

Evolve Global Healthcare Enhanced Yield 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.

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

Investment Objective and Strategies

The Evolve Global Healthcare Enhanced Yield Fund (the “Fund”) seeks to replicate, to the extent reasonably possible before fees and expenses, the performance of the Solactive Global Healthcare 20 Index Canadian Dollar Hedged (the “Benchmark”), or any successor thereto, while mitigating downside risk. The Fund invests primarily in the equity constituents of the Solactive Global Healthcare 20 Index Canadian Dollar Hedged, or any successor thereto, while writing covered call options on up to 33% of the portfolio securities, at the discretion of the portfolio manager. The level of covered call option writing may vary based on market volatility and other factors.

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 period ended June 30, 2024, the Unhedged ETF Units returned 11.1% versus the Solactive Global Healthcare 20 Index return of 13.5%. The Hedged ETF Units returned 8.6% versus the Solactive Global Healthcare 20 Canadian Dollar Index Hedged return of 8.7%. The US Dollar Unhedged ETF Units returned 7.6% versus the Solactive Global Healthcare 20 Index return of 13.5%. The Hedged Class A Mutual Fund Units returned 7.9% and the Hedged Class F Mutual Fund Units returned 8.5% versus the Solactive Global Healthcare 20 Canadian Dollar Index Hedged return of 8.7%. 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. Furthermore, the difference can also be attributed to the implementation of the call writing strategy where the Fund tends to outperform in flat or down markets and underperform during sharp market advances. This performance difference can be seen over the period the calls are written, typically with one to two months to expiry, and then resets when new option positions are established. The Fund’s net assets were \$285.5MM as at June 30, 2024.

Portfolio Manager Commentary

The first half of 2024 has been an exciting period for the healthcare industry, marked by significant advancements in treatments, new product approvals, and shifting consumer demand. One standout development during the period has been the extraordinary popularity of GLP-1 weight loss drugs. Companies like Eli Lilly and Novo Nordisk have experienced significant growth in their stock prices on the back of overwhelming demand for these products¹, reflecting a growing market for effective weight management solutions. In fact, both companies have struggled to produce enough of the products in order to meet consumer demand. To illustrate, in order to combat supply shortages, Eli Lilly is investing billions in constructing new manufacturing facilities in an effort to better meet the overwhelming demand for GLP-1 drugs and continue to improve sales².

In addition to the weight loss segment, during the period there were notable developments in the treatment of Alzheimer’s disease. Eli Lilly has applied for Food and Drug Administration (FDA) approval for its new Alzheimer’s drug, Donanemab, marking a significant milestone in Alzheimer’s treatment options³. The treatment has been proven to slow cognitive decline by 35% in patients at a certain level of disease progression⁴. If approved, it would be the second Alzheimer’s drug of its kind cleared for use and is predicted to generate billions of dollars of sales for the pharmaceutical giant.

Conversely, the demand for COVID-19 vaccines saw a marked decline during the period. This shift led AstraZeneca to withdraw its vaccine from the market due to insufficient demand⁵, highlighting the evolving landscape of the pandemic and its treatments. This reduction in vaccine demand reflects broader public health trends and the increasing focus on other pressing medical needs.

Overall, the healthcare industry has performed strongly and was marked by new product innovations in the first half of 2024. The booming market for weight loss drugs and significant strides in Alzheimer’s treatments have been pivotal, while the waning demand for COVID-19 vaccines indicates a transition in healthcare trends.

Performance Attribution

For the six-month period ending June 30, 2024, Eli Lilly & Company made the biggest contribution to the Fund, followed by Novo Nordisk A/S. By weight, the Fund’s largest holdings were Eli Lilly & Company, Vertex Pharmaceuticals Incorporated, and Amgen Inc.

(1) <https://www.theguardian.com/business/article/2024/jun/25/ozempic-novo-nordisk-us-north-carolina-wegovy>

(2) <https://www.cnbc.com/2024/04/17/eli-lillys-zepbound-mounjaro-in-short-supply-through-june-fda-says-.html>

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

(3) <https://www.cnn.com/2024/06/10/fda-advisors-recommend-eli-lilly-alzheimers-drug-donanemab.html>

(4) <https://www.medicalnewstoday.com/articles/fda-approves-alzheimers-drug-donanemab#:~:text=In%20an%20international%20phase%203,cognitive%20decline%20by%20about%2022%25.>

(5) <https://www.reuters.com/business/healthcare-pharmaceuticals/astrazeneca-withdraw-covid-vaccine-worldwide-telegraph-reports-2024-05-07/>

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 0.45% of the net asset value of the Hedged, Unhedged and US Dollar Unhedged ETF Units and the Hedged Class F Mutual Fund Units and 1.45% 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 \$658,833 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 \$219,146 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.

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

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

	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
For the periods ended:	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Unhedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	23.80	24.87	25.48	23.16	22.71	21.10
Increase (decrease) from operations:						
Total revenue	0.40	0.81	0.75	0.54	0.65	0.68
Total expenses	(0.13)	(0.29)	(0.26)	(0.24)	(0.27)	(0.28)
Realized gains (losses)	0.61	2.10	(0.46)	0.66	0.35	0.24
Unrealized gains (losses)	1.73	(1.72)	1.18	2.90	0.42	2.40
Total increase (decrease) from operations²	2.61	0.90	1.21	3.86	1.15	3.04
Distributions:						
From income (excluding dividends)	(0.96)	-	-	-	-	-
From dividends	-	(0.39)	(0.47)	(0.28)	(0.25)	(0.27)
From capital gains	-	(0.41)	-	(0.87)	(0.75)	-
Return of capital	-	(1.12)	(1.33)	(0.38)	(0.50)	(1.07)
Total annual distributions³	(0.96)	(1.92)	(1.80)	(1.53)	(1.50)	(1.34)
Net Assets per Unit, end of period	25.46	23.80	24.87	25.48	23.16	22.71
Hedged ETF Units - Net Assets per Unit						
Net Assets per Unit, beginning of period	20.79	21.88	23.59	21.14	21.14	18.79
Increase (decrease) from operations:						
Total revenue	0.34	0.72	0.69	0.46	0.55	0.59
Total expenses	(0.12)	(0.25)	(0.24)	(0.23)	(0.23)	(0.26)
Realized gains (losses)	0.18	1.89	(1.18)	0.19	1.17	0.17
Unrealized gains (losses)	1.35	(1.61)	1.10	3.70	0.53	3.96
Total increase (decrease) from operations²	1.75	0.75	0.37	4.12	2.02	4.46
Distributions:						
From income (excluding dividends)	(0.96)	-	-	-	-	-
From dividends	-	(0.34)	(0.42)	(0.23)	(0.34)	(0.27)
From capital gains	-	(0.44)	-	(0.88)	(0.69)	-
Return of capital	-	(1.14)	(1.38)	(0.42)	(0.47)	(1.07)
Total annual distributions³	(0.96)	(1.92)	(1.80)	(1.53)	(1.50)	(1.34)
Net Assets per Unit, end of period	21.59	20.79	21.88	23.59	21.14	21.14

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

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	27.20	28.82	29.80	27.21	26.91	26.64
Increase (decrease) from operations:						
Total revenue	0.45	0.94	0.85	0.59	0.78	0.03
Total expenses	(0.16)	(0.34)	(0.30)	(0.28)	(0.33)	(0.02)
Realized gains (losses)	0.70	2.45	(0.42)	0.76	0.38	(0.07)
Unrealized gains (losses)	1.96	(2.06)	2.06	3.56	0.70	0.52
Total increase (decrease) from operations²	2.95	0.99	2.19	4.63	1.53	0.46
Distributions:						
From income (excluding dividends)	(1.30)	-	-	-	-	-
From dividends	-	(0.45)	(0.56)	(0.31)	(0.33)	(0.15)
From capital gains	-	(0.59)	-	(1.09)	(0.99)	-
Return of capital	-	(1.55)	(1.99)	(0.52)	(0.69)	-
Total annual distributions³	(1.30)	(2.59)	(2.55)	(1.92)	(2.01)	(0.15)
Net Assets per Unit, end of period	28.87	27.20	28.82	29.80	27.21	26.91
Hedged Class A - Net Assets per Unit						
Net Assets per Unit, beginning of period	18.08	19.48	21.48	19.59	19.90	N/A
Increase (decrease) from operations:						
Total revenue	0.29	0.63	0.61	0.45	0.26	N/A
Total expenses	(0.21)	(0.43)	(0.44)	(0.44)	(0.20)	N/A
Realized gains (losses)	0.14	1.64	(1.06)	0.36	0.62	N/A
Unrealized gains (losses)	1.14	(1.44)	(0.13)	2.97	0.08	N/A
Total increase (decrease) from operations²	1.36	0.40	(1.02)	3.34	0.76	N/A
Distributions:						
From income (excluding dividends)	(0.96)	-	-	-	-	N/A
From dividends	-	(0.10)	(0.20)	(0.03)	(0.31)	N/A
From capital gains	-	(0.51)	-	(1.06)	(0.21)	N/A
Return of capital	-	(1.31)	(1.60)	(0.44)	(0.10)	N/A
Total annual distributions³	(0.96)	(1.92)	(1.80)	(1.53)	(0.62)	N/A
Net Assets per Unit, end of period	18.53	18.08	19.48	21.48	19.59	N/A

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

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	19.19	20.32	22.05	19.85	19.89	N/A
Increase (decrease) from operations:						
Total revenue	0.29	0.66	0.63	0.41	0.26	N/A
Total expenses	(0.11)	(0.21)	(0.22)	(0.21)	(0.10)	N/A
Realized gains (losses)	0.15	1.62	(1.21)	0.02	0.35	N/A
Unrealized gains (losses)	1.16	(0.71)	1.28	3.86	0.29	N/A
Total increase (decrease) from operations²	1.49	1.36	0.48	4.08	0.80	N/A
Distributions:						
From income (excluding dividends)	(0.96)	-	-	-	-	N/A
From dividends	-	(0.28)	(0.39)	(0.21)	(0.22)	N/A
From capital gains	-	(0.41)	-	(0.87)	(0.25)	N/A
Return of capital	-	(1.23)	(1.41)	(0.45)	(0.16)	N/A
Total annual distributions³	(0.96)	(1.92)	(1.80)	(1.53)	(0.63)	N/A
Net Assets per Unit, end of period	19.85	19.19	20.32	22.05	19.85	N/A

- 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 October 23, 2017, the US Dollar Unhedged ETF Units effectively began operations on November 26, 2019, and the Hedged Class A and F Mutual Fund Units effectively began operations on July 7, 2020.
- 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	45,666,607	45,675,066	41,043,080	40,766,891	37,642,125	2,838,431
Number of units outstanding ⁵	1,794,000	1,919,000	1,650,000	1,600,000	1,625,000	125,000
Management expense ratio ⁶	0.59%	0.68%	0.67%	0.65%	0.68%	0.68%
Trading expense ratio ⁷	0.07%	0.06%	0.06%	0.06%	0.11%	0.25%
Portfolio turnover rate ⁸	28.12%	57.04%	73.30%	44.05%	59.63%	78.19%
Net Asset Value per unit (\$)	25.46	23.80	24.87	25.48	23.16	22.71
Closing market price (\$)	25.50	23.79	24.86	25.51	23.16	22.63
Hedged ETF Units - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	203,000,595	181,981,672	189,187,745	154,484,891	75,062,124	8,984,401
Number of units outstanding ⁵	9,402,996	8,752,996	8,647,996	6,550,000	3,550,000	425,000
Management expense ratio ⁶	0.64%	0.68%	0.68%	0.67%	0.68%	0.68%
Trading expense ratio ⁷	0.07%	0.06%	0.06%	0.06%	0.11%	0.25%
Portfolio turnover rate ⁸	28.12%	57.04%	73.30%	44.05%	59.63%	78.19%
Net Asset Value per unit (\$)	21.59	20.79	21.88	23.59	21.14	21.14
Closing market price (\$)	21.63	20.79	21.91	23.71	21.16	21.08

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

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	25,291,975	23,830,911	25,970,927	11,919,429	7,483,511	1,345,610
Number of units outstanding ⁵	876,038	876,038	901,038	400,000	275,000	50,000
Management expense ratio ⁶	0.65%	0.68%	0.67%	0.65%	0.70%	0.00%
Trading expense ratio ⁷	0.07%	0.06%	0.06%	0.06%	0.11%	0.25%
Portfolio turnover rate ⁸	28.12%	57.04%	73.30%	44.05%	59.63%	78.19%
Net Asset Value per unit (\$)	28.87	27.20	28.82	29.80	27.21	26.91
Closing market price (\$)	28.98	27.24	28.81	29.85	27.21	26.91
Hedged Class A - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	1,040,081	1,032,766	1,025,711	1,507,193	1,053,714	N/A
Number of units outstanding ⁵	56,121	57,122	52,641	70,169	53,793	N/A
Management expense ratio ⁶	1.80%	1.81%	1.80%	1.81%	1.78%	N/A
Trading expense ratio ⁷	0.07%	0.06%	0.06%	0.06%	0.11%	N/A
Portfolio turnover rate ⁸	28.12%	57.04%	73.30%	44.05%	59.63%	N/A
Net Asset Value per unit (\$)	18.53	18.08	19.48	21.48	19.59	N/A
Hedged Class F - Ratios/Supplemental Data						
Total Net Asset Value (\$) ⁵	10,452,866	6,361,584	1,010,940	619,093	197,392	N/A
Number of units outstanding ⁵	526,580	331,439	49,747	28,074	9,942	N/A
Management expense ratio ⁶	0.68%	0.68%	0.68%	0.68%	0.67%	N/A
Trading expense ratio ⁷	0.07%	0.06%	0.06%	0.06%	0.11%	N/A
Portfolio turnover rate ⁸	28.12%	57.04%	73.30%	44.05%	59.63%	N/A
Net Asset Value per unit (\$)	19.85	19.19	20.32	22.05	19.85	N/A

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.

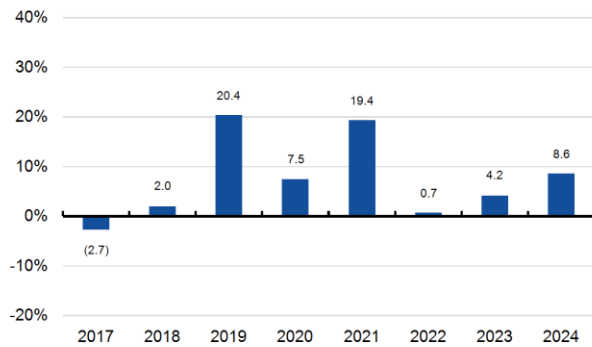
Year-by-Year Returns

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.

Evolve Global Healthcare Enhanced Yield Fund

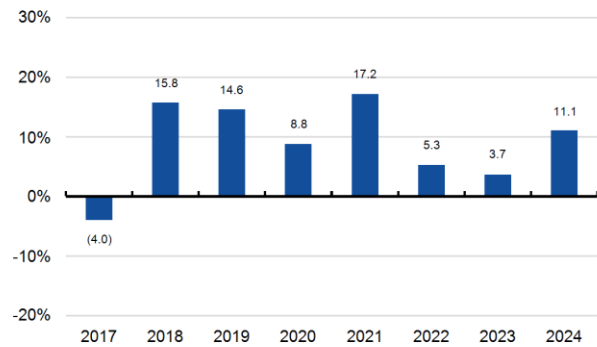
June 30, 2024

LIFE Hedged ETF Units¹



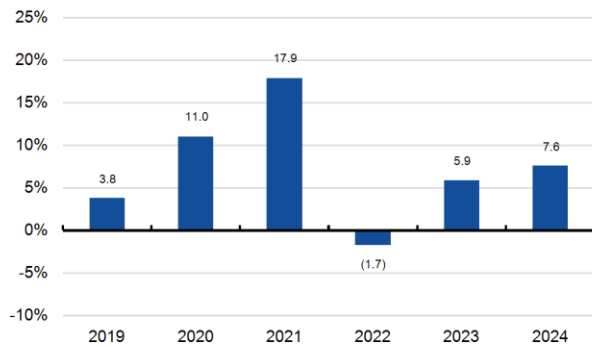
1 The Hedged ETF Units of the Fund effectively began operations on October 23, 2017.

LIFE/B Unhedged ETF Units²



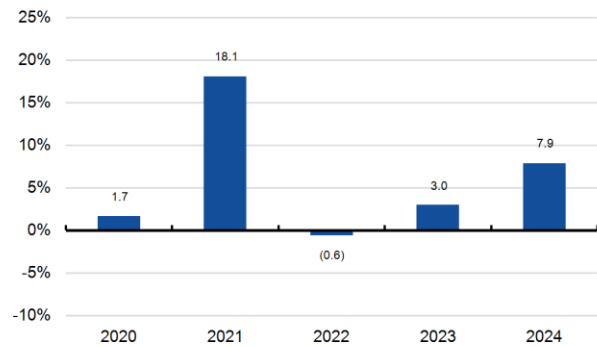
2 The Unhedged ETF Units of the Fund effectively began operations on October 23, 2017.

LIFE/U US Dollar Unhedged ETF Units³



3 The US Dollar Unhedged ETF Units of the Fund effectively began operations on November 26, 2019. Returns presented based on NAV equivalent in USD.

Hedged Class A Mutual Fund Units⁴

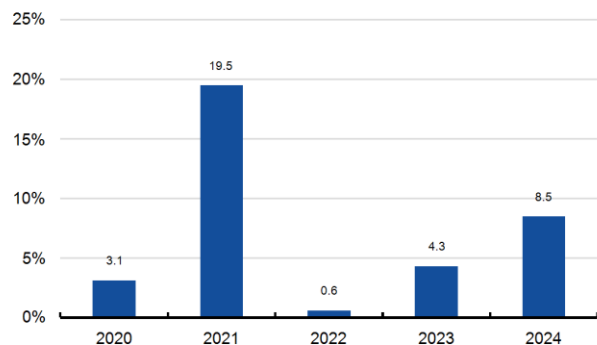


4 The Hedged Class A Mutual Fund Units of the Fund effectively began operations on July 7, 2020.

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

Hedged Class F Mutual Fund Units⁵



⁵ The Hedged Class F Mutual Fund Units of the Fund effectively began operations on July 7, 2020.

Summary of Investment Portfolio

All Positions

	Percentage of Net Asset Value (%)
Security	
Eli Lilly & Company	5.7
Vertex Pharmaceuticals Inc.	5.5
Amgen Inc.	5.5
Intuitive Surgical Inc.	5.4
Novartis AG, ADR	5.3
AstraZeneca PLC, ADR	5.3
Novo Nordisk A/S, ADR	5.3
Roche Holding AG, ADR	5.3
Pfizer Inc.	5.1
AbbVie Inc.	5.0
Sanofi, ADR	4.9
Danaher Corporation	4.9
Essilor International SA, ADR	4.7
Stryker Corporation	4.7
Johnson & Johnson	4.7
Merck & Company Inc.	4.6
Medtronic PLC	4.6
Thermo Fisher Scientific Inc.	4.6
Abbott Laboratories	4.5
Bristol-Myers Squibb Company	4.0
Total	99.6

Evolve Global Healthcare Enhanced Yield Fund

June 30, 2024

Industry Allocation

Portfolio by Category	Percentage of Net Asset Value (%)
Equities	
Healthcare	99.6
Derivative Assets	0.0
Derivative Liabilities	(0.3)
Cash and Cash Equivalents	1.0
Other Assets, less Liabilities	(0.3)
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 Global Healthcare Enhanced Yield Fund