



Sphere FTSE Europe Sustainable Yield Index ETF

2017 ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-800-764-0526, by writing to us at Sphere Investments, 161 Bay Street, Suite 2820, Toronto, ON, M5J 2S1 or by visiting our website at www.spheretfs.com or SEDAR at www.sedar.com. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Management Discussion of Fund Performance

For the year ended December 31, 2017

Investment Objectives and Strategies

The Sphere FTSE Europe Sustainable Yield Index ETF (the "Fund") seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of the FTSE Developed Europe Sustainable Yield 150 10% Capped 100% Hedge CAD Index (the "Benchmark"), or any successor thereto. The Fund invests directly or indirectly in up to 150 equity securities of public issuers from countries within the region classified by FTSE as developed Europe, exhibiting relatively high and sustainable yields, as at the time of reconstitution or balancing.

Risks

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

Results of Operations

The Fund's units commenced trading on April 13, 2016 with initial net asset value of \$10.00 and subscriptions totaling \$2 million. For the year ended December 31, 2017, the Fund's net asset value per unit returned 10.89 %. This compares to the Benchmark, which returned 12.42 % for the same period. The difference in the performance of the Fund relative to the Benchmark can be attributed primarily to the management fees and expenses incurred by the Fund, as well as the cost of portfolio trading and hedging strategies. The Fund's net assets were \$ 20.457 MM as at December 31, 2017.

Portfolio Manager Commentary

While elections in France, Italy and the Netherlands went as expected, Germany provided the only other real market turbulence after Angela Merkel's ruling party took its lowest share of the vote since 1949. The result was no party taking an outright majority leading to some initial market jitters. Business and consumer confidence improved across the region and corporate earnings put in a strong single-digit growth in 2017. Returns coming from the financial and industrials sectors contributed the most to the Index.

As the composition of the Fund's portfolio is based on replicating the constituents of the Benchmark, macro-economic, political and market movements do not have a direct impact on the Fund's investment strategy.

Recent Developments

The fund is now managed by Evolve Funds Group Inc. following the acquisition that took place on January 12, 2017.

Related Party Transactions

The fund is now under the Management of Evolve Fund Group Inc. following the acquisition of the fund completed on January 12, 2017. The manager does not have an RPT with an affiliate of Canaccord Genuity. Manager complies with its current policy and procedures regarding investments in related issuers and reports periodically to the Investment Review Committee.

Management Fees

The management fees are calculated based on 0.54% per annum of the average daily net asset value of the Fund. The fees are accrued daily and are generally paid quarterly. For the period ended December 31, 2017, the Fund incurred \$87,392 in management fees. These management fees were received by Sphere Investment Management Inc. for the day-to-day operation of the fund, including managing the portfolio, maintaining portfolio systems used to manage the Fund, maintaining the www.sphereetfs.com/ca website, and providing all other services including marketing and promotion.

Financial Highlights

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

The Fund's Net Assets Per Unit¹

	Year ended December 31, 2017	Period from March 30, 2016* to December 31, 2016
Net assets per Unit, beginning of year	10.60	10.00
Increase (decrease) from operations		
Total investment income	0.36	0.22
Total expenses	(0.08)	(0.05)
Realized gains (losses) for the year	(0.02)	0.41
Unrealized gains (losses) for the year	0.56	0.27
Total increase (decrease) from operations²	0.82	0.85
Distributions		
From income (excluding dividends)	(0.15)	(0.17)
From dividends	-	-
From capital gains	(0.04)	(0.44)
Return of capital	(0.16)	-
Total annual distributions ³	(0.35)	(0.61)
Net assets per Unit, at end of year	11.36	10.60

Ratios and Supplemental Data	Year ended December 31, 2017	Period from March 30, 2016* to December 31, 2016
Total net asset value (000's) ⁴	20,457	3,181
Number of units outstanding (000's) ⁴	1,800	300
Management expense ratio ^{5,6}	0.71%	0.71%
Management expense ratio before waivers or absorptions ⁵	1.67%	6.75%
Portfolio turnover rate ⁷	36.11%	28.99%
Trading expense ratio ⁸	0.33%	0.50%
Net asset value per unit	11.36	10.60
Closing market price	11.45	10.57

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* Date of establishment

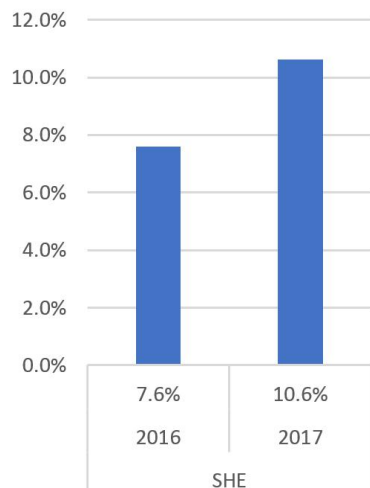
1. This information is derived from the Fund's audited annual financial statements.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the year.
3. Distributions were paid in cash or reinvested in additional units of the Fund, or both. Actual distributions may vary slightly owing to rounding.
4. This information is provided as at December 31 of the year shown.
5. Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the year. This information is provided as at December 31 of the year shown.
6. The Manager, at its discretion, absorbed certain expenses otherwise payable by the Fund. The Manager may change the amount absorbed or discontinue absorbing these expenses at any time without notice.
7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.
8. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average daily net assets during the period.

Past Performance

The performance information does not take into account sales, redemption, distribution or other optional charges that, if applicable, would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart below shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made in the Fund on the first day would have grown or decreased by the last day of the period.



Annual Compound Return

The table shows the historical annual compound total return of the Fund is listed below. The returns are for period ended December 31, 2017. For a discussion of the relative performance of the Fund as compared to the index, please refer to the “Results of Operations” section in the “Management Discussion of Fund Performance”.

	Since Inception*	1 Year
The Fund	9.7%	10.9%
FTSE Developed Europe Sustainable Yield 150 10% Capped 100% Hedge CAD Index	11.8%	12.4%

*From inception date of April 13, 2016.

Summary of Investment Portfolio

As at December 31, 2017

Top 25 Positions

Security	% of Net Asset Value
Nestlé SA	7.7
Roche Holding AG	5.3
Total SA	3.5
Siemens AG	3.1
Banco Santander, SA	3.0
Allianz SE	3.0
BASF SE	2.9
Sanofi	2.7
AstraZeneca PLC	2.5
Unilever NV CVA	2.5
BNP Paribas SA	2.3
Lloyds Banking Group PLC	1.9

Rio Tinto PLC	1.9
Deutsche Telekom AG	1.7
Banco Bilbao Vizcaya Argentaria SA	1.7
ABB, Ltd.	1.5
ENEL - SPA	1.4
VINCI SA	1.4
Zurich Insurance Group AG	1.3
Deutsche Post AG	1.3
Schneider Electric SE	1.3
Iberdrola SA	1.3
Telefonica SA	1.2
Eni SPA	1.2
Imperial Brands PLC	1.2
Total	58.8

Country Allocation

Country	% of Net Asset Value
Austria	1.0
Belgium	1.1
Denmark	1.7
Finland	1.5
France	19.2
Germany	17.4
Italy	4.7
Jersey	0.7
Netherlands	5.9
Norway	1.0
Portugal	0.2
Spain	9.4
Sweden	3.7
Switzerland	18.8
United Kingdom	14.3
Cash	0.4
Other assets and liabilities	(1.0)
Total	100.0

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