

Evolve Cyber Security Index Fund

June 30, 2024

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, 40 King Street West, Suite 3404, Toronto, ON, M5H 3Y2 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.

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Investment Objective and Strategies

The Evolve Cyber Security Index Fund (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the Solactive Global Cyber Security Index Canadian Dollar Hedged (the "Benchmark"), or any successor thereto. The Fund invests primarily in equity securities of companies located domestically or internationally that are involved in the cyber security industry through hardware and software development.

Risk

Effective August 16, 2024, the risk rating of the US Dollar Unhedged ETF Units of the Fund was changed from "Medium to High" to "High". 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 period ended June 30, 2024, the Unhedged ETF Units returned 9.7% versus the Solactive Global Cyber Security Index return of 11.1%. The Hedged ETF Units returned 7.1% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 7.8%. The US Dollar Unhedged ETF Units returned 6.2% versus the Solactive Global Cyber Security USD Index NTR return of 7.0%. The Hedged Class A Mutual Fund Units returned 6.4% and the Hedged Class F Mutual Fund Units returned 7.1% versus the Solactive Global Cyber Security Index Canadian Dollar Hedged return of 7.8%. The difference in performance of the hedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes and to portfolio trading and hedging strategies. The difference in performance of the unhedged units relative to its benchmark can be attributed primarily to management and administration fees plus applicable sales taxes and to portfolio trading. The Fund's net assets were \$177.4MM as at June 30, 2024.

Portfolio Manager Commentary

The first half of 2024 has been relatively muted for the cybersecurity industry, despite the unabated pace of cyberattacks. The sector has seen a mix of positive and negative developments during the period, underscored by the emergence of Artificial intelligence (AI) technologies and their impact on cybersecurity technologies and cybercrime.

CrowdStrike emerged as a standout performer when they announced their fourth quarter 2024 earnings in March. The company beat analyst expectations on the top and bottom lines, and issued stronger-than-expected guidance for the upcoming quarter and full year. The company also announced it would acquire Flow Security for an undisclosed price in a cash-and-stock deal, slated to close in the company's fiscal first quarter, as CrowdStrike has been stepping up its merger and acquisition activity in recent months¹. Later in the period in June, it was announced that the company would join the S&P 500, propelling its stock to record highs². CrowdStrike has been profitable in the five most recent quarters, meeting the requirement for inclusion in the S&P 500. With a market cap of over \$90 billion, CrowdStrike has more than double the valuation of the median S&P 500 company³.

In contrast, Palo Alto Networks disappointed investors by cutting its forecasts for both revenue and billings. The company cited "spending fatigue" among clients, reflecting a broader trend of cautious spending in cybersecurity technologies. With sales slowing, the company's third-quarter revenue rose 15% to \$1.98 billion, marking the slowest growth since the start of 2020⁴. This announcement led to the largest share drop Palo Alto Networks has seen in seven years, highlighting the challenges some companies face in maintaining growth amid fluctuating market conditions.

AI has become a significant tailwind for cybersecurity companies⁵, as applications of these new technologies have been used to aid in the battle against cyber threats. However, it also presents new challenges as cybercriminals leverage AI to create more sophisticated attacks⁶. This double-edged sword emphasizes the need for continuous innovation and vigilance within the industry.

Although the sector has faced ongoing threats and varying financial performance amongst its key players in the first half of 2024, the integration of AI and strategic advancements offer potential avenues for future growth. Looking ahead to the remainder of the year, the industry's ability to adapt to advancements in technology and market dynamics will be crucial in shaping its path forward.

Performance Attribution

For the six-month period ending June 30, 2024, CrowdStrike Holdings Inc. made the biggest contribution to the Fund, followed by Palo Alto Networks Inc. By weight, the Fund's largest holdings were CrowdStrike Holdings Inc., Palo Alto Networks Inc., and Booz Allen Hamilton Holding Corporation.

(1) <https://www.cnbc.com/2024/03/05/crowdstrike-shares-pop-on-earnings-beat-strong-full-year-guidance.html>

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(2) <https://www.reuters.com/business/finance/crowdstrike-kkr-godaddy-join-benchmark-sp-500-2024-06-07/>

(3) <https://www.cnbc.com/2024/06/10/crowdstrike-rallies-on-cybersecurity-companys-inclusion-in-sp-500-.html>

(4) <https://www.bloomberg.com/news/articles/2024-05-20/palo-alto-networks-tumbles-after-revenue-forecast-disappoints>

(5) <https://www.ibm.com/ai-cybersecurity>

(6) <https://www.cnbc.com/2024/05/04/warren-buffett-says-ai-scamming-will-be-the-next-big-growth-industry.html>

Recent Developments

There are no known changes at this time to the investment strategy of the Fund or the Manager.

Related Party Transactions

Evolve Funds Group Inc. (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 Hedged Class F Mutual Fund Units and 1.40% of the net asset value of the Hedged Class A Mutual Fund Units of the Fund, accrued daily and generally paid monthly in arrears. For the six-month period ended June 30, 2024, the Fund incurred \$407,396 in management fees. These management fees were received by the Manager 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.

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, 2024, the Fund incurred \$143,865 in administration fees. These administration fees were received by the Manager 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 the Fund.

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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, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)
Unhedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	50.52	35.94	53.47	51.08	30.67	25.68
Increase (decrease) from operations:						
Total revenue	0.04	0.30	0.22	0.27	0.20	0.14
Total expenses	(0.17)	(0.32)	(0.30)	(0.39)	(0.30)	(0.24)
Realized gains (losses)	1.77	(3.16)	(1.02)	7.57	3.02	1.19
Unrealized gains (losses)	2.66	17.55	(16.22)	(5.27)	18.97	2.68
Total increase (decrease) from operations²	4.30	14.37	(17.32)	2.18	21.89	3.77
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	-	(0.11)	(0.10)	(0.05)	(0.05)
Return of capital	-	(0.12)	(0.01)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)	(0.06)	(0.06)
Net Assets per Unit, end of period	55.17	50.52	35.94	53.47	51.08	30.67
Hedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	44.70	31.20	49.38	46.82	28.33	22.77
Increase (decrease) from operations:						
Total revenue	0.03	0.26	0.21	0.26	0.17	0.13
Total expenses	(0.15)	(0.28)	(0.27)	(0.36)	(0.26)	(0.20)
Realized gains (losses)	0.93	(2.20)	(2.24)	6.02	4.05	0.73
Unrealized gains (losses)	2.23	15.65	(15.98)	(3.39)	15.80	3.91
Total increase (decrease) from operations²	3.04	13.43	(18.28)	2.53	19.76	4.57
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	-	(0.11)	(0.10)	(0.05)	(0.05)
Return of capital	-	(0.12)	(0.01)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)	(0.06)	(0.06)
Net Assets per Unit, end of period	47.65	44.70	31.20	49.38	46.82	28.33

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

For the periods ended:	June 30, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)
US Dollar Unhedged ETF Units - Net Assets per Unit⁴						
Net Assets per Unit, beginning of period	67.96	48.35	71.93	68.72	41.26	40.99
Increase (decrease) from operations:						
Total revenue	0.05	0.38	0.30	0.38	0.29	0.15
Total expenses	(0.24)	(0.42)	(0.40)	(0.52)	(0.41)	(0.20)
Realized gains (losses)	2.50	(4.64)	(1.73)	10.06	3.64	1.16
Unrealized gains (losses)	4.02	23.42	(22.52)	(5.38)	26.29	(0.22)
Total increase (decrease) from operations²	6.33	18.74	(24.35)	4.54	29.81	0.89
Distributions:						
From income (excluding dividends)	(0.08)	-	-	-	-	-
From capital gains	-	-	(0.16)	(0.13)	(0.07)	(0.04)
Return of capital	-	(0.16)	(0.01)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.08)	(0.16)	(0.17)	(0.14)	(0.08)	(0.05)
Net Assets per Unit, end of period	74.20	67.96	48.35	71.93	68.72	41.26
Hedged Class A - Net Assets per Unit						
Net Assets per Unit, beginning of period	31.11	21.99	35.25	33.79	19.68	20.39
Increase (decrease) from operations:						
Total revenue	0.02	0.29	0.15	0.20	0.16	0.10
Total expenses	(0.29)	(0.50)	(0.50)	(0.65)	(0.52)	(0.26)
Realized gains (losses)	0.42	(1.47)	(1.87)	4.08	3.13	0.56
Unrealized gains (losses)	0.72	10.90	(10.73)	(2.09)	16.79	0.23
Total increase (decrease) from operations²	0.87	9.22	(12.95)	1.54	19.56	0.63
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	-	(0.11)	(0.10)	(0.05)	(0.03)
Return of capital	-	(0.12)	(0.01)	(0.01)	(0.01)	(0.01)
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)	(0.06)	(0.04)
Net Assets per Unit, end of period	32.94	31.11	21.99	35.25	33.79	19.68

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

For the periods ended:	June 30, 2024 (\$)	December 31, 2023 (\$)	December 31, 2022 (\$)	December 31, 2021 (\$)	December 31, 2020 (\$)	December 31, 2019 (\$)
Hedged Class F - Net Assets per Unit						
Net Assets per Unit, beginning of period	33.10	23.13	36.63	34.75	19.94	20.38
Increase (decrease) from operations:						
Total revenue	0.02	0.23	0.17	0.19	0.14	0.07
Total expenses	(0.11)	(0.21)	(0.21)	(0.27)	(0.21)	(0.01)
Realized gains (losses)	0.57	(1.51)	(1.10)	4.43	3.73	0.75
Unrealized gains (losses)	1.38	11.66	(13.16)	(2.91)	12.18	(0.87)
Total increase (decrease) from operations²	1.86	10.17	(14.30)	1.44	15.84	(0.06)
Distributions:						
From income (excluding dividends)	(0.06)	-	-	-	-	-
From capital gains	-	-	(0.11)	(0.10)	(0.05)	-
Return of capital	-	(0.12)	(0.01)	(0.01)	(0.01)	-
Total annual distributions³	(0.06)	(0.12)	(0.12)	(0.11)	(0.06)	-
Net Assets per Unit, end of period	35.26	33.10	23.13	36.63	34.75	19.94

- 1 This information is derived from the Fund's unaudited interim financial statements as at June 30, 2024, and the audited annual financial statements as at December 31, 2023, 2022, 2021, 2020 and 2019. The Unhedged and Hedged ETF Units effectively began operations on September 18, 2017, the US Dollar Unhedged ETF Units effectively began operations on May 14, 2019, and the Hedged Class A and F Mutual Fund Units effectively 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.

The Fund's Ratios/Supplemental Data

For the periods ended:	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	23,446,732	16,419,016	13,476,661	40,104,952	40,865,613	10,734,486
Number of units outstanding ⁵	425,000	325,000	375,000	750,000	800,000	350,000
Management expense ratio ⁶	0.59%	0.63%	0.63%	0.62%	0.63%	0.66%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%	0.05%
Portfolio turnover rate ⁸	15.63%	42.76%	51.07%	61.15%	43.96%	63.20%
Net Asset Value per unit (\$)	55.17	50.52	35.94	53.47	51.08	30.67
Closing market price (\$)	55.37	50.01	35.97	53.76	51.24	30.67
Hedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	142,936,684	148,641,637	116,209,671	213,584,316	152,180,066	60,191,859
Number of units outstanding ⁵	3,000,000	3,325,000	3,725,000	4,325,000	3,250,000	2,125,000
Management expense ratio ⁶	0.59%	0.63%	0.62%	0.62%	0.63%	0.63%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%	0.05%
Portfolio turnover rate ⁸	15.63%	42.76%	51.07%	61.15%	43.96%	63.20%
Net Asset Value per unit (\$)	47.65	44.70	31.20	49.38	46.82	28.33
Closing market price (\$)	47.57	44.65	30.96	49.50	46.96	28.32

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The Fund's Ratios/Supplemental Data (cont'd)

For the periods ended:	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
US Dollar Unhedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	5,565,086	5,096,799	4,834,676	8,991,091	5,153,646	1,031,495
Number of units outstanding ⁵	75,000	75,000	100,000	125,000	75,000	25,000
Management expense ratio ⁶	0.62%	0.64%	0.62%	0.62%	0.63%	0.64%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%	0.05%
Portfolio turnover rate ⁸	15.63%	42.76%	51.07%	61.15%	43.96%	63.20%
Net Asset Value per unit (\$)	74.20	67.96	48.35	71.93	68.72	41.26
Closing market price (\$)	74.37	68.19	48.38	71.94	68.43	41.24
Hedged Class A - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	3,181,786	2,895,289	1,271,690	1,912,676	518,127	17,220
Number of units outstanding ⁵	96,583	93,078	57,832	54,261	15,333	875
Management expense ratio ⁶	1.76%	1.75%	1.76%	1.75%	1.74%	1.75%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%	0.05%
Portfolio turnover rate ⁸	15.63%	42.76%	51.07%	61.15%	43.96%	63.20%
Net Asset Value per unit (\$)	32.94	31.11	21.99	35.25	33.79	19.68
Hedged Class F - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	2,308,186	2,598,052	1,509,938	3,766,873	2,411,675	20
Number of units outstanding ⁵	65,463	78,502	65,293	102,822	69,407	1
Management expense ratio ⁶	0.62%	0.63%	0.62%	0.63%	0.63%	0.00%
Trading expense ratio ⁷	0.02%	0.03%	0.03%	0.05%	0.05%	0.05%
Portfolio turnover rate ⁸	15.63%	42.76%	51.07%	61.15%	43.96%	63.20%
Net Asset Value per unit (\$)	35.26	33.10	23.13	36.63	34.75	19.94

5 This information is provided as at June 30, 2024, and December 31, 2023, 2022, 2021, 2020 and 2019.

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.

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.

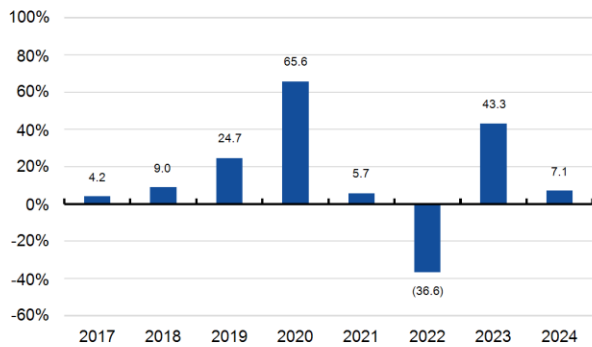
Year-by-Year Returns

The bar chart below shows the Hedged, Unhedged, 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, 2024. The chart shows, in percentage terms, how much an investment made in the Fund on the first day of each financial period would have grown or decreased by the last day of that financial period.

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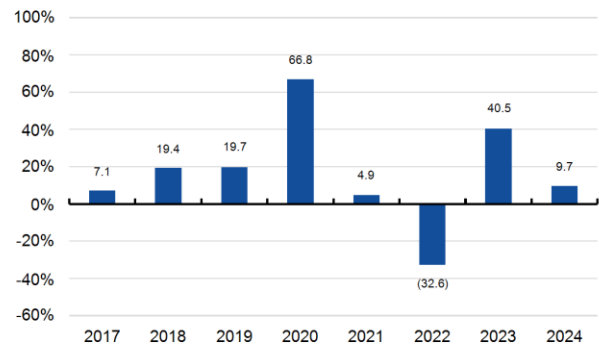
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CYBR Hedged ETF Units¹



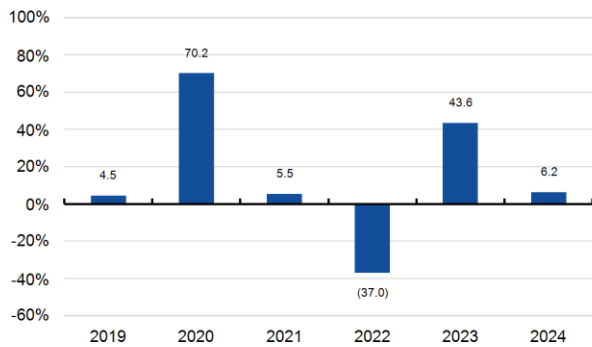
1 The Hedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/B Unhedged ETF Units²



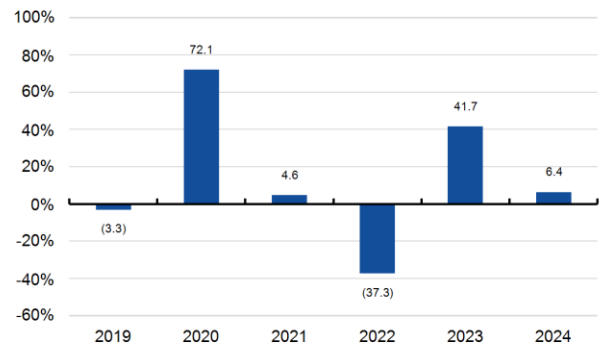
2 The Unhedged ETF Units of the Fund effectively began operations on September 18, 2017.

CYBR/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on May 14, 2019. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units⁴

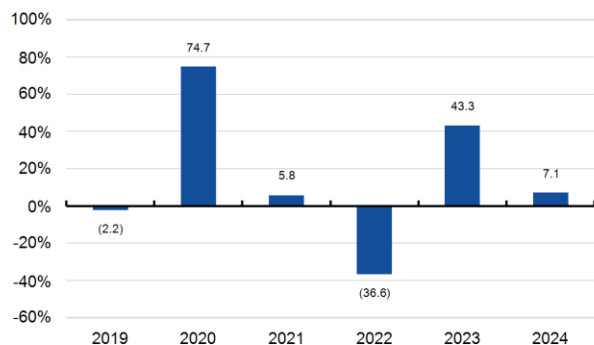


4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on April 23, 2019.

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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	
CrowdStrike Holdings Inc., Class 'A'	8.9
Palo Alto Networks Inc.	8.7
Booz Allen Hamilton Holding Corporation, Class 'A'	7.7
Zscaler Inc.	7.6
Check Point Software Technologies Limited	7.3
CyberArk Software Limited	7.0
Okta Inc., Class 'A'	6.8
Fortinet Inc.	6.5
CACI International Inc.	5.8
NEXTDC Limited	4.4
SentinelOne Inc.	3.5
Trend Micro Inc.	3.5
Qualys Inc.	3.2
Varonis Systems Inc.	3.2
Darktrace PLC	3.1
Tenable Holdings Inc.	3.1
Rapid7 Inc.	1.6
Netcompany Group A/S	1.3
GDS Holdings Limited, ADR	1.0
BlackBerry Limited	0.9
A10 Networks Inc.	0.6
Fastly Inc.	0.6
Radware Limited	0.5
Applied Digital Corporation	0.4
Change Holdings Inc.	0.3
Total	97.5

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Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Communication Services	0.8
Industrials	13.5
Information Technology	85.6
Derivative Assets	0.0
Derivative Liabilities	(0.2)
Cash and Cash Equivalents	0.3
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.



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