

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

ETF TICKERS: LIFE (HEDGED); LIFE.B (UNHEDGED); LIFE.U (USD)
MUTUAL FUND FUNDSERV CODE: EVF170 (CLASS F); EVF171 (CLASS A)

GENERAL INDUSTRY UPDATE



Source: Shutterstock

Recent data shows that the average life expectancy at birth has more than doubled over the last 100 years due to increased healthcare spending, innovative advancements, and discoveries in the field of medicine. While life expectancy has significantly increased overall, the average life expectancy varies in each country, especially between developed and developing nations.¹

The U.S., which spends the most per capita (\$10,921) on healthcare, has an average life expectancy of just 77.3 years, far less than many countries that spend a lot less. Japan, which spends \$4,360 per capita, has a life expectancy of 85 years. Canada spends \$5,048 per capita with a life expectancy of 81.7 years.

Perhaps not surprisingly, less developed countries spend the least amount on healthcare and also have the lowest life expectancy. Chad, which spends \$30 per capita annually, has the lowest life expectancy of 54.4 years. Lesotho, a land locked county in South Africa, spends \$124 per capita and has a life expectancy of 55 years.

Looking ahead to the next 100 years, research published in Nature Communications suggests that under the right circumstances, humans could live anywhere from 120 to 150 years of age in the near future.²

One way to increase the average life expectancy at birth is having access to innovative medications and healthcare. Pharmaceutical companies that are working on aging research, drug discovery, and biomarker development include Novartis, Life Biosciences, and startups such as BioAge Labs and Cambrian Biopharma. And the longer people live, the more likely various healthcare treatments, services, and products will be needed for a growing, aging population.

A major trend in in the field of aging research and drug discovery is the rapid development in artificial intelligence (AI) and machine learning (ML). Thanks to both AI and ML, Pfizer-BioNTech and Moderna were able to sequence, develop, and launch vaccines in less than a year.³

COMPANY SPECIFIC UPDATES

AstraZeneca plc

AstraZeneca plc, which is held by the fund, announced plans to acquire Neogene Therapeutics Inc., a privately held, global clinical-stage biotechnology company for \$320 million. Neogene is pioneering the discovery, development, and manufacturing of next-generation T-cell receptor therapies (TCR-Ts) that provide a novel cell therapy approach for targeting cancer.⁴

The company also announced in November that an expert panel of the European Medicines Agency (EMA) has recommended approving Enhertu (trastuzumab deruxtecan) in the European Union as a treatment for adults with previously treated HER2-positive advanced gastric cancer. The drug is being jointly developed and commercialized by AstraZeneca and Daiichi Sankyo.⁵

Back in August AstraZeneca announced that Enhertu was approved in the U.S. by the Food and Drug Administration (FDA) as the first HER2-direct therapy for patients with HER2-low metastatic breast cancer. Regulatory approval for Enhertu is also under review in Japan and several other countries.⁶



Source: Mims.com/drug/info/enhertu

Siemens AG

Siemens AG, which is also held by the fund, announced that its Siemens Healthineers segment unveiled its latest MRI scanner designed for mobile use, the Magnetom Viato. Mobile, which features a patient bore of 70 centimetres.⁷

The bore is the hole in which patients lie down inside during the MRI. A traditional MRI has a bore of 60 centimeters, which many users say could feel claustrophobic.

The Magnetom Viato.Mobile is installed in a trailer, providing greater flexibility in deploying imaging. Operation and service of Magnetom Viato.Mobile can be done remotely, allowing it to be used almost anywhere, while experts provide support from another location. This results in fewer staff and means professionals can work from home if need be.



Source: Siemens Healthineers

Siemens Healthineers is a segment of Siemens that develops, manufactures, and sells various diagnostic and therapeutic products and services. It also provides clinical consulting services.

PORTFOLIO STRATEGY AND ACTIVITY

For the month, Siemens AG made the largest contribution to the Fund, followed by AstraZeneca plc and Novo Nordisk A/S. The largest detractors to performance for the month were Roche Holdings AG and Medtronic PLC. On last rebalance, these securities were added to the portfolio: Siemens AG and Zoetis Inc. By weight, the Fund's largest geographic exposure was to the United States, followed by Germany and Britain.

PERFORMANCE (%)

TOTAL RETURNS ¹	1 MTH	6 MTH	YTD	1 YR	2 YR	3 YR	4YR	5 YR	SI ²
LIFE (HEDGED)	5.84	3.81	1.96	7.66	11.28	10.34	10.41	10.05	9.17
LIFE.B (UNHEDGED)	6.54	9.22	5.16	10.32	11.39	10.72	10.58	11.56	11.06
LIFE.U (USD)	7.90	2.70	-1.11	4.75	9.45	10.27	-	-	10.32

Source: Bloomberg, as at November 30, 2022.

¹ Performance since inception of LIFE and LIFE.B on October 23, 2017.

² Performance since inception of LIFE.U on November 26, 2019.

Sources:

1. Du, T., "Charted: Healthcare Spending and Life Expectancy, by Country," Visual Capitalist, November 13, 2022; <https://www.visualcapitalist.com/cp/healthcare-spending-versus-life-expectancy-by-country/>.
2. "Longitudinal analysis of blood markers reveals progressive loss of resilience and predicts human lifespan limit," Nature Communications, May 2021; <https://www.nature.com/articles/s41467-021-23014-1>.
3. "Application of artificial intelligence and machine learning for COVID-19 drug discovery and vaccine design," Oxford University Press, November 2021; <https://pubmed.ncbi.nlm.nih.gov/34410360/>.
4. "AstraZeneca to acquire Neogene Therapeutics, accelerating ambition in Oncology cell therapy," AstraZeneca plc, November 29, 2022; <https://www.astrazeneca.com/media-centre/press-releases/2022/astrazeneca-to-acquire-neogene-therapeutics-accelerating-ambition-in-oncology-cell-therapy.html>.
5. "Enhertu recommended for approval in the EU by CHMP for patients with previously treated HER2-positive advanced gastric cancer," AstraZeneca plc, November 14, 2022; <https://www.astrazeneca.com/media-centre/press-releases/2022/enhertu-recommended-for-approval-in-the-eu-by-chmp-for-patients-with-previously-treated-her2-positive-advanced-gastric-cancer.html>.
6. "Enhertu approved in the US as the first HER2-directed therapy for patients with HER2-low metastatic breast cancer," AstraZeneca plc, August 6, 2022; <https://www.astrazeneca.com/media-centre/press-releases/2022/enhertu-approved-in-the-us-for-her2-low-mbc.html>.
7. "Siemens Healthineers introduces new mobile magnetic resonance imaging scanner Magnetom Viato.Mobile, Siemens AG, November 28, 2022; <https://www.siemens-healthineers.com/press/releases/magnetom-viato-mobile>.

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*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.

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