

APRIL COMMENTARY

Evolve Innovation Index Fund

EDGE provides investors with access to global companies that are involved in innovative or disruptive trends across a broad range of industries.



EDGE (Hedged)



EDGE.U (USD)

MUTUAL FUND FUNDSERV CODE: EVF160 (Class F); EVF161 (Class A)

MACROECONOMIC HIGHLIGHTS:

The European Union announced plans to negotiate a significant contract extension for Pfizer-BioNTech's COVID-19 vaccine. US-based Pfizer and German-based BioNTech will provide the EU with an extra 50 million doses in Q2 of this year, making up for shortfalls in delivery of the AstraZeneca vaccine. With only 16.4% of people in the EU having received at least one dose of a COVID-19 vaccine (compared to 47.5% of people in the UK and 36.6% in the US), the Pfizer-BioNTech could well be key to beating the pandemic in Europe. Pfizer and BioNTech are on pace to provide 250 million doses to Europe by the end of June and 600 million by the end of the year.

Qualcomm Inc quarterly sales and adjusted profits announced in April were above Wall Street estimates, with supply shortfalls easing as smartphone buyers upgrade to 5G technology. For the fiscal second quarter ended March 28, Qualcomm announced sales of \$7.93 billion, compared with analysts' estimates of \$ 7.62 billion, according to Refinitiv data.

Qualcomm, the world's biggest supplier of smartphone chips, has been actively moving into the vacuum left by Huawei's withdrawal. Due to US sanctions on Huawei Technologies Co Ltd last year, the Chinese company's access to chips was essentially cut off, essentially preventing it from continuing to make smartphones. Qualcomm executives expect much of Huawei's previous market share to migrate to other Android devices which use Qualcomm's chips.

Google and 2K Games announced the launch of a jointly developed open-source cloud storage system, Open Saves, that can be integrated into mobile and console games with a simple block of code. The cloud-native Open Saves is a purpose-built storage interface meant to improve how development teams store game data. Open Saves allows developers to store different types of data—such as in-game saves, player inventory, patches, or downloadable content—without deciding which type of storage solution to use.

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. On a percentage basis, however, 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.

PERFORMANCE ATTRIBUTION:

The Evolve Innovation Index Fund tracks a benchmark index designed to provide investors with access to global companies that are involved in disruptive innovation across a broad range of industries, including cyber security, cloud computing, e-gaming & e-sports, automobile innovation, 5G, blockchain, robotics & automation, and genomics. The best-performing stocks in the Fund for the month were Galaxy Digital Holdings Ltd, BioNTech, and Intuitive Surgical Inc. By weight, the Fund's greatest exposure was to Galaxy Digital Holdings Ltd, Qualcomm Inc, and Riot Blockchain Inc.

SOURCES:

<https://www.ctvnews.ca/health/coronavirus/eu-throws-weight-behind-pfizer-biontech-and-new-technology-1.5386816>

<https://finance.yahoo.com/news/qualcomm-forecasts-revenue-profits-above-200120130.html>

<https://www.gamesindustry.biz/articles/2021-04-30-google-and-2k-games-launch-open-source-cloud-storage-system>

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

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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