

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.

TSX
EDGE

ETF TICKERS: EDGE (HEDGED); EDGE.U (USD)

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

Investment Thesis: Innovation is a long-term, key driver of global economic growth. Access 8 themes that are reshaping our world. Data and AI are at the center of technological innovation.

8 Themes

- 1. Automobile Innovation:** The car is becoming digital: Autonomous, Connected & Electric
- 2. Cybersecurity:** Non-discretionary need to protect our data infrastructure
- 3. Cloud Computing:** Store and access data through the internet
- 4. E-Gaming:** Largest and fastest-growing entertainment sector
- 5. 5G:** Increasing wireless delivery speeds and efficiencies to connect the world
- 6. Robotics and Automation:** The rise of robots will boost productivity and economic growth
- 7. Fintech:** Transforming how financial services are delivered and consumed
- 8. Genomics:** Better drugs, developed in a fraction of the time at lower costs

GENERAL INDUSTRY UPDATE

Automobile Innovation

MATERIAL SHORTAGES FOR ELECTRIC VEHICLES



Source: Oxfordshirelive.co.uk/news

Skyrocketing demand for electric vehicles globally is creating material shortages, particularly with lithium. Used in batteries for electric vehicles, lithium is a key component that cannot be substituted. Lithium prices have surged 500% in the last year in light of the soft metal shortage.

Analysts at Macquarie Group Ltd. say that “a perpetual deficit,” could be the case for the lithium market. Citigroup Inc. has warned that further price increases could be ahead for lithium prices, and has, therefore, doubled its price target for the metal for 2022.

According to Benchmark Mineral Intelligence, current lithium prices could increase the costs of producing an electric vehicle by \$1,000. If those who make lithium batteries can't get lithium, it might become difficult to meet global emissions targets.¹

Cybersecurity

CONCERNS OVER CYBERATTACKS



Source: Envato.com

Cybersecurity issues continue to plague businesses worldwide. According to a CNBC SurveyMonkey Small Business Survey, almost 40% of small business owners are (very or somewhat) concerned about being victims of a cyberattack within the next 12 months. That said, 60% of respondents are (very or somewhat) confident that they can handle a cyberattack on their business if needed.²

But cyberattacks can have dire consequences. For instance, recently, India's SpiceJet airline announced that certain systems faced an attempted ransomware attack that slowed down flights and stranded passengers at airports.³

The metaverse has also become subject to cybersecurity fraud. Investors across the U.S. told CNBC that hackers stole their land in the virtual universe by tricking them into clicking on links that they believed to be part of the portal. Instead, these links were phishing websites that were designed to steal users' MetaMask credentials. With access to landowners' credentials, the hackers were also able to steal all of the digital assets in their wallets.⁴

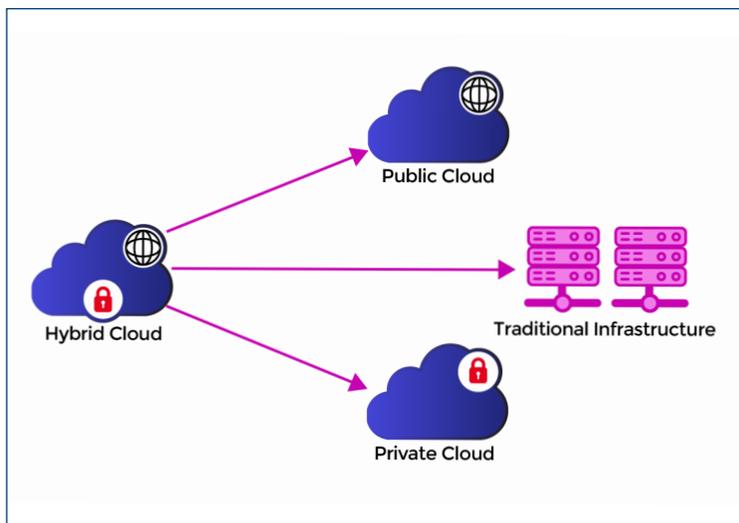
Cloud Computing

INTEREST AND ADOPTION OF HYBRID CLOUD SOLUTIONS

According to Equinix, a digital infrastructure company, 93% of enterprises have shown interest or have already implemented hybrid cloud solutions. In 2017, this figure was only 81%. This just shows that more companies are opting to use a combination of public and private cloud solutions.

In addition, the adoption of public cloud is also increasing. According to Equinix, in the next two years, there's going to be an increase of 45% in the number of organizations running more than 30% of their production applications on the public cloud.⁵

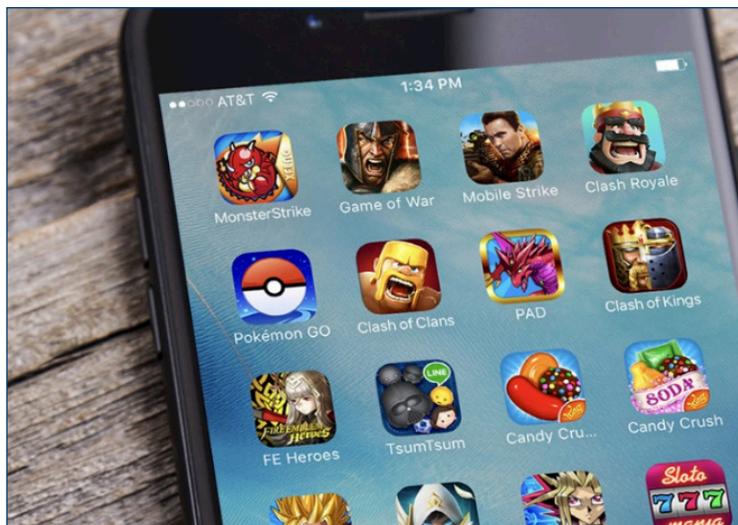
SAP, for instance, recently announced an integration between the company's flagship S/4HANA Cloud and Google Workspace. The integration will allow SAP users to access data from S/4HANA and use it collaboratively in Google Docs and Sheets. This will allow users to import and export data between the two systems seamlessly.⁶



Source: EvolveETFs

E-Gaming

MULTIPLAYER GAMES DRIVING MOBILE GAMES GROWTH

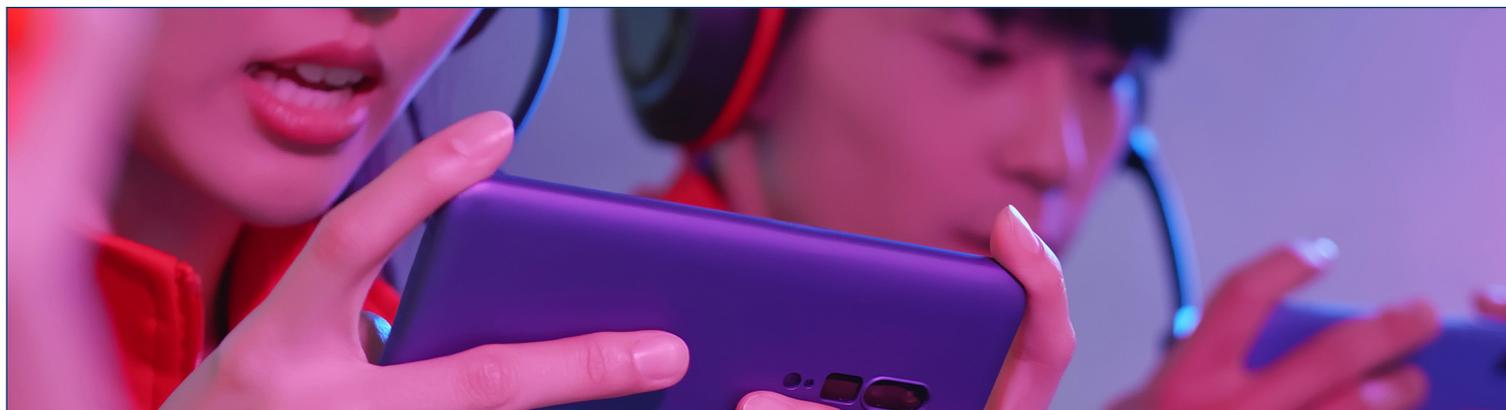


Source: Techcrunch.com

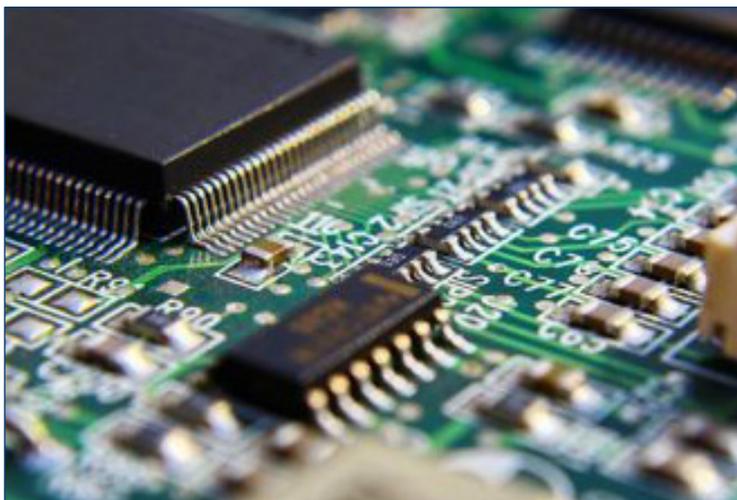
Mobile gaming continues to gain traction. According to a research report by Technavio, a leading global technology research and advisory company, the mobile gaming market is expected to grow to \$66.43 billion by 2026—growth at a compound annual growth rate (CAGR) of 12.26% between 2021 and 2026.

The report also states that 47% of the mobile gaming market's growth will come from the Asia-Pacific region. Countries like China, Japan, and South Korea could be the key market for mobile gaming.

In addition to this, multiplayer mobile games could be one of the key drivers in helping the growth of the mobile gaming market. Games like MMO and Pokémon Go could gain popularity with the help of smartphone companies launching unique futures such as enhanced displays.⁷



Source: Shutterstock



Source: Keysight.com

5G

DEMAND FOR 5G INFRASTRUCTURE AND CHIPSETS

Acumen Research and Consulting, a global provider of market intelligence and consulting services to information technology, investment, telecommunication, manufacturing, and consumer technology markets, says that the global 5G chipset market amounted to \$1.61 billion in 2021. However, by 2030, its expected to increase to \$145.8 billion.

5G chipsets are key components that make 5G technology possible. The COVID-19 pandemic has caused a surge in the demand for 5G infrastructure, and rapid growth of connected devices, vehicles, and smart city programs has only made the 5G chipset market boon for growth.⁸

Robotics & Automation

HYDROPOWER DAM BUILT BY ROBOTS AND AI

China is planning to build a hydropower dam in two years by using artificial intelligence, construction robots, and zero human labor.

The Yangqu Dam on the Tibetan plateau is expected to be assembled layer by layer like with 3D printing. It will be 590 feet tall and will to be completely by 2024. The project will use unmanned trucks, bulldozers, rollers, and other such equipment. The goal is to eliminate human error and safety concerns for workers.

Once completed, The Yangqu Dam will be the tallest structure ever built using 3D printing. The current record is held by a two-story office building in Dubai that was built using similar processes and stands 20 feet high.⁹



Source: 3dnatives.com



Source: zf L/Getty Images

Fintech

OPPORTUNITIES IN FINTECH BLOCKCHAIN TECHNOLOGY

According to research by Vantage Market Research, a competitive intelligence market research and consulting firm, the global fintech market was \$112.5 billion in 2021. By 2028, it's expected to grow to \$332.5 billion.

While North America held the biggest share of the global fintech market, the research states that the fintech market in Asia Pacific is expected to witness robust growth on the back of fintech blockchain technology in the commercial sector.

The research also states that growing economies like India, China, and the Middle East could see huge opportunities for growth as the fintech market is still growing there. However, it comes with challenges such as insufficient funds, underdeveloped IT infrastructure, social constrains, lack of education, and availability of financial professionals.¹⁰

Genomics

INNOVATION IN GLOBAL FOOD PRODUCTION

Corteva, Inc., a global agriculture company focused on industry-leading innovation, high-touch customer engagement and operational execution, reported growth of 10% in net sales in the first quarter of 2022. Corteva also provided a rosy outlook for the entire year of 2022.

Recently, the company announced that it had withdrawn from Russia, pausing new sales and initiating a plan to stop production and business activities in the country. Furthermore, it is working with Ukrainian customers to lessen the impact of the current humanitarian crisis. In addition, Corteva is donating seeds to Ukraine, Africa, and the Middle East region for the 2023 growing season to lessen the impact on global food production.¹¹



Source: Lavie Bio Ltd.

PERFORMANCE (%)

TOTAL RETURNS*	1 MTH	YTD	1 YR	2 YR	3 YR	4YR	SI**
EDGE (HEDGED)	-1.24	-21.55	-17.75	14.72	17.26	11.19	11.90
EDGE.U (USD)	-0.21	-22.19	-21.00	-	-	-	-10.92

Source: Bloomberg, as at May 31, 2022.

** Performance of EDGE since inception on April 30, 2018.

Performance of EDGE.U since inception on January 7, 2021.

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