

# Evolve Cloud Computing Index Fund

DATA invests primarily in equity securities of companies located domestically or internationally that have business operations in the field of cloud computing.

TSX

DATA

ETF TICKERS: DATA (HEDGED); DATA.B (UNHEDGED)

**Investment Thesis:** Cloud computing is revolutionizing every industry. Data is our most precious resource - the new oil.

**Cloud Computing advantages include:**

- Cost reduction/time to market
- Global accessibility
- Easy to implement and upgrade
- Centralized security
- Save energy

**Cloud computing services include:**

- Infrastructure as a Service (IaaS)
- Software as a Service (SaaS)
- Platform as a Service (PaaS)
- Games as a Service (GaaS)

## GENERAL INDUSTRY UPDATE



Source: Tdwebservices.com "Small Doses of Cloud Computing is Steller for the Healthcare Industry,"

Cloud computing has changed the way organizations access data. But that's not all. Cloud and related technologies remain in very high demand.

Cloud computing, machine learning, and artificial intelligence (AI) are essential areas of focus to technology executives going into 2022. According to the CNBC Technology Council survey of 44 executives, 82% of respondents said cloud computing will be critical for their firm in 2022. Another 34% of the respondents indicated their firms would be investing the most money in this area.<sup>1</sup>

When it comes to cloud computing, the healthcare industry is one area worth a good look. According to analysis by Vantage Market Research, the global healthcare cloud computing market is expected to be worth \$70.0 billion by 2028. In 2020, it was \$28.5 billion. This represents a compound annual growth rate of 18.1%.<sup>3</sup>

According to analysis by Grand View Research, the global cloud computing market was valued at US \$274.7 billion in 2020. In coming years, it's expected to see a robust growth. Between 2021 and 2028, the global cloud computing market is expected to grow at a compound annual growth rate

(CAGR) of 19.1%, to over \$1.25 trillion. Key factors contributing to growth in the global cloud computing market include artificial Intelligence (AI) and machine learning, as well as remote working and workplace transformation.

The software as a service (SaaS) market is also expected to grow rapidly. In 2020, 54% of the global cloud computing revenue was SaaS-related. As per an IT industry survey, 60% of global firms are planning to use SaaS providers' cloud-managed services in 2022. This figure is twice as much compared to 2018.<sup>4</sup>

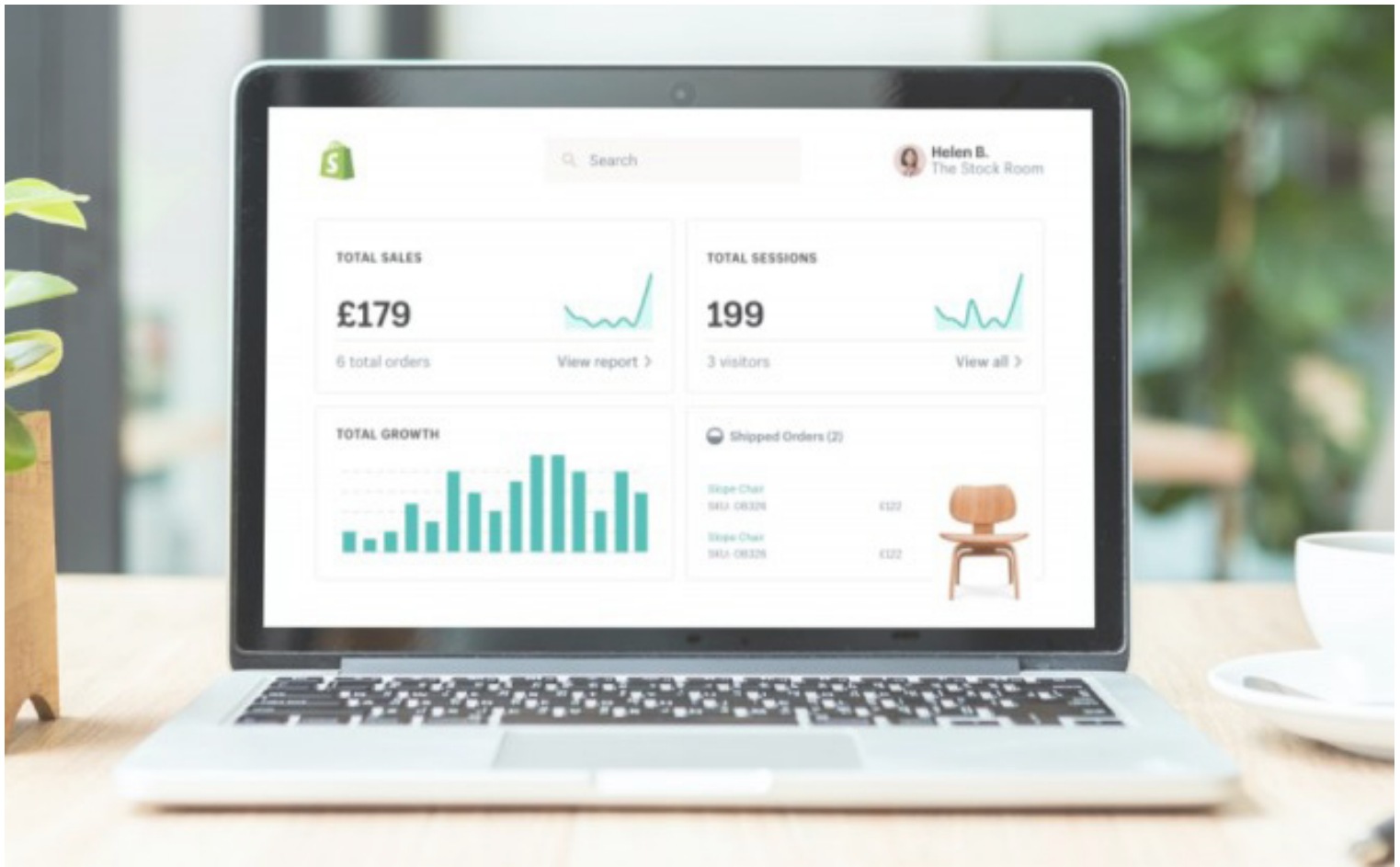
## COMPANY SPECIFIC UPDATES



### Oracle Corporation

Oracle, held by the fund, provides an integrated suite of secure applications under Oracle Cloud. The company has 430,000 customers in 175 countries, 133,000 employees, 13,000 customer support and service specialists who speak 29 languages, and 18,000 implementation consultants.<sup>5</sup>

Oracle recently announced its financial results for the second quarter of fiscal 2022 ended on November 30, 2021. Total revenue for the quarter amounted to \$10.4 billion. This represented growth of six percent year over year. Cloud services and license support revenue was \$7.6 billion and Cloud license and on-premises license revenue was \$1.2 billion.<sup>6</sup> Oracle also announced recently that it will be buying Cerner, an electronic medical records company, for an all-cash deal worth \$95.00 per share, or \$28.3 billion. This is one of the biggest deals Oracle has ever made.<sup>7</sup>



Source: Shopify

## Shopify Inc

Shopify, held by the fund, offers all things e-commerce. It provides infrastructure that's essential for doing business online, providing tools to start, grow, market, and manage a retail business.

Store owners using Shopify's platform registered record Black Friday/Cyber Monday weekend sales of \$6.3 billion from the start of Black Friday in New Zealand through the end of Cyber Monday in California. In the same period in 2020, Shopify platform store owners reported sales of \$5.1 billion. This represents an increase of 23% year over year.<sup>8</sup>

A few more interesting insights:

- Peak sales were registered on November 26 at the rate of \$3.1 million per second
- 47 million consumers globally took part during the sale weekend, purchasing from independent and direct-to-consumer brands using Shopify
- On average, consumers globally spent \$100.70 during the Black Friday/Cyber Monday weekend

Shopify had a breakthrough year in 2020, growing 86% overall, and having three quarters of revenue growth above 90%.<sup>9</sup> With 25% gains in 2021, Shopify continues to benefit from the lengthening pandemic environment as more small- to medium-sized businesses transition to online only operations.

## Sources:

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9. "Shopify: Here's What's Coming in 2022," *The Motley Fool*, Published January 4, 2022, accessed January 13, 2022; <https://www.fool.ca/2022/01/04/shopify-heres-whats-coming-in-2022>.

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