



Evolve ETFs

# Evolve Automobile Innovation Index Fund

December 31, 2020

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 or by visiting our website at [www.evolveetfs.com](http://www.evolveetfs.com) or SEDAR at [www.sedar.com](http://www.sedar.com). You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

# Evolve Automobile Innovation Index Fund

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## Investment Objective and Strategies

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The Evolve Automobile Innovation Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Future Cars Index (the "Benchmark"), or any successor thereto. The Fund 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.

## Risk

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Effective August 18, 2020, the risk rating of the Unhedged ETF Units of the Fund was changed from "Medium to High" to "High". There were no changes to the Fund over the period of this report that materially affected the level of risk associated with an investment in the Fund. Prospective investors should read the Fund's most recent prospectus and consider the description of risks contained therein

## Results of Operations

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For the year ended December 31, 2020, Unhedged ETF Units returned 100.6% versus the Solactive Future Cars Index return of 107.5%. Hedged ETF Units returned 93.3% versus the Solactive Future Cars Index Canadian Dollar Hedged return of 90.4%. US Dollar Unhedged ETF Units returned 104.6% versus the Solactive Future Cars Index USD return of 111.2%. The Hedged Class A Mutual Fund Units returned 104.0% and the Hedged Class F Mutual Fund Units returned 106.0% versus the Solactive Future Cars Index Canadian Dollar Hedged return of 90.4%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management fees plus applicable sales taxes and to portfolio trading and hedging strategies. The difference in performance of the unhedged units relative to its benchmark can be attributed primarily to management fees plus applicable sales taxes and to portfolio trading. The Fund's net assets were \$49.0MM as at December 31, 2020.

## Portfolio Manager Commentary

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### MACROECONOMIC HIGHLIGHTS:

Although the prospects for electric (EV) and autonomous vehicles (AV) remain strong in the mid- to long-term, the growth of the industry was hampered in 2020 by the COVID pandemic

Major US automakers were forced to temporarily close their plants during the first quarter, which according to a Navigant Research principal analyst, gave the companies more flexibility to manage production and inventories to deal with declines in demand.<sup>(i)</sup> In addition, European carmakers also closed their factories amid health concerns for their employees, falling demand, and severe disruptions to manufacturing supply chains, including China.

Overall, for the year, global auto sales are down an estimated 80 million vehicles, for all types. Despite the pandemic, however, there is good news for the electric vehicle industry. With estimated PEV sales of 3.1 million worldwide in 2020, that represents a share of approximately 3.9% or almost one in 25 automobiles—which is up more than a full percentage point from 2019's 2.5% share of the global market.<sup>(ii)</sup>

The US EV market remains vulnerable, especially depending on how long the current crisis endures. The US market is still in an early growth stage and is dependent on global sourcing for EV batteries. Low oil prices could also keep potential EV buyers on the side of internal combustion vehicles for the near term, given that EVs are more expensive and consumers could become more cautious in the wake of high unemployment levels.

On the AV front, which is closely linked to the development of EVs, China has accelerated the development of AVs in recent months for use as driverless delivery systems that would be useful in pandemic situations. AVs have provided a valuable mobility solution as they have been used to deliver necessary medical supplies and meals to health-care professionals and the public in infected areas. According to Allied Market Research, the autonomous driving space is expected to witness a CAGR of 39.5% between 2019 and 2026 and reach \$556.67 billion by 2026. <sup>(iii)</sup>

NIO Inc., a pioneer in China's premium smart electric vehicle market and the largest automaker by weight in the Fund, had a very strong 2020, delivering 43,728 vehicles in all for the year, and increasing total deliveries by 112.6% year-over-year despite the pandemic. For the final three months of 2020, NIO delivered 17,353 vehicles in total, up 111.0% year-over-year for the same period in 2019.<sup>(iv)</sup>

EV automaker Tesla likewise had a strong 2020. The pioneer in the EV space delivered 499,550 vehicles in 2020, falling just a hair shy of its own goal of 500,000 deliveries. Overall, this represents a 36% year-over-year increase from the 367,656 vehicles Tesla delivered in 2019. And that comes despite the fact that Tesla was forced to suspend production at its main factory in Fremont, California, for two months in the spring to comply with a local stay-at-home order.<sup>(v)</sup> Although Tesla's sales are negligible compared to those of the big automakers, its stock surged more than 700% in 2020, and it continues to be the most valuable car brand in the world based on market capitalization. Tesla is currently worth more than General Motors, Honda, Ford, Fiat Chrysler and Daimler combined.<sup>(vi)</sup>

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Shares of Plug Power Inc., the Fund's largest holding by weight in the auto supply chain segment, rose significantly during 2020 on increasing revenues and plans to vertically dominate the hydrogen fuel cell industry - from hydrogen production to operation of hydrogen fuel filling stations to production of hydrogen fuel cells that run electricity powering machines and vehicles. The stock climbed 33% in the first five months of 2020, but really took off in the second half of the year as management boosted its 2024 forecasts higher after the successful acquisitions of United Hydrogen, a hydrogen producer and Giner ELX, a leader in electrolysis technology. The company beat analysts' estimates in both Q2 and Q3, and in November announced the raising of approximately \$1 billion USD in capital to help it build out its green hydrogen network. This network will consist of five regional green hydrogen facilities in the US which are expected to be operational in 2024.(vii) All told, Plug Power stock surged an impressive 1000% in 2020.(viii)

In the auto parts and equipment segment of the Fund, Ballard Power, a hydrogen fuel cell manufacturer, also experienced a sharp uptick in its price. In a whitepaper issued by the consulting firm Deloitte in conjunction with Ballard, it was noted that "fuel cell electric vehicles are projected to be less expensive to run than battery electric and internal combustion engine vehicles within 10 years," providing impetus for Ballard's stock.(ix) The company's stock surged upward 60% late in 2020 with the election of Joe Biden as the next US president. The Biden administration's \$3 trillion USD plan to fight climate change proposes heavy investments in clean-energy alternatives to fossil fuels, including hydrogen. Ottawa is also expected to unveil a national hydrogen strategy in the near future that will see a network of hydrogen fuelling stations installed across the country by 2050.(x)

FuelCell Energy, another hydrogen fuel cell manufacturer held by the fund, received a \$3 million award from the US Department of Energy to promote the commercialization of its reversible solid oxide fuel cell project. FuelCell Energy was also buoyed by the passage in December of the latest stimulus bill by the US Congress. The legislation includes more than \$2 billion aimed at modernization of the power grid, proving a potential catalyst for future growth in the fuel cell industry.(xi)

## PERFORMANCE ATTRIBUTION

In 2020, the Fund held 62% of its portfolio by weight in companies in the Auto Supply Chain; 17% in Auto Makers and 21% in Auto Parts and Equipment. EV automaker NIO Inc. was the best performing stock in the Fund, followed by Plug Power, Inc. and FuelCell Energy Inc., both in the Fund's auto supply chain segment. The best performance in the auto parts and equipment segment was Ballard Power Systems.

(i) <https://www.wired.com/story/covid-19-bad-for-auto-industry-worse-for-evs/>

(ii) <https://cleantechnica.com/2020/12/31/2020-electric-vehicle-retrospective-prospects-for-2021-and-beyond/>

(iii) <https://finance.yahoo.com/news/driverless-car-race-heats-amid-125012976.html>

(iv) <https://www.barrons.com/articles/nio-reports-2020-electric-vehicle-deliveries-51609692063>

(v) <https://globalnews.ca/news/5152429/legislation-introduced-electric-cars/>

(vi) <https://www.forbes.com/sites/johnkoetsier/2020/06/11/why-tesla-gm-honda-ford-fiat-chrysler-daimler>

(vii) <https://www.fool.com/investing/2020/12/06/why-shares-of-plug-power-skyrocketed-89-in-novembe/>

(viii) <https://www.fool.com/investing/2020/12/31/plug-power-stock-surged-1000-in-2020-is-it-a-buy-f/>

(ix) <https://www.fool.ca/2020/01/19/why-ballard-systems-tsxblp-stock-price-has-risen-61-in-january-so-far/>

(x) [https://www.thestar.com/business/personal\\_finance/2021/01/11/ballard-power-systems-surges-with-election-of-joe-biden-and-dye-durham-software-slides-after-big-shareholders-sell-off-shares-here-are-this-weeks-corporate-winners-and-losers.html](https://www.thestar.com/business/personal_finance/2021/01/11/ballard-power-systems-surges-with-election-of-joe-biden-and-dye-durham-software-slides-after-big-shareholders-sell-off-shares-here-are-this-weeks-corporate-winners-and-losers.html)

(xi) <https://www.fool.com/investing/2021/01/06/why-fuelcell-energy-powered-345-higher-in-2020/>

## Recent Developments

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In the year 2020, COVID-19 became a global pandemic and resulted in unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty and volatility in the financial markets and have had an enormous impact on businesses and consumers in all sectors. The duration and impact of these developments is unknown at this time and as such, the financial impact to investments cannot be estimated.

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## Related Party Transactions

Evolve Funds Group Inc. (the "Manager") complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Independent Review Committee.

## Management Fees

The Manager is entitled to an annual management fee of 0.40% of the net asset value of the Unhedged, Hedged and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.40% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the year ended December 31, 2020, the Fund incurred \$78,091 in management fees. These management fees were received by the Manager for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveefs.com website, and providing all other services including marketing and promotion.

## Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the year ended December 31, 2020, the Fund incurred \$28,835 in administration fees. These administration fees were received by the Manager for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; fees payable to the index provider, Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for the Fund.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated.

### The Fund's Net Assets Per Unit<sup>1</sup>

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
For the periods ended:	(\$)	(\$)	(\$)	(\$)
<b>Unhedged ETF Units - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	25.93	18.11	21.21	20.39
<b>Increase (decrease) from operations:</b>				
Total revenue	0.23	0.39	0.50	0.14
Total expenses	(0.34)	(0.25)	(0.24)	(0.07)
Realized gains (losses)	10.29	0.27	(0.04)	0.12
Unrealized gains (losses)	13.16	7.83	(2.70)	0.68
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>23.34</b>	<b>8.24</b>	<b>(2.48)</b>	<b>0.87</b>
<b>Distributions:</b>				
From dividends	(0.01)	(0.13)	(0.30)	(0.09)
From capital gains	(0.05)	-	-	-
Return of capital	(0.07)	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	<b>(0.13)</b>	<b>(0.30)</b>	<b>(0.09)</b>
<b>Net Assets per Unit, end of period</b>	<b>51.78</b>	<b>25.93</b>	<b>18.11</b>	<b>21.21</b>

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## The Fund's Net Assets Per Unit<sup>1</sup> (cont'd)

For the periods ended:	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
<b>Hedged ETF Units - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	24.95	16.53	20.90	20.26
<b>Increase (decrease) from operations:</b>				
Total revenue	0.21	0.35	0.48	0.17
Total expenses	(0.33)	(0.24)	(0.22)	(0.07)
Realized gains (losses)	7.57	(0.04)	(1.01)	(0.49)
Unrealized gains (losses)	20.27	8.33	(4.32)	0.88
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>27.72</b>	<b>8.40</b>	<b>(5.07)</b>	<b>0.49</b>
<b>Distributions:</b>				
From dividends	(0.02)	(0.12)	(0.30)	(0.08)
From capital gains	(0.11)	-	-	-
Return of capital	-	(0.01)	-	(0.01)
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	<b>(0.13)</b>	<b>(0.30)</b>	<b>(0.09)</b>
<b>Net Assets per Unit, end of period</b>	<b>47.99</b>	<b>24.95</b>	<b>16.53</b>	<b>20.90</b>
<b>US Dollar Unhedged ETF Units - Net Assets per Unit<sup>4</sup></b>				
Net Assets per Unit, beginning of period	29.67	20.74	24.09	25.51
<b>Increase (decrease) from operations:</b>				
Total revenue	0.27	0.44	0.57	0.17
Total expenses	(0.39)	(0.29)	(0.27)	(0.06)
Realized gains (losses)	9.69	0.34	0.05	0.01
Unrealized gains (losses)	19.57	8.61	(2.96)	(1.70)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>29.14</b>	<b>9.10</b>	<b>(2.61)</b>	<b>(1.58)</b>
<b>Distributions:</b>				
From dividends	(0.01)	(0.17)	(0.14)	(0.10)
From capital gains	(0.17)	-	(0.01)	-
Return of capital	-	(0.01)	(0.02)	-
<b>Total annual distributions<sup>3</sup></b>	<b>(0.18)</b>	<b>(0.18)</b>	<b>(0.17)</b>	<b>(0.10)</b>
<b>Net Assets per Unit, end of period</b>	<b>59.18</b>	<b>29.67</b>	<b>20.74</b>	<b>24.09</b>
<b>Hedged Class A - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	23.53	20.00	N/A	N/A
<b>Increase (decrease) from operations:</b>				
Total revenue	0.18	0.34	N/A	N/A
Total expenses	(0.80)	(0.16)	N/A	N/A
Realized gains (losses)	6.91	0.75	N/A	N/A
Unrealized gains (losses)	35.72	2.60	N/A	N/A
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>42.01</b>	<b>3.53</b>	<b>N/A</b>	<b>N/A</b>
<b>Distributions:</b>				
From dividends	(0.05)	-	N/A	N/A
From capital gains	(0.08)	-	N/A	N/A
<b>Total annual distributions<sup>3</sup></b>	<b>(0.13)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>47.78</b>	<b>23.53</b>	<b>N/A</b>	<b>N/A</b>

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## The Fund's Net Assets Per Unit<sup>1</sup> (cont'd)

For the periods ended:	December 31, 2020 (\$)	December 31, 2019 (\$)	December 31, 2018 (\$)	December 31, 2017 (\$)
<b>Hedged Class F - Net Assets per Unit</b>				
Net Assets per Unit, beginning of period	23.55	20.00	N/A	N/A
<b>Increase (decrease) from operations:</b>				
Total revenue	0.14	0.26	N/A	N/A
Total expenses	(0.38)	(0.04)	N/A	N/A
Realized gains (losses)	11.24	0.70	N/A	N/A
Unrealized gains (losses)	36.88	2.63	N/A	N/A
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>47.88</b>	<b>3.55</b>	<b>N/A</b>	<b>N/A</b>
<b>Distributions:</b>				
From dividends	(0.02)	-	N/A	N/A
From capital gains	(0.06)	-	N/A	N/A
<b>Total annual distributions<sup>3</sup></b>	<b>(0.08)</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>
<b>Net Assets per Unit, end of period</b>	<b>48.41</b>	<b>23.55</b>	<b>N/A</b>	<b>N/A</b>

1 This information is derived from the Fund's audited annual financial statement as at December 31, 2020, 2019, 2018 and 2017. The Unhedged and Hedged ETF Units began operations on September 29, 2017 and the US Dollar Unhedged ETF Units began operations on November 3, 2017. The Hedged Class A and F Mutual Fund Units began operations on April 23, 2019.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

4 Per unit figures are stated in CAD equivalent.

## The Fund's Ratios/Supplemental Data

For the periods ended:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>Unhedged ETF Units - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	6,472,690	2,592,897	1,358,077	2,120,987
Number of units outstanding <sup>5</sup>	125,000	100,000	75,000	100,000
Management expense ratio <sup>6</sup>	0.63%	0.64%	0.64%	0.64%
Trading expense ratio <sup>7</sup>	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	51.78	25.93	18.11	21.21
Closing market price (\$)	51.84	25.94	18.14	21.28
<b>Hedged ETF Units - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	38,392,450	7,484,439	6,198,706	2,612,453
Number of units outstanding <sup>5</sup>	800,000	300,000	375,000	125,000
Management expense ratio <sup>6</sup>	0.63%	0.64%	0.63%	0.64%
Trading expense ratio <sup>7</sup>	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	47.99	24.95	16.53	20.90
Closing market price (\$)	48.22	24.99	16.55	21.02
<b>US Dollar Unhedged ETF Units - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	2,959,196	741,658	518,477	1,204,508
Number of units outstanding <sup>5</sup>	50,000	25,000	25,000	50,000
Management expense ratio <sup>6</sup>	0.63%	0.64%	0.64%	0.66%
Trading expense ratio <sup>7</sup>	0.35%	0.28%	0.29%	0.51%
Portfolio turnover rate <sup>8</sup>	92.77%	96.27%	76.01%	12.56%
Net Asset Value per unit (\$)	59.18	29.67	20.74	24.09
Closing market price (\$)	59.33	29.68	20.72	24.09

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## The Fund's Ratios/Supplemental Data (cont'd)

For the periods ended:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
<b>Hedged Class A - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	971,935	24	N/A	N/A
Number of units outstanding <sup>5</sup>	20,343	1	N/A	N/A
Management expense ratio <sup>6</sup>	1.71%	0.00%	N/A	N/A
Trading expense ratio <sup>7</sup>	0.35%	0.28%	N/A	N/A
Portfolio turnover rate <sup>8</sup>	92.77%	96.27%	N/A	N/A
Net Asset Value per unit (\$)	47.78	23.53	N/A	N/A
<b>Hedged Class F - Ratios/Supplemental Data</b>				
Total Net Asset Value (\$) <sup>5</sup>	221,394	24	N/A	N/A
Number of units outstanding <sup>5</sup>	4,573	1	N/A	N/A
Management expense ratio <sup>6</sup>	0.62%	0.00%	N/A	N/A
Trading expense ratio <sup>7</sup>	0.35%	0.28%	N/A	N/A
Portfolio turnover rate <sup>8</sup>	92.77%	96.27%	N/A	N/A
Net Asset Value per unit (\$)	48.41	23.55	N/A	N/A

5 This information is provided as at December 31, 2020, 2019, 2018 and 2017.

6 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

8 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

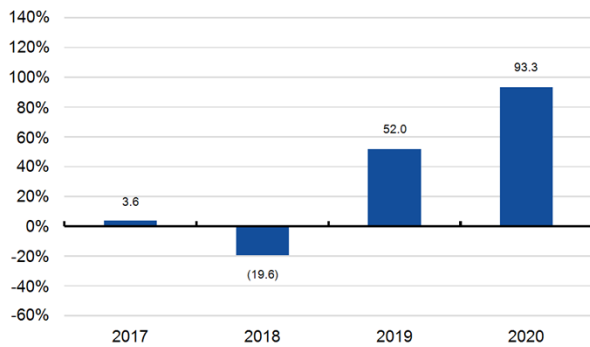
## Year-by-Year Returns

The bar chart below shows the Unhedged, Hedged, US Dollar Unhedged ETF Units' and the Hedged Class A and F Mutual Fund Units' annual performance for the periods shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day would have grown or decreased by the last day of the period.

# Evolve Automobile Innovation Index Fund

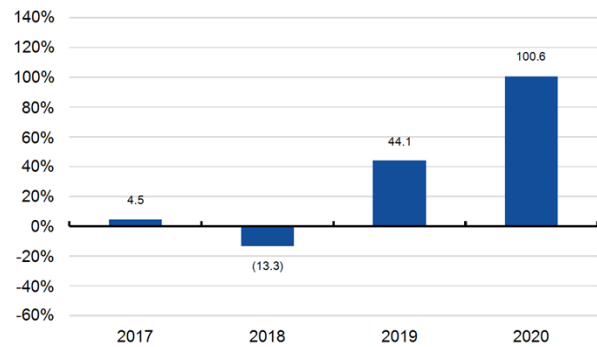
December 31, 2020

## CARS Hedged ETF Units<sup>1</sup>



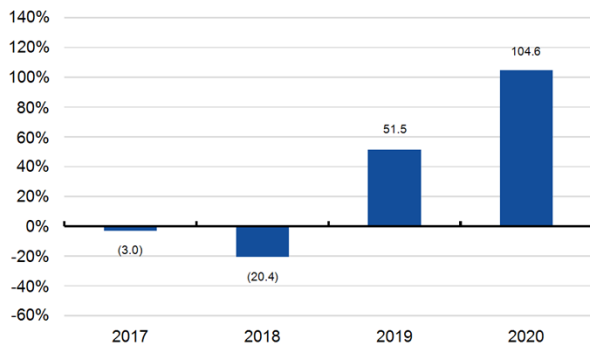
1 The Hedged ETF Units of the Fund effectively began operations on September 29, 2017.

## CARS/B Unhedged ETF Units<sup>2</sup>



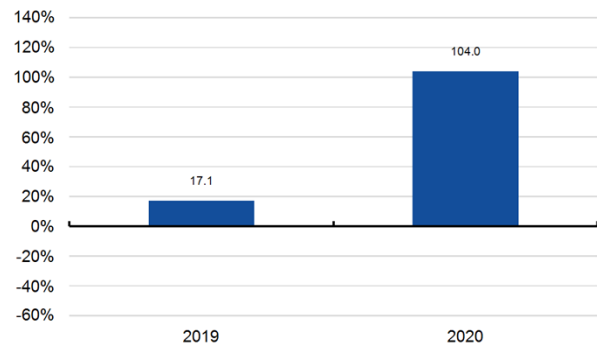
2 The Unhedged ETF Units of the Fund effectively began operations on September 29, 2017.

## CARS/U US Dollar Unhedged ETF Units<sup>3</sup>



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on November 3, 2017. Returns presented based on NAV equivalent in USD.

## Hedged Class A Mutual Fund Units<sup>4</sup>



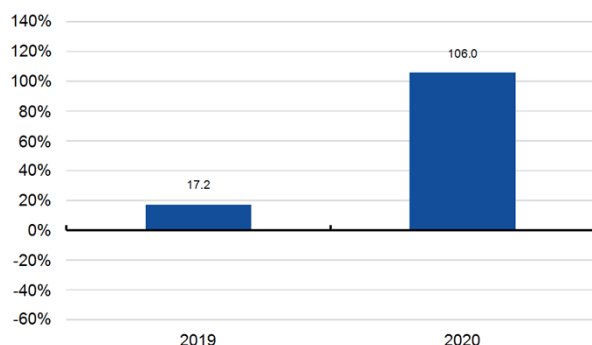
4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019



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## Hedged Class F Mutual Fund Units<sup>5</sup>



<sup>5</sup> The Hedged Class F Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

## Annual Compound Return

The table below shows the historical annual compound total return of the Hedged, Unhedged, US Dollar Unhedged ETF Units and the Hedged Class A and F Mutual Fund Units. The returns are for period ended December 31, 2020. For a discussion of the relative performance of the Fund as compared to the index, please refer to the “Results of Operations” section in the “Management Discussion of Fund Performance”.

	Since Inception <sup>1</sup> (%)	3 Year (%)	1 Year (%)
Hedged ETF Units	31.6	(19.6)	93.3
Solactive Future Cars Index Canadian Dollar Hedged	31.3	(19.7)	90.4
Unhedged ETF Units	34.4	(13.3)	100.6
Solactive Future Cars Index	37.2	(12.2)	107.5
US Dollar Unhedged ETF Units	31.7	(20.4)	104.6
Solactive Future Cars Index USD	34.5	(19.5)	111.2
Hedged Class A Mutual Fund Units	67.3	N/A	104.0
Solactive Future Cars Index Canadian Dollar Hedged	62.5	N/A	90.4
Hedged Class F Mutual Fund Units	68.3	N/A	106.0
Solactive Future Cars Index Canadian Dollar Hedged	62.5	N/A	90.4

<sup>1</sup> From inception date of September 29, 2017 for the Hedged and Unhedged ETF Units, from inception date of November 3, 2017 for the US Dollar Unhedged ETF Units and from inception date of April 23, 2019 for the Hedged Class A and F Mutual Fund Units.

## Summary of Investment Portfolio

### Top 25 Positions

	Percentage of Net Asset Value (%)
Security	
FuelCell Energy Inc., Callable	8.8
NIO Inc., ADR	4.7
Ceres Power Holdings PLC	3.8
Plug Power Inc.	3.8
ITM Power PLC	3.8
Ambarella Inc.	3.2
GS Yuasa Corporation	3.2

# Evolve Automobile Innovation Index Fund

December 31, 2020

## Top 25 Positions (cont'd)

	Percentage of Net Asset Value (%)
Security	
Nissan Motor Company Limited	3.2
Visteon Corporation	3.1
MaxLinear Inc.	3.0
Tianneng Power International Limited	3.0
Gentherm Inc.	2.9
PowerCell Sweden AB	2.9
Aptiv PLC	2.8
SiTime Corporation, Callable	2.7
Bloom Energy Corporation	2.6
Ballard Power Systems Inc.	2.6
Ferrari NV	2.6
Hella GmbH & Company KGaA	2.5
Maxim Integrated Products Inc.	2.5
Analog Devices Inc.	2.5
Valeo SA	2.4
Infineon Technologies AG	2.4
Cirrus Logic Inc.	2.4
Bayerische Motoren Werke AG, ADR	2.3
<b>Total</b>	<b>79.7</b>

## Industry Allocation

	Percentage of Net Asset Value (%)
Portfolio by Category	
<b>Equities</b>	
Consumer Discretionary	33.4
Industrials	31.4
Information Technology	33.5
Derivative Assets	0.3
Derivative Liabilities	(0.1)
Cash and Cash Equivalents	0.4
Other Assets, less Liabilities	1.1
<b>Total</b>	<b>100.0</b>

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at [www.evolveetfs.com](http://www.evolveetfs.com).



**Evolve ETFs**

**Evolve Automobile Innovation Index Fund**