

Evolve Innovation Index Fund

EDGE provides investors with access to global companies that are involved in innovative or disruptive trends across a broad range of industries.

As at October 31, 2019



ETF TICKER: EDGE (Hedged)

MUTUAL FUND FUNDSERV CODE: EVF160 (Class F); EVF161 (Class A)

MACROECONOMIC HIGHLIGHTS:

In October, the healthcare industry was center stage in the development of innovative new products by large tech-driven companies.

Google announced that it was buying wearable company Fitbit for \$2.1 billion, providing it with an opportunity to invest more in Wear OS as well as introduce Made by Google wearable devices to the market. Under the deal, Fitbit will be joining Google itself. Fitbit health and wellness data will not be used for Google ads.ⁱ

Facebook has entered the healthcare market by launching a tool called “Preventive Health” to prompt its users to get regular checkups and connect them to service providers. The social media giant will work with the American Cancer Society; the American College of Cardiology; the American Heart Association; and the Centers for Disease Control and Prevention, Facebook to developing a series of digital prompts that will encourage users to get a standard battery of tests.

The company’s initial focus is on the top two leading causes of death in the US: heart disease and cancer — along with the flu, which affects millions of Americans each year. Facebook assured potential users that it will not collect the results of any test.ⁱⁱ

In the meanwhile, Amazon is also expanding in the healthcare market. The e-commerce titan purchased Chicago-based digital health tech platform Health Navigator for an undisclosed amount, marking its first healthcare acquisition since it spent \$753 million to scoop up digital pharmacy PillPack last year. Health Navigator focuses on digital diagnostics and triage recommendations to help guide patients toward the right point of care.ⁱⁱⁱ

Google also announced that it is developing a full range of internal and external sensors, monitoring everything from blood sugar to blood chemistry. The dramatic growth of smart sensors is set revolutionize healthcare through portable and wearable sensors, rendering traditional equipment useless. For instance, it will take seconds for a full set of diagnostic to run, as the system deploys dozens of sensors capturing gigabytes of data, using smart sensors in things such as toothbrushes and toilets, wearables in bedding and clothing, and implantables inside





the body — a mobile health suite with a 360-degree view of your system. Sensors will serve as the data-gathering apparatus that provide computers with the information they need to act.^{iv}

In a political move, Apple Inc. appeased China by removing the Taiwanese flag emoji from some iPhones, underscoring the difficult balance the company must strike in supporting free speech. Apple had previously removed the Taiwanese flag emoji for users in mainland China. Incidentally, Apple sells millions of iPhones in China and it relies on huge Chinese factories to assemble most of its handsets. Plus, the company must also follow local laws that have become increasingly tough when it comes to digital information.^v

PERFORMANCE ATTRIBUTION:

The Fund tracks a benchmark index designed to expose investors to returns in seven sectors: 5G, big data and cloud computing, robotics and automaton, cyber security, automotive innovation, and social media, which together accounted for 87% of the weight of the portfolio; and genomics – which had a 13% weight. The best performing stock in the portfolio for the month was the Genomics company, Seattle Genetics Inc., followed by the Robotics and Automaton company, Advanced Micro Devices.

SOURCES:

ⁱ <https://www.theverge.com/2019/11/1/20943318/google-fitbit-acquisition-fitness-tracker-announcement>

ⁱⁱ <https://techcrunch.com/2019/10/28/facebook-unveils-its-first-foray-into-personal-digital-healthcare-tools/>

ⁱⁱⁱ <https://www.businessinsider.com/amazon-acquires-digital-diagnostics-triage-firm-health-navigator-2019-10>

^{iv} <https://singularityhub.com/2019/10/11/we-cant-even-comprehend-the-data-haul-well-soon-get-from-sensors/>

^v <https://www.bloomberg.com/news/articles/2019-10-10/apple-reverses-course-again-bans-controversial-hong-kong-app>

DISCLAIMER:

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