

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)

MACROECONOMIC HIGHLIGHTS:

A StatsCan report released in April tallied the number of new zero-emission vehicles (which includes battery-electric and plug-in hybrid electric together) registered in Canada in 2020 at 54,353, roughly on par with the count from 2019. However, on a percentage basis, zero-emission vehicle sales were up 3.52% in 2020 relative to traditional automotive, compared with just 2.91% a year earlier. The majority of these registrations came in Q3 and Q4, suggesting momentum going into 2021. And for 2020 as a whole, 71.8% of zero-emission vehicle registrations were fully battery electric, up just 8.6% from 2019.

UK-based hydrogen energy solutions developer ITM Power, held by the Fund, announced that the company is fully funded to build a second polymer electrolyte membrane (PEM) electrolyzer factory, after its first Gigafactory at Bessemer Park in Sheffield, UK, came online in January of this year. With a projected annual production capacity of more than a gigawatt, this second facility will far outstrip the yearly production capacity of 1,000 MW of the current Gigafactory, which is already considered the largest plant in the world. This new factory would feature more automation and a more significant test capacity.

James Collins, head of investor relations at ITM Power, said the company would proceed with the planned second facility once the existing facility is operating to at least 60% of its capacity. The new factory will take 18 months of ramp-up time between the decision to begin construction and actual production at the site.

Nvidia Corp introduced a new central processing unit called 'Grace' during its annual GTC developers conference in April. The Grace CPU is intended as "a new kind of computer" and "the basic building block of the modern data center," according to Nvidia's Chief Executive, Jensen Huang. "Nvidia is now a three-chip company," said Huang in a press release, referencing the company's core graphics-processing units (GPUs) and data-processing units (DPUs). The move into CPUs is widely seen as a move to step up competition with Intel and AMD for future artificial-intelligence business.

The Grace CPU will use technology from Arm Holdings PLC, a chip architecture company. Nvidia has agreed to acquire Arm for a proposed \$40 billion. Pending approvals of the acquisition, Nvidia will manufacture Grace under a license.

MicroVision, Inc., a laser beam sensing technology leader, announced the completion of its Automotive Long-Range Lidar Sensor A-Sample hardware and development platform. This differentiated, high-performance long-range light-detection-and-ranging (lidar) sensor is aimed as a next-generation autonomous driving and active safety system. The new lidar sensor is designed to be immune to interference from sunlight and other lidars. It debuts a proprietary technology allowing it to calculate the axial, lateral and vertical velocity of moving objects at 30 hertz. This lidar sensor is expected for sale, in initial quantities, in the third or fourth quarter of 2021.

The Toronto Transit Commission (TTC), which currently operates the largest electric bus fleet in North America, is doubling down on electrification by announcing plans to add 300 electric buses to their existing 60 electric vehicle fleet. The \$300 million purchase comes just six months after the TTC approved the addition of another 300 hybrid electric vehicle (HEV) buses for \$390 million. Those HEVs will begin to arrive in 2022, followed by the fully electric vehicles in 2023. The TTC aims to have the 300 fully electric buses in service by early 2025 on its way to a zero-emissions fleet by 2040.

ATTRIBUTION DU RENDEMENT:

For the month, Nvidia Corp made the biggest contribution to the Fund, followed by ITM Power, and Ceres Power Holdings. By weight, the Fund's largest exposure was to Microvision Inc., followed by Porsche, and Volkswagen.

SOURCES:

<https://electricautonomy.ca/2021/04/23/canadian-ev-sales-data-2020/>

<https://renewablesnow.com/news/interview-itm-power-fully-funded-to-build-2nd-gigawatt-scale-factory-738398/>

<https://www.marketwatch.com/story/nvidia-steps-up-competition-with-intel-and-amd-with-first-data-center-cpu-based-on-arm-11618246263>

<https://finance.yahoo.com/news/microvision-announces-completion-long-range-123000181.html?p=MVIS>

<https://electricautonomy.ca/2021/04/16/ttc-300-electric-buses/>

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Your investments should too.

Evolve ETFs

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