

## Evolve Global Healthcare Enhanced Yield Fund

LIFE invests in top global healthcare companies, with the added value of a covered call strategy applied on up to 33% of the portfolio. Covered call options have the potential to provide extra income and help hedge long stock positions.

As at October 31, 2019



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

### MACROECONOMIC HIGHLIGHTS:

Launched on October 25, 2017, LIFE seeks to replicate the performance of the Solactive Global Healthcare 20 Index, hedged to the Canadian Dollar. The Manager, at his discretion, may write covered call options on up to 33% of the portfolio securities, based on market volatility and other factors.

The actively managed ETF seeks to capture global opportunities in the healthcare sector, fuelled by steady population growth, an aging demographic, and increased demand for healthcare stemming from growing prosperity and innovative developments in the sector.

At the end of October, the portfolio had 60% exposure to stocks in the United States, 10% each to Britain and Switzerland, and 5% each to Australia, Denmark, France and Ireland.

In October 2019, larger tech driven companies dominated new developments in the health care space. 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.<sup>i</sup>

Facebook also 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.<sup>ii</sup>

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.<sup>iii</sup>

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.<sup>iv</sup>

In October, Robert Chelsea, became the first African American and, at 68, the oldest recipient ever to receive a face transplant. The surgery was done at Boston's Brigham and Women's Hospital. Since the first partial face transplant was performed in France in 2005, fewer than 50 have been completed worldwide.<sup>v</sup>

---

## PERFORMANCE ATTRIBUTION:

At the end of the ETFs 2-year anniversary date, October 24, 2019, it held a diversified portfolio of 25 securities, comprising primarily of large cap, blue chip names. The top performing stock at the end of the period was Abbott Laboratories, followed by Thermo Fisher Scientific Inc.

---

## SOURCE:

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

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

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

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

<sup>v</sup> <https://time.com/5709294/first-african-american-face-transplant/>

---

## 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.

