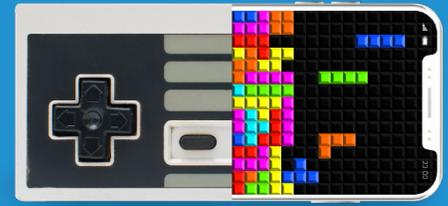


## Evolve E-Gaming Index ETF

HERO invests in equity securities of companies listed domestically and globally with business activities in the electronic gaming industry.



As at October 31, 2019

**TICKER:** HERO (Hedged)

### MACROECONOMIC HIGHLIGHTS:

Enthusiast Gaming Holdings Inc. (EGLX) held Canada's largest video gaming expo on October 18 – 20 at the Metro Toronto Convention Centre in Toronto. The event hosted the inaugural Rising Stars Tournament with a \$40,000 prize pool and a sponsorship deal with Enthusiast Gaming's Esports Division, Luminosity Gaming. The tournament gave promising gamers an opportunity to battle against each other in Fortnite, Super Smash Bros. Melee and Super Smash Bros. Ultimate. The winner of each game was crowned the EGLX Rising Star and given the opportunity to attend three tournaments of their choice across North America. Last year, the EGLX event attracted over 55,000 attendees.<sup>i</sup>

Google announced that it will be launching its wireless Stadia controller when the cloud gaming service launches on November 19th. However, the controller will not be completely wireless, as initially announced by Google, unless players are using Chromecast Ultra. Otherwise, players will have to plug in a USB-C cable to use it with computers or phones at launch. At launch, Stadia will only be available for buyers of its \$130 Founder's Edition package but will be more broadly available in 2020.<sup>ii</sup>

Apple announced the launch of its Arcade service, tying gamers into a monthly subscription that gives them access to highly-polished video gaming adventures that are apparently not available anywhere else. The gaming service is live on iPhones, iPads, Macbook computers and even Apple TV.

Apple said that soon after Arcade's launch it will have 100 unique titles of varying exclusivity to Apple's devices, including Beyond a Steel Sky, a sequel to the classic adventure game Beneath a Steel Sky. In addition, the collection of games available is set to be curated by experts, will be updated monthly, and will include original releases from renowned creators.<sup>iii</sup>

In industry news, Sony was reportedly looking to sell off its live TV streaming service PlayStation Vue, having failed to turn a profit since launching in March 2015. With around 500,000 subscribers, Sony has raised the price three times, most recently last summer when it increased to \$50 a month.<sup>iv</sup>

In 2019, the French video game industry had a total of 1200 games in production, 63% of which were brand new IP, according to an annual industry survey of over 1,130 companies, conducted by the French Video Game Trade Association (SNJV) and IDATE Digiworld.



50% of companies reported being development studios, while 42% were service or technology providers. Over half of the development studios are less than five years old.<sup>v</sup>

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**SOURCE:**

<sup>i</sup> <https://www.globenewswire.com/news-release/2019/10/15/1929561/0/en/Enthusiast-Gaming-Hosts-Canada-s-Largest-Gaming-and-Esports-Expo-EGLX-on-October-18-20-in-Toronto.html>

<sup>ii</sup> <https://www.theverge.com/2019/10/16/20918208/google-stadia-controller-wireless-tv-chromecast-ultra-cloud-gaming>

<sup>iii</sup> <https://www.techradar.com/news/apple-arcade>

<sup>iv</sup> <https://www.gamesindustry.biz/articles/2019-10-28-sony-considering-sale-of-playstation-vue>

<sup>v</sup> <https://www.gamesindustry.biz/articles/2019-10-25-the-french-games-industry-had-over-1200-titles-in-production-in-2019>

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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.