



## Why Investors Should Consider Investing in ETFs During this Pandemic

We've all had to make adjustments in order to better cope with this pandemic. COVID-19 has not only affected our personal health and safety, it has also made an impact on our social interactions and financial wellbeing. In these uncertain times, investors may want to more carefully consider their investment options by exploring what has thrived throughout the pandemic.

When the markets took a nosedive in March, [only five exchange-traded funds \(ETFs\) out of over 500 equity ETFs](#) had positive returns for the month. Three funds among the five were from a single provider, Evolve ETFs.

## Evolve ETFs: One of Canada's Fastest-Growing ETF Providers

For a company that has only been in the market for about three years since launching their first ETF in September 2017, Evolve ETFs has achieved quite a number of milestones. The firm has been recently named by [Canadian Business and Maclean's Magazine as one of Canada's fastest-growing companies in 2020](#). In August, Evolve ETFs [surpassed one billion in assets under management \(AUM\)](#) as one of the few independent ETF providers in Canada.

Evolve ETFs has successfully carved out their own corner of the Canadian ETF market through launching a number of first-of-its-kind thematic ETFs for Canadian investors. Here are some of the more notable ones:

### CYBR ETF: Investing in Cybersecurity

The Evolve Cyber Security Index Fund (Ticker: CYBR) is Evolve's first thematic ETF. CYBR ETF was launched in September 2017 and remains Canada's first cybersecurity ETF. The fund invests in global [companies involved in the cybersecurity industry](#) - including hardware, software, and consulting services. CYBR ETF was the top-performing ETF out of 510 Canadian unlevered equity ETFs in 2018<sup>1</sup>, and was one of the five ETFs that posted positive performance in March this year. The fund's assets recently reached over \$100 million and is expected to continue growing as [the demand for cybersecurity increases](#).

### CARS ETF: Electric Vehicles and Automobile Innovation

The Evolve Automobile Innovation Index Fund (Ticker: CARS), launched in late September 2017, is Canada's first automobile innovation ETF. The fund invests in companies that are directly or indirectly involved in developing electric drivetrains, autonomous driving or network connected services for automobiles. CARS ETF was the second-best performing ETF out of 475 Canadian unlevered equity ETFs with a full year of performance in 2019, with a return of 51.9% by the end of that year<sup>2</sup>.

### EDGE ETF: 7-in-1 Innovation Fund

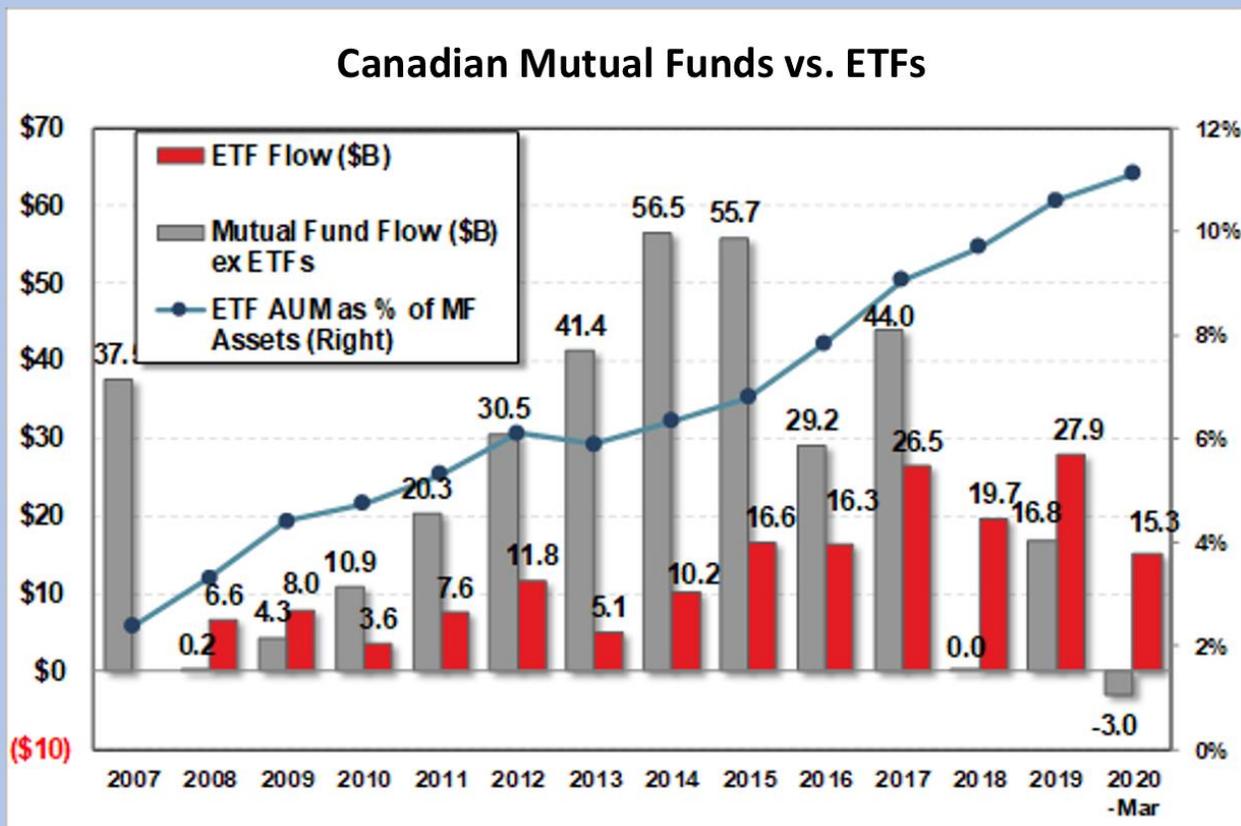
The Evolve Innovation Index Fund (Ticker: EDGE), Canada's first innovation ETF, [invests in seven innovative themes that are transforming our world](#). This fund provides investors with access to global companies involved in the following industries: cybersecurity, automobile

innovation, robotics and automation, genomics, big data and cloud computing, social media, and 5G. For those who are thinking of investing in disruptive technology, EDGE ETF casts a wider net when it comes to investing in technology and may help investors diversify tech portfolios.

### HERO ETF: The Growth in Esports and Video Games

The Evolve E-Gaming Index ETF (Ticker: HERO) is Canada’s first and only esports and video game ETF. HERO ETF was launched in June 2019 and was also [one of five TSX-listed ETFs \(out of 581\) to post a positive return during the market downturn in March 2020](#). The gaming industry has benefited from social distancing measures and lack of traditional sports due to the pandemic. [Revenues for consoles and video games have sky-rocketed](#) as a result of the record-setting number of people watching video game streamers, gaming athletes and celebrities on streaming platforms like Twitch and YouTube. With video games being a more affordable and physically distant yet socially connected form of entertainment, it’s no wonder why the [global games market is expected reach a revenue of about \\$160 billion](#) by end of 2020.

**Why Invest in an ETF?** Nowadays, investors have more investment options to choose from – such as GICs, stocks, and mutual funds to name a few. Some of these products may limit you to a single security, or a specific sector and/or asset class. ETFs provide convenience and transparency when it comes to trading, and allow investors to diversify portfolios, access multiple investment strategies, and even express a view.



Source: National Bank of Canada, NBF ETF Research, Bloomberg

As of August 2020, there are [811 ETFs in Canada](#) alone. For the past two years, Canadian ETF sales have eclipsed mutual fund sales, indicating a dynamic shift in the way we invest. There are a number of advantages to investing in ETFs:

- ETFs may be a simpler choice. If you are interested in investing in a specific industry, hand-picking stocks within that space requires time and due diligence. Investing in a basket of carefully pre-selected stocks through an ETF can help you diversify your investment and make things easier for you.
- ETFs are cheaper. ETFs have fewer intermediaries, trading costs, and administrative requirements that must take place when trading this type of product - making them typically cheaper than mutual funds.
- ETFs can help build a better world. With younger investors looking to invest in sustainability, renewable energy, governance and many other building blocks of a better tomorrow, they are choosing to invest in ETFs to express their values, make their investments greener and positively impactful.

These unprecedented times have taught us the value of adopting technology and changing with the times. Disruptive technologies have performed well in this unpredictable market. Investing in ETFs are becoming the preferred choice over mutual funds. While some industries and companies struggle through the pandemic, others are able to flourish and thrive. Investors, becoming more knowledgeable and sophisticated, may truly benefit from taking advantage of what rises above the fold.

To learn more about Evolve ETFs and Evolve's lineup of exchange-traded funds, please visit their website at [evolveetfs.com](http://evolveetfs.com) or contact [info@evolveetfs.com](mailto:info@evolveetfs.com).

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*Disclaimers:*

<sup>1</sup> Calendar year 2018, based on the Bloomberg Finance L.P. classification of 510 Canadian unlevered equity ETFs, as at December 31, 2018.

<sup>2</sup> Calendar year 2019, based on the Bloomberg Finance L.P. classification of 475 Canadian unlevered equity ETFs with a full year of performance in 2019, as at December 31, 2019.

*Commissions, management fees and expenses all may be associated with exchange traded mutual funds (ETFs). Please read the prospectus before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. There are risks involved with investing in ETFs. Please read the prospectus for a complete description of risks relevant to the ETF. Investors may incur customary brokerage commissions in buying or selling ETF units. Investors should monitor their holdings, as frequently as daily, to ensure that they remain consistent with their investment strategies.*

Sources:

<https://www.wealthprofessional.ca/investments/etfs/how-three-etfs-stayed-positive-through-march/328669>

<https://www.canadianbusiness.com/startup-list-2020/>

<https://finance.yahoo.com/news/high-score-evolve-etfs-ceo-113357367.html>

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