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.

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

AUGUST COMMENTARY

General Industry Update

Technological innovation has transformed the healthcare industry. The pandemic has rapidly accelerated the pace of this change. The percentage of consumers comfortable with virtual appointments has almost doubled since 2019.

<table>
<thead>
<tr>
<th>% of U.S. consumers using virtual visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
</tr>
<tr>
<td>2019</td>
</tr>
</tbody>
</table>

Source: Deloitte

Artificial intelligence has the potential to impact everything from prevention to diagnosis and treatment. Wearables and apps can be used to monitor patients which could improve both prevention and early detection. Virtual assistants can help by automating patient data. By 2027, the global healthcare virtual assistant market is projected to reach USD $2.8 billion, a CAGR of 27.2%.

AI will also allow for faster testing and recognizing patterns to increase result accuracy. Surgical robots are allowing doctors to perform complex procedures with more precision. One study found that surgical robots increased success rates by 52%. These exciting trends will continue to fuel the growth of the healthcare industry.

One study found that robot assisted surgery experienced a 52% jump in success rate.

Source: Annals of Laparoscopic and Endoscopic Surgery

By 2027, the global healthcare virtual assistant market is projected to reach USD $2.8 billion, at CAGR of 27.2%.

Source: Reports and Data

August News Update

The pandemic shows no signs of slowing down as many countries reinstate various lockdown procedures to protect against the spread of the Delta variant. On August 30th, the EU voted to restrict the US for non-essential travel. The Biden administration is requesting a Sept 20th start to the nationwide booster plan. The rapid spread of Delta has increased the concern that more dangerous variants will continue
to surface. This is revealing the need for more global investment in genomics. These variants occur through the mutations of genome when the virus replicated it. Currently, the two widely available COVID tests are not designed to detect mutations. Instead, we need genome sequencing performed by machines that can quickly read chemical elements in viral genomes.

In August, Pfizer was granted full approval from the FDA for their COVID-19 vaccine for ages 16 and up. The vaccine for kids 12-15 is still only approved for emergency use. The company expects their Covid vaccine for kids 5 to 11 to be approved for emergency use in late fall or early winter. Moderna and Johnson & Jonson have both applied for full FDA approval for ages 18 and up. Pfizer, BioNTech and Moderna are also all currently seeking approval for a third booster shot.

At the end of July, Moderna was added to the S&P 500 as the index’s best performing stock this year. It is up over 280% YTD. Moderna has transformed from a biotech company to a vaccine supplier. The company has been successful by developing messenger RNA vaccines, which use the body’s cells as mini vaccine factories. A study was released late this month that the Moderna vaccine generated more than double the antibodies of the Pfizer shot. The study involved approximately 2,500 Belgian healthcare workers.

The shotmakers hit records in August but have since cooled down from their highs.

PERFORMANCE ATTRIBUTION:
For the month, Danaher Corp. made the biggest contribution to the Fund, followed by Novo Nordisk and Pfizer Inc.

| PERFORMANCE (%) |
|-----------------|---------|---------|---------|---------|---------|
| TOTAL RETURNS’  | 1 MTH   | YTD     | 1 YR    | 2 YR    | 3 YR    | SI**   |
| LIFE (HEDGED)   | 3.29    | 18.31   | 20.60%  | 18.28   | 14.20   | 11.83  |
| LIFE.B (UNHEDGED)| 4.08   | 16.23   | 16.78%  | 17.36   | 13.65   | 13.42  |
| LIFE.U (USD)    | 2.92    | 17.26   | 20.73%  | -       | -       | 18.40  |

Source: Bloomberg, as at August 31, 2021. ** Performance since inception of LIFE and LIFE.B on October 24, 2017 and LIFE.U on November 27, 2019.
Commissions, trailing commissions, management fees and expenses all may be associated with exchange traded mutual funds (ETFs) and mutual funds. Please read the prospectus before investing. ETFs and mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. There are risks involved with investing in ETFs and mutual funds. Please read the prospectus for a complete description of risks relevant to the ETF and mutual fund. Investors may incur customary brokerage commissions in buying or selling ETF and mutual fund units. This communication is intended for informational purposes only and is not, and should not be construed as, investment and/or tax advice to any individual.

The indicated rates of return are the historical annual compound total returns net of fees (except for figures of one year or less, which are simple total returns) including changes in per unit value and reinvestment of all dividends or distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. The rates of return shown in the table are not intended to reflect future values of the ETF or returns on investment in the ETF. ETFs are not guaranteed, their values change frequently, and past performance may not be repeated.

Certain statements contained in this documentation constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to a future outlook and anticipated distributions, events or results and may include statements regarding future financial performance. In some cases, forward-looking information can be identified by terms such as “may”, “will”, “should”, “expect”, “anticipate”, “believe”, “intend” or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information. Evolve undertakes no obligation to update publicly or otherwise revise any forward-looking statement whether as a result of new information, future events or other such factors which affect this information, except as required by law.