SEMI-ANNUAL COMMENTARY

Evolve Global Healthcare Enhanced Yield Fund

LIFE invests in top global healthcare companies, with the added value of a covered call strategy applied on up to 33% of the portfolio. Covered call options have the potential to provide extra income and help hedge long stock positions.

TSX LIFE — LIFE (Hedged)

TSX LIFE.B — LIFE.B (Unhedged)

TSX LIFE.U — LIFE.U (USD)

MUTUAL FUND FUNDSERV CODE: EVF170 (Class F); EVF171 (Class A)

MACROECONOMIC HIGHLIGHTS:

Thermo Fisher Scientific Inc., a holding of the Fund, announced several acquisitions in the first half of this year.

Mesa Biotech, Inc., a privately held molecular diagnostic company, was acquired for approximately $450 million in cash and a potential additional $100 million after completion milestones. Mesa Biotech has developed and commercialized a PCR-based rapid point-of-care testing platform for detecting various infectious diseases, including SARS-CoV-2. The San Diego, CA-based company has approximately 500 employees and 2020 revenues of roughly $45 million.

Thermo Fisher also acquired Henogen S.A., Novasep's viral vector manufacturing business, for approximately $877 million in cash. Novasep provides contract manufacturing services for vaccines and therapies to biotechnology companies and large biopharma customers. The Belgium-based company has approximately 400 employees and 2020 revenues of approximately $95 million.

French pharmaceutical company Sanofi announced an investment of more than €600 million to build a new vaccine facility in Toronto to increase supply of its Fluzone High-Dose Quadrivalent influenza vaccine for use in Canada, the United States, and Europe. Sanofi also announced that in partnership with the Governments of Canada and Ontario, and the City of Toronto, the new facility will also focus on enhancing influenza pandemic preparedness. The US Food and Drug Administration (FDA) granted emergency use authorization to a new version of Eli Lilly & Co's monoclonal antibody treatment for coronavirus. The newly approved treatment—known as etesevimab or LY-CoV016—joins with Eli Lilly's previously authorized bamlanivimab (or LY-CoV555) to make a dual antibody-cocktail that better protects against severe illness. Results of late-stage trials showed that the dual antibody cocktail helped reduce risk of hospitalizations and death due to COVID-19 by 70% in high-risk patients.

With India experiencing a catastrophic second wave of the pandemic, Eli Lilly and Co also announced licensing agreements with three Indian generic drugmakers to manufacture the drug baricitinib. Originally intended for treating arthritis, baricitinib has been granted restricted emergency use approval by India's drug regulator for use in combination with the anti-viral drug remdesivir to treat hospitalized adult COVID-19 patients requiring supplemental oxygen. As a stopgap, Lilly said it would donate 400,000 tablets of baricitinib for use in Indian hospitals until supplies are available from these generic drug manufacturing

partners. The US government purchased an initial 100,000 doses of the etesevimab and bamlanivimab combination for $210 million U.S. The deal also gives the US government the option to purchase up to an additional 1.1 million doses through November 25, 2021, under the same terms.

Despite some controversy in Europe over safety, the results of a Phase 3 trial of 32,449 participants in the U.S. and South America demonstrated that the AstraZeneca coronavirus vaccine was strongly protective against COVID-19 and had minimal associated risks.

The AstraZeneca jab was 100% effective at preventing severe COVID-19 or hospitalization, including in the 60% of study participants who had underlying health conditions that put them at high risk. The vaccine was further found to be 79% effective at preventing symptomatic disease overall and 80% effective for those over 65 years of age — the first proof of the vaccine's effectiveness in the elderly.

Crucially, the new study showed no increased risk of clotting. Of the more than 17 million shots of AstraZeneca administered, these clotting events were noted in just 5 out of every million people vaccinated—far lower numbers than would be expected in the general population.

AstraZeneca also announced that the Japanese Ministry of Health, Labour, and Welfare had granted its COVID-19 vaccine special approval for emergency use in individuals aged 18 and older. To date, Japan has only managed to vaccinate ~6% of its population of about 125 million people due to supply bottlenecks with other vaccines.

The government of Japan has arranged to buy 120 million doses of AstraZeneca, enough to vaccinate 60 million people (approximately 40% of the population). Most of the doses will be made in Japan by local partners.

Medtronic—a global leader in medical technology held by the Fund—received two Breakthrough Device Designation statuses from the US Food and Drug Administration (FDA) during the first half of the year. This designation will allow for priority FDA review and communication regarding clinical trial designs through to commercialization decisions.

Medtronic's Harmony transcatheter pulmonary valve was granted FDA premarket approval for pediatric and adult patients with severe pulmonary valve regurgitation. Harmony offers a less-invasive treatment alternative to open-heart surgery for patients with the condition, which typically is the result of a congenital heart defect. FDA said the Medtronic device is the first non-surgical valve approved to treat these patients.

Medtronic's Emprint ablation catheter kit also received Breakthrough Device Designation status. The catheter is intended to be used in conjunction with the Emprint microwave generator and Medtronic lung navigation for a minimally invasive, localized treatment of malignant lesions in the lung.

In June, Novo Nordisk gained FDA approval for a once-weekly injection, dubbed Wegovy, for chronic weight management. Wegovy is the first weight management drug approved for chronic use in most obese and overweight adults since 2014. Based on phase 3 clinical trial results, Wegovy helped one-third of patients lose more than 20% of their body weight over the 68-week trial period. Patients without type 2 diabetes lost an average of 17% to 18% of their total starting weight.

PERFORMANCE ATTRIBUTION:

For the first six months of 2021, Eli Lilly & Co made the biggest contribution to the Fund, followed by AstraZeneca Plc, and Novo-Nordisk A/S. By weight, the Fund's largest exposure over the first six months of 2021 was to Eli Lilly & Co, followed by Novartis, and AstraZeneca Plc.

SOURCES:

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