

Evolve FANGMA Index ETF

These six big tech companies have transformed our world, as well as, being a significant driver of growth and returns for our markets.

TSX **TECH.B**

TECH (UnHedged)

TSX **TECH**

TECH (Hedged)

TSX **TECH.U**

TECH.U (USD)

MACROECONOMIC HIGHLIGHTS:

The Evolve FANGMA Index ETF (TECH) was established in May 2021 to provide investors with access to the big six tech companies that have transformed our world and been a significant driver of growth and returns for our markets—Alphabet Inc., Amazon Inc., Apple Inc., Facebook Inc., Netflix Inc., and Microsoft Corp. With TECH investors get exposure to all six companies for a reasonable unit price.

In May, Google and Shopify Inc. announced a partnership to allow more merchants to sell across Google properties and boost the search giant's e-commerce business.

With the new integration, Google said Shopify's 1.7 million merchants can more easily list items on Google's Shopping site, as well as other properties such as Maps and YouTube. "With just a few clicks, these retailers can sign up to appear across Google's one billion shopping journeys each day," said Bill Ready, Google's president of commerce.

In an effort to compete against Amazon.com, Google has already eliminated retailer fees on its shopping service. As a result, Google has seen an 80% jump in the number of vendors on its site. Google is also introducing features like online shopping carts in Chrome and merchant loyalty programs linked directly in Google accounts to improve its e-commerce offerings.

The major cloud providers—Google, Amazon, and Microsoft—all had impressive quarterly results, but the clear winner in the cloud computing space continues to be Microsoft.

Google Cloud posted Q1 revenue of \$4 billion, up 46% year-over-year. Amazon AWS likewise posted strong returns, with revenue climbing to \$13.5 billion, up 32% from Q1 2020. However, by virtue of sheer size, Microsoft's cloud business continued to edge out the combined cloud businesses of Google and Amazon by posting commercial-cloud revenue of \$17.7 billion for its fiscal Q3 ended March 31. This figure is up from 33% for the same period in 2020.

In June, Microsoft showcased Windows 11, its first major operating system revamp since 2015. Expected to hit the market by year's end, in addition to new functionality the major innovation in Windows 11 is the new Windows Store that will allow software developers to use their own in-app payment systems

without paying a commission to Microsoft. The move is widely seen as a direct challenge to Apple's "walled garden" approach with its App Store, as well as Google Play Store, which like Apple, also charges developers commissions of up to 30%.

And it is this "walled garden" approach on the part of Apple Inc that is part of potential antitrust reform legislation introduced in the US House of Representatives in June. Under the terms of the proposed legislation, Apple users would have the option to uninstall pre-installed apps, like the App Store, from their Apple devices. Currently, the option to delete pre-installed apps is not available on Apple devices, which lawmakers contend gives Apple an unfair advantage over competitors.

Late in June, a US judge dismissed federal and state antitrust complaints against Facebook Inc as "legally insufficient." Seeking to force the sale of Instagram and WhatsApp, the judge said the FTC had failed to show that Facebook had monopoly power in the social networking market. The judge did keep open the option for the FTC to file a new complaint by July 29. He also dismissed similar lawsuit from several US states, saying they waited too long to challenge the acquisitions of Instagram and WhatsApp in 2012 and 2014 respectively. The judge did not invite the states to refile their complaint. On news of the dismissal, Facebook stock rose more than 4%, putting Facebook's market capitalization over \$1 trillion for the first time.

SOURCES:

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Evolve ETFs

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Your investments should too.

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