



Evolve ETFs

Evolve Automobile Innovation Index Fund

June 30, 2020

Interim Management Report of Fund Performance

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-844-370-4884, by writing to us at Evolve Funds, 161 Bay Street, Suite 2700, Toronto, ON, M5J 2S1 or by visiting our website at www.evolveetfs.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Evolve Automobile Innovation Index Fund

June 30, 2020

Investment Objective and Strategies

The Evolve Automobile Innovation Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Future Cars Index (the "Benchmark"), or any successor thereto. The Fund invests primarily in equity securities of companies that are directly or indirectly involved in developing electric drivetrains, autonomous driving or network connected services for automobiles.

Risk

There were no changes to the Fund over the period of this report that materially affected the level of risk associated with an investment in the Fund. Prospective investors should read the Fund's most recent prospectus and consider the description of risks contained therein.

Results of Operations

For the six-month ended June 30, 2020, Unhedged ETF Units returned 14.6% versus the Solactive Future Cars Index return of 17.6%. Hedged ETF Units returned 7.9%, the Hedged Class A Mutual Fund Units returned 14.9% and the Hedged Class F Mutual Fund Units returned 14.1% versus the Solactive Future Cars Index Canadian Dollar Hedged return of 4.6%. US Dollar Unhedged ETF Units returned 9.6% versus the Solactive Future Cars Index USD return of 12.0%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management and administrative fees, trailer fees on the Hedged Class A Mutual Fund Units plus applicable sales taxes and to portfolio trading and hedging strategies and the impact of sampling and certain other factors which may have included timing differences versus the Index, and market volatility. The difference in performance of the non-hedged units relative to its benchmark can be attributed primarily to management and administrative fees plus applicable sales taxes and to portfolio trading and the impact of sampling and certain other factors which may have included timing differences versus the Index, and market volatility. Fund's net assets were \$17.7MM as at June 30, 2020.

Portfolio Manager Commentary

Although the prospects for electric (EV) and autonomous vehicles (AV) remain strong, the growth of the industry was stalled by the COVID pandemic during the first half of the year.

This was largely due to the fact that major US automakers were forced to temporarily close their plants during the first quarter, which according to a Navigant Research principal analyst gave the companies more flexibility to manage production and inventories to deal with declines in demand.i

In addition, European carmakers also closed their factories amid health concerns for their employees, falling demand, and severe disruptions to manufacturing supply chains, including China.

In China, auto sales fell 80 percent in the first quarter on the back of the onset of the coronavirus. However, China's auto sales surged 14.5% in May, a second straight month of growth as the global industry's biggest market gradually recovered from the coronavirus pandemic. In the US, the market intelligence company, IHS Markit projected that US car sales this year will decline to 15.4 million vehicles, from 16.5 million a year ago.ii

Incidentally, the US EV market is particularly vulnerable in the current crisis, partially due to its early growth stage and its dependence on global sourcing for its' the batteries. Plummeting oil prices, could also keep potential EV buyers on the side of internal combustion vehicles for a while, especially given the fact that EVs are more expensive and consumers could become more cautious in the wake of high unemployment levels.

On the AV front, which is closely linked to the development of EVs, China has accelerated the development of AVs in recent months for use as driverless delivery systems that would be useful in pandemic situations. AVs have provided a valuable mobility solution as they have been used to deliver necessary medical supplies and meals to health-care professionals and the public in infected areas. According to Allied Market Research, the autonomous driving space is expected to witness a CAGR of 39.5% between 2019 and 2026, and reach \$556.67 billion by 2026.iii

During the period, shares of Tesla, the pioneer in the EV space and the largest automaker by weight in the Fund, rose dramatically in the second quarter, following a sharp decline in March. Although Tesla's sales are negligible compared to those of the big automakers, it has emerged as the most valuable car brand in the world based on market capitalization and is worth more than General Motors, Honda, Ford, Fiat Chrysler and Daimler combined.iv

Tesla's shares have been on a rally since its Shanghai factory became operational and it began manufacturing its Model Y at its original U.S. car plant in Fremont, California. Investors also bought into the company's promises to deliver an electric semi-truck, an electric pickup truck, and improvements in self-driving technology.

Evolve Automobile Innovation Index Fund

June 30, 2020

Shares of Plug Power Inc. the Fund's largest holding by weight in the auto supply chain segment rose significantly during the period on increasing revenues and plans to vertically dominate the hydrogen fuel cell industry - from hydrogen production to operation of hydrogen fuel filling stations to production of hydrogen fuel cells that run electricity powering machines and vehicles. To execute its plans, the company acquired United Hydrogen, a hydrogen producer and Giner ELX, a leader in electrolysis technology used by proton exchange membranes to convert hydrogen into electricity to power vehicles and machinery.v

In the auto parts and equipment segment of the Fund, Ballard Power, a hydrogen fuel cell manufacturer, also experienced a sharp uptick in its price. In a whitepaper issued by the consulting firm Deloitte in conjunction with Ballard, it was noted that "fuel cell electric vehicles are projected to be less expensive to run than battery electric and internal combustion engine vehicles within 10 years," providing impetus for Ballard's stock. The stock rose on increasing orders, including one for its fuel cell stacks that will support backup power systems at German radio towers.vi

Performance Attribution

At the end of the June, the Fund held 62% of its portfolio by weight in companies in the Auto Supply Chain; 17% in Auto Makers and 21% in Auto Parts and Equipment. For the six-month period, the auto supply chain company, Plug Power Inc. was the best performing stock in the Fund, followed by the Auto Maker, Tesla Inc. However, Auto Makers made the largest contribution to the Fund's performance, followed by Auto Supply Chain companies.

(i) <https://www.wired.com/story/covid-19-bad-for-auto-industry-worse-for-evs/>

(ii) <https://www.wired.com/story/covid-19-bad-for-auto-industry-worse-for-evs/>

(iii) <https://finance.yahoo.com/news/driverless-car-race-heats-amid-125012976.html>

(iv)

https://www.forbes.com/sites/johnkoetsier/2020/06/11/why-tesla-gm-honda-ford-fiat-chrysler-daimler/?utm_source=newsletter&utm_medium=email&utm_campaign=weekly%20newsletter#4f52d3ff20d1

(v) <https://www.fool.com/investing/2020/06/19/is-plug-power-stock-a-buy.aspx>

(vi) <https://www.fool.ca/2020/01/19/why-ballard-systems-tsxblpd-stock-price-has-risen-61-in-january-so-far/>

Recent Developments

Subsequent to year end, COVID-19 became a global pandemic and resulted unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty and volatility in the financial markets and have had an enormous impact on businesses and consumers in all sectors. The duration and impact of these developments is unknown at this time and as such, the financial impact to investments cannot be estimated.

Related Party Transactions

The Manager complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Independent Review Committee.

Management Fees

The Manager is entitled to an annual management fee of 0.40% of the net asset value of the Unhedged, Hedged and US Dollar Unhedged ETF Units and the Unhedged Class F Mutual Fund Units and 1.40% of the net asset value of the Unhedged Class A Mutual Fund Units of the Fund, accrued daily and are generally paid monthly in arrears. For the six-month period ended June 30, 2020, the Fund incurred \$25,824 in management fees. These management fees were received by Evolve Funds Group Inc. for the day-to-day operations of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.evolveetfs.com website, and providing all other services including marketing and promotion.

Evolve Automobile Innovation Index Fund

June 30, 2020

Administration Fees

The administration fees are calculated based on 0.15% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid monthly. For the six-month period ended June 30, 2020, the Fund incurred \$9,819 in administration fees. These administration fees were received by Evolve Funds Group Inc. for the following operating expenses of the Fund including but not limited to: mailing and printing expenses for periodic reports to unitholders; fees payable to the index provider, Registrar and Transfer Agent and Custodian; any reasonable out of pocket expenses incurred by the Manager or its agents in connection with their ongoing obligations to the Fund; IRC committee member fees and expenses in connection with the IRC; expenses related to compliance with NI 81-107; fees and expenses relating to voting of proxies by a third party; insurance coverage for the members of the IRC; fees payable to the auditors and legal advisors of the Fund; regulatory filing, stock exchange and licensing fees and CDS fees; costs and expenses of complying with all applicable laws, regulations and policies, including expenses and costs incurred in connection with the continuous public filing requirements such as permitted prospectus preparation and filing expenses; and legal, accounting and audit fees and fees and expenses of the Trustee, Custodian and Manager which are incurred in respect of matters not in the normal course of the Fund's activities. The administration fee paid to the Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Manager incurs for that class.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated.

The Fund's Net Assets Per Unit¹

| For the periods ended: | June 30, 2020 (\$) | December 31, 2019 (\$) | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|--------------------------|------------------------------|------------------------------|------------------------------|
| Unhedged Units - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 25.93 | 18.11 | 21.21 | 20.39 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.16 | 0.39 | 0.50 | 0.14 |
| Total expenses | (0.14) | (0.25) | (0.24) | (0.07) |
| Realized gains (losses) | 1.44 | 0.27 | (0.04) | 0.12 |
| Unrealized gains (losses) | 2.12 | 7.83 | (2.70) | 0.68 |
| Total increase (decrease) from operations² | 3.58 | 8.24 | (2.48) | 0.87 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.07) | - | - | - |
| From dividends | - | (0.13) | (0.30) | (0.09) |
| Total annual distributions³ | (0.07) | (0.13) | (0.30) | (0.09) |
| Net Assets per Unit, end of period | 29.64 | 25.93 | 18.11 | 21.21 |
| Hedged Units - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 24.95 | 16.53 | 20.90 | 20.26 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.15 | 0.35 | 0.48 | 0.17 |
| Total expenses | (0.13) | (0.24) | (0.22) | (0.07) |
| Realized gains (losses) | 0.73 | (0.04) | (1.01) | (0.49) |
| Unrealized gains (losses) | 1.45 | 8.33 | (4.32) | 0.88 |
| Total increase (decrease) from operations² | 2.20 | 8.40 | (5.07) | 0.49 |
| Distributions: | | | | |
| From income (excluding dividends) | (0.07) | - | - | - |
| From dividends | - | (0.12) | (0.30) | (0.08) |
| Return of capital | - | (0.01) | - | (0.01) |
| Total annual distributions³ | (0.07) | (0.13) | (0.30) | (0.09) |
| Net Assets per Unit, end of period | 26.83 | 24.95 | 16.53 | 20.90 |

Evolve Automobile Innovation Index Fund

June 30, 2020

The Fund's Net Assets Per Unit¹ (cont'd)

| For the periods ended: | June 30, 2020 (\$) | December 31, 2019 (\$) | December 31, 2018 (\$) | December 31, 2017 (\$) |
|---|--------------------------|------------------------------|------------------------------|------------------------------|
| US Dollar Unhedged Units - Net Assets per Unit⁴ | | | | |
| Net Assets per Unit, beginning of period | 29.67 | 20.74 | 24.09 | 25.51 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.19 | 0.44 | 0.57 | 0.17 |
| Total expenses | (0.16) | (0.29) | (0.27) | (0.06) |
| Realized gains (losses) | 1.94 | 0.34 | 0.05 | 0.01 |
| Unrealized gains (losses) | 2.35 | 8.61 | (2.96) | (1.70) |
| Total increase (decrease) from operations² | 4.32 | 9.10 | (2.61) | (1.58) |
| Distributions: | | | | |
| From income (excluding dividends) | (0.09) | - | - | - |
| From dividends | - | (0.17) | (0.14) | (0.10) |
| From capital gains | - | - | (0.01) | - |
| Return of capital | - | (0.01) | (0.02) | - |
| Total annual distributions³ | (0.09) | (0.18) | (0.17) | (0.10) |
| Net Assets per Unit, end of period | 33.89 | 29.67 | 20.74 | 24.09 |
| Hedged Class A - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 23.53 | 20.00 | N/A | N/A |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.17 | 0.34 | N/A | N/A |
| Total expenses | (0.26) | (0.16) | N/A | N/A |
| Realized gains (losses) | 1.10 | 0.75 | N/A | N/A |
| Unrealized gains (losses) | 5.36 | 2.60 | N/A | N/A |
| Total increase (decrease) from operations² | 6.37 | 3.53 | N/A | N/A |
| Distributions: | | | | |
| From income (excluding dividends) | (0.07) | - | N/A | N/A |
| Total annual distributions³ | (0.07) | - | N/A | N/A |
| Net Assets per Unit, end of period | 26.78 | 23.53 | N/A | N/A |
| Hedged Class F - Net Assets per Unit | | | | |
| Net Assets per Unit, beginning of period | 23.55 | 20.00 | N/A | N/A |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.15 | 0.26 | N/A | N/A |
| Total expenses | (0.12) | (0.04) | N/A | N/A |
| Realized gains (losses) | 0.02 | 0.70 | N/A | N/A |
| Unrealized gains (losses) | 17.93 | 2.63 | N/A | N/A |
| Total increase (decrease) from operations² | 17.98 | 3.55 | N/A | N/A |
| Distributions: | | | | |
| From income (excluding dividends) | (0.01) | - | N/A | N/A |
| Total annual distributions³ | (0.01) | - | N/A | N/A |
| Net Assets per Unit, end of period | 27.05 | 23.55 | N/A | N/A |

1 This information is derived from the Fund's unaudited interim financial statement as at June 30, 2020 and the audited annual financial statements as at December 31, 2019, 2018 and 2017. The Unhedged and Hedged ETF Units began operations on September 29, 2017 and the US Dollar Unhedged ETF Units began operations on October 3, 2017. The Hedged Class A and F Mutual Fund Units began operations on April 23, 2019.

2 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.

3 Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.

4 Per unit figures are stated in CAD equivalent.

Evolve Automobile Innovation Index Fund

June 30, 2020

The Fund's Ratios/Supplemental Data

| For the periods ended: | June 30, 2020 | December 31, 2019 | December 31, 2018 | December 31, 2017 |
|--|------------------|----------------------|----------------------|----------------------|
| Unhedged Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 7,409,573 | 2,592,897 | 1,358,077 | 2,120,987 |
| Number of units outstanding ⁵ | 250,000 | 100,000 | 75,000 | 100,000 |
| Management expense ratio ⁶ | 0.64% | 0.64% | 0.64% | 0.64% |
| Trading expense ratio ⁷ | 0.32% | 0.28% | 0.29% | 0.51% |
| Portfolio turnover rate ⁸ | 41.17% | 96.27% | 76.01% | 12.56% |
| Net Asset Value per unit (\$) | 29.64 | 25.93 | 18.11 | 21.21 |
| Closing market price (\$) | 29.65 | 25.94 | 18.14 | 21.28 |
| Hedged Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 9,391,837 | 7,484,439 | 6,198,706 | 2,612,453 |
| Number of units outstanding ⁵ | 350,000 | 300,000 | 375,000 | 125,000 |
| Management expense ratio ⁶ | 0.65% | 0.64% | 0.63% | 0.64% |
| Trading expense ratio ⁷ | 0.32% | 0.28% | 0.29% | 0.51% |
| Portfolio turnover rate ⁸ | 41.17% | 96.27% | 76.01% | 12.56% |
| Net Asset Value per unit (\$) | 26.83 | 24.95 | 16.53 | 20.90 |
| Closing market price (\$) | 26.60 | 24.99 | 16.55 | 21.02 |
| US Dollar Unhedged Units - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 847,310 | 741,658 | 518,477 | 1,204,508 |
| Number of units outstanding ⁵ | 25,000 | 25,000 | 25,000 | 50,000 |
| Management expense ratio ⁶ | 0.65% | 0.64% | 0.64% | 0.66% |
| Trading expense ratio ⁷ | 0.32% | 0.28% | 0.29% | 0.51% |
| Portfolio turnover rate ⁸ | 41.17% | 96.27% | 76.01% | 12.56% |
| Net Asset Value per unit (\$) | 33.89 | 29.67 | 20.74 | 24.09 |
| Closing market price (\$) | 33.88 | 29.68 | 20.72 | 24.09 |
| Hedged Class A - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 65,220 | 24 | N/A | N/A |
| Number of units outstanding ⁵ | 2,436 | 1 | N/A | N/A |
| Management expense ratio ⁶ | 1.70% | 0.00% | N/A | N/A |
| Trading expense ratio ⁷ | 0.32% | 0.28% | N/A | N/A |
| Portfolio turnover rate ⁸ | 41.17% | 96.27% | N/A | N/A |
| Net Asset Value per unit (\$) | 26.78 | 23.53 | N/A | N/A |
| Hedged Class F - Ratios/Supplemental Data | | | | |
| Total Net Asset Value (\$) ⁵ | 31,608 | 24 | N/A | N/A |
| Number of units outstanding ⁵ | 1,169 | 1 | N/A | N/A |
| Management expense ratio ⁶ | 0.49% | 0.00% | N/A | N/A |
| Trading expense ratio ⁷ | 0.32% | 0.28% | N/A | N/A |
| Portfolio turnover rate ⁸ | 41.17% | 96.27% | N/A | N/A |
| Net Asset Value per unit (\$) | 27.05 | 23.55 | N/A | N/A |

5 This information is provided as at June 30, 2020 and December 31, 2019, 2018 and 2017.

6 Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

7 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

8 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Evolve Automobile Innovation Index Fund

June 30, 2020

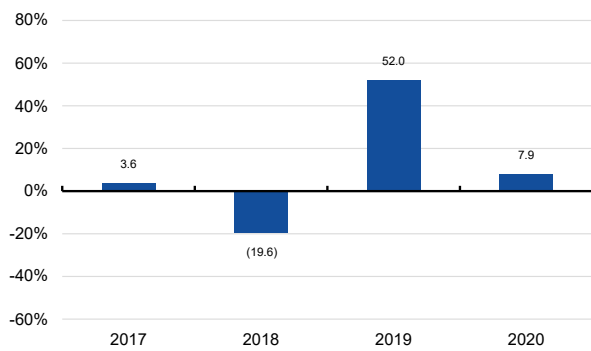
Past Performance

The performance information does not take into account sales, redemption, distribution, income taxes payable by any unitholder or other optional charges that, if applicable, would have reduced returns or performance. The performance information shown assumes that all distributions made by the investment Fund in the periods shown were reinvested in additional securities of the investment fund. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

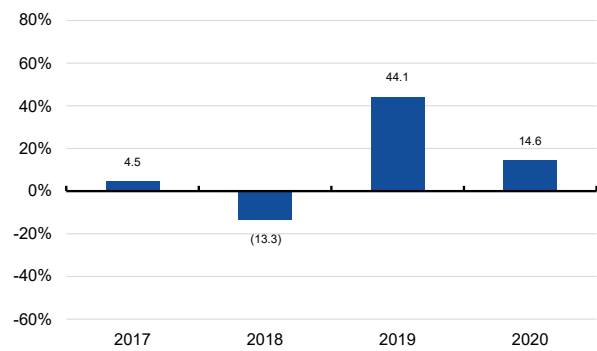
Year-by-Year Returns

The bar chart below shows the Unhedged, Hedged and US Dollar Unhedged ETF Units' and the Hedged Class A and F Mutual Fund Units' performance for each of the financial years shown and for the six-month period ended June 30, 2020. The chart shows, in percentage terms, how much an investment made in the Fund on the first day would have grown or decreased by the last day of the period.

CARS Hedged ETF Units¹



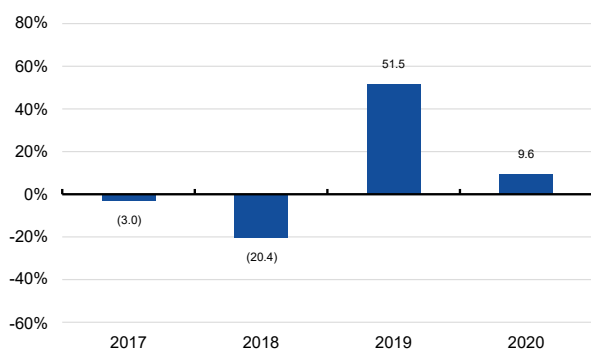
CARS/B Unhedged ETF Units²



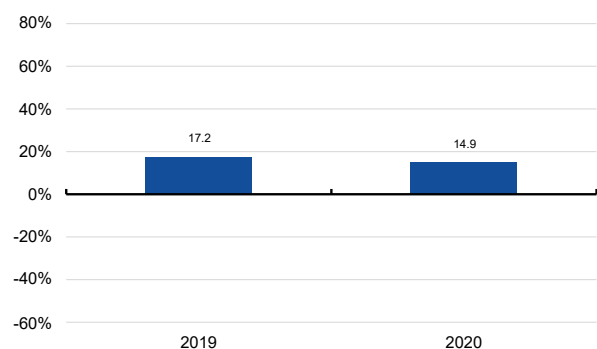
1 The Hedged ETF Units of the Fund effectively began operations on September 29, 2017.

2 The Unhedged ETF Units of the Fund effectively began operations on September 29, 2017.

CARS/U US Dollar Unhedged ETF Units³



Hedged Class A Mutual Fund Units⁴



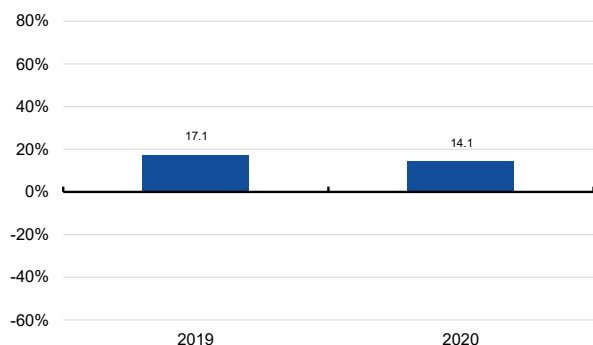
3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on October 3, 2017. Returns presented based on NAV equivalent in \$USD.

4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

Evolve Automobile Innovation Index Fund

June 30, 2020

Hedged Class F Mutual Fund Units⁵



⁵ The Hedged Class F Mutual Fund Units of the Fund effectively began operations on April 23, 2019

Summary of Investment Portfolio

Top 25 Positions

| | Percentage of Net Asset Value (%) |
|--------------------------------|---|
| Security | |
| NIO Inc., ADR | 6.2 |
| Plug Power Inc. | 4.6 |
| ITM Power PLC | 4.0 |
| Tesla Inc. | 3.8 |
| Bloom Energy Corporation | 3.8 |
| Ballard Power Systems Inc. | 3.7 |
| Dialog Semiconductor PLC | 3.2 |
| Ceres Power Holdings PLC | 3.1 |
| NVIDIA Corporation | 3.1 |
| MaxLinear Inc. | 3.1 |
| Valeo SA | 3.1 |
| Skyworks Solutions Inc. | 3.1 |
| Melexis NV | 3.0 |
| ams AG | 3.0 |
| Visteon Corporation | 2.8 |
| Infineon Technologies AG | 2.8 |
| PowerCell Sweden AB | 2.8 |
| GS Yuasa Corporation | 2.8 |
| Aptiv PLC | 2.7 |
| NXP Semiconductors NV | 2.7 |
| Analog Devices Inc. | 2.6 |
| Hella GmbH & Company KGaA | 2.6 |
| Texas Instruments Inc. | 2.5 |
| Maxim Integrated Products Inc. | 2.5 |
| EnerSys | 2.5 |
| Total | 80.1 |

Evolve Automobile Innovation Index Fund

June 30, 2020

Industry Allocation

| Portfolio by Category | Percentage of Net Asset Value (%) |
|--------------------------------|-----------------------------------|
| Equities | |
| Consumer Discretionary | 30.6 |
| Industrials | 27.3 |
| Information Technology | 40.4 |
| Derivative Assets | 0.0 |
| Derivative Liabilities | (0.1) |
| Cash and Cash Equivalents | 1.8 |
| Other Assets, less Liabilities | (0.0) |
| Total | 100.0 |

The summary of Investment Portfolio may change due to the ongoing portfolio transactions of the Fund. Updates are available quarterly by visiting our website at www.evolveetfs.com.



Evolve ETFs

Evolve Automobile Innovation Index Fund