

# 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: [Dw.com/en/uk/firstleukermiatreatment](https://www.dw.com/en/uk/firstleukermiatreatment)

The rapid development of innovations in the global healthcare industry continues to modernize and make healthcare better, cheaper, and more accessible. In December, a Chinese healthcare platform began selling Pfizer's oral COVID-19 treatment, Paxlovid—the first retail sale of the drug in the country.

The number of COVID-19 cases in China has surged over the last number of months. The official data from China suggests that less than 20 people have died from COVID-19 but the World Health Organization believes China is downplaying the data.<sup>1</sup>

Leaked government information suggests almost 250 million people in China caught COVID-19 in the opening weeks of December. If correct, that would account for 18% of China's 1.4 billion population and represent the largest global outbreak of COVID-19.<sup>2</sup>

Pfizer's COVID-19 vaccine that was jointly developed by BioNTech, using mRNA technology, has not been approved for use in China.

Meanwhile, researchers in the United Kingdom have announced that a 13-year-old leukaemia patient at Great Ormon Street Hospital (GOSH) saw her cancer, that was previously thought incurable, go into remission, just one month after taking a new treatment.

The patient, Alyssa, became the first person ever to receive genetically modified immune cells called CAR T cells, that originally came from a healthy donor, in May 2022. The cells were edited using new base-editing technology, which allowed them to track down and kill the cancerous T-cells.<sup>3</sup>

## COMPANY SPECIFIC UPDATES

### Novo Nordisk A/S

Novo Nordisk, which is held by the fund, recently announced that the U.S. Food and Drug Administration (FDA) expanded the approval of Wegovy for the treatment of obesity in teens aged 12 years of age and older.<sup>4</sup>

This FDA approval marks the first time an anti-obesity drug with once-weekly dosing has been approved for teens.

In clinical trials, teens aged 12 to 17 who took the weekly injections lost 14% of their body weight over 64 weeks. This data closely matches the trials for adults, where recipients lost 15% of their body weight after 58 weeks.

The FDA initially approved Wegovy in June 2021 for adults with obesity. It was the first obesity treatment approved in seven years.<sup>5</sup>

Of particular note, the active ingredient in Wegovy, semaglutide, has been previously approved in a lower dose formation by the FDA for type 2 diabetes in 2017. That product is sold under the name Ozempic.<sup>6</sup>



Source: Indiamart.com/proddetail/wegovy

### Gilead Sciences, Inc.

Gilead Sciences, Inc., which is also held by the fund, has had a number of its products approved by the FDA. In December, Sunlenca, in combination with other antiretrovirals, has been granted approval by the FDA for the treatment of HIV-1 infection in adults with multi-drug resistant HIV-1 infection. The twice-yearly treatment is the first and only approved capsid inhibitor-based HIV treatment option.<sup>7</sup>

In November 2022, Gilead announced that the European Commission granted expanded marketing authorization for Biktarvy for the treatment of HIV in children who are at least two years of age. The approval applies to all 27 member states of the EU, as well as Norway, Iceland, and Liechtenstein.<sup>8</sup>



Source: Empr.com

## PORTFOLIO STRATEGY AND ACTIVITY

For the month, Novo Nordisk A/S made the largest contribution to the Fund, followed by Sanofi SA, and Stryker Corporation. The largest detractors to performance for the month were Bristol-Myers Squibb Co, and CSL ADR.

On last rebalance, these securities were added to the portfolio: Gilead Sciences, Inc. and Stryker Corporation. By weight, the Fund's largest geographic exposure was to the United States, followed by Germany, and Britain.

## PERFORMANCE (%)

TOTAL RETURNS <sup>*</sup>	1 MTH	6 MTH	YTD	1 YR	2 YR	3 YR	4YR	5 YR	SI <sup>**</sup>
<b>LIFE (HEDGED)</b>	-1.25	5.16	0.69	0.69	9.66	8.93	11.69	9.70	8.75
<b>LIFE.B (UNHEDGED)</b>	0.10	11.05	5.26	5.26	11.08	10.31	11.35	12.24	10.88
<b>LIFE.U (USD)</b>	-0.55	5.57	-1.66	-1.66	7.70	8.78	-	-	9.82

Source: Bloomberg, as at December 31, 2022.

<sup>\*</sup> Performance since inception of LIFE and LIFE.B on October 23, 2017.

<sup>\*\*</sup> Performance since inception of LIFE.U on November 26, 2019.

### Sources:

1. McCarthy, S., "China 'under-representing' true impact of Covid outbreak, WHO says," CNN, January 6, 2023; <https://www.cnn.com/2023/01/05/china/china-covid-outbreak-who-data-intl-hnk/index.html>.
2. Ritchie, H., Gan, N., McCarthy, S., Wang, S., and Zhang, M., "Leaked notes from Chinese health officials estimate 250 million Covid-19 infections in December: reports," CNN, December 23, 2022; <https://www.cnn.com/2022/12/23/china/china-covid-infections-250-million-intl-hnk/index.html>.
3. "GOSH patient receives world-first treatment for her 'incurable' T-cell leukaemia," Great Ormond Street Hospital, December 11, 2022; <https://www.gosh.nhs.uk/news/gosh-patient-receives-world-first-treatment-for-her-incurable-t-cell-leukaemia/>.
4. "FDA Approves Once-Weekly Wegovy injection for the Treatment of Obesity in Teens Aged 12 Years and Older," Drugs.com, December 23, 2022; <https://www.drugs.com/newdrugs/fda-approves-once-weekly-wegovy-obesity-teens-aged-12-years-older-5949.html>.
5. "FDA Approves New Drug Treatment for Chronic Weight Management, First Since 2014," U.S. Food & Drug Administration, June 4, 2021; <https://www.fda.gov/news-events/press-announcements/fda-approves-new-drug-treatment-chronic-weight-management-first-2014>.
6. "Novo Nordisk Receives FDA Approval of OZEMPIC® (semaglutide) Injection For the Treatment of Adults with Type 2 Diabetes," Novo Nordisk, December 5, 2017; <https://www.prnewswire.com/news-releases/novo-nordisk-receives-fda-approval-of-ozempic-semaglutide-injection-for-the-treatment-of-adults-with-type-2-diabetes-300567052.html>.
7. "Sunlenca® (lenacapavir) Receives FDA Approval as a First-in-Class, Twice-Yearly Treatment Option for People Living With Multi-Drug Resistant HIV," Gilead Sciences, Inc., December 22, 2022; <https://www.gilead.com/news-and-press/press-room/press-releases/2022/12/sunlenca-lenacapavir-receives-fda-approval-as-a-firstinclass-twiceyearly-treatment-option-for-people-living-with-multidrug-resistant-hiv>.
8. "European Commission Grants Expanded Marketing Authorization for Gilead's Biktarvy® for the Treatment of HIV in Pediatric Populations," Gilead Sciences, Inc., November 29, 2022; <https://www.gilead.com/news-and-press/press-room/press-releases/2022/11/european-commission-grants-expanded-marketing-authorization-for-gileads-biktarvy-for-the-treatment-of-hiv-in-pediatric-populations>.

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.