Newsletter Q1 - 2024

EVOVEST

Launch of the Evovest Global Equity ETF (EVO) on the TSX

On March 28th, a significant milestone was reached in our journey at Evovest with the launch of the Evovest Global Equity ETF (EVO) on the Toronto Stock Exchange (TSX).

The ETF's investment objective is to provide long-term capital growth. National Bank Investments will serve as the Investment Fund Manager for EVO, with Evovest taking the role of Portfolio Manager.

The launch of EVO is more than just the introduction of a new ETF; it represents the culmination of hard work and the visionary approach of our entire team. As we embark on this new chapter, we remain dedicated to exploring what can be achieved in the investment realm, always with the aim of delivering value to our investors.

iConnections Miami Highlight: A Step Forward in Our Journey

At our third consecutive participation in the iConnections conference in Miami this January, we experienced an unprecedented level of interest in our Market Neutral strategy, supported by our innovative use of machine learning.

This event not only solidified our position in the financial industry, but also sparked important discussions with institutional investors eager to explore the potential of our investment approach.

The traction we've gained is a clear indicator of the relevance and appeal of our strategy, setting the stage for promising collaborations and reinforcing our commitment to driving value through innovation in investing.

Portfolio Construction Choice

When designing our first investment products, we decided to use an equal-weighted portfolio construction methodology. This methodology allows us to offer a different perspective to potential clients.

It has three advantages:

1. Reduces concentration risk, with less exposure to the ups and downs of a few dominant companies;
2. Improves diversification, with positions of varying sizes
3. Offers a value play, as it can provide exposure to undervalued smaller companies, as their weight is not diminished by their current market size.

Ask us for our One Pager on this topic, we have built a compelling case for this portfolio construction methodology in the current market environment.

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Steady Progress: Q1 Performance Highlights of Our Investment Strategies

In the first quarter of the year, our Market Neutral strategy delivered solid performance, with a YTD return of +10.0%. These results reflect our strategy's steady and disciplined approach to navigating market conditions, supported by the careful application of machine learning.

Similar above benchmark returns were observed in our long-only strategies. Both the Evovest Global Equity Equal Weighted strategy and Evovest Global Equity Market Capitalization Weighted significantly outperformed their underlying benchmark.

Our longest-running global equity strategy, which uses equally weighted components, outperformed the benchmark by +4.5%, bringing its gross annualized alpha since inception to +4.4%.

Its market-cap-weighted counterpart, that uses a market capitalization weighting of components, returns +3.2% versus the benchmark, bringing the trailing twelve months relative to the benchmark to -1.3%.

Our focus remains on maintaining a balanced and risk-adjusted investment process that seeks to generate consistent performance across different market environments. The results of this period serve as an indicator of our commitment to strategic discipline and the potential of our investment methodology.

ABOUT EVOVEST

Evovest is a Montreal-based investment firm using data-driven and human designed techniques to manage equity portfolios. Founded in 2017, Evovest has more than $146 million in assets under management through in HNW and institutional portfolios managed with cutting-edge and evolutive models. Its mission is to bring diversification in equity strategies through an innovative investment process by using AI and machine learning. The firm has seven employees in a streamlined structure that ensures the alignment of interests via ownership. Evovest is B-Corp certified and strives to create a strong sense of community by promoting diversity and inclusivity throughout the firm.

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