

# Evolve Global Materials & Mining Enhanced Yield Index ETF

BASE invests directly or indirectly in equity securities of global issuers engaged in the manufacturing, mining and/or integration of metals and materials, with added value of a covered call strategy on up to 33% of the portfolio.



BASE (Hedged)



BASE.B (Unhedged)

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## MACROECONOMIC HIGHLIGHTS:

Nucor Corporation announced a 10-year Virtual Power Purchase Agreement (VPPA) with Orsted Onshore North America for 100 megawatts from Orsted's Western Trail wind farm (WTW) in North Texas. Coupled with a similar VPPA deal struck in 2020 with EDFR Renewables North America, the WTW deal give Nucor the potential to supply renewable power to the regional electric grid 24 hours a day. The wind project is designed to withstand extreme weather events like the recent deep freeze that crippled the state's energy system.

In March, Nucor announced the construction of a new tube mill near the Nucor Steel Gallatin sheet mill site in Kentucky. This location will expand the capacity of the Gallatin sheet mill and add a galvanizing line. The new tube mill will have a production capacity of roughly 250,000 tons of hollow structural section (HSS) steel tubing, mechanical steel tubing, and galvanized solar torque tube. The Kentucky location places the new tube mill near expanding solar markets in the United States and the largest consuming regions for HSS steel tubing. The mill will help the company better serve customers in the construction, infrastructure and renewable energy markets. The project, worth \$164 million, is expected to commence operations by mid-2023.

Shares of steelmaker Steel Dynamics, held by the Fund, gained 22% in March, according to data from S&P Global Market Intelligence. In an update on its first-quarter 2021 expectations, the company announced adjusted earnings of \$0.97 per share in the final quarter of 2020 but expects to see adjusted earnings of between \$1.94 and \$1.98 in the just-ended quarter. Steel Dynamics also benefited from positive expectations surrounding the infrastructure spending plans of the Biden administration in the United States. The announcement of a planned \$2 trillion US infrastructure bill—which includes numerous projects that will require large amounts of steel—helped drive up the share prices of steel companies like Steel Dynamics.

Sibanye-Stillwater, a leading international precious metals mining group held by the Fund, announced a strategic partnership with Johnson Matthey, a global leader in sustainable technologies. The new partnership will aim to identify and develop decarbonization solutions and the more secure, efficient, and ethically sourced acquisition of critical platinum group metals (PGMs) supply for key technologies and end-users, including in the battery technology industry. The companies will also pool their collective experience to support the development of more sustainable supply chains for battery materials, including metals

recycling of 'difficult to recover' materials.

Steel products manufacturer Ternium announced a \$500 million US plan for environmentally friendly projects and technologies for its plants in Mexico, Argentina and Brazil. The projects will focus on emission reduction, effluent management, and materials management at plants in Nueva León, Mexico; San Nicolás de los Arroyos, Argentina; and Santa Cruz, Brazil. The company announced this environmental investment while also announcing its Decarbonization Roadmap, an initiative to reduce the company's specific CO2 emissions by 20% by the year 2030.

## PERFORMANCE ATTRIBUTION:

The top-performing stocks in the fund for March were Nucor Corp, Cleveland-Cliffs Inc, and Ternium. The Fund's largest exposure to stock by weight was to Nucor Corp, Steel Dynamics Inc, and Sibanye-Stillwater Ltd.

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## SOURCES:

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[https://thevault.exchange/?get\\_group\\_doc=245/1616137267-sibanye-stillwater-johnson-matthey-form-strategic-partnership-19mar2021.pdf](https://thevault.exchange/?get_group_doc=245/1616137267-sibanye-stillwater-johnson-matthey-form-strategic-partnership-19mar2021.pdf)

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Your investments should too.

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