



Evolve ETFs

Annual Financial Statements
December 31, 2017

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Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management of Evolve Funds Group Inc. Management is responsible for the information and representations contained in these financial statements.

Evolve Funds Group Inc. has maintained appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and include certain amounts that are based on estimates and judgements. The significant accounting policies which management believes are appropriate for the ETFs are described in note 2 to the financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's performance of its financial reporting responsibilities.

Ernst & Young LLP is the external auditor of the ETFs. The auditor has been appointed by the Board and cannot be changed without the prior approval of the Independent Review Committee and 60 days' notice to the unitholders. They have audited the financial statements in accordance with generally accepted auditing standards in Canada to enable them to express to the unitholders their opinion on the financial statements. Their report is included as an integral part of the financial statements.



Raj Lala
President & Chief Executive Officer
Evolve Funds Group Inc.
March 29, 2018



Elliot Johnson
Chief Operating Officer & Director
Evolve Funds Group Inc.
March 29, 2018

INDEPENDENT AUDITORS' REPORT

To the Unitholders of:

Evolve Active US Core Equity ETF
Evolve Active Short Duration Bond ETF
Evolve Active Canadian Preferred Share ETF
Evolve Cyber Security Index ETF
Evolve North American Gender Diversity Index ETF
Evolve Automobile Innovation Index ETF
Sphere FTSE Canada Sustainable Yield Index ETF
Sphere FTSE Europe Sustainable Yield Index ETF
Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Evolve US Banks Enhanced Yield ETF
Evolve Global Healthcare Enhanced Yield ETF
Evolve Active Floating Rate Loan ETF
(collectively the "Evolve ETFs")

We have audited the accompanying financial statements of the Evolve ETFs, which comprise the statements of financial position as at December 31, 2017 and 2016 (as applicable), and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the periods indicated in note 1, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Evolve ETFs, as at December 31, 2017 and 2016 (as applicable) and their financial performance and their cash flows for the periods indicated in note 1 in accordance with International Financial Reporting Standards.

Toronto, Canada
March 29, 2018

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants




Evolve Active US Core Equity ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	2,052,602
Cash	5,674
Receivable from investments sold	44,990
Interest, dividends and other receivables	1,111
Derivative assets	25,642
	<u>2,130,019</u>
Liabilities	
Current Liabilities	
Payable on investments purchased	28,284
Distributions payable to unitholders	1,825
Accrued expenses	1,726
	<u>31,835</u>
Net assets attributable to unitholders	<u>2,098,184</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>1,053,068</u>
Hedged Units	<u>1,045,116</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>21.06</u>
Hedged Units	<u>20.90</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
President & Chief Executive Officer



Elliot Johnson
Chief Operating Officer & Director

Evolve Active US Core Equity ETF
Statement of Comprehensive Income
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Dividend income	11,354
Changes in fair value of investments	
Net realized gain (loss)	26,321
Net change in unrealized appreciation (depreciation)	78,941
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(35,109)
Net change in unrealized appreciation (depreciation)	25,642
Other income (loss)	
Net realized gain (loss) on foreign currency translations	1,657
Net change in unrealized appreciation (depreciation) on foreign currency translations	(22)
Total Income (Loss)	<u>108,784</u>
Expenses	
Management fees (Note 4)	3,394
Administrative fees (Note 4)	728
Interest expense and bank charges	166
Foreign withholding taxes (Note 6)	1,063
Transaction costs (Note 2)	423
Total operating expenses	<u>5,774</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>103,010</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>55,481</u>
Hedged Units	<u>47,529</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>1.11</u>
Hedged Units	<u>0.95</u>

Evolve Active US Core Equity ETF**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	55,481
Hedged Units	47,529
	<u>103,010</u>
Distributions to unitholders from:	
Net investment income	
Unhedged Units	(52,003)
Hedged Units	<u>(51,628)</u>
	<u>(103,631)</u>
Return of capital	
Hedged Units	<u>(1)</u>
	<u>(1)</u>
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,000,000
Hedged Units	<u>1,000,000</u>
	<u>2,000,000</u>
Reinvestment of distributions to holders of redeemable units	
Unhedged Units	49,590
Hedged Units	<u>49,215</u>
	<u>103,631</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>2,098,184</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	1,053,068
Hedged Units	<u>1,045,116</u>
Net assets attributable to unitholders - end of period	<u>2,098,184</u>

Evolve Active US Core Equity ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	103,010
Adjustments for:	
Change in unrealized foreign exchange (gain) loss on currency	7
Realized (gain) loss on investments	(26,321)
Realized (gain) loss on derivatives	35,109
Change in unrealized (appreciation) depreciation in the value of investments	(78,941)
Change in unrealized (appreciation) depreciation in the value of derivatives	(25,642)
Purchases of investments and derivatives ²	(563,882)
Proceeds from sale and maturity of investments and derivatives	538,528
(Increase) decrease in interest, dividends and other receivables	(1,111)
Increase (decrease) in accrued expenses	1,726
Net cash generated (used) by operating activities	<u>(17,517)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(3,001)
Proceeds from sale of units ²	<u>26,199</u>
Net cash provided by (used in) financing activities	<u>23,198</u>
 Change in unrealized foreign exchange gain (loss) on currency	(7)
Net increase (decrease) in cash	5,674
End of period cash balance	5,674
 Supplemental Information:¹	
Dividends received, net of foreign withholding taxes	9,180

¹ Included as part of Cash Flows from Operating Activities

² Excludes in-kind transactions, if any.

Evolve Active US Core Equity ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Discretionary (20.9%)			
11	Amazon.com Inc.	14,036	16,118
56	AMC Networks Inc., Class 'A'	4,046	3,795
276	Best Buy Company Inc.	19,161	23,677
170	Big Lots Inc.	11,153	11,960
56	Carnival Corporation	4,719	4,657
480	Discovery Communications Inc., Class 'A'	11,998	13,460
117	Expedia Inc.	21,449	17,558
624	Gannett SpinCo Inc.	7,440	9,062
499	General Motors Company	28,212	25,628
618	H&R Block Inc.	19,890	20,303
243	Hyatt Hotels Corporation, Class 'A'	18,862	22,390
329	Kohl's Corporation	17,900	22,355
95	Lear Corporation	20,618	21,028
17	Lowe's Companies Inc.	1,870	1,980
71	Marriott International Inc., Class 'A'	11,353	12,074
255	Michael Kors Holdings Limited	15,030	20,113
322	Nordstrom Inc.	17,258	19,115
37	Ralph Lauren Corporation	3,956	4,807
149	Royal Caribbean Cruises Limited	23,292	22,268
12	Target Corporation	965	981
290	Tempur Sealy International Inc.	21,191	22,779
495	The Gap Inc.	17,509	21,124
122	The Home Depot Inc.	25,219	28,972
243	Urban Outfitters Inc.	10,692	10,675
210	VF Corporation	16,913	19,471
123	Visteon Corporation	19,167	19,286
135	Wyndham Worldwide Corporation	18,460	19,599
20	Wynn Resorts Limited	3,586	4,225
		405,945	439,460

Evolve Active US Core Equity ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Staples (6.1%)			
175	Aptiv PLC	21,728	18,600
308	CVS Health Corporation	28,349	27,978
249	Herbalife Limited	21,906	21,128
302	Walgreens Boots Alliance Inc.	26,093	27,479
272	Wal-Mart Stores Inc.	29,568	33,654
		<hr/>	<hr/>
		127,644	128,839
Energy (2.6%)			
86	Exxon Mobil Corporation	8,890	9,013
299	Marathon Petroleum Corporation	23,489	24,718
477	PBF Energy Inc., Class 'A'	18,833	21,187
		<hr/>	<hr/>
		51,212	54,918
Financials (6.9%)			
354	Ally Financial Inc.	11,970	12,934
100	Ameriprise Financial Inc.	20,439	21,234
77	Bank of America Corporation	2,489	2,848
43	Berkshire Hathaway Inc., Class 'B'	10,123	10,679
463	Invesco Limited	21,608	21,197
78	JPMorgan Chase & Company	9,541	10,451
103	MSCI Inc., Class 'A'	15,713	16,330
196	State Street Corporation	24,271	23,971
370	The Bank of New York Mellon Corporation	25,400	24,969
		<hr/>	<hr/>
		141,554	144,613

Evolve Active US Core Equity ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Health Care (20.2%)			
85	AbbVie Inc.	10,615	10,300
152	Alexion Pharmaceuticals Inc.	22,795	22,776
201	AmerisourceBergen Corporation	20,209	23,124
146	Amgen Inc.	33,542	31,812
66	Biogen Inc.	27,491	26,344
346	Bioverativ Inc.	24,860	23,375
313	Cardinal Health Inc.	25,156	24,028
217	Celgene Corporation	35,977	28,374
100	Cigna Corporation	23,646	25,446
379	Exelixis Inc.	12,834	14,436
261	Express Scripts Holding Company	18,915	24,409
322	Gilead Sciences Inc.	32,890	28,903
79	Humana Inc.	23,782	24,555
62	Johnson & Johnson	10,622	10,854
123	McKesson Corporation	23,009	24,034
49	Regeneron Pharmaceuticals Inc.	23,687	23,082
138	UnitedHealth Group Inc.	34,030	38,119
77	WellCare Health Plans Inc.	16,487	19,403
		<hr/>	<hr/>
		420,547	423,374
Industrials (9.8%)			
164	AECOM	7,482	7,634
428	Allison Transmission Holdings Inc.	20,252	23,097
118	Ingersoll-Rand PLC	13,503	13,187
123	ManpowerGroup Inc.	18,583	19,435
169	Owens Corning	16,889	19,468
220	Regal Beloit Corporation	21,671	21,115
206	Robert Half International Inc.	13,792	14,335
214	Spirit AeroSystems Holdings Inc.	21,156	23,394
91	The Boeing Company	29,862	33,625
37	WABCO Holdings Inc.	6,865	6,653
223	Waste Management Inc.	23,616	24,113
		<hr/>	<hr/>
		193,671	206,056

Evolve Active US Core Equity ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Information Technology (26.2%)			
24	Alphabet Inc., Class 'A'	30,207	31,677
19	ANSYS Inc.	3,114	3,514
249	Apple Inc.	48,887	52,797
507	ARRIS International PLC	18,014	16,319
781	Cisco Systems Inc.	33,924	37,479
66	Facebook Inc., Class 'A'	14,276	14,592
245	First Solar Inc.	19,219	20,727
761	HP Inc.	19,489	20,033
137	IAC/InterActiveCorporation	21,578	20,990
125	Intuit Inc.	22,501	24,711
633	Jabil Inc.	22,479	20,819
485	Juniper Networks Inc.	16,286	17,319
178	Mastercard Inc., Class 'A'	32,740	33,757
530	Microsoft Corporation	53,455	56,804
322	NetApp Inc.	17,656	22,319
83	Oracle Corporation	5,129	4,917
152	Red Hat Inc.	22,753	22,873
175	Synopsys Inc.	18,160	18,690
158	VeriSign Inc.	21,460	22,655
278	Visa Inc., Class 'A'	37,786	39,715
146	VMware Inc.	20,545	22,925
237	Western Digital Corporation	24,887	23,616
		<hr/>	<hr/>
		524,545	549,248
Materials (2.5%)			
233	Berry Global Group Inc.	17,192	17,128
416	Olin Corporation	18,597	18,545
218	WestRock Company	15,986	17,265
		<hr/>	<hr/>
		51,775	52,938

Evolve Active US Core Equity ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Real Estate (1.1%)			
416	CBRE Group Inc.	20,538	22,573
Telecommunication Services (1.5%)			
88	AT&T Inc.	4,178	4,287
744	Frontier Communications Corporation	11,342	6,302
574	Telephone and Data Systems Inc.	20,840	19,994
		36,360	30,583
Transaction Costs		(130)	-
Total Investments (97.8%)		1,973,661	2,052,602
Derivative Assets (1.2%)*			25,642
Other assets less liabilities (1.0%)			19,940
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			2,098,184

***Forward Foreign Currency Contracts (1.2%)**
December 31

		Purchased Currency		Sold Currency				
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Counter-Party Credit Rating	
23-Jan-18	CAD	1,046,476	USD	1,020,834	25,642	BNY Capital Markets Inc.	A-1+	
Total unrealized gain/loss of foreign currency contracts					25,642			

Evolve Active US Core Equity ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarizes management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact December 31, 2017
Evolve Active US Core Equity ETF	205,260

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

Financial Instruments (\$)				
	Financial Instruments	Foreign Exchange Forward Contracts	Net currency exposure	+/- 5% Impact
United States Dollar	2,072,510	(1,020,834)	1,051,676	52,584

Interest Rate Risk

As at December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Evolve Active US Core Equity ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Consumer Discretionary	20.9
Consumer Staples	6.1
Energy	2.6
Financials	6.9
Health Care	20.2
Industrials	9.8
Information Technology	26.2
Materials	2.5
Real Estate	1.1
Telecommunication Services	1.5
Derivative Assets	1.2
Cash and Cash Equivalents	0.3
Other Assets, less Liabilities	0.7
	<u>100.0</u>

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	2,052,602	—	—	2,052,602
Derivative Assets	-	25,642	—	25,642
Total	2,052,602	25,642	—	2,078,244

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Evolve Active US Core Equity ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	25,642	25,642	-	25,642
Total	25,642	25,642	-	25,642

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period

-

Issued

50,000

Reinvested

-

Redeemed

-

Number of redeemable units outstanding - End of period

50,000

Hedged Units

Number of redeemable units outstanding - Beginning of period

-

Issued

50,000

Number of redeemable units outstanding - End of period

50,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had no capital and non-capital loss carryforward balances


Evolve Active Short Duration Bond ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	4,723,647
Cash	24,961
Interest, dividends and other receivables	69,079
Derivative assets	96,275
	<u>4,913,962</u>
Liabilities	
Current Liabilities	
Accrued expenses	4,040
	<u>4,040</u>
Net assets attributable to unitholders	<u>4,909,922</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>987,850</u>
Hedged Units	<u>3,922,072</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>19.76</u>
Hedged Units	<u>19.61</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
President & Chief Executive Officer



Elliot Johnson
Chief Operating Officer & Director

Evolve Active Short Duration Bond ETF**Statement of Comprehensive Income**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Income	
Interest for distribution purposes	61,229
Changes in fair value of investments	
Net realized gain (loss)	(14,374)
Net change in unrealized appreciation (depreciation)	(39,495)
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(137,582)
Net change in unrealized appreciation (depreciation)	96,275
Other income (loss)	
Net realized gain (loss) on foreign currency translations	10,077
Net change in unrealized appreciation (depreciation) on foreign currency translations	<u>(874)</u>
Total Income (Loss)	<u>(24,744)</u>
Expenses	
Management fees (Note 4)	8,128
Administrative fees (Note 4)	1,753
Interest expense and bank charges	616
Transaction costs (Note 2)	<u>2,283</u>
Total operating expenses	<u>12,834</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>(37,578)</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>(1,650)</u>
Hedged Units	<u>(35,928)</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>(0.03)</u>
Hedged Units	<u>(0.18)</u>

The accompanying notes are an integral part of these financial statements.

Evolve Active Short Duration Bond ETF**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	(1,650)
Hedged Units	(35,928)
	(37,578)
Distributions to unitholders from:	
Return of capital	
Unhedged Units	(10,500)
Hedged Units	(42,000)
	(52,500)
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,000,000
Hedged Units	4,000,000
	5,000,000
Net increase (decrease) from redeemable unit transactions	5,000,000
Increase (decrease) in net assets attributable to unitholders for the period	4,909,922
Net assets attributable to unitholders - end of period	
Unhedged Units	987,850
Hedged Units	3,922,072
Net assets attributable to unitholders - end of period	4,909,922

The accompanying notes are an integral part of these financial statements.

Evolve Active Short Duration Bond ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	(37,578)
Adjustments for:	
Change in unrealized foreign exchange (gain) loss on currency	105
Realized (gain) loss on investments	14,374
Realized (gain) loss on derivatives	137,582
Change in unrealized (appreciation) depreciation in the value of investments	39,495
Change in unrealized (appreciation) depreciation in the value of derivatives	(96,275)
Purchases of investments and derivatives ²	(4,914,845)
Proceeds from sale and maturity of investments and derivatives	4,595,882
(Increase) decrease in interest, dividends and other receivables	(69,079)
Increase (decrease) in accrued expenses	4,040
Net cash generated (used) by operating activities	<u>(326,299)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(52,500)
Proceeds from sale of units ²	403,865
Net cash provided by (used in) financing activities	<u>351,365</u>
 Change in unrealized foreign exchange gain (loss) on currency	(105)
Net increase (decrease) in cash	24,961
End of period cash balance	24,961
 Supplemental Information: ¹	
Interest received, net of foreign withholding taxes	\$ (7,850)

¹ Included as part of Cash Flows from Operating Activities

² Excludes in-kind transactions, if any.

Evolve Active Short Duration Bond ETF
Schedule of Investment Portfolio
As at December 31, 2017

Par Value (\$)		Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
Corporate Bonds (96.2%)					
40,000	Aircastle Limited	5.125	15-Mar-21	53,375	52,874
40,000	Alcoa Inc., Callable	5.400	15-Apr-21	53,657	53,363
40,000	Aleris International Inc., Callable	7.875	1-Nov-20	50,055	49,867
50,000	Allegheny Technologies Inc., Callable	5.950	15-Jan-21	64,168	64,214
40,000	Ally Financial Inc.	4.125	30-Mar-20	51,562	51,246
25,000	Altice Luxembourg SA, Callable	7.625	15-Feb-25	33,743	30,110
40,000	AMC Networks Inc., Callable	5.000	1-Apr-24	51,677	50,870
40,000	AngloGold Ashanti Holdings PLC	5.125	1-Aug-22	52,804	52,540
40,000	Anixter Inc.	5.125	1-Oct-21	53,907	53,000
40,000	Antero Resources Corporation, Callable	5.625	1-Jun-23	52,146	52,373
50,000	APX Group Inc., Callable	7.875	1-Dec-22	67,774	67,262
40,000	Auto Ahorro Automotriz SA de CV, Callable	6.375	1-Mar-24	54,101	53,250
40,000	AV Homes Inc., Callable	6.625	15-May-22	51,747	52,749
40,000	Avis Budget Car Rental LLC, Callable	5.500	1-Apr-23	51,350	51,559
45,000	Beazer Homes USA Inc., Callable	8.750	15-Mar-22	62,432	62,297
25,000	Bombardier Inc.	8.750	1-Dec-21	33,551	34,534
25,000	Boyd Gaming Corporation, Callable	6.875	15-May-23	33,463	33,321
40,000	CalAtlantic Group Inc.	8.375	15-Jan-21	58,460	57,949
40,000	CCO Holdings LLC/Capital Corporation, Callable	5.750	15-Jan-24	52,121	51,622
25,000	Cemex Finance LLC., Callable	6.000	1-Apr-24	33,136	33,047
40,000	CenturyLink Inc.	5.625	1-Apr-20	52,348	50,682
12,000	CF Industries Inc.	7.125	1-May-20	16,546	16,431
20,000	Chesapeake Energy Corporation	6.125	15-Feb-21	25,207	25,498
40,000	CHS/Community Health Systems Inc., Callable	6.875	1-Feb-22	37,190	29,068
40,000	Cinemark USA Inc., Callable	4.875	1-Jun-23	50,936	50,995
40,000	CIT Group Inc,	5.000	15-Aug-22	54,057	53,250
35,000	Covanta Holding Corporation, Callable	5.875	1-Mar-24	43,676	44,621
20,000	Crestwood Midstream Partners Limited Partnership/Finance Corporation, Callable	6.250	1-Apr-23	25,915	26,167
40,000	CSC Holdings LLC	6.750	15-Nov-21	55,154	53,877
20,000	DCP Midstream Operating Limited Partnership, Callable	3.875	15-Mar-23	24,669	25,028
40,000	DISH DBS Corporation	6.750	1-Jun-21	54,755	52,749
25,000	Dollar Tree Inc., Callable	5.750	1-Mar-23	32,911	32,870
40,000	Dynegy Inc., Callable	7.375	1-Nov-22	52,605	53,000

Evolve Active Short Duration Bond ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

Par Value (\$)		Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
40,000	EMC Corporation	2.650	1-Jun-20	49,366	49,512
20,000	Energy Transfer Equity Limited Partnership	7.500	15-Oct-20	28,178	27,628
25,000	Fiat Chrysler Automobiles NV	4.500	15-Apr-20	32,490	32,251
40,000	Freeport-McMoRan Inc.	3.100	15-Mar-20	50,102	49,993
40,000	Frontier Communications Corporation	8.500	15-Apr-20	49,121	41,723
50,000	Genesis Energy Limited Partnership/Finance Corporation, Callable	6.750	1-Aug-22	64,090	65,310
40,000	Genworth Holdings Inc.	7.625	24-Sep-21	47,810	49,241
40,000	HCA Inc.	7.500	15-Feb-22	57,291	56,508
40,000	Hexion Inc., Callable	6.625	15-Apr-20	44,898	45,232
40,000	Hughes Satellite Systems Corporation	7.625	15-Jun-21	56,737	55,568
40,000	Huntsman International LLC, Callable	4.875	15-Nov-20	52,659	52,311
40,000	Icahn Enterprises Limited Partnership/Finance Corporation, Callable	6.250	1-Feb-22	52,517	51,371
40,000	Infor (US) Inc., Callable	6.500	15-May-22	52,410	52,123
40,000	iStar Inc., Callable	5.250	15-Sep-22	50,817	50,557
40,000	J. C. Penney Corporation Inc.	5.650	1-Jun-20	48,627	45,921
40,000	KB Home, Callable	7.000	15-Dec-21	56,168	55,882
40,000	Kennedy-Wilson Inc., Callable	5.875	1-Apr-24	51,870	51,872
35,000	Kindred Healthcare Inc.	8.000	15-Jan-20	43,916	47,732
40,000	L Brands Inc.	6.625	1-Apr-21	55,009	55,130
25,000	Lamar Media Corporation, Callable	5.000	1-May-23	32,351	32,420
40,000	Lennar Corporation, Callable	4.125	15-Jan-22	51,766	51,308
50,000	Level 3 Financing Inc., Callable	5.125	1-May-23	63,719	62,961
40,000	Levi Strauss & Company, Callable	5.000	1-May-25	53,049	52,499
40,000	LifePoint Health Inc., Callable	5.875	1-Dec-23	52,905	50,807
25,000	Marfrig Holdings (Europe) BV, Callable	8.000	8-Jun-23	32,402	32,772
15,000	Mattel Inc., Callable	2.350	15-Aug-21	17,380	16,839
40,000	MGM Resorts International	5.250	31-Mar-20	52,784	51,997
25,000	Micron Technology Inc., Callable	5.500	1-Feb-25	33,503	32,929
20,000	Murphy Oil Corporation, Callable	6.875	15-Aug-24	26,718	26,813
20,000	Nabors Industries Inc.	4.625	15-Sep-21	24,690	23,994
25,000	Navient Corporation	6.625	26-Jul-21	33,171	33,125
25,000	NCR Corporation, Callable	6.375	15-Dec-23	33,449	32,890
40,000	Netflix Inc.	5.500	15-Feb-22	54,510	52,937
20,000	Newfield Exploration Company	5.750	30-Jan-22	26,857	26,876

Evolve Active Short Duration Bond ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

Par Value (\$)		Coupon Rate (%)	Maturity Date	Average Cost (\$)	Fair Value (\$)
50,000	NRG Energy Inc., Callable	6.250	1-May-24	66,040	65,936
40,000	NRG Yield Operating LLC, Callable	5.375	15-Aug-24	52,260	52,123
20,000	NuStar Logistics Limited Partnership	4.800	1-Sep-20	25,987	25,498
20,000	PBF Holding Company LLC/PBF Finance Corporation, Callable	7.000	15-Nov-23	25,901	26,187
40,000	Petrobras Global Finance BV	8.375	23-May-21	57,565	57,254
20,000	Pride International LLC	6.875	15-Aug-20	25,763	26,281
25,000	Prime Security Services Borrower LLC/Prime Finance Inc., Callable	9.250	15-May-23	34,613	34,848
40,000	PulteGroup Inc., Callable	4.250	1-Mar-21	52,160	51,747
25,000	Quebecor Media Inc.	5.750	15-Jan-23	34,057	33,360
40,000	R. R. Donnelley & Sons Company	7.875	15-Mar-21	52,894	52,373
20,000	Regal Entertainment Group, Callable	5.750	15-Mar-22	26,335	25,905
40,000	Scientific Games International Inc., Callable	10.000	1-Dec-22	55,066	55,192
20,000	Southwestern Energy Company, Callable	4.100	15-Mar-22	24,503	24,746
40,000	Springleaf Finance Corporation	6.125	15-May-22	53,034	52,248
40,000	Sprint Corporation	7.250	15-Sep-21	55,365	53,188
40,000	Starwood Property Trust Inc., Callable	5.000	15-Dec-21	52,535	52,123
30,000	Talen Energy Supply LLC, Callable	4.600	15-Dec-21	33,035	34,581
20,000	Targa Resources Partners Limited Partnership/Finance Corp, Callable	4.250	15-Nov-23	24,805	24,871
20,000	Teck Resources Limited, Callable	3.750	1-Feb-23	25,343	25,216
40,000	Tenet Healthcare Corporation	4.500	1-Apr-21	50,913	50,619
40,000	The ADT Corporation	3.500	15-Jul-22	50,140	49,617
40,000	The AES Corporation, Callable	4.875	15-May-23	51,303	51,308
50,000	The Chemours Company, Callable	6.625	15-May-23	66,510	66,563
40,000	The Gap Inc., Callable	5.950	12-Apr-21	54,370	54,082
40,000	The Goodyear Tire & Rubber Company, Callable	5.125	15-Nov-23	52,337	52,418
50,000	T-Mobile USA Inc., Callable	6.000	15-Apr-24	66,633	66,563
40,000	TransDigm Inc., Callable	6.500	15-Jul-24	51,492	51,496
20,000	Transocean Inc., Callable	5.800	15-Oct-22	24,633	24,808
40,000	Tribune Media Company, Callable	5.875	15-Jul-22	52,059	51,747
40,000	United Rentals (North America) Inc., Callable	5.750	15-Nov-24	53,019	52,937
40,000	United States Steel Corporation	7.375	1-Apr-20	54,432	54,629
40,000	Vale Overseas Limited	4.375	11-Jan-22	52,345	51,947
7,000	Valeant Pharmaceuticals International Inc., Callable	6.500	15-Mar-22	9,261	9,231

Evolve Active Short Duration Bond ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

Par Value		Coupon	Maturity	Average	Fair Value
(\$)		Rate (%)	Date	Cost	(\$)
25,000	VTR Finance BV, Callable	6.875	15-Jan-24	33,214	33,125
40,000	Western Digital Corporation, Callable	10.500	1-Apr-24	58,681	58,200
20,000	Whiting Petroleum Corporation, Callable	5.750	15-Mar-21	24,322	25,779
20,000	WPX Energy Inc., Callable	6.000	15-Jan-22	25,791	26,312
40,000	Xerium Technologies Inc., Callable	9.500	15-Aug-21	51,661	50,870
20,000	YPF Sociedad Anonima	8.500	23-Mar-21	28,237	28,404
				<u>4,763,142</u>	<u>4,723,647</u>
Total Investments (96.2%)				<u>4,763,142</u>	<u>4,723,647</u>
Derivative Assets (2.0%)*					96,275
Other assets less liabilities (1.8%)					90,000
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS					<u>4,909,922</u>

***Forward Foreign Currency Contracts (2.0%)**
December 31

		Purchased Currency		Sold Currency				
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Party Credit Rating	
23-Jan-18	CAD	3,929,098	USD	3,832,823	96,275	BNY Capital Markets Inc.	A-1+	
Total unrealized gain/loss of foreign currency contracts					96,275			

Evolve Active Short Duration Bond ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarizes management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact December 31, 2017
Evolve Active Short Duration Bond ETF	472,365

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

Financial Instruments (\$)				
	Financial Instruments	Foreign Exchange Forwards Contracts	Net currency exposure	+/-5% Impact
United States Dollar	4,811,806	(3,832,823)	978,983	48,949

Interest Rate Risk

The Fund's short-term assets and liabilities were not subject to significant amount of risk due to fluctuations in the prevailing level of market interest rate. The majority of the Fund's investments are in interest bearing securities. The following table indicates the Fund's exposure to fixed income securities by remaining term-to-maturity.

Remaining Term-to-Maturity	December 31, 2017 (\$)
Less than 1 year	—
1-3 years	718,931
3-5 years	2,397,771
Greater than 5 years	1,606,945
Total	4,723,647

The table that follows indicates how investments, at fair value as at December 31 would have increased or decreased had the interest rate decreased or increased by 100 basis points. This change is estimated using the weighted average modified duration of the fixed income portfolio. This analysis assumes that all other variables remain unchanged. In practice, actual results may differ from this analysis and the difference could be material.

	December 31, 2017
Impact on Investments, at fair value	180,600

The accompanying notes are an integral part of these financial statements.

Evolve Active Short Duration Bond ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

The majority of the Fund's investments are in fixed income securities. The following table summarizes the Fund's total direct exposure to credit risk. Refer to the Schedule of Investment Portfolio.

Debt Securities by Credit Rating	% of Net Assets Attributable to Unitholders
BBB-	1.1
BB+	13.4
BB	17.2
BB-	18.2
B+	11.9
B	15.1
B-	14.1
CCC+	3.1
CCC	2.1
Total	96.2

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

Portfolio by Category	% of Net Assets Attributable to Unitholders December 31, 2017
Debt Instruments	
Consumer Discretionary	25.1
Energy	13.0
Telecommunication Services	11.9
Materials	11.4
Financials	11.2
Industrials	8.0
Information Technology	5.7
Health Care	5.0
Utilities	4.2
Consumer Staples	0.7
Derivative Assets	2.0

The accompanying notes are an integral part of these financial statements.

Evolve Active Short Duration Bond ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Cash and Cash Equivalents	0.5
Other Assets, less Liabilities	1.3
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value.

Financial Assets (Liabilities) (\$)				
	Level 1	Level 2	Level 3	Total
Debt Instruments	–	4,723,647	–	4,723,647
Derivative Assets	–	96,275	–	96,275
Total	–	4,819,922	–	4,819,922

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	96,275	96,275	-	96,275
Total	96,275	96,275	-	96,275

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

The accompanying notes are an integral part of these financial statements.

Evolve Active Short Duration Bond ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Hedged Units

Number of redeemable units outstanding - Beginning of period

Issued 200,000

Number of redeemable units outstanding - End of period 200,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	-
Non-capital losses (expiring in 2037)	33,433

Evolve Active Canadian Preferred Share ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	6,653,572
Cash	51,884
Interest, dividends and other receivables	<u>7,262</u>
	<u>6,712,718</u>
Liabilities	
Current Liabilities	
Accrued expenses	<u>4,490</u>
	<u>4,490</u>
Net assets attributable to unitholders	<u>6,708,228</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>6,708,228</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>20.64</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve Active Canadian Preferred Share ETF
Statement of Comprehensive Income
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Dividend income	47,225
Changes in fair value of investments	
Net realized gain (loss)	2,518
Net change in unrealized appreciation (depreciation)	72,115
Total Income (Loss)	<u>121,858</u>
Expenses	
Management fees (Note 4)	7,051
Administrative fees (Note 4)	1,627
Transaction costs (Note 2)	1,299
Total operating expenses	9,978
Increase (decrease) in net assets attributable to unitholders from operations	<u>111,880</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>111,880</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>0.61</u>

Evolve Active Canadian Preferred Share ETF
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	111,880
Distributions to unitholders from:	
Net investment income	(11,185)
Net realized gains	(2,626)
Return of capital	(28,189)
	<u>(42,000)</u>
Redeemable unit transactions:	
Proceeds from units issued	6,638,348
Net increase (decrease) from redeemable unit transactions	<u>6,638,348</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>6,708,228</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	<u>6,708,228</u>

The accompanying notes are an integral part of these financial statements.

Evolve Active Canadian Preferred Share ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	111,880
Adjustments for:	
Realized (gain) loss on investments	(2,518)
Change in unrealized (appreciation) depreciation in the value of investments	(72,115)
Purchases of investments and derivatives ²	(756,811)
Proceeds from sale and maturity of investments and derivatives	502,650
(Increase) decrease in interest, dividends and other receivables	(7,262)
Increase (decrease) in accrued expenses	4,490
Net cash generated (used) by operating activities	<u>(219,686)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(42,000)
Proceeds from sale of units ²	313,570
Net cash provided by (used in) financing activities	<u>271,570</u>
 Net increase (decrease) in cash	51,884
End of period cash balance	51,884
 Supplemental Information:¹	
Dividends received, net of foreign withholding taxes	39,963

¹ Included as part of Cash Flows from Operating Activities² Excludes in-kind transactions, if any.

Evolve Active Canadian Preferred Share ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Staples (1.3%)			
1,077	George Weston Limited, Preferred, Series IV	26,566	26,817
2,785	George Weston Limited, Preferred, Series V	63,024	62,997
		<hr/>	<hr/>
		89,590	89,814
		<hr/>	<hr/>
Energy (24.5%)			
5,616	Enbridge Inc., Preferred, Series 7	118,511	117,206
4,457	Enbridge Inc., Preferred, Series 9	94,932	94,176
6,123	Enbridge Inc., Preferred, 5.15% Series 17	156,461	157,177
9,869	Enbridge Inc., Preferred, 4.00% Series D	195,976	194,715
2,634	Enbridge Inc., Preferred, Series P	53,952	53,549
3,857	Husky Energy Inc., Preferred, Series 2	66,231	69,908
5,521	Kinder Morgan Canada Ltd., Preferred, Series 1	140,974	142,166
2,135	Pembina Pipeline Corporation, Preferred, Series 1	46,456	46,500
6,859	Pembina Pipeline Corporation, 4.46% Preferred, Series 15	157,056	161,187
6,657	Pembina Pipeline Corporation, Preferred, 4.90%, Series 21	166,591	167,290
5,567	TransCanada Corporation, Preferred, 2.86% Series 2	110,248	109,781
7,383	TransCanada Corporation, Preferred, Series 4	116,731	115,249
4,537	TransCanada Corporation, Preferred, 4.00% Series 7	103,157	102,763
4,364	TransCanada Corporation, Preferred, 4.90% Series 15	113,836	114,119
		<hr/>	<hr/>
		1,641,112	1,645,786
		<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Evolve Active Canadian Preferred Share ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Financials (48.9%)			
2,226	Artis Real Estate Investment Trust, Preferred, Series E	46,391	48,416
4,662	Bank of Montreal, Preferred, 3.90%, Series 29	106,491	108,578
7,653	Bank of Montreal, Preferred, Series 31	173,458	177,167
5,034	Brookfield Asset Management Inc., Preferred, Series 2	72,849	76,114
4,560	Brookfield Asset Management Inc., Preferred, Series 4	65,650	68,856
5,067	Brookfield Asset Management Inc., Preferred, Series 13	73,550	76,512
3,462	Brookfield Asset Management Inc., Preferred, Series 26	72,212	72,010
6,214	Brookfield Office Properties Inc. Preferred, Series II	151,813	150,876
4,183	Brookfield Office Properties Inc., Preferred, Series S	94,567	91,817
2,772	Brookfield Office Properties Inc., Preferred, Series W	37,087	38,115
9,611	Brookfield Office Properties Inc. Preferred, Series Y	128,898	131,671
4,819	Canadian Imperial Bank of Commerce, Preferred, Series 45	123,218	122,885
8,237	Canadian Western Bank, Preferred, Series 5	195,750	200,817
1,607	E-L Financial Corporation Limited, Preferred, Series 2	36,136	36,198
4,496	Fairfax Financial Holdings Limited, Preferred, Series E	81,862	81,512
5,256	Fairfax Financial Holdings Limited, Preferred, Series G	104,420	104,226
1,938	Fairfax Financial Holdings Limited, Preferred, Series K	46,121	46,454
3,096	Great-West Lifeco Inc., Preferred, Series L	79,610	80,248
2,574	Great-West Lifeco Inc., Preferred, Series M	66,564	66,757
3,038	Great-West Lifeco Inc., Preferred, Series S	76,274	76,710
8,948	Intact Financial Corporation, Preferred, Series 1	177,862	180,526

The accompanying notes are an integral part of these financial statements.

Evolve Active Canadian Preferred Share ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
4,001	Manulife Financial Corporation, Preferred, Series 9	98,145	100,305
5,134	Manulife Financial Corporation, Preferred, Series 11	124,156	126,810
3,953	Manulife Financial Corporation, Preferred, 3.90%, Series 17	91,086	91,828
1,743	Manulife Financial Corporation, Preferred, Series 21	46,775	46,956
5,144	Power Financial Corporation, Preferred, Series A	86,056	92,592
5,152	Royal Bank of CA, Preferred, 4.00%, Series AZ	118,520	120,866
2,691	Royal Bank of Canada, Preferred, Series BD	65,484	67,060
5,120	Royal Bank of Canada, Preferred, 3.90% Series BB	118,599	121,139
1,207	Sun Life Financial Inc., Class 'C', Preferred, Series 3	26,105	26,107
1,818	Sun Life Financial Inc., Class 'D', Preferred, Series 4	39,323	39,342
1,638	Sun Life Financial Inc., Preferred, Series 9QR	28,623	29,566
4,871	The Toronto-Dominion Bank, Preferred, 3.80% Series 3	112,116	114,225
6,223	The Toronto-Dominion Bank, Preferred,, Series 5	142,488	144,996
3,397	The Toronto-Dominion Bank, Preferred, Series 16	86,987	87,201
2,056	Thomson Reuters Corporation, Preferred, 3.20%, Series B	33,467	34,130
		<hr/>	<hr/>
		3,228,713	3,279,588
		<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Evolve Active Canadian Preferred Share ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Telecommunication Services (6.8%)			
8,961	BCE Inc., Preferred, Series AA	170,712	174,202
2,169	BCE Inc., Preferred, Series AG	39,738	40,495
8,189	BCE Inc., Preferred, Series AI	147,839	151,169
4,656	BCE Inc., Preferred, 2.95%, Series AK	86,254	86,369
		<hr/>	<hr/>
		444,543	452,235
		<hr/>	<hr/>
Utilities (17.7%)			
5,434	Brookfield Infrastructure Partners LP, Preferred, Series 7	137,640	138,784
5,344	Brookfield Renewable Partners LP, Preferred, Series 11	134,403	135,951
6,287	Canadian Utilities Limited, Preferred, Series AA	151,067	152,460
4,124	Capital Power Corporation, Preferred, Series 1	68,556	67,469
2,400	Capital Power Corporation, Preferred, Series 3	52,355	52,704
4,623	Capital Power Corporation, Preferred, Series 5	98,527	99,210
2,577	Capital Power Corporation, Preferred, Series 7	66,976	66,744
1,248	Fortis Inc., Preferred, Series G	26,714	27,231
3,969	Fortis Inc., Preferred, Series I	66,149	68,009
5,728	Fortis Inc., Preferred, Series J	132,044	132,603
7,284	TransAlta Corporation, Preferred, Series F	131,751	132,642
2,961	TransAlta Corporation, Preferred, 5.30%, Series G	65,410	65,793
1,859	Westcoast Energy Inc., Preferred, Series 7	46,530	46,549
		<hr/>	<hr/>
		1,178,122	1,186,149
		<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Evolve Active Canadian Preferred Share ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares	Average Cost (\$)	Fair Value (\$)
<hr/>		
Transaction Costs	(623)	-
<hr/>		
Total Investments (99.2%)	6,581,457	6,653,572
Other assets less liabilities (0.8%)		54,656
<hr/>		
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		6,708,228

The accompanying notes are an integral part of these financial statements.

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact
	December 31, 2017
Evolve Active Canadian Preferred Share ETF	665,357

Currency Risk

The majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As at December 31, 2017, the Fund had no significant investments denominated in any currency other than Canadian dollars.

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Evolve Active Canadian Preferred Share ETF was invested in preferred shares with the following credit ratings:

Securities by Credit Rating	% of Net Assets Attributable to Unitholders
P1	4.7%
P2	62.8%
P3	31.6%
Total	99.2%

Credit ratings for preferred shares are obtained from Dominion Bond Rating Services and Standard & Poor's. A rating of P1 is of superior credit quality, and is supported by entities with strong earnings and balance sheet characteristics. P2 is of satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as P1 rated companies. P3 is of adequate credit quality. While protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net Assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Consumer Staples	1.3
Energy	24.5
Financials	48.9
Telecommunication Services	6.8
Utilities	17.7
Cash and Cash Equivalents	0.8
	<u>100.0</u>

Evolve Active Canadian Preferred Share ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

Financial Assets (Liabilities) (\$)				
	Level 1	Level 2	Level 3	Total
Equities	6,432,908	220,664	–	6,653,572
Total	6,432,908	220,664	–	6,653,572

For the year period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period

-

Issued

325,000

Number of redeemable units outstanding - End of period

325,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had no capital and non-capital loss carryforward balances.

Evolve Cyber Security Index ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	3,655,472
Cash	710
Interest, dividends and other receivables	5,317
Derivative assets	51,530
	<u>3,713,029</u>
Liabilities	
Current Liabilities	
Accrued expenses	1,965
	<u>1,965</u>
Net assets attributable to unitholders	<u>3,711,064</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>1,617,268</u>
Hedged Units	<u>2,093,796</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>21.56</u>
Hedged Units	<u>20.94</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve Cyber Security Index ETF**Statement of Comprehensive Income**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Interest for distribution purposes	7
Dividend income	9,215
Changes in fair value of investments	
Net realized gain (loss)	25,518
Net change in unrealized appreciation (depreciation)	168,916
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(82,154)
Net change in unrealized appreciation (depreciation)	51,530
Other income (loss)	
Net realized gain (loss) on foreign currency translations	1,250
Net change in unrealized appreciation (depreciation) on foreign currency translations	(26)
Total Income (Loss)	<u>174,256</u>
Expenses	
Management fees (Note 4)	3,908
Administrative fees (Note 4)	1,465
Interest expense and bank charges	226
Foreign withholding taxes (Note 6)	1,382
Transaction costs (Note 2)	349
Total operating expenses	<u>7,330</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>166,926</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>90,143</u>
Hedged Units	<u>76,783</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>1.33</u>
Hedged Units	<u>0.96</u>

Evolve Cyber Security Index ETF**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	90,143
Hedged Units	76,783
	<u>166,926</u>
Distributions to unitholders from:	
Return of capital	
Unhedged Units	(1,125)
Hedged Units	(1,375)
	<u>(2,500)</u>
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,528,250
Hedged Units	2,018,388
	<u>3,546,638</u>
Net increase (decrease) from redeemable unit transactions	<u>3,546,638</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>3,711,064</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	1,617,268
Hedged Units	2,093,796
Net assets attributable to unitholders - end of period	<u>3,711,064</u>

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	166,926
Adjustments for:	
Realized (gain) loss on investments	(25,518)
Realized (gain) loss on derivatives	82,154
Change in unrealized (appreciation) depreciation in the value of investments	(168,916)
Change in unrealized (appreciation) depreciation in the value of derivatives	(51,530)
Purchases of investments and derivatives ²	(541,184)
Proceeds from sale and maturity of investments and derivatives	337,968
(Increase) decrease in interest, dividends and other receivables	(5,317)
Increase (decrease) in accrued expenses	1,965
Net cash generated (used) by operating activities	<u>(203,452)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(2,500)
Proceeds from sale of units ²	<u>206,662</u>
Net cash provided by (used in) financing activities	<u>204,162</u>
 Net increase (decrease) in cash	710
End of period cash balance	710
 Supplemental Information:¹	
Interest received, net of foreign withholding taxes	7
Dividends received, net of foreign withholding taxes	2,515
¹ Included as part of Cash Flows from Operating Activities	
² Excludes in-kind transactions, if any.	

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Information Technology (90.1%)			
4,237	Akamai Technologies Inc.	258,501	345,281
1,517	Barracuda Networks Inc.	44,208	52,270
4,495	Booz Allen Hamilton Holding Corporation, Class 'A'	200,998	214,749
726	CACI International Inc.	118,618	120,391
1,832	Check Point Software Technologies Limited	254,855	237,850
4,723	CSRA Inc.	182,344	177,057
1,024	CyberArk Software Limited	53,771	53,104
1,822	F5 Networks Inc.	264,291	299,559
243	FFRI Inc.	10,903	10,703
5,359	FireEye Inc.	110,525	95,347
5,118	Fortinet Inc.	248,296	280,166
987	Imperva Inc.	52,365	49,095
600	Internap Corporation	13,038	11,810
2,102	InterXion Holding NV	135,014	155,204
1,636	Mimecast Limited	58,046	58,769
8,265	NEXTDC Limited	38,828	48,598
1,944	NIC Inc.	40,719	40,433
1,439	Palo Alto Networks Inc.	257,073	261,326
1,303	Proofpoint Inc.	146,394	144,991
1,100	Qualys Inc.	71,017	81,799
1,266	Radware Limited	26,679	30,773
1,282	Rapid7 Inc.	27,480	29,973
6,846	Symantec Corporation	270,950	240,690
3,989	Trend Micro Inc.	271,142	283,509
1,171	VASCO Data Security International Inc.	17,017	20,394
		<u>3,173,072</u>	<u>3,343,841</u>

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Real Estate (7.1%)			
465	Equinix Inc.	266,378	264,056
Telecommunication Services (1.3%)			
2,082	A10 Networks Inc.	17,898	20,139
396	Digital Arts Inc.	20,508	19,842
1,638	VirnetX Holding Corporation	8,907	7,594
		47,313	47,575
Transaction Costs		(207)	-
Total Investments (98.5%)		3,486,556	3,655,472
Derivative Assets (1.4%)*			51,530
Other assets less liabilities (0.1%)			4,062
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			3,711,064

***Forward Foreign Currency Contracts (1.4%)**
December 31

		Purchased Currency		Sold Currency			
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Counter- Party Credit Rating
23-Jan-18	CAD	1,887,507	USD	1,841,258	46,249	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	181,888	JPY	176,748	5,140	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	25,613	AUD	25,472	141	BNY Capital Markets Inc.	A-1+
Total unrealized gain/loss of foreign currency contracts					51,530		

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact
	December 31, 2017
Evolve Cyber Security Index ETF	365,547

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

Financial Instruments (\$)				
	Financial Instruments	Foreign Exchange Forwards Contracts	Net currency exposure	+/-5% Impact
United States Dollar	3,292,819	(1,841,258)	1,451,561	72,578
Japanese Yen	319,372	(176,748)	142,624	7,131
Australian Dollar	48,598	(25,472)	23,126	1,156
Total	3,660,789	(2,043,478)	1,617,311	80,866

Interest Rate Risk

As at December 31, 2017 the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

	% of Net assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Information Technology	90.1
Real Estate	7.1
Telecommunication Services	1.3
Derivative Assets	1.4
Other Assets, less Liabilities	0.1
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	3,655,472	—	—	3,655,472
Derivative Assets	—	51,530	—	51,530
Total	3,655,472	51,530	—	3,707,002

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	51,530	51,530	-	51,530
Total	51,530	51,530	-	51,530

The accompanying notes are an integral part of these financial statements.

Evolve Cyber Security Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	75,000
Reinvested	-
Redeemed	-
Number of redeemable units outstanding - End of period	<u>75,000</u>

Hedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	100,000
Reinvested	-
Redeemed	-
Number of redeemable units outstanding - End of period	<u>100,000</u>

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	<u>45,425</u>
Non-capital losses (expiring in 2037)	<u>1,289</u>

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	2,118,860
Cash	4,121
Interest, dividends and other receivables	3,476
Derivative assets	23,821
	<u>2,150,278</u>
Liabilities	
Current Liabilities	
Accrued expenses	1,137
	<u>1,137</u>
Net assets attributable to unitholders	<u>2,149,141</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>1,078,756</u>
Hedged Units	<u>1,070,385</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>21.58</u>
Hedged Units	<u>21.41</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve North American Gender Diversity Index ETF**Statement of Comprehensive Income**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Income	
Dividend income	14,319
Changes in fair value of investments	
Net realized gain (loss)	19,369
Net change in unrealized appreciation (depreciation)	154,895
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(30,102)
Net change in unrealized appreciation (depreciation)	23,821
Other income (loss)	
Net realized gain (loss) on foreign currency translations	(17,919)
Net change in unrealized appreciation (depreciation) on foreign currency translations	<u>(107)</u>
Total Income (Loss)	<u>164,276</u>
Expenses	
Management fees (Note 4)	2,654
Administrative fees (Note 4)	996
Interest expense and bank charges	1
Foreign withholding taxes (Note 6)	1,666
Transaction costs (Note 2)	<u>218</u>
Total operating expenses	<u>5,535</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>158,741</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>83,556</u>
Hedged Units	<u>75,185</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>1.67</u>
Hedged Units	<u>1.50</u>

Evolve North American Gender Diversity Index ETF
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	–
Hedged Units	–
Net assets attributable to unitholders - beginning of period	–
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	83,556
Hedged Units	75,185
	<u>158,741</u>
Distributions to unitholders from:	
Net investment income	
Unhedged Units	(2,912)
Hedged Units	(2,833)
	<u>(5,745)</u>
Return of capital	
Unhedged Units	(1,888)
Hedged Units	(1,967)
	<u>(3,855)</u>
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,000,000
Hedged Units	1,000,000
	<u>2,000,000</u>
Net increase (decrease) from redeemable unit transactions	<u>2,000,000</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>2,149,141</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	1,078,756
Hedged Units	1,070,385
Net assets attributable to unitholders - end of period	<u>2,149,141</u>

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	158,741
Adjustments for:	
Change in unrealized foreign exchange (gain) loss on currency	70
Realized (gain) loss on investments	(19,369)
Realized (gain) loss on derivatives	30,102
Change in unrealized (appreciation) depreciation in the value of investments	(154,895)
Change in unrealized (appreciation) depreciation in the value of derivatives	(23,821)
Purchases of investments and derivatives ²	(502,455)
Proceeds from sale and maturity of investments and derivatives	500,916
(Increase) decrease in interest, dividends and other receivables	(3,476)
Increase (decrease) in accrued expenses	1,137
Net cash generated (used) by operating activities	<u>(13,050)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(9,600)
Proceeds from sale of units ²	26,841
Net cash provided by (used in) financing activities	<u>17,241</u>
 Change in unrealized foreign exchange gain (loss) on currency	(70)
Net increase (decrease) in cash	4,121
End of period cash balance	4,121
 Supplemental Information: ¹	
Dividends received, net of foreign withholding taxes	9,177

¹ Included as part of Cash Flows from Operating Activities² Excludes in-kind transactions, if any.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Discretionary (13.1%)			
11	Amazon.com Inc.	13,215	16,118
181	Best Buy Company Inc.	12,915	15,528
293	Comcast Corporation, Class 'A'	13,192	14,703
126	Darden Restaurants Inc.	12,864	15,159
76	Expedia Inc.	13,698	11,405
909	Ford Motor Company	12,970	14,225
273	General Motors Company	13,798	14,021
347	Gildan Activewear Inc.	12,991	14,092
477	Macy's Inc.	13,071	15,055
100	Marriott International Inc., Class 'A'	13,791	17,006
68	McDonald's Corporation	12,991	14,665
195	NIKE Inc., Class 'B'	12,770	15,283
83	PVH Corporation	13,096	14,269
177	Target Corporation	12,961	14,471
383	The Gap Inc.	13,053	16,345
145	The TJX Companies Inc.	13,061	13,891
108	The Walt Disney Company	12,987	14,548
118	Tiffany & Company	12,974	15,369
105	Wyndham Worldwide Corporation	12,967	15,244
		<u>249,365</u>	<u>281,397</u>
Consumer Staples (9.1%)			
216	Campbell Soup Company	12,779	13,020
147	Colgate-Palmolive Company	12,989	13,897
309	Conagra Brands Inc.	13,138	14,584
127	CVS Health Corporation	12,866	11,537
157	Kellogg Company	12,857	13,373
87	Kimberly-Clark Corporation	12,824	13,153
377	Maple Leaf Foods Inc.	12,826	13,504
124	Molson Coors Brewing Company, Class 'B'	13,042	12,751
198	Sysco Corporation	13,365	15,066

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
97	The Estee Lauder Companies Inc., Class 'A'	12,954	15,464
100	The Hershey Company	13,645	14,222
494	The Kroger Company	12,756	16,990
159	Tyson Foods Inc., Class 'A'	13,170	16,151
128	Walgreens Boots Alliance Inc.	12,796	11,647
		<hr/>	<hr/>
		182,007	195,359
		<hr/>	<hr/>
	Energy (7.4%)		
105	Andeavor	13,101	15,043
1186	Cenovus Energy Inc.	13,796	13,615
224	ConocoPhillips	12,684	15,405
259	Enbridge Inc.	13,069	12,732
170	EQT Corporation	13,480	12,124
261	Hess Corporation	13,774	15,524
894	Marathon Oil Corporation	13,617	18,962
175	Occidental Petroleum Corporation	13,330	16,151
191	ONEOK Inc.	13,068	12,791
158	Schlumberger Limited	13,120	13,341
209	TransCanada Corporation	13,033	12,787
		<hr/>	<hr/>
		146,072	158,475
		<hr/>	<hr/>
	Financials (16.1%)		
121	American Express Company	12,815	15,056
435	Bank of America Corporation	12,911	16,089
141	Bank of Montreal	13,322	14,183
122	Canadian Imperial Bank of Commerce	13,093	14,950
154	Citigroup Inc.	12,955	14,358
424	Forest City Realty Trust Inc.	13,028	12,803
319	IGM Financial Inc.	13,394	14,084
129	Intact Financial Corporation	13,300	13,544
116	JPMorgan Chase & Company	12,939	15,543
155	Kilroy Realty Corporation	13,794	14,498

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
537	Manulife Financial Corporation	13,043	14,080
224	National Bank of Canada	12,907	14,049
120	Northern Trust Corporation	13,798	15,019
140	Royal Bank of Canada	12,876	14,371
112	State Street Corporation	12,823	13,698
276	Sun Life Financial Inc.	13,719	14,319
117	The Allstate Corporation	12,945	15,350
206	The Bank of New York Mellon Corporation	12,931	13,902
168	The Bank of Nova Scotia	12,936	13,628
47	The Goldman Sachs Group Inc.	13,958	15,002
198	The Hartford Financial Services Group Inc.	13,730	13,962
83	The PNC Financial Services Group Inc.	12,953	15,005
193	The Toronto-Dominion Bank	13,023	14,214
204	Wells Fargo & Company	12,836	15,507
		<hr/>	<hr/>
		316,029	347,214

Health Care (8.7%)

65	Aetna Inc.	12,874	14,691
161	Agilent Technologies Inc.	12,935	13,510
126	AmerisourceBergen Corporation	13,041	14,496
57	Amgen Inc.	13,278	12,420
34	Biogen Inc.	13,310	13,571
178	Bristol-Myers Squibb Company	13,561	13,667
93	Celgene Corporation	15,240	12,160
56	Cigna Corporation	12,684	14,250
129	Eli Lilly & Company	13,022	13,651
131	Gilead Sciences Inc.	13,149	11,759
79	Johnson & Johnson	12,931	13,830
67	McKesson Corporation	12,362	13,092
161	Merck & Company Inc.	12,963	11,351
133	ResMed Inc.	12,829	14,113
		<hr/>	<hr/>
		184,179	186,561

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Industrials (10.3%)			
50	3M Company	13,029	14,745
227	American Airlines Group Inc.	12,713	14,798
87	Caterpillar Inc.	13,570	17,177
64	Cummins Inc.	12,874	14,165
218	Delta Air Lines Inc.	12,806	15,296
49	FedEx Corporation	12,816	15,320
92	ManpowerGroup Inc.	12,756	14,537
80	Norfolk Southern Corporation	12,471	14,524
135	Owens Corning	12,409	15,551
823	Pitney Bowes Inc.	13,511	11,529
61	Rockwell Automation Inc.	12,902	15,007
90	United Parcel Service Inc., Class 'B'	12,942	13,436
130	Verisk Analytics Inc., Class 'A'	13,527	15,637
250	WSP Global Inc.	12,870	14,978
168	Xylem Inc.	13,171	14,356
		<hr/>	<hr/>
		194,367	221,056
Information Technology (14.0%)			
68	Adobe Systems Inc.	12,790	14,931
856	Advanced Micro Devices Inc.	13,656	11,026
49	Alliance Data Systems Corporation	13,601	15,562
11	Alphabet Inc., Class 'A'	12,763	14,518
66	Apple Inc.	12,847	13,994
93	Autodesk Inc.	12,922	12,215
345	CA Inc.	13,965	14,386
330	Cisco Systems Inc.	13,109	15,836
546	HP Inc.	12,942	14,373
288	Intel Corporation	13,734	16,657
73	International Business Machines Corporation	12,959	14,033
140	Microsoft Corporation	12,836	15,005

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
126	Motorola Solutions Inc.	13,137	14,262
59	NVIDIA Corporation	12,937	14,304
612	ON Semiconductor Corporation	12,954	16,057
205	QUALCOMM Inc.	13,114	16,444
112	salesforce.com Inc.	13,099	14,346
323	Symantec Corporation	13,072	11,356
126	Texas Instruments Inc.	13,014	16,488
101	Workday Inc.	12,916	12,875
344	Xerox Corporation	13,830	12,564
		<u>276,197</u>	<u>301,232</u>

Materials (6.7%)

103	Agrium Inc.	13,215	14,892
239	Alcoa Corporation	12,992	16,132
119	FMC Corporation	12,975	14,114
74	International Flavors & Fragrances Inc.	12,992	14,150
189	International Paper Company	13,437	13,721
2,197	Kinross Gold Corporation	12,916	11,908
90	Monsanto Company	12,959	13,169
290	Newmont Mining Corporation	13,393	13,633
79	Praxair Inc.	12,920	15,311
530	The Mosaic Company	13,631	17,040
		<u>131,430</u>	<u>144,070</u>

Real Estate (4.5%)

647	First Capital Realty Inc.	12,939	13,406
582	Host Hotels & Resorts Inc.	12,934	14,475
269	Iron Mountain Inc.	13,095	12,717
88	Jones Lang LaSalle Inc.	12,978	16,421
164	Prologis Inc.	13,021	13,256
143	Welltower Inc.	12,928	11,426
319	Weyerhaeuser Company	12,831	14,093

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
		<u>90,726</u>	<u>95,794</u>
	Telecommunication Services (4.2%)		
286	AT&T Inc.	13,113	13,932
222	BCE Inc.	12,906	13,404
561	CenturyLink Inc.	13,080	11,724
206	Rogers Communications Inc., Class 'B'	12,988	13,194
1,375	Sprint Corporation	12,873	10,147
291	TELUS Corporation	12,906	13,857
220	Verizon Communications Inc.	<u>12,959</u>	<u>14,590</u>
		<u>90,825</u>	<u>90,848</u>
	Utilities (4.5%)		
127	American Water Works Company Inc.	12,783	14,558
133	Dominion Energy Inc.	12,873	13,508
130	Edison International	12,847	10,301
393	NiSource Inc.	12,587	12,640
151	PG&E Corporation	12,908	8,482
89	Sempra Energy	12,908	8,482
240	Spectra Energy Partners Limited Partnership	12,999	11,890
126	WGL Holdings Inc.	<u>12,928</u>	<u>13,552</u>
		<u>102,850</u>	<u>96,854</u>
	Transaction Costs	<u>(82)</u>	<u>-</u>
	Total Investments (98.6%)	<u>1,963,965</u>	<u>2,118,860</u>
	Derivative Assets (1.1%)*		23,821
	Other assets less liabilities (0.3%)		<u>6,460</u>
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		2,149,141

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

***Forward Foreign Currency Contracts (1.1%)**
December 31

Purchased Currency				Sold Currency			
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Counter-Party Credit Rating
3-Jan-18	CAD	894,621	USD	870,800	23,821	BNY Capital Markets Inc.	A-1+
Total unrealized gain/loss of foreign currency contracts					23,821		

Evolve North American Gender Diversity Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact
	December 31, 2017
Evolve North American Gender Diversity Index ETF Hedged	211,886

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

Financial Instruments (\$)				
	Financial Instruments	Foreign Exchange Forward Contracts	Net currency exposure	+/-5% Impact
United States Dollar	1,820,541	(870,800)	949,741	47,487

Interest Rate Risk

As at December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Evolve North American Gender Diversity Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Consumer Discretionary	13.1
Consumer Staples	9.1
Energy	7.4
Financials	16.1
Health Care	8.7
Industrials	10.3
Information Technology	14.0
Materials	6.7
Real Estate	4.5
Telecommunication Services	4.2
Utilities	4.5
Derivative Assets	1.1
Cash and Cash Equivalents	0.2
Other Assets, less Liabilities	0.1
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	2,118,860	—	—	2,118,860
Derivative Assets	—	23,821	—	23,821
Total	2,118,860	23,821	—	2,142,681

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

The accompanying notes are an integral part of these financial statements.

Evolve North American Gender Diversity Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	23,821	23,821	-	23,821
Total	23,821	23,821	-	23,821

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 201 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

Hedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	28,365
Non-capital losses (expiring in 2037)	-

The accompanying notes are an integral part of these financial statements.

Evolve Automobile Innovation Index ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	5,880,173
Cash	22,923
Receivable from investments sold	4,357
Derivative assets	55,649
	<u>5,963,102</u>
Liabilities	
Current Liabilities	
Payable on investments purchased	4,555
Distributions payable to unitholders	18,020
Accrued expenses	2,579
	<u>25,154</u>
Net assets attributable to unitholders	<u>5,937,948</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>2,120,987</u>
Hedged Units	<u>2,612,453</u>
US Dollar Unhedged Units	<u>1,204,508</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>21.21</u>
Hedged Units	<u>20.90</u>
US Dollar Unhedged Units	<u>24.09</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve Automobile Innovation Index ETF
Statement of Comprehensive Income
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Dividend income	29,101
Changes in fair value of investments	
Net realized gain (loss)	23,680
Net change in unrealized appreciation (depreciation)	(40,274)
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(43,622)
Net change in unrealized appreciation (depreciation)	55,649
Other income (loss)	
Net realized gain (loss) on foreign currency translations	(6,309)
Net change in unrealized appreciation (depreciation) on foreign currency translations	44
Total Income (Loss)	<u>18,269</u>
Expenses	
Management fees (Note 4)	4,059
Administrative fees (Note 4)	1,522
Interest expense and bank charges	288
Foreign withholding taxes (Note 6)	960
Transaction costs (Note 2)	5,260
Total operating expenses	<u>12,089</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>6,180</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>51,782</u>
Hedged Units	<u>33,626</u>
US Dollar Unhedged Units	<u>(79,228)</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>0.87</u>
Hedged Units	<u>0.49</u>
US Dollar Unhedged Units	<u>(1.58)</u>

The accompanying notes are an integral part of these financial statements.

Evolve Automobile Innovation Index ETF
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
US Dollar Unhedged Units	—
Net assets attributable to unitholders - beginning of period	<u>—</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	51,782
Hedged Units	33,626
US Dollar Unhedged Units	<u>(79,228)</u>
	<u>6,180</u>
Distributions to unitholders from:	
Net investment income	
Unhedged Units	(8,400)
Hedged Units	(9,426)
US Dollar Unhedged Units	<u>(5,364)</u>
	<u>(23,190)</u>
Return of capital	
Hedged Units	<u>(1,087)</u>
	<u>(1,087)</u>
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	2,077,605
Hedged Units	2,589,340
US Dollar Unhedged Units	<u>1,289,100</u>
	<u>5,956,045</u>
Net increase (decrease) from redeemable unit transactions	<u>5,956,045</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>5,937,948</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	2,120,987
Hedged Units	2,612,453
US Dollar Unhedged Units	<u>1,204,508</u>
Net assets attributable to unitholders - end of period	<u>5,937,948</u>

The accompanying notes are an integral part of these financial statements.

Evolve Automobile Innovation Index ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	6,180
Adjustments for:	
Realized (gain) loss on investments	(23,680)
Realized (gain) loss on derivatives	43,622
Change in unrealized (appreciation) depreciation in the value of investments	40,274
Change in unrealized (appreciation) depreciation in the value of derivatives	(55,649)
Purchases of investments and derivatives ²	(2,619,773)
Proceeds from sale and maturity of investments and derivatives	396,721
Increase (decrease) in accrued expenses	<u>2,579</u>
Net cash generated (used) by operating activities	<u>(2,209,726)</u>
Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(6,257)
Proceeds from sale of units ²	<u>2,238,906</u>
Net cash provided by (used in) financing activities	<u>2,232,649</u>
Net increase (decrease) in cash	22,923
End of period cash balance	22,923
Supplemental Information:¹	
Dividends received, net of foreign withholding taxes	28,141

¹ Included as part of Cash Flows from Operating Activities

² Excludes in-kind transactions, if any.

Evolve Automobile Innovation Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Discretionary (25.4%)			
1,214	Autoliv Inc.	193,142	193,299
1,385	Ferrari NV	193,735	182,228
12,741	Ford Motor Company	198,552	199,388
3,366	General Motors Company	177,960	172,872
4,141	Gentherm Inc.	179,214	164,734
440	Tesla Inc.	187,533	171,647
1,238	Visteon Corporation	197,816	194,111
930	Volkswagen AG	219,091	232,901
		<u>1,547,043</u>	<u>1,511,180</u>
Consumer Staples (6.8%)			
1,570	Aptiv PLC	188,945	166,872
524	Delphi Technologies PLC	34,358	34,449
2,576	Hella GmbH & Company KGaA	197,300	199,870
		<u>420,603</u>	<u>401,191</u>
Energy (2.7%)			
53,925	Plug Power Inc.	174,263	159,454
Industrials (10.0%)			
2,258	EnerSys	195,936	196,994
30,671	GS Yuasa Corporation	196,339	191,379
159,448	Tianneng Power International Limited	188,400	207,516
		<u>580,675</u>	<u>595,889</u>

The accompanying notes are an integral part of these financial statements.

Evolve Automobile Innovation Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Information Technology (54.1%)			
8,920	AAC Technologies Holdings Inc.	202,687	199,299
2,850	Ambarella Inc.	192,968	209,791
2,207	ams AG	239,571	250,986
1,747	Analog Devices Inc.	193,083	194,878
2,846	Cirrus Logic Inc.	190,309	184,927
3,432	Dialog Semiconductor PLC	170,881	133,995
6,164	Infineon Technologies AG	207,662	211,772
5,594	Integrated Device Technology Inc.	206,426	208,378
3,141	Maxim Integrated Products Inc.	202,040	205,749
6,607	MaxLinear Inc.	204,502	218,711
797	NVIDIA Corporation	192,964	193,229
1,340	NXP Semiconductors NV	195,974	196,589
1,757	Silicon Laboratories Inc.	195,553	194,387
1,460	Skyworks Solutions Inc.	189,658	173,693
8,014	STMicroelectronics NV	217,574	219,505
1,655	Texas Instruments Inc.	200,631	216,570
		<u>3,202,483</u>	<u>3,212,459</u>
Transaction Costs		<u>(4,620)</u>	<u>-</u>
Total Investments (99.0%)		<u>5,920,447</u>	<u>5,880,173</u>
Derivative Assets (0.9%)*			55,649
Other assets less liabilities (0.1%)			<u>2,126</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			5,937,948

The accompanying notes are an integral part of these financial statements.

Evolve Automobile Innovation Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

***Forward Foreign Currency Contracts (0.9%)**
December 31

Purchased Currency					Sold Currency			
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Party Credit Rating	
23-Jan-18	CAD	1,733,400	USD	1,690,952	42,448	CIBC World Markets Inc.	A-1	
23-Jan-18	CAD	502,293	EUR	496,974	5,319	CIBC World Markets Inc.	A-1	
23-Jan-18	CAD	164,390	HKD	160,303	4,087	CIBC World Markets Inc.	A-1	
23-Jan-18	CAD	80,032	JPY	77,800	2,232	CIBC World Markets Inc.	A-1	
23-Jan-18	CAD	107,120	CHF	105,557	1,563	CIBC World Markets Inc.	A-1	
Total unrealized gain/loss of foreign currency contracts					55,649			

Evolve Automobile Innovation Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact December 31, 2017
Evolve Automobile Innovation Index ETF Hedged	588,017

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

Financial Instruments (\$)				
	Financial Instruments	Foreign Exchange Forwards Contracts	Net currency exposure	+/-5% Impact
United States Dollar	3,851,294	(1,690,952)	2,160,342	108,017
Euro Currency	1,180,271	(496,974)	683,297	34,165
Hong Kong Dollar	406,815	(160,303)	246,512	12,326
Swiss Franc	250,987	(105,557)	145,430	7,272
Japanese Yen	191,379	(77,800)	113,579	5,679
Total	5,880,746	(2,531,586)	3,349,160	167,458

Interest Rate Risk

As at December 31, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Evolve Automobile Innovation Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Consumer Discretionary	25.4
Consumer Staples	6.8
Energy	2.7
Industrials	10.0
Information Technology	54.1
Derivative Assets	0.9
Cash and Cash Equivalents	0.4
Other Assets, less Liabilities	(0.3)
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	5,880,173	–	–	5,880,173
Derivative Assets	–	55,649	–	55,649
Total	5,880,173	55,649	–	5,935,822

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Evolve Automobile Innovation Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	55,649	55,649	-	55,649
Total	55,649	55,649	-	55,649

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	100,000
Number of redeemable units outstanding - End of period	100,000

Hedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	125,000
Number of redeemable units outstanding - End of period	125,000

US Dollar Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	18,032
Non-capital losses (expiring in 2037)	-

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF
Statements of Financial Position

As at December 31, 2017 and 2016 (Note 1)
(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Assets		
Current assets		
Investments, at fair value	13,614,356	14,067,021
Cash	44,203	62,434
Receivable from investments sold	-	35,739
Amounts receivable from Manager	34,548	6,244
Interest, dividends and other receivables	47,986	53,433
	<u>13,741,093</u>	<u>14,224,871</u>
Liabilities		
Current liabilities		
Payable on investments purchased	-	35,739
Distributions payable to unitholders	128,238	54,054
Accrued expenses	51,830	10,696
	<u>180,068</u>	<u>100,489</u>
Net assets attributable to unitholders	13,561,025	14,124,382
Net assets attributable to unitholders per unit	<u>12.33</u>	<u>11.77</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Sphere FTSE Canada Sustainable Yield Index ETF**Statements of Comprehensive Income**

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Income		
Net gain (loss) on investments		
Dividend income	534,213	286,606
Interest for distributions purposes	12,104	7,719
Net realized gain (loss) on sale of investments	566,523	97,557
Change in unrealized appreciation (depreciation) of investments	7,192	1,419,598
Total net gain (loss) on investments	1,120,032	1,811,480
Net gain (loss) on derivatives		
Net realized gain (loss) on foreign currency contracts	(30)	4
Total net gain (loss) on derivatives	(30)	4
Other income (loss)		
Other income	4,805	509
Net realized gain (loss) on foreign currency translations	(106)	(3)
Change in unrealized appreciation (depreciation) of foreign currency translations	(27)	(3)
Total other income (loss)	4,672	503
Total income (loss)	1,124,674	1,811,987
Expenses		
Management fees (Note 4)	88,447	44,089
Valuation fees (Note 4)	117,614	88,290
Transfer agent fees	17,641	13,243
Audit fees	6,300	6,301
Legal fees	4,000	4,001
Independent Review Committee fees	5,001	5,001
Foreign withholding taxes (Note 6)	73	30
Transaction costs (Note 2)	1,869	623
Total expenses	240,945	161,578
Less: expenses absorbed by the Manager	(136,039)	(109,610)
Net expenses	104,906	51,968
Increase (decrease) in net assets attributable to unitholders from operations	1,019,768	1,760,019
Increase (decrease) in net assets attributable to unitholders per unit from operations	0.84	1.90

Sphere FTSE Canada Sustainable Yield Index ETF**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Net assets attributable to unitholders - beginning of period	14,124,382	-
Increase (decrease) in net assets attributable to unitholders from operations	1,019,768	1,760,019
Distributions to unitholders from:		
Net investment income	(432,087)	(171,137)
Net realized gains	(42,802)	-
Return of capital	(50,728)	-
	<u>(525,617)</u>	<u>(171,137)</u>
Redeemable unit transactions:		
Proceeds from sale of redeemable units	4,826,690	13,645,870
Reinvestment of distributions to holders of redeemable units	42,802	-
Payment for redeemable units redeemed	<u>(5,927,000)</u>	<u>(1,110,370)</u>
Net increase (decrease) from redeemable unit transactions	<u>(1,057,508)</u>	<u>12,535,500</u>
Net assets attributable to unitholders - end of period	13,561,025	14,124,382

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF**Statements of Cash Flows**

For the periods ended December 31, 2017 and 2016 (Note 1)
(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to unitholders from operations	1,019,768	1,760,019
Adjustments for:		
Net realized (gain) loss on sale of investments	(566,523)	(97,557)
Change in unrealized (appreciation) depreciation of investments	(7,192)	(1,419,598)
Unrealized (appreciation) depreciation of foreign currency translations	25	(33)
Purchase of investments ¹	(8,061,099)	(1,583,728)
Proceeds from sale of investments ¹	9,087,479	484,245
	<u>452,690</u>	<u>(2,616,671)</u>
Change in non-cash working capital	18,277	(48,981)
Net cash generated (used) by operating activities	<u>1,490,735</u>	<u>(905,633)</u>
Cash Flows from Financing Activities		
Proceeds from sale of redeemable units	4,826,690	1,090,687
Distributions to holders of redeemable units, net of reinvested distributions	(408,631)	(117,083)
Payment for redeemable units redeemed	(5,927,000)	(5,570)
Net cash provided by (used in) financing activities	<u>(1,508,941)</u>	<u>968,034</u>
Unrealized (appreciation) depreciation of foreign currency translations	<u>(25)</u>	<u>33</u>
Net increase (decrease) in cash	<u>(18,231)</u>	<u>62,434</u>
Cash, beginning of period	62,434	-
Cash, end of period	<u>44,203</u>	<u>62,434</u>
Supplemental cash flow information relating to operating activities		
Dividends received, net of foreign withholding taxes	539,587	233,143
Interest received	12,104	7,719

¹ Excludes in-kind transactions

Sphere FTSE Canada Sustainable Yield Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Energy (24.9%)			
4,838	Cameco Corporation	60,098	56,169
20,223	Enbridge Inc.	1,103,863	994,163
1,366	Enbridge Income Fund Holdings Inc.	45,547	40,720
1,514	Ensign Energy Services, Inc.	11,628	9,796
4,538	Inter Pipeline, Ltd.	123,325	118,124
2,281	Keyera Corp.	89,423	80,793
1,591	Parkland Fuel Corporation	41,202	42,718
890	Pason Systems Inc.	15,652	16,189
6,167	Pembina Pipeline Corporation	244,334	280,660
1,959	PEYTO Exploration & Development Corp.	58,287	29,444
20,690	Suncor Energy Inc.	853,218	954,844
10,698	TransCanada Corporation	611,197	654,504
1,354	Vermilion Energy, Inc.	61,783	61,851
4,453	Whitecap Resources, Inc.	45,385	39,854
		<u>3,364,942</u>	<u>3,379,829</u>
Materials (1.8%)			
1,704	Agrium Inc.	<u>205,988</u>	<u>246,364</u>
Industrials (1.9%)			
713	Aecon Group Inc.	11,642	14,217
2,067	Finning International Inc.	51,470	65,565
647	New Flyer Industries Inc.	29,456	34,938
1,081	TFI International Inc.	29,861	35,522
780	Transcontinental Inc. Cl. A	15,729	19,375
657	Westshore Terminals Investment Corporation	14,817	17,272
1,249	WSP Global Inc.	53,950	74,828
		<u>206,925</u>	<u>261,717</u>
Consumer Discretionary (1.4%)			
780	Cineplex Inc.	39,084	29,117
328	Dorel Industries Inc. Cl. B Sub. Voting	10,352	10,201
5,301	Shaw Communications Inc. Cl. B	136,227	152,086
		<u>185,663</u>	<u>191,404</u>

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Consumer Staples (0.1%)			
583	The North West Company Inc.	16,460	17,531
Financial (57.4%)			
8,070	Bank of Montreal	702,319	811,761
5,351	Canadian Imperial Bank of Commerce	557,906	655,712
1,078	Canadian Western Bank	29,424	42,311
3,081	CI Financial Corp.	83,635	91,721
4,687	Element Fleet Management, Corp.	42,252	44,526
196	First National Financial Corporation	5,113	5,645
482	Genworth MI Canada Inc.	15,865	20,967
3,416	Great-West Lifeco Inc.	121,888	119,902
1,024	IGM Financial Inc.	39,843	45,210
1,306	Industrial Alliance Insurance and Financial Services Inc.	62,788	78,125
418	Laurentian Bank of Canada	21,984	23,629
24,389	Manulife Financial Corporation	504,470	639,480
4,224	National Bank of Canada	205,599	264,929
4,747	Power Corporation of Canada	143,816	153,660
3,031	Power Financial Corporation	100,292	104,691
13,895	Royal Bank of Canada	1,171,803	1,426,322
7,570	Sun Life Financial Inc.	344,478	392,732
14,983	The Bank of Nova Scotia	1,047,431	1,215,421
19,036	The Toronto-Dominion Bank	1,149,250	1,402,001
3,502	Thomson Reuters Corporation	190,660	191,875
673	TMX Group Limited	42,229	47,406
		<u>6,583,045</u>	<u>7,778,026</u>
Telecommunication Services (4.6%)			
3,702	BCE Inc.	216,147	223,527
4,425	Rogers Communications Inc. Cl. B	234,591	283,421
2,432	TELUS Corporation	107,411	115,812
		<u>558,149</u>	<u>622,760</u>
Utilities (4.6%)			
5,054	Algonquin Power & Utilities Corp.	59,699	71,059
922	ATCO, Ltd. Cl. I	45,477	41,490

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
1,448	Canadian Utilities Limited Cl. A	52,657	54,170
1,194	Capital Power Corporation	24,817	29,241
651	Emera Inc.	30,148	30,584
5,098	Fortis Inc.	211,924	235,069
3,680	Hydro One Limited	86,515	82,432
1,220	Just Energy Group, Inc.	8,743	6,588
1,377	Northland Power Inc.	31,595	32,153
1,752	Superior Plus Corporation	19,535	20,796
1,110	TransAlta Renewables Inc.	16,031	14,863
		<u>587,141</u>	<u>618,445</u>
	Real Estate (3.7%)		
1,046	Allied Properties Real Estate Investment Trust	34,728	44,016
1,873	Artis Real Estate Investment Trust	24,010	26,409
467	Boardwalk Real Estate Investment Trust	21,888	20,123
1,670	Canadian Apartment Properties REIT	49,132	62,324
899	Canadian Real Estate Investment Trust	41,267	41,624
1,834	First Capital Realty Inc.	37,795	38,000
577	Granite Real Estate Investment Trust	23,619	28,417
3,532	H&R Real Estate Investment Trust	78,206	75,444
333	Morguard Real Estate Investment Trust	4,890	4,595
610	Northview Apartment REIT	11,183	15,244
4,008	RioCan Real Estate Investment Trust	106,771	97,635
1,438	Smart Real Estate Investment Trust	46,388	44,449
		<u>479,877</u>	<u>498,280</u>
	Transaction Cost	<u>(624)</u>	<u>-</u>
	Total Investments (100.4%)	<u>12,187,566</u>	<u>13,614,356</u>
	Other assets less liabilities (-0.4%)		<u>(53,331)</u>
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		13,561,025

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017 and 2016, with all other variables held constant:

Fund	+/-10% Impact	
	December 31, 2017	December 31, 2016
Sphere FTSE Canada Sustainable Yield index ETF	1,361,436	1,406,702

Currency Risk

As at December 31, 2017 and 2016, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars; accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in changes in exchange rates.

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing, as at December 31, 2017 and 2016, accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017 and 2016, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017 and 2016, the Fund had no significant investments in fixed-income investments.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

Portfolio by Category	% of Net Assets Attributable to Unitholders	% of Net Assets Attributable to Unitholders
	December 31, 2017	December 31, 2016
Energy	24.9	18.7
Material	1.8	4.4
Industrials	1.9	1.7
Consumer Discretionary	1.4	1.6
Consumer Staples	0.1	0.1
Financials	57.4	59.5
Information Technology	-	0.3

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Canada Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Telecommunication Services	4.6	4.9
Utilities	4.6	4.0
Real Estate	3.7	4.4
Other assets less liabilities (net)	(0.4)	0.4
	100.0	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 and 2016 in valuing the Fund's financial assets and liabilities carried at fair value:

December 31, 2017	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	13,614,356	—	—	13,614,356
Total	13,614,356	—	—	13,614,356

December 31, 2016	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	14,067,021	—	—	14,067,021
Total	14,067,021	—	—	14,067,021

For the periods ended December 31, 2017 and 2016, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the periods ended December 31, 2017 and 2016.

Unit Transactions (Note 5)

The unitholder transactions for the periods ended December 31 are as follows:

	2017	2016
Number of units, beginning of year	1,200,000	-
Units issued during the year	400,000	1,300,000
Units redeemed during the year	(500,000)	(100,000)
Number of units, end of year	1,100,000	1,200,000

Income Taxes (Note 6)

As at December 31, 2017 and 2016, the Fund had no capital and non-capital loss carryforward balances.

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Statements of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Assets		
Current assets		
Investments, at fair value	20,577,446	3,174,904
Cash	7,956	37,301
Amounts receivable from Manager	32,715	6,743
Dividends and interest receivable	21,916	3,422
Unrealized appreciation of foreign currency contracts	76,287	1,347
	<u>20,716,320</u>	<u>3,223,717</u>
Liabilities		
Current liabilities		
Distributions payable	200,484	-
Accrued expenses and other liabilities	59,041	7,726
Unrealized depreciation of foreign currency contracts	-	34,683
	<u>259,525</u>	<u>42,409</u>
Net assets attributable to unitholders	20,456,795	3,181,308
Net assets attributable to unitholders per unit	<u>11.36</u>	<u>10.60</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Sphere FTSE Europe Sustainable Yield Index ETF**Statements of Comprehensive Income**

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Income		
Net gain (loss) on investments		
Dividend income	508,408	64,679
Interest for distributions purposes	359	-
Net realized gain (loss) on sale of investments	133,849	171
Change in unrealized appreciation (depreciation) of investments	631,308	111,139
Total net gain (loss) on investments	<u>1,273,924</u>	<u>175,989</u>
Net gain (loss) on derivatives		
Net realized gain (loss) on foreign currency contracts	(36,282)	118,138
Change in unrealized appreciation (depreciation) of foreign currency contracts	109,623	(33,336)
Total net gain (loss) on derivatives	<u>73,341</u>	<u>84,802</u>
Other income (loss)		
Other income	1,112	2,393
Net realized gain (loss) on foreign currency translations	(109,600)	(6,198)
Change in unrealized appreciation (depreciation) of foreign currency translations	(104)	(13)
Total other income (loss)	<u>(108,592)</u>	<u>(3,818)</u>
Total income (loss)	<u>1,238,673</u>	<u>256,973</u>
Expenses		
Management fees (Note 4)	87,392	11,414
Valuation fees (Note 4)	117,614	88,290
Transfer agent fees	17,640	13,242
Audit fees	6,300	6,299
Legal fees	4,000	3,999
Interest expense	-	130
Independent Review Committee fees	5,001	5,001
Foreign withholding taxes (Note 6)	60,855	9,295
Transaction costs (Note 2)	46,734	9,455
Total expenses	345,536	147,125
Less: expenses absorbed by the Manager	(136,172)	(114,962)
Net expenses	<u>209,364</u>	<u>32,163</u>
Increase (decrease) in net assets attributable to unitholders from operations	1,029,309	224,810
Increase (decrease) in net assets attributable to unitholders per unit from operations	0.82	0.85

Sphere FTSE Europe Sustainable Yield Index ETF**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Net assets attributable to unitholders - beginning of year	3,181,308	-
Increase (decrease) in net assets attributable to unitholders from operations	1,029,309	224,810
Distributions to unitholders from:		
Net investment income	(243,887)	(34,670)
Net realized gains	(70,546)	(131,727)
Return of capital	(260,129)	(422)
	<u>(574,562)</u>	<u>(166,819)</u>
Redeemable unit transactions:		
Proceeds from sale of redeemable units	17,897,110	2,991,590
Reinvestment of distributions to holders of redeemable units	-	131,727
Payment for redeemable units redeemed	(1,076,370)	-
Net increase (decrease) from redeemable unit transactions	<u>16,820,740</u>	<u>3,123,317</u>
Net assets attributable to unitholders – end of period	20,456,795	3,181,308

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Statements of Cash Flows

For the periods ended December 31, 2017 and 2016 (Note 1)
(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	1,029,309	224,810
Adjustments for:		
Net realized (gain) loss on sale of investments	(133,849)	(171)
Change in unrealized (appreciation) depreciation of investments	(631,308)	(111,139)
Change in unrealized (appreciation) depreciation of foreign currency contracts	(109,623)	33,336
Unrealized (appreciation) depreciation of foreign currency translations	-	(1)
Purchase of investments ¹	(21,797,788)	(3,814,052)
Proceeds from sale of investments ¹	5,160,403	750,458
	<u>(17,512,165)</u>	<u>(3,141,569)</u>
Change in non-cash working capital	6,849	(2,439)
Net cash generated (used) by operating activities	<u>(16,476,007)</u>	<u>(2,919,198)</u>
Cash Flows from Financing Activities		
Proceeds from sale of redeemable units	17,897,110	2,991,590
Distributions to holders of redeemable units, net of reinvested distributions	(374,078)	(35,092)
Payment for redeemable units redeemed	(1,076,370)	-
Net cash provided by (used in) financing activities	<u>16,446,662</u>	<u>2,956,498</u>
Unrealized (appreciation) depreciation of foreign currency translations	-	1
Net increase (decrease) in cash	<u>(29,345)</u>	<u>37,301</u>
Cash, beginning of period	37,301	-
Cash, end of period	<u>7,956</u>	<u>37,301</u>
Supplemental cash flow information relating to operating activities		
Dividends received, net of foreign withholding taxes	429,059	51,962
Interest received	359	-

¹ Excludes in-kind transactions

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
Austria (1.0%)			
350	Andritz AG	24,876	24,855
1,371	Erste Group Bank AG	62,305	74,656
684	OMV AG	46,955	54,500
189	Vienna Insurance Group	6,870	7,345
556	Voestalpine AG	30,605	41,798
		<u>171,611</u>	<u>203,154</u>
Belgium (1.1%)			
1,303	KBC Groep NV	118,677	139,745
663	Proximus SA	28,603	27,349
336	Solvay SA Cl. A	54,979	58,733
		<u>202,259</u>	<u>225,827</u>
Denmark (1.7%)			
3,326	Danske Bank A/S	151,390	162,792
870	ISS AS	46,017	42,353
334	Jyske Bank A/S	23,193	23,899
517	Pandora A/S	70,570	70,751
4,027	TDC A/S Cl. B	28,538	31,107
543	Tryg A/S	14,000	17,073
		<u>333,708</u>	<u>347,975</u>
Finland (1.5%)			
712	Elisa OYJ Series A	34,080	35,136
2,035	Fortum OYJ	39,704	50,642
308	Kesko OYJ Series B	19,453	21,020
647	Nokian Renkaat OYJ	35,133	36,886
2,726	Stora Enso OYJ Series R	43,858	54,352
2,517	UPM-Kymmene OYJ	82,593	98,359
		<u>254,821</u>	<u>296,395</u>
France (19.2%)			
222	Amundi SA	18,290	23,655
5,103	BNP Paribas SA	456,539	479,101
938	Bouygues SA	52,665	61,271
2,588	Carrefour SA	78,916	70,415

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
726	CNP Assurances	19,419	21,083
2,362	Compagnie de Saint-Gobain	159,216	163,799
836	Compagnie Generale des Etablissements Michelin	140,075	150,736
2,255	Electricite de France SA	27,879	35,439
77	Euler & Hermes SA	11,136	14,146
842	Eutelsat Communications	27,507	24,503
195	Fonciere des Regions	23,033	27,787
996	Klepierre SA	51,102	55,077
523	Lagardere SCA	20,444	21,084
9,037	Orange SA	187,553	197,290
2,133	Peugeot SA	55,411	54,544
965	Publicis Groupe SA	81,028	82,450
836	Renault SA	99,600	105,799
5,153	Sanofi	617,873	558,404
2,499	Schneider Electric SE	254,524	267,073
131	Societe BIC SA	19,281	18,110
3,476	Societe Generale	230,635	225,691
1,748	Suez	39,268	38,662
10,443	Total SA	694,918	725,220
469	Unibail-Rodamco SE	158,858	148,544
2,308	Veolia Environnement	62,162	74,057
2,192	VINCI SA	237,339	281,506
		<u>3,824,671</u>	<u>3,925,446</u>
Germany (17.4%)			
2,112	Allianz SE	521,039	609,993
218	Axel Springer AG	16,442	21,414
4,329	BASF SE	539,237	598,975
1,518	Bayerische Motoren Werke (BMW) AG	187,743	198,794
884	Deutsche Boerse AG	120,441	129,059
1,108	Deutsche Lufthansa AG	27,258	51,336
4,511	Deutsche Post AG	204,130	270,441
15,244	Deutsche Telekom AG	352,175	340,154
681	Evonik Industries AG	29,209	32,220
273	Hannover Rueckversicherungs AG	42,597	43,192
607	innogy SE	31,784	29,913

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
831	METRO AG	20,245	20,868
737	Porsche Automobil Holding SE Preferred Non-Voting	56,336	77,564
3,599	Siemens AG	651,999	630,468
162	Talanx Aktiengesellschaft	7,649	8,324
2,127	TUI AG	40,958	55,591
969	Uniper SE	22,332	37,998
869	Volkswagen AG Preferred	175,960	218,155
2,294	Vonovia SE	113,871	143,203
		3,197,625	3,562,358
	Italy (4.7%)		
7,541	A2A SPA	16,167	17,538
6,195	Assicurazioni Generali SPA	128,605	142,019
2,510	Atlantia SPA	85,451	99,637
1,219	Banca Mediolanum SPA	12,274	13,265
36,699	ENEL - SPA	235,695	283,945
11,820	Eni SPA	245,581	246,013
2,107	Poste Italiane SPA	18,930	19,941
11,434	Snam SPA	68,951	70,359
29,945	Telecom Italia SPA Savings Shares	28,291	26,917
6,726	Terna SPA	46,466	49,139
		886,411	968,773
	Jersey (0.7%)		
5847	WPP PLC	132,333	133,070
	Netherlands (5.9)		
580	ASR Nederland N.V.	28,146	30,009
6010	Koninklijke Ahold Delhaize NV	134,457	166,195
829	Koninklijke DSM NV	76,659	99,612
4437	Koninklijke Philips NV	196,536	211,063
378	Philips Lighting NV	18,302	17,445
534	Randstad Holdings NV	39,659	41,268
4228	RELX NV	108,541	122,210
7243	Unilever NV CVA	501,913	512,935

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
		1,104,213	1,200,737
	Norway (1.0%)		
4557	Statoil ASA	102,316	122,229
3210	Telenor ASA	71,092	86,443
		173,408	208,672
	Portugal (0.2%)		
10823	EDP - Energias de Portugal SA	48,034	47,093
	Spain (9.4%)		
133	Acciona SA	13,593	13,648
725	Acerinox SA	13,185	13,029
31521	Banco Bilbao Vizcaya Argentaria SA	330,102	338,107
26956	Banco de Sabadell SA	66,408	67,325
75365	Banco Santander, SA	612,190	622,778
17175	Caixabank, SA	96,958	100,739
3093	Distribuidora Internacional de Alimentacion	23,490	20,073
1099	Enagas SA	39,377	39,565
1479	Gas Natural SDG SA Series E	43,055	42,940
26389	Iberdrola SA	252,230	257,109
4998	International Consolidated Airlines Group SA	46,785	55,220
4492	Mapfre SA	20,991	18,143
1641	Merlin Properties Socimi, SA	26,067	27,967
2033	Red Electrica Corporacion, SA	54,576	57,368
20814	Telefonica SA	297,075	255,059
		1,936,082	1,929,070
	Sweden (3.7%)		
816	Industrivarden AB Series C	24,492	25,321
2172	Investor AB Series B	128,378	124,510
14988	Nordea Bank AB	232,811	228,061
1682	Skanska AB Series B	51,416	43,816
6902	Svenska Handelsbanken AB Series A	125,389	118,666
4943	Swedbank AB Series A	152,562	149,897
12151	Telia Company AB	68,864	68,054

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
		783,912	758,325
	Switzerland (18.8%)		
9118	ABB, Ltd.	282,700	307,219
797	Adecco Group AG	75,775	76,645
224	Baloise Holding, Ltd.	42,896	43,834
35	Ems-Chemie Holding AG Registered	28,784	29,369
44	Givaudan SA	114,104	127,819
31	Helvetia Holding AG	20,241	21,934
2271	LafargeHolcim, Ltd. Registered Shares	176,743	160,976
14640	Nestlé SA	1,525,021	1,582,562
3278	Roche Holding AG	1,101,955	1,042,321
126	Roche Holding AG	42,537	40,016
63	Sulzer AG	8,547	9,606
153	Swiss Life Holding	65,866	68,091
106	Swisscom AG	64,394	70,897
711	Zurich Insurance Group AG	262,110	272,030
		3,811,673	3,853,319
	United Kingdom (14.3%)		
5977	AstraZeneca PLC	484,122	519,464
15033	BAE Systems PLC	159,574	146,190
583	Bellway PLC	27,979	35,253
39581	BT Group PLC	213,531	182,513
3011	Capita PLC	29,829	20,486
26543	Centrica PLC	94,878	61,850
4709	Dixons Carphone PLC	13,561	15,904
7502	G4S PLC	38,477	33,994
4512	Imperial Brands PLC	287,198	242,436
2180	Inmarsat PLC	29,722	18,158
3198	Investec PLC	30,586	29,037
7336	J Sainsbury PLC	33,059	30,055
28013	Legal & General Group PLC	121,849	129,932
329429	Lloyds Banking Group PLC	373,032	380,515
7382	Marks & Spencer Group PLC	46,263	39,439
16247	National Grid PLC	297,330	241,295
584	Next PLC	41,880	44,849

Sphere FTSE Europe Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair value (\$)
2069	Pennon Group PLC	30,626	27,494
1495	Persimmon PLC	58,172	69,469
5659	Rio Tinto PLC	309,475	378,594
4172	Royal Mail PLC	30,730	32,039
1114	Severn Trent PLC	44,576	40,875
4685	SSE PLC	118,068	104,955
2112	Tate & Lyle PLC	26,827	25,198
3263	United Utilities Group PLC	53,947	45,936
3898	William Hill PLC	19,159	21,302
		<u>3,014,450</u>	<u>2,917,232</u>
	Transaction Cost	<u>(40,212)</u>	<u>-</u>
	Total Investments (100.6%)	<u>19,834,999</u>	<u>20,577,446</u>
	Derivatives Assets (0.4%)*		76,287
	Other assets less liabilities (-0.4%)		<u>(196,938)</u>
	NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		20,456,795

***Forward Foreign Currency Contracts (0.4%)**
December 31

		Purchased Currency		Sold Currency			
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Counter- Party Credit Rating
12-Jan-18	CAD	12,078,224	EUR	7,989,300	24,754	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	3,698,833	CHF	2,851,800	18,813	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	2,997,337	GBP	1,746,700	<u>32,720</u>	Canadian Imperial Bank of Commerce	A+
Total unrealized gain/loss of foreign currency contracts					76,287		

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017 and 2016, with all other variables held constant:

Fund	+/-10% Impact	
	December 31, 2017	December 31, 2016
Sphere FTSE Europe Sustainable Yield Index ETF	2,057,745	317,490

Currency Risk

The following tables summarize the Fund's total direct exposure to foreign currency risk and the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

December 31, 2017		Financial Instruments (\$)			
	Foreign Exchange Contracts (\$)	Financial Instruments (\$)	Notional Amount of Foreign Currency Contracts (\$)	Net Exposure (\$)	+/-5% Impact
Danish Krone	-	347,976	-	347,976	17,399
Euro	10,508	12,248,041	(12,053,470)	205,079	10,254
Norwegian Krone	1,104	208,672	-	209,776	10,489
Pound Sterling	18,098	3,161,113	(2,964,617)	214,594	10,730
Swedish Krone	-	758,325	-	758,325	37,916
Swiss Franc	-	3,853,319	(3,680,020)	173,299	8,665
Total	29,710	20,577,446	(18,698,107)	1,909,049	95,453

December 31, 2016		Financial Instruments (\$)			
	Foreign Exchange Contracts (\$)	Financial Instruments (\$)	Notional Amount of Foreign Currency Contracts (\$)	Net Exposure (\$)	+/-5% Impact
Danish Krone	-	112,886	-	112,886	5,644
Euro	1,538	1,667,933	(1,509,715)	159,756	7,988
Norwegian Krone	-	27,000	-	27,000	1,350
Pound Sterling	2,600	635,959	(584,375)	54,184	2,709
Swedish Krone	-	150,188	-	150,188	7,509
Swiss Franc	-	580,938	(528,404)	52,534	2,627
United States Dollar	63	-	-	63	3
Total	4,201	3,174,904	(2,622,494)	556,611	27,830

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing, as at December 31, 2017 and 2016, accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017 and 2016, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017 and 2016, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts counterparty credit ratings.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net Assets Attributable to Unitholders	% of Net Assets Attributable to Unitholders
Portfolio by Category	December 31, 2017	December 31, 2016
Austria	1.0	0.7
Belgium	1.1	1.4
Denmark	1.7	3.6
Finland	1.5	2.1
France	19.2	18.4
Germany	17.4	12.6
Ireland	-	0.2
Italy	4.7	3.1
Jersey	0.7	-
Luxembourg	-	0.2
Netherlands	5.9	7.6
Norway	1.0	0.8
Portugal	0.2	0.2
Spain	9.4	6.3
Sweden	3.7	4.7
Switzerland	18.8	18.3
United Kingdom	14.3	19.6
Other assets less liabilities (net)	(0.6)	0.2
	100.00	100.00

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 and 2016 in valuing the Fund's financial assets and liabilities carried at fair value:

December 31, 2017	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	20,577,446	–	–	20,577,446
Derivatives Assets	–	76,287	–	76,287
Total	20,577,446	76,287	–	20,653,733

December 31, 2016	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	3,174,904	–	–	3,174,904
Derivatives Assets	–	1,347	–	1,347
Derivatives Liabilities	–	(34,683)	–	(34,683)
Total	3,174,904	(33,336)	–	3,141,568

For the periods ended December 31, 2017 and 2016, there were no significant transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the periods ended December 31, 2017 and 2016.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017 and 2016. The "Net" column shows what the impact on the Fund's Statements of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	76,287	76,287	-	76,287
Total	76,287	76,287	-	76,287

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Europe Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2016				
Derivative assets	1,347	1,347	(1,347)	-
Derivative liabilities	34,683	34,683	(1,347)	33,336
Total	36,030	36,030	-	33,336

Unit Transactions (Note 5)

The unitholder transactions for the periods ended December 31 are as follows:

	2017	2016
Number of units, beginning of year	300,000	-
Units issued during the year	1,600,000	300,000
Units redeemed during the year	(100,000)	-
Number of units, end of year	1,800,000	300,000

Income Taxes (Note 6)

As at December 31, 2017 and 2016, the Fund had no capital and non-capital loss carryforward balances.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF**Statements of Financial Position**

As at December 31, 2017 and 2016

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Assets		
Current assets		
Investments	23,436,625	9,019,184
Cash	18,808	123,261
Receivable for investments sold	11,503,503	-
Amounts receivable from Manager	22,670	8,133
Dividends and interest receivable	23,957	9,859
Unrealized appreciation of foreign currency contracts	339,523	-
	<u>35,345,086</u>	<u>9,160,437</u>
Liabilities		
Current liabilities		
Accounts payable for investments purchased	10,867,816	-
Distributions payable	244,398	27,474
Accrued expenses and other liabilities	62,560	10,879
Unrealized depreciation of foreign currency contracts	184,776	148,650
	<u>11,359,550</u>	<u>187,003</u>
Net assets attributable to unitholders	23,985,536	8,973,434
Net assets attributable to unitholders per unit	<u>10.90</u>	<u>9.97</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Statements of Comprehensive Income

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Income		
Net gain (loss) on investments		
Dividend income	899,415	23,505
Interest for distributions purposes	1,957	-
Net realized gain (loss) on sale of investments	1,385,290	(74,036)
Change in unrealized appreciation (depreciation) of investments	470,719	243,900
Total net gain (loss) on investments	2,757,381	193,369
Net gain (loss) on derivatives		
Net realized gain (loss) on foreign currency contracts	(370,072)	16,845
Change in unrealized appreciation (depreciation) of foreign currency contracts	303,397	(148,650)
Total net gain (loss) on derivatives	(66,675)	(131,805)
Other income (loss)		
Other income	377	32,336
Net realized gain (loss) on foreign currency translations	(28,684)	(26,307)
Change in unrealized appreciation (depreciation) of foreign currency translations	(6,759)	(59)
Total other income (loss)	(35,066)	5,970
Total income (loss)	2,655,640	67,534
Expenses		
Management fees (Note 4)	122,893	8,997
Valuation fees (Note 4)	117,614	30,074
Transfer agent fees	17,640	4,511
Audit fees	6,300	6,300
Legal fees	4,001	4,000
Interest expense	2,764	-
Independent Review Committee fees	5,002	5,000
Foreign withholding taxes (Note 6)	112,625	3,079
Transaction costs (Note 2)	123,442	17,385
Other expense	70,307	-
Total expenses	582,588	79,346
Less: expenses absorbed by the Manager	(100,052)	(48,410)
Net expenses	482,536	30,936
Increase (decrease) in net assets attributable to unitholders from operations	2,173,104	36,598
Increase (decrease) in net assets attributable to unitholders per unit from operations	1.16	0.06

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Statements of Changes in Net Assets Attributable to Holders of Redeemable Units
For the periods ended December 31, 2017 and 2016 (Note 1)
(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Net assets attributable to unitholders - beginning of period	8,973,434	-
Increase (decrease) in net assets attributable to unitholders from operations	<u>2,173,104</u>	<u>36,598</u>
Distributions to unitholders from:		
Net investment income	(582,383)	(27,474)
Net realized gains	(318,889)	-
Return of capital	<u>(15,389)</u>	<u>-</u>
	<u>(916,661)</u>	<u>(27,474)</u>
Redeemable unit transactions:		
Proceeds from sale of redeemable units	15,552,750	8,964,310
Reinvestment of distributions to holders of redeemable units	318,889	-
Payment for redeemable units redeemed	<u>(2,115,980)</u>	<u>-</u>
	<u>13,755,659</u>	<u>8,964,310</u>
Net assets attributable to unitholders – end of period	23,985,536	8,973,434

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Statements of Cash Flows

For the periods ended December 31, 2017 and 2016 (Note 1)

(in Canadian dollars, except for number of units)

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	2,173,104	36,598
Adjustments for:		
Net realized (gain) loss on sale of investments	(1,385,290)	74,036
Change in unrealized (appreciation) depreciation of investments	(470,719)	(243,900)
Change in unrealized (appreciation) depreciation of foreign currency contracts	(303,397)	148,650
Unrealized (appreciation) depreciation of foreign currency translations	(79)	11
Purchase of investments ¹	(40,481,410)	(8,905,913)
Proceeds from sale of investments ¹	27,919,978	56,593
	<u>(14,720,917)</u>	<u>(8,870,523)</u>
Change in non-cash working capital	(612,641)	(7,113)
Net cash generated (used) by operating activities	<u>(13,160,454)</u>	<u>(8,841,038)</u>
Cash Flows from Financing Activities		
Proceeds from sale of redeemable units	15,552,750	8,964,310
Distributions to holders of redeemable units, net of reinvested distributions	(380,848)	-
Payment for redeemable units redeemed	(2,115,980)	-
Net cash provided by (used in) financing activities	<u>13,055,922</u>	<u>8,964,310</u>
Unrealized (appreciation) depreciation of foreign currency translations	<u>79</u>	<u>(11)</u>
Net increase (decrease) in cash	<u>(104,453)</u>	<u>123,261</u>
Cash, beginning of period	123,261	-
Cash, end of period	<u>18,808</u>	<u>123,261</u>
Supplemental cash flow information relating to operating activities		
Dividends received, net of foreign withholding taxes	772,692	10,567
Interest received	1,957	-

¹ Excludes in-kind transactions

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Bermuda (1.9%)			
1,778	Credicorp Limited	328,309	463,595
Brazil (3.5%)			
13,660	Centrais Eletricas Brasileiras SA	103,096	105,801
8,609	Companhia de Saneamento Basico do Estado de Sao Paulo ADR	113,535	113,085
2,552	Companhia Paranaense de Energia	24,099	24,476
48,600	Petroleo Brasileiro SA-Petrobas	598,477	600,517
		839,207	843,879
Cayman Islands (3.1%)			
30,796	Anta Sports Products Limited	125,194	175,645
91,000	China Dongxiang (Group) Co., Ltd.	19,873	21,229
44,000	China Resources Cement Holdings Limited	34,121	36,387
19,239	Hengan International Group Company Limited	209,983	268,521
18,159	Kingboard Chemical Holdings Limited	124,103	123,437
27,500	Kingboard Laminates Holding Limited	61,446	53,890
37,267	Lee & Man Paper Manufacturing Limited	42,011	55,401
		616,731	734,510
Chile (0.4%)			
2,650	Enel Generacion Chile SA ADR	89,618	89,639
China (8.8%)			
680,718	Agricultural Bank of China Limited Cl. H	377,060	398,652
37,871	BAIC Motor Corporation Limited Cl. H	49,892	62,027
50,815	Beijing Jingneng Clean Energy Co., Limited Cl. H	20,420	17,169
680,433	China Petroleum & Chemical Corporation Cl. H	679,903	627,286
90,505	China Shenhua Energy Company Limited Cl. H	267,465	294,865
36,582	COSCO SHIPPING Energy Transportation Co., Ltd. Cl. H	27,067	25,132
80,000	Dongfeng Motor Corporation Cl. H	124,077	121,761
58,940	Guangzhou Automobile Group Company Limited Cl. H	120,406	175,621
72,000	Huadian Fuxin Energy Corporation Limited Cl. H	20,447	22,125
34,143	Jiangsu Expressway Co., Ltd. Cl. H	62,699	65,369

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
82,105	Metallurgical Corporation of China Ltd. Cl. H	38,567	30,383
8,812	Shandong Chenming Paper Holdings Ltd.	20,298	19,962
97,865	Sinopec Shanghai Petrochemical Company Limited Cl. H	71,416	70,067
50,225	Sinotrans Limited Cl. H	30,485	30,949
50,000	Weichai Power Co., Ltd. Cl. H	71,853	68,860
4,100	Weifu High-Technology Group Co., Ltd. Cl. B	11,344	11,023
52,000	Yanzhou Coal Mining Company Limited Cl. H	64,991	76,467
		2,058,390	2,117,718
Colombia (0.5%)			
131,119	Ecopetrol SA	75,803	122,048
Greece (0.7%)			
2,954	Jumbo SA	61,500	66,383
1,566	Motor Oil (Hellas) Corinth Refineries SA	33,074	44,356
1,143	Titan Cement Company SA	35,136	39,477
		129,710	150,216
Hong Kong (1.0%)			
52,564	China Resources Power Holdings Company Limited	124,442	123,133
12,671	Shanghai Industrial Holdings Limited	46,758	45,665
80,292	Sino-Ocean Land Holdings Ltd.	66,775	69,629
		237,975	238,427
		237,975	238,427
Hungary (2.2%)			
10,803	Magyar Telekom Telecommunications PLC	24,648	24,017
11,482	MOL Hungarian Oil and Gas Public Limited Company	146,137	167,482
6,616	OTP Bank Nyrt	278,572	344,269
		449,357	535,768

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
India (1.1%)			
10,478	Vedanta Limited	276,978	274,349
Indonesia (5.3%)			
297,638	Perusahaan Gas Negara (Persero) Tbk	47,007	48,257
9,827	PT Astra Agro Lestari Tbk	14,745	11,972
538,115	PT Astra International Tbk	446,869	413,798
88,357	PT Bank Danamon Indonesia Tbk	42,971	56,893
121,780	PT Indofood Sukses Makmur Tbk	95,325	86,030
1,256,568	PT Telekomunikasi Indonesia Tbk Series B	524,718	516,898
39,958	PT United Tractors Tbk	98,390	131,052
146,200	PT. Media Nusantara Citra Tbk	18,984	17,406
		<u>1,289,009</u>	<u>1,282,306</u>
Malaysia (5.4%)			
170,651	CIMB Group Holdings Bhd	307,759	346,648
73,555	Maxis Berhad	136,518	137,306
75,127	PETRONAS Chemicals Group Berhad	160,292	179,675
31,620	RHB Bank Berhad	49,876	49,106
31,366	Telekom Malaysia Berhad	58,559	61,376
109,005	Tenaga Nasional Berhad	458,000	516,658
		<u>1,171,004</u>	<u>1,290,769</u>
Mexico (4.6%)			
10,034	Alpek SAB de CV	16,607	15,042
6,300	Concentradora Fibra Danhos, SA de CV	13,844	12,328
75,048	Fibra Uno Administracion SA	158,429	139,806
10,549	Grupo Aeroportuario del Pacifico SAB de CV Series B	139,015	136,286
5,369	Grupo Aeroportuario del Sureste SAB de CV Series B	126,324	122,902
3,441	Industrias Penoles, SA de CV	110,471	90,114
16,600	Infraestructura Energetica Nova, SAB de CV	101,434	102,355
8,241	Megacable Holdings SAB de CV	40,484	42,152
137,534	Wal-Mart de Mexico SAB de CV Series V	407,687	423,705
		<u>1,114,295</u>	<u>1,084,690</u>

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Philippines (0.5%)			
52531	Energy Development Corporation	8,706	7,592
30029	International Container Terminal Services, Inc.	77,842	79,773
29520	Semirara Mining and Power Corporation	27,107	27,354
		<u>113,655</u>	<u>114,719</u>
Russia (8.6%)			
69551	Alrosa PJSC	138,071	113,877
7300000	Federal Grid Company of Unified Energy System PJSC	26,659	25,805
280523	Gazprom PJSC	831,982	798,552
12455	LUKOIL PJSC	835,273	905,939
40639	Magnitogorsk Iron & Steel Works PJSC	34,047	37,108
24061	Rostelecom PJSC	41,608	33,538
3068744	RusHydro PJSC	62,376	48,792
4856	Severstal PJSC	93,222	93,999
		<u>2,063,238</u>	<u>2,057,610</u>
China (8.8%)			
5933	Barloworld Limited	73,124	96,178
1527	Kumba Iron Ore Limited	32,896	58,817
9760	Pick n Pay Stores Limited	55,426	68,974
8511	Telkom South Africa Limited	56,638	41,609
5335	The SPAR Group Limited	95,574	110,208
4361	Tiger Brands Limited	178,137	203,808
3078	Tongaat Hulett Limited	32,701	35,847
13243	Tsogo Sun Holdings	26,007	32,775
15857	Vodacom Group Limited	238,584	234,692
		<u>789,087</u>	<u>882,908</u>

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Taiwan (10.8%)			
22540	AU Optronics Corp. ADR	119,747	117,864
11151	Siliconware Precision Industries Company ADR	118,203	117,881
47162	Taiwan Semiconductor Manufacturing Company, Ltd. ADR	2,349,729	2,350,557
		<u>2,587,679</u>	<u>2,586,302</u>
Thailand (6.1%)			
122580	Banpu Public Company Limited	77,246	92,195
126294	Charoen Pokphand Foods Public Company Limited	125,663	116,908
7504	Electricity Generating Public Company Limited	61,600	62,517
11638	Glow Energy Public Company Limited	35,655	36,471
37061	PTT Exploration and Production Public Company Limited	121,258	142,945
53856	PTT Global Chemical Public Company Limited	138,832	176,565
38133	PTT Public Company Limited	574,680	647,149
22103	Ratchaburi Electricity Generating Holding Public Company Limited	43,802	46,249
7971	The Siam Cement Public Company Limited	270,702	150,647
		<u>1,449,438</u>	<u>1,471,646</u>
United States (29.5%)			
7732	iShares MSCI Brazil ETF	393,152	393,139
430	iShares MSCI Chile ETF	28,293	28,193
51740	iShares MSCI India ETF	2,330,385	2,345,891
13640	iShares MSCI Poland Capped ETF	466,724	464,471
73990	iShares MSCI Taiwan ETF	3,360,517	3,367,727
4166	iShares MSCI Turkey ETF	227,276	227,585
12334	iShares MSCI UAE ETF	259,844	260,464
196	Vaneck Vectors Egypt Index ETF	8,143	8,056
		<u>7,074,334</u>	<u>7,095,526</u>
Transaction Cost		<u>(31,811)</u>	<u>-</u>
Total Investments (97.7%)		<u>22,722,006</u>	<u>23,436,625</u>
Derivatives Assets (0.6%)*			154,747
Other assets less liabilities (1.6%)			394,164
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			<u>23,985,536</u>

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

***Forward Foreign Currency Contracts (0.6%)**
December 31

Settlement Date	Currency	Purchased Currency		Sold Currency		Unrealized Gain (\$)	Counterparty	Counter- Party Credit Rating
		Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Currency			
12-Jan-18	CAD	4,846,080	HKD	29,438,000		109,865	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	3,679,962	INR	185,470,100		32,031	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	1,605,966	MXN	23,996,500		74,784	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	10,184,940	USD	81,00,000		5,468	Canadian Imperial Bank of Commerce	A+
2-Jan-18	CAD	248,759	TRY	748,689		480	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	8,544,104	TWD	199,462,100		116,895	Canadian Imperial Bank of Commerce	A+
Total						339,523		

Settlement Date	Currency	Purchased Currency		Sold Currency		Unrealized (Loss) (\$)	Counterparty	Counter- Party Credit Rating
		Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Currency			
12-Jan-18	CAD	2,065,494	ZAR	22,038,200		(169,933)	Canadian Imperial Bank of Commerce	A+
3-Jan-18	CAD	489,425	PLN	1,361,680		(2,288)	Canadian Imperial Bank of Commerce	A+
12-Jan-18	CAD	2,299,714	RUB	106,030,600		(12,096)	Canadian Imperial Bank of Commerce	A+
3-Jan-18	CAD	275,850	AED	807,331		(459)	State Street Bank and Trust Co.	AA-
Total						(184,776)		

Net unrealized gain/loss of foreign currency contracts **154,747**

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017 and 2016, with all other variables held constant:

Fund	+/-10% Impact	
	December 31, 2017	December 31, 2016
Sphere FTSE Emerging Markets Sustainable Yield Index ETF	2,343,663	901,918

Currency Risk

The following tables summarize the Fund's total direct exposure to foreign currency risk and the potential impact on the net assets attributable to holders of redeemable units if the Canadian dollar had strengthened or weakened by 5% in relation to each of the other currencies, with all other variables held constant.

December 31, 2017	Financial Instruments (\$)				
	Foreign Exchange Contracts (\$)	Financial Instruments (\$)	Notional Amount of Foreign Currency Contracts (\$)	Net Exposure (\$)	+/-5% Impact
Brazilian Real	1,308,776	-	-	1,308,776	65,439
Chilean Peso	128,171	-	-	128,171	6,409
Colombian Peso	-	122,048	-	122,048	6,102
Euro	1,284	150,216	-	151,500	7,575
Egyptian Pound	6,727	-	-	6,727	336
Hong Kong Dollar	-	3,090,655	(4,736,215)	(1,645,560)	(82,278)
Hungarian Forint	-	535,768	-	535,768	26,788
Indian Rupee	2,764,568	-	(3,647,932)	(883,364)	(44,168)
Indonesian Rupiah	-	1,282,306	-	1,282,306	64,115
Malaysian Ringgit	16,068	1,290,768	-	1,306,836	65,342
Mexican Peso	-	1,084,691	(1,531,181)	(446,490)	(22,325)
New Russian Ruble	20,467	2,057,610	(2,311,810)	(233,733)	(11,687)
New Taiwan Dollar	6,282,560	-	(8,427,208)	(2,144,648)	(107,232)
New Turkish Lira	248,279	-	(248,279)	-	-
Philippine Peso	-	114,719	-	114,719	5,736
Polish Zloty	491,714	-	(491,714)	-	-
South African Rand	(65)	882,908	(2,235,427)	(1,352,584)	(67,629)
Thailand Baht	-	1,471,646	-	1,471,646	73,582

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements
December 31, 2017

UAE Dirham	276,309	-	(276,309)	-	-
United States Dollar	-	11,353,290	(10,179,472)	1,173,818	58,691
Total	11,544,858	23,436,625	(34,085,547)	895,936	44,796

December 31, 2016	Financial Instruments (\$)				
	Foreign Exchange Contracts (\$)	Financial Instruments (\$)	Notional Amount of Foreign Currency Contracts (\$)	Net Exposure (\$)	+/-5% Impact
Brazilian Real	1,852	243,507	-	245,359	12,268
Chilean Peso	-	183,661	-	183,661	9,183
Colombian Peso	208	37,319	-	37,527	1,876
Euro	137	35,867	-	36,004	1,800
Egyptian Pound	2	8,069	-	8,071	404
Hong King Dollar	-	1,185,219	(1,480,264)	(295,045)	(14,752)
Indian Rupee	-	1,355,108	(1,640,650)	(285,542)	(14,277)
Indonesian Rupiah	966	493,463	-	494,429	24,721
Malaysian Ringgit	-	85,447	-	85,447	4,272
Mexican Peso	(68)	383,555	(937,937)	(554,450)	(27,723)
New Russian Ruble	7,897	1,091,606	(1,071,890)	27,613	1,381
New Taiwan Dollar	-	2,237,775	(2,491,780)	(254,005)	(12,700)
New Turkish Lira	-	69,338	-	69,338	3,467
Philippine Peso	-	101,929	-	101,929	5,096
Polish Zloty	850	8,607	-	9,457	473
South African Rand	-	1,071,106	(1,044,495)	26,611	1,331
Thailand Baht	-	220,250	-	220,250	11,013
UAE Dirham	-	70,861	-	70,861	3,543
United States Dollar	62	136,496	-	136,558	6,828
Total	11,906	9,019,183	(8,667,016)	364,073	18,204

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing, as at December 31, 2017 and 2016, accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017 and 2016, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017 and 2016, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investments for the foreign currency contracts counterparty credit ratings.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net Assets Attributable to Unitholders	% of Net Assets Attributable to Unitholders
Portfolio by Category	December 31, 2017	December 31, 2016
Bermuda	1.9	1.8
Brazil	3.5	2.7
Cayman Islands	3.1	2.9
Chile	0.4	2.0
China	8.8	8.7
Colombia	0.5	0.4
Egypt	-	0.1
Greece	0.7	0.4
Hong Kong	1.00	1.3
Hungary	2.2	-
India	1.1	15.1
Indonesia	5.3	5.5
Malaysia	5.4	1.0
Mexico	4.6	4.3
Philippines	0.5	1.1
Poland	-	0.1
Russia	8.6	12.2
South Africa	3.7	11.9
Taiwan	10.8	24.9
Thailand	6.1	2.5
Turkey	-	0.8

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

United Arab Emirates	-	0.8
United States	29.5	-
Other assets less liabilities (net)	2.3	(0.50)
	100.0	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 and 2016 in valuing the Fund's financial assets and liabilities carried at fair value:

December 31, 2017	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	23,436,625	-	-	23,436,625
Derivatives Assets	-	339,523	-	339,523
Derivatives Liabilities	-	(184,776)	-	(184,776)
Total	23,436,625	154,747	-	23,591,372

December 31, 2016	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	9,019,184	-	-	9,019,184
Derivatives Assets	-	(148,650)	-	(148,650)
Total	9,019,184	(148,650)	-	8,870,534

For the periods ended December 31, 2017 and 2016, there were no significant transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the periods ended December 31, 2017 and 2016.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017 and 2016. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	339,523	339,523	(184,317)	155,206
Derivative liabilities	184,776	184,776	(184,317)	459
Total	524,299	524,299	-	155,665

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2016				
Derivative liabilities	148,650	148,650	-	148,650
Total	148,650	148,650	-	148,650

Unit Transactions (Note 5)

The unitholder transactions for the periods ended December 31 are as follows:

	2017	2016
Number of units, beginning of year	900,000	-
Units issued during the year	1,500,000	900,000
Units redeemed during the year	(200,000)	-
Number of units, end of year	2,200,000	900,000

The accompanying notes are an integral part of these financial statements.

Sphere FTSE Emerging Markets Sustainable Yield Index ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Income Taxes (Note 6)

The Fund had the following capital and non-capital losses available for carryforward as at December 31, 2017 and:

	2017	2016
Capital Loss Carryforwards	-	76,478
Non-capital losses	-	-

Evolve US Banks Enhanced Yield ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	2,101,128
Cash	973
Interest, dividends and other receivables	2,688
Derivative assets	25,956
	<u>2,130,745</u>
Liabilities	
Current Liabilities	
Payable on investments purchased	69
Derivative liabilities	12,976
Accrued expenses	1,231
	<u>14,276</u>
Net assets attributable to unitholders	<u>2,116,469</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>1,062,375</u>
Hedged Units	<u>1,054,094</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>21.25</u>
Hedged Units	<u>21.08</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve US Banks Enhanced Yield ETF
Statement of Comprehensive Income
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Dividend income	9,581
Changes in fair value of investments	
Net realized gain (loss)	2,393
Net change in unrealized appreciation (depreciation)	152,288
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(54,500)
Net change in unrealized appreciation (depreciation)	22,164
Other income (loss)	
Net realized gain (loss) on foreign currency translations	4,940
Net change in unrealized appreciation (depreciation) on foreign currency translations	<u>(46)</u>
Total Income (Loss)	<u>136,820</u>
Expenses	
Management fees (Note 4)	2,195
Administrative fees (Note 4)	732
Interest expense and bank charges	148
Foreign withholding taxes (Note 6)	1,437
Transaction costs (Note 2)	<u>839</u>
Total operating expenses	<u>5,351</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>131,469</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>69,875</u>
Hedged Units	<u>61,594</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>1.40</u>
Hedged Units	<u>1.23</u>

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	69,875
Hedged Units	61,594
	<u>131,469</u>
Distributions to unitholders from:	
Net investment income	
Unhedged Units	(1,371)
Hedged Units	(1,321)
	<u>(2,692)</u>
Return of capital	
Unhedged Units	(6,129)
Hedged Units	(6,179)
	<u>(12,308)</u>
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,000,000
Hedged Units	1,000,000
	<u>2,000,000</u>
Net increase (decrease) from redeemable unit transactions	<u>2,000,000</u>
Increase (decrease) in net assets attributable to unitholders for the period	<u>2,116,469</u>
Net assets attributable to unitholders - end of period	
Unhedged Units	1,062,375
Hedged Units	1,054,094
Net assets attributable to unitholders - end of period	<u>2,116,469</u>

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	131,469
Adjustments for:	
Realized (gain) loss on investments	(2,393)
Realized (gain) loss on derivatives	54,500
Change in unrealized (appreciation) depreciation in the value of investments	(152,288)
Change in unrealized (appreciation) depreciation in the value of derivatives	(22,164)
Purchases of investments and derivatives ²	(32,286)
Proceeds from sale and maturity of investments and derivatives	19,810
(Increase) decrease in interest, dividends and other receivables	(2,688)
Increase (decrease) in accrued expenses	1,231
Net cash generated (used) by operating activities	<u>(4,809)</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(15,000)
Proceeds from sale of units ²	<u>20,782</u>
Net cash provided by (used in) financing activities	<u>5,782</u>
 Net increase (decrease) in cash	973
End of period cash balance	973
 Supplemental Information:¹	
Dividends received, net of foreign withholding taxes	5,456
¹ Included as part of Cash Flows from Operating Activities	
² Excludes in-kind transactions, if any.	

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Financials (99.3%)			
583	Ameriprise Financial Inc.	110,783	123,793
3,354	Bank of America Corporation	108,427	124,055
1,747	BB&T Corporation	103,529	108,832
1,159	Citigroup Inc.	108,704	108,056
2,336	Citizens Financial Group Inc.	109,490	122,871
1,185	Comerica Inc.	113,560	128,891
3,058	Fifth Third Bancorp	108,158	116,248
819	First Republic Bank	105,997	88,907
6,237	Huntington Bancshares Inc.	108,112	113,781
866	JPMorgan Chase & Co.	104,959	116,036
4,614	KeyCorp	106,485	116,605
533	M&T Bank Corporation	108,833	114,191
5,837	Regions Financial Corporation	109,872	126,377
1,467	SunTrust Banks Inc.	110,474	118,721
472	SVB Financial Group	111,099	138,250
635	The PNC Financial Services Group Inc.	108,473	114,800
1,536	US Bancorp	104,308	103,116
1,547	Wells Fargo & Company	107,765	117,598
		<u>1,949,028</u>	<u>2,101,128</u>
Transaction Costs		<u>(188)</u>	<u>-</u>
Total Investments (99.3%)		<u>1,948,840</u>	<u>2,101,128</u>
Derivative Assets (1.2%)			25,956
Derivative Liabilities (-1.0%)*		(9,184)	(12,976)
Other assets less liabilities (0.5%)			<u>2,361</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			2,116,469

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

***Forward Foreign Currency Contracts (-0.6%)**
December 31

		Purchased Currency		Sold Currency				
Settlement		Value as at		Value as at	Unrealized		Counter-	
Date	Currency	December 31,	Currency	December 31,	Gain/(Loss)	Counterparty	Party Credit	Rating
		2017 (\$)		2017 (\$)	(\$)			
23-Jan-18	CAD	1,059,316	USD	(1,033,360)	25,956	BNY Capital Markets Inc.		A-1+
Total unrealized gain/loss of foreign currency contracts					25,956			

***Options Contracts (-0.4%)**
December 31

Contracts	Underlying Security – 100 shares per contract	Price	Expiry Date	Premium Received	Fair Value
			Written Options		
(2)	Ameriprise Financial Inc., Call Options	175.00	January 20, 2018	(277)	(311)
(11)	Bank of America Corporation, Call Options	30.00	January 20, 2018	(637)	(579)
(6)	BB&T Corporation, Call Options	52.50	January 20, 2018	(224)	(124)
(4)	Citigroup Inc., Call Options	77.50	January 20, 2018	(431)	(195)
(8)	Citizens Financial Group Inc., Call Options	40.00	January 20, 2018	(448)	(2,606)
(4)	Comerica Inc., Call Options	90.00	January 20, 2018	(600)	(476)
(10)	Fifth Third Bancorp, Call Options	32.00	January 20, 2018	(373)	(188)
(3)	First Republic Bank, Call Options	95.00	January 20, 2018	(629)	(56)
(21)	Huntington Bancshares Inc., Call Options	14.00	January 20, 2018	(407)	(1,868)
(3)	JPMorgan Chase & Company, Call Options	110.00	January 20, 2018	(328)	(244)
(16)	KeyCorp, Call Options	20.00	January 20, 2018	(1,069)	(1,283)
(2)	M&T Bank Corporation, Call Options	180.00	January 20, 2018	(355)	(226)
(2)	PNC Financial Services Group Inc., Call Options	150.00	January 20, 2018	(429)	(228)
(19)	Regions Financial Corporation, Call Options	16.00	January 20, 2018	(1,276)	(3,345)
(2)	SVB Financial Group, Call Options	240.00	January 20, 2018	(1,177)	(796)
(5)	US Bancorp, Call Options	56.00	January 20, 2018	(139)	(94)
(5)	Wells Fargo & Company, Call Options	62.50	January 20, 2018	(385)	(357)
Total Written Options				(9,184)	(12,976)

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact December 31, 2017
Evolve US Banks Enhanced Yield ETF	210,113

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

	Financial Instruments	Foreign Exchange Forward Contracts	Net currency exposure	+/-5% Impact
United States Dollar	2,091,310	(1,033,360)	1,057,950	52,898

Interest Rate Risk

As at December 31, 2017 the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

Portfolio by Category	% of Net Assets Attributable to Unitholders December 31, 2017
Equities	
Financials	99.3
Derivative Assets	1.2

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Derivative Liabilities	(0.6)
Other Assets, less Liabilities	0.1
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	2,101,128	–	–	2,101,128
Derivative Assets	–	25,956	–	25,956
Derivative Liabilities	(12,976)	–	–	(12,976)
Total	2,088,152	25,956	–	2,114,108

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	25,956	25,956	-	25,956
Total	25,956	25,956	-	25,956

The accompanying notes are an integral part of these financial statements.

Evolve US Banks Enhanced Yield ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

Hedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	50,000
Number of redeemable units outstanding - End of period	50,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	34,163
Non-capital losses (expiring in 2037)	-


Evolve Global Healthcare Enhanced Yield ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Investments, at fair value	3,307,997
Cash	1,868
Interest, dividends and other receivables	3,278
Derivative assets	42,535
	<u>3,355,678</u>
Liabilities	
Current Liabilities	
Derivative liabilities	5,887
Accrued expenses	1,746
	<u>7,633</u>
Net assets attributable to unitholders	<u>3,348,045</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>1,902,143</u>
Hedged Units	<u>1,445,902</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>19.02</u>
Hedged Units	<u>19.28</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve Global Healthcare Enhanced Yield ETF
Statement of Comprehensive Income
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Income	
Dividend income	7,284
Changes in fair value of investments	
Net realized gain (loss)	227
Net change in unrealized appreciation (depreciation)	(109,343)
Changes in fair value of derivative financial instruments	
Net realized gain (loss)	(15,189)
Net change in unrealized appreciation (depreciation)	45,778
Other income (loss)	
Net realized gain (loss) on foreign currency translations	2,097
Net change in unrealized appreciation (depreciation) on foreign currency translations	<u>(49)</u>
Total Income (Loss)	<u>(69,195)</u>
Expenses	
Management fees (Note 4)	2,359
Administrative fees (Note 4)	787
Foreign withholding taxes (Note 6)	770
Transaction costs (Note 2)	<u>658</u>
Total operating expenses	<u>4,574</u>
Increase (decrease) in net assets attributable to unitholders from operations	<u>(73,769)</u>
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	<u>(43,881)</u>
Hedged Units	<u>(29,888)</u>
Increase (decrease) in net assets attributable to unitholders per unit from operations	
Unhedged Units	<u>(0.57)</u>
Hedged Units	<u>(0.54)</u>

Evolve Global Healthcare Enhanced Yield ETF
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders from operations	
Unhedged Units	(43,881)
Hedged Units	(29,888)
	(73,769)
Distributions to unitholders from:	
Net investment income	
Unhedged Units	(889)
Hedged Units	(174)
	(1,063)
Return of capital	
Unhedged Units	(11,799)
Hedged Units	(8,889)
	(20,688)
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	1,958,712
Hedged Units	1,484,853
	3,443,565
Net increase (decrease) from redeemable unit transactions	3,443,565
Increase (decrease) in net assets attributable to unitholders for the period	3,348,045
Net assets attributable to unitholders - end of period	
Unhedged Units	1,902,143
Hedged Units	1,445,902
Net assets attributable to unitholders - end of period	3,348,045

The accompanying notes are an integral part of these financial statements.

Evolve Global Healthcare Enhanced Yield ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to unitholders from operations	(73,769)
Adjustments for:	
Change in unrealized foreign exchange (gain) loss on currency	1
Realized (gain) loss on investments	(227)
Realized (gain) loss on derivatives	15,189
Change in unrealized (appreciation) depreciation in the value of investments	109,343
Change in unrealized (appreciation) depreciation in the value of derivatives	(45,778)
Purchases of investments and derivatives ²	(10,428)
Proceeds from sale and maturity of investments and derivatives	19,061
(Increase) decrease in interest, dividends and other receivables	(3,278)
Increase (decrease) in accrued expenses	1,746
Net cash generated (used) by operating activities	<u>11,860</u>
 Cash Flows from Financing Activities	
Distributions paid to unitholders, net of reinvested distributions	(21,751)
Proceeds from sale of units ²	<u>11,760</u>
Net cash provided by (used in) financing activities	<u>(9,991)</u>
 Change in unrealized foreign exchange gain (loss) on currency	(1)
Net increase (decrease) in cash	1,870
End of period cash balance	1868

Supplemental Information:¹

Dividends received, net of foreign withholding taxes	3,236
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¹ Included as part of Cash Flows from Operating Activities

² Excludes in-kind transactions, if any.

Evolve Global Healthcare Enhanced Yield ETF
Schedule of Investment Portfolio
As at December 31, 2017

No. of Shares		Average Cost (\$)	Fair Value (\$)
Health Care (98.8%)			
2,513	Abbott Laboratories	177,845	179,694
1,512	AbbVie Inc.	183,769	183,213
749	Amgen Inc.	170,557	163,198
3,942	AstraZeneca PLC, ADR	169,284	171,388
3,889	Bayer AG, ADR	164,780	151,493
405	Biogen Inc.	169,430	161,657
2,105	Bristol-Myers Squibb Company	169,305	161,624
1,009	Celgene Corporation	146,147	131,935
1,589	Eli Lilly & Company	173,832	168,155
1,697	Gilead Sciences Inc.	167,623	152,325
3,347	GlaxoSmithKline PLC, ADR	162,601	148,748
1,009	Johnson & Johnson	180,773	176,638
1,769	Medtronic PLC	178,029	178,980
2,182	Merck & Company Inc.	167,046	153,839
1,603	Novartis AG, ADR	172,827	168,632
2,851	Novo Nordisk A/S, ADR	183,834	191,715
3,815	Pfizer Inc.	175,723	173,132
4,395	Roche Holding AG, ADR	167,063	173,902
2,740	Sanofi, ADR	163,610	147,623
715	Thermo Fisher Scientific Inc.	173,432	170,106
		<u>3,417,510</u>	<u>3,307,997</u>
Transaction Costs		<u>(170)</u>	<u>-</u>
Total Investments (98.8%)		<u>3,417,340</u>	<u>3,307,997</u>
Derivative Assets (1.3%)			42,535
Derivative Liabilities (-0.5%)*		(9,130)	(5,887)
Other assets less liabilities (0.4%)			<u>3,400</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS			3,348,045

The accompanying notes are an integral part of these financial statements.

Evolve Global Healthcare Enhanced Yield ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

***Forward Foreign Currency Contracts (-0.2%)**
December 31

Purchased Currency				Sold Currency			
Settlement Date	Currency	Value as at December 31, 2017 (\$)	Currency	Value as at December 31, 2017 (\$)	Unrealized Gain/(Loss) (\$)	Counterparty	Counter-Party Credit Rating
23-Jan-18	CAD	1,457,360	USD	1,421,652	35,708	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	134,616	GBP	132,257	2,359	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	148,925	CHF	146,750	2,175	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	135,440	EUR	134,032	1,408	BNY Capital Markets Inc.	A-1+
23-Jan-18	CAD	83,821	DKK	82,936	<u>885</u>	BNY Capital Markets Inc.	A-1+
Total unrealized gain/loss of foreign currency contracts					42,535		

***Options Contracts (-0.3%)**
December 31

Contracts	Underlying Security – 100 shares per contract	Price	Expiry Date	Premium Received	Fair Value
			Written Options		
(5)	Abbott Laboratories, Call Options	101.00	January 20, 2018	(649)	(207)
(9)	AbbVie Inc., Call Options	60.00	February 17, 2018	(680)	(541)
(2)	Amgen Inc., Call Options	185.00	January 20, 2018	(362)	(63)
(13)	AstraZeneca PLC, Call Options	34.50	January 27, 2018	(397)	(1,261)
(1)	Biogen Inc., Call Options	340.00	January 20, 2018	(600)	(182)
(7)	Bristol-Myers Squibb Company, Call Options	64.00	January 20, 2018	(909)	(439)
(3)	Celgene Corporation, Call Options	113.00	January 20, 2018	(713)	(143)
(6)	Eli Lilly & Company, Call Options	80.00	January 20, 2018	(675)	(68)
(11)	Gilead Sciences Inc., Call Options	36.00	January 20, 2018	(592)	(524)
(3)	GlaxoSmithKline PLC, Call Options	140.00	January 20, 2018	(619)	(496)
(5)	Johnson & Johnson, Call Options	87.50	January 20, 2018	(247)	(144)
(6)	Medtronic PLC, Call Options	85.00	January 20, 2018	(495)	(75)
(7)	Merck & Company Inc., Call Options	57.50	January 20, 2018	(279)	(272)
(10)	Novartis AG, Call Options	55.00	January 20, 2018	(502)	(501)

The accompanying notes are an integral part of these financial statements.

Evolve Global Healthcare Enhanced Yield ETF
Schedule of Investment Portfolio (continued)
As at December 31, 2017

(5)	Novo Nordisk A/S, Call Options	90.00	January 20, 2018	(26)	(25)
(13)	Pfizer Inc., Call Options	37.00	February 3, 2018	(494)	(602)
(9)	Sanofi, Call Options	45.00	January 20, 2018	(548)	(113)
(2)	Thermo Fisher Scientific Inc., Call Options	195.00	January 20, 2018	(343)	(231)
Total Written Options				(9,130)	(5,887)

Evolve Global Healthcare Enhanced Yield ETF
Fund Specific Notes to Financial Statements
December 31, 2017

Financial Instrument Risks (Note 3)

Market Price Risk

The table below summarize management's estimate of the effect on net assets of a 10% change in the Fund's value, as at December 31, 2017, with all other variables held constant:

Fund	+/-10% Impact
	December 31, 2017
Evolve Global Healthcare Enhanced Yield ETF	330,800

Currency Risk

The table that follows indicates the currencies to which the Fund had significant exposure as at December 31, 2017 based on the market value of the Fund's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable. It also illustrates the possible impact of a +/- 5% move in the Canadian dollar on the net assets of the Fund as at December 31, 2017.

	Financial Instruments	Foreign Exchange Forward Contracts	Net currency exposure	+/-5% Impact
United States Dollar	3,306,161	(1,421,652)	1,884,509	94,225
Danish Krone	—	(82,936)	(82,936)	(4,147)
Pound Sterling	—	(132,257)	(132,257)	(6,613)
Euro Currency	—	(134,032)	(134,032)	(6,702)
Swiss Franc	—	(146,750)	(146,750)	(7,338)
Total	3,306,161	(1,917,627)	1,388,534	69,427

Interest Rate Risk

As at December 31, 2017 the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments. Refer to the Schedule of Investment Portfolio for the foreign currency contracts' counterparty credit ratings.

Evolve Global Healthcare Enhanced Yield ETF
Fund Specific Notes to Financial Statements (continued)
December 31, 2017

Portfolio Concentration Risk

The Fund's significant concentrations by industry sector are as follows:

	% of Net Assets Attributable to Unitholders
Portfolio by Category	December 31, 2017
Equities	
Health Care	98.8
Derivative Assets	1.3
Derivative Liabilities	(0.2)
Cash and Cash Equivalents	0.1
	100.0

Fair Value Measurements

The following is the fair value measurement hierarchy based on the inputs used as at December 31, 2017 in valuing the Fund's financial assets and liabilities carried at fair value:

	Financial Assets (Liabilities) (\$)			
	Level 1	Level 2	Level 3	Total
Equities	3,307,997	–	–	3,307,997
Derivative Assets	–	42,535	–	42,535
Derivative Liabilities	(5,887)	–	–	(5,887)
Total	3,302,110	42,535	–	3,344,645

For the period ended December 31, 2017, there were no transfers of securities between Level 1 and Level 2. There were no level 3 securities at or during the period ended December 31, 2017.

Offsetting of Financial Instruments

The following table presents the gross amount of financial instruments that may be offset, or subject to enforceable master netting agreements or other similar agreements but that are not offset, as at December 31, 2017. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

Evolve Global Healthcare Enhanced Yield ETF
Fund Specific Notes to Financial Statements (continued)
 December 31, 2017

Financial assets and liabilities	Gross amounts of recognized financial assets/liabilities	Net amounts of financial assets/liabilities presented in the statement of financial position	Financial Instruments eligible for offset	Net amount
December 31, 2017				
Derivative assets	42,535	42,535	-	42,535
Total	42,535	42,535	-	42,535

Unit Transactions (Note 5)

The unitholder transactions for the period ended December 31, 2017 are as follows:

Unhedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	100,000
Number of redeemable units outstanding - End of period	100,000

Hedged Units

Number of redeemable units outstanding - Beginning of period	-
Issued	75,000
Number of redeemable units outstanding - End of period	75,000

Income Taxes (Note 6)

As at December 31, 2017, the Fund had the following capital and non-capital loss carryforward balances:

As at	December 31, 2017
Capital Loss Carryforwards	-
Non-capital losses (expiring in 2037)	66,171

Evolve Active Floating Rate Loan ETF
Statement of Financial Position
As at December 31, 2017
(in Canadian dollars, except for number of units)

	2017
	\$
Assets	
Current Assets	
Cash	40.00
	<u>40.00</u>
Liabilities	
Current Liabilities	-
Net assets attributable to unitholders	<u>40.00</u>
Net assets attributable to unitholders per class	
Unhedged Units	<u>20.00</u>
Hedged Units	<u>20.00</u>
Net assets attributable to unitholders per unit	
Unhedged Units	<u>20.00</u>
Hedged Units	<u>20.00</u>

Approved on behalf of the Board of Directors of Evolve Funds Group Inc., Manager and Trustee



Raj Lala
Chief Executive Officer & Director



Elliot Johnson
Chief Operating Officer & Director

Evolve Active Floating Rate Loan ETF**Statement of Comprehensive Income**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Income	
Other changes in fair value of investments	—
Net realized gain (loss)	—
Net change in unrealized appreciation (depreciation)	—
Other income	—
Net realized gain (loss) on foreign currency translations	—
Net change in unrealized appreciation (depreciation) on foreign currency translation	—
Total Income	<hr/> — <hr/>
Expenses	
Expenses	—
Total expenses	— <hr/>
Increase (decrease) in net assets attributable to unitholders	<hr/> — <hr/>
Increase (decrease) in net assets attributable to unitholders	
Unhedged Units	— <hr/>
Hedged Units	— <hr/>
Increase (decrease) in net assets attributable to unitholders per unit	
Unhedged Units	— <hr/>
Hedged Units	— <hr/>

Evolve Active Floating Rate Loan ETF**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

For the period ended December 31, 2017 (Note 1)

(in Canadian dollars, except for number of units)

	2017
	\$
Net assets attributable to unitholders - beginning of period	
Unhedged Units	—
Hedged Units	—
Net assets attributable to unitholders - beginning of period	—
Increase (decrease) in net assets attributable to unitholders	
Unhedged Units	—
Hedged Units	—
	—
Distributions to unitholders from:	
Net investment income	—
Unhedged Units	—
Hedged Units	—
	—
Return of capital	
Hedged Units	—
	—
Redeemable unit transactions:	
Proceeds from units issued	
Unhedged Units	20.00
Hedged Units	20.00
	40.00
Net increase (decrease) from redeemable unit transactions	40.00
Increase (decrease) in net assets attributable to unitholders for the period	40.00
Net assets attributable to unitholders - end of period	
Unhedged Units	20.00
Hedged Units	20.00
Net assets attributable to unitholders - end of period	40.00

The accompanying notes are an integral part of these financial statements.

Evolve Active Floating Rate Loan ETF**Statement of Cash Flows**

For the period ended December 31, 2017 (Note 1)
(in Canadian dollars, except for number of units)

	2017
	\$
<hr/>	
Cash Flows from Operating Activities	—
Net cash generated (used) by operating activities	<u>—</u>
 Cash Flows from Financing Activities	
Proceeds from sale of units ¹	<u>40.00</u>
Net cash provided by (used in) financing activities	<u>40.00</u>
 Net increase (decrease) in cash	40.00
End of period cash balance	40.00

¹Excludes in-kind transactions, if any.

Financial Instrument Risks (Note 3)

Market Price Risk

There are no investments held by the Fund. Therefore, market risk is not applicable to the Fund.

Interest Rate Risk

As at December 31, 2017 the majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not exposed to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

Liquidity Risk

The liquidity of the Fund is managed on a day-to-day basis in order to meet expenses and handle redemption of the Fund's redeemable units. As at December 31, 2017, the Fund did not have a significant amount of financial liabilities with maturities greater than three months.

Credit Risk

As at December 31, 2017, the Fund had no significant investments in fixed-income investments.

Notes to Financial Statements

For the period ended December 31, 2017

(In Canadian dollars, unless otherwise indicated)

1. ORGANIZATION

The Evolve ETFs (each a "Fund", collectively, the "Funds") are exchange-traded funds established on the establishment dates noted below as open-ended mutual fund trusts under the laws of the Province of Ontario pursuant to a master declaration of trust dated August 4, 2017 and as amended and restated from time to time. The units of the Funds are listed on the Toronto Stock Exchange ("TSX"). The address of the Funds' registered office is 161 Bay Street, Suite 2700, Toronto, Ontario, M5J 2S1.

The Sphere ETFs (each a "Fund" collectively, the "Funds") are exchange-traded funds established on the establishment dates noted below as open-ended mutual fund trusts under the laws of the Province of Ontario pursuant to a master declaration of trust dated March 30, 2016 and as amended and restated time to time. The units of the Funds are listed on the Toronto Stock Exchange ("TSX"). The address of the Funds' registered office is 161 Bay Street, Suite 2700, Toronto, Ontario, M5J 2S1.

Evolve Funds Group Inc. is now the manager on Sphere FTSE Cana Sustainable Yield Index ETF, Sphere FTSE Europe Sustainable Yield Index ETF and Sphere FTSE Emerging Markets Sustainable Yield Index ETF following the acquisition completed on January 12, 2018.

Actively managed ETFs

Fund Name	Class	TSX Ticker Symbol	Date of Establishment	Date of Commencement
Evolve Active US Core Equity ETF	Hedged Units	CAPS	August 14, 2017	October 16, 2017
Evolve Active US Core Equity ETF	Unhedged Units	CAPS.B	August 14, 2017	October 16, 2017
Evolve Active Short Duration Bond ETF	Hedged Units	TIME	August 14, 2017	October 16, 2017
Evolve Active Short Duration Bond ETF	Unhedged Units	TIME.B	August 14, 2017	October 16, 2017
Evolve Active Canadian Preferred Share ETF	Unhedged Units	DIVS	August 14, 2017	September 29, 2017
Evolve Active Floating Rate Loan ETF	Hedged Units	LOAN	August 14, 2017	N/A
Evolve Active Floating Rate Loan ETF	Unhedged Units	LOAN.B	August 14, 2017	N/A

Nuveen Asset Management, LLC is the sub-advisor for Evolve Active US Core Equity ETF and Evolve Active Short Duration Bond ETF.

Foyston, Gordon & Payne Inc. is the sub-advisor for Evolve Active Canadian Preferred Share ETF.

Index-tracking ETFs

Fund Name	Class	TSX Ticker Symbol	Date of Establishment	Date of Commencement
Evolve Cyber Security Index ETF	Hedged Units	CYBR	August 4, 2017	September 20, 2017
Evolve Cyber Security Index ETF	Unhedged Units	CYBR.B	August 4, 2017	September 20, 2017
Evolve North American Gender Diversity Index ETF	Hedged Units	HERS	August 4, 2017	September 20, 2017
Evolve North American Gender Diversity Index ETF	Unhedged Units	HERS.B	August 4, 2017	September 20, 2017
Evolve Automobile Innovation Index ETF	Hedged Units	CARS	August 4, 2017	September 29, 2017
Evolve Automobile Innovation Index ETF	Unhedged Units	CARS.B	August 4, 2017	September 29, 2017
Evolve Automobile Innovation Index ETF	Unhedged Units	CARS.U	August 4, 2017	October 3, 2017
Sphere FTSE Canada Sustainable Yield Index ETF	Unhedged Units	SHC	March 30, 2016	April 11, 2016

Sphere FTSE Europe Sustainable Yield Index ETF	Hedged Units	SHE	March 30, 2016	April 13, 2016
Sphere FTSE Emerging Markets Sustainable Yield Index ETF	Hedged Units	SHZ	March 30, 2016	September 29, 2016

Each index-tracking ETF seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad widely quoted market index.

Index-tracking ETF's with active covered call strategies

Fund Name	Class	TSX Ticker Symbol	Date of Establishment	Date of Commencement
Evolve US Banks Enhanced Yield ETF	Hedged Units	CALL	August 4, 2017	October 16, 2017
Evolve US Banks Enhanced Yield ETF	Unhedged Units	CALL.B	August 4, 2017	October 16, 2017
Evolve Global Healthcare Enhanced Yield ETF	Hedged Units	LIFE	August 4, 2017	October 25, 2017
Evolve Global Healthcare Enhanced Yield ETF	Unhedged Units	LIFE.B	August 4, 2017	October 25, 2017

Each index-tracking ETF with active covered call strategies seeks to track, to the extent reasonably possible and before fees and expenses, the performance of a broad widely quoted market index and in addition to provide the return of a strategy of selling call options against not more than 33% of the equity securities of any of the portfolios with the covered call strategies.

Evolve Funds Group Inc. (the "Manager") is the trustee, manager and investment manager of the Funds.

Except for Sphere FTSE Canada Sustainable Yield Index ETF, Sphere FTSE Europe Sustainable Yield Index ETF and Sphere FTSE Emerging Markets Sustainable Yield Index ETF, the information provided in the financial statements for the Funds is as at and for the period ended December 31, 2017. The Statement of Financial Position is as at December 31, 2017. The Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statement of Cash Flows are for the period from the date of establishment to December 31, 2017. For Sphere FTSE Canada Sustainable Yield Index ETF, Sphere FTSE Europe Sustainable Yield Index ETF and Sphere FTSE Emerging Markets Sustainable Yield Index ETF, the Statements of Financial Position are as at December 31, 2017 and 2016. The Statements of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows are for the year ended December 31, 2017 and the period from the date of establishment to December 31, 2016.

These financial statements were authorized for issuance by the Board of Directors of the Manager on March 29, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements are prepared on a going concern basis using historical cost, except for financial assets designated at fair value through profit or loss ("FVTPL"), which are measured at fair value. Derivatives are classified as held for trading which are measured at fair value. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders.

In applying IFRS, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting periods. Actual results may differ from such estimates.

The following is a summary of significant accounting policies followed by the Funds:

Classification and Recognition of Financial Instruments

In accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, financial assets and financial liabilities are classified at initial recognition into the following categories:

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at FVTPL is sub-divided into:

(i) Financial assets and liabilities classified as held-for-trading: Financial assets and liabilities are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. Derivatives and securities sold short held by the Funds are classified as held-for-trading and do not meet the definition of effective hedging instruments as defined by IAS 39. These investments are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

(ii) Financial instruments designated as FVTPL: All investments held by the Funds, excluding derivatives and securities sold short, are designated as FVTPL upon initial recognition. Investments in this category include equities, underlying funds, bonds and other interest-bearing investments. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in the Funds' prospectus.

Loans and receivables

Loans and receivables, other assets and liabilities (other than those classified as FVTPL) are measured at amortized cost and is an approximation of the fair value, including, cash, receivable from investments sold, interest, dividends and other receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as FVTPL. The Funds include in this category amounts relating to payables in respect of amounts payable on investments purchased, distributions payable to unitholders and accrued expenses.

A financial asset or a financial liability is recognized when a Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date. (i.e., the date that a Fund commits to purchase or sell the asset).

Measurement of Financial Instruments

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments are recognized directly in profit or loss.

Loans and receivables and other financial liabilities (other than those classified as held-for-trading) are measured initially at their fair value.

After initial measurement, the Funds measure financial instruments which are classified as FVTPL, at fair value. Subsequent changes in the fair value of those financial instruments (i.e. the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in unrealized appreciation (depreciation) in the value of investments. The applicable period change in unrealized appreciation (depreciation) of investments is included on the Statement of Comprehensive Income.

The average cost of portfolio investments represents the sum of the average cost of each portfolio investments. For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by a Fund is added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of shares sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per share of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of shares held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in net income and are presented as a separate expense item in the financial statements. Realized gains and losses from the sale of portfolio investments are also calculated based on the average costs, excluding transaction costs, of the related investment. Loans and receivables, other assets and liabilities (other than those classified as fair value through profit or loss) are measured at amortized cost.

The net asset value ("NAV") per unit of a Fund is calculated each day a Fund is open for business as of regularly scheduled close of regular trading on the TSX. NAV per unit per Fund is calculated by dividing the net assets of the Fund by the number of units outstanding of the Fund. Units of the Funds are being issued and sold on a continuous basis and there is no maximum number of units that may be issued. In calculating each class of the Funds' NAV, investments are valued under policies approved by the Board of Directors of the Manager. Equity securities (including preferred stock) listed or dealt in upon a stock exchange are valued at the last sale price or official closing price on the exchange or system on which they are principally traded when the price falls within the bid-ask spread range. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Foreign currency contracts are valued based on the difference between the value of the contract on the valuation date and the value on the date the contract was originated.

Classification of Redeemable Units

IAS 32 *Financial Instruments: Presentation*, requires that securities of the Funds, which are considered puttable instruments, be classified as either financial liabilities or equity instruments. Under IFRS, the units of the Funds which include contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset are classified as financial liabilities. The Funds' outstanding units include a contractual obligation to deliver cash or another financial asset on a Fund's fixed termination date, and therefore the ongoing redemption feature is not a Fund's only contractual obligation. Also, redemption of units at 95% of the closing price by unitholders gives rise to redemption value that is not substantially based on the NAV of the Funds. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements.

Fair Value Measurement

IFRS describes fair value as the price that each Fund would receive upon selling an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date. It established a three-tier hierarchy of inputs to be used when determining fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk — for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities at measurement date.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (including each Fund's assumptions in determining the fair value of investments).

The inputs or methodology used for valuation are not necessarily an indication of the risk associated with investing in those investments.

The Funds have included the fair value hierarchy in the Fund Specific Notes to Financial Statements.

Investment Transactions and Investment Income

Investment transactions are recorded as of the date that the securities are purchased or sold (trade date). Realized and unrealized gains and losses are calculated on an average cost basis. The cost of investments represent the amount paid for each security and is determined using the average cost method, excluding commissions and transaction costs. Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities, are shown as a separate line item in the Statement of Comprehensive Income and are not part of the cost of investments. Dividend income is recognized on the ex-dividend date, gross of any foreign taxes withheld. The interest

for distribution purposes shown on the Statement of Comprehensive Income represents the coupon interest received by the Funds accounted for on an accrual basis.

Foreign Currency Translation

The Funds' functional and presentation currency is the Canadian dollar. Canadian dollar is the currency of the primary economic environment in which it operates. The Funds' performance is evaluated and their liquidity is managed in Canadian dollars. Therefore, the Canadian dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Foreign currencies, as well as investment securities and other assets and liabilities denominated in foreign currencies, are translated into Canadian dollars using exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains and losses on investments are included as a component of net realized gain (loss) on sale of investments and change in unrealized appreciation (depreciation) of investments, respectively, on the Statement of Comprehensive Income. Net realized and unrealized foreign exchange gains or losses arising from sales of foreign currencies, including gains and losses on forward foreign currency contracts, currency gains or losses recognized between the trade and settlement dates on investment transactions, and the difference between the amounts of dividends and foreign withholding taxes recorded on the Funds' books and the Canadian dollar equivalent of the amounts actually received or paid are included in net realized gain (loss) on foreign currency contracts and foreign currency translations and/or change in unrealized appreciation (depreciation) of foreign currency contracts and foreign currency translations in the Statement of Comprehensive Income.

Forward Foreign Currency Contracts

A forward foreign currency contract ("Forward Contract") involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. These contracts are principally traded in the inter-bank market conducted directly between currency traders (usually large, commercial banks) and their customers. A Forward Contract generally does not require an initial margin deposit and no commissions are charged at any stage for trades. However, if a Fund is in an unrealized loss position on a Forward Contract, it may be required to pledge collateral (or additional collateral) to the counterparty.

Risks may arise upon entering into a Forward Contract from the potential inability of the counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currencies relative to the Canadian dollar.

A Forward Contract is valued at fair value of the gain or loss that would be realized on a valuation date if the positions was to be closed out.

Options Contracts

Premiums received from writing options are included in the Statements of Financial Position as a liability and subsequently adjusted to fair value. When a written option expires unexercised, the Funds will realize a gain equal to the premium received. When a written option is closed, the Funds will realize a gain or loss equal to the difference between the cost at which the contract was closed and the premium received.

Cash

Cash is comprised of cash on deposit with a Canadian financial institution and is stated at fair value.

Impairment of Financial Assets

At each reporting period, the Funds assess whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Funds recognize an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. An impaired asset is written off when collection efforts are no longer expected to yield further benefits. Impairment losses on a financial asset at amortized cost are reversed in subsequent periods if the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit

The increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units from operations by the weighted average number of units outstanding during the period.

Significant accounting judgments, estimates and assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts recognized in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(i) Judgements

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds' prospectus details the objective of providing investment management services to investors, which includes investing in equities, fixed income securities, private equity and property investments for the purpose of returns in the form of investment income and capital appreciation.

The Funds report to its investors via quarterly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Funds' financial statements. The Funds have a clearly documented exit strategy for all of its investments.

The Fund manager has also concluded that the Funds meet the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics changes.

3. FINANCIAL INSTRUMENT RISKS

The Funds' activities may expose them to a variety of financial risks associated with financial instruments, including market risk (foreign currency risk, interest rate risk and market price risk), concentration risk, credit risk and liquidity risk. The manager seeks to minimize potential adverse effects of these risks on the Funds' performance by employing professional, experienced portfolio managers, by daily monitoring of the Funds' position and market events, by diversifying the investment portfolio within the constraints of the investment objective and periodically, as appropriate, by using forward currency contracts to hedge certain risk exposures.

Details of each of the Fund's exposure to financial instrument risks are available in the Fund Specific Notes to Financial Statements, as applicable.

Concentration Risk

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Market Price Risk

Market price risk is the risk that the fair values of future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Manager mitigates this risk through the use of investment strategies that seek to minimize the Funds' tracking error versus market indexes within the parameters of the investment strategy. The maximum risk resulting from a financial instrument is equivalent to its fair value. The Funds' equities and debt are susceptible to other market risk arising from uncertainties about the future prices of the instruments.

Currency Risk

Currency risk arises from financial instruments that are denominated in foreign currencies. The Funds are exposed to the risk that the value of securities denominated in foreign currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

The Funds held securities, primarily equity instruments, denominated in foreign currencies during the reporting period. Other financial assets (including dividends, interest receivable and receivables for investments sold) and financial liabilities (including payable for investments purchased) that are denominated in foreign currencies do not expose the Funds to significant foreign exchange risk. The Funds may hedge its foreign currency exposure by entering into forward contracts to reduce foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the market value of the Fund's interest-bearing financial instruments will fluctuate due to changes in market interest rates.

Liquidity Risk

Liquidity risk is the possibility that investments in a fund cannot be readily converted into cash when required. The Funds will likely maintain sufficient liquidity to meet expenses and redemption of units by investing primarily in liquid securities. However, unexpected heavy demand for redemptions of units could result in the Funds having to dispose of investments at a time when it is not optimal in order to meet such redemption requests. To manage the Funds' overall liquidity and enable the Funds to meet its obligations, the assets of the Fund are invested primarily in securities that are traded on active markets and that the Funds manager believes can be readily disposed of through market facilities under normal circumstances. Additionally, sufficient cash and cash equivalents are maintained to fund anticipated cash redemptions.

Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. To help manage the credit risk of the Funds, the manager carefully monitors the creditworthiness and operational robustness of counterparties that conduct transactions on behalf of the Funds.

Generally, the greater the credit rating of a security, the lower the probability of the issuer defaulting on its obligations.

Credit ratings for preferred shares are obtained from Dominion Bond Rating Services and Standard & Poor's. A rating of P1 is of superior credit quality, and is supported by entities with strong earnings and balance sheet characteristics. P2 is of satisfactory credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet and coverage ratios are not as strong as P1 rated companies. P3 is of adequate credit quality. While protection

of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection.

Credit ratings for fixed income securities are obtained from Standard & Poor's. An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation. An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation. An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.

Offsetting Financial Instruments

Each Fund's risk of loss from counterparty credit risk on over-the-counter ("OTC") derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund. The Fund attempts to mitigate counterparty risk by only entering into agreements with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

For financial reporting purposes, financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position.

In order to better define its contractual rights and to secure rights that will help a Fund mitigate its counterparty risk, a Fund may enter into an International Swaps and Derivatives Association, Inc. Master Agreement ("ISDA Master Agreement") or similar agreement with its counterparties.

4. RELATED PARTY TRANSACTIONS

Administrative Fees

Each Fund below will pay the Manager administration fee as set forth in the table below based on the average daily NAV of the units of the Funds to pay for expenses incurred during the day-to-day operating of the funds. The below specified fees are the same for all classes per fund where applicable. The administration fee, plus applicable taxes, will be accrued daily and paid monthly in arrears. Administrative Fees are the same for all classes on a fund level.

Fund Name	Administration Fee (annual rate)
Evolve Active US Core Equity ETF	0.15% of NAV
Evolve Active Short Duration Bond ETF	0.15% of NAV
Evolve Active Canadian Preferred Share ETF	0.15% of NAV
Evolve Cyber Security Index ETF	0.15% of NAV
Evolve North American Gender Diversity Index ETF	0.15% of NAV
Evolve Automobile Innovation Index ETF	0.15% of NAV
Evolve Active Floating Rate Loan ETF	0.15% of NAV
Evolve US Banks Enhanced Yield ETF	0.15% of NAV
Evolve Global Healthcare Enhanced Yield ETF	0.15% of NAV

Sphere FTSE Canada Sustainable Yield Index ETF, Sphere FTSE Europe Sustainable Yield Index ETF and Sphere FTSE Emerging Markets Sustainable Yield Index ETF will pay for all of their operating Expenses. Unless otherwise waived or reimbursed by the Manager or an affiliate of the Manager, and subject to compliance with NI 81-102, including but not limited to: the applicable management fee, fees payable to the custodian, the registrar and transfer agent, the fund administrator, the auditors and other service providers retained by the Manager, expenses related to

the implementation and on-going operation of the IRC, brokerage expenses and commissions, any costs associated with the printing and distribution of any documents that the securities regulatory authorities require be sent or delivered to purchasers of units of the Fund, the fees under any derivative instrument used by the Fund, the cost of complying with governmental or regulatory requirements introduced after the establishment of the applicable Fund; extraordinary expenses, any GST/HST on those expenses and any income, withholding or other taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by a Fund.

Subsequent to the acquisition on January 12, 2018, a fixed administration fee is applied that results in a cap on certain operating expenses of 0.15% of net asset value in respect of Sphere FTSE Canada Sustainable Yield Index ETF, and Sphere FTSE Europe Sustainable Yield Index ETF and 0.25% of net asset value in respect of Sphere FTSE Emerging Markets Sustainable Yield Index ETF.

Management Fees

Each Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the units of the Funds. Management Fees are the same for all classes on a fund level. The Manager, in its capacity as manager of each Fund, manages the day-to-day business of each Fund, including negotiating contractual agreements with service providers and preparing reports to Unitholders and securities regulatory authorities. The management fee, plus applicable taxes, will be accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time. Expense payable to the Manager and receivable on expense waived by the Manager are disclosed in the Statement of Financial Position.

Fund Name	Management Fee (annual rate)
Evolve Active US Core Equity ETF	0.70% of NAV
Evolve Active Short Duration Bond ETF	0.70% of NAV
Evolve Active Canadian Preferred Share ETF	0.65% of NAV
Evolve Cyber Security Index ETF	0.40% of NAV
Evolve North American Gender Diversity Index ETF	0.40% of NAV
Evolve Automobile Innovation Index ETF	0.40% of NAV
Sphere FTSE Canada Sustainable Yield Index ETF	0.54% of NAV
Sphere FTSE Europe Sustainable Yield Index ETF	0.54% of NAV
Sphere FTSE Emerging Markets Sustainable Yield Index ETF	0.54% of NAV
Evolve Active Floating Rate Loan ETF	0.75% of NAV
Evolve US Banks Enhanced Yield ETF	0.45% of NAV
Evolve Global Healthcare Enhanced Yield ETF	0.45% of NAV

Notes:

1. The management fee is exclusive of applicable GST/HST.
2. The management fee for Sphere FTSE Canada Sustainable Yield Index ETF was lowered from 0.54% to 0.45% of NAV on January 15th, 2018 following the change in manager from Sphere Investments Inc. to Evolve Funds Group Inc.
3. The management fee for Sphere FTSE Europe Sustainable Yield Index ETF was lowered from 0.54% to 0.50% of NAV on January 15th, 2018 following the change in manager from Sphere Investments Inc. to Evolve Funds Group Inc.

The Manager may, in its discretion, agree to charge a reduced management fee as compared to the management fee that it otherwise would be entitled to receive from the Fund, provided an amount equal to the difference between the management fee otherwise chargeable and the reduced management fee is distributed periodically by the Fund to the applicable unitholders as a management fee distribution.

Costs and expenses payable by the Manager, or an affiliate of the Manager, include the initial organization costs of each of the Funds and the costs of the preparation and filing of the preliminary prospectus and initial prospectus.

5. REDEEMABLE UNITS

The market price quoted on the TSX per unit as at December 31, 2017 is presented in the following table:

Fund Name	TSX Ticker Symbol	Market Price as at December 31, 2017
Evolve Active US Core Equity ETF	CAPS	20.96
Evolve Active US Core Equity ETF	CAPS.B	21.17
Evolve Active Short Duration Bond ETF	TIME	19.65
Evolve Active Short Duration Bond ETF	TIME.B	19.83
Evolve Active Canadian Preferred Share ETF	DIVS	20.68
Evolve Cyber Security Index ETF	CYBR	21.09
Evolve Cyber Security Index ETF	CYBR.B	21.70
Evolve North American Gender Diversity Index ETF	HERS	21.48
Evolve North American Gender Diversity Index ETF	HERS.B	21.66
Evolve Automobile Innovation Index ETF	CARS	21.02
Evolve Automobile Innovation Index ETF	CARS.B	21.28

Fund Name	TSX Ticker Symbol	Market Price as at December 31, 2017
Evolve Automobile Innovation Index ETF	CARS.U	24.09
Sphere FTSE Canada Sustainable Yield Index ETF	SHC	12.29
Sphere FTSE Europe Sustainable Yield Index ETF	SHE	11.45
Sphere FTSE Emerging Markets Sustainable Yield Index ETF	SHZ	10.96
Evolve US Banks Enhanced Yield ETF	CALL	21.16
Evolve US Banks Enhanced Yield ETF	CALL.B	21.36
Evolve Global Healthcare Enhanced Yield ETF	LIFE	19.34
Evolve Global Healthcare Enhanced Yield ETF	LIFE.B	19.11
Evolve Active Floating Rate Loan ETF	LOAN	N/A
Evolve Active Floating Rate Loan ETF	LOAN.B	N/A

Each Fund is authorized to issue an unlimited number of redeemable, transferable units, each of which represents an equal, undivided interest in the net assets of that Fund. The units of the Funds are denominated in Canadian dollars.

All units of a Fund have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by a Fund to unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and distributions upon the termination of the Fund. Any special distributions payable in units of a Fund will increase the aggregate adjusted cost base of a unitholder's units. Immediately following payment of such a special distribution in units, the number of units of that Fund outstanding will be automatically consolidated such that the number of units that each unitholder will hold after such distribution will be equal to the number of units held by such unitholder immediately prior to such distribution, except in the case of a non-resident unitholder to the extent tax is required to be withheld in respect of the distribution. Capital gains distributions are automatically reinvested in additional units of the Fund, which are immediately consolidated so that the NAV per unit remains unchanged. Units are issued only as fully-paid and are non-assessable.

On any trading day, unitholders may exchange the prescribed number of units (or an integral multiple thereof) for baskets of securities and/or cash.

On any trading day, unitholders may redeem units of any Fund for cash at a redemption price per unit equal to 95% of the closing price for the applicable units on the TSX on the effective day of redemption, subject to a maximum redemption price per unit equal to the NAV per unit on the effective day of redemption. A right to redeem units of a Fund may be suspended with the approval of the Canadian Securities Administrators.

Transactions in units for each Fund are disclosed in the Fund Specific Note to Financial Statements. The consideration for the purchase of creation units of a Fund generally consists of the in-kind contribution of a designated portfolio of equity securities constituting a portfolio sampling representation of the securities included in the relevant Fund's underlying Index and an amount of cash. Investors purchasing and redeeming creation units may be charged a purchase transaction fee and a redemption transaction fee to offset transfer and other transaction costs associated with the issuance and redemption of creation units.

Units issued and outstanding are considered to be capital of the Funds. The Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Funds' prospectus. The capital received by a Fund is managed to achieve its investment objective of the Fund while maintaining liquidity to satisfy unitholder redemptions.

6. INCOME TAXES

The Funds, except for Evolve Active US Core Equity ETF, Evolve Active Short Duration Bond ETF and Evolve Global Healthcare Enhanced Yield ETF, qualify or intends to qualify as mutual fund trusts, under the provisions of the Income Tax Act (Canada) ("Act"). As at December 31, 2017, Evolve Active US Core Equity ETF, Evolve Active Short Duration Bond ETF and Evolve Global Healthcare Enhanced Yield ETF are considered to be financial institutions under the "Act" and are therefore subject to the mark-to-market rules with respect to their investments that qualify as 'mark to market property' under the Act. As a result, all realized gains and losses, and changes in unrealized gains and losses, with respect to mark-to-market property are taxed as income on a yearly basis.

It is the intention of each Fund to distribute all of its net investment income and sufficient net realized capital gains so that the Funds will not be subject to income taxes. As a result, the Funds do not record income taxes, hence the tax benefit of capital and non-capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset. The taxation year-end for the Funds is December 15, 2017, except for Evolve Active US Core Equity ETF, Evolve Active Short Duration Bond ETF and Evolve Global Healthcare Enhanced Yield ETF, which have taxation year-end of December 31, 2017.

Capital losses and non-capital losses available in the Funds are presented in the Fund Specific Notes to Financial Statements, as applicable. Capital losses may be carried forward indefinitely and used to reduce future realized capital gains. Non-capital losses may be used to reduce future net income and capital gains for up to twenty years. The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income.

Occasionally, distributions by the Funds will exceed the net investment income and taxable capital gains realized by the Funds. To the extent that the excess is not designated by the Funds to be income for Canadian tax purposes and taxable to holders of redeemable units, this excess distribution is a return of capital and is not immediately taxable to unitholders.

7. RECENT ACCOUNTING PRONOUNCEMENTS

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement and is effective for annual periods beginning on or after January 1, 2018, with early application permitted. IFRS 9 brings together three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Funds will adopt IFRS 9 for annual periods beginning January 1, 2018. Based on the Funds' business model and contractual cash flow characteristics, the Manager anticipates that all portfolio investments will continue to be measured at fair value. As the Funds do not apply hedge accounting and primarily all financial instruments are measured at fair value, the Manager expects no significant impact on the Funds' net assets and results of operations on adoption of IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers establishes a five-step model to account for revenue arising from contracts with customers and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Given that primarily all of the revenue streams of the Funds fall outside of the scope of IFRS 15, the Manager has assessed that there is minimal impact to the financial statements arising on the adoption of this standard.