

# Evolve Automobile Innovation Index Fund

CARS 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.



CARS (Hedged)



CARS.B (Unhedged)



CARS.U (USD)

**MUTUAL FUND FUNDSERV CODE:** EVF140 (Class F); EVF141 (Class A)

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## MACROECONOMIC HIGHLIGHTS:

MicroVision CEO Sumit Sharma announced in March that a working version of the company's long-range light-detection-and-ranging (lidar) technology would be available for demonstration in April, in anticipation of the first sales of a small batch of MicroVision's lidar technology happening in the third or fourth quarter of 2021. MicroVision also supplies components for Microsoft's HoloLens 2 hardware. In March, Microsoft inked a \$22 billion contract to provide HoloLens 2 augmented-reality headset units to the US Army, which should prove a major boost to MicroVision and their machine-vision technology.

Fisker Inc., an electric vehicle designer and manufacturer held by the Fund, announced a Memorandum of Understanding with Crédit Agricole Consumer Finance, part of the Crédit Agricole Group, for the potential supply of Fisker Ocean SUVs by their Agilauto division. Under the terms of the Memorandum, Agilauto will be able to purchase Fisker Ocean SUVs (which will be available in the fourth quarter of 2022) for eligible employees and selected private banking clients of the group for delivery beginning in January 2023. This follows news that, to date, Fisker has booked over 14,000 reservations for the Ocean SUV, driven heavily by interest and orders from the fleet market globally.

Fisker also hinted at details about the "breakthrough" Project PEAR (personal electric automotive revolution). This initiative would see the American-based EV company partner with Hon Hai Precision Industry Co., Ltd. (better known as Foxconn) to develop "a breakthrough new segment vehicle," according to the company. Fisker CEO Henrik Fisker also indicated that the price tag would be below \$30,000 for a premium EV. US federal tax incentives could bring that price to below \$22,500 for many consumers. The company said it planned to manufacture its Project PEAR vehicle at annual volumes of 250,000 and release it in the U.S., Canada, Europe, China and India. Production is expected to begin in the fourth quarter of 2023.

Volkswagen announced plans to establish six battery cell production "gigafactories" in Europe by the end of the decade as part of an effort to significantly increase mass adoption of electric vehicles globally. They also announced plans for a "new unified cell" that will drive the cost of battery systems to "significantly below €100" (around \$119.19) per kilowatt-hour. The unified cell would roll out in 2023 and be used in as much as 80% of the VW group's electric vehicles by 2030. VW plans for the company, which also includes brands like Audi and Porsche, to be carbon neutral by 2050.

VW also plans to roll out 18,000 “public fast-charging points” in Europe by the year 2025 as part of the ‘IONITY’ joint venture with other major carmakers, and strategic partners Enel in Italy, Iberdrola in Spain and BP in Great Britain. The Initiative will see VW invest 400 million euros over the next several years.

## ATTRIBUTION DU RENDEMENT:

For the month, Microvision Inc. made the biggest contribution to the Fund, followed by Volkswagen, and Porsche. By weight, the Fund’s largest exposure was to Microvision Inc., followed by Fisker Inc., and Porsche.

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## SOURCES:

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<https://www.businesswire.com/news/home/20210309005424/en/Fisker-Sees-Continued-Strength-in-Fleet-Business-as-Companies-and-Operators-Look-to-Zero-Emission-Solutions>

<https://finance.yahoo.com/news/fisker-ceos-tweet-reveals-additional-160021990.html>

<https://www.cnbc.com/2021/03/15/vw-to-ramp-up-battery-production-with-six-gigafactories-in-europe-.html>

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Scotia Plaza, 40 King Street West, Suite 3404, Toronto ON M5H3Y2

416.214.4884 | 1.844.370.4884 | [www.evolveetfs.com](http://www.evolveetfs.com)