto-plan-sets-goal-to-be-autonomous-vehicle-ready-by-2022/>
- ⁱⁱⁱ <https://electricautonomy.ca/2019/10/07/opg-hydro-one-shake-up-ontarios-fast-charging-landscape-with-launch-of-ivy/>
- ^{iv} <https://www.cnn.com/2019/10/10/tech/boeing-porsche-flying-electric-car/index.html>

DISCLAIMER:

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